InterNetX

E-Paper

Domain reselling. Opportunities. Risks. Tasks.



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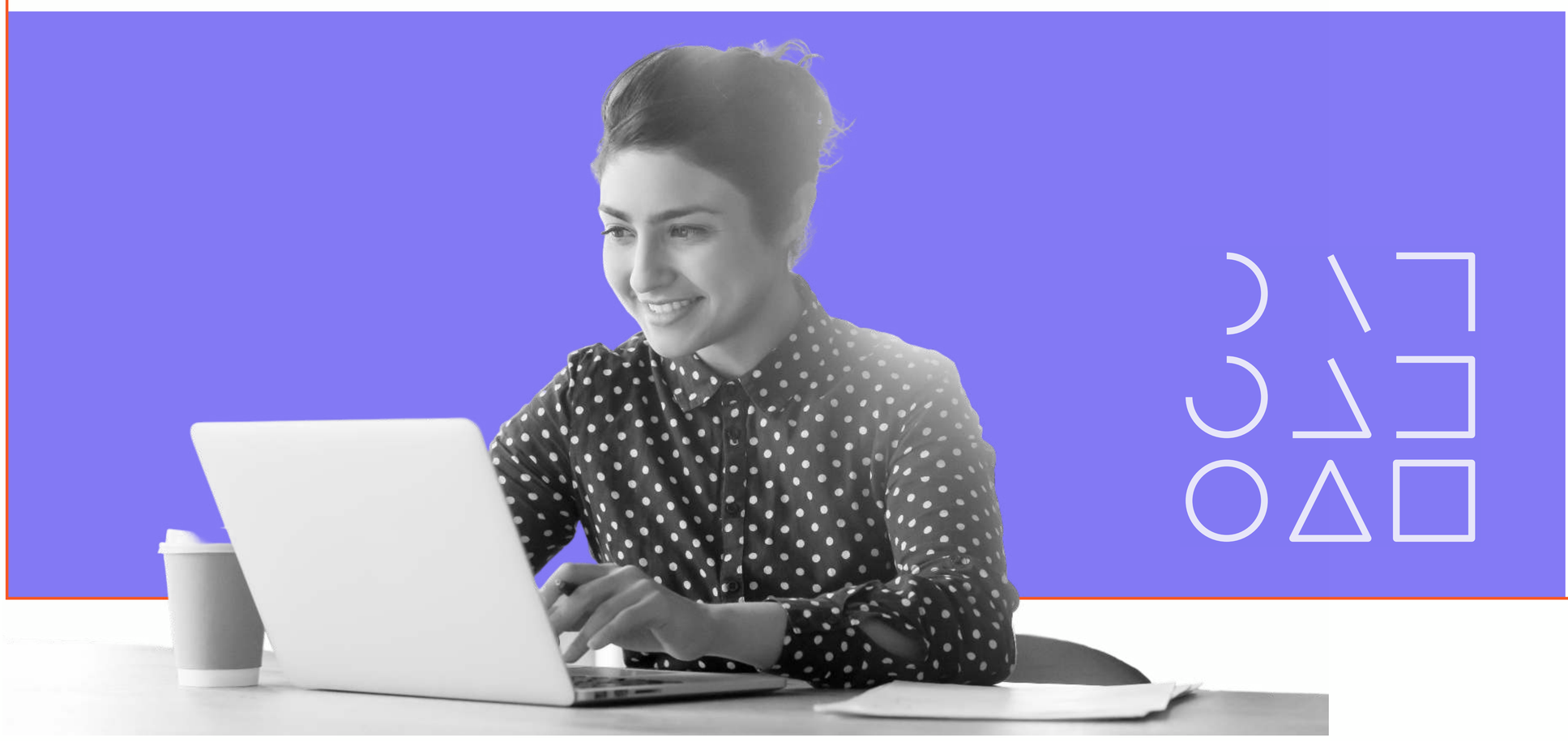
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Executive summary

Domain reselling offers many IT professionals profitable opportunities to expand their own product portfolio and increase turnover and profit margins with ease. Hosters, MSPs, IT system houses, agencies as well as professional resellers can achieve profits through domain sales and/or domain management for their customers. However, their **needs** and **pain points** with regard to entering the reselling business and getting established are fundamentally different.

A successful business is always more than simply the sum of its components. Product assortment, attractive conditions, reliability, know-how, stable systems and experts who can provide support for technical questions or potential bugs are all important factors for success. The most suitable registrar partner should also be selected carefully – ideally using an evaluation matrix – so that the product offering is optimally aligned with the target groups from the start.

Thanks to ready solutions for the entire customer cycle, the actual realization of one's own domain business, from setting up a reseller account to the first domain registration, is usually less complicated than many assume. However, a strategic approach and the right setup are also required.

This e-paper introduces various business models with domains as core and secondary products and examines the processes behind them.

The following questions are addressed:

- What potential does domain reselling offer and which opportunities does it present?
- What do potential business cases look like?
- Which challenges and risks does domain reselling hold?
- Which tasks must be taken into consideration and accomplished?
- Which factors are decisive when selecting a provider?

The domain business is multifaceted and the market is volatile. It offers **niches and investment potential** on different levels. Finding and successfully occupying these for one's own domain business requires a strategic approach. DNS and domain management is technically complex, which poses certain risks when entering the market. Founders and retailers must be aware of these risks and assess them in advance.

Read on to find out what potential business cases could look like and which tasks must be accomplished in order to operate your business as efficiently as possible with regard to costs and resources.



CHAPTER
01

Domain reselling. What it means to resell domains.

Reselling takes place in many different niches. Resellers are positioned on the global markets for an extremely wide range of goods – in our case, it's all about domains and domain services.

Registrars or **domain providers** can therefore be found in both B2C and B2B segments. They not only offer domains for registration to end customers, but also to domain brokers. Resellers handle the customer communication and processing and outsource the domain management to the protective cover of the provider's systems.

Many **domain resellers** only register domains when customers place an order and add their regular margin to the registration fee. The person or organization placing the order is usually specified as the domain owner at the registry. After the registration, the domain reseller handles the subsequent domain management and acts as the middleman between the registrar and the domain owner.

On the other hand, **domain investors** register specific domains for which they expect an increase in value. They keep potentially promising domains in order to sell them at a profit later on.

In order to shed more light on the specific concept of domain reselling, we take a detailed look at the domain allocation process and clarify which parties and participants play a central role in it.

Reselling refers to the sale of goods or services to other sellers.

Retailing is aimed at the end consumer. The term is used for classic retail trade. **Retailers** acquire goods from producers, create a range of products and sell them to end customers with a profit margin.

Drop shipping refers to the process whereby suppliers do not store goods themselves. On customer request, goods are ordered directly via wholesalers in the supplier network and are delivered directly to the customer.

How are domains allocated?

For generic top-level domains (gTLDs), the non-profit organization ICANN (Internet Corporation for Assigned Names and Numbers) is at the top of the allocation process. The management of country-code top-level domains (ccTLDs) is in the hands of commercial organizations, non-profit cooperatives (like DENIC eG), university management centers or state-run registries.

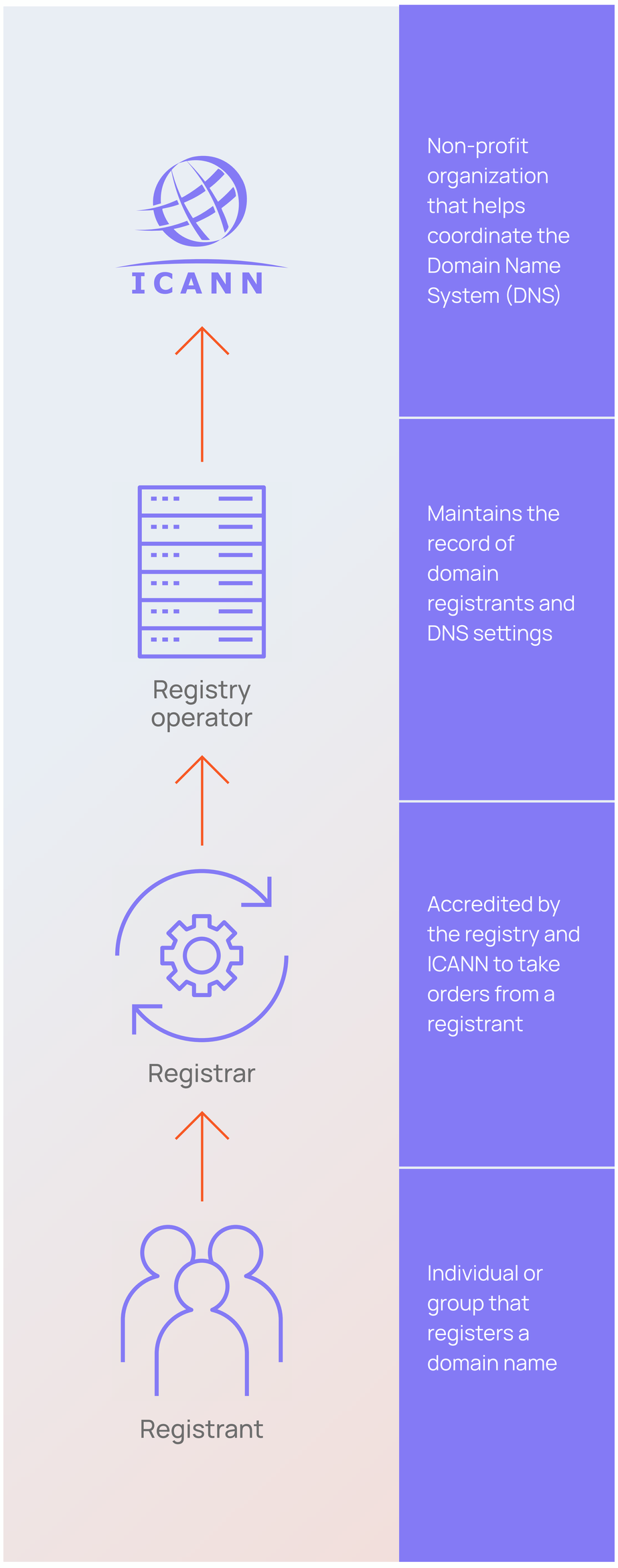
Domain registrations for gTLDs are not managed directly by ICANN. This task is undertaken by authorized partners, referred to as Network Information Center (NIC) or the more common term **domain name registry.** Every domain extension is exclusively controlled by one **registry.** Every registry, however, can manage several extensions.
The registry operates the name server of the respective TLD. All domains under the relevant domain extension and the corresponding IP addresses are accessed via the name server. The registry is also responsible for the WHOIS service.

WHOIS service

A WHOIS service can be used to find out whether a domain is still available for registration or when it was allocated and which status it has. Subject to data protection restrictions, the WHOIS protocol also lists information about the domain owner and the registrar. The service is offered by the individual registries.
The WHOIS service of the IANA is made available via the WHOIS protocol on port 43. This web gateway queries this server and provides the results. Accepted queries are domain names, IP addresses and AS numbers.

With a few exceptions, registries do not accept registration orders from end customers. The direct contact to future domain owners and the administrative tasks of allocation are carried out by the registrar.

Registrars i.e. domain providers must be accredited by the individual registries. As registered partners, they provide the backend as well as a control panel (= user interface) for domain management, over which interested parties can register and manage domains. This makes registrars the first point of contact and the business partner for domain resellers if they want to avoid the lengthy accreditation process with each individual registry.



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Who can benefit from domain reselling?

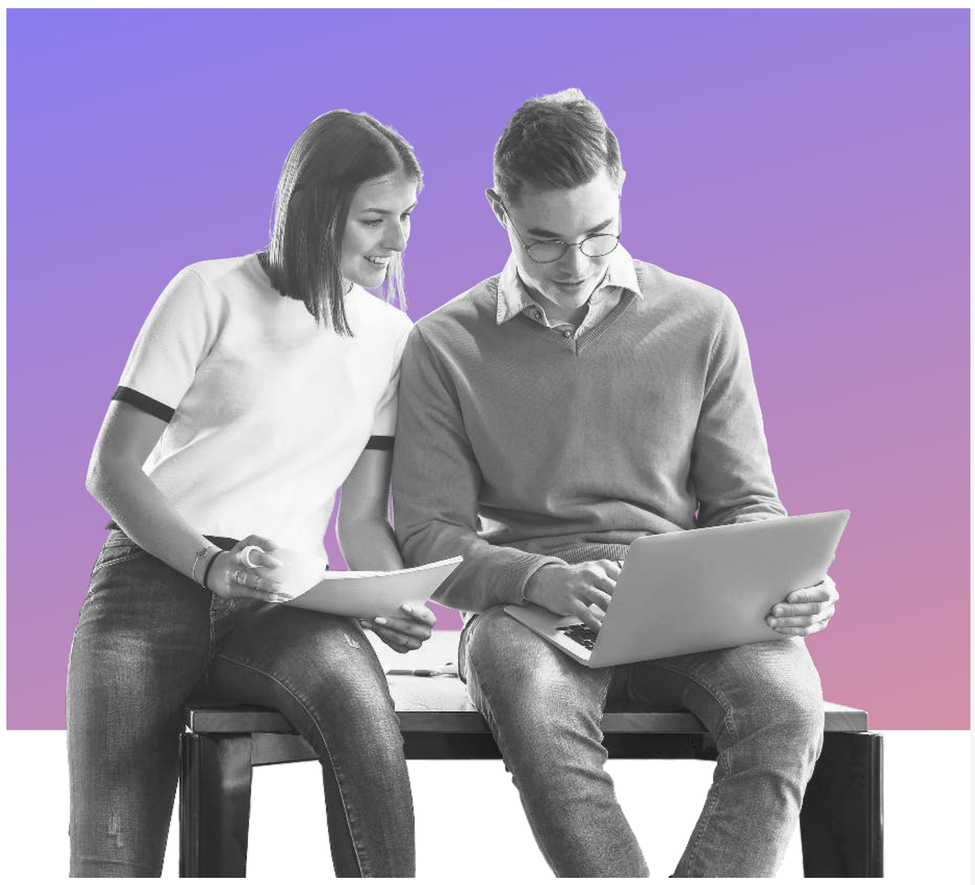
Who are the customers and buyer personas of registrars? Or perhaps more apt, for which companies can domain reselling prove to be a lucrative business?
In this section, we will concentrate on four exemplary types of resellers whose business models intersect with domain reselling.

Agencies

SaaS providers

Domain resellers / MSPs

Domain investors



Agencies

In connection to domain reselling, the focus is predominantly on **agencies** in the marketing sector, with web and advertising agencies providing conventional examples. These days, there are also many agencies that specialize in hosting, SEO, link building, domain management etc. They register domains for customer projects and usually pass them on to companies and the end customer in combination with other service packages.

However, some agencies are explicitly specialized in domain management. They handle the domain management for large corporations and big companies that outsource their domain portfolio management to experts due to the sheer size of their domain portfolio, due to the lack of inhouse capacity or in order to implement risk management.

Domain investors

Domain investors purposefully register new domains or buy existing ones. They aim to acquire the potentially most valuable names and sell them at a profit later on. They generally monitor the international market development, current trends and events and buy appropriate domains as investments. The first-come, first-served principle applies here. After registration, the investors either approach prospective buyers directly or offer their domains on specialized trading platforms like SedoMLS.

If a buyer is found, the domain is transferred with the help of a trustee service. The buyer is then specified as the domain owner and is responsible for the purchased domain name.

Both the domain investor and domain reseller buy and sell domains with the objective of maximizing their profit. **Domain resellers,** however, only register domains after receiving a definite order.



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Domain resellers / MSPs

“Conventional” domain resellers usually operate their own registration portal with its own domain search, own branding and marketing. Many also provide these IT services as a Managed Service Provider (MSP). In order to make their offerings attractive, many MSPs offer additional services like **tools for domain management,** DNS services, domain protection against third-party access and TLS/SSL certificates for website, mail service or web server administration protection. Domain resellers generally place a lower sales margin on registration fees than domain investors.

A B2C reseller will generally demand the same registration fee for registrations under a specific TLD – with the exception of high-value premium domains. By contrast, a domain investor evaluates the value of each domain individually and sets a specific price for each individual domain accordingly.



Premium domains

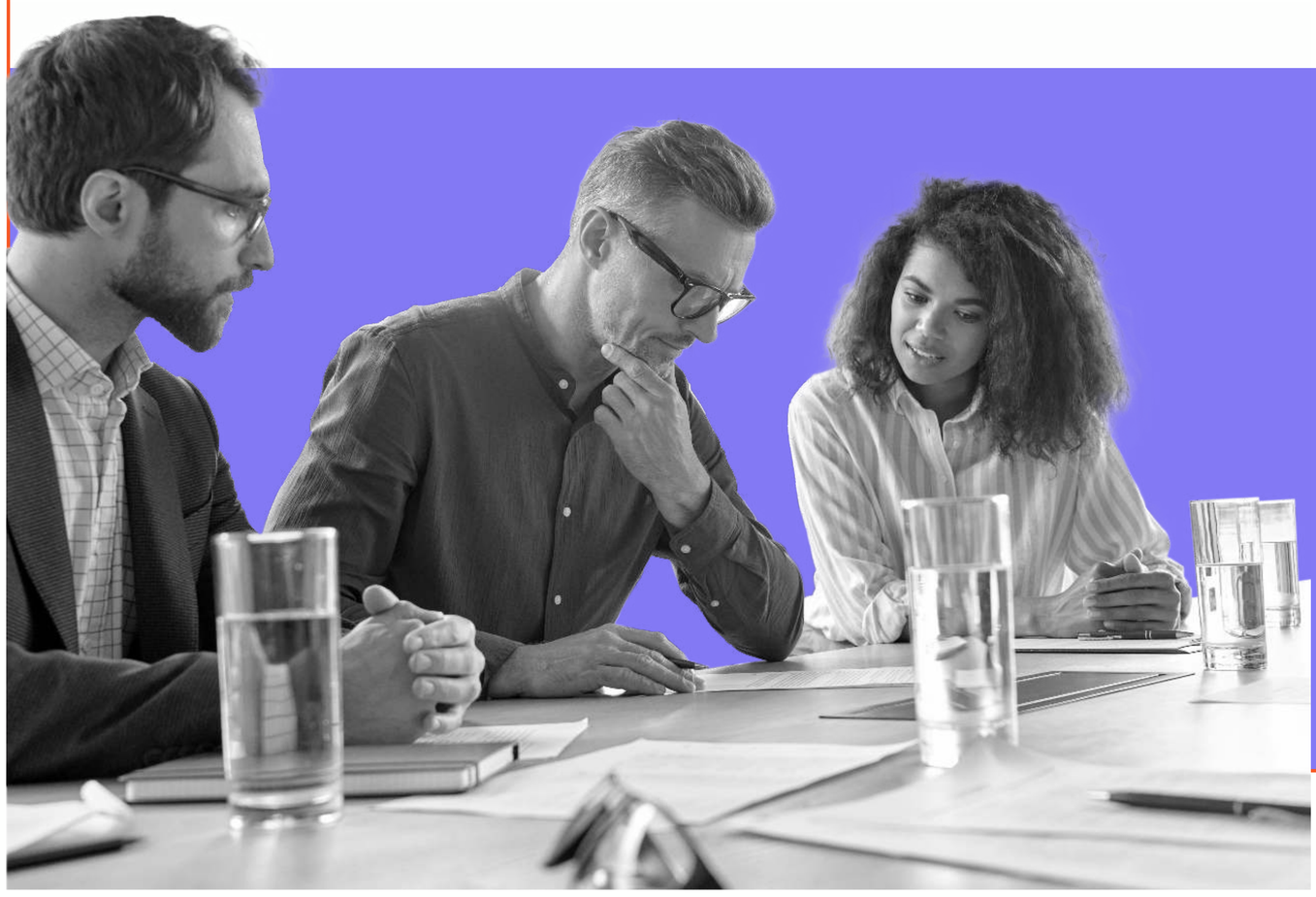
Particularly valuable and popular domain names that are are extremely relevant to the market are referred to and defined as premium domains by the registries. They are offered by registrars or on domain marketplaces and have a higher price label. To a great extent, the registries are free to set the prices for their domains. They generally make a list of "premium" domain names with defined price or tier categories. The list of premium domains and the corresponding prices are shared with the registrars in advance and can usually be queried in real time via EPP (extensible provisioning protocol). Premium domains can be added or removed and prices can be adjusted.



SaaS providers

Another group that can potentially profit from becoming active in domain reselling are **SaaS providers,** who offer **Software as a Service (SaaS).** Domains do not play a central role in this offering, but provide a sensible supplement to the service range. Domains are offered as an additional feature by the SaaS provider in more highly priced packages.

Examples for this group are providers of website builders, CMS providers, collaboration tool providers, SEO tool providers or app developers. What they all have in common is that they distribute **software applications,** for which customers acquire licenses – which means that they lease software instead of purchasing it.



CHAPTER
02

Domain reselling business cases. Opportunities and risks.

Agencies

Opportunities

There are a number of good reasons why web agencies should register the fitting domain sets for their customer web projects. Not only can they expand their **service spectrum**, but they can also create an additional incentive for customers to outsource their domain management, thereby generating higher turnover.

Agencies can expand and differentiate their range of services with domain products or even specialize in domain management. Well-known brands and large corporations are increasingly outsourcing the management of their domain portfolios or, at the very least, seeking external consultation with regard to the best international **brand domain strategy**.

- Improved portfolio up to full-service offering
- Competitive edge on the market
- Increased customer satisfaction
- Cross-selling and upselling potential with domain-related offerings like TLS/SSL certificates, hosting, domain security and brand protection
- Customer retention due to contract periods
- Low investment
- Low market entry barriers
- Higher turnover

Risks

Full-service agencies frequently do not have the necessary domain management know-how and only limited expertise in the domain industry, which may potentially lead to mistakes with ccTLD registrations or the configuration of technically complex domain projects. Domain transfers are also tricky, as each TLD requires its own setup and course of action. If problems arise during the transfer procedure, customers may feel disgruntled and this can have far-reaching consequences.

- Lack of technical know-how (inhouse)
- Additional administrative overhead
- Risk of data chaos for domain management due to portfolio distribution over different registrars and customers
- Lack of tenant separation
- Inadequate proactive domain security measures

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Domain investors

Opportunities

Domain investors trade with domains because it's a lucrative business, sometimes involving millions of dollars. If the investor manages to register a domain name that is in great demand, extremely **high returns** can be achieved.

However, the value of a domain depends on many parameters. **Cultural** and **temporal factors, trends and market developments** all have an influence on the price. The value of a domain is not always apparent at the time of registration. Nevertheless, investing in domains and building up a portfolio that is relevant to the market can lead to many profitable opportunities.

An important business cornerstone in this area is **domain parking,** which allows the monetization of the purchased domains until they are sold. The domains do not lie dormant, but generate income – the investment in the registration costs is amortized and the parked domain may even return a profit.

- Low market entry barriers
- Independence due to solo autonomy
- Extremely profitable returns
- Drop catching
- Turnover thanks to domain parking
- Various business models

Risks

Those who make a poor domain investment will, at the very least, be saddled with the **registration fees.** Especially with large portfolios, the costs must be monitored. For small portfolios, this is quite straightforward. For larger domain portfolios, a detailed monetization strategy is required.

One task that often poses a challenge is accurately assessing the **domain name value.** Some knowledge about the market and industry is certainly an advantage. These days, tools like the Domain Price Check offered by InterNetX assist investors with evaluations. However, the final decision is ultimately made by the seller. If the domain value is set too low, then other buyers can jump in and make a profit by reselling the domain.

- Time and expense required for trendspotting, market analysis and marketing
- Low pricing
- Bad investments
- Insufficient know-how (brand protection, technology, sales etc.)
- Lack of domain consolidation
- Amortization problems

How can I assess the value of a domain?

One does not need to be an expert with in-depth market experience in order to evaluate the value of a domain. Using assessment tools like the Domain Price Check by InterNetX, the domain value can be determined with just a few clicks. Using an exclusive algorithm that combines machine-learning with sales data harvested from more than 20 years of market experience, this tool determines the value of a domain while also providing insights about search volume, web statistics, TLD and keyword facts, similar sales, WHOIS check, Google trends and many other parameters.





Domain resellers

Opportunities

Professional domain reselling as a business can be realized with **low startup capital** investment. However, in order to scale up, resellers should automate their processes wherever possible. Clever outsourcing and the use of white-label solutions allows you to rapidly streamline the business and reduce required resources. Many reselling businesses also benefit immensely from using a domain robot via an API provided by specialist providers.

Ideally, customer domain portfolios exist for several years. If a registrar offers a reseller program along with multi-year plans, it is possible to keep domains for up to 10 years, while enjoying stable buying prices. Over and above this, resellers can generally only differentiate themselves on the market by offering **additional services**.

- Low market entry barriers
- Low to medium initial expenses with quick amortization
- Good conditions with the right choice of reseller program and registrar partner
- High and stable turnover
- Efficient workflows due to process optimization / APIs / outsourcing
- Competitive advantage due to cross-selling / upselling products
- No own accreditations required, saving resources
- Tap into new or niche markets with a TLD portfolio strategy

Risks

When the domain management functions smoothly and is fully automated, there is hardly any effort involved for resellers and end customers – unless there are technical disruptions or special support cases. Appropriate strategies must be at hand in order to guarantee system stability.

Specialist knowledge and expertise is required for this, to keep the underlying IT architecture running and to maintain and secure the interface. The availability and protection of the registration portal is critical to the core business and must be guaranteed at all times.

It's also important to remember that the competition never sleeps. Resellers have to keep an eye on their price policies and adjust them if need be. Alternatively, you can attract end users by delivering an impressive range of additional services and promotions.

- Price-sensitive market requiring a balanced price policy
- Lack of know-how (technology, support, sales, marketing)
- High manual administrative effort if lacking sufficient process optimization
- Inefficiency due to lack of domain consolidation at a registrar
- TLD portfolio not adequately relevant to the market
- Lack of security concept

SaaS providers

Opportunities

Offering the matching domains as an additional service can prove to be a decisive purchase argument for SaaS. As with agencies, domain names can be marketed as a unique selling feature in the overall concept of your own software or simply included in the price. Licensees are not forced to look for a suitable domain at other service providers, but can benefit from a practical **full-service offering.** And SaaS providers generate higher turnover with very little effort.

- Higher turnover due to full-service offerings
- Increased competitiveness
- Expansion of core business
- Cross-selling and upselling potential

Risks

Although tech-savvy staff are generally employed by SaaS providers, one cannot necessarily expect them to have expertise in the domain business. Integrating domains into the existing service package requires a **high degree of automation.** If customers cannot start immediately after finalizing a license contract because they are waiting for the ideal domains, they are very likely to drift off to the competition.

- Additional administrative effort
- Lack of technical know-how
- Lack of domain consolidation at one registrar
- Limited TLD portfolio

Conclusion

As you can see, there is no such thing as the “standard” domain reseller. **Domains are relevant in many IT sectors** and have become a strong-selling commodity or a lucrative add-on product with attractive cross-selling and upselling potential. Reselling options can be found in many different niches that require relevant expertise on various levels. In any event, domain reselling is certainly worth careful consideration in order to figure out whether this profitable line of business can be integrated into your own operations.

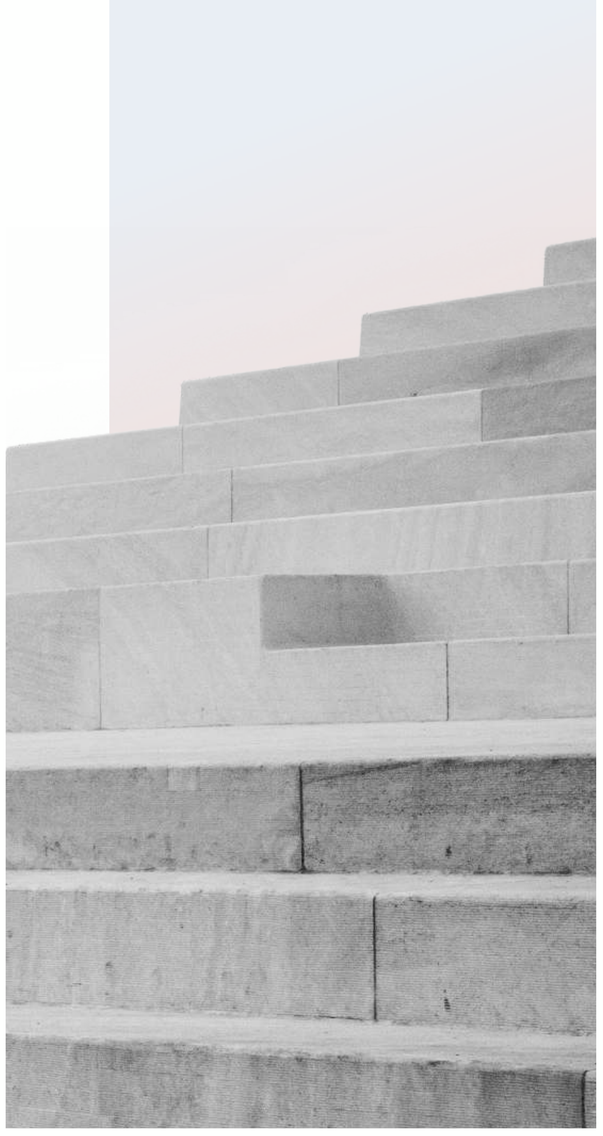


CHAPTER
03

Becoming a domain reseller. The key success factors

Getting started in the domain reseller business has never been easier. In cooperation with one or more suitable registrars, establishing an online business is remarkably uncomplicated.

Many providers offer **reseller programs with very low entry requirements** and also offer practical advice for implementation. However, each and every business case is different in nature, as are the target markets and groups. For this reason, we'd like to give you a few essential building blocks and practical tips that can be helpful in building a successful domain reselling business.



Building block 1

Market-relevant domain portfolio

First of all, resellers should consider which **selection of domain extensions** they want to offer to their customers and analyze their market to determine which TLDs or domains are in demand by their target group.

gTLDs like .com, .net and .org are offered by most providers and are considered **less complicated to manage than ccTLDs.** The latter are often subject to more complex processes, as each country-specific registry has implemented its own regulations and prerequisites for domain owners. Additional data is often required for **ccTLDs.** In some cases, registrants must submit a written application or special documents like a commercial registry listing or passport copy.

Domain market: trends and developments

In EU countries, ccTLDs are exceptionally popular. The market share of ccTLDs lies at a stable 54%. However, due to the popularity of .com, the picture when viewed worldwide is very different, with 38% attributed to ccTLDs and 62% to gTLDs. (CENTR 09/21). Domain resellers must understand their target markets and keep abreast of developments. The Global Domain Report, jointly created by InterNetX and Sedo, is a good source of information for this, as are the Global and European TLD Report by CENTR or the Monthly Registry Reports by ICANN.

The overheads for manual domain registrations for “exotic” TLDs must also be defined and taken into account. Owner and provider changes or cancellations also present more complex processes that require intensive resources and should be carefully considered during planning.

Especially TLDs that are not in very high demand and that require more administrative effort are not offered by all registrars, even if they hold a great deal of marketing potential. Resellers who specialize in offering such **“niche TLDs”** can create a **unique selling point** and secure a competitive advantage.

EXPERT TIP

It is worthwhile examining which domain extensions are in demand on your target markets and at which points niche products can be marketed profitably. An accurate analysis of your own customer base is absolutely essential.

TLD portfolio

Domain resellers need access to the largest possible TLD portfolio. In order to make the TLD offering attractive to as many resellers as possible, InterNetX has gained accreditation for 1,050+ TLDs and offers multilingual technical support for all of them.

With **access to premium domains,** further avenues for generating revenue can be created by addressing an additional target group that is willing to make an appropriate financial investment in a valuable domain.

EXPERT TIP

Using a single platform to manage domains under gTLDs, ccTLDs and premium domains makes a great difference. It delivers advantages for the reseller like reduced administrative overheads and higher cost transparency.



Building block 2

Horizontal product range and service packages

Aside from conventional domain registration, many registrars allow resellers to select from a wide range of additional services to easily expand their offerings. As a product, the utilization of a domain is always related to hosting, websites, email and security.

For this reason, resellers should carefully consider whether they want to **expand their portfolio horizontally** i.e. across the board and include additional domain services to strengthen their position on the market. Some examples of suitable product add-ons include:

- **Own domain search**
- **Own name server**
- **TLS/SSL certificates**
- **S/MIME certificates**
- **Webspace/ web hosting**
- **Email hosting**
- **Domain and trademark security features (TMCH services, root zone scans for keywords, domain price checks …)**

Anyone managing domains on behalf of customers should not neglect to protect them against unauthorized third-party access. Security services, like two-factor authentication (2FA) or a fixed set of IP addresses for domain management, provide protection for the portfolio. Data privacy with WHOIS protection prevents the contact information of the domain owner from being accessed publicly at an international level.

Tools like a **renewal reminder** and automatic domain renewals provide protection against accidental domain deletions. Those who want to ensure security at all levels can use additional services like **DNSSEC** to authenticate name servers and secure customer email traffic using SPF (Sender Policy Framework), DKIM (DomainKeys Identified Mail) and DMARC (Domain-based Message Authentication, Reporting and Conformance).

White labeling

Customer retention and trust is strengthened if product reselling is undertaken under your own brand identity. This option, referred to as white labeling, removes the registrar's branding. The end customer experience takes place in the brand environment and with the look and feel of the reseller. InterNetX offers internet service providers white-label solutions for a wide range of domain, encryption and hosting products, software and services. All functions of AutoDNS – the all-in-one domain and TLS/SSL platform – and DNS services can be used for your own branding in the white-label version.

Providing TLS/SSL certificates is an integral part of basic security these days. Including them in the product range is therefore an absolute must for resellers. Depending on the desired level of protection and validity period, one can choose between certificates that are provided for free and those that must be purchased.

In order to implement complete packages for website operators, it may be worthwhile offering **web and email hosting** as well. However, a few questions should be clarified in advance for improved product management and optimal pricing:

- **How much storage will each package include?**
- **How much traffic per month should be inclusive?**
- **How many customers will share a server?**
- **Which hardware suppliers will you use?**
- **Will you offer databases?**
- **How many inboxes are included? Will IMAP and POP3 be supported?**
- **Will virus and spam filters be used?**

Where can domain resellers acquire these relevant products? Your choice of supplier and provider is most certainly also a decisive business factor.

Building block 3

Procurement and the role of the registrar

With regard to procurement i.e. acquiring products and services, resellers can take advantage of several possibilities. When building their own portfolio, they can set up their reseller account at **a single registrar** and acquire domain products exclusively from that provider or they can opt for a **multi-registrar strategy** and set up several accounts at different registrars. The latter is advantageous when your registrar of choice does not offer all available domain extensions.

However, a multi-registrar strategy entails considerably more effort for management and administration. The level of complexity increases as individual TLD conditions and other factors critical to the business, such as the technical connection and billing, must be monitored.

On the other hand, if it is possible to use the services of a single registrar that offers all domain extensions in its portfolio – as InterNetX does – the administrative burden is significantly reduced. This saves time and resources that can be better spent on running your business and can also hold advantages for negotiations regarding price policy.

All the same, it is highly recommended to **consolidate domain portfolios, especially large ones** – either by using one registrar or a domain management tool that allows you to integrate domains that are hosted by other registrars. This allows you to run your business while saving resources and reducing risk.

Domain consolidation

The consolidation of domain portfolios at one specialized registrar is a strategic measure to permanently reduce existing risks and to centralize and streamline domain management. The overall costs for purchasing and managing domains can also be minimized.

You should get information about the **conditions of individual partner programs** in advance and check the following points:

- **What offerings and services does the program include?**
- **Is there a basic monthly fee?**
- **Which conditions apply for domain registrations under the various TLDs?**
- **What is the potential margin on individual TLDs?**
- **How long are the contract terms?**
- **When do volume discounts take effect?**
- **Does it offer additional products and services like TLS/SSL and S/MIME certificates or servers?**
- **What are the processes for special offers?**
- **Does the domain management panel meet all the requirements for your own business case?**
- **Do you have access to technical documentation?**
- **Does the program include multilingual support, also 24/7?**





Building block 4

The domain control panel

The **control panel for domain management** made available by the provider is the central starting point for all processes and services related to domains. Resellers and their customers use it to manage their domain portfolio. Sufficient time should be invested to test and evaluate the software or platform thoroughly, as it should meet your requirements optimally.

In this regard, different features are more or less relevant for the individual reseller groups, enabling each to efficiently carry out transactions and management processes. Apart from the smooth operation of all domain-relevant processes (registration, renewal, transfer, update, selling etc.), the **usability** and **user experience** of the platform also play an important role. Ideally, users should be able to carry out all tasks without requiring in-depth technical knowledge.

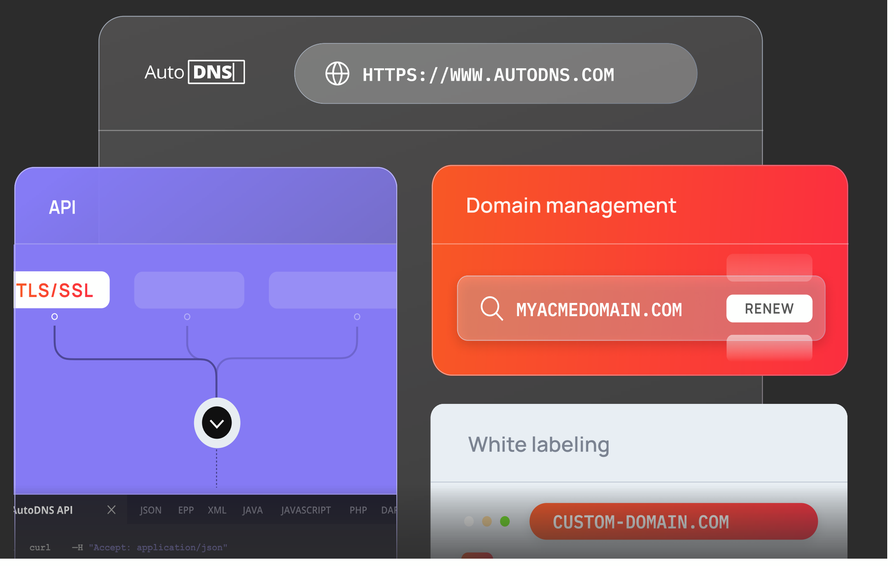
Every domain management control panel should include the following central functions:

- **Domain search**
- **Registration of TLDs at agreed conditions**
- **Auto-renew / auto-delete functions**
- **Contact management (owner and admin contacts)**
- **Domain transfers**
- **Domain cancellations**
- **Booking of optional services / features (e.g. DNSSEC)**
- **Preregistrations & TMCH services (Sunrise registrations)**
- **WHOIS data updates**
- **DNS services**
- **Own name server instances**
- **DNS management interface**
- **Unlimited amount of DNS records**
- **Redirects**
- **User management functions**
- **Audited, technical documentation of orders**
- **Secure and process-compliant purchase of domains**
- **Billing functions**
- **APIs**
- **Management of TLS/SSL certificates**

Auto DNS

AutoDNS – the domain platform

AutoDNS – the domain platform sets new standards in domain management and was specifically designed for domain reselling. Your entire domain portfolio can be managed via one platform. Domains that are hosted by other providers can also be consolidated and managed via one interface. The platform fulfills all domain market requirements. It can be configured flexibly and integrated into your own systems via the domain robot API. A wide range of TLS/SSL and S/MIME certificates as well as server solutions can also be bought via the platform. Various bulk functionalities (domain search, registrations, transfers etc.) and the straightforward utilization of optional services make this platform a powerful standard in the domain reselling business.





Building block 5

Cost and pricing

For each and every business, **cost and pricing** are critical factors for business success. Initial expenses and fixed cost items must be recouped and be passed on to the product price in some form. Strategies, options and the necessary requirements for this are very heterogeneous, differing from reseller to reseller. It is not possible to depict a blueprint that would work for everyone.

However, one thing is definitely clear. Domain resellers who, due to their TLD portfolio or other price policy factors, depend on a **high volume of domain registrations** in order to get an edge over the competition require different **conditions** and **leeway** with regard to pricing compared to e.g. agencies, who manage much smaller domain portfolios on behalf of their customers.

The **registration fees for domains** under the various extensions are certainly a criteria which resellers look at very carefully. The domain prices under the TLDs are **determined by the individual registries.** The margins for registrars hardly differ and usually only vary from the standard price for special offers. As is the case on other markets too, domain resellers that **register and manage a higher number of domains** are more likely to automatically receive better conditions from registrars. Discounts for higher volumes are also available in the domain business. Many providers guarantee additional special conditions for resellers that reduce the costs per TLD portfolio, e.g. for long-term commitments.

The acquisition costs are therefore recovered from a certain number of domains and with a **heterogeneous TLD offering.** Resellers can then adjust their **own pricing** and increase their profit margin for certain TLDs and domains.

In any event, resellers should always remember to get non-binding information about reseller conditions and attempt to **negotiate the best conditions.**

Of course, it's not only a matter of registering domain names, but also of invoicing the customers for the registrations. The connection to a **payment service provider or a billing system** is very important. Furthermore, resellers should clarify the available payment methods, the expected transaction costs, any necessary requirements for additional security measures (data protection, transfer security etc.) and the additional costs that may arise due to the aforementioned points.

Other cost items depend on the reseller's budget for business administration, marketing, customer service and sales. In this regard, just about anything is possible, from taking care of all processes yourself through to high-end solutions by third-party providers. To begin with, the investment package can easily be kept quite low at first. As the business grows, it might be sensible to automate or outsource specific tasks.

3,639

Number of registrars listed as key market players on the ICANN Accredited Registrar List (06/22).

€10.20

Median price for a ccTLD at registrars on the European market (CENTR 2021 Global TLD Report).

€12.90

Median price for a .com domain at European registrars (CENTR 2021 Global TLD Report).

2.4 M

Total number of registered new gTLDs at the end of Q4I21 (Verisign Industry Brief).



Building block 6

Support

Customer support requires and uses resources. For this reason, IT providers try to make it as efficient as possible. Reliable support is absolutely crucial for long-term success.

It still holds true that businesses that can offer good support can use it to enhance **customer satisfaction** will remain a step ahead of the competition. Newcomers to the domain reselling business will greatly appreciate easy and uncomplicated communication with competent partner managers or to technical support. It is important to provide solid support and resolve technical issues or disruptions quickly. Ultimately, this is a plus that your customers will reward you for.

A domain reseller with its own domain management should plan sufficient resources for this. Alternatively, they should outsource the technical support to a reliable provider/MSP.

For resellers who operate their own systems, it is highly recommended to offer e.g. **technical documentation** or a **help center with FAQ sections** in order to help absorb peaks in customer support.

Ideally, the connected systems of the registrar generally run without disruptions. However, one should never underestimate the potential difficulties encountered by customers.

Very few products are so self-explanatory as to avoid any questions or misunderstandings. Due to the various technical considerations, no exception can be made for domain management in this respect.

If customer support cannot be outsourced to a provider, resellers have no choice but to find solutions themselves. In order to ensure success in this regard, it's important to know your client base and gear your support accordingly.

> Businesses that know how good support can be used to enhance customer satisfaction will remain ahead of the competition.

Checklist for customer support

1. Which communication channels do different users prefer?
2. Which channels can be used in a targeted manner and go easy on resources?
3. Do you need a ticket system?
4. Is 24-hour support required?
5. In which languages will support be provided?
6. Do you need communication guidelines and a concept for de-escalation?
7. How do you ensure and optimize the quality of support provided?



Taking off with the right business partner.

Those who are thinking of starting up in the domain reselling business and have already undertaken analysis and research will very quickly be confronted with a multitude of options and information that must be examined and evaluated.

On the face of it, domains might appear to be relatively straightforward products. Behind their management, however, lies a highly complex technical system. The rules and functioning of this system must be learned and assimilated into the business planning. Designing a profitable business scenario entails scrutinizing many tasks as well as thoughtful and careful positioning amongst the competition.

The expected volume of domain transactions will always be decisive for the selected business case. Depending on the setup, appropriate **financial and strategic decisions** must be made. And consequently, the required **technical measures** must be implemented to achieve this.

The domain market offers a multitude of additional **features and services.** So, it certainly makes sense to invest in the evaluation of your position and conducting **market analyses.** Deciding on the make-up of the portfolio you want to offer as a reseller and whether and specifically which processes and functions should be automated or outsourced are all factors that are decisive for success. Nowadays, there is a wide range of options for **outsourcing through full and/or part automation,** allowing resellers to plan and run their business resourcefully and without jeopardizing their own **chances of growth.**

Over and above this, **safeguarding against failure** and the **availability of experts** when support is needed are important pillars for long-term success. Future registrar partners or suppliers should be chosen with care. There are countless factors and considerations that carry weight in this regard. And of course, the acquisition and sale of domains are what finally determine whether the business is **financially profitable.**

Despite all the technology, it remains a people's business. Domains and control panels are made for users and not the other way around. For this reason, users should be able to carry out domain management without requiring much knowledge. It should be capable of automation. Interfaces play an essential role in this, as does the availability of reliable and proficient support.

In a breakdown of the individual business cases in the domain business, the lion's share of the effort for newcomers lies in gathering information and evaluating the market and costs. Resellers interested in working with InterNetX are welcome to contact us for a consultation (no obligations) and request information about conditions, prices and services via the website.

About.

With more than 4 million managed domains, InterNetX is one of the leading providers of white-label products for hosting and domains. As experts in website & email encryption and as DigiCert Platinum Elite Certified Partner, the company offers a wide range of high-quality certificates from global market leaders on its all-in-one domain and SSL management platform AutoDNS.

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