



Buying websites 101

The beginners' guide to buying
money-making web businesses



Flippa 101

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Buying Websites: Finding Sites to Buy

Flippa provides excellent tools to help you find buying opportunities. Your goals, budget, skills, work preferences, risk tolerance, available time and many other factors will drive your search for opportunities.

Every situation is different but consider these strategies to get your creative juices flowing:

- Search for high traffic, low income sites for opportunities to turn visitors into cash
- Search for high income, low traffic opportunities to grow income streams by attracting new customers to a profitable product or service
- Search for sites with content that complements your existing website or business
- Search for sites with obvious improvement opportunities like bad ad placement, unappealing site design, no tiered pricing, duplicate content
- Search for sites with a developed product that has never been marketed
- Search for sites with customer email lists that respond to new offers
- Watch the listings of engaged sellers, or Flippa's Super Sellers (watch for the green 'S' badge)
- Search for keywords related to specific sub-niches and save your search
- Search for sites developed as hobbies or for public information that have never been monetized
- When you first visit Flippa, you'll see a "Get Started" button on the home page.

Get Started

This is the best place to start. This will take you to Flippa's buyer wizard. Here, you'll select the niches, site types and monetization methods (and more!) that you're most interested in. At the end of this process Flippa, builds you a list of the most relevant auctions for you. How easy is that?

Advanced Search

Advanced Search is one of the most important tools on Flippa because it allows you to restrict your search by very important criteria such as verified data, keywords, monthly traffic, monthly revenue, age of site and others, as seen below.

The image shows a screenshot of Flippa's advanced search interface. At the top, there is a search bar labeled "Keywords: (optional)". Below this, the interface is organized into several filter categories:

- Listing Format:** Radio buttons for Auction, Private Sale, and All (selected).
- Property Type:** Radio buttons for Websites, Domain-only listings, iOS Apps, and All (selected).
- Auction Status:** Radio buttons for Open Listings (selected), Won Listings, Unsold Listings, and All.
- Auction Price:** Input fields for "Between \$" and "and \$", and checkboxes for "Auction's reserve price has been met", "Auction has a Buy It Now price", and "Seller accepts payment with Escrow".
- Age:** Input fields for "Between" and "and" months old.
- Time Remaining:** Input field for "At most" hours.
- Revenue:** Input fields for "Between \$" and "and \$" USD/month, and a checkbox for "Require verified Google AdSense data".
- Net Profit:** Input fields for "Between \$" and "\$" per month.
- Revenue Sources:** Checkboxes for "From Advertising", "From Products or Services", and "From Affiliates".
- Traffic:** Input fields for "Between" and "and" hits per month, "Between" and "and" uniques per month, "Between" and "and" links in Google, and input fields for "Google PageRank of at least" and "Alexa Rank of no more than". A checkbox for "Auction has verified Google Analytics data" is also present.
- App Downloads:** Input fields for "Between" and "and" downloads/month.
- Domain:** Input field for "Top Level Domain".
- Premium Listings:** Checkbox for "Only show Premium Listings".

A green "Search Listings" button is located at the bottom right of the form.

Flippa's advanced search suite

There are two simple ways to access advanced search features on Flippa. The first being the menu of options you'll see on the left of the page when viewing pages such as flippa.com/established-websites. This is a small but powerful suite of

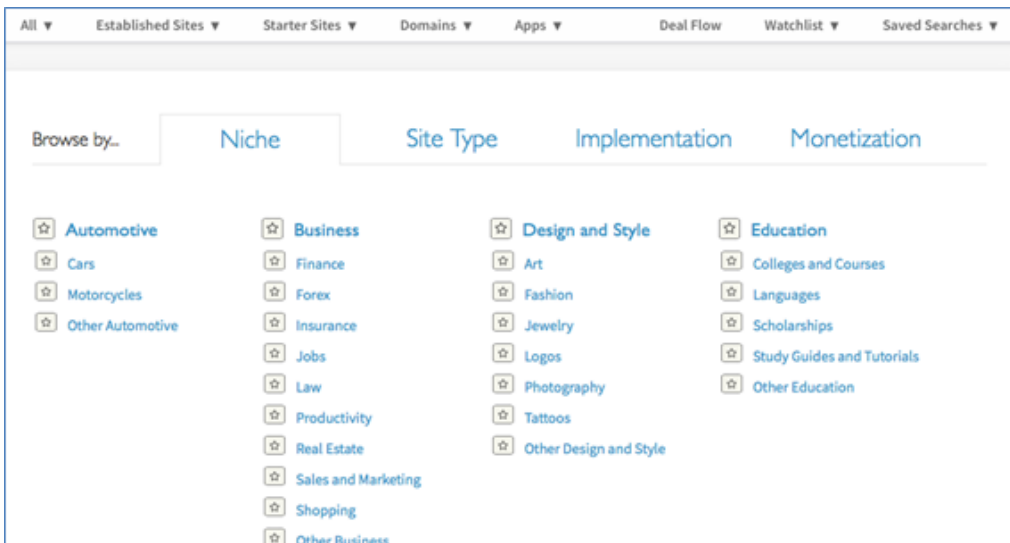
search options. From here, you can select to only view sites in a certain price category, auctions with verified data, and more. To access the full suite of advanced search options, simply click ‘Advanced Search’ on the top blue bar of Flippa.

Advanced Search Tips

- Select to only view auctions with verified data, such as Google Analytics.
- After clicking ‘search listings’ on the advanced search page, click Save and check the box to get emails when new sites meet your criteria. This is the most effective way to stay informed about new opportunities.
- Net Profit searches may not be accurate if the seller hasn’t properly deducted expenses.
- Start with broad searches and narrow the criteria to get to a manageable number of options.

Searching by Niche

Menu: All > Categories > Niche



Search websites by niche

- Explore niches in areas of your expertise or passion
- Select niches you believe are ripe for income opportunities
- Consider niches that complement your existing website or business

Searching by Type

Site Types are categories of website or digital assets.

Menu: All > Categories > Site Type

TIPS: Choose types based on business model attributes. For example:

- ‘eCommerce’ may be attractive if you like to do your own product selection, branding and marketing
- ‘Services’ can be very profitable but usually require manual effort that you can do yourself or outsource
- ‘News’ requires news articles to be created on an ongoing basis
- ‘Blogs’ may produce passive income if there is already an established base of traffic
- ‘Classifieds and Directories’ may be a good choice if you are interested in administrative tasks like approving ads or managing website directory listings

Developing expertise in a particular type of website will enable you to hone in on higher value sites and find undervalued opportunities

Searching by Implementation

Implementations are the technical platform used to create the website. Certain implementations like Wordpress are versatile and simple to add content to. Others like HTML and PHP may require some programming skills if the site needs modification. Make sure you choose a platform you know how to use, or hire someone who does.

Menu: All > Categories > Implementation

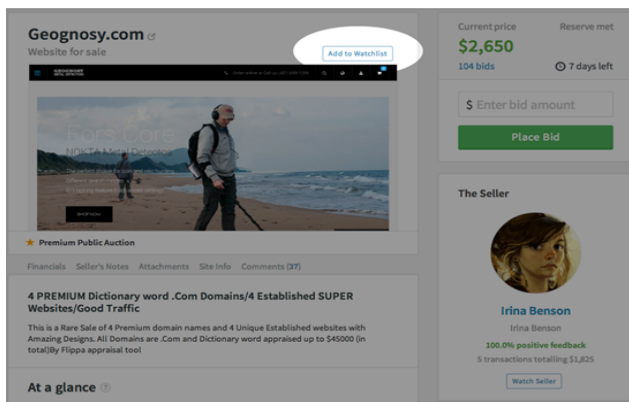
Searching by Monetization

Monetization is the way a website earns revenue. If you have skills or interest in a revenue category, use this search. There are a number of key monetization methods for websites, common methods found on Flippa are: advertising (using services like Adsense), affiliate programs, and more.

Menu: All > Categories > Monetization

Watchlists

As you find listings you are interested in, click the “Add to watchlist” button to keep up to date with the auction’s progress.



The screenshot shows a Flippa listing for a website for sale. The listing title is "Geognosy.com" and it is categorized as a "Premium Public Auction". The current price is \$2,650, with 104 bids and 7 days left. The listing description includes "4 PREMIUM Dictionary word .Com Domains/4 Established SUPER Websites/Good Traffic" and "This is a Rare Sale of 4 Premium domain names and 4 Unique Established websites with Amazing Design. All Domains are .Com and Dictionary word appraised up to \$45000 (in total) by Flippa appraisal tool". The seller is Irina Benson, who has a 100.0% positive feedback rating and 5 transactions totalling \$1,825. The "Add to Watchlist" button is highlighted with a white circle.

Flippa's 'Add to Watchlist' button

Watch Sellers

As you find sellers who offer websites that you like, Flippa will inform you of their future listings if you click the “Watch Seller” button in the Seller section of each listing.

Deal Flow

If you’re looking for a really high-end or established business, consider Deal Flow. Deal Flow is Flippa’s premium brokerage service. Deal Flow listings sell for \$20,000 and up. Buyers and sellers are both vetted by the Deal Flow team, and once you’re accepted into the program you’ll be assigned a personal broker.

Evaluating Websites for Purchase

After you find a website that you are potentially interested in buying, the next step is to give it a thorough assessment. You have several goals as you are evaluating the site:

1. Determine how much the site is worth
2. Avoid buying a “lemon” (an unexpectedly bad website)
3. Decide whether the site is a fit for your skills, work expectations, plans and goals

Examining Revenue and Net Income

Revenue is one of the most important factors determining the value of a website because it indicates whether the site has been able to attract customers and influence them to buy products or services. Net Income (or Net Profit) is the amount left over after expenses. When we discuss how much a site is worth, Net Income is one of the most important pieces of the equation.

For Each Revenue Source

- Verify numbers from source documents. Don't take the seller's word for it.
- Look for upward and downward trends and ask what is causing those trends.
- Look for sharp spikes and dips and find out the causes for those.
- Understand whether the revenue source is ongoing or whether it has a start and stop date. Some payments are quarterly or annual and may not be renewed.
- Determine whether the revenue source is completely transferable to you the buyer, what accounts must be setup, and whether there is any risk.

Tips for Verifying Revenue and Expenses

- If the seller has provided screenshots, use those to get an initial impression of the numbers but don't depend on them because they could be faked.
- Ask the seller to give you read-only access to his accounts (like Paypal, Analytics, etc) so that you can validate numbers yourself.
- Ask the seller to share their screen with you over Skype, or another similar service so you can see their financial statements live.
- Whenever there are multiple documents provided, cross check them against each other. Why were ad clicks high in June even though traffic was down? Why were Paypal sales \$1,500 in one document for the month and \$1,200 in another document?

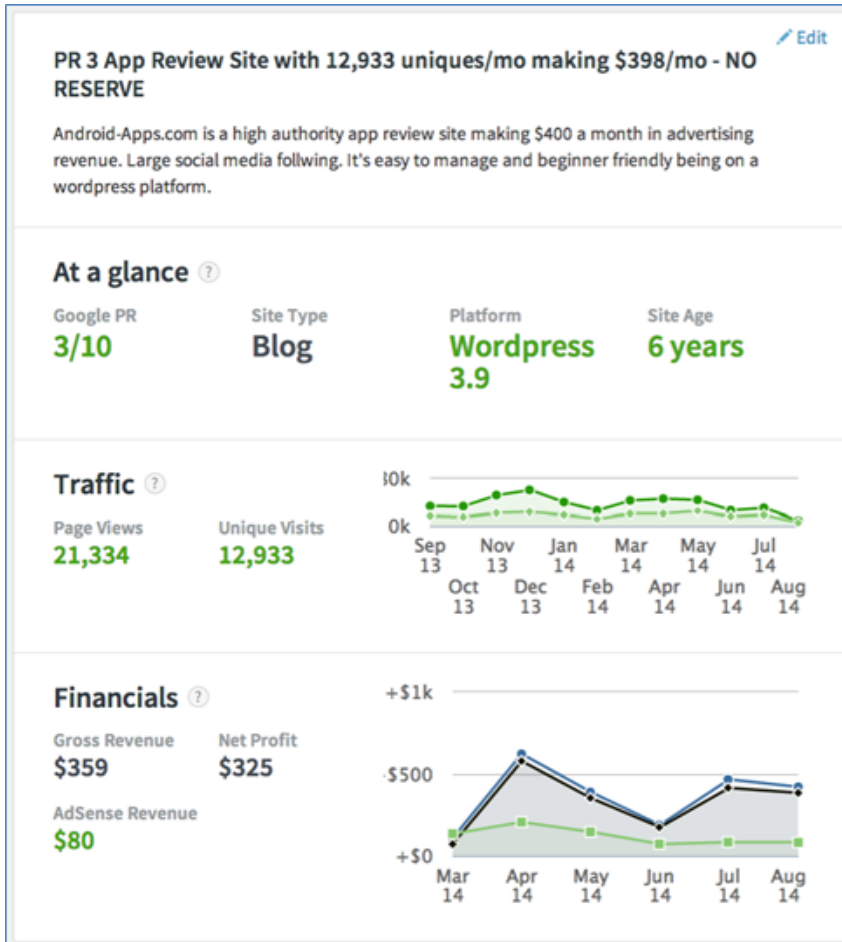
Assessing Traffic

Traffic means potential customers. When you look at traffic you want to figure out:

- Will traffic increase, decrease or stay the same?
- Is the traffic targeted and likely to buy?
- Are the traffic sources stable or risky?

Search Traffic (Organic)

Visitors who find a website without clicking on an ad are considered organic. Organic traffic comes from search engines like Google and Bing. It may also come from referral sites like Facebook, Twitter, Pinterest, Reddit or any other site on the internet with a hyperlink.



Here, you can find a website's financial & traffic details

Critical points about organic traffic:

1. It is free (When a seller says their traffic is organic it means that they don't pay for advertising to attract visitors to their website).
2. It is difficult to control Changes made by source sites may dramatically increase or decrease the traffic.
3. Because it is often out of your control, it is also risky. For example, competitors can overtake your position, Google could change how they prioritize or display search results, etc.

Tips in assessing organic traffic:

- A longer history of traffic statistics provides a more predictable basis for how a site will perform in the future, than a brief history. Flippa will show you 6 months of traffic, but you can request more from the seller.
- Sites that have a long and upward trending or flat and stable traffic history have demonstrated that they are less susceptible to algorithm changes by giants like Google.
- Sites that have a single traffic source are riskier than those which the traffic comes from multiple sources.

Paid Traffic

Many websites acquire traffic by paying for ads and banners. Users who click on a paid ad are directed to the website where they are enticed to buy a product or service. This business strategy requires that the profit from sales be more than the cost of the paid advertising.

Paid traffic is more predictable than organic traffic because the amount of traffic is correlated to the amount spent on advertising. Therefore paid traffic is generally considered less risky than organic traffic.

Tips in assessing websites with paid traffic:

- Make sure that all the details of the ad campaigns are included in the sale. The ad copy, creative, keyword list, cost per click and daily budget should all be delivered.
- Understand that if you do not know how to manage an ad campaign yourself, you will need to learn or have someone do it for you. A lot of money can be lost in mismanaged PPC campaigns.
- Find out from the seller whether they have attempted to scale up traffic by increasing their ad budget. Some businesses may be easy to grow in this manner and others may quickly hit a ceiling because of the limited size of the market or other factors.

Study Analytics Data

Almost every website has analytics data captured. Analytics are statistics about the visitors to the website. Google Analytics is a popular tool for tracking these statistics and AWStats is another tool that is included with most hosting services.

Flippa provides a “Verified Analytics” service for sellers who use Google Analytics. Attachments labeled “Verified Google Analytics” or the heading “Verified Traffic” mean that the seller has given Flippa direct access to the website’s Google Analytics account. The verified Analytics data is accurate as it gets. Nevertheless, a few untrustworthy sellers could use a few tricks to create fake traffic with clickbots, scripts or link exchange systems. You usually don’t need to worry about this, but be cautious if the traffic data doesn’t make sense.

TIPS: Ask the seller to add your gmail account to their Google Analytics account with “read-only” access. This will enable you to see the detailed traffic info and ask the seller educated questions about the traffic history.

If direct account access is not available, ask to do a screen sharing session with the seller and have them login to their account and show you the analytics in real time.

Ask the seller about:

- Spikes and valleys in the traffic
- Downward and upward sloping trend lines
- Why traffic is weighted toward particular sources
- The implications of traffic coming from particular countries, devices, or language groups

Assessing Risk and Opportunity

Experienced website or websites buyers look carefully at future potential and risk characteristics.

Future Potential

Websites have millions of opportunities for improvement. If you can identify those opportunities then the business may instantly become more tempting to acquire. Consider these primary categories of things that can be done to increase the value of a business:

- Improve revenue: Higher or lower prices, pricing tiers, better sales copy for higher conversion rates, ad placement, ad sizing, selling different products, more or fewer products
- Reduce costs: Do work yourself, find lower cost suppliers, change materials, change webhost
- Increase customers: Additional paid traffic, SEO, social network posting, direct marketing, email marketing, create additional content, improve the attractiveness of content

Risk

Every online business has potential risk. Understanding what the risks are will help you decide whether or not to buy and how much to spend. Common categories of risk include:

- Loss of Traffic: Search engine algorithm changes, new competition, search engine penalties, decreased promotion activity on referring sites (article sites, blogs, social sites), product or content becoming outdated or falling out of favor, negative publicity, search engine penalties
- Decrease in revenue: Increased competition, lower sales conversion rates, downward price pressure, ad click through rate or revenue per click / pageview changes, customer cancellations or refunds
- Increase in expenses: Increase in cost of products or materials, increase in

- cost of labor or services, cost to procure additional software or services
- Dependencies: Loss of key subcontractors or employees, cancellation of supplier or ad network accounts, inability to be approved for a needed account, legal action, fees or penalties

Real World Risk Examples

- Legal actions and fees due to use of copyrighted content.
- Violation of AdSense terms and conditions
- Black hat SEO that results in Google de-indexing or lowering search engine result rankings
- Seller misinformation about traffic or financial information
- More cost and effort to maintain the business than expected

Assessing Other Factors

Here are some additional things to look at when sizing up a website.

- Backlinks: Are there few or many links and are they from relevant or spammy sites? Use <http://www.ahrefs.com>, <https://www.majesticseo.com/>, and get access to the seller's Google Webmaster Tools account.
- Seller reputation: Check out the seller's profile on Flippa. Google them. Look for their social media account, blogs, etc. Seek feedback from previous buyers of their websites.
- Infringements: Are there copyright, trademark or patent infringements? Is content plagiarized from other websites? Use <http://copyscape.com> to check sample web pages.
- Content quality: Spend time on the website reading articles and comments, looking at images and testing forms and tools.

Flippa Due Diligence Tools and Resources

- **Google Page Rank:** An indicator from Google of a website's authority and backlink profile
- **Technology Used:** The website's content management system, ad network, analytics tracker and other tech info
- **Links in Google:** An indicator (not the actual number of links Google has identified to the front page of a website).
- **Pages in Google:** Number of pages in Google's index which are eligible to appear in search results.
- **Majestic SEO Inbound Links:** Number of inbound links detected by MajesticSEO
- **MozRank:** A ranking of site authority versus all other sites
- **Alexa Rank:** Alexa.com's estimate of a site's traffic profile
- **Moz:** A link to the Moz statistics related to links to the website
- **SEMRush Rank:** A link to the traffic and keyword volume estimator
- **Domain information:** Domain ownership information from the WHOIS database
- **Wayback Machine:** Shows website pages as they appeared in the past for a subset of sites and pages
- **Copyscape:** An indicator of whether the content of the website has been found on other websites

Due Diligence Services

If you would like help evaluating a website to purchase, external due diligence services are provided by Centurica or reach out to Flippa's Customer Success team for due diligence tips.

How Much Should You Pay

Determining the value of a website is a bit subjective. Any particular business may be worth more or less to you than to another buyer based on your own goals, skills and resources.

The process you will learn in this chapter relies on five key factors: Risk, Net income, Future Potential, Time investment and Strategic value.

The risk or stability of the website is the first thing you should look at because the level of risk will determine 1) whether you want to buy the business at all and 2) what earnings multiples are acceptable for valuation.

Step 1 - After a thorough evaluation of the website, determine its risk category

Risk Category	Characterized by	Earnings Multiple (monthly)
Extreme Risk	Doubts about the integrity of the seller. Doubts about the accuracy of financial and analytics data provided. No understanding of traffic sources or business model.	0x Never Buy
High Risk	New business. Short revenue or traffic history. Traffic is organic, exclusively dependent on search engines or social sites. Large fluctuations in traffic or profit. Business may be dependent on seller's knowledge, connections or resources.	5x – 12x Net Income
Moderate Risk	1 to 3 years old. Solid financial and analytics records. Explainable fluctuation in traffic and income performance over time. Reasonably stable traffic sources but at least partially outside the owner's control.	12x – 20x Net Income
Low Risk	2 or more years old. Financial and traffic trends that demonstrate that the business has and can weather new competition and external factors like search engine changes, fads, technology changes. High quality content. High quality process, customer service, tools and technology.	20x – 40x Net Income

Key Principle: The riskier the website, the sooner you should try to get your money back. Why? Because the more time that passes, the more likely it is that an event will occur that harms your business.

When you buy a low risk business you have more confidence that negative events will not damage the business. So you are not in as much hurry to get the money you put into the business back out of it.

Earnings Multiples: If the monthly net income (revenue minus expenses) of a business is \$1,000 then a 12x earnings multiple is \$12,000.

Using the table above, if a business' monthly net income were \$1,000, and you considered the business "High Risk", you would be willing to pay between \$5,000 and \$12,000 for the business.

Step 2 – Factor in Future Potential

As a savvy business buyer you probably identified opportunities to increase the traffic or revenue of the website and thus increase its monthly net income. Make sure to adjust the monthly net income number by the amount you are confident you can earn.

In our example, if the site is currently earning \$1,000 per month and you believe you can change prices and earn \$1,200 instead, then you may be willing to pay between \$6,000 and \$14,400.

If there is a specific reason you believe the website will earn less after you buy it, then decrease the monthly net income estimate.

Step 3 – Factor in Your Time Investment

Many sellers do not account for the value of their time when they report net income numbers. Two businesses that each earn \$500 per month are not equal if one business requires only one hour per month of effort but the other requires 80 hours per month of effort.

Any time you invest working in the website is time that can't be spent earning money in another way or doing other activities. If your time is an important factor you should consider it in either the earnings multiple you are willing to pay or the real net income of the business taking into account a cost for your time.

Step 4 – Consider the Strategic Value of the Website

Finally, the value of the business to you may vary based on what you bring to the table or what your interests and passions are. Consider these examples:

- You are interested in building your professional credibility so you buy a website to showcase articles you write on a particular topic.
- You are an expert in a specific industry, niche or product and you want to acquire businesses that complement your experiences.
- You have developed a product to sell but have not place to sell it. You buy a marketplace that you can use to market your product.

For all these strategic reasons and countless more, you may have an excellent reason to buy a website that would justify paying a higher earnings multiple. Conversely there may be strategic factors that would lead you to offer a lower multiple.

So How Much Should You Pay?

To recap, you have now:

1. Determined a risk category and from that a range of multiples you are willing to pay
2. Adjusted the current monthly net income upward or downward based on future potential or specific risks

3. Adjusted the monthly net income estimate or the multiples range to account for the amount of time you have to invest in the business on an ongoing basis
4. Adjusted the multiples range based on the strategic value of the business to you personally

You should now have a future net monthly net income number and a lower and upper multiple in mind that you are willing to pay. For example your projected monthly net income might be \$500 and your multiples range might be 14x to 18x. In that case you would be willing to spend between \$7,000 and \$9,000 for the website.

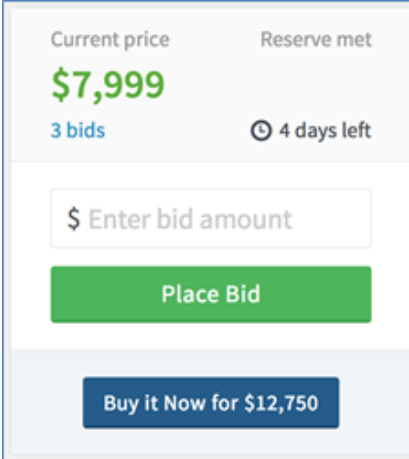
The next step is to get started bidding!

Bidding and Negotiation

After you've decided that you are interested in a website and how much it is worth to you, the next step is placing a bid. Keep in mind that you are legally obligated to pay if your bid is above the reserve price and accepted by the seller.

Mechanics of Bidding

You place a bid by entering the maximum amount you are willing to pay in the bid field and clicking the "Place Bid" button. You are then reminded that the obligation to pay is legally binding. You must read and agree to the Bidding Terms and Conditions and click "Place Bid".



The image shows a bidding interface with the following elements:

- Current price: \$7,999
- Reserve met: Yes
- 3 bids
- 4 days left
- Input field: \$ Enter bid amount
- Place Bid button (green)
- Buy it Now for \$12,750 button (blue)

The bid box found on the website listing page

Before your bid is recognized, the seller must approve you as a bidder. The seller will not learn the amount of your bid unless he accepts you as a bidder. After you are accepted there is no additional approval process for any of your future bids on that auction.

Note that you are placing a 'Maximum Bid'. Flippa's Automatic Bidding system will bid on your behalf in increments up to your maximum bid. This will enable you to retain the leading bid position until someone places a bid that is higher than your maximum.

Place Your Bid

By placing this bid, you are committing to buy **sitethatisforsalenow.com** from **The Seller**
If you place this bid but are unable to pay, you may be exposed to legal action from the seller or from Flippa.

The Current Price is \$215 and the seller accepts these payment methods only: PayPal

Your Maximum

I agree to the [Bidding Terms and Conditions](#).

Place Bid

End this auction now
Buy It Now for \$799

Auction Extensions

To prevent buyers from sneaking in with a low bid in the final moments of an auction, auctions are extended whenever there is a new highest bidder in the last hour. A new high bid resets the auction clock to one hour remaining.

For example, if the current high bid is \$1,000 with 20 minutes remaining in the auction, and another bidder bids \$1,100, the remaining auction time is set to 60 minutes. This allows time for the previous high bidder to consider and make a bid higher than \$1,100. With each new high bid the countdown clock resets to 60 minutes.

Auctions are not extended if the bidding is a result of the Automatic Bidding system incremental bids as in the following example:

Bidder 1 has a high bid of \$1,000 and a maximum bid of \$1,500 with 30 minutes to go in the auction. Bidder 2 places a bid of \$1,100. The Automatic Bidding system bids \$1,150 on behalf of Bidder 1. The auction IS NOT extended because Bidder 1 is not a new high bidder.

Private Sales

In a private sale there is no bidding. You make your best offer, click the “Place Offer” button, and the seller decides whether or not to accept your offer.

If your offer is accepted by the seller, the sale comes to an end and no other offers can be made or accepted.

Bidding Strategy

Entering the maximum amount you are willing to pay saves you the trouble of monitoring the auction and having to enter ever increasing bids as you compete with other buyers in the auction.

You take emotion out of the equation by deciding the value of the website or domain at the outset and let the bidding take its course. This means you’re making better business decisions with a clear head.

However, making use of the Automatic Bidding feature by entering your maximum bid early and upfront results in more bids than waiting until the end of the auction to bid.

Auctions with more bid activity are higher up on the “Most Active” auction page and therefore attract more attention and more bids to the auction.

Finalizing the Sale

You won. The auction ended with you as the highest bidder over the reserve price. Now what?

Flippa provides a handy little portal called the “Sale Completion Area”. In the Sale Completion Area you will find:

- Buttons to Pay with PayPal, Leave Feedback, Pay Success Fees and Dispute Sale
- Sample Sale Agreements
- All of your private message communication with the seller
- The email address, phone number and PayPal address of the seller

The screenshot shows the 'Post-Sale Discussion between jane and joe' for the domain 'yoursite.com'. The sale was completed at a public auction for \$5,251, with 3 bids, starting 9 days ago and completed 2 days ago. The interface includes a 'View Listing' button, a feedback policy notice, and a summary of the transaction details: Domain (yoursite.com), Seller (jane), Buyer (joe), Price (\$5,251), and Sale Date (2 days ago). Action buttons for 'Start Escrow', 'Leave Feedback', 'Pay with PayPal', and 'Dispute Sale' are visible. A 'Sale Agreement' section provides instructions on how to proceed with the transaction, including a link to download the sample sale agreement.

The sales completion area

Tip: Although you can communicate with the seller via email at this point, it is a good idea to continue to use the private message system so that the Flippa support team can find out what transpired in the event of a dispute.

Payment

The first thing to do after winning an auction is to pay the seller. It is recommended to use the escrow process (where payment is held by a third party and is only released when both parties are happy), and if you do, skip down to the Escrow section of this chapter. Escrow is the most secure option of payment, and the one Flippa strongly recommends.

If the seller stated on the listing that they will not accept payment by escrow, contact the seller to obtain his or her account information to make payment.

If payment mechanics are described in the sales agreement you have with the seller, use those details. For example, your contract may specify that you have to pay half of the full amount up front to have the domain transferred to your account and the second half to receive the website content.

For some auctions, making payment may be as simple as clicking the “Pay with PayPal” button in the Sales Completion Area and making the full payment via PayPal.

Escrow

Using an escrow process is the best way to protect the buyer and seller in a website transaction. Flippa has a nice arrangement with Escrow.com that facilitates this process.

When you click on the “Escrow” button in the Sales Completion Area (as seen in the screenshot above) you are taken to Escrow.com to initiate the escrow transaction. If you don’t have an account, setting up the account will be the first step. After account setup the escrow process proceeds as follows:

Step 1

The buyer or seller creates the escrow transaction that defines what domain, assets and other services are being sold and for what price. The length of the inspection period is set.

Step 2

Both parties must agree to the terms of the transaction.

Step 3

Buyer transfers funds to Escrow.com.

Step 4

Escrow.com confirms receipt of funds and notifies the seller that they may begin transfer of the website domain and assets to the buyer.

Step 5

Buyer confirms receipt of the website from the seller.

Step 6

The escrow inspection period begins. During the inspection period the buyer validates that he has received everything that was agreed upon. The buyer verifies that the website is substantially as described by the seller.

Step 7

The buyer notifies Escrow.com that the website has been accepted or rejected.

Step 8

If the business was accepted, Escrow.com releases the funds to the seller. If the business was rejected, Escrow.com begins a process wherein the buyer must return all of the assets to the seller and the buyer's funds to the buyer.

About Sales Agreements

Unfortunately some sellers are unscrupulous. In order to fully protect yourself it is wise to always use an escrow process and a sales agreement.

Flippa provides a sample sales agreement. Flippa does not and cannot enforce the sales agreement themselves; that is your job. But the text of the agreement does contain useful provisions for the protection of buyer and seller in the transaction.

For large transactions consider using an attorney to create or revise the sales agreement.

Tip: You should know what the agreement says and add the specifics of your sale to the document. Make sure that you list the specific assets of the business like the domain, site content, physical inventory and anything else the seller has agreed to provide. Don't forget services and assistance promised by the seller.

Chapter 9

Ownership Transfer

After an agreement is reached you will work with the seller to make sure you receive everything that was promised. Websites may include any of the following and more:

- Domain
- Website content including files and databases
- Accounts e.g. social network, ad networks, suppliers, tools, service subscriptions, etc.
- Contact information for employees, subcontractors and suppliers
- Physical inventory
- Tools and equipment
- Documentation
- Post sale support

Domain Transfer

Domains are managed by registrar companies like GoDaddy and many others. The seller will tell you where the domain is registered. You will set up an account with the registrar that is most often free. The seller will then “push” the domain to your account. After the push, you are the official owner of record of the domain.

Web-hosting

Websites reside on computers called servers that are usually located at web-hosting companies. Unless the seller transfers his web-hosting account to you, you will need to sign up for your own.

After you have a web-hosting account established, the website can be moved to your account. The seller may provide this service, the web-hosting company may do it for you for a fee or you may do it yourself.

After you have obtained a web-hosting account and all the website components are moved to your account, the website will be active only after you update Nameservers. Nameservers tell the internet where to look for a website. You can update the Nameserver records in your registrar account.

Nameserver entries look something like this: `dns1.vps.net`. Your web-hosting company can tell you which names should be used.

Post-sales support

Once all website assets that has been transferred to you and you've paid the seller, the transaction is complete. If the seller has offered to provide support for a specified time after the sale, you can reach out to the seller whenever you need help.

This is just the beginning...

Congratulations! You now know everything you need to get started buying great websites on Flippa.

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There are thousands of amazing websites for sale right now on Flippa, I encourage you to just take the first step and start finding websites on Flippa. Opportunity awaits for those who take action.

Jeff Hunt has purchased more than 300 websites. He is the author of soon to be released: *The Website Investor: The Guide to Buying an Online Website Business for Passive Income* – *Morgan James Publishing*

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