



BRANDERS UNION

Brandable Marketplace Report

Summer, 2020



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Introduction

The following report discusses feedback from brandable domainers in Branders Union for the Summer of 2020.

Background

Branders Union was formed in Q1 2020 for brandable domain investors to communicate, collaborate, and represent our interests as a conscious, unified, and mobilized force in the brandable domaining industry.

Branders Union arose from a paradox: while sellers own most of the assets on marketplaces such as BrandBucket, Squadhelp, and Brandpa, we have almost no voice. Traditionally, marketplaces have worked to maximize their profit against the interests of sellers and, as long as sales occasionally trickled in, sellers have been content to remain passive.

Branders Union recognizes that sellers deserve a seat at the table in guiding and directing policy and procedure on brandable marketplaces. A more cooperative, collaborative relationship with marketplaces is only natural. When any industry reaches a sufficient size, its workers join together to ensure their interests have representation. Particularly in brandable domaining, where sellers not only do a large share of the labor but also own the assets, it should be expected that we would have some influence.

Branders Union currently has a membership of over 100 brandable domain investors, representing tens of millions of dollars in portfolio value, and we continue to grow.

We hope this report begins a productive, collaborative, and cooperative relationship with brandable marketplaces where our voices, and the voices of all brandable domainers, are finally heard.

Summer 2020 Survey

The Summer 2020 Branders Union survey asked our members a few simple questions to gauge general impressions of each marketplace: What does the marketplace do well? What could the marketplace do better? Do you have any additional feedback? In a second section, we asked respondents to rate each marketplace according to the following criteria: review times, domain presentation, domain discovery, sales satisfaction, support satisfaction, and overall experience.

Section One of the results reports on the likes and dislikes of each marketplace. Section Two reports results of the marketplace ratings.

While the survey represents a small sample of overall marketplace sellers (33 surveys were completed), the data is revealing. It provides rare, candid insights into how the seller community perceives each marketplace, what marketplaces are doing well, and how they need to improve.

We hope the results are taken as a starting point for internal marketplace discussions, marketplace communications with sellers, and marketplace communication with Branders Union. The report can benefit all stakeholders involved: marketplaces, sellers, and buyers.

The report is also an opportunity for each marketplace to gain insight into the strengths and weaknesses of its competitors.

Response

Before publishing these results, in the spirit of cooperation and collaboration, Branders Union gave each marketplace two weeks to respond.

Brandpa's response is included in the appendix of this report.

BrandBucket and Squadhelp chose not to respond.

As Branders Union grows, we hope our collective voice will become too loud to ignore.

Section 1: Likes & Dislikes

BrandBucket

BrandBucket Most Liked		
Logo Quality		
Valuation & Pricing		
Support		
Quality Inventory		
Sales		
Domain Classification (Description / Categorization)		
Escrow		
Company Image		
Liquidate Feature		
Ability to Relist Expired Listings		
Seller Autonomy		
Marketing		
Seller Experience		
Newsletter		
Slack		
Website Appearance		

BrandBucket stands out among all marketplaces with positive responses on inventory quality.

Sellers perceive that BrandBucket has the highest and most consistent evaluation standards among marketplaces, both in terms of domain curation and in terms of domain valuation.

Logo quality and support also receive high marks from respondents.

BrandBucket Most Disliked		
Review Time		
Search / Domain Exposure		
Marketing Spend		
Perceived Seller Favoritism		
Seller Analytics		
Seller Communication		
Afternic Integration		
Domain Appeal Process		
Website Appearance		

Respondents resoundingly disapprove of BrandBucket’s lengthy review time. Compounding this issue is BrandBucket’s lack of communication to sellers regarding review time. Waiting 30, 40, or 50 days for a response is an extra cost to sellers and an unwelcome disruption to business.

Respondents are also overwhelmingly concerned with the BrandBucket search and the lack of exposure of some of their domains on the marketplace. It appears the search has not been updated since BrandBucket’s inception, when BrandBucket was a small marketplace. Today, with nearly 90,000 domains, a static search where the order of results is always the same is difficult to understand. While BrandBucket’s own domains are often at the top of the results, sellers’ domains are at times buried under thousands of irrelevant listings, making it nearly impossible for them to be discovered.

The lack of a fair and robust search is also a significant disadvantage for buyers, who are trying to discover the most relevant options for their businesses. Improving the search would ensure sellers’ domains can be found on the marketplace, it would help buyers find the right domain, and consequently it would increase sales for BrandBucket.

Other concerns, such as marketing spend, perceived seller-favoritism, and lack of responsiveness could all be attributed to a lack of transparency. BrandBucket is the most private of the three major marketplaces and its unwillingness to respond to sellers’ concerns and regard us as collaborators often breeds distrust.

What BrandBucket sellers are saying:

"I like the fact that there is a relationship there."

"Please allow us to see offers and inquiries on our domains."

"[We need] Afternic integration."

"[Please offer] more transparent selling policies."

"BB used to be a place to sell ultra premium brands, when these were exposed at home page and visible. Later after a series of bad decisions the premium brands got lost under the flood of sub-standard domains and BrandBucket lost its ability to sell the best brands at the required pace. BrandBucket is adrift, lacks any management and is in a steady decline for over 2 years now, losing to competition quickly."

"Brandbucket is still my favorite but the review times are nearly prohibitive."

Squadhelp

Squadhelp Most Liked		
Innovation	     	
Marketing	     	
Afternic, Sedo, Flippa	   	
Contests	  	
Review Speed	  	
Domain Presentation		
Promotion Opportunity (Boosts, Lifestyle Images)		
Listening to Seller Feedback		
Sales		

Among respondents, Squadhelp stands above the other marketplaces with respect to its constant innovation and aggressive marketing efforts.

Day by day, sellers can see Squadhelp working tirelessly to innovate, to improve sellers' listing experience, and to sell inventory.

From the White Label Marketplace to Benefit Tiers to Afternic, Sedo, and Flippa integrations to the dynamic AI search and beyond, sellers appreciate Squadhelp's bold leadership in advancing the brandable industry.

We're also grateful for Squadhelp's marketing efforts. Squadhelp regularly generates over 1.25 million monthly visitors to its marketplace. BrandBucket, nearly double the size in terms of domains listed, receives only a fraction of this traffic, approximately 250,000 visitors per month. Brandpa, the smallest of the marketplaces in terms of domains listed, receives approximately 100,000 to 150,000 visitors per month.

Squadhelp aggressively merchandises its domains on many fronts. Sellers notice this and feel confident that their domains get excellent exposure.

Squadhelp is the only marketplace that features Afternic integration and partners with Sedo and Flippa. This is another way that sellers feel their domains have excellent opportunities to sell through Squadhelp.

Respondents are also pleased with the booming contest activity on Squadhelp. Sellers frequently see notifications of other participants submitting their premium domains into contests, showing that the Squadhelp marketplace is anything but static. It is an active, lively system that circulates domains to provide maximum exposure.

Squadhelp Most Disliked		
Review Process	   	
Review Favoritism	   	
Review Inconsistency	   	
Censorship / Intolerance of Criticism	  	
Ethics	  	
Logo Design	  	
Quality of Inventory	 	
Nickel-and-diming sellers	 	
Transparency		
“Request Review” Timing		
Benefit Tiers Too Difficult		
Cloud Broker Incentives		
Coherence, focus		
Coins		
Commission Rates		
Inventory Quality		
Older Domains Buried		
Review Fairness		
Sales		
Support		

While Squadhelp gets high marks for marketing and innovation, respondents were less complimentary in other areas.

Many respondents strongly believe there is something wrong with the Squadhelp domain review process. Major criticisms of the process are:

- 1) **Conflict of Interest** – Many sellers do not like the intrinsic conflict of interest of having a small group of

their peers, who compete against them for sales on the marketplaces, be in the position to determine whether their domains are accepted or rejected. Many sellers strongly feel that reviewers should be impartial, objective domain experts like BrandBucket offers.

- 2) **Favoritism** – Squadhelp is well known for offering sellers with large portfolios under-the-table deals that bypass the traditional review system. In these backroom deals, sellers frequently see masses of junk domains flood the marketplace and they are left to wonder: “Why do some sellers have to work hard building their portfolio under an ‘expert’ review system that, by its nature, significantly dampens the acceptance rate while others see an approval of 50%, 75%, or 100%?” “Why do a great deal of junk domains appear on the marketplace through backroom deals while other, better domains are turned away in the standard process?” “Why do some sellers receive special treatment while others do not?”
- 3) **Inconsistency** – Squadhelp’s review process is inconsistent. Reviews are primarily done through superficial polls that ask a small panel of sellers to pick their favorite out of a group (“Which domain do you like best?”) without evaluating each domain on its own merits. This system is highly subjective and encourages shallow, snap judgement. There is more to domaining than “like”, “dislike”.

Further, if a solid domain is not favorited over a series of polls because there are an unusually strong group of domains in the poll, that domain will be unjustly overlooked.

In certain cases, for no apparent reason, Squadhelp short-circuits or ignores the “Expert Review” process altogether and makes a judgement internally.

While some sellers are content with the Squadhelp review process, many believe the conflicts of interest, favoritism, and inconsistency need urgent attention.

Flaws in the review process are one reason Squadhelp receives low marks in ethics. Another reason could be Squadhelp’s recent handling of a botched domain sale, where Squadhelp fell victim to buyer fraud and tried to pass on the loss to the seller. While

Squadhelp and the seller reached an agreement, Squadhelp never accepted full responsibility for the loss.

Censorship and intolerance of criticism have also damaged the marketplace's reputation. Many sellers do not appreciate that the Squadhelp discussion board is highly censored and intolerant of seller expression. Others are disturbed that Squadhelp has used its power to bully and punish critics for speaking out about certain marketplace practices. Repressing and bullying critics is never the answer. It only fuels bitterness and resentment.

What Squadhelp sellers are saying:

“SH really needs to employ professional branding experts, because most of their current stock is of unacceptable quality.”

“SH needs to allow sellers to hire cloud brokers easily, it does not work now, and I do not have time and resources to make contest submission to a large portfolio.”

“I had an issue with one of my domains not showing up and it took 3 weeks of my pestering your support before it was finally fixed. I do not like the way domains are evaluated. Please drop your tiers from 50 domains to 25 domains.”

“Over 92% of sales happen within the first 16 months of listing. Squadhelp's search puts too much emphasis on novelty, burying older domains. This does not encourage sellers to list with Squadhelp in the long term.”

“Some of the logos are churned out quickly and they are awful. Response times to requests for logo or submission review are

unacceptably long. The favoritism towards VIP's is getting out of hand.”

Brandpa

Brandpa Most Liked		
Logo Quality		
Seller Empowerment		
Design		
Shared Trend / Valuation Data		
Fairness		
Fast Escrow		
Friendly and Responsive Owners		
BrandBot Valuation Tool		
Innovation		
Pricing Flexibility		
Sales		
User Experience		
Instant Approval		

Brandpa stands out among marketplaces for its attention to design, logo quality, and user experience for sellers and buyers. Among respondents, Brandpa also gets the highest marks for perceived ethics and fairness. Respondents appreciate Brandpa’s philosophy of empowering sellers with marketplace data. Many sellers also applaud Brandpa’s bold platform update, which does away with domain reviews and empowers sellers to list and price domains as they see fit.

Brandpa Most Disliked 	
Quality Control, Price Control	      
Marketing	   
Responsiveness on Slack	 
No Afternic/Sedo integrations	
Featured domains (often the same, questionable selections)	
Payout options	
Negotiation (converting offers to sales)	
Dashboard metrics	
Sales	
Domain classification	

While many sellers appreciate Brandpa for empowering them to list and price domains as they see fit, sellers are now greatly concerned about the integrity of the marketplace inventory. The marketplace is now filled with sub-standard domains. While Brandpa insists that a great deal of hand-curation goes on once domains are listed, sellers cannot see this and many are concerned that their listings are getting buried under the deluge of sub-standard domains.

Allowing sellers to price their domains however they want is also a common concern. Relative pricing of listings on a marketplace is important. Comparing domain to domain helps buyers to triangulate a general sense of a domain's worth. By allowing each seller to price domains as they see fit, the concept of relative pricing is thrown out the window, which could be confusing and off-putting to buyers.

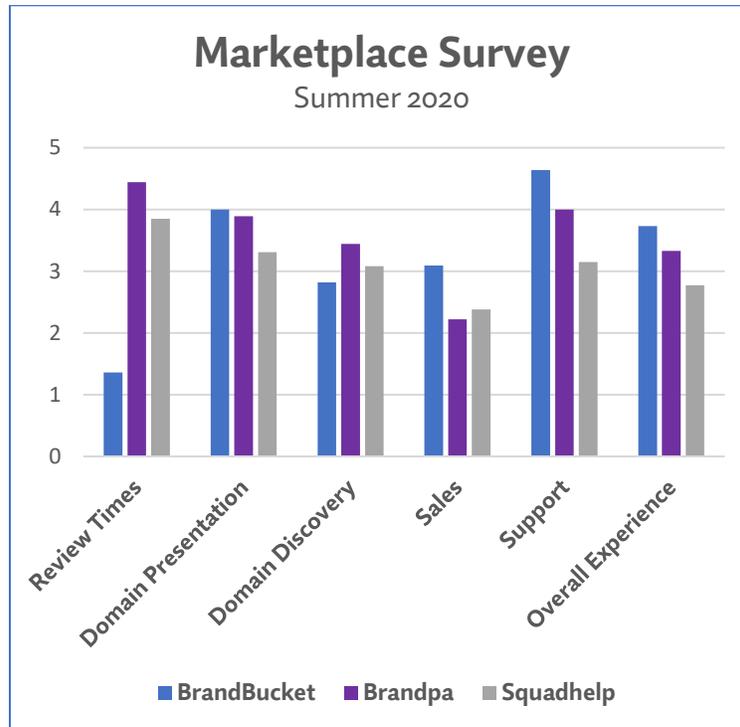
What Brandpa sellers are saying:

“As a matter of urgency, free listing should not be for all. Sellers should be ranked according to sales and experience. More payout options including bank wire should be introduced. Professionals may be selected from sellers to assist in picking featured names, some of the featured names are bad.”

“Admitting the worthless names at ridiculous prices brought the reliability of the market to the bottom. It makes no sense

for the sellers to display their names between sub-standard trash names.”

Section 2: Marketplace Ratings



Review Times – Brandpa, with its instant listing process comes out on top. Squadhelp follows closely behind. BrandBucket scores 1.36 / 5 stars, near the lowest possible (1).

Domain Presentation – BrandBucket edges out Brandpa for presentation while Squadhelp, rampant with amateur logos, comes in last.

Domain Discovery – Brandpa comes in first despite several respondents noting the disturbing lack of the ability to add keywords to domain listings. Squadhelp, which has put a great deal of thought into domain discoverability, comes in second. BrandBucket is last.

Sales – BrandBucket stands heads and shoulders above the competition in this critical category.

Support – With its smart and friendly support team, BrandBucket leads the way here. Brandpa is not far behind.

Overall Experience – BrandBucket: 3.73 / 5. Brandpa: 3.33 / 5. Squadhelp: 2.77 / 5

Conclusion

Each of the three brandable domain marketplaces offers distinct benefits and sellers are grateful to have three viable options to boost the discoverability of our domains.

We value all three marketplaces, root for your success, and appreciate each of your vital roles in advancing brandable domaining.

As the owners of most of the assets on the marketplace, we would also like a greater voice in marketplace activity.

BrandBucket, please let us know how you plan to address review times, marketplace search and domain discoverability issues, the general lack of transparency, and other points in this report.

Squadhelp, please let us know how you will address the perceived injustices in your domain submission process, your censorship and intolerance of criticism, your low ethics ratings, and other points in this report.

Brandpa, please let us know how you will address the concerns over the integrity of the marketplace inventory and other points in this report.

We look forward to your response.

Sincerely,

Branders Union

Appendix: Marketplace Responses

BrandBucket: No Response

Squadhelp: No Response

Brandpa:

We think the Branders Union is a great idea; thank you for including us and giving us the opportunity to reply to your points.

Criticisms of Brandpa

Quality and pricing control

Brandpa made the decision in early 2020 to allow almost all domains on our marketplace. This novel approach does not mean that we have no quality controls.

The nearest analogy would be Amazon, which has a similar marketplace that features an almost limitless selection of products. Despite allowing almost anyone to sell almost anything, Amazon delivers one of the best shopping experiences in the world.

They do so by:

- a) Curating what products customers see first
- b) Having a large inventory that can accommodate almost any search
- c) Providing feedback to sellers to optimise their products and pricing

This is Brandpa's approach. The order of our domains is curated by a combination of humans and AI. We're always improving the details, but our aim is consistent: we want buyers to see the best possible domains first, because doing so keeps them on our marketplace. Buyers want to spend time in the best store.

Like on Amazon, if you scroll through enough results you'll eventually find a bad product. However, unlike sellers, buyers are not consciously looking for bad domains. They are browsing for what they want, and having a large inventory means we are better placed to serve any niche requirements.

Since we moved to this model, we've sold domains that we wouldn't have manually accepted. Often a seller knows something about a domain that we don't, and if we relied on our expert judgement we would have rejected them. We want our best sellers to be incredibly successful, and for bad sellers to learn, or to leave.

We note that the leading criticism of all three marketplaces concerns appraisals:

- BrandBucket – expert appraisals take too long
- Squadhelp – peer appraisals are biased
- Brandpa – automated appraisals let too much in

All of these approaches make different trade-offs, and we're quite open about ours. The advantages of ours are clear: sellers get faster listings, and much more control. Buyers get a larger inventory, and more domains attracts more buyers. So far, the results from our new approach have been exceedingly positive, and we've only begun to refine it.

Marketing

Like other marketplaces, we don't disclose a lot of detail here. But we invest heavily into SEO, UX, and re-targeting (i.e. advertising specific domains to people who have been to our website). We prefer not to run blanket ads, as our experience has shown they don't convert well.

From Brander Union's own report, BrandBucket has more visitors compared with Brandpa (250k to 150k), but also vastly more domains (90k to 20k). So the average domain on Brandpa receives almost 3 times more attention (7.5 views per month per domain, versus 2.7), and this ratio is improving over time.

Other points

- The BU report doesn't mention commission: Brandpa's is lower than BrandBucket or Squadhelp (the highest rates of commission for each are 25%, 30%, and over 30% respectively; all three reduce commission for higher priced domains).
- Unlike at least one other marketplace, Brandpa will categorically never ever ask a seller for their money back once they have been paid for a sale.
- Branders Union scored Brandpa around 4.4 out of 5 for "Review Times". We're unclear why, as our review process is literally instantaneous.
- We don't disclose our full feature roadmap, but suffice to say many of the requests mentioned are already things we're working on.