

The Ins & Outs of Buying a Website

For a would be webmaster wading into the wonderful world of the web, buying web site(s) can be a difficult thing to do, especially if you are not aware of what to look for in a quality website. Unfortunately defining what a good website is can be difficult even for the most savvy or used website salesmen. After all, a website hardly possesses the requisite weight or measure criteria, which defines a product in the traditional sense. So if you are not buying something with substance, what are you buying and what should you be looking for in a "good website"?

The short answer to this very important question is this. You are buying a combination of three things; the expertise and creativity that went into creating the site, the effort that has gone into marketing that site and finally the earning potential of the website in question. With this in mind, before you drop a dime, you should get a clear picture of each of these things as it relates to the website you are interested in.

To do this you need only ask the person who is selling the site the following nine questions, the answers to which will give you a good idea of just how "good" the site you are interested in is. These questions may seem pretty obvious but you would be surprised at how many people simply buy on impulse before understanding what it is they are getting. So do yourself a favour and ask these questions. Perhaps you won't be able to get answers to them all but you should try to answer the majority before you go ahead and spend your hard earned money on a website of unknown origin.

1. Is the Website original or turnkey
2. What does the site sell?
3. When was the website established?
4. Is the website generating any income?
5. Has the website been mapped?
6. Are the Meta tags in place?
7. Does the site have any external links to it?
8. What is the Google PR?
9. What kind of support will I get?

The answer to each of these questions will determine the value of the site and you might be surprised at how quickly these answers add up. So you know what to look for when you get the answers to these questions, we will go over what to look for.

Question #1: Is the site original or turnkey

This question is important only to understand the baseline price for the website in question. A custom site can run you in the hundreds if not thousands of dollars before it even gets hosted on a server. They are original pieces of work and usually made to order. A turnkey site is a website which is mass produced and there is any number of them in circulation. Both are usually fully functional E business solutions except the turnkey costs significantly less selling for fifty to one hundred dollars. The important thing to remember is that both have the same earning potential regardless of the exclusivity of the site.

Question # 2: What does the website sell?

When you are looking for a web site to buy, more than likely you have half an idea what you want to do with it. Most people want to make money but you would be amazed at how many people buy a website but have no idea how income is generated from it. Generally speaking there are four ways to make money off of a website and each involves selling either Information, products, services or advertising space.

Selling information is usually the easiest product to schlep on the web because it is usually in digital format and you simply charge a fee to allow people to download this information or to gain access to your site and view it. There is no mess no fuss and it is virtually painless to sell and receive payment. The only requirement is that you keep your information current and in many cases this is not all that much of a challenge but remember if you are selling it, it is your responsibility to make sure the information is up to date and accurate. If the site sells information that is mass produced and is readily available through a simple web search the value of the site will obviously be less. If the information is something that is unique and one of a kind, you will pay handsomely for the site.

Selling advertising space is perhaps the goal of all webmasters. It is a great way to generate an income from very little to moderate effort. If you have a website that is popular and has many visitors every day, advertisers will want to place their ads on your home page. Web masters will charge significant sums of money to allow others the privilege of advertising on their website. This is something you should always aspire to and once this

happens all your efforts will truly be rewarded. If you are buying a site that already generates a significant advertising income, you can expect to pay a premium price for it.

Selling products online is the most common way people get into online business. Selling on Ebay is the usual point of entry and it is a great place to start. Much can be learned by selling on Ebay and I would fully endorse this starting point. The thing with selling products however, is that you need to have stock to sell. This is done by either using a drop shipper to warehouse and ship your product or warehousing and shipping stock yourself. For the purposes of this article we won't get into the details of drop shipping, suffice to say that this is the best way to sell products on line but it can be very difficult to find a reliable drop shipper. If you are buying a website that has an established drop shipper and regular sales you will have to pony up the pennies to acquire the site. If you are buying a site where you warehouse the goods make sure you are prepared to purchase, store and ship your stock. There are benefits to both but be aware both require time and effort to manage.

Selling a service is perhaps the most time consuming of all online businesses but if you have a skill that people want and you can deliver it online it is a great way to make some money. Be sure if you buy a website that sells a service that you can deliver it. People can easily bite off more than they can chew with this category of online business so be sure to investigate what you can expect from owning a service based web site. Once again, if you are buying an established service website you will have to pay a significant sum to own it.

Question #3: When was the website established?

The significance of this question is simply that the longer a site has been around the more thoroughly it has been indexed by the search engines. It is said that it takes as much as a year for search engines to completely index a site. This means that the search engines are completely aware of what the site has to offer the average web surfer. A site that has been around for a while is more valuable than one that is right out of the box. You can expect to pay about \$100 dollars for every year a site has been around and even more if it has been managed well.

Question #4: Does the site generate any income?

This is perhaps the most obvious of all the questions to be answered. We all want to make money off our sites and if you can get one that is already generating an income you can hit the ground running. Before purchasing a site which is being promoted as an income generator, make sure you get the information to support the claim. Pay Pal, AdSense and virtually all affiliate programs have a report feature which will prove the financial comings and goings of the site in question. The seller of the site should be happy to provide you with this information before you buy. Finally, to determine the value of an income earning site it is not uncommon for people to multiply the yearly income generated by a multiple of 10. So if a site generates an income of \$500 a year, you could be looking at a price tag of \$5000. Although this is not the golden rule don't be surprised to run into this. I personally think a multiple of 5 would be more appropriate but it comes down what people are willing to pay. Don't be afraid to negotiate!

Question #5: Has the site been mapped?

Site mapping is perhaps the most overlooked and easiest thing a webmaster can do to improve a websites page rank. A site map is just as handy as a road map for a city you have never been to. If you want to know where you are going and what you should see, a good map is an absolute must. If you want the search engines to have a good trip through your web site, a good sitemap is essential. Although it does not significantly affect the value of a site, it indicates that the person who is selling the site has taken the time to make sure the site has been indexed properly. You can expect an additional \$20 – 40 added to the cost of a website for a site map.

Question #6: Are the Meta tags in place?

Meta tags are a very contentious issue in the world of web development and you will find many different schools of thought on the issue ranging from the Worthless School to the Invaluable School. At one time meta tags were the primary means by which search engines like Google determined the importance of any given web page. Over the years however, things have evolved and a number of additional factors are taken into account when determining the importance of a web site. Regardless of opinion however, Meta tags can still be considered an important part of any web site and should be in place before the site can be considered web worthy. As a result, you can expect that a good set of Meta tags can add about \$20 - \$100 to the cost of a site. You can quickly check the quality of the Meta tags for any site at widexl.com they have a nifty little tool to do this with.

Question #7: Does the site have any external links to it?

Ah the eternal quest for links, the webmasters holy grail. Were Shakespeare alive today, he would undoubtedly have King Richard the III uttering "A link, a link, my kingdom for a link" but alas I digress... Without others linking to a website it is virtually invisible to the average web surfer and therefore not much of an income generator. If the website you are buying has no links to it you will have to do a significant amount of work of your own to get some. If you are extremely lucky your site will propagate links all on its own but this is highly unlikely. You can expect to pay about \$100 per thousand inbound links a site has. This may seem unreasonable to some but remember existing inbound links represents work the current web master has already done for you. If you want to get a look at how many links are pointing to a web site, go to Widexl.com again and try out their Link Popularity Check tool. This will give you an idea of how many sinks point to the site you are interested in.

Question #8: What is the web site's Google PR?

Google PR or page rank is Google's way to rank the importance of a website and it is another one of those contentious issues in the world of web development. Some web masters say it is crap others while others swear by it as a measure of a web site's significance. Regardless of opinion however, it is safe to say that having a page rank is better than not having one and the higher the page rank the better. As a measure of value PR is commonly used to justify the price being asked for a website. If you want to get a rough idea of what you will pay for PR point, simply begin at \$20 for a PR of 1 and double it for each additional point. If you do the math you will see that a PR can add up and by PR 10 you are looking at a minimum of \$10,240 for such a website and this is before taking into consideration the previously discussed items.

Question #9: What kind of support do I get?

If you are a newbie to web mastering this final question is a very important one to have answered in your favour. There are a ton of vendors out there selling sites and the prices range from ridiculously cheap to fairly expensive. It is pretty much guaranteed that the less you pay, the less support you will get from those who sold you the site. If you new to this game, you will undoubtedly need a hand until you get a handle on what you re doing. Any vendor worth their salt will be more than happy to give you accommodate your needs however, you have to expect to pay for it so many vendors will build this cost into their product. You can expect that the going rate is at least \$20 per hour and as many as 3 hours can be calculated into the cost. Be sure to ask if the price of the website you are interested in includes support and if so how long will it last.

Buying a website doesn't have to be a daunting experience and by answering the questions discussed in this article you can minimise the chance of getting something you don't want. If you are looking at a website for \$40 or less it is pretty much guaranteed that all you are getting is the website script. As the price increases you can expect that the items as discussed in this article are factored in. It is your responsibility however, to determine if the price is justified or not. Common sense and a little bit of research can go a long way toward making your foray into the world of online business a positive one.

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