

Blog Export: Exile From the Herd, <http://www.privateworld.com/>

Friday, June 8, 2007

Mark Jeftovic onstage with the Parkdale Hookers at Toronto's Lula Lounge - Nov 2007 - photo by Mike Streeter
The guitar is an Epiphone FlameCat, a.k.a "Satan's Guitar"

"I would say outside of Mark Jeftovic there is no one else on this planet who cares what he thinks. Another over inflated ego that is a nobody."

-- John Beckwith

Posted by Mark Jeftovic at 00:53

Friday, June 29, 2007

My Domainer's Magazine is in

I was just wondering about this last week, "didn't I subscribe to some domainer magazine, sight unseen a while back?"

Yes I did, and my first issue of Domainers' Magazine arrived this week. It looks quite professionally done. Looking forward to checking it out, I'll bring it home with me going into the long weekend (Happy Canada Day hosers and an early Happy 4th of July to our southern neighbours eh)

Posted by Mark Jeftovic in Living off the net at 11:28

Monday, June 25, 2007

The Low Returns Of High Volume / High Expectations / Thin Margin Customers

There is an old expression among geeks and hackers: "fast, good, cheap: pick any two" and anybody who is a client of my company knows which two we strive for. So it has always amused me when I see any of the following:

- companies who pick ONE of the three: cheap, and think that's enough
- customers who think three of three is a realistic thing to ask for
- companies who claim to be all three

Over the lifespan of easyDNS, people have admonished me, some politely, some adamantly, that I was "playing it all wrong". I remember a chance meeting with an old friend in the KOS Diner on Toronto's College Street back in 2000: "You've only got one chance, one chance at all to make this work: YOU MUST position yourself to be bought out by Network Solutions, like do what you're doing for free and just get a whole bunch of customers, fast"

I remember some of the calls I took when I was still answering the front line support phones that went something like this:

Other guy: "You guys should be giving DNS away for free"

Me: "Why on earth would we do that?"

Them: "So you can get really big, really fast"

Me: "We're doing just fine as it is now, thanks"

Them: "But XYZ (el cheapo) Corp. does DNS for free!"

Me: "So how come you aren't using them then?"

Them: "Well, they're down all the time. They never answer emails, it's impossible to get anybody on the phone there"

Every time I thought by taking the customer through it like this, the lightbulb would click and they'd realize what was going on here. For the most part, that's what's happened, our customer base "get's it". The number of times over the years I've seen posts in forum threads discussing DNS hosting that said, in effect:

"easyDNS is not the cheapest game in town. I have a lot of my domains with XYZ (el cheapo) Corp. but I have the 5 or 10 domains that are critical to my operations with easyDNS"

And I'm fine with that, aside from the fact I personally lie awake at night wondering what else we can be doing to protect those 5 or 10 domains entrusted to us and I'm not sure the people who run that XYZ (el cheapo) Corp. are losing any sleep about the 50 or 100 freebies over there.

This morning we got an obvious form inquiry from a somebody (who I will not refer to as a potential customer because I can guarantee you, they will not go with us) who is considering migrating away from another registrar I won't name but you've almost certainly heard of them.

They have 6,000 domains and currently get them for \$6.88/year and in order for them to come over, they'd want us to "easily beat that number or its not worth it".

For those unfamiliar with the background economics of the domain registrar business, all domain registrars pay the same amount for .com, .net, .org domains (and those amounts are also all going up this year), for sake of brevity, that amount is roughly \$6. The rest of his email outlines other requirements he had for moving over (100% DNS uptime wasn't among them, oddly).

So a back of the napkin calculation: Let's say to get this business we'd have to drop to \$6.50, it means by picking up 6,000 additional domains into our DNS cluster and everything else that entails, we'd be making a gross profit of \$3,000 year. This is about the same amount we will make when we pick up the next 100 new domains at our basic DNS + Domain Registration or Transfer @ \$35/year.

Now we can and do come down in price for volume deals, but we will never do that rock-bottom price war thing. It just doesn't make any sense to us. This must be a trick question: what is the easier way to make a million dollars? The razor thin margin players want to salami shave a penny off of 100 million customers and this seems to make the most sense to a lot of internet companies. I'd rather provide value and benefits substantially in excess of, say \$100 then get 10,000 customers to pay \$100 for it.

So as a result of this strategy we've got fatter margins, lower volumes and fewer customers. No superbowl ads. But if you called us, like right now (1-888-677-4741) during normal business hours, I can virtually guarantee you that a live body is going to pick up the phone on the first or second ring, and that person is going to be clueful, and he's going to be able to help you without trying to sell you add-ons because he's paid to do a job and upselling you to stuff you don't want or need isn't it.

The problem with playing the razor thin margin game and competing on price is that there is always somebody cheaper. If your primary benefit to your customer is that you're the cheapest, your going to have a dizzying churn rate. They guy who brings over 6,000 domains at 6.50 today will be gone in a year when some other hapless outfit agrees to do it for 6.45. And with those margins, you don't have the cashflow to spend on the high end infrastructure like Tier 1 datacenters or high end DOS proofing.

After I published this entry yesterday I thought about it a bit, considered the possibility that it was a piece self-serving tripe and pulled it back into draft shortly afterwards. Then today a customer sent us the following email, quoted here verbatim and I'll close with it and republish this entry:

I recently did a domain name transfer of 10 domains away from easyDNS to take advantage of a bulk price offer at another registrar. During my time with that registrar, I have discovered that their service offering is sub-standard.

The URL forwarding does not function as well as easyDNS, the ability to create multiple records has limitations, they do not have high-availability of their service, and their technical support is lacking. I have experienced numerous down times on my web sites, and cannot continue to function with them. So, I would like to transfer all of my domains back to easyDNS.

Also, I would like to write a letter of recommendation/customer satisfaction for easyDNS to identify the benefits of your service and the pitfalls of moving to discount registrars.

I look forward to once again taking part in your value added services.

I replied that I think he just had written his letter of recommendation and after securing his permission to do so, I've quoted him here.

What we're talking about applies everywhere. Today I went over to look at a self-storage locker facility and the extremely helpful and courteous employee told me, in effect:

When I tell people our pricing I often hear that it's a little on the high side, but the truth is you get what you pay for. Everybody wants a storage facility to be clean, safe and protected from the elements, but you can't do that and still offer it at a bargain basement price.

Indeed, where do I sign up?

Posted by Mark Jeftovic in Taking care of business at 16:16

Thursday, June 21, 2007

Anti-Domain Parking "Petition" an anti-free market nightmare

I think much of my initial reaction to the petition to "Stop Domain Name Parking and Cybersquatting" has already been said in my Attack of the TechnoPinkos post of a couple weeks ago. This is a typical example of leftist angst stemming from the fact that people actually earn a living and gasp generate profits from monetizing domain names.

As somebody in the domain industry (we aren't a big domain parking player and as a registrar we have exactly 0% of the domainer market, and most people know how I feel about the aftermarket and how overheated it is), there are a few issues with this "petition" that I feel duty bound to point out.

Domain Parking is not the same thing as Cybersquatting. Anybody who equates the two removes any doubt to their utter cluelessness about the entire domain industry. Cybersquatting involves registering a domain that is somebody else's trademark

Domain parking is a legitimate use for a domain. If you advocate rules or laws against domain parking then you are making rules for how other people can or can not use their domains. You are regulating content, which is indeed, one slippery slope.

Trying to outlaw domain parking and cybersquatting in the same petition is like trying to outlaw toxic waste and MacDonald's Happy Meals at the same time.

The petition calls for ICANN to "ensure that a domain names that are parked would be available for sale at a price tag that would not be considered extortion". This advocates price fixing and completely revokes domain registrants rights to their own domains. The request is outlandish. Check out wealth.net. Egad! It's parked. So I'm to understand if one of these pinkos thought they had a legitimate "claim" to this domain, under their rules ICANN would force me to sell it to them at a "reasonable" price because they don't think I'm using it? I paid an enormous sum for that name in the aftermarket. It's mine, it's parked, get over it, screw you.

Somebody else parking a domain doesn't prevent anybody from doing anything. Yes, domain names in themselves can be built into powerful brands, and many of them earn substantial income from type-in traffic and PPC, but at the end of the day, the map is not the territory. Owning a generic keyword domain doesn't bar the rest of the world concerned with that keyword from carrying on about their business. I own ravingpinkos.com, I just snagged it moments ago and now I'm monetizing it via parked.com. That doesn't prevent any of the saps who signed this petition from starting their own raving pinko website, circulate their raving pinko petitions, and try to build their raving pinko utopia. They just can't call it ravingpinkos.com.

The text of the "petition" was changed mid-stream. One of the reasons I keep using the word "petition" in quotes. After one very shrewd and well said comment on the message boards (written by Johnny B) about this initiative, they subsequently posted that they changed the text of the petition (!). Which means that the people who signed their names before the edit then had what they were petitioning arbitrarily changed.

Having said all this, anybody who knows the difference between Twisted Sister and twisted pair can tell you this "petition" is a joke.

Posted by Mark Jeftovic in Nutjob Watch at 21:04

Wednesday, June 13, 2007

Help Kill Politics in Canada

I think the most underappreciated quip about politics comes from that seminal work *The Sovereign Individual* by Davidson & Rees-Mogg where they observe that:

"Too little attention has been paid to the fact that electoral politics lures disordered, messianic personalities into positions of power."

I endeavour to bring as much attention to that fact whenever possible, the point still seems lost on the majority of the populace. Aliester Crowley once posited that what separates man from animal is "the desire to be important", politics is the arena of choice for those too talentless to take a stab at celebrity.

Canada's political system is as homogenous and as removed from the actual will of the people as is our cousin's to the south. Every few years we get to choose between Tweedledee-Dee and Tweedledee-Dum, nobody asks us anything terribly important. Should we be sticking our noses in Afghanistan's business? Is it time to get rid of that income tax that was introduced as a temporary measure until we win World War I? Should be seeking Deep Integration with the US?

None of that really gets put to the voters. Instead we're given the choice between one brand of homogenized sludge or another, more of the same. Tax and spend, redistribute other people's property. Stick our noses in other countries affairs.

There are no viable alternatives in Canada. The Liberal party is just the Conservatives minus the neo-con ideology, and the NDP's are a pack of raving pinkos. The Green party is an emerging alternative that will eventually brush aside the NDPs on the left, the only alternative for the protest vote, for an end of politics-as-usual, the only party that stands for something that isn't positively brain dead in this country is the Libertarian Party.

In a nutshell Libertarians believe that everybody should be free to pursue their own interests provided their activities do not infringe on anybody else's rights to same. Pretty simple, pretty sensible. Why we are not living this way in a supposedly progressive western society is utterly beyond me. Libertarians believe for the most part, that if there should be any government at all, it should be a minimal one in place to protect the property rights of it's citizenry and the sovereignty of the country from external aggressors. The Wikipedia page on Libertarianism is a good primer/digest on the subject.

The Canadian Libertarian Party is now fighting for its life. Every three years political parties need to get 250 signatures filed to retain their political party status and the Libertarian Party is about 100 signatures away and has until the end of the month to do it.

It seems silly that they're having a hard time coming up with 250 people who don't see the Libertarian "live-and-let-live" values as the essential core message of progressive Western society from the Renaissance onwards.

I am not a big "joiner" of groups. Crowds bother me, herd mentalities make me sick and lemmings are just lemmings. But it is important for there to exist in Canada a political party who puts fiscal responsibility back into Conservatism, and the personal liberty back into Liberalism and calls the entitlement programs and redistribution of wealth of the Left for what is, which is essentially coercion and theft.

For that reason, and it is with a somewhat heavy heart and a sigh...I am joining the Libertarian Party of Canada and filing my papers as an official member, and I urge all like minded Canadians reading this to do the same by the end of June.

Do it today, and for once in your political life your endorsement will be important, it will make a difference and your actions will actually count for something other than as a rubber stamp for the same old same old bullshit politicians.

» DO IT NOW «

Posted by Mark Jeftovic in AntiPolitics at 13:11

Monday, June 11, 2007

2012 Logo spells ZOIZ! Proof of a reptilian / grey alien conspiracy

It is with ever increasing bemusement I scan nutjob havens like GodlikeProductions and RumorMillNews and find the tempo of the hysteria has been palpably building lately (possibly because of the impending destruction of Earth by Planet X within the next 6 months)

When everything is a conspiracy and the shadowy cabal at the top controls all history, it comes as no surprise that the new London Olympic Games logo:

Spell's "ZION" to the gaggle of nuts in the tinfoil hats. All you have to do is "some slight rearrangement of symbols on the 2012 logo it spells out ZION!" (which is a real quote). I love that phrase "slight rearrangement". These BigConspiracy nutjobs have no problems shoehorning anything into a worldview where a bear can't crap in the woods unless a reptilian overlord in the shadows has planned it out.

Some slight rearrangement of the symbols also gets you ZZ Top, and if you don't move anything I think if it spells anything it's either ZOIN or ZOIZ or maybe ZIOZ. I think Jon Stewart nailed it when he said "it looks like a slot machine going down on an ATM".

Posted by Mark Jeftovic in Nutjob Watch at 12:19

Tuesday, June 5, 2007

Time to jump off the parabola

As readers of this blog know, I typically stay away from "hot" investment sectors because I'm antisocial and dislike crowds. Over the last few days I have seen what can only be called red flashing warning lights from a few different places like The Privateer ("Warning lights flashing worldwide"), Larry Wallman's "Sunday Comments" ("We are someplace in the "mania" segment of the bull run." and George Ure's Urban Survival.

I have yet to read Marc Faber's May GloomBoomDoom but then again, he already said this last month. So imagine to my surprise when my memory jogs and I realize: I've been socking somewhere around 40% of my company RRSP contributions into emerging markets for over 5 years! Those same markets Bucker is calling "parabolic" and in the "blow-off" phase and with China taking near-weekly 8% dumps in the stock market. Oh my!

I nearly forgot about these holdings because I simply did a "set and forget" about 6 years ago, when I setup my corporate RRSP contribs go into 1) Emerging markets 2) Japan (don't laugh), 3) income producing real estate funds and 4) natural resources. I managed to average about a 20% annual return with that formula but I don't think his mix can continue that pace.

As such I've redeemed my emerging markets into cash (money markets) and lowered my contributions into Japanese equities. I've added an income fund and allotted more into money markets.

In short, as far as this particular RRSP goes, I've bailed on emerging markets, stuck it out with Japan (hey, they're due) and gone "above weight" in cash. Which bankers hate, but hey, when everything is overvalued what the hell else am I going to do with it? Buy domain names on the aftermarket?

Remember, this is not investment advice, remove cellophane before eating, etc.

Posted by Mark Jeftovic in This is not investment advice at 14:29

Monday, June 4, 2007

Migrating your feed subscribers to Feedburner

I spent a few hours friday working on a blog widget that would parse the number of subscribers out of the HTTP_USER_AGENT strings of the various feedreaders so I could easily see the aggregate number of subscribers I have. It only took me a few hours to realize that what I was trying to do, wasn't gonna work.

My plan to use remote javascript may have worked fine for human readers to the main index, a la MyBlogLog (which I use), but of course, duh, the feedreaders won't load the main index and they likely won't interpolate the javascript. I doubted an iframe would work either.

So my idea for a widget wasn't going to fly, I realized the only way to do this was to actually run the entire feed URL through the counter system, the way FeedBurner does it. It was only a coincidence that this happened on the same day Google bought FeedBurner for 100 Million.

So the blog widget is a non-starter, I still want to easily know my aggregate subscribers but now I don't want to start counting from zero, I want to be able to factor in my existing readers.

My existing readers subscribe to my feed via <http://mark.jeftovic.net/feeds/index.rss2>, which is the same URL feedburner will use to load the feed. So simply redirecting my existing feed URL to my new Feedburner feed would create an infinite loop when FeedBurner tries to load the old feed.

We need to always redirect the old feed URL to the new feed URL except when the remote client is Feedburner.

My blog platform is serendipity, and it implements all the RSS and XML urls by a URL rewrite to rss.php, so at the very top of that file, we just add this:

```
if(!ereg("^FeedBurner",$_SERVER['HTTP_USER_AGENT'])) {
    Header("Location: http://feeds.feedburner.com/jeftovic/JVMu");
    exit;
}
```

This should allow Feedburner to load the RSS from the blog, and redirect all the other feedreaders to Feedburner. Hopefully I haven't overlooked anything. This is somewhat of a test post and if all goes well, it should show up in my Bloglines reader transparently.

To migrate to FeedBurner from other blog platforms including Wordpress and Drupal, there is this thread on the FeedBurner forums.

Posted by Mark Jeftovic in Hacking tech at 22:33