# How to Evaluate and Sell your Blog [Complete Guide]



There is, of course, one final way that you can profit from starting and running a blog, and that is to sell it! While this is more of an exit strategy than a monetization method, it's worth discussing for bloggers thinking about their long-term plans.

### 1. Considerations for selling a blog:

#### 1.1 Make Sure Your Accounts are Up to Scratch

If a business has little in the way of accounts or has missing documentation, poor reporting or a variety of other bad accounting practices, these are the clear warning signal for buyers to stay away.

They can hide a multitude of sins and alter the calculations made to value a business dramatically. If your plan is to sell your blog, it is even more vital than ever to make sure you have complete and accurate financial records for the business.

### 1.2 Keep it Separate From Other Businesses and Interests

Selling a business when it is intermingled with other interests is difficult. If you can, keep your staff, assets, accounts, and business generally separate from any other business

concerns you might own. And of course, you should always keep your business separate from any personal accounts and interests you may have.

In many ways, separation is related to the previous point as mixing and mingling accounts and assets make it difficult for buyers to see the business you are selling as a single, clear entity. The more mixed up things are, the easier it is for things to be hidden, and nobody likes surprises, especially when money is involved!

#### 1.3 Build so it Can Operate Without You

If you plan to sell, you should be building a business that isn't reliant on you being there.

The new owner is going to want to be able to pick up where you leave off and keep the business intact, and not have its brand equity drain away as soon as you leave the site.

So plan ahead and make sure that the site can be managed without you, and isn't reliant on your personal brand for viability.

### 2. Considerations for Valuing a Blog

It's important to state that the price you sell a site for is incredibly variable, and based on a number of factors:

### 2.1 Who Approached Whom?

Selling a business is a negotiation, and like any negotiation, there are many factors that determine who has the upper hand, which in turn determines the final price.

In particular, it makes a big difference in how you connect with potential buyers. If you put a site up for sale, unless you receive many interested parties, you are going to have the lower hand in any negotiation because buyers know that you want to sell, that you might even have a time limit, and that if your site is on the market for a long time, they might be able to buy it for less.

Vice versa if a buyer approaches you; come in with the upper hand and can play hard-to-get to drive the price up.

### 2.2 How Much Value Will the Blog Bring the Buyer?

You can maximize your sale price if you can find a buyer who can increase the value of the blog by mixing it with other businesses or products they already own.

So for example, when Treehugger.com sold to the Discovery Network in 2007 for \$10 million, it no doubt achieved a high premium because Discovery Network knew they could bring new readers to the site from their network and vice versa, as well as to increase the revenue of the blog by marrying Discovery advertisers with the new acquisition.

Comparatively, if the site had sold to a buyer with no existing investments or products in the same market, there would be no value-added, and the sale price would be purely based on the other factors listed below.

#### 2.3 How Much Revenue is Blog Generating?

Arguably one of the two most important factors in determining a price, particularly for high-growth areas like the Internet, is revenue. Although costs are a critical component of the equation, for larger sites buyers will be assuming they know how to handle costs.

So for example, an experienced operator looking to purchase a blog may feel they can leverage existing resources such as publishing and editing staff and have a good idea of what such costs would be for a particular size publication.

In these cases, they will be much more interested in your overall revenue because it is the main unknown factor in determining whether the operation is viable.

### 2.4 How Much Does the Blog Cost to Operate?

The flip side of revenue are costs and these certainly impact a sale, particularly for smaller buyers looking to maintain the same operation rather than merge it in with their existing businesses.

In these cases, your costs will largely determine how profitable the acquisition will be for the buyer.

### 2.5 How Fast is Blog Growing?

Perhaps the most important factor in pricing a business is its growth. High growth can overshadow pretty much every other factor, holding the promise of higher revenues in the

future (if revenues are low), economies of scale (if costs are high), cancelling out general market trends (if they are negative and the blog is still growing), and generally showing a potential that in turn drives the price up.

Growth is the reason behind high valuations for web services with small revenues but large audiences, most famously Twitter. And it's a good reason to sell while things are on the up, even if it's not exactly the right moment according to your plans.

### 2.6 What is the State of Web and Advertising Markets?

It is always important to keep an eye on how the markets are faring generally. In bad economic times when ad spending is falling, it's natural that buyers will be less likely to pay a premium. Timing is important when selling!

#### 2.7 What are the Assets of the Business?

Finally when you sell, consider all the assets you are selling including any intellectual property, content, physical assets, and code assets. Everything contributes to the total worth of the business from brand trademarks to the web site's design, special code you've had developed, and the sheer volume of articles you might have.

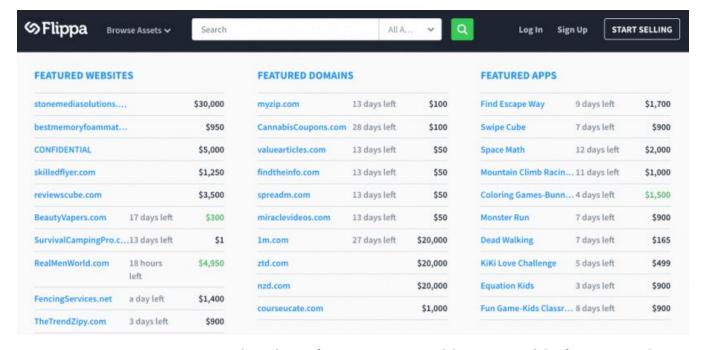
So you should also take into account the backlink profile of the website, social media profiles and web 2.0 properties and accounts.

While numerical valuations are useful for quickly quantifying what a site might be worth, keep in mind that they are only guides.

Ultimately a site is worth what someone is willing to pay for it. Still, in terms of numerical valuations, all sorts of equations are possible including:

#### 2.7.1. 10-15x Monthly Revenue for Small Sites on Auctions

This rough pricing guide is often used on auction sites like Flippa. The multiple is quite low, which is usual for smaller sites. It's also based on monthly revenue because revenue figures for blogs change so quickly and because it's not uncommon to find sites for sale that haven't even existed for a year.



Using a revenue rate extrapolated out from recent weekly or monthly figures is also sometimes called the run rate. It's important when negotiating to check that everyone is using the same revenue numbers to calculate on.

#### 2.7.2. Anywhere from 1-10x Annual Revenue

For high-growth sites, taking a huge multiple on annual revenue is not unheard of. These valuations are very much based on projections of growth and differ around industries.

Unless you have a business that is showing amazing viral growth, you should probably assume the multiple will be down at the lower end.

#### 2.7.3. Anywhere from 2-20x Operating Profit

Operating profit is your revenue minus your costs, but before deductions like taxes are made. It's also referred to as EBITDA, which stands for Earnings Before Interest, Taxes, Depreciation, and Amortization, or EBIT, or Operating Income.

If you are measuring value according to operating profits, then you can expect the multiples to be much higher. In traditional business, valuations are more likely to use operating profit because those industries have a much longer track record and buyers know exactly what to expect.

For those types of businesses, you often hear about 3-5x profit valuations. Online there is much more speculation, growth, and opportunity, meaning in turn that the potential multipliers can go much higher.

Again, the reality is that a business is worth whatever someone is willing to pay for it, and online buyers are often willing to pay more, particularly in good economic times. Don't expect to find any real hard and fast rules and always negotiate hard.

### 3. How to Start Selling

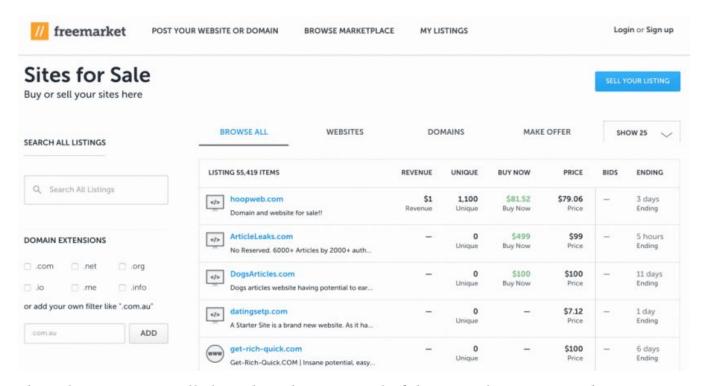
There are a few different routes that you can take to sell a site:

#### 3.1. Auction Sites for Smaller Businesses

One of the most common ways you hear about sites selling is on services such as Flippa.com. These services host auctions for sites and businesses, and typically work well for small transactions (less than \$100,000) as they are quick to list on and expose the sale to a large number of buyers.

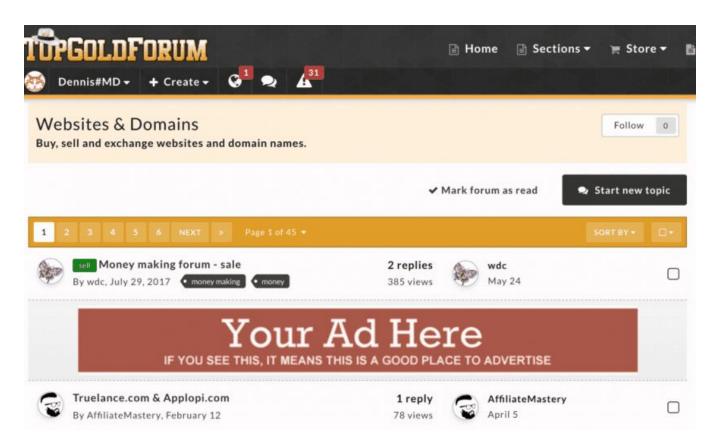
However, there is one very large drawback to this style of sale. In an open auction, the process is open to manipulation. For example, Flippa runs a comments section where buyers can discuss the auction, potentially pointing out problems and issues to try to keep the price down.

Additionally, everyone knows what is (or isn't) being bid for a site, taking a lot of the negotiation out of the equation. Finally, putting a site up for sale and having it not sell doesn't really leave you in a good bargaining position for future sales.



The sale price was really based on the potential of the site. Flippa.com is the most well-known auction site, however, eBay also provides a place to sell under the category

"Businesses and Websites for Sale," and you can also try sites like FreeMarket, DigitalPoint, and Top Gold Forum Marketplace.



Sell your Blog on TopGoldForum Marketplace

#### 3.2. Listing a "For Sale" Notice

There are numerous sites where you can list a business for sale to attract leads. Some listing sites include GlobalBX, BusinessesForSale, and BizQuest. Alternatively, you can announce on your own blog that you're looking at selling and if anyone is interested, they can contact you for more details.

### 3.3. Getting a Business Broker

Business brokers are agents who help shop around a site. These companies typically help find buyers, help set prices, and help with the negotiation process. Of course, they also take a cut of the sale! Ask your accountant about finding local business brokers who have online experience.

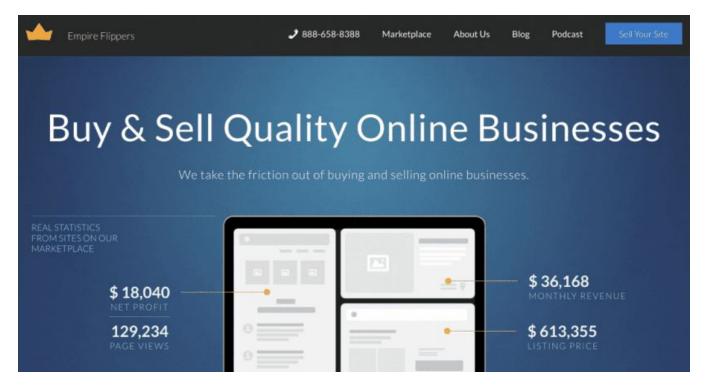
#### 3.3.1 FE International



#### FEInternational Website Broker

These guys are an online marketplace for buying and selling online businesses. Their clients are usually high-end companies, and they cover transactions that start out from five figures and go up. They ensure that each sale that goes through them is legit and they guarantee a scam free environment.

#### 3.3.2 Empire Flippers



These guys provide a unique hands-on approach when it comes to sell (or buy) a website that is in the six-figure price range. They offer an evaluation tool to help you get a ballpark price for your site on the fly.

For more information check Zach Zorn review of Empire Flippers.

#### 3.4. Shopping Privately for Buyers

Perhaps the most common way to find a buyer is to privately shop around for buyers. This might simply be done through some strategic emails sent out to companies you think might be interested to ask for offers and interest.

Look especially for companies that you've dealt with before (advertisers, partners etc). You may also consider your competitors both direct and indirect.

Here is a list of companies that purchase blogs and you may get in touch with them and see if they are interested in your web property:

#### 3.4.1 Internet Brands

They focus on four core verticals in which we are the proven leaders: Automotive, Health, Legal, and Home / Travel. Our fully integrated vertical approach combines leading web solutions for businesses and media websites for consumers.

#### 3.4.2 DistrictMediaFinance

DistrictMediaFinance is an independent media company with the objective is to deliver high-quality personal finance news and advice that informs, empowers, educates and entertains the public. They operate a network of around 15 blogs that focus on the financial sector (saving money, coupons, investing etc)

### 3.4.3 MediaDigi.com



MediaDigi Ltd. established this network in 2012 with the desire to crush limits and create a community of people who want to learn and share their knowledge. And since then, millions of readers found the solution to their problems in our articles.

Disclaimer: Mediadiqi purchased Monetize.info in 2017 for an undisclosed amount.

#### 3.4. Preparing Information for Prospective Buyers.

If you are planning on selling a blog, you should make sure you have a set of information you're ready to distribute when a prospective buyer enquires.

This can either be vague, in order to get interested for more serious discussion, or for smaller sites, you may lay out all the cards transparently from the get-go.

You might include information such as:

- 1. Traffic and specifics such as search traffic.
- 2. Revenue, costs, and profit.
- 3. Assets for sale.
- 4. Growth.
- 5. Detail of how the site could grow.

Spend some time looking through listings on sites like Flippa.com to see what information sellers present, and decide how much detail you wish to give.

#### 3.5. Doing Due Diligence on the buyers

Due diligence is the process by which business owners conduct business, legal, and financial investigation of a company in preparation for a possible sale transaction.

It's important to make sure the person you are handing your business have the financial means to purchase it (otherwise you may handle important information about your business to a competitor that pose as an interested buyer but is not).

Also, you should make sure he knows your niche and can take care of the website in the future. I know there are some sellers which are not interested what happens with their assets after a sale, however, keep in mind that your business became successful because visitors and clients trusted you and they will not be happy if you sell the business to

someone that can't take care of their needs. This may backfire on you when you start a new business.

#### 3.7. Using Escrow Services



Whatever route you take in finding a buyer, it's always important to use an escrow service such as Escrow.comwhen making the transfer.

These services provide a trusted third party to make sure the buyer receives the website and assets, and the seller receives the money. The escrow fee is typically a percentage of the transaction and can be shared between buyer and seller.

### 4. Transferring the assets and post-sale support

This is also an important step in closing the deal. As I've sold and purchased several blogs I know this was quite stressful but with patience, everything will work out.

Ask the buyer how he wants things to proceed and make sure you deliver everything you agreed. There may be issues with handling social media accounts, transferring company or financial assets. If you own other sites you should ask for a testimonial from the buyer because it will help you in future sales. Check one testimonial offered us by Oliver Kenyon after a successful sale.

### 5. Real stories from people that sold or bought a blog

Hey, I Am Alok Das founder of CouponVsOffer. I am going to share my experience of how I sold a blog on Flippa.com.

The blog was making around 30\$/Month Average. I bought the blog 2 years ago from a direct seller for 100\$. I have spent around 100\$ more dollars on article and backlinks. All other articles where free Guest Posts or paid Sponsored posts. That's around 200+ articles. I was making around 10\$/month by Google Adsense and the other income was generated by posting sponsored articles.

I was spending around 1 hour each week and making my pocket money. Finally, I thought to sell the blog on Flippa to focus on new works so I listed the blog in the public auction which costs around 25\$. I kept my list price as 199\$ the reserve Price at 425\$ and Buy now price at 786\$. Luckily on the last day of the auction, I got a serious buyer whom I convinced to buy the blog on the reserved price. It was my first sell. It was a good experience. If you want to know more about the website flipping follow me on Facebook.

#### 6. Conclusion

We hope we've managed to shed some light on the issue of selling a blog. The process of the sale of a blog in the price range of five and six figures isn't something that you can do overnight. It requires an investment of both time and money.

If your goal is to sell your blog and cash out, make sure you prepare for any legal issues well before you put your blog up for sale. This way everything will go much smoother and with less last-minute hustle.

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