

## Free, A Key Marketing Principle

Written by Steve Marr  
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I happen to like free goods, partly because I'm of Scottish background and I like to be slow to part with the dollar. For example I like going to Costco and I can almost make a free lunch out of the samples offered. In some instances people are lined up for the free tasty goodie and I have to admit from time to time I've actually purchased a new product based on how yummy the sample. The store continues with these offers week after week because the free samples are effective at generating sales at the time and hopefully long-term.

Frequently in marketing we look at the three-tier approach, the shotgun, the rifle shot followed by the scope shot. Frequently a free product is very effective at the wider net of encouraging customers to try your product, and hopefully then graduating into buying paid products.

Amazon offers free shipping on a wide variety of transactions, including Prime customers and free shipping to all in some circumstances. Amazon's sales research indicates customers will buy more often and are more likely to return when the shipping is free. I know I hate to pay \$20 for product online only to discover that shipping and handling is another \$9.95, and typically cancel the transaction. I need to be careful because when I click on an order with free shipping I do have to be careful that I'm not paying more for the product to absorb the shipping but the word free does grab me. Further, according to research by both Amazon and eBay sellers that include free shipping tend to receive higher reviews. One not sure I understand why this would be the case but the research seems valid and therefore we need to pay attention.

I commit some time to marketing for a damage restoration business and from time to time hand out free gifts to potential referring partners, like insurance agents. I pass out free gifts, with some relevance with the business. For example I've given out a homemade wonderful soap to as a example of how we clean homes, I've given out small flashlights with the statement in a pinch the person will be able to see quickly in a dark place, which is something our restoration business may also do. Even a contact who may have been difficult to reach takes the free gift, on some occasions an excellent conversation is opened I believe would not have occurred without the free handout.

When we make an offer for free samples we need to understand if we require the customer to register by giving us contact information the transaction is not 100% "free" to the customer, money it may not be exchanged but time and effort along with future contact expectations are clear. In these situations the free gift is not totally free.

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When I am investigating real estate in a specific area or want to see what's being offered in my neighborhood I don't want to click on a website requiring me to give all my contact information as I don't need another call from a solicitor following through. On a new lead, me. I use a website that offers free, meaning no contact information exchanged, to do my looking around. King Solomon wrote, "A gift opens the way and ushers the giver into the presence of the great." (Proverbs 18:16 NIV) Look for ways to offer free gifts to your customers and prospects as a tool to increase sales.