

## **Business Builder Newsletter # 24: “The value of FREE”** July 7, 2010

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***“While free information has value, the right information, in the right format, delivered at the right time is game-changing and worth paying for.”*** So says John Jantsch in his blog for Duct Tape Marketing\*. When I read this, I sat right up and cried, YES!! Someone understands!

So many times, clients tell me they can do a Google search and get information themselves – and for free! Nothing against Google or other search engines (I myself start many research projects with a Google search), but are you sure your results are accurate, current and definitive? The old cliché, “you get what you pay for,” is often true, and there’s a lot of garbage out there in webland.

### **The value of “FREE” is relative.**

Your time is really not free, in the sense of opportunity cost, so you want to spend it in the most productive way possible. And I would wager that it is more productive to focus on your business rather than to sort through an overload of free information whose quality is questionable. That’s why researchers like me pay for access to data aggregators such as Factiva, Lexis Nexis, and Morningstar. It’s worth the cost to get targeted search results we can rely on. Analyzing that data, and delivering concise information and conclusions, is the true value of what we offer, and what our clients are willing to pay for.

Jantsch, of course, is not putting in a plug for hiring business researchers. He is talking about business information producers, and why they should package and deliver content in a more usable way – even if it means charging for it.

### **What does “FREE” mean for you?**

Think about how the concept of “free” applies to your own business. I would guess that most of us offer something for free: a free consultation, free shipping, free samples. What is the perceived value of those free items? Are we gaining or losing by offering them?

### **Here are some common examples of how “free” can work to build your business:**

- Bundling some “free” services or products with existing ones will enhance their overall value – perhaps enough to justify a higher price point. Or at least create greater customer satisfaction.
- Offering free information can help establish your position as an authority or expert. Many organizations charge admission for access to this free information in the form of membership dues. Some companies commission special research studies and freely share the results as proof that they are industry thought leaders.
- Doing pro bono work can demonstrate your expertise and increase your visibility. The same goes for speaking engagements.

### **On the other hand, are you giving away too much for free?**

- Many times, free give-aways have been a long-standing practice – which you now might want to reconsider. Do some research to find out what’s important to your customers, and what’s not. If they don’t place much value on the free item, go ahead and save yourself some money. (But go carefully – people resent things being taken away from them, and they don’t like being “nickel-and-dime’d,” either.)
- And at some point, it may make sense to start charging for consultations and speaking engagements.

**“Free doesn’t always mean quality,”** quoting Jantsch again.

So take care that your free offerings always offer quality and value, lest they reflect badly on you. They should enhance your customers’ perceptions of your company and increase their satisfaction of doing business with you. Then, if you decide to charge for what used to be free, your customers will already have learned that there is enough inherent value to justify paying for it.

<http://www.ducttapemarketing.com/blog/2010/06/21/information-wants-to-be-worth-paying-for>

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