

# Free Stuff

By Richard Lowe

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Internet Tips And Secrets <http://www.internet-tips.net>

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For a long time it was a complete mystery to me. Why on earth would anyone devote an entire site to giving away free things? Even more perplexing was the vast quantity of sites which did exactly and only that - allow people to get something for nothing. To add to the mystery was the fact that these sites tend to be heavy purchasers of internet advertising and they promote using every means possible. This strongly implies that they have money to spend.

How are they making money if they give away stuff for free?

As I explored the internet more and more I began to gain an understanding of how it all worked. There are a number of ways that money can be made by giving away things for free.

The first thing that must be understood is the relationship between producers and affiliates. A producer produces a product or service of some kind. In order to sell the products (and dramatically expand their ability to reach potential buyers) a producer will allow others to sell on their behalf in return for monetary compensation. Since, as you will see, free stuff is intended to or actually does produce income for the producer, it is quite common for an affiliate to get a small fee for giving things away.

Some of the ways that giving away free things actually makes money are explained below.

Advertising supported products - Many products are "free" because they display one or more advertisements at a time. You have the dubious honor of getting to view these ads as you use the product. The advertisers pay to display those advertisements.

Upon closer examination it turns out that these products are not as free as they appear. In general they load advertising banners and text from a central server on a periodic basis. This results in increased bandwidth utilization, which makes your connection slower while using the product.

In addition, it is very common for advertising based software (and some hardware, believe it or not) to covertly send data about your system and surfing habits back to that same server. These products are becoming known as spyware, and, in my humble opinion, they should be avoided at all costs.

Why? Think of it this way: in return for a free newspaper, would you allow someone to sit behind you as you flipped through the pages, recording every single thing that you read or looked at? Would you allow someone to record every television program that you watched, every video that you rented, or perhaps every item you purchased from a store? I surely would not ... and I'll bet you would think twice about this kind of behavior if you knew it was happening.

<http://www.internet-tips.net/Tanstaaf/spyware.htm>

Introductions - These free items are attempts to get you to make a purchase by giving you something for free first. For example, a web host might give you a small web site with very limited functionality and then offer you a better site for a fee. The free products are perfectly acceptable although they are not as useful as the one requiring an additional fee.

A good example of this kind of free thing is the service offered by Atomz, which is a web site search engine. You can sign up with them and obtain your own free search engine for your web site. It is free as long as you need less than 500 pages, at which time you must begin paying for the service.

Samples - This is very easy to understand. Some companies will give you a sample of their products or services for free, hoping that you will purchase additional copies at some future time.

Viral Marketing - Oftentimes the free item is actually, in-of-itself a marketing or promotional tool. A great example of viral marketing is the electronic greeting cards which you commonly find on web sites. These cards are fun to send and, of course, completely free. Each card also contains, at a minimum, a link back to the hosting web site (often simply promoting the fact that a return card can be sent). This serves to expose the web site to new visitors in a subtle, non-offensive manner.

Promotional - The idea here is to give you something for free in the hopes that it will get you to buy something now or at least remind you of the company or products later. A great example of these is the free coffee cups that companies give away by the boatload at conventions. Each of these mugs has the company name and logo plastered all over it, which presumably you will look at occasionally. This, in theory, will keep the brand name on your mind and at ready when the opportunity arises.

I'm sure there are many other reasons for giving away free things. However, these are some of the most common ones.

The point is that it's very rare for anything to be offered free, no strings attached. Virtually always something is exchanged, and that exchange may not be obvious and may not be entirely understood by the person receiving the free item. This is especially true of spyware, which is one of the newer and potentially more sinister breeds of free stuff.

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