
CHAPTER 3

The Cost of Zero Cost

*Why We Often Pay Too Much When
We Pay Nothing*

Have you ever grabbed for a coupon offering a FREE! package of coffee beans—even though you don’t drink coffee and don’t even have a machine with which to brew it? What about all those FREE! extra helpings you piled on your plate at a buffet, even though your stomach had already started to ache from all the food you had consumed? And what about the worthless FREE! stuff you’ve accumulated—the promotional T-shirt from the radio station, the teddy bear that came with the box of Valentine chocolates, the magnetic calendar your insurance agent sends you each year?

It’s no secret that getting something free feels very good. Zero is not just another price, it turns out. Zero is an emotional hot button—a source of irrational excitement. Would you buy something if it were discounted from 50 cents to 20 cents? Maybe. Would you buy it if it were discounted from 50 cents to two cents? Maybe. Would you grab it if it were discounted from 50 cents to zero? You bet!