

# Free: The Future Of A Radical Price Summary

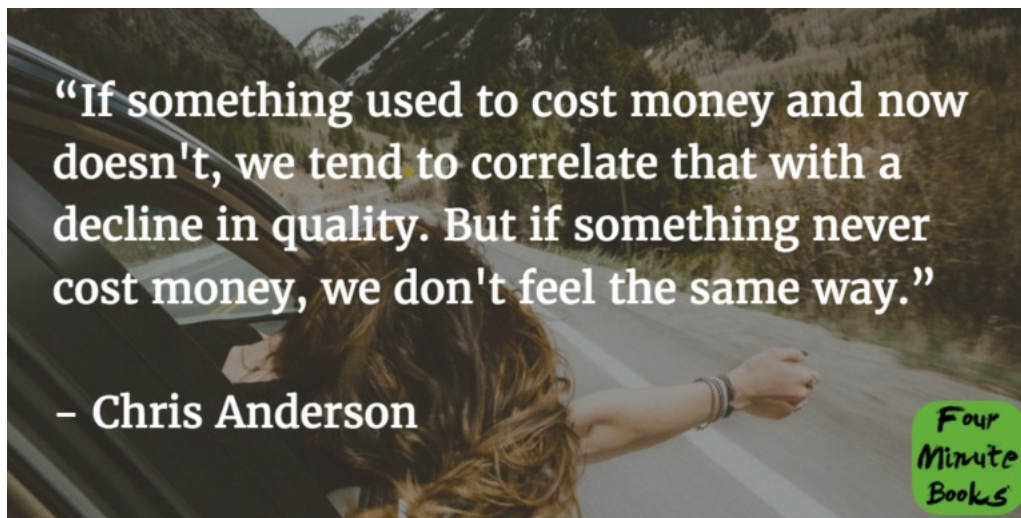
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 [fourminutebooks.com/free-the-future-of-a-radical-price-summary](https://fourminutebooks.com/free-the-future-of-a-radical-price-summary)

**1-Sentence-Summary:** *Free: The Future Of A Radical Price* explains how offering things for free has moved from marketing gimmick to truly sustainable business strategy, thanks to the power of the internet, and how free and freemium models are already changing how we sell stuff.

**Read in:** 4 minutes

**Favorite quote from the author:**



In *The Long Tail*, Chris Anderson argued that we're moving away from the power law of online revenues, which says that the majority of money made will lie with a few core products of a given company. According to the book, by offering a bigger and bigger selection of products which, online, doesn't cost much more, companies can serve lots of small niche markets, which aggregates into the majority portion of their revenue.

As content becomes more diverse and distribution gets ever cheaper, the tail grows longer and fatter. But what about the most radical pricing of all – free? After all, most of the stuff on the internet is free and lots of startups offer their products for free too, like all social networks, Spotify, Google, etc.

Chris explains why, how this trend has developed and what you can do to capitalize on it. Here are my 3 favorite lessons from *Free: The Future Of A Radical Price*:

1. There is no free lunch – free things were originally given away to get you to buy something else instead.
2. In the gift economy, attention is what we use to value things.
3. Build an audience with a free product and then figure out what to charge them for.

Ready for a radical shift in how you think about pricing in a digital world? Let's figure out the value of free!

## Lesson 1: Free used to be a way of just shifting the price of a good to something else.

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Have you ever heard the saying “there ain’t no such thing as a free lunch?” It means that if something is free, you should be suspicious, as there’s usually a catch to it.

But why lunch? Well, the original phrase dates back all the way to the 19th century, specifically, the wild west. Back then, saloons made most their money in the evenings, when the cowboys arrived in town and everyone was done with work. In order to sell more drinks during the day, they started offering free lunch (sometimes completely free, sometimes if you bought just one drink).

Of course this had a catch: the food was very salty, so you’d get thirsty and have a couple of beers – which you’d pay for. And that’s how “free” was used for the remainder of the 19th and most of the 20th century: **as a way of substituting the purchase of one good with another** by giving you one thing for free, which would force you to pay for its “second half.”

Get a free recipe book, oh, you have to buy some dough to actually bake the desserts. Have a free razor? Oh, now you need to buy blades. Here’s a free phone, but you’ll have to pay every month to use it. And free magazines? Well, they always have ads in them.

Until the internet came around, we always paid for free stuff – in one way or another.

## Lesson 2: We now live in a gift economy, in which attention is how we measure the value of things.

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Introducing: the gift economy. In today’s online world, things can truly be free. With digital goods, you can have lots of content that really is 100% free. You can read it, watch it, listen to it and consume it any way you like, without having to buy anything else to make it work or to ever spend a time.

Just look at Four Minute Books. All of my summaries are free. The newsletter is free. Time 2 Read is free. In this new gift economy, the definition of value has changed. Offline, value is measured in how much we pay, but online, what’s scarce isn’t money – it’s attention.

If you publish a blog post that no one reads, the value of that post to the world is zero. So online, **if you can get people to sacrifice the most valuable thing they have – their time – that’s how you know you’re creating something valuable.**

This value is measured in countless ways: likes, shares, followers, time spent on page, retweets, reviews, ratings, etc. But it all comes down to the same thing: people gave you their attention.

## Lesson 3: Create something and give it away for free, then find out what your fans want and charge for that.

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Okay great, but you can't exactly eat attention, can you? So how do you make money with digital products and content? This is where freemium comes in. A combination of the words "free" and "premium," this describes a business model which gives the basic product away for free – and then charges for extra features, services and related products.

To sell something, you need peoples' attention, and making your stuff free is what gets it – so that's how you draw people in. **Once you have an audience, you can then figure out what else they want, and sell them just that.**

For example, Four Minute Books is built for people who like book summaries, but for everyone who wants more or longer summaries than the ones I write, I offer a coupon for Blinkist, a paid service that has more book summaries than I could ever provide. When people sign up I get an affiliate commission, and that's how this site makes money while offering you everything for free.

Of course there are lots of ways to make money once you have attention. For example, I plan to create a lot more products in 2017, such as books, courses, etc.

So if you want to join the action and make money online, start by offering something for free and then charge people later!

## Free: The Future Of A Radical Price Review

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A very powerful book, especially given it came out in 2009 already – very visionary at the time! It makes a few very good points and most of its predictions ring true. If you're curious about online business, *Free: The Future Of A Radical Price* is a must read!

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[Free Preview >>](#)

[Learn more about the author >>](#)

## What else can you learn from the blinks?

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- What record labels did when the radio first came out and why that strategy doesn't work any more
- Why free things can sometimes backfire
- Three reasons the price of digital goods will fall to zero
- How you can make the most of people pirating your stuff and actually benefit from it
- Why Google still uses a freemium model today

## **Who would I recommend the Free: The Future Of A Radical Price summary to?**

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The 23 year old, who's dying to start an online business, but has no clue how, the 42 year old marketer, who's still trying to pull off "free" campaigns the old way, and anyone who has an audience, but doesn't know what to do with it.