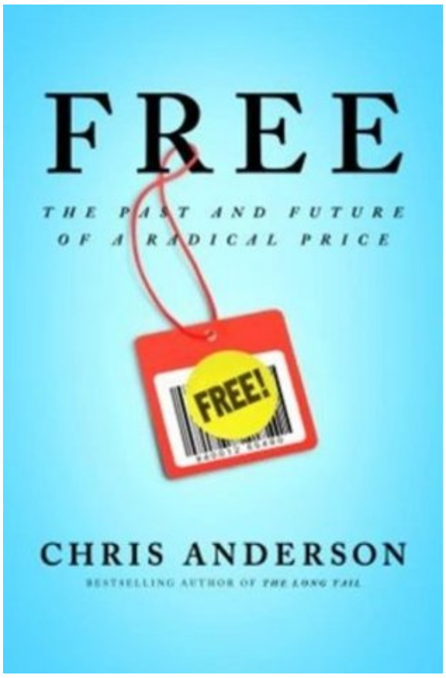

Free: The Future of a Radical Price

Chris Anderson

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Reveals how to run an online business profitably in spite of the Internet's inherently free culture, disseminating the principles of a "priceless economy" in six categories that pertain to advertising, labor exchange, and advanced-version fees.

Free: The Future of a Radical Price Details

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Javier Celaya says

A su favor es que es un libro entretenido, que se lee muy rápidamente, y que pone encima de la mesa un necesario debate sobre cómo las empresas deben empezar a redefinir sus modelos de negocio ante la inmensidad de contenidos libres y gratuitos que están disponibles en la Red.

En su contra, creo que es un libro con algunas contradicciones sorprendentes y demasiadas simplificaciones a la hora de argumentar y defender el modelo de gratuidad de los contenidos en Internet. Estas contradicciones hacen que la tesis del autor pierda credibilidad.

Creo que el autor confunde la puesta en marcha de estrategias de marketing y ventas basadas en contenidos gratuitos con la definición de modelos de negoci basados en la gratuidad. Chris Anderson defiende que el futuro de los negocios que utilicen Internet es ofrecer sus productos de forma gratuita. No crean que el autor plantea este modelo de negocio como una opción a considerar; su tesis indica que todas aquellas empresas que tengan como base Internet tendrán que optar por la gratuidad como única alternativa. Según el autor, Los creadores de contenidos en la Red -ya sean libros, noticias, música o cine, entre otros- deberán regalarlos en Internet y esperar obtener ingresos a través de la publicidad, patrocinios, intercambio de mano de obra, etc.

A lo largo de los últimos años hemos visto cómo el modelo de la gratuidad, que ha sido defendido interesadamente por algunas empresas y creadores de opinión, ha funcionado en unas pocas empresas, básicamente en buscadores y operadores de telefonía, mientras que la industria creadora de contenidos -ya sean medios de comunicación o editoriales- ha obtenido escasos retornos.

Creo que todas las personas que formamos parte de esta transformación digital, ya sean blogueros, evangelistas de la Web 2.0, emprendedores de la web social, docentes de escuelas de negocios o autores de libros, debemos ser más críticos y exigentes con los planteamientos de las personas que están definiendo directa o indirectamente el futuro de la sociedad digital.

No estoy hablando sobre si aciertan o no predecir el futuro, como economista tengo ya asumido que es una tarea imposible, más bien estoy señalando que debemos exigir a estos creadores de opinión una mayor coherencia en sus argumentaciones y en sus propias actuaciones. No pueden abogar por una cosa y luego hacer otra. Eso se llama incoherencia, ya sea en un mundo analógico o digital

Jeremy Dooley says

Hey, Chris Anderson, the stuff in your house "wants to be free" too, but I'm betting you lock your door so people (we call them thieves, no matter how many of them there are) don't take your stuff.

This book starts off well, and delves into some interesting anecdotal items, detailing some innovations in business models that are intriguing and worthy of exploration.

However, in the last hour, Chris climbs onto his ideological soapbox. Like all elites, he feels he can preach at us about how all intellectual property should be free.

You can't eat free and ideology does not pay the rent, and not everyone has the ability to turn free into a platform for speaking, etc, as Chris has. Chris can make money with "free" because he was first to market, and he can preach at you how everything should be free because he has his rent seeking behavior down pat. The costs are borne through the system, just as healthcare is not actually free in socialist countries as it is paid through taxes. Elites love to hide cost, and Chris is a master. I suspect he will make a fine politician someday.

As for you, serf, suck it up and deal with the fact that the well has been poisoned by everyone who has come before.

Chris casually and unpersuasive dismisses the fact that someone has to pay for externalities; we all pay for it when Google destroys marketplaces and lays waste to entire ecosystems to only it's benefit.

Respect for intellectual property is vital. It soon will be the only thing humans produce, since robots will take the middle, but computers will never be creative. Chris seems to get this in Makers. The continuing great depression of 2008 seems to have provided a hard smack on the head, because in Makers, Chris seems to have greatly moderated his tone. Hiding the cost is another elitist socialist trick to separate you from your hard work. True Capitalism always wins, one way or another, it just takes a little time.

Jim Fonseca says

We've heard that information wants to be free. We're all for it as long as we are on the receiving rather than the giving end. The value of Chris Anderson's work is in showing us exactly how "free" can work. It turns out it's not a new idea: think radio and television in the days of antennas. Most Google services are free (paid for by ads). On-line textbooks can be free by selling add-ons such as the right to print chapters, study guides, audio summaries of chapters, downloads to electronic book readers, etc. MIT's courses can be given away because you still can't buy the degree. On-line games can be free because 10% or so of users will ante-up for extras or premium versions that enhance the game experience. Free trial versions of software obviously rely on users buying the product after the trial. Put your book on-line for free and recoup your money on the lecture circuit and through consulting fees. If you're an unknown rock group, give away free CDs until you build your audience. If you're a known rock group, try giving away your songs on-line for free or for "whatever you think is fair" and you might average $6 a CD and still make a killing while you build up your concert tour audience. Give away the printer or the cellphone and make your money on ink cartridges and calling plans. Anderson, editor of Wired and former editor of US business for the Economist, catalogs a lot of good ideas and in the process convinces us that "Free" is here to stay.

Joseph Schwabauer says

Loved this book. Some of the ideas may seem self-evident but taken as a whole, Anderson is pointing out some very relevant and often looked-over economics of the digital age. Highly recommend it for anyone interested in marketing.

AJ says

Disclaimer: I won a free copy of this book from Goodreads First Reads.

Free is a pretty comprehensive overview of the free business model. Anderson first outlines the history of free, the economic and psychological reasons behind free, the reason that free can exist in today's digital world, and the ways it differs from so-called "20th century free."

Anderson's points are well made, complete, and interesting to read. However, I do believe that he ignores and/or understates the full implications of free.

He briefly touches on the point that free is not possible without abundance, and that abundance usually comes with a cost. In chapter 15 Anderson uses Athens and Sparta as examples of two civilizations of abundance, mentioning in passing that they were "[s:]upported by massive populations of slaves".

Abundance never comes without a cost, whether it be environmental or social, and abundance never comes without cheap or free labor. American abundance would not have come about without slavery, and today abundance would not be possible without so-called wage slavery. Simply put, if people did not have to work in order to eat and house themselves, most probably wouldn't, and with good reason.

Anderson also seems to think that "waste," (which he always uses in scare quotes) which humans are trained to think of as a bad thing, as a byproduct of abundance is not inherently bad. Waste is why billions of plastic bottles and plastic bags (among countless other disposable things) are thrown away and wind up poisoning our environment and oceans. Waste comes from mountaintop extraction, which brings us cheap coal-powered electricity, and leads to loss of ecosystems, polluted waterways and displaced communities. Waste comes from the wars overseas that keep people in the US knee deep in oil. I don't know how anybody can put such blinders on and say that waste is okay because it gives us free information online.

That nothing comes without a cost is an idea that Anderson tries to debunk, but I can hardly agree with that statement. Industrial pollutants are created in abundance because of the semiconductor industry. While transistors may be made of "sand" (Silicon), Anderson clearly has no idea that Silicon processing uses among the most toxic chemicals ever invented. Silane gas, arsenic gas, hydrofluoric acid, to name just three. The overabundance of cheap electronic gadgets and computers leads to computer waste that is discarded overseas and leads to health problems (and death) in third world countries. The information that I can easily access online for free would not exist without these costs. Just because I am not paying them does not mean they don't exist.

Anderson also seems to believe that technology will eventually solve all of our problems, and that there is no limit to human ingenuity. I find this position to be naive and ignorant of what really drives abundance, which is global capitalism. Perhaps problems will be solved, but only for those with enough money to pay for it.

For example, Anderson holds high hopes that biofuels could be used as a source of free electricity. Aside from the fact that biofuels take away land for food production to make cheap electricity for the rich, growing enough corn to satisfy 100% of the electricity demand in the United States would consume 37% of all of the landmass of the United States. Obviously this is not the last bit realistic.

In summary, I find this book to be somewhat sensationalist without being realistic. While I can't deny that the Internet provides vast resources of information for, as far as my wallet is concerned, little to no cost, I simply can't deny that it comes without any cost whatsoever. Anderson paints a very myopic picture of the wonders of free technology without looking at the larger implications (or completely ignores that they exist).

Otis Chandler says

A business classic that everyone should read. Explains 20th century and 21st century economics from a big picture perspective. The basic thesis is that while in the physical world (atoms), products have cost and thus companies can afford to give away small amounts of free samples (5%), or give away cheaper loss-leader related products in order to maintain profits. In the digital world things are reversed as products have little to no marginal cost and companies can afford to give away 95% of the product for free and make money on the remaining 5%.

My Notes

* For physical products free is a marketing tactic. Give away one product to make money on another (cell phones to sell plans, razor blades to sell razors, jello cookbooks to sell jello, etc). This is the concept of a "loss-leader", and is the basis of much of 20th century marketing.
* Value psychology: things that were once paid have a difficult time going free because people think it must not be as valuable anymore. Things that have always been free can still have a high perceived value.
* The Penny-gap: The psychology of a free product versus that of a product costing even one cent is huge. Koppelman says many businesses can't make the leap. Study where truffle is $.15 and kiss is $.01 and 70% choose the truffle, then reduced to .14 and free and now 70% choose the kiss. Free is disposable so we can't make a bad decision by choosing it - it's a psychological thing.
* Products in a truly competitive market tend to fall to the marginal cost. A true competitive market was mostly an economic theory as most real economies have inefficiencies (the products are somehow differentiated). However with digital economies we finally have true competitive markets, with marginal costs so close to zero that it's often rounded down.
* Reputation and attention economies are other important things that motivate people. Time is money! People will pay for status or to save time in a game, even if they wouldn't pay for the entire thing. There has been an explosion in gaming lately as games become free to play then charge as people play (Habbo Hotel, WOW, Puzzle Pirates, Second Life, Club Pengiun, Runescape, etc)
* Giving away your product for free or allowing piracy can be a good thing if you can figure out how to make money from the attention you get as a result. Microsoft would rather people be using pirated versions of Windows & Office than be using a competitor - it establishes them as the market leader and leads to more sales. Bands in China and Brazil give away as many free copies of their album in towns they visit as possible to get everyone to buy a ticket to their concert.
* Google is the best example of the above. They make so much on advertising from their main product (search + advertising), that they can afford to hire thousands of engineers to work on dozens and dozens of quality products that don't need to make money, they just need to establish Google more as a brand people use (gmail, google docs, google calendar, google apps, youtube, blogger, google analytics, google ad manager, and many more)

I was also fortunate enough to interview Chris Anderson about this book: check it out here.

Becky says

Goodreads says that I'm "finished with Free", but I disagree. I love Free, and while listening to this audiobook (which was free), I was surprised by how much Free I'd taken advantage of in my life without even giving it a thought.

Chris Anderson says that my generation inherently understands (and to a point, expects) Free, and I'm proof of that. Hotmail, Yahoo!, Google, oh my! The internet is like the Free capital of the universe. I've never given a single thought to how these companies could give away their products for free. I have thought about it in regards to the site I'm currently on, though. (That'd be Goodreads.com, for those of you lost on the internet right now. Take the next left at the Grumpy Cat image and then straight on through the XKCD gateway, and you'll find your way home.) I've often said that I would gladly pay a yearly fee (or even donate) to keep the site independent. Ad-free would be nice, too, but whatevs.

Then there's LibraryThing, which is a "Freemium" model. It's free up to the first 200 books you add on the site, and then you have to pay.

I'd used LT before finding GR, and once I found GR, it was all over but the cryin' (as the saying goes) for LT. I did go back very briefly, but the site just doesn't compare. And you can't beat free.

Though even if GR wasn't free, at this point, I'd likely STILL stay, because now I'm hooked. I'm invested in the site... which is a tactic that is also used in Free. Give people a trial so they can see how great your service is, and they'll want to stay even though they have to pay for it.

There's a lot of great info in this book that I'd never thought about, and I was actually surprised at how much Free plays into capitalism. It was fascinating to see the ways in which Free interacts with paid, supplementing and encouraging business innovation and growth.

I appreciated how easy this was to listen to and that it was engaging and entertaining at the same time. A little repetitive at times, but that's to be expected. I also appreciated how even-handed it was. Anderson laid out the pros and cons of Free, including piracy, and how it can be both a positive and a negative force in business, while keeping his own personal opinions about the ethics out of it.

Overall, I quite enjoyed this, and I am glad that I found it at random on Audible. I like random books, but I love random FREE books. :D

Ahmad says

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Ben Babcock says

At the beginning of *Free*, Chris Anderson presents a generalized dichotomy toward "Free." Some—mostly the older users—are suspicious of Free and insist they will have to pay somewhere down the line. Many younger users, on the other hand, think that Free, on the Internet at least, is a truism. Anderson says his goal is to convince us that neither camp has it completely right and that the truth lies somewhere in the middle.

This is an attitude that we can apply to the Internet in general. As newspapers and record labels have found, approaching the Internet like it's another form of print doesn't work. The rules are different, and in that respect, the Internet is a game-changer. Yet the difficulties the Internet presents us are not all new and unique to that medium, and this is not the first Free crisis in history. Indeed, the most important thing I learned from *Free* can be expressed as another truism: the more things change, the more they stay the same.

Let's level for a moment and crowd onto the same page (or pixel): this is popular economics. Anderson is a businessman, so he knows his economics, but he's chosen to distill it in an accessible way that isn't always rigorous, favouring the simple explanation over complicated economic theory. As someone who is intelligent about most things but stupid when it comes to economics, I'm glad he did that. Had he chosen otherwise, I would not have read this book. But if you're looking for a textbook on economic theory, you'll be disappointed. This book has no bibliography (which actually surprised me) and very few footnotes. That being said, Anderson treats his topic with the nuance and subtlety it deserves.

Free offers a granular analysis of exactly what types of Free economies you'll find, both offline and online. There's freemium, gift economies, cross-subsidies, etc. Sometimes it gets a little technical, but what matters is that Anderson is unambiguous in his division of the Free world; not all Free is created equal, and he shows us examples of each case. Moreover, he stresses that the idea of Free as a marketing tactic is far from new.

What the Internet changes about Free is that it drives marginal costs for the producer to zero. Microprocessor production has become so efficient that microchips are essentially "too cheap to meter," as Anderson puts it, which means that bits, unlike atoms, are in abundant supply. In the physical world, Anderson has to make tough decisions about which articles get the finite and valuable page space in *Wired*. Online, he can allocate as much space as his content creators need. That is the almost science fictional difference provided by the Internet, and if you wrap your head around this key point, you're well on your way to understanding Free.

The paradigm case for Free online services is, of course, Google. Anderson spends a lot of time discussing Google (although not as much as one might think), and he also looks at how other companies have used Free to compete with Google. In particular, he presented a brief case study on how Yahoo! prepared for the competition of Gmail in 2004 by introducing unlimited email storage (as compared to Gmail's 1 GB and increasing email storage). I liked this example, because it belies the critics of Free who claim that it will somehow eradicate capitalism and no one will make money any more. Google's profits show that those who embrace Free instead of viewing it as a threat can still be successful.

Free's value to the average reader comes in the connections it makes between practice and business. I know that Google gave away most of its services for free because it made money off ads. I also know that Google collects an amazing amount of data about people, companies, and websites as we browse the Web. Yet I didn't consciously connect these two and realize that one reason Google makes its services free is to facilitate data collection. It sounds sinister (and certainly has that potential), but it's also brilliant. Anderson's example is Google's 411 service, which was free of charge. Google didn't stand to make much money from that service if it did charge; by giving it away for free, it acquired voice data for use in its voice search and recognition algorithms. For businesses, this is another example of how Free can be better in the long-term. For readers, it raises awareness of the motives a company has behind its offerings of Free. In both cases, the message is the same: Free can sometimes be the most beneficial path for a company to pursue.

From Gillette to Jell-O, Anderson has enough anecdotes of companies creating successful products (or in some cases, entirely new markets) with a Free strategy. Aside from showing that Free works, these examples are valuable because they considerably pre-date the Internet, and they demonstrate that the phantom of Free has lingered over our economy for a long time.

Newspapers decry the availability of free news online; music labels complain about piracy. We're seeing pressure on governments to regulate and legislate these companies back into profitable business models. This is somewhat ironic, since if these companies really believed in a free market (small F, note), they should be changing those models, not asking for a rule change. It's important to recall, however, that this situation is *not* new. Lawrence Lessig points this out in *Remix* , and Anderson reiterates it in *Free*. New technology has always presented challenges to incumbent businesses:

> *Radio Broadcast* magazine announced a contest for the best answer to the question "Who is to pay for broadcasting and how?" . . . The winning entry sought a tax on vacuum tubes as an "index of broadcast consumption." . . . There were some suggestions that advertising might be the answer, but it was by far from a popular solution. It seemed a shame to despoil this new medium with sponsored messages.

Does that sound familiar? "Who is to pay for music downloads and how?" "Who is to pay for ebooks and how?" The technology and the content might have changed, but the question remains the same: who's going to pay? Radio did find a solution—advertising—but then when it became viable to play recorded music over the radio, this triggered another crisis in revenue for recording artists. So the cycle began again.

We found solutions to those crises. So why are people so doubtful that we'll find solutions to the current crisis? Maybe I'm just not being empathetic enough for the poor newspapers and recording labels. Yet I can't help but think that trying to legislate a way toward a static situation in the face of changing technology is a losing endeavour. Best to adapt now, get ahead of the curve, and be the trend-setter.

So in case you can't tell, I liked *Free*. It was accessible, but not over-bearing, in its analysis of the Free economies. Although "Free" may be a radical price, this is not a radical book; it offers sound advice that can probably be repackaged as common sense. Even if you aren't planning to start your own business any time soon, I would still recommend this book to you, for the simple reason that it raises awareness of how companies use Free to make money. And when companies make money, the older generation is right: someone pays, somewhere. But the Internet has changed that too, because more than ever, consumers interact with companies on a very personal level. So it behoves you to know where the money's going (and whence it comes). Read *Free*, be savvy.

PP |SIRIWIMON WISUTSAKCHAI says

Great Book !! I love the way that he explained things by using the concept of economics.

Loren says

Obviously this is written by someone who barely passed Econ 101 or Media/Marketing History core coursework for his bach's degree. Its a shame that so few journalist today have received a decent classical education in order to understand what is research, what is analysis and what is valuable literature. I almost expect to find a "free" copy of this book in the waiting room when I go in for my very costly root canal. This book tries to convince you not to fear the free. If you just came off reading Shell's Cheap as I have then thats not possible. You know that free always cost someone, just not someone you particularly care about living often on the other side of the planet. Read the Moneyless Manifesto and at least its the sort of free towards things that can have meaning like food, shelter, clothing, healthcare and education. Save your time and instead take your grandmother to the movies or treat her to dinner. At least she can share what the Great Depression was like.
p.s. And the digital copy blows.

Kelley says

In Free: The Future of a Radical Price Anderson insists that the way to profit online is to give products away. Of course, the intent of such a proclamation is to startle people unfamiliar with online dynamics -- which makes you wonder what tiny portion of his audience is actually startled. Even people from established industries such as newspapers and network television already know that their products only *appeared* to be free or nearly free to the consuming public. Their product certainly didn't appear to be free to advertisers. And if they didn't know that or recognize the significance, then they surely know it now.

Anderson acknowledges that "Free" (yes, he capitalizes it throughout the book) isn't really free and it is not really new, but then says to his reader that he's still going to call it Free-- as well as new and radical -- anyway. So, what are the ostensibly new, free business models?

* Direct Cross-Subsidies: buy one can of soup, get one can of soup free; get a free razor, pay for the razor blades; get a free phone with your lifetime phone plan.

* Three-Party Market: Also known as advertising. The 50 ct daily newspaper isn't completely free, although the alternative weekly or daily often is. The 50 cent cost of the daily, though, never sustained the true costs of producing the paper. So what does? The advertisers. It's true, a lot of consumers don't think like that. When they get their Redbook magazine subscription for $15, they're not really thinking about the advertising. But surely, Redbook's business stakeholders *are* thinking about advertising -- and always have been.

* Freemiums: this is a business-model that is, indeed, more well-known online. A version of it can be seen when you get a weekly paper free at the newstand, but pay for it's delivery to your doorstep. Another version is free tickets for students, but paid tickets for the employed. It's an old model, it's just exploited far more online.

How does free work online? You get a stripped down version for free, but if you want more features, then you pay. The classic example is Flickr. The principle of the longtail pulls in thousands of users who would never pay even $25/yr to upload photos. The more hardcore photographers -- remember, a group that has grown manifold with the introduction of digital cameras -- are the people will feel constrained by the limitations of a free Flickr account. Hence, they pony up for more features. Flickr is free to cheapskates, comes at a very affordable price to power users.

Anderson exclaims that Flickr "doesn't even use advertising." But this isn't exactly true. Anderson appears to have been blinded by the very circuitous path to payment that is actually part of the psychology of free. It's not just that power users are paying for premium accounts, subsidizing the cheapskates. Flickr is also supported by advertising. How? When a user uploads a photo, information is pulled out of the EXIF data embedded in digital images. That data is used to create a link to the camera she used to take the photo. That link to, say, a Canon camera goes to a product listing page. When you click another link to find out more details or read reviews, you end up at Yahoo's shopping pages. Voila! Guess who's paying? Advertisers. Yahoo owns Flickr, and it owns it in order to drive consumers to its shopping pages where they present millions of eyeballs to advertisers.

Flick is both a Freemium model *and* a Three-Party Marketing model. Flickr *is* supported by advertising, it's just not an obviously direct path.

Thus, the biggest take-away for business developers and executives is that circuitous is the word of the day. Someone really is paying, and may be paying a great deal; the path to that payment is circuitous. Making money in such an environment requires a lot more creativity and not just a steel constitution, but a titanium one. The titanium constitution would be necessary for managing the psychological stress and risks involved in cooly calculating that such circuitous paths will not only make money, but won't be a nightmare to manage in terms of being able to monitor whether your gamble is truly paying off.

* * NonMonetary Markets: Anderson's favorite example of a nonmonetary market is Wikipedia. The claim is that the nonmonetary economy works according to altruism. He isn't persuasive at all. For instance, Anderson's other examples make it clear that altruism isn't operative. You exchange your labor for access - to get something, not out of the goodness of your heart. Google gives away its 411 service in order to gain access to your labor: you are giving Google data which will help them improve their voice recognition service. It's "free" only because the psychology of free works on you - and quite well on Anderson as well. Google expects to make money *later*. It's using your free labor, so it doesn't have to pay people now, to make money later.

As I mentioned above, anyone making decisions about long-term strategies like this is going to need a titanium constitution.

As you can see, though, there's nothing new or free about these models. Someone is paying, somewhere, somehow. What might be new is that the path to payment is more circuitous. But I don't think that's true either. Have you ever wondered how Reader's Digest Sweepstakes makes money? Well, it certainly isn't just because it's a marketing gimmick to increase subscriptions. That's part of it, but that's a lot of effort to go through, just to get more eyeballs to their pages so those eyeballs can read advertisements.

Reader's Digest is also collecting data. Sure, there's the obvious marketing and demographic data. If you buy a Redbook subscription are you also the kind of person who also orders a Sports Illustrated?
That's always good information if you're a business product developer, a marekter, etc. But more, Reader's Digest historically created what was called the 'Sucker List.' If you don't respond to their tempting million dollar sweepstakes, you're not much of a sucker. Valuable data: you're not worth the time of companies that need you to be a little bit of a sucker in order to buy their products. If you haphazardly and quickly fill out their sweepstakes form without buying a sub -- remember, no sub required! -- then you are a bit more of a

sucker. They also know you're quick to make decisions. Perhaps even spontaneous. If you wait on the decision but eventuallyl enter without buying a subscription, you're not quite as quick and freewheeling as others. If you fill out the sweepstakes and buy a subscription because somehow you imagine this will increase your chances at winning, you're a bigger suckers than people who don't buy a sub. If you buy multiple subscriptions, you're a bigger suckers. If you keep filling out the sweepstakes and keep ordering subscriptions as you go through the sweeps process, you're yet another level of sucker. And so forth.

All of this is valuable information. Your name goes on the sucker list and those lists are sold depending on the suckers a company wants to target. Spammers do something similar when they track who opens the mail, who opens and clicks a link, who tries to use a link in the email to unsubscribe, and so forth. People who are responsive to spam by opening it to begin with are more valuable than people who never open it at all. The list of those kinds of email addresses is more valuable to spammers.

Is there anything new about what Anderson describes in his book? Well, Anderson wants you to think so, but I don't think he's persuasive. Anyone with a little bit of business acumen and time to reflect on their business models, already knows about freemiums and three-party marketing models. It's a useful book if FUD -- Fear, Uncertainty, and Doubt -- has infected your C-level execs. That is, you can use it to help you walk your FUD-infected execs through the various models, identify them with some useful keywords, and assure them that there's no new and scary here at all.

The book is also useful to put you in touch with a brief overview of the psychology of free. This is probably the most important thing business developers need to understand today: why does (not really) free work, why do people think they're getting something for free or at a bargain when they're not, and how can we exploit that to create products and services that make profits? How can we get people to do work for us (exchange their labor for something we give them for free) without them realizing or caring that they are giving away their labor-time and we are making a profit? It worked before the Web, too: gas stations and fastfood restaurants do it when you pump your own gas and draw your own soft drinks.

As I said a couple of years ago: Web 2.0 is really just Tupperware 2.0. The longtail was in effect with models such as Tupperware and Avon. Those business models are still around, and they only fell out of favor as the companies struggled to deal with the loss of their nearly "free" labor: housewives. Why? Because the labor they used to exploit the longtail, homemakers, went away as women entered the labor market in droves. Avon floundered for awhile as it figured out how to take advantage of working women instead of relying on homemakers who wanted to make extra money. Now, it targets working women who need to supplement their incomes.

The longtail was never new. What was possibly new was that the capital costs required to launch such a venture has dropped significantly. Similarly, Free isn't new either.

In sum: Free? Nothing is free. It really isn't. In a capitalist market economy, someone is paying. Even so, I'd recommend you check this book from the library. It'll be free. Naw. The books are paid for by taxes. So, read this book to understand the rhetoric and psychology of free. Once you understand how we are tricked into thinking things are free, you too will be able to exploit that psychology for fun and profit!

Keith says

I read this book primarily because it was, well, free, and because Chris Anderson is a well known author due to The Long Tail (which I never read but heard a lot about). In the introduction he describes how as he researched the book he encountered two different reactions to it - the younger crowd (under-30 I think it was) thought that the ideas were basically self-evident while the older crowd thought that there was no such thing as free and that there is no way you could build a business model on giving things away.

I'm no longer under 30 but I guess am close enough to it and involved enough in technology that the ideas in this book were to me of the self-evident variety. There was nothing in here that I hadn't read about before or seen in practice somewhere. It's a useful read for people curious about how business models can in fact be built on free, and a good book for people who badly misunderstand the whole "information wants to be free" slogan - Anderson does a good job communicating his ideas in an understandable way. But for the technologically savvy there's not much here.

Zak says

The gist of it is that the price of almost everything will gradually be driven towards being free (in its various forms). Considering this book was released in 2009, in the eight years since, we can already see how much of it turned out to be true. An informative read overall.
