# How giving away freebies can grow your business

No one ever became rich by giving things away for free… or have they?

Although it’s counter-intuitive, a well thought-out campaign that gives away a “freebie” can make you money. Increases in leads, customers, and sales have all been proven to result from giveaway promotions, and all for a fraction of the usual marketing techniques.

## Using social media

How many times have you seen this or something similar on Facebook; “*Tag a friend and you could both be in with a chance of winning!*”

Or perhaps you have seen it on Instagram - a post encouraging you to follow an Instagram account to go in the draw for a giveaway?

It’s a brilliant marketing strategy because you get the customer to do all the work. By giving away a product or service, you encourage people to pass the word on, spreading your brand, merchandise and website through social media without paying a penny for it.

The more expensive the prize, the more people will want to win it, and the more shares and likes you’ll get. It’s self-perpetuating marketing, and the leads/conversions you’ll make from this one promotion will more than pay for the giveaway itself.

## Gifts for everyone!

But that example is more like a competition than a giveaway. Is there any reason to give *all* of your customers something for free? Ask Coca-Cola.

In 1887 they gave out what is widely agreed to be [the first ever coupon](https://www.retailmenot.com/blog/sc-history-of-coupons.html) – a free glass of Coke. This encouraged people to both drink it and vendors to replace it. It was an unprecedented success, and within a few years the company had grown nationwide, and today Coca-Cola is the best-selling drink in the world.

## The psychology behind free items

People are emotional buyers, and tend to purchase something on [how it *feels*](https://www.youtube.com/watch?v=OVnN4S52F3k) rather than the logic behind it.

[Studies have proved](http://assets.csom.umn.edu/assets/166774.pdf) that consumers would rather get something for free than get a discount, even if that discount is worth more.

This happens because people perceive getting something free as a gain, while a discount is viewed as just reducing the loss paid out of pocket. We’d rather gain than lose, even when it’s not in our best interests financially.

## How to increase leads with a giveaway promotion

If you’re planning on giving away something to generate sales, then that’s exactly what you must do – plan it.

How you do it depends on your niche. Giving away free samples only works if you sell physical items small enough to post. It’s not much good if you’re an accountant. If your business is an online service, then webinars, free trials or subscriptions is a good way to go.

The key is to give away something that people in your consumer group actually want. If you sell skateboards, don’t offer free moisturiser testers. If you do offer a free skateboard to one lucky winner, then every skater who comes across your Facebook page will enter, tagging their friends along the way.

If just one of those friends tagged buys a board, then you’ve made your money back. If ten of them do, then you’ve made a handsome profit from one generous giveaway.

And it doesn’t have to be a physical gift. Downloadable content such as guides, templates and coupons can drive engagement of your brand. But it must be quality content. The more value a customer gets out of a freebie, the more engaged they will be in return. People are now wary of giving out their emails for fear of spam, so if you want them, you’ll need to give them something worthwhile.

This is how you generate leads online through giveaways. Offer something of genuine value, and in return you harvest email addresses of people who are interested in your service or product. This then leads to further conversations with potential customers, and eventually sales.

When it’s done right, offering a freebie can cultivate brand loyalty, generate leads to participate, and help you reach a whole new group of potential customers. And don’t forget, a good freebie-campaign will get your leads to fill out a form, so you have their details for further marketing.