

## Freebie Marketing reading passage

### Freebie Marketing

A. While touring as a nomadic representative for the Crown.Cork, and Seal Company in the late 1890s. King C. Gillette noticed that his corked bottle caps were thrown away as soon as they were opened. Whilst touring as a nomadic representative for the Crown.Cork, and Seal Company in the late 1890s. King C. Gillette noticed that his corked bottle caps were thrown away as soon as they were opened. Despite this, his company made a fair profit and had a lot of potential. Gillette quickly realized, that even though the product had only been used a few times. Whilst working with such a straight-bladed razor — a sluggish, fussy, and possibly hazardous tool that needed constant sharpening – Gillette made his success. He rightly reasoned that a basic, temporary blade that might be disposed of when it is blunted will meet a real demand and earn substantial revenues. In 1901, he started the American Safety Razor Company. In 1903, he sold 168 blades, but by 1905, he had sold over a thousand.

B. What King C. Gillette pioneered is far more than a quick and economical way for men to shave; it is the business technique now known as "freebie marketing," which has influenced a slew of other businesses over the years. Gillette's strategy defied conventional wisdom at the time, which maintained that the ideal basis for a corporation was a single, long-lasting, high-quality, and high-cost luxury product with a high price tag. Freebie marketing combines two types of products: a master product that is purchased just once when a disposable item is periodically discarded and repurchased. In this case, the primary product is frequently sold at a loss and is occasionally distributed at a loss.

C. Complimentary advertising only succeeds if the master item's creator also has control over the production and sale of the refills. If this does not occur, cheaper replicas of the consumable items may be manufactured, preserving the old business without net profits. For instance, the video game manufacturer Atari initially offered its Atari 2600 systems at cost, depending on game sales to make a profit. However, a group of programmers left Atari and founded Activision, which developed similar-quality games at a lower cost. Suddenly, Atari was left with no means of generating revenue. Activision's lawsuits were unsuccessful, and Atari only managed to survive by incorporating license restrictions into its succeeding 5200 and 7800 consoles.

D. In other cases, consumers may discover that using a master product eliminates the requirement for discs possible. This is a well-known problem that has plagued the makers of the CueCat barcode scanner. These were handed away for free via Wired magazine in the hopes that users would use them to scan barcodes adjacent to adverts in the magazine, generating new revenue streams. However, users learned that the devices could be easily customized and used for various purposes, such as developing a separate library of books and CD collections. because there was never a licensing deal between Wired and its magazine customers. CueCat was powerless to stop it, and after the company was liquidated, the barcode scanners were quickly accessible in large quantities for as little as \$0.30 each.

E. Giveaway marketing is not permitted in any form. The use of gratis marketing to "push" habit-forming goods in locations where there is no market is an excellent illustration of this. This is already prohibited for illegal substances due to the illegality of the product, but it is also prohibited for legal goods such as tobacco, alcohol, and pharmaceuticals because the short-term profit for a comparatively tiny range of business branches is not presumed to be worth the monetary cost of ubiquitous drug addiction.

F. Another tactic that is prohibited by antitrust regulations is "tying," which is a type of freebie marketing. Whenever a sale of goods is the purchase of one good contingent on the purchase of a second good, this is known as a conditional sale. The first good is usually vital and desirable, while the latter is inferior and unattractive in certain situations. For instance, a music distributor with the rights to a popular record may only allow retailers to acquire copies of the album provided they also purchase undesirable material that does not sell well. Because such techniques often rely on the distributor's exploitation of a captive market, they are widely seen as anti-competitive.

## **Freebie Marketing IELTS Reading questions**

### **Question 1-6:**

*Choose the correct headings for sections A-F from the list of headings below.  
Write the correct number i-x in boxes 1-6 on your answer sheet.*

- I. No giveaways for addictive products
- II. Sales of razor blades increase astronomically
- III. The monopoly of consumables is vital for success
- IV. Video gaming – a risky business
- V. A novel method of dual marketing ruled out
- VI. Freebie marketing is restricted to legal goods
- VII. Buyer ingenuity may lead to bankruptcy
- VIII. A marketing innovation
- IX. A product innovation
- X. More money to be made from high-quality products

### **Questions 7-9 :**

*Complete the sentences below.  
Choose NO MORE THAN TWO WORDS from the text for each answer.  
Write your answers in boxes 7-9 on your answer sheet.*

Candidates need to fill the blanks with not more than two words from passage

7. The new tactic of freebie marketing ran against..... Gillette's time.

8. Occasionally, people who buy a master product find ways of using it that get around the necessity of buying more .....
9. Wired never had a ..... with its customers about the use of the barcode readers.

**Questions 10-13 :**

*Complete the summary below.*

*Choose NO MORE THAN TWO WORDS from the text for each answer.*

*Write your answers in boxes 10-13 on your answer sheet.*

Freebie marketing is not permitted by law for either illegal or legal 10 ..... products. This type of promotion of goods such as tobacco and alcohol is not considered worth 11 ..... and has consequently been outlawed. "Tying" is also prohibited. This is when the sale of an attractive product is 12 ..... on the purchase of another. It tends to occur when the seller takes advantage of a natural monopoly and is generally considered to be 13 .....