

# Free Prize Inside

From *Free Prize Inside: The Next Big Marketing Idea* by Seth Godin (2014)

## Why You Need A Free Prize

The Argument:

- Advertising Doesn't Work Anymore: Traditional advertising no longer captures attention effectively. You can't buy attention as you once could.
- Big R&D Innovations Are Risky and Expensive: Major technological innovations are increasingly costly and unpredictable, making them unreliable.
- Soft Innovations Are the Sweet Spot: The true potential for growth lies in soft innovations—small, creative tweaks to products or services that can make them remarkable without large investments.
- Anyone Can Create Soft Innovations: It's not just for marketers; anyone, in any department, can create innovations that drive success.
- Soft Innovations Are Fun and Empowering: They're not only profitable but also engaging, giving individuals the power to change the way things work.

Why People Don't Do It:

- Fear: People are scared to pursue soft innovations.
- Lack of Awareness: Many don't realize that their bosses want them to innovate this way.
- Misunderstanding Risk: Soft innovation isn't risky; it's low-cost and crucial for growth.
- Lack of Training: People don't know how to implement these innovations effectively.

The Reality:

- Coming up with an idea is one thing, but making it happen is another. You don't have to do all the work, but your idea will fail unless you take steps to make it a reality.

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## Five Questions: Why You Need A Free Prize

1. If our marketing was perfect, would it be enough?
2. What innovations are directly under my control?
3. Do we already offer a free prize to customers?
4. If we scrapped this product, what would we create instead?
5. What are we afraid of?

## Fulcrum Of Innovation

Key Criteria:

- Is it going to be successful?
- Is it worth doing?
- Can someone effectively champion it?

Practical Tips:

- Build your reputation as a champion before presenting ideas.
- Address the status quo and show how your idea challenges it.
- Frame your idea with handles that provide clarity and security.
- Focus on what matters to your organization, not just to you.

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### **Five Questions For Selling Your Idea**

1. Is this project worth doing?
  2. Will people see me as the right champion for this idea?
  3. Are we disciplined enough to address all challenges early on?
  4. How can we manage time effectively to make this feasible?
  5. Could this be executed cheaper or quicker?
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### **Five Questions To Ask To Spark Innovation**

1. Is Our Marketing Good Enough? If it were, would that solve our problem?
  2. What Innovations Are Under My Control? What small, impactful changes can I implement?
  3. Do We Offer a Free Prize Already? Does our product or service have that unexpected, remarkable element?
  4. What Would Happen If We Abandoned This Product? If we had to start fresh, what would we create?
  5. What Are We Afraid Of? What's stopping us from trying something new?
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### **Tactics For Innovation**

- Ask Questions: Don't be afraid to challenge assumptions.
  - Ask Obligating Questions: Get people to commit to your idea.
  - Let Them "Pee on Your Idea": Don't be afraid of criticism; it refines your concept.
  - Think Like an Artist: Stay resilient and avoid perfectionism. The process is more important than the end result.
  - Sell to Individuals, Not the Organization: Focus on persuading key stakeholders rather than the whole company.
  - Challenge People to Improve Your Idea: Get others involved in refining your concept.
  - Acknowledge the Status Quo: Recognize what's wrong with the current system before proposing change.
  - Build a Prototype: Bring your idea to life before asking for approval.
  - Use Hollywood Tricks: Make your idea exciting and dramatic.
  - Understand the Power of Schedule: Timing is crucial to implementing your idea.
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### **Edgecraft – Creating The Free Prize**

- Don't Keep Ideas Secret: Ideas thrive when shared; secrets kill them.
- It's Not the Idea, It's What You Do with It: The real power comes from executing on your ideas, not just having them.
- Edgecraft: A methodical process for identifying soft innovations (free prizes) that exist on the edges of what's already available.

- Going to the Edge: To truly innovate, you must push your product or service to the edges of what's possible.
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### **The Edges – Key Areas To Innovate**

1. The Network: Integrating communication within your product, like the cell-phone camera.
  2. Ergonomics: Redefining user experience, not just improving comfort (e.g., Palm Pilot).
  3. Public Usage: Making your product visible in the public eye (e.g., VW Beetle).
  4. Variety/Lack of: Offering either a larger selection or a highly focused offering (e.g., In-N-Out Burger).
  5. Time: Creating time-based innovations (e.g., FastPass).
  6. Packaging: Making packaging part of the experience (e.g., book in a cereal box).
  7. Sensuality: Playing with sensory appeal (e.g., sex sells).
  8. Interactivity and Change: Constantly evolving your product to stay remarkable (e.g., L'EGGS).
  9. Technology: Using cutting-edge or low-cost tech (e.g., Moore's law).
  10. Design Aesthetic: Invest in design as the highest-leverage improvement (e.g., Apple).
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### **Three-Step Process For Innovation (Keith Yamashita)**

1. Define the Problem:
    - Understand the problem deeply, envision the end state, and rally support.
  2. Innovate:
    - Seek insights, prototype, make tough decisions, and work as a team.
  3. Generate Value:
    - Choose the best solution, activate it, spread the word, and learn from feedback.
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### **Creating A Free Prize: Additional Considerations**

- Safety: Sometimes extremes are safer than the middle ground.
  - Do Less: Simplify the product or service (e.g., MTV Unplugged).
  - Treat People Unequally: Give better treatment to some customers, like expedited checkout.
  - Maximize (or Minimize) External Effects of Purchase and Usage (donations to anti-cause).
  - Fix What's Broken: Find pain points and solve them (e.g., 24-hour banking).
  - Reinvent the Value Chain: Break traditional models (e.g., Gillette's razor and blade strategy).
  - Who sells it?: (Girl Scouts, March of Dimes, Peace Frogs).
  - Jump the Retail Channel: Look for non-traditional retail channels (e.g., Netflix in the mail).
  - Convenience (or Not): Sometimes inconvenience adds value (e.g., rustic wine).
  - Make it Visible (or Invisible): (Dyson vacuum revealing dirt collect).
  - Staff Interaction: (hotel employees empowered to be nasty to demanding guests).
  - Make fun of it: What would Bozo do? Why are philanthropists so serious?
  - Get an expert to switch fields: (George Foreman selling grills).
  - Media: (promote secrecy, become totally transparent).
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## **Five Questions For Creating A Free Prize**

1. Would Knowing the Answer Solve Our Problem? Will understanding the problem fully lead to a solution?
  2. Which Edges Are Working for Others? Look at industries outside yours for inspiration.
  3. Can We Get Closer to the Edge? How can you push your product further?
  4. How Can We Make Our Product Public, Not Private? Visibility increases impact.
  5. Is It Really Remarkable? Does your innovation stand out enough to be talked about?
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## **Cliff Notes – Free Prize Inside, Condensed**

- Traditional advertising and big innovations are not as effective as they once were.
- Soft innovations are the new growth engine—they're creative, low-cost ideas that can make your product remarkable.
- To succeed, you need to not only create but also champion your free prize.
- Edgecraft helps identify remarkable, soft innovations by exploring the edges of existing products and services.
- The goal is to create things worth talking about. If your idea is remarkable, people will share it.