

Strategy #13: Robin Hooding

Covered in this section:

Making products or services free

- Robin Hood was a character who stole money from the king to give it to the poor
- This strategy focuses on taking a solution that is expensive and offering it for free
- You need to target industries that are either early in their development or towards the end
- Examples:
 - CliffsNotes was selling book summaries for students, then SparkNotes offered the same thing for free
 - Online dating - eHarmony and Match.com were Robin Hooded by OKCupid
- Look at industries that you have a natural interest in
 - Do all of the current solutions for this space charge money?
 - If not, what percentage of the market is owned by the ones who do charge?
 - Is the marginal cost of the product or service low?
- Marginal cost = What it costs to make the product - Price
- You can only give away something that doesn't cost you that much