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# Accounting for Gifts: How Consumers Understand Free on the Internet

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## ABSTRACT

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### **Title**

Accounting for Gifts: How Consumers Understand Free on the Internet

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### **Purpose**

To investigate how consumers understand free services on the Internet

### **Theories**

The research is primarily based upon theories of gift giving.

### **Methodology and analysis**

The Internet is not a tangible marketplace and in order to understand the value of the free services online, we used consumers' behavioral accounts to explain how they perceive the free services that are common online. Primarily qualitative data was collected through seven unstructured interviews and an online survey. Our analysis of the data collected through these two methods is based on the interpretation and understanding of the "free" phenomenon that arrives through examining its meaning to the participants.

### **Conclusions**

It is difficult for consumers to understand the value of Internet even though it has become such an important resource in their everyday life, however they do not perceive it as a gift, because they are aware that there is an exchange taking place. The ancient practice of gift giving does still live on in our society although the forms of reciprocity are changing. The obligation to repay can be seen in a new way among the consumers. Consumers do not pay directly for the exact value of the service but they do justify their use of free Internet service by giving in return their personal information to advertisers or creating content for other users.

### **Keywords**

free, gift giving, internet services

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# **1. INTRODUCTION & DISCUSSION OF RESEARCH QUESTION**

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## **1.1 THE ROLE OF FREE IN THE GENERAL MARKET AND IN THE VIRTUAL MARKET**

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At the heart of the market is the notion of exchange, which has built into it an equilibrium--a balancing of the scales. Everything boils down to a simple trade: this for that. And the balance comes from a shared understanding of value. This is the basis for the most simple definitions of marketing: "a social and managerial process by which individuals and organizations obtain what they need and want through creating and exchanging value with others" (Kotler 2002: 5), or even more distilled, marketing is simply exchanging value. When something is given away for free, the scale--the value exchange--can seem out of balance. But there are many different kinds of "free" in the market--most of them with strings attached.

In our traditional understanding of the market, the terms of the sale are known, concrete and do not change on a regular basis. That's how it has been for thousands of years; you give up something of value to you for something of equal or greater value. Traditionally we have been using those norms to measure and compare values for tangible transactions. But now we are consumers of online products and services, a new phenomenon for us. The rules of the game are constantly changing and we are currently learning how to adapt to this new type of consumption. In some ways the virtual market of the Internet operates in ways that consumers are used to, but in some ways it is new and unfamiliar, and one of the most unfamiliar aspects of the virtual market is that so much of it operates at no cost to the consumer.

One of the most common places we experience free is on the Internet. We use search engines to find content. We check our email. We read the newspaper. We listen to music. We watch movies. We spend so much time accessing information on the Internet, but we rarely stop to consider the value of the content there because we rarely pay for any of it. If we never pay for what we use, how do we know what it is worth? We have experienced a transfer of consumables from the physical world to the virtual one: we are used to paying for music, movies, newspapers, and games. Thus, it makes sense that the virtual versions of those should be perceived similarly. It is still the same resource created the same old way (someone gave up the value of

their time and skills to create something in exchange for something of a greater value). Only the delivery method has changed. But what about email and blogs and search engines? We don't have a tradition of paying for this kind of information and yet we are accessing it for free every day.

Chris Anderson, in his book *Free: The Future of a Radical Price*, breaks the "free" market model into four categories: 1. Direct Cross-Subsidies, 2. The Three-Party Market, 3. Freemium, and 4. Nonmonetary Markets. Our research is most interested in this last category, the nonmonetary market or gift economy, though there are some aspects of the three-party market that make the gift economy possible. "Gift-giving" on or through the Internet is often described as "sharing", as in file-sharing or information-sharing, in the altruistic sense of the word. Products or services are given to users, or customers, seemingly from the kindness of companies' or creators' hearts. But, of course, since all forms of exchange belong to the market, there is a way to understand the value exchange involved even in the kindness of gifts. One way to differentiate free from a gift is that free comes in the context of a market exchange. Free means that there is the expectation of a price.

Bronislaw Malinowski, in *Argonauts of the Western Pacific*, describes the relationship between gifts and trade as a continuum stretching from the pure gift to "trade, pure and simple" (Malinowski 1961: 189). Between these two related extremes are obligations of reciprocation that range from customary and basic to ceremonial bartering with a complex evaluation of what constitutes equivalence. His description of the economic system of the islanders of Papua New Guinea and Melanesia, known as the Kula Ring, will be further explored in Chapter 2 as his understanding of the relationship of gift-giving in a primitive market has strong implications on how we view gift-giving and understand free in our contemporary market, and even as it pertains to virtual transactions on the Internet.

The gifts examined in this study are specifically websites or Internet services (though they are often referred to as "products"), which makes them harder from the beginning to assign value to; Malinowski says about services "...we cannot speak here of direct economic equivalence, since one of the terms of the equations consists of a service, the value of which cannot be assessed, except by conventional estimates" (Malinowski 1961: 181). The fact that they are virtual or digital, too, adds

to the difficulty of assigning value. The production cost is not evident, nor is it measurable. The pricing of such products becomes a complicated task for the company, and in the end, most of these products are offered for free to consumers.

Websites are not always free; sometimes the user must pay for a subscription to use the website. And sometimes, only a basic version of the service is free, while an upgraded version of the service requires a paid subscription, an arrangement known as "freemium" (Anderson 2009: 26). Our study primarily focuses on free services, or any website that users access on the Internet, from search engines and file-sharing sites to online dating sites to email platforms and blogs.

This research seeks to investigate consumers' understanding of free on the Internet and if it differs from their understanding of receiving something tangible for free. Understanding the Internet as a collection of gifts from companies to consumers places this relatively new phenomenon in the larger anthropological and historical context of gift giving. It is important for our research to look at the consumers' understanding in this exchange. Because the Internet has become such an important and invasive part of consumers' lives, and because so much of what is offered on the Internet is offered for free, it seems surprising that there is not much in consumer research literature that explains how this shift in the market is perceived by consumers. Even the research on gift-giving primarily focuses on the giver and his motives, with less emphasis on the recipient. That is why the ambition of this research is to describe and explain consumers' understanding of free, both in the tangible and virtual market, to analyze their perceptions of these "gifts", and finally to answer the question "how do consumers understand free on the Internet?"

## **1.2 GIFT-GIVING IN CONSUMER RESEARCH**

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In this section we will look into some significant previous studies on gift giving to see how the field uses these theories to describe consumer behavior.

The subject of gift giving was early viewed in sociology and anthropology as a fundamental social system (Mauss 2002) and in consumer literature it has been seen as an aggregate of gift exchange rituals (Giesler 2006). Essentially, all resources, tangible or intangible, can be transformed into a gift. Services, objects

and experiences can therefore all be conferred as gifts (Sherry 1983). A gift can be interpreted as a confirmation of the donor's participation in the recipient's hard times and joys or as an invitation to partnership (van Baal 1975 in Sherry 1983).

The ancient practice of gift giving does still live on in modern culture and is both pervasive and significant in the modern world. Marcel Mauss outlined three types of obligations that make gift-giving a continuous process: the obligation to give, the obligation to receive and the obligation to repay (Belk 1976). This norm of reciprocity (Gouldner 1960) predicts a tendency for balance in the gift-giving process. In the same way people expect a preference in a person's momentary cognition about gift selection. For example, if a giver likes the recipient and he/she likes the gift chosen, he should also be expected to like the gift for balance to occur (Belk 1976). Claude Levi-Strauss, Mauss' student, later extended the characterization of gift giving with a reciprocal exchange and he put an emphasis of the complex game playing that is a part of gift giving (in Belk 1976).

Heider presented a triad of gift-giver, gift and recipient in 1958 and Belk extends it as a combination of the original model and Byrnes' version of attraction paradigm in 1971 (Belk 1976). The final four-element relationship consists of the self, the giver, the recipient and the gift. It suggests that the donor would select a gift that is appealing to himself/herself for a similar recipient. The recipient is also perceived to like the gift but only when the self concept of the giver is positive (Belk 1976). A diagram of the relationship can be found in Appendix 1.

Gift giving has been rigorously explored within the field of consumer research. The article "Gift giving in an anthropological perspective" (Sherry 1983) can be seen as the starting point of the discussion. In the article Sherry develops a processual model of gift giving that serves as a springboard for further studies on gift giving. Sherry views gift giving as a cycle of reciprocities and he views the gift giving process as a rational chain of gift and symbolic gift transactions between two partners. The gift process consists of three stages: gestation, presentation and reformulation. Most existing consumer theory within the field is located in the gestation stage, which integrates behavior before the exchange such as the expression of motivation for the donor and the internal and external search for and the buying or creation of the gift (Sherry 1983). Behavior in gift giving has been examined by many researchers like



Sherry and McGrath (1989) who studied shopping behavior in the United States during the Christmas season and Belk and Coon (1993) who studied gift giving between lovers (Giesler 2006).

Giesler (2006) criticizes the dyadic model of Sherry, primarily for two reasons. Firstly, because it presents too atomistic an approach to gift giving; and secondly, because it offers strong exchange theoretical undertones, earlier pointed out by Cheal (1989). The undertones are highlighted in studies with a focus on gift giving as a process of balanced reciprocal exchange and the first reductionist perspective can be seen in small discussions of motivations and actions of partners in different steps of gift giving. Giesler, instead, thinks that it is not enough to conceptualize consumer gift giving as an aggregate of dyadic gift transactions (2006).

Besides dyadic gift transactions Giesler further suggests that gift systems also can evolve from consumption. Consumer gift systems may then emerge from networks of social solidarity among consumers but they show the same characteristics as the gift systems that were the focus of the classic anthropologists (Giesler 2006). There are three key elements of these gift systems according to Giesler: social distinctions, norm of reciprocity and rituals and symbolisms. Social distinctions are seen through patterns of interaction. These patterns reinforce the gifting partners' self-identification and also the difference between the gift system and the social environment for the gifting outsider (Giesler 2006). The second marker of the gift system is called the norm of reciprocity after Gouldner (1960). The norm of reciprocity is a set of rules and obligations, which build the pattern of giving and taking. The norm helps establish moral standards of social solidarity. In the third key indicator, the existence of rituals and symbols, rituals are defined by Giesler as "rule-governed activities of symbolic expression" (284) by which the members of a collective are being introduced to understand the collective representations of gift giving. Rituals in gift giving can have many different faces such as the ritual of Christmas gifts (Giesler 2006).

Giesler (2006) himself studied the presence of the three traditional gift system markers in the peer-to-peer music file sharing network Napster. He shows that there is a consumer gift system also in online music sharing. As a system of solidarity gift giving is characterized by social discourses, practices and structures. The basic

social distinction of Napster as a gift system is established through a specific structure of sharing and ethos of sharing that builds up the users' self-identification and reinforces the boundaries of the Napster gift system. The ethos of sharing music online is distinguished from the regular consumption of music which is based on market exchange. The change from markets with dyadic gift giving to the polyadic fashion of Napster also evokes a discussion about the anthropological distinction between ownership and access. The music of Napster is shared among many people simultaneously since the users are downloading from different people at the same time and by that the recipients become givers at the same moment. The second marker, the norm of reciprocity is noticed by Giesler in the consumers' discourse for the rules of exchange for music contribution. There is an aspect of reciprocity because the users know that every downloaded file can be downloaded at another time from the former recipient. In contrast to regular gift giving, the difference at Napster is that the gift is nonsacrificial because it also remains with the donor after the transaction. Napster also has a presence of rituals and symbols. This can for example be seen when certain users of Napster are famous for being experts of certain music, which gives them a sort of heroic status (Giesler 2006).

There are also personal dimensions of gift giving. According to Neisser a gift-giving behavior reflects the perceptions of the recipient and the donor regarding their view on the identity of themselves and others (in Sherry 1983). Harris examined the hidden self-interest in a gift-giving situation. Ideally, a gift does not oblige an exchange or some kind of action in return from the donor. However, in the Western world there is a "basic etiquette" of complementary exchange. Pressure to reciprocate in gift giving is greater than in other forms of reciprocal exchange and therefore the recipient of a gift has an obligation to reciprocate to avoid feeling inferior. Failure to do this appropriately might cause an asymmetrical relationship (Sherry 1983).

As seen in this summary of previous research within the field, gift giving has been thoroughly explored within the field of consumer research. We can see how all resources, tangible or intangible, such as services, objects and experiences can be transformed into gifts. The ancient practice of gift giving is still significant in the modern world and the three types of obligations--the obligation to give, the obligation

to receive and the obligation to repay--are still visible in society. As pointed out earlier there is a significant difference when the market is moving onto the Internet and this is not well explored within the field of gift giving. Giesler's article about Napster investigated online behavior but we believe that there are several distinct differences between the two marketplaces that remain to be studied. Napster can be seen as a sharing community while some other free online things are spread by word-of-mouth between single users or from companies to consumer.

By reviewing the literature on the nature of consumer gift systems, we place our study in the context of gift-giving and consumer behavior. In the next chapter, we go deeper into gift-giving theory in its anthropological context.

## **2. GIFT-GIVING AS THEORETICAL FRAMEWORK**

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### **2.1 THE ESSENCE OF EXCHANGE: TO GIVE, TO RECEIVE, AND TO RECIPROCATE**

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Something given for free is not always a gift. Consumer understanding of free depends on consumer understanding of gifts. But first, we must understand reciprocity, which is critical to understanding gift-giving. What follows is a summary of three very important works on reciprocity--the foundation for any basic understanding of the forces of the market. To understand the economics of the world we live in today, we need to analyze our predecessors' economic systems. This is what Marshall Sahlins explores in his book *Stone Age Economics*, although a thorough investigation of anthropological economics is not necessary for our present study. However, reading accounts of what have been deemed "primitive" societies and their "pre-market" economies, which are based entirely and wholly on gift-giving, is essential. For theory, our study looks to Alvin Gouldner's 1960 definitive article on reciprocity, to Malinowski's in-depth description of the Kula Ring of Melanesia, and to Marcel Mauss's critical book *The Gift*.

### **2.2 RECIPROCITY DEFINED**

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Alvin Gouldner gives an in-depth definition of reciprocity in his 1960 article "The Norm of Reciprocity: a Preliminary Statement" in the *American Sociological Review*. In the historic and philosophical examples of reciprocity he examines, he covers both economic and non-economic notions of exchange but explains that any understanding of exchange or reciprocity comes with an understanding of some kind of moral or ethical code underlying the value of the exchange. He quotes Malinowski, whose ethnographic work with gift-giving is seminal to our study: "most if not all economic acts are found to belong to some chain of reciprocal gifts and counter-gifts, which in the long-run balance, benefiting both sides equally." (Gouldner 1960: 170).

Gouldner himself concludes that reciprocity is a "fact of life": "a generalized moral norm of reciprocity which defines certain actions and obligations as repayments for benefits received" (170). He truly believes that there is a norm of reciprocity, which is universal to all cultures, and the underlying theory behind this study is in keeping

with Mauss and Malinowski and many ethnographers, anthropologists and sociologists. The *but* or exception or conditionality for Gouldner is contingent on the value of the benefit or the object that is given and the resources that the recipient has with which he can match the value of the gift (171). Reciprocity for Gouldner is "quantitatively variable" (164), meaning that what is given and what is given in return can be at least valued in terms of greater than, less than, or equal. If reciprocity is a given in this study, then it becomes our task to assess the value of the gift and the resources the recipient has with which to re-pay.

### 2.3 RECIPROCITY ILLUSTRATED

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Bronislaw Malinowski addresses both reciprocity and gift-giving in his account of "native enterprise" compiled in his 1922 book *Argonauts of the Western Pacific*. In describing the Kula Ring, a system of exchange that goes beyond the nature of trade and encompasses all aspects of the participants' society, Malinowski proves that "primitive" is hardly the word to describe the complex economic system in which these "savages" of Melanesian New Guinea engage.

The Kula, with its two primary types of goods island-hopping in opposite directions throughout the region, seems basic at first. Each participant gives and receives red shell necklaces (*soulava*) in a clockwise direction (imagining the geographic ring of islands from above) and gives and receives broad white shell arm bracelets (*mwali*) in a counter-clockwise direction. The only real rules of the Kula are that 1.) the objects can only move in one direction (their designated direction--clockwise or counter-clockwise), 2.) that the objects must keep moving (an individual can hang on to a received object for as short as a few minutes to as long as a year or two, but the object never becomes a permanent possession of any one participant), and 3.) that the recipient of an object must reciprocate with a counter-gift (the opposite item) of equivalent value (it is always up to the recipient to decide on this value and the giver cannot give any indication of what he deems the worth of the gift or persuade the recipient in any way). Simply put, according to Malinowski, "The main principle underlying the regulation of actual exchange is that the Kula consists in the bestowing of a ceremonial gift, which has to be repaid by an equivalent counter-gift after a lapse of time..." (Malinowski 1961: 95). To complicate things a bit, magic plays a central role in the Kula, and often the rules are changed or affected by magic

spells, which can contribute to the value of an object or can trick a participant into reciprocating something of much greater value than what he initially received.

The Kula ring "is an economic phenomenon of considerable theoretical importance" (2), and as such, it deserves attention in any study where exchange or economic value is important. The Kula is more than just trade; it is tied firmly to ceremony and magic and has strict rules that qualify it as a social system more than just "an economic phenomenon." Reading Malinowski's account of the Kula from 1922 instantly conjures parallels to our modern understanding of the market as a social phenomenon. The participants of the Kula, just before they set out on a long overseas trading journey, cast spells on their Kula partners to make them "soft, unsteady in mind, and eager to give Kula gifts" (102), which is not unlike, cynicism acknowledged, many forms of modern-day advertising. Upon arriving at the shore of his Kula partner's village he chants: "...I shall kula, I shall rob my Kula; I shall steal my Kula; I shall pilfer my Kula. I shall kula so as to make my canoe sink; I shall kula so as to make my outrigger go under. My fame is like thunder, my steps are like earthquake!" (341). Even in the context of ritual gift-giving, the goal is to come away with your pockets as full as possible.

Trading the two symbolic objects of the *soulava* and the *mwali* are pivotal to the social functionality of the entire region. Many other--more utilitarian--objects are traded between the Kula participants as well, but it is the ornamental objects of necklaces and bracelets that symbolize the economic relationship between the regional inhabitants. There is a calculation of the value of the Kula gifts: the receiver must decide on the equivalence of his gift in order to reciprocate accordingly. But, more than this, there is the value in knowing that the system is vital to social stability. In the preface to the original publication of the study, James G. Frazer says that Malinowski "shows that [the Kula] is not based on a simple calculation of utility, of profit and loss, but that it satisfies emotional and aesthetic needs of a higher order than the mere gratification of animal wants" (x). There are "quantitative variables" in the Kula, but more than that, there is a greater qualitative value in the symbolism of the system.

Malinowski helps define the difference, or rather relationship, between gift-giving and economic trade in a kind of continuum that is valuable to explicate here. There are seven steps, or points, on the continuum:

1. *Pure gifts.* These, to Malinowski and to most who have come after him, are considerably rare since all giving has a social purpose and thus a motive. A pure gift would be one that came with absolutely no strings attached. In the Kula tribes, the only free gifts are from a husband to his wife (the tribes are matrilineal and so each family's wealth belongs to the wife and will follow her line) and between and father and his child (possessions are passed on from the mother, so anything that comes from the father is essentially a "free gift"). Most pure gifts have to be argued for strongly because Malinowski like the rest of us knows that there is no such thing as a free lunch.

2. *Customary payments, re-paid irregularly and without strict equivalence.* These gifts are obligatory to give but they are not sacrificial, meaning they don't really hurt to give; they are expected payments. For the Kula tribes, this is the food that a woman's family gives her husband for any work he does in her garden (again, the food belongs to the wife's family so anything given to the husband, even if he works for it, can be considered charitable). This also refers to small gifts given to the village chief--something like paying taxes.

3. *Payment for services rendered.* This is where it starts getting interesting for us as Malinowski admits "...we cannot speak here of direct economic equivalence, since one of the terms of the equations consists of a service, the value of which cannot be assessed, except by conventional estimates. All services, done by specialists for individuals or for the community, belong here. The most important of these are undoubtedly the services of the magician...The presents given for magic of rain and fair weather are very considerable" (Malinowski 181). This form of payment falls exactly in the middle of road from gift to trade and of course the fact that it refers to services, which are difficult to value, is what makes it fall neither here nor there on the continuum.

4. *Gifts returned in economically equivalent form.* Sometimes a gift is given and later that same day the gift is literally returned to the giver-- either the exact gift or something identical to it. Malinowski doesn't consider this trade, since there is no real value in the gift or the counter-gift, nor can the items exchanged really be referred to in these terms. There are specific examples of this among the Kula tribes, but they are not relevant to our study.

5. *Exchange of Material Goods against Privileges, Titles and non-material Possessions.* In these exchanges the desire or obligation to reciprocate is strong, but the non-material components of the exchange (magic, knowledge, privileges, etc.) are, like services, difficult to value and therefore it is difficult to determine if a "fair trade" has been made when these components are repaid with material goods. It is a very interesting categorization that Malinowski makes here that seems to point to one of the prime complications of all economic systems and has implications for our understanding of the place of "free" in the modern-day market.

6. *Ceremonial barter with deferred payment.* For Malinowski's subjects, this category refers to loans or payments that are made with the expectation that re-payment will be made a later date. In the evolution of economies, this is where the idea of money eventually gets introduced-- when something stands as a place holder for the payment that has been made and will be re-paid; eventually the place holder is seen as valuable in its own right. There is no money or place holder for the Kula tribes, but the payment itself comes with the obligation to re-pay, which means that it is carrying an added value that is greater than itself. The Kula Ring itself is mostly engaged in this kind of exchange. While some of its aspects appear to be "trade, pure and simple," other aspects carry this more invisible, less pure and more complicated value system that make it difficult to determine equivalence in the goods exchanged.

7. *Trade, Pure and Simple.* Trade, for Malinowski, is characterized by "mutual advantage" in the exchange, but also allows for bartering or haggling, which more pure forms of gift-giving do not engage in. Trade has



more purely economic motives than the more symbolic forms of exchange described in numbers one through six. Traders within the Kula region usually take natural resources or locally produced goods that are in abundance to neighboring places where those items are scarce. With its lack of ceremony and permissiveness of negotiation, pure trade is seen as a mundane activity, lacking the loft of the Kula. A bad Kula can be referred to derogatorily as *gimwali*, the native word for every day trade.

Malinowski sees no point in explaining how the Kula system came about; he, in fact, cannot tell of its evolution because, like in all myths of the people involved in the Kula, the trading system was always *there*. Kula has always been a part of the islanders' history, even if they don't understand history in the same evolutionary way that we do. The Kula is a fact, an institution, a way of life. And as such, it makes a good theoretical base for discussing the relationship between gift-giving and the market. All myths are a form of relative truth and this makes the myth of the Kula a concrete place on which to build an argument. Malinowski says about the connection between myth and magic and the social institution of the Kula, "In this perhaps, lies the greatest sociological importance of myth, that is, in its action upon institutions through the associated magic. The sociological point of view and idea of the natives coincide here in a remarkable manner. In this book we see this exemplified in one concrete case, in that of the relation between the mythology, the magic, and the social institution of the Kula" (303).

Adherence to custom is of supreme importance to the islanders described in Malinowski's study: "The main social force governing all tribal life could be described as the inertia of custom, the love of uniformity of behavior" (326). The customs and rules governing the Kula and all aspects of society must be followed to preserve the balance. In the earliest stories regarding the Kula, there is always a heroic figure that uses magic or trickery to persuade the nicest objects from his Kula partner. And while he is always regarded as a respected hero, his crime is always punished by those who know of it, thus preserving the strict code of the Kula. No one gets away with coming home from a Kula expedition with more than he left with. In these stories, greed is always a character. The hero always covets a valuable object and

breaks the rules to attain it. It is the same avarice that overcomes his punishers, who covet the object the hero obtained illegally and so wish to have it taken from him.

The Kula is a remarkable system with the means to keep these aspects of human nature in check. This is not to say that the Kula in itself enforces the rules or inflicts punishment. The Kula myths also incorporate luck, good fortune, and generosity. While greed is often punished, generosity is often rewarded, so that a hero may return from an expedition with far more than he set out with, however this is only possible if he has given with a generous heart or been the recipient of good luck. The enterprising spirit of the Kula participant has a bit of the American Dream in it: "In the Kula, we have a type of enterprise where the vast possibilities of success are very much influenced by chance. A man, whether he be rich or poor in [Kula trading] partners, may, according to his luck, return with a relatively big or a small haul from an expedition" (328).

Malinowski addresses the relevance of the Kula Ring to his contemporary society and one of his closing statements in the book makes it relevant to our present study as well:

*"Thus, in several aspects, the Kula presents to us a new type of phenomenon, lying on the borderland between the commercial and the ceremonial and expressing a complex and interesting attitude of mind. But though it is novel, it can hardly be unique. For we can scarcely imagine that a social phenomenon on such a scale, and obviously so deeply connected with fundamental layers of human nature, should only be a sport and a freak, found in one spot on the earth alone. Once we have found this new type of ethnographic fact, we may hope that similar or kindred ones will be found elsewhere." (513-514)*

## **2.4 RECIPROCITY MANDATED**

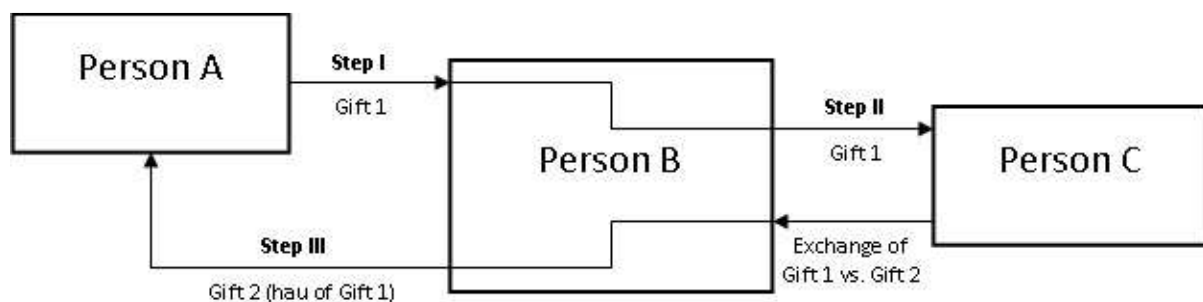
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Marcel Mauss takes gift-giving theory a step further than Malinowski and disagrees with Malinowski on at least one critical point: Mauss doesn't believe at all in the free gift. His definition of a gift doesn't leave room for Malinowski's rare pure gift: "the present generously given even when, in the gesture accompanying the transaction, there's only a polite fiction, formalism, and social deceit, and when really there is obligation and economic self-interest" (Mauss 1990: 4). The definition seems at first to be cynical, but by illuminating his definition with several anthropological and ethnographic case studies, Mauss systematically proves that even in primitive, pre-

market exchange systems, a gift is always a form of social contract that carries a strong obligation of reciprocation. Mauss's gift economy is a description of the market before the invention of money, but this aspect of the market still exists but is hidden "below the surface" of our present economic system (5).

In describing the Polynesian culture of gift giving, Mauss spends a good deal of time explaining the notion of the *hau*, which is the spirit of the things being given. The *hau* is very important in understanding reciprocity because the *hau* is the only way the traders involved in this system know how to evaluate the things being given. The *hau*--or the essence of the thing--is the value of that object. It becomes a particularly interesting component of a specific kind of third-party system described by a Maori (Table 1), where an object is given by the first person (A) to the first recipient (B). There is no obligation for B to reciprocate the gift to A until B passes on the gift to a third person (C). When C receives the object from B he decides to repay the gift and gives B a present in exchange. This second gift given from C to B actually carries the *hau* of the first gift and thus it becomes obligatory for B to give this repayment to A. B cannot keep the repayment from C for something that originally came from A. The *hau* of that object and its inherent pull to return to its place of origin is what motivates the reciprocal nature of this particular exchange system. The *hau* can be seen as a piece of the owner himself--part of his soul--and this spiritual understanding of possession is what makes the stakes particularly high in this exchange system. Mauss understands this as the essential motivation to reciprocate: "Invested with life, often possessing individuality, [the object] seeks to return to what Hertz called its 'place of origin' or to produce, on behalf of the clan and the native soil from which it sprang, an equivalent to replace it" (16).

Table 1: Maori third-party system



Source: Sahlins 1972:159

Mauss's main focus in his treatment of the gift is a phenomenon occurring in many cultures throughout the world that he chooses to refer to as the "potlatch." The potlatch is a Native American word that describes an important social event where objects are given and carefully reciprocated according to cultural norms and rules. Potlatches are at the center of many cultures, where objects represent important social bonds and spiritual contracts. Mauss calls the Kula Ring a potlatch--albeit an extensive, drawn-out potlatch--and summarizes Malinowski's observations in great detail.

When Mauss describes the Northwest Indian tribes of North America and their potlatches, he points out two major differences between them and the Melanesian/Polynesian system: in the Native American potlatch honor plays a much larger part and there is a more thorough understanding of the importance of credit in gift-giving systems. Status and honor are so important in the potlatch that sometimes wars are started over gifts and destruction of property becomes nearly as important as amassing wealth. If a chief thinks that his possessions are so valuable as gifts that they cannot be equivalently reciprocated, he may destroy them preemptively or force his recipient to destroy something of value to keep the balance.

The potlatch is governed by three major obligations: the obligations to give, to receive, and to reciprocate. The obligation to give a potlatch includes the obligation to invite everyone to the potlatch, and the obligation to receive includes the obligation to attend the potlatch. The event of the potlatch is as important as the gifts exchanged within the potlatch and all the obligations of the gifts are the obligations of the potlatch. These strict obligations create a form of competition between the parties involved: "One does more than derive benefit from a thing or a festival: one has accepted a challenge, and has been able to do so because of being certain to be able to reciprocate, to prove one is not unequal" (53). The obligation to reciprocate is at the heart of the potlatch and gifts are always repaid in these cultures with interest, so that gifts escalate in quality and quantity as they are exchanged over time. If the receiving party cannot reciprocate with interest, he can "carry out destruction of equivalent value" instead (54). Failure to reciprocate is punished by slavery, which means giving the value of your life in exchange.

Mauss justifies studying the potlatch cultures by following these "primitive" market systems through their evolution into the modern market. There is an important distinction that emerges when we separate personal rights from property rights. The potlatch cultures all endow their objects with the rights of people. The objects symbolize some aspect of their owner's soul--the *hau* or the spirit of the thing that allows it to dictate moral behavior. The separation of persons and possessions in legal systems is what separates gifts from services and obligations given away for free (61). For a gift to be seen as a gift in the potlatch sense, the person and the object have to be merged. Modern legal systems separate people from their things, thus making gift-giving impossible according to the definition of the potlatch and the examples Mauss describes.

Mauss's distinction between the potlatch and modern-day trade is a very important one. He still believes that elements of the potlatch exist alongside the market. We can receive objects as gifts and along with them the obligation to reciprocate in some way. These objects are different than the objects we buy in stores and pay for with currency. Mauss maintains that our current economic system is still full of ritual, myth, and symbolism and that "money still possesses its magical powers" (92). For Mauss, giving is a commitment: "There is no middle way: one trusts completely, or one mistrusts completely; one lays down one's arms and gives up magic, or one gives everything, from fleeting acts of hospitality to one's daughter to one's goods" (104). Giving involves both personal trust and a complete understanding of the social obligations involved, and so there is no such thing as free, as something for nothing, as a pure gift. A gift is a contract; it is a promise. It is never simply a thing; it possesses everything around it and everything that has touched it.

In these important sociological and anthropological texts we find a clear distinction between gift-giving and free, though the definitions of these distinctions are elaborated and illustrated at length through examples and case-studies. In primitive societies, gifts belong in the realm of the spiritual and the ceremonial. Once we secularized objects and turned them over to the market, they lost their sanctified place in society. When something is given for free in the market, it is not necessarily a gift, but as Mauss says, this long tradition of gift-giving is still with us, hiding under the surface of our mundane, daily exchanges. The strong desire we have to

reciprocate gifts and to keep the strict, understood balance of our market can be seen as the remnants of this tradition in our modern market economy.

## 3. METHODOLOGY

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### 3.1 A PRIMARILY QUALITATIVE APPROACH

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Because the purpose of this study is to describe consumers' understanding of free on the Internet, we primarily wanted to collect qualitative data. We chose this method since our aim is to explore the phenomenon of free on the Internet by making sense of the meanings that people assign to it--what we are calling their *understanding*. There are many uncontrolled and unknown variables in a study that aims to make sense of consumer understanding, so a quantitative approach is unrealistic; "A qualitative approach - interviews, observation of activities, interpretation of written material - is most revealing when the variables of greatest concern are unclear." (Black 1994: 425). The phenomenon we are interested in has not been explored in detail before, which is why we needed a method that would let us create a foundation built on the deep perceptions that stand behind the research question. Because it is non standard, unconfined and dependent on subjective experiences, the qualitative approach enabled us to describe consumer understanding based on the broad definitions of "gift" and "free" in the context of the market and the Internet (Patton 1990).

We investigated consumers' understanding of free through conducting an online survey followed by well-planned interviews. The survey's primary purpose was to get consumers to define "free" (tangible and intangible, obvious and unexpected) in their own words from their own experiences, in a manner that would not separate the research objects from their context, but one that would produce a large enough collection of experiences from which meaningful patterns could be extracted. We categorized the answers, turning the data into something more quantitative to base our qualitative analysis on: "Even in the case of mainly qualitative research it may sometimes be sensible to include certain simple quantifications. Although statistics on social phenomena often contain ambiguities [...] they may nonetheless sometimes have a certain value as background material in qualitative research" (Alvesson and Sköldbberg 2009: 8). The intention was to use the set of different definitions to form a framework to guide us through our main research phase--conducting the interviews.

Our analysis of the data collected through these two methods is based on the interpretation and understanding of the free phenomenon that arrives through examining its meaning to the participants. We achieve that by using the perspective of their own cultures and relating it to the context, or world-view of the phenomenon's whole environment--the Internet (Gadamer, 1975). In this context we use "understanding" as the knowledge and competence consumers possess from earlier personal experience which will be used to interpret and draw conclusions on the material.

### **3.2 THE SURVEY**

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For the purposes of extracting some initial patterns to guide us through the interview process, a short interactive mixed format survey (Appendix 2) was devised and administered through Facebook, Twitter and email to more than 200 respondents located all over the world which resulted in 110 complete responses. All efforts were made to maintain the confidentiality of the respondents, therefore the only personal information they were asked to disclose was to voluntarily leave their email address in case their responses raised additional questions.

Initially, the survey consisted of three main questions (1 multiple choice and 2 short answer), as well as an optional field where respondents could leave their email addresses if they were willing to be contacted for additional questions. Before the survey was officially administered, a pilot study was conducted on six respondents to test the clarity and validity of the questions and possibly make adjustments to address unforeseen issues (Bryman & Bell 2007: 712). In its initial form, all survey questions appeared on one single page. The idea was to build the survey as simple and straight forward as possible. However after the pilot run, we encountered several problems. First, since all questions were visible right away, we found out that the latter questions may have contaminated the results of question #1 by suggesting the general area that we were interested in. In question #1 we wanted to ask what consumers considered free in all contexts—online and physical. However, because the respondents could see that questions #2 and #3 concerned online behaviors, most of the answers to question #1 had to do with things received for free online. Furthermore, two out of the six respondents, after skimming through the survey, and



determining they do not pay for any services online, decided that they were not the appropriate target sample and thus abandoned the survey altogether.

The pilot survey helped us redesign our study to address the above-mentioned issues. First, in order to avoid outside influence on the responses, all questions were split into separate pages. Additionally, it was determined that question #3, regarding the paid websites accessed on the web, applies to very few respondents. Therefore question #2 was built in with the condition to jump directly to question #4 in the cases where the respondent chooses the option: "I don't pay for any content that I access on the web". This was helpful not only because it increased the efficiency of collecting the responses, but it also increased the feeling in respondents that the survey was tailored specifically to them.

The test run raised an additional question that we found interesting, specifically whether there are paid websites that people consider joining, but have not done so until now. We considered it important because it was going to help us determine what kind of online content people attach a value to and are willing to pay to access. The question was therefore included in the survey. Finally, an age group question was included to see if this demographic information was relevant to our findings. We did however not see any signs of differences related to the different age groups. The final survey format is shown in Appendix 2 while Appendix 3 shows the age groups of the respondents.

### 3.3 THE INTERVIEWS

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*"There is no such thing as a worthless conversation, provided you know what to listen for. And questions are the breath of life for a conversation."*

--James Nathan Miller, 1965

For the main data collection stage we decided to conduct unstructured interviews. Using the results derived from the survey we were able to establish that there is significant ambiguity when it comes to receiving free things on the Internet. Since the purpose of the interviews was to collect richer and more detailed data on the phenomenon it was decided to choose the respondents for the in-depth interviews from the list of people who left their contact information in the survey. We felt that some responses were particularly interesting and we wanted clarification for why

they responded to the survey question (or why people in general answer) with a tangible item when they experience so many free services on the Internet every day; the respondents has also stated in the survey that they are heavy Internet users. The data collected was an exact account of what the interviewees said. Furthermore, the method allowed us to adapt to the subjects' understandings and beliefs by letting us modify and ask additional questions beyond what was already planned in order to gain richer information and clarify meanings that were given by the respondents (Hoffman 1987).

As with the online survey, a pilot interview was conducted to test the clarity of the initial question and the validity of the data collected. It was conducted over lunch, where we were all present. In order to avoid making the subject feel uncomfortable or overwhelmed, we agreed only one of us to be asking the questions; the others were just there as observers. During the interview, we discovered that eliciting a narrative definition of free was difficult. We asked her to describe the most recent time she had received something for free. She simply did not feel that she had had such an experience and our research insisted that all consumers have experienced receiving something for free--that they, in fact, have countless encounters with free on the Internet every day. The initial question was thus adjusted to reflect the assumption, so that the respondents could use our definition of a free Internet service as a jumping off place for their narratives.

Overall, seven respondents were interviewed for this study after the pilot interview. Table 2 shows some basic information regarding each respondent. The only criterion for participation was that the subject must be a regular Internet user. We did not feel that any other qualifiers are necessary since we were not interested in a specific demographic group, but the overall population. Therefore age, gender and background were considered irrelevant and were not taken into account during the analysis. That information was obtained in the beginning of the interviews through ice-breakers and was only used for the purpose of building a profile of each respondent that would aid us in differentiating their responses and giving them credit for their statements.

All interviews were conducted one-on-one in order to avoid any feeling of anxiety from the respondents. Additionally, most of the interviews we conducted via Skype,

due to the respondents being out of the country. We saw this as an opportunity to videotape the interviews in an attempt to search for not only verbal, but also visual cues in the respondents' behavior. Furthermore, we found that talking about free on the Internet while using Skype's free service, gave the interviewees a lot better comprehension of the topic and thus provided us with better insights. All other interviews were conducted face-to-face in a calm casual setting and were tape recorded.

The subjects' experience with Internet services ranged from weekly to daily usage of both free and paid websites and products. The unstructured interviews intended to illicit behavioral narratives of website usage. We were primarily concerned with answers that described consumers' response to both free content and paid content. The detailed descriptions were then used to categorize the responses according to their personal understanding of free in both the real and virtual worlds.

Table 2: Interview participants

<b>Name</b>	<b>Age</b>	<b>Home City</b>	<b>Occupation</b>	<b>Interview Length (min)</b>	<b>Interview mode</b>
Ariel	28	Vancouver, Canada	Visual Artist	34	Online
Cody	27	Vancouver, Canada	Graphic Designer	34	Online
Dennis	26	Götzis, Austria	Finance Student	40	In Person
*Franziska	24	Dresden, Germany	Economics Student	26	In Person
Gramos	27	Tirana, Albania	Marketing Student	23	In Person
Richard	23	Norrköping, Sweden	Economics Student	19	Online
Stefan	46	Toronto, Canada	Engineer	36	Online
Wilhelm	26	Stockholm, Sweden	Math Teacher	17	Online

\* Pilot interview subject. The data collected from this subject was not used in the study.

### 3.4 METHODS OF ANALYSIS

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#### ANALYZING THE SURVEY

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In analyzing the data from the surveys, we adapted a stage-by-stage method described by Burnard in 1991. The aim of our survey analysis was to produce detailed and systematic record of the reoccurring themes of “free” and to link them together under a reasonably exhaustive category system that was later going to help us during the interview stage. For that purpose, in our analysis we assume that our respondents have relatively similar world views, which result in statements that can be reasonably and accurately compared and linked. We started the analysis by going through each response and cutting off all unnecessary wording, leaving only a short comprehensive account of an event when something was received for free. The derived “headings” were then read through a number of times and grouped together under broader, higher categories, eventually leading to the ones described in Chapter 4. Once we completed this category system, we went through the survey results again and allocated the responses under the different categories.

#### ANALYZING THE INTERVIEWS

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In analyzing the data from the interview stage, we used a broader version of the same stage-by-stage method by Burnard (1991). After the data collection stage had finished, all interviews were transcribed in full in order to be closely examined. The aim of our interview analysis was, once again, to produce detailed and systematic recording of the reoccurring themes of free, this time specifically of free on the Internet, and then combine them in a category system using the same assumptions described in the survey analysis method. In the first stage of analysis our goal was to thoroughly read the interview transcripts and write down the general themes that we encountered to become more fully aware of the different respondents’ frames of reference. We asked the interview subjects why they responded to the survey question (or why people in general answer) with a tangible item when they experience so many free services on the Internet every day. Therefore, as a guideline of identifying those general topics, we used the respondents’ verbal answers, or “accounts” in the sense that Scott and Lyman describe in their *American Sociological Review* article, to get their “justifications” of why they don't consider web content as free. Scott and Lyman's definition of accounts--“...a statement made by a

social actor to explain unanticipated or untoward behavior" (Scott and Lyman 1968: 46)--suits our study because we are trying to describe the statements of our social actors (Internet consumers) that explain their unanticipated behavior (why they don't consider web content as free). In the article, accounts are divided into two categories: excuses and justifications. For our purposes, we are only using our responses as examples of justifications ["to justify an act is to assert its positive value in the face of a claim to the contrary" (51)]. The primary question in the interview was posed intentionally as an accusation--Why don't you see Internet content as free?--in order to elicit justifications as a response.

In the next stage, we proceeded with reading the transcripts again and generating headings that describe all aspects of the content but exclude all unnecessary "fillers" in the interviews. Berg ([1989] cited by Burnard 1991) calls this stage "open coding". An example is shown in Table 3 below.

Table 3: An example of 'open coding'

Interview Transcript	Open Coding
<p>“It seems ludicrous to pay for something like email, but technically we are when we pay our Internet service provider. However, it's so abundant that it's really immeasurable to be able to narrow it down to one email costing a certain amount of money.”</p>	<p>Seems ludicrous to pay for email... But technically, we pay the Internet provider... So abundant, that can't be narrowed down to the cost of one email...</p>

Using this method of open coding, we were able to account for almost all of the interview data in the generated headings. Next, all the categories were surveyed again and "collapsed" into broader, more general categories. The process was repeated several times until we arrived at the final list of categories described in Chapter 5.

At this stage we were concerned whether our categories could be reasonably assumed to encompass the full range of meanings of free. Thus, we went back to one of our respondents, Dennis, and asked him to highlight in the transcript what he thought were the main points that emerged from the interviews. This produced an

alternative list of categories that was similar to our own. We established that, despite some differences in wording, the two systems were similar to a sufficient enough level to validate our category system. We proceeded by reading the transcripts again and using these categories of free we were able to extract all pieces of the transcripts allocated to each category. Using several copies of the transcripts, we were able to maintain the context of the excerpts by cutting additional words from either side of the quotes and keeping an extra complete transcript for reference. After this stage was completed, we proceeded by explaining our findings in Chapter 5.

As Burnard (1991) explains it, we had two options of presenting our research findings. First, we could have written up the findings, using verbatim examples of interviews to illustrate the various sections, and then write a separate section to link those findings to the literature. Even though this approach seems more "pure" we chose the second one, because of its practicality and better readability. Thus, we wrote up the findings alongside references to the literature and in that way turned Chapters 4 and 5 into both a presentation of the findings and a comparison of those findings with previous work.

## **4. GENERAL CONSUMER UNDERSTANDING OF FREE**

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From the online survey, we were able to get a good picture of consumers' general understanding of free. In this chapter we will present the findings from the online survey which will then be used as a foundation for the discussion in Chapter 5 about the interview findings.

### **4.1 CONSUMER DEFINITIONS OF FREE**

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Free is difficult for consumers to define. When asked to describe the most recent time they received something for free, many respondents reported difficulty remembering a time. One responded "Such a simple question and yet it's also so hard..." and another respondent: "never happens to me". Some wanted the definition of free clarified for them, second guessing their responses with phrases like "Does buy one thing get one thing free count?" or "A smile doesn't count, does it?" Some respondents qualified their responses by explaining why the experience didn't count as free: "The other week I got a *majblomma* from a friend, for free, but I do not consider that as getting it for free since I did ask for it or did something special to get it." Some respondents simply responded with "Nothing is really 'free'" or "I wish I could think of something but I can't," or they put the word free in quotation marks, implying that they don't consider their experience as "really free".

We first asked our survey respondents to recollect a time they received something for free without letting them know that we were investigating online behavior. Out of 110 responses, only five were descriptions of online products (two software, two information and one music service). The majority of the answers were instead tangible products such as a lunch or product samples. This shows that most consumers still think of free in the context of physical, tangible items. Of those tangible items, consumer understanding of free can be divided into six categories (listed in order of frequency):

1. Free with Purchase
2. Free with the Hope of Purchase / Promotion / Advertising
3. Free from Friends / Free with No Strings Attached
4. Free by Accident or Mistake
5. Discarded Items
6. Compensation or Reward

## 4.2 CATEGORIES OF FREE

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### 1. FREE WITH PURCHASE

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Free with purchase refers to added gifts or bonuses given with purchase of an item. In this category are also "Buy One Get One Free" promotions, "2 for 1" sales, or membership promotions where the customer buys nine cups of coffee, for instance, at the same shop and receives the tenth "for free." Some narrative examples of this category from our survey are as follows:

*"I bought a package of cookies at the supermarket and got a second package for free."*

*"I have a fashion magazine subscription, the last time I received the magazine there was a sample of gum included in the package."*

*"I ordered clothes online and the company threw in a pair of 'free' earrings. They were hideous."*

This is the most common understanding of free among our survey respondents, which is interesting because it is the least free category--the one where the customer actually has to buy something first in order to receive something additional for free. Many of the respondents even admitted that this category of free isn't really free, for instance in this response:

*"My original thought was 'kids eat free', but it's with a purchase of an adult meal. Or 'free yogurt'...with a purchase of another of equal or lesser value. And my favorite and probably most recent...BOGO. Buy one, get one free at a major shoe chain. So the last time I received something for free with no strings attached.....I'm not sure that has ever happened. And if it has....I can't remember it!"*

Another story of "free but not really free":

*"I ordered a DSLR camera from a website from US and since I bought a kit with the lens, they gave me for 'free' an extra battery, a case, and an SD card. The difference in price was 40\$ more than other places but still considerably cheaper than then the normal electronic chain stores. So kind of free but not really."*



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## **2. FREE WITH THE HOPE OF PURCHASE / PROMOTION / ADVERTISING**

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This category refers to items given away for free, usually from companies, as a form of promotion, including free samples and trials, which consumers usually only consider to be free if they don't actually proceed with purchasing the items being promoted. Even though the company hopes that the free item will lead to further purchases, there is no obligation for the recipient to buy and so it is perceived as free.

Our respondents mentioned food samples at the grocery store, shampoo samples at the mall, and goodie bags given to them at conferences. One example of this sort of promotion is described by a respondent thus:

*"It was an opening of clothing store in Malmö, they had music, free beer and chips. The clothes were a bit expensive but it was worth it to go and take a look for a while as far as there was free beer."*

Most recipients of promotional items know the motives of the companies giving away these kinds of free items, such as this respondent:

*"I received something for free last week when i went to the grocery store. They were giving pieces of cheese and bread to the costumers, to let them try some new products and maybe make them buy them."*

But even if the recipient knows that the intention of the free item is to encourage them to make a purchase, he or she can still see the item as a gift:

*"...today...I received a free skin type consultation by a Vichy consultant. It is standard that they provide these consultations for free but it was still nice."*

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## **3. FREE FROM FRIENDS / FREE WITH NO STRINGS ATTACHED**

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The third most popular category of free is perhaps the "purest" form of free, meaning that there is no expectation of reciprocation or payment. Consumers see these as "no strings attached" gifts. Responses to our survey that fall into this category are things like free admission to a museum on Sundays, meals prepared by friends or

purchased by friends. The respondents also mentioned some less tangible things like education and knowledge, exercise, and love, hugs, and smiles. For example:

*"I just dropped my daughter and son off at daycare. As I was leaving my daughter gave me a hug and a kiss, at no charge. This will be the most valuable thing I receive all day. In fact the most valuable things I receive in my lifetime are the love of my family. Is it really free, hell no, but the return is worth substantially more than every penny and minute of time I could ever invest."*

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#### **4. FREE BY ACCIDENT OR MISTAKE**

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The last three categories make up less than 25% of the responses, but are relevant to the study. Nearly 10% of the respondents' descriptions of free were instances where items or services were given away as a result of an accident or mistake. This includes situations where an employee at a store or restaurant messes up an order or charges the wrong price and the customer is compensated with an additional item or is relieved from paying. For instance:

*"I was at Starbucks and there were two people there being trained on how to make different drinks. While I was waiting for the drink I ordered they gave me a free drink they had just practiced making since they were going to throw it out anyway."*

Also, *"I received an iPod touch for 'free' from Mac. I had received the first nano as a gift (free to me) and returned the iPod later after it wasn't working. I was upgraded to a fancier gadget, free of charge, not even any shipping fees. Didn't work for it, didn't ask for it--free."*

Also in this category are situations like this one where a change in someone else's plans results in something given for free to the recipient:

*"My friend gave me free tickets to a Dodgers game last week -- she couldn't make it and didn't want them to go to waste."*

Even though the friend purchased the tickets originally, once they were passed on to the respondent they became "free tickets."

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## 5. DISCARDED ITEMS

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Discarded items like trash or used items are often perceived as free by recipients. Sometimes they are found items and sometimes they are given away. Some of the respondents acknowledge that they are not sure that these kinds of items should be considered "free"--probably because they don't have value in the same retail sense of the other categories. Some examples of these responses are:

*"My dad gave me his ex-wife's old treadmill."*

*"Free pastries from the bakery in the Granville Island market- apparently if you show up around closing time they give up any remaining goods for free to anyone who wants it, mainly because they'd all be going in the garbage anyhow."*

*"People in my neighborhood often put things they no longer want out in the back alley behind our house. A couple of weeks ago, someone had left a box of pansies and other flowers out there, with a small hand-written sign that said, 'Free.' So we took the flowers home and planted them!"*

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## 6. COMPENSATION OR REWARD

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Two of the respondents felt that what they had received for free was compensation for some effort on their part. One got something for being an employee of certain company:

*"I recieved a bus ticket from Swebus for free yesterday, because they had an offer for workers at seven eleven stores."*

The second received a small reward for completing a task: *"two days ago, after I completed a survey to improve the education system in Sweden. In reward to answering the questions they gave everyone 100 free printing credits."*

These answers are interesting because most people don't see rewards as free. It's clear that the feel they are being compensated for something, which is the opposite of free.

These six categories together create a definition of consumer understanding of free in the traditional marketplace. With the exception of Category 3: Free from Friends / Free with No Strings Attached, they all describe experiences with free where there is the expectation of payment, allowing these exchanges to exist in the framework of the market. Category 3 is more a description of gift-giving than of a traditional market exchange, but there are, of course, elements of classic gift-giving in all the scenarios.

### 4.3 NOT PAYING FOR THE INTERNET

To follow-up our question about general experiences with free, we asked the respondents what Internet content they paid to access, and 94% of our respondents said "I don't pay for any content on the web." Some even went so far as to describe paying for web content as "ludicrous" or "repulsive" or took offense at being asked: "*[I am] not a fan of paid online content, almost any paid content can be found for free*" or "*[I have] never considered paying for web content!*", or "*None. Free or no deal!*" Those who answered that they didn't pay for any content were directed to another follow-up question where we asked what kind of websites they had *considered* paying for. The answers to this question fall into the following categories described in Table 4.

Table 4: Categories of websites that consumers consider paying for

Category	Examples	% of responses
News, Magazines, Books	nytimes.com, case.org, audible.com	31
Music and Video	spotify.com, itunes.com, youtube.com	28
Educational or Expert Content	jstor.org, bloomberg.com	21
Dating Sites & Social Networks	match.com, facebook.com, linkedin.com	11
Software / Technical Services	dropbox.com, adobe.com	7
Games	geocaching.com, sharkscope.com	2

Many respondents did not seem to have thought about paying for anything online:

*"Difficult question, I don't think I have considered any paid websites. The only one I would consider is a website that provides financial data, reports, etc (like Bloomberg which is way out of my price range)."*

Some people justified not thinking of paying with the fact that there are free ways to get the same information:

*"I do not consider to join pages that I need to pay for. I know that they are out there as for example some parts of Aftonbladet, but I do not consider those to be so special that I cannot get hold of that kind of information/knowledge in any other way."*

It is not surprising that these responses and the six percent who said they did pay for websites are all categories of content that consumers are used to paying for. These are categories of content that used to be delivered to us in physical forms--in print or hardware or face-to-face. None of the respondents considered paying for services like email and search engines, nor did they acknowledge them as free, so this knowledge forms the basis of our further research, which was conducted through interviews.

#### **4.4 THE VIRTUAL MARKET AS AN EXTENSION OF THE PHYSICAL MARKET**

Malinowski describes the Kula as existing on the borderland between the commercial and the ceremonial with its rigid social rules well understood by everyone involved. If we replace the word "ceremonial" with "virtual", we can see how Malinowski's study is relevant to today's society. We have seen that modern consumers bring their understanding of exchange with them from the tangible world to the virtual world. Even in this new market frontier where the rules aren't yet firmly established, consumers know how to make sense of new forms of exchanges by comparing them to ones they are already familiar with. This is why most consumers are still comfortable paying for books and music online because they remember these items from the days when they received them in their physical forms. This is also why they don't want to pay for other forms of web content--because they aren't in the habit of paying for these unprecedented things.

After executing the survey we had a better picture of how consumers perceived the online world and their free access to it. Consumers do not think of the online market when asked about free. This can be explained by the fact that many consumers take the Internet market for granted since almost everything online seems to be free. The answers from the survey presented in this chapter were used when performing the interviews and in the next chapter we will look into the findings from the interviews.

## **5. UNDERSTANDING FREE ON THE INTERNET**

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Most consumers consider virtual products in a different category than physical products. This is clear from our survey. When asked about receiving something for free, it's almost as if consumers picture themselves with their hands out, palms up, waiting to receive their gift. Their memories are of physical acts; their narratives are of concrete events. They think about times when they were handed something on the street or when they opened up a package. So, it's not surprising that consumers don't recollect a time they clicked on a link or typed a keyword into a search engine or downloaded a song from a website. But these virtual products are just as free as a bread sample in a grocery store or a hand-me-down treadmill. Consumers don't pay money for most of what they access on the Internet. And if they don't understand this as free, how do they understand it? This was the central question of our in-depth interviews, or put another way: If the Internet is not free, what is it?

### **5.1 THERE'S ALWAYS A CATCH: JUSTIFICATIONS FOR WHY THE INTERNET IS NOT FREE**

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In order to find out why consumers view free on the Internet as different from tangible items, we asked seven respondents to participate in an interview to describe their understanding of free on the Internet. Because we asked them to account for their feelings, their responses were seen as justifications, or defensive statements. Justifications are meant to negate or oppose an assumption. The assumption in the interview was that the Internet is free, which is the researchers' assumption based on theory. It was then the respondents' responsibility to explain what was wrong with this assumption or to describe how they understand the phenomenon of free on Internet. Their responses are their accounts and their accounts were interpreted by us as their justifications.

In our analysis of the interviews, we found five common justifications:

1. I pay for it by giving away personal information.
2. I deserve it. Information should be free.
3. Advertisers are paying the cost for me.
4. I am paying for it with my contribution.
5. It's only free temporarily, then the bill comes.

All of the interviewees described more than one of the justifications, some of them describing all five during the course of the interview. What follows are descriptions and examples of these justifications.

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### **1. I PAY FOR IT BY GIVING AWAY PERSONAL INFORMATION**

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--*"They're using your information, then it's not free, because I give away something. I don't need to pay money, but they're using my personal data, so it's just another way of paying for it."* (Interview with Dennis)

--*"... you also don't perceive it as completely free. Because 'free' would imply that you are not giving up anything in exchange for what you are getting."* (Interview with Stefan)

In the Polynesian cultures that Mauss describes in *The Gift*, the *hau* is explained as the human spirit of the thing being given. Every item in this society possesses a piece of its owner's soul. This understanding of property value may seem relevant only to this island culture, but considering the personal nature of the information exchanged every day online, the properties being traded on the web can be said to carry the *hau* of their owners. We are trading pieces of our selves when we pass information along on the Internet. We give our words and our thoughts and our findings to websites; we give our credit card numbers, our bank accounts, our identification cards; we give our photos, our movies, and our art.

Internet consumers understand that they are not necessarily paying for their use of websites with money but that they are exchanging their privacy or personal information for the right to use the Internet. This is especially true of search engines like Google, where access to a wealth of information comes at the price of giving demographic information to Google who in turn sells that information to marketers. Many consumers are aware that this exchange is taking place and they consider this the price they have to pay to get the service for free:

*"They live on customer profiling, so you give them your data too....Well, Google people claim that their thing is nothing like that, completely different. But it's still part of their business. So if you want the free service, you just have to live with it."* (Interview with Stefan)



But, it is not just Google and the big search providers that are incriminated in this practice of "charging" for use for the price of personal data. The respondents attributed this practice to online gaming companies, free software providers, even news sources:

*"They are not just giving us the news because they are nice people and they want to make the world a better place. No. It's a company and they want to make money. They give you something and then they offer you different ways to leave your money there. Or your information, which they can later sell. There's always a hook somewhere."* (Interview with Dennis)

This idea of "there's always a hook" was repeated over and over again by our respondents, pointing to a mistrust of the Internet and its free services. Exchanging personal information for using an online service is one of the most obvious ways that consumers understand how the market of the Internet works. This also shows that online consumers do not just understand free as meaning "without monetary compensation"; they simply do not see the Internet as free because they can quickly point to the fact that they are paying with their privacy.

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## **2. I DESERVE IT. INFORMATION SHOULD BE FREE.**

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*--"It's free like books in the library are free. It's more like a resource."* (Interview with Ariel)

The information provided on the Internet isn't viewed as commercial product, but rather as a resource. And much like air or water or other natural resources, information is often understood as a resource that should be free. Resources are the building blocks of products, but they are not products in themselves. Resources can be highly valued, but they are rarely paid for outright by consumers. They are used in production and paid for at a later stage, when they become products. There isn't a precedent in the traditional marketplace for paying for the kind of information provided on the Internet. Consumers are used to paying for music or movies, but they are not used to paying for search engines, email, or even the phone book.

Q: *"Why do you think that when someone says 'free' you (or people in general) don't think about the Internet?"*

A: *"Maybe because of its classification of information. It's more like a reporting system in a sense. Kind of like journalism is free."* (Interview with Cody)

This idea that information should be free has two motives that play on the etymology of the English word "free" that can mean both liberty and *gratis* [Chris Anderson sums up the distinction as "Free as in beer vs. free as in speech" (Anderson 2009: 18)]. Internet users take the Internet for granted--*"You just think of it as given. It's there, you use it and you don't think about it."* (Interview with Stefan)--both in that they don't have to pay for it and in that they feel a sense of ownership or stake in the Internet.

One motive is the habit or tradition of not paying for information: *"I think it is a habit. If people get used to not paying they then take for granted that they should not pay"* (Interview with Richard). Much of the information on the Internet has always been free. People started accessing the Internet from the beginning without paying for the information that they found there, and it hasn't been possible for companies to change that model so far. Very rarely can companies start charging customers for something after they are used to getting it for free; for instance:

*"A prime example of this is the radio programs/podcasts that I listen to...they're free now but they're always begging you for money and threatening that it will go away. I probably would pay a monthly fee if I had to because I'm attached to it. it would have to be something you were already addicted to...that you can't live without"* (Interview with Ariel).

When companies do start charging for services that have been previously offered for free, it puts customers in a difficult position where they have to try to put a monetary value on something that hasn't had a price tag before. From the customer's perspective, the company has to "threaten" (Ariel's word) to discontinue the service in order to get customers to put a value on it. This is one of the ways that consumers understand free on the Internet: it has always been free. It's too difficult for them to conceive of it otherwise: *"The culture of free is strong in the Internet, and it may well be that it is perceived as the natural state - that is, pay-for-content is seen as a special case, rather than the norm."* (Interview with Wilhelm)

The second motive is a more altruistic motive--a sense that knowledge is meant to be shared and shouldn't have a price tag. This is the "free as in speech" definition of free. This motive is expressed in our interview with Cody thus:

*"That's the origin of the Internet...its intention is to share information to benefit one another for basic communication purposes. There was a need for the sharing of information. It just evolved into this expectation of everything just being out there and being available...so when stuff [on the Internet] does cost money...people are repulsed. It doesn't seem natural for just information...Things that aren't material shouldn't cost...if someone's going to charge for that information, it's going to find an alternate route. It's like water. It's just one of those things. It's built into the society of Internet users. I don't really see it changing for a long time."* (Interview with Cody)

This sentiment--that the Internet *belongs* to its users--is another way that consumers justify not paying for their use of the Internet. But this explanation by Cody also points out that consumers know that virtual or intangible products don't have production cost, so they shouldn't have a consumption cost. It's not something that they can hold or possess--it's not "material"--and thus, consumers don't feel obligated to pay for it. It's hard for them to see *what* exactly it is that they are paying for.

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### **3. ADVERTISERS ARE PAYING THE COST FOR ME.**

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*--"First, they bombard you with all kinds of advertising, so you give them your time (and nerves)."* (Interview with Stefan)

Consumers also understand their use of the Internet as subsidized by advertising. This is the traditional way that media is supported, described by Anderson in *Free* this way: "Then there is the whole world of ad-supported media, from free-to-air radio and TV to most of the Web. Ad-supported free content is a business model that dates back more than a century: a third-party (the advertisers) pays for a second party (the consumer) to get the content for free" (Anderson 2009:20).

Several of our survey and interview respondents mentioned the Internet service Spotify as an example of this ad-supported model of free. Spotify, an online music streaming service, charges a monthly subscription fee to access its extensive digital

music library. Alternatively, Spotify offers a free version of the same service that is subsidized by traditional radio-style advertisements that are broadcast between songs. So, the company has given the customers a choice: listen to the advertisements or pay to not be interrupted by them. Spotify gets paid either way: they get paid by the advertisers for their free audience or they get paid by their subscribers who aren't subsidized by the advertisers. One more interesting twist in Spotify's business model is that in order to subscribe to the free service (the one with advertisements), users have to be invited by paying users (no advertisements) who receive a limited number of invitations to pass along to friends when they sign up for the paid version of the service.

This twist creates a whole new understanding of the "freeness" of the service and who is responsible for making it free to the end consumer. This complicated chain of responsibility was explained to us by Dennis:

*"Well, that's not free for the other person [the person who pays for Spotify], it has some kind of value, because he doesn't have an unlimited number of invites. So if I consider it a kind of a present, then maybe I can consider doing them a favor sometime. It depends. If I get an invite that I'm not interested in, then I don't think I owe the person anything...it depends on if I want to be on that website, if they're sending it to everyone, [or] if I asked them to give me one [an invitation to the site]. If I wanted it, then they did me a favor by inviting me. That doesn't mean I owe them money. Maybe I'll buy them a drink sometime or do them a favor" (Interview with Dennis).*

Of course, most Internet companies know this is one of the only models for making money, but not all consumers understand their role in this third-party system. So, even though this is probably the most accurate explanation for why the Internet is free, for our purposes, we are only using it as a justification from the consumer perspective. Only some consumers know about the system, for instance Dennis who immediately pointed to Google's model of selling personal information to advertisers as the reason for its services being free. We responded with *"But most people don't know that, so for them it is free!"* and he responded, *"Well then they should inform themselves!"* (Interview with Dennis), implying that owning up to the consumer role in

the third-party system was the justification for using the service for free. Dennis used the same explanation for the success of yahoo.com:

*"Take yahoo.com for example. Information is free, they try to throw ads everywhere, but I don't feel bad for using that information for free, because they try to sell me crap all the time. So it's a tradeoff. They try to make you click on ads here and there therefore they try to have something useful in order to make a lot of people go to their site."* (Interview with Dennis)

It seems important here to remember the third-party system of the Maori described in Chapter 2, where the gifted object moves from person A to B, then from B to C, and it becomes C's responsibility to then repay A for the gift (refer to Table 1). In the standard model of the online market, an individual or company (A) gives an Internet service to the consumer (B). The consumer gives his personal information then to an advertiser (C), who actually ends up paying A for the original service. The consumer sits in the middle of this transaction passing the *hau* of the gift from A to C and back again. The advertiser absolves the consumer of his need to reciprocate by paying for the gift of the Internet. Whether or not the consumer is aware of his position in this model, he becomes a part of what gives the Internet value.

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#### **4. I AM PAYING FOR IT WITH MY CONTRIBUTION.**

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*"We're not your average web users...because we're somewhat of content producers. But being content producers makes us ultra-consumers...We have a better idea of the bigger picture because we do produce [web] content, but super-users are the web. More and more, every user you meet on the web has something to do with the web."* (Interview with Cody)

Cody is describing himself as a "craft consumer" (Campbell 2005) or a "prosumer" (Ritzer and Jurgensen 2010), explaining his role in the evolution of the market from production to consumption to the hybrid consumer/producer. The craft consumer, according Campbell, takes consumer objects and customizes or personalizes them, which, while Campbell has more physical objects in mind, is a common practice on the web. Wanting to contribute to the content of the web reflects in some users a kind of altruism or cyber-libertarianism (Ritzer and Jurgensen 2010). In his interview,

Dennis claims there is always a "hook" with free services on the Internet but described this exception: *"Unless it's not for profit- like Linux. It's a collaboration, where everybody contributes for the common good. You can contribute if you want, but it's not mandatory."* (Interview with Dennis)

When consumers feel they have a role in the Internet as prosumers, they justify the free nature of the Internet by exchanging their production or contribution for their consumption or use of online services. Ritzer and Jurgensen explain this phenomenon: *"As a result of the existence and the success of these non-profit entities [e.g. Linus, Firefox, Wikipedia and other "user-generated" websites, software and services], and more generally of cyber-libertarianism, users increasingly expect that what is on the Internet be made available free of charge"* (2010: 28).

Perhaps it is important to note that Cody is a graphic designer who also gets paid to physically contribute content on the web, but he is not referring in the opening quote about his professional relationship to the Internet. He also contributes content when he comments on someone's blog or marks a hiking trail on Google maps or passes along interesting articles to his friends via Twitter or Facebook. Everyone who uses the web now is a prosumer: *"People are getting more and more sophisticated every day...even the average user"* (Interview with Ariel). So, this justification doesn't come just from professionals who are paid to contribute content to the Internet. Any user can use this justification, and perhaps increasingly so: *"More and more, every day people are becoming content producers...effortlessly"* (Interview with Cody).

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#### **5. IT'S ONLY FREE TEMPORARILY, THEN THE BILL COMES.**

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*"So it's not really free. Unless it's a trial version- free for a limited time."* (Interview with Stefan)

In the same way that free samples are only seen as free if the consumer doesn't go ahead and make the purchase expected by the company, free online trials are only seen as free as long as they last and so, there is always the justification that the bill is coming later, so it's not really free unless you cancel the service before the bill comes. This justification doesn't need much explanation; it is just important to note that some consumers understand free in its temporary context in this situations:

*"And sometimes there are free for a period or so to say 30 days and after that you have to pay for them. So, not totally free I guess. You pay but free for the beginning. (...) Adobe, professional. I downloaded it, it was a really good program. I used it for read articles, in media format and I can edit to them but it was only for 30 days and after that it was required form the company to pay so I couldn't pay because I am a student and I don't need so professional products."* (Interview with Gramos)

## **5.2 CONSUMER UNDERSTANDING OF VIRTUAL RECIPROCITY**

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These five justifications from our consumer accounts form the long answer to the question "Why don't consumers understand the Internet as free?" It's not simply that the products of the Internet are intangible that the word "free" doesn't bring them to consumers' minds. It's more that Internet users are savvy consumers, who understand their place in the virtual market. They know how to put a value on these products even when there isn't a price tag.

Mauss says it is in our nature to want to reciprocate a gift and so consumers think up ways to justify their free use of the practical and helpful virtual services and products they find on the Internet. Every consumer that we asked quickly found an explanation for why he shouldn't have to pay for Internet content. Mauss doesn't believe in the "pure gift" and neither do the participants in our study. While the exchanges that are taking place on the Internet are clearly forms of gift-giving, they belong to the latest evolution of the market, where some consumers feel the strong human need to reciprocate Internet "gifts" by either contributing to the fabric of the web by generating content themselves or sharing more files than they download and some consumers feel they are relieved from the burden of reciprocation by advertisers who pay the bill for them. These are complex accounts of why the Internet isn't "really free"--a phrase that in itself proves that the definitions of "free" and "not free" are not black and white. Our respondents use phrases like "really free," "kind of free," "somewhat free," "truly free," and "counts as free," which linguistically indicates a confusion in the underlying nature of what has value and how we know it.

Consumers sometimes seem to be unaware of *what* they are paying for Internet services but they see the value of the content and the value of their payment, which

is their personal information. An increasing number of people are using the Internet as an information source. They conduct their own research and the Web 2.0 gives them the ability not only to consume the data that they find, but also to produce data, therefore increasing the amount of content on the web. Since we have only recently been introduced to this new type of virtual consumption, we use the Internet to learn and share ideas and advice on how to actually consume these online products. More people are now considered active participants in the virtual world because of all the content they create and more people's everyday lives become dependent on accessing this information, which leads to the truly viral spread of Internet content.

Word-of-mouth promotion has co-evolved with the market, but the Internet takes it to a new level and the trend is to spread content through electronic word-of-mouth. Consumers share recommendations of products, articles and ideas with other consumers through social networks, so that there is a steady stream of information coming in. Consumers can now sit back and wait for this information to come to them without having to go look for it. Some Internet users spend more time reading recommendations from their friends than they do searching for new information themselves through search engines. In our interview with Cody, we asked about these recommendations or links and he responded, "They're totally influential...People aren't really searching as much anymore. They're using these links like you're talking about through Facebook or Twitter or whatever it is and 90% of the time they're browsing the web through suggestions, through other people sharing this information rather than actually going out and seeking information individually."



## 6. CONCLUSIONS

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The Internet is made up of knowledge and information--some of it of a commercial nature and some of it more "ceremonial" (Malinowski) or "cyber-libertarian" (Ritzer and Jurgensen). It isn't tangible and most of it doesn't wear a price tag. In order to understand the value of what we experience and utilize on the Internet, we need to understand the value of the gifts we are receiving. Malinowski says it is difficult for the islanders to know how to repay the sorcerer for the gift of rain after a drought, but it is important that he is paid whatever the service is worth to them. We can see that it is equally difficult for consumers to understand the value of the Internet when it has become such an important resource in their lives. And if they are not paying out of their pockets what the service is worth to them, at least the advertisers of the virtual world are reciprocating their fair share and the consumer is giving valuable information to the advertisers every time he clicks on a link or signs up for a website or even when starts typing a word into a search engine. The currency of the Internet flows right through him, like a spirit through the trees.

What we see from the data analysis is that consumers don't understand the Internet as a gift. They know they are giving something in exchange for using the Internet for free, even going so far as to understand it as a right. In that way these online exchanges can be seen closer to trade in Malinowski's continuum rather than a pure gift. With the evolution of the Internet into a valuable (but free) resource comes an evolving understanding of how to reciprocate this value--how to pay for it when it is presented as free.

The obligation to repay can though be seen in a new way among the consumers. One of the ways that consumers pay for their use of the Internet is by giving away personal information. Traditionally, if you weren't royalty, your personal identity didn't hold much value. Only in the past two centuries, with the rise of mass production, did advertising develop and with it the need for large scale consumer targeting. Effectively knowing and reaching target customers is the primary goal of any marketer and so consumer profiling has become a very lucrative business. Personal information is a gold mine for advertisers, which means that consumer's personal data and even their personality traits are highly valuable. Even when no money is being transferred when a consumer accesses information on the Internet, there is an

exchange taking place. Malinowski is still applicable when he says, "most if not all economic acts are found to belong to some chain of reciprocal gifts and counter-gifts, which in the long-run balance, benefiting both sides equally," (in Gouldner 1960:170).

Consumers aren't paying for most of the content on the Internet, but companies know how to make lots of money from the exchange model described above. It is the companies and their marketing departments who know exactly what the value of Internet information is. The marketer is paying a premium price for email lists and keywords, but this money isn't going into the consumers' pockets even though it their data that is being purchased. With the advertiser-subsidized model at work here, all of this high value content is moving through the consumer without his even knowing it. A company can spend its entire marketing budget on Google Adwords but the consumer just sees the link and clicks on it for free without ever realizing that a company actually paid in cash just for that click.

The virtual market that is the Internet is still evolving. It's still new and what consumers are experiencing with the Internet today could be completely different by next year. Within months, the results of our study could be completely different. Already the free model that we have gotten so quickly used to on the Internet is changing. Companies are experimenting with different models based on consumer response. Three of our interview respondents mentioned Apple by name when thinking about the latest evolution: "*Apple right now is kind of leading a movement of paying for content that should be free.*" (Interview with Cody). Stefan mentioned something similar: "*That's how Apple does it. The music for the iPhone is only playable on the iPhone. No one thought at the beginning that the \$1 business model will ever succeed. But it did.*" (Interview with Stefan). Maybe this is the beginning of a new market taking shape going back to paid Internet services where consumers will pay small amounts for small software applications, for e-mail extensions, etc.

The ancient practice of gift giving does still live on in our society although the forms of reciprocity are changing. The "basic etiquette" of complimentary exchange (Sherry 1983) takes on another shape when it comes to online consumption. Social phenomena are by nature dynamic and behavioral changes across a society are

hard to measure. In this study, we tried to capture an aspect of the market as it exists temporarily. We wanted to hear what consumers had to say when they were confronted with this basic reality that they encounter every day, and through our survey and our interviews we were able to bring the issue into at least a few consumer minds. Free on the Internet is a given; it is something taken for granted, meaning that it isn't given much thought. And when a phenomenon like this isn't in the front of consumers' minds, it's difficult for them to talk about. By asking for behavioral accounts, we got the respondents to do the analysis for themselves first before giving us their answers, or their justifications, so we were able to dissect this phenomenon after gathering the data. We wanted to give a picture of consumer understanding of the Internet as it exists right now, in a market moving between the tangible and the intangible--a modern-day Kula, where we somehow still feel deeply responsible to reciprocate the gifts we are given, even when those high-tech gifts have become as natural to us as rain.

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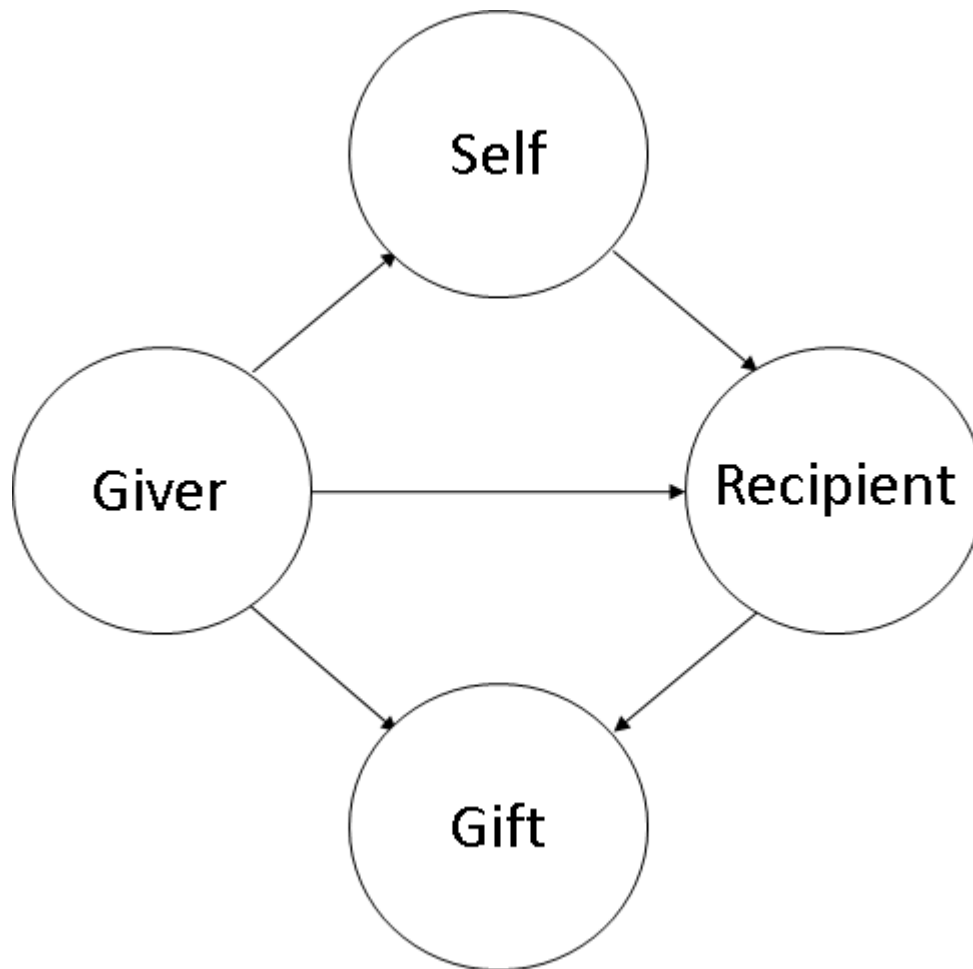
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## APPENDIX 1

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### Gift-giving



Adapted from Belk, 1976, p. 157

The relationship presented here suggests that a giver selects a personally appealing gift for a similar recipient who is also perceived to like such a gift, but only when the giver's self concept is positive. The bottom triad of the figure (Giver- Recipient- Gift) represents Heider's balance model. The top triad (Giver- Self- Recipient) is Byrne's version of attraction paradigm. It represents Byrne's hypothesis that greater similarity between persons causes greater attraction between them. The modification of the attraction paradigm is in the addition of the fourth "self" concept that represents the giver's degree of satisfaction with the gift (Belk 1976:157).

## APPENDIX 2

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Online Survey- the buttons Back/Continue are used to mark page breaks.

Question 1:

### Understanding Free

We are conducting research regarding consumer understanding of "free" for a master's thesis project at Lund University. Please take the time to answer the following questions. It should take just 3 minutes of your time. Your answers may be used in our master's thesis, but all information you provide will be anonymous.

\* Required

**Describe the most recent time you received something for free. \***

Please feel free to provide an answer of any length.

Continue »

Question 2:

**What statement best describes the websites you visit on a weekly basis? \***

- I don't pay for any content that I access on the web.
- I pay for subscriptions to 1 - 3 websites to access content.
- I pay for content from more than 3 websites.

« Back

Continue »

Question 3:

**Can you please list any websites that you currently access at least once a month that you pay to use?**

Please list the homepage for each website.

Question 4:

**Can you please list any paid websites that you have considered joining but haven't yet?**

Please list the homepage for each website.



Question 5:

**What is your age group?**

- 18 - 25
- 26 - 35
- 36 - 45
- 46 - 55
- 55 +

**Please provide your email address if you are willing to be contacted for follow-up questions.**

« Back

Submit

## APPENDIX 3

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### Online Survey Respondents' Age Groups

