Free Software vs. Paid Chuck Warren May 2010

Free is good, except when it isn't.

There are several different kinds of free in the world, but on the internet "free" is becoming a big part of many a company's business models. Free software, free services, and free accounts are available for almost every website or web based product offering, and many times these free passes can get you in the door to very useful tools. But the free version is not always the best choice.

In a time where a new website opens every few seconds potential customers might have to wade through hundreds, or even thousands, of similar web products before they settle on one that seems appropriate for the job at hand. They are also very likely to sign up for a trial account on a handful of these as they search for the tool that best fits their needs. After a dozen account set up exercises the process becomes tiring and people tend to settle for something that is less than what they are after just so they can get back to work.

How does a new website or internet product get the visibility they need to become successful? It's about the same as a leaf in the Amazon rain forest trying to be seen as unique. On the web the accepted method is now to give something away free. They often put a stripped down version in the hands of potential customers and hope that word of mouth, or viral marketing, will take over and increase the product's popularity. If enough people are happy with the free version, they will often upgrade to the paid version to get access to additional features and functions they really need.

Free software is great if it's a fun or useful product. My own computers are full of free products such as anti-virus, back up applications, even spreadsheet and word processing software. Some of these are true open source products offered by a community of developers that just want to contribute something useful to the world, and some of the product's creators rely on donations from their loyal users. Some of them are "lite" versions of more powerful paid products but fit my needs just fine. Since I'm very likely to recommend a product I like to my customers, my free use of the product greatly benefits the company.

However, when it comes to accounting, customer database, remote support, and other needs that are critical to my business I use a paid solution through a company I know will not be a flash in the pan. The last thing I need is to hit my desk in the morning and find that the application's owners pulled the plug on the free contact management software that holds all of my client information and history. I have back up copies, but I would have to find another product, upload or hand type in all of my information, and learn to use a new tool before I could get back to work. That is an easy way to lose half of a day's worth of productivity.

When I need a product that will most likely become critical to my business I choose a paid service through a company which has an effective and reliable solution, a strong customer base, and reviews on the web which are positive and sincere. That does not guarantee that the company will last, but it is a good indicator that they have a solid business model. I will usually

try their free level or product first and then sign up for a paid account if I like it - as much for the additional features as to help contribute to the success and longevity of a product I find helpful.

Free accounts are a great way to get started with a product or service, but there is something else that is usually excluded from the free or lower cost levels of many web based applications. Customer service and support are often limited to what the customers can find themselves through forums, FAQ's, and knowledge bases. For users who are comfortable troubleshooting their own issues this may not be a problem. But for many people there needs to be someone on the other end of the phone when a critical business tool fails in the middle of the work week.

As I rely more and more on solutions offered online, or in the "cloud", I find customer service quickly becoming a large part of my decision to sign up with any company. I also find myself referring people to companies who have treated me well, even if they cost a few dollars more. In the past I have had the opinion that free is best, even if it is a short lived solution. However, a recent issue with a client presented a perfect example of how "free" can be more costly than a subscription based service. When a client's website developed a problem with some components that I did not have access to I had no choice but to call and email the company to get help. I waited five weeks for a response.

The company that had been hosting the site was kind enough to make space available on their servers for free. However, because they were not charging for this service any problem was always last on the list below their paying customers. I do understand they cannot survive with out their regular customers, but my client was unable to receive donations for five weeks which cost them hundreds, or even potentially thousands of dollars in donations. Was this worth saving \$8 or \$10 dollars a month? I don't think so.

After a dozen or so failed attempts at contacting the free hosting company for help I pulled the website, moved it to one of the well-known paid hosting providers, and had the company up and running in a few hours. I even called the big hosting provider at 9:00PM that night to get help with the original issue involving the donation button - which they fixed in about 15 minutes. Is that alone worth \$8 or \$10 a month? Absolutely.

Free is good, except when it isn't. If the solution is critical to your business or personal life, be sure the company will still be there next Monday morning, and the Monday after that. If that company also answers the phone and replies to your email requests for assistance, it's a winner. If the tool you're after is something that will do no more than inconvenience you with it's disappearance, then free is still good.

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