

Business Giveaway Schemes Booming

IT MIGHT be on account of inflation, and it may be an earnest desire on the part of purchasers to equalize their trades. It could be evidence of the trait of human nature to want "something for nothing."

Whatever the motive, business giveaways are increasing with bigger, more glamorous promotions designed to attract customers. They range from cash rebates on anything from automobile or underwear purchases to promises of houses, valuable merchandise and cash prizes.

A person paying cash for purchases may figure a cash rebate as a price reduction, but if he finances the deal, he may be borrowing his own money at whatever interest rate is charged.

The odds of winning the big prize in a national raffle, game of skill or chance selection contest may be infinitesimal but the literature doesn't mention that. Who would send in money for books, records or magazine subscriptions if the brochure stated: "Your chances of win-

ning a 67th place coffee maker prize or even a \$5 consolation award are less than one in 1,978,354, but please remit anyway."?

A national magazine recently was assessed fines totaling \$1.75 million because its promoters got a little too flamboyant by making come-on pieces look too much like genuine travel checks, cashable bonds and new car certificates. But the court hasn't collected yet, either. The magazine says it will appeal.

One of the surest, least spectacular giveaway plans is trading stamps that may be redeemed for merchandise on an established value basis. Stores sometimes have announced that they were discontinuing trading stamps in favor of lower prices for consumers. The public hasn't always been convinced, especially if competitors of the store continued to issue stamps.

Another deal that can be made to pay off with reasonable certainty is clipping coupons. A big edition of a newspaper may contain enough coupons to pay for a month's subscription, if all were utilized.

A success story last spring told of a woman who clipped enough coupons to obtain \$161 worth of free groceries and a \$2.37 cash refund.

Apparently, the public likes the giveaway idea, maybe as a carry-over from horse trading days when everybody tried to get something "to boot" and come out ahead.

In a great many, perhaps most, of the giveaway schemes, it is necessary for the prospective winner to put up some cash of his own before he has a chance to claim a rebate, refund or prize.

This summer when federal regulators proposed outlawing the use of clocks, toasters or other goodies offered by banks as bonuses to attract new depositors, the Federal Reserve Board in Washington received more than 3,000 letters protesting the suggestion.

Uncle Sam usually notices major prize winners. In many cases, the Internal Revenue Service is provided with lists of winners, together with addresses and Social Security numbers. Wonder why?