

URL: <https://stvp.stanford.edu/clips/attack-markets-or-create-markets>

In response to a question about whether entrepreneurs should attack an existing market or create a new one, thredUp co-founder and CEO James Reinhart explains that, in his case, it was a sequence that started with attacking an underserved market, but evolved into creating and expanding a new community of buyers and sellers.



Transcript

- There's two schools of thought, 00:00:03,610 I find when it comes to starting companies, some believe that startups attack markets, there's a set market size.. You're going to go and take a certain share of that market.. And there's another school of thought that startups create markets that founders are more like missionaries that are actually going and evangelizing and creating movements that you're more of a movement maker as a founder versus a market attacker.. If you subscribe to one of those and if so, which one? And, and any thoughts on that? - Yeah, it's a great question.. 00:00:36,130 I think to be really intellectually honest, I think at the founding moment it was a market failure and I was like, man, this, this there's something wrong.. And my whole life, I think I was sort of, obsessed with markets and marketing efficiencies.. And so I think the business got started with a market failure approach and I think what we learned in the pivots, and we'll probably talk about some of those right.. In the pivots, we realized that we could actually massively expand, the TAM by the sets of activities that we undertook.. And so not to hedge, but I don't think it was either or.. I think it was a sequence where we understood a market failure, which we tried to solve..

And then we engaged in sort of rapidly expanding, the market as it is today...