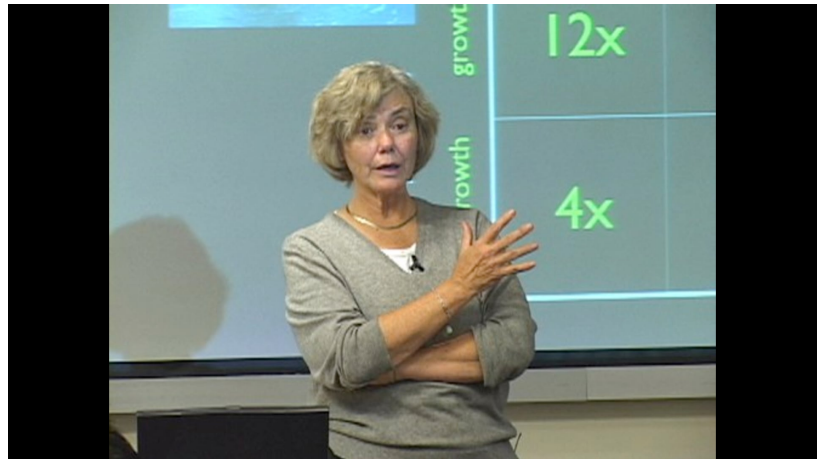


URL: <https://stvp.stanford.edu/blog/videos/creating-opportunities>

Eisenhardt believes that markets are not chosen but created. She describes how this was successfully done at Amazon, eBay and Verisign. She explains that to be wildly successful it is important to become the cognitive referent to the market.



Transcript

Well, first of all how do you discover good opportunities? I think one of the things we found is, you really don't discover it.. Opportunities aren't like an Easter egg hunt where you just look under a rock and, 'Oh, there's the opportunity.' They aren't really like that.. You actually socially create opportunities.. So you don't really discover them, it's not like a matter of turning over enough rocks and you find one.. It's in fact, turning over one, sort of seeing maybe kind of an egg there, and then shaping that egg and creating it.. In particular, how do you do that? You try to become the cognitive referent in a market.. That is, you try to become, to use a well-known example, you try to be Amazon.. Amazon has become the cognitive referent of online shopping.. Or Ebay, the cognitive referent of auctions.. But how do you do that? How do you grab people's attention and so they associate a market with you..

My Space with social networking among high school kids.. What you typically want to do is, if you have a complicated product, you want to give people a template to help them understand your product, that they recognize.. And again, Amazon's a great examples that everybody knows, but the use of a shopping cart in check-out really got people understanding what Amazon was about.. There's another company called VeriSign that does authenticating of credit cards online.. They also used words like passport, wallet, ID, and so forth to, for you to understand more easily what their product was about.. So the degree to which you can talk, message your product in a way that is using common words that people understand to give the idea of what it is your product or service does, will be to your advantage...