

URL: <https://stvp.stanford.edu/blog/videos/intersection-of-community-and-commerce>

Jeff Housenbold, CEO of Shutterfly, recalls how he learned that merging community with commerce was the winning ticket in business online. He recounts his days at Raging Bull, an upstart financial vehicle that knocked the larger, more established players out of the ring. It's secret? The site was bullish on building community and responsive to its users, resulting in millions of users in just a few short months. Furthermore, Housenbold credits the financial portal with two ubiquitous contributions to Web culture: The "off-topic" and "block this user" functions that are commonplace today.



Transcript

And then a little company called CMGI.. How many people remember CMGI from the bubble? They had invested in about 270 Internet companies.. Everything from GeoCities to Lycos to AltaVista called and said, "Why don't you come join?" And so I went to a little startup, three kids, 20 years old.. They did this as their summer project.. They created an online finance community to compete with Motley Fool, Yahoo! Finance, and Silicon Investor at the time.. And we, kind of, won.. I mean, we beat the big guys because we were focused on a singular thing, knowing our customers better, having a vision which was leveling the playing field for the individual investor, right? So admission and envision larger than just making money.. It was about, how does Joe on Main Street be able to invest with the same information that the big institutions have? How do we bring the cadre of a broad community together to allow for an interaction and exchange of ideas around stock picking to foster a better decision set by the individual investor? And we went from zero to 5 million users in 11 months and we had billions of page views.. And, you know, everything was going public and rising a hundred dollars on the first day of trading back in 1998.. And what was really interesting was as people were coming together about a shared interest of stocks, I started creating relationships that went way beyond it..

And what we found was people were talking about what barbecue should I buy, what did you think about the sports team, you know, the Yankees winning, what do you think about this new bicycle, what do you think about this new cool PDA.. And so one of the key things we did was listen to our customers, and that's another key lesson I think of success.. And they said, "Well, we want to talk about stocks.. And on Yahoo!, you got to wait through 25 postings before you get anything interesting about the stocks." So we quickly created this little button that said "off-topic." So the community would self-police themselves and say, "Hey, Joe.. Take that off-topic.. It's not relevant to the discussion about Dell as a stock." The second insight we had from our customers was if someone's coming on there and spamming or you're not interested in their comments, we had ability to block this user.. And they seemed like simple things in today's world if you're grown up in an environment of social networking, but they were clearly pioneering at the time.. It allowed us to foster community with very limited resources.. We spent about \$4 million in the whole lifetime in the company when people are raising lots of money and growing...