



Stanford eCorner

Consumer Behavior Changes in Familiar Companies

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If consumers are so unwilling to change, why did FedEx gain popularity? Adams asks. He talks about consumer adoption methods and why some things work (internet transactions) and some things didn't (Tablet PC).



Transcript

You can kind of classify behavioral changes amongst a bunch of companies. FedEx took off and it didn't take much for FedEx to get adopted. It was behavioral change but in a sense, it was sort of like mailing a letter. You already have that same behavioral pattern in place. Whereas selling and buying things on the Internet, that took years. There are a lot who jumped into it to accelerate that but before this, it's just starting to take off now to fulfill its promise. And that was a big behavioral change. There's a big thing about "You're credit cards are not going to be secure on the Internet." Has anyone here ever had their credit card stolen by someone with a packet sniffer, that steals credit cards? Did anybody here? No. It's baloney. It's like no one does that.

It's like they can go in the garbage and steal a bunch of credit card receipts so they can go in somebody's file system to steal credit cards. This whole thing about secure transactions, I just couldn't see that it made any sense, and yet, it scared the death out of everybody. "Are you transacting on the Internet? Is it secure?" Baloney. But it's still took a long time because there was that resistance. There was that whole behavioral change that had to occur. Do you remember TelPC? A lot of money went to TelPC. Not happening. So form factors. Palm was successful because they had the right form factor. They didn't require there to be handwriting recognition.

There was this little script thing. That was the really the innovative thing about the Palm is that it didn't require full handwriting recognition. So therefore it was pretty effective and had good recognition capabilities. And it was cheap. I know the designers because they were some of the guys who designed the some of the hardware in the next machine. And they just did a real efficient interpretation, really good design, really just good engineering. And so that sort of clicked.