



Stanford eCorner

The Journey of Category Design

Dave Peterson, *Play Bigger Advisors*

May 04, 2016

Video URL: <http://ecorner.stanford.edu/videos/4231/The-Journey-of-Category-Design>

Dave Peterson of Play Bigger Advisors talks about how new consumer-product categories don't just emerge overnight, but result from years of difficult and intentional effort. Peterson draws on his experience as a former chief marketing officer, strategy consultant and entrepreneur, citing Airbnb's leadership in forging the "private hospitality" category.



Transcript

- So one of the most common things when you think about these categories, kings and the development of categories we all enjoy today. Is these designers take us on a journey. And one of the things is kind of a trick, I think most of the time you don't hear about the king or the leader of the category until it springs on you. First time you see Pinterest, it's you know, millions of people are using it. First time you hear about Uber, there's Uber vehicles all over the city, so you kind of hear about it late. And you feel it late, but the reality, these journeys are hard. They don't happen overnight. There's teams of people working very, very hard to kind of bring what they see in their heads and to turn it into a great product and great company. And one of the companies we did a lot of research on, we wanted to kind of unlock the kings. What happened, what's the story behind the story? This is not our graphic, but it's a great thing.

You can Google the AIRBNB story. Hear what happened, and one of the big uh-huhs for me and I didn't realize this, is did anybody know where the air in AIRBNB came from? - [Voiceover] Air mattress. - [Dave] Yeah, three of 'em. Right and they rented them for 80 bucks, and what else, where'd the breakfast come from? - [Voiceover] Bed and breakfast. - Right, and they advertised three beds, and breakfast for 80 bucks and three people showed up, and that insight lead to a very long path to what we now consider a brand new alternative in our life. That alternative is another thing, as AI said, another place to go, another choice when you go visit or actually now when you go live in another city, in somebody else's home or somebody else's room. And that's AIRBNB and they created this category of private hospitality. That started with three air mattresses. Long journey.