



ROBERT MCMILLAN BUSINESS 12.08.14 06:30 AM

TURNS OUT THE DOT-COM BUST'S WORST FLOPS WERE ACTUALLY FANTASTIC IDEAS

The Pets.com "spokespuppet".  ANN SUMMA/LIFE/GETTY IMAGES

IF YOU HAD to pick one really annoying sock puppet to represent the imploded excesses of the dot-com boom, it would be the microphone-wielding mascot of online pet food retailer Pets.com.

For a few months back in the late 1990s, he was everywhere—the Super Bowl, *Live with Regis and Kathy Lee*—and then he was gone, sucked into a black hole of dot-com debt.

But the bust was so big and so widespread, there are so many deliciously ideal symbols for this dark time in the history of the internet, a period when irrational exuberance trumped sound business decisions. Fifteen years on, people—particularly people in Silicon Valley—still talk about these epic failures. In addition to Pets.com, there was WebVan, Kozmo.com, and Flooz.

The irony is that nowadays, they're all very good ideas.

>The world is ready to cash in on the worst ideas of the '90s.

Now that the internet has become a much bigger part of our lives, now that

we have mobile phones that make using the net so much easier, now that the Googles and the Amazons have built the digital infrastructure needed to support online services on a massive scale, now that a new breed of coding tools has made it easier for people to turn their business plans into reality, now that Amazon and others have streamlined the shipping infrastructure needed to inexpensively get stuff to your door, now that we've shed at least some of that irrational exuberance, the world is ready to cash in on the worst ideas of the '90s.

WebVan burned through \$800 million trying to deliver fresh groceries to your door, and today, we have Amazon Fresh and Instacart, which are doing exactly the same thing—and doing it well. People laughed when Kozmo flamed out in 1998, but today, Amazon and Google are duking it out to provide same-day shopping delivery. A year ago, Kozmo.com even [told WIRED](#) it was making a comeback "in the near future."

We're still waiting for Kozmo 2.0. But there's also good reason to applaud the folks behind Flooz.com. They wanted to create their own internet-based currency, and though Flooz was a flop, bitcoin has now shown that digital currency can play huge role in the modern world.

Even the Pets.com idea is looking mighty good. The basic notion that people wanted to buy pet food online and have it delivered to their homes turns out to be a sound one. Market research firm IBISWorld pegs it at a \$3 billion market and a new generation of companies—[Chewy.com](#), [Petflow.com](#), and [Wag.com](#) to name a few—all making a go of it.

>People laughed when Kozmo flamed out, but today, Amazon and Google are duking it out to provide same-day shopping delivery.

Still not convinced? It's not just the failed dot-coms that now look good. Take VA Linux, which spiraled to its death after a 1999 IPO provided the biggest first-day boost in NASDAQ history. As it turns out, VA had the right idea. Cheap hardware running the open source Linux operating system eventually changed the computer world. That's what Google and Amazon and Facebook run on today.

It's just that the beneficiaries of this changes weren't American startups

like VA. It was no-name hardware manufacturers in Asia.

The lesson here is that innovation is built on the shoulders of failure, and sometimes, the line between the world's biggest success and the world's biggest flop is a matter of timing or logistics or tools or infrastructure or luck, or—and here's the lesson that today's high flying startups should take to heart—scope of ambition.

Maybe if Pets.com had kept its head down and worked harder on getting the dog food to our doors than assaulting U.S. airwaves with ads like the one below, they would have made it.

#ENTERPRISE



[VIEW COMMENTS](#)

SPONSORED STORIES



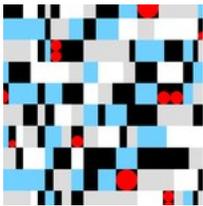
ISSIE LAPOWSKY

One-Time Allies Sour on Joining Trump's Tech Team



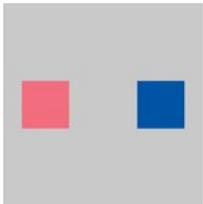
TOM SIMONITE

Sorry, Banning 'Killer Robots' Just Isn't Practical



DAVEY ALBA

Defining 'Hate Speech' Online Is an Imperfect Art



TOM SIMONITE

Machines Taught by Photos Learn a Sexist View of Women



KLINT FINLEY

FCC Pledges Openness -- Just Don't Ask To See Complaints



NITASHA TIKU

Proposed California Law Targets Sexual Harassment in Venture Capital

MORE BUSINESS



WIRED

STAY PLUGGED IN
WIRED'S BIGGEST
STORIES DELIVERED
TO YOUR INBOX

Email address

Submit



Sign up with Facebook

[PRIVACY POLICY](#)

MONEY MAKING

Big Tech Can Use AI to Pry More Ad Dollars from Our Clicks

TOM SIMONITE

HARVEY

You Can Support Harvey Victims With Amazon, But Cash Is King

KLINT FINLEY

ARTIFICIAL INTELLIGENCE

Do We Need a Speedometer for Artificial Intelligence?

TOM SIMONITE

BUSINESS

Redefining 'Broadband' Could Slow Rollout in Rural Areas

KLINT FINLEY

DISASTERS

Harvey Shows Progress on Emergency Communications Since Katrina

ISSIE LAPOWSKY

GET OUR NEWSLETTER

WIRED's biggest stories delivered to your inbox.

Enter your email



SUBMIT

FOLLOW US

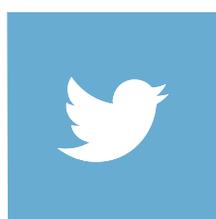
FOLLOW US ON FACEBOOK

Don't miss our latest news, features and videos.



→ FOLLOW

WIRED



LOGIN

SUBSCRIBE

ADVERTISE

SITE MAP

PRESS CENTER

FAQ

ACCESSIBILITY HELP

CUSTOMER CARE

CONTACT US

SECUREDROP

T-SHIRT COLLECTION

NEWSLETTER

CNMN Collection

Use of this site constitutes acceptance of our [user agreement](#) (effective 3/21/12) and [privacy policy](#) (effective 3/21/12). [Affiliate link policy](#). [Your California privacy rights](#). The material on this site may not be reproduced, distributed, transmitted, cached or otherwise used, except with the prior written [permission of Condé Nast](#).
