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MODULE NOTE

Integrating Around the Job to Be Done

Things were simpler 3,000 years ago when Sumerian craftsmen began signing the bricks they made, thereby creating the world's first branded products. Things today seem more complicated. Billions of dollars and the energies of some of the world's brightest professionals are spent in marketing and advertising. But their talents and money are being badly misspent. The evidence: Thirty thousand new consumer products are launched each year and 95% of them fail—and this is *after* the marketers invested heavily to understand what their customers want.[1] Despite the billions in brand advertising that marketers spend every year, many executives have judged the building of new brands to be so expensive that they've decided to stop trying. They work instead to cut costs through brand consolidation; to leverage through "brand extensions" or to acquire the brand equity that was built by their predecessors or by competing companies.

What's wrong with this picture? Is it that marketers aren't smart enough? That advertising agencies aren't creative enough? That consumers have become too complicated to understand? We don't think so. Rather, we think that some of the fundamental paradigms of marketing—the methods that most of us use to understand customers, segment markets and build brands—are simply broken.

Take market segmentation, for instance. Market segmentation defines the targets toward which innovations are aimed. It profoundly influences which products are developed, drives the features incorporated in those products, and shapes how they are taken to market. Segmentation schemes define who gets framed as competitors and how large market opportunities are believed to be. The market segmentation scheme that companies adopt is a decision of vast consequence. Yet many managers give little thought to whether their segments-in-use are leading their marketing efforts in the right direction or the wrong. Many segment their markets by product category or price point. Others profile markets by demographic attributes like age, gender, marital status and income level; and business-to-business (B2B) firms often use corporate demographics like industry verticals, or customer size to define the targets for their innovations. If you're in the company looking out on the market, it indeed appears to be structured by product and customer category. When marketers collect data about the market, it invariably comes packaged by product or customer category, reinforcing this view of market structure.

The problem is that for customers in the market, this isn't what the world feels like at all. Rather, things just happen to them. Jobs arise in their lives that they need to get done; and customers "hire" products to these jobs. What this means is that the *job*, and *not the customer* or the product, should be the fundamental unit of market segmentation and analysis. There might be a correlation between a customer's possession of certain characteristics and a probability of buying a product. But what *causes* customers to purchase is that they have a job to do. By illustration, demographic data cannot explain

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why a man takes a date to a movie on one night, but orders in pizza to watch a DVD from Netflix the next. Same man, but two different jobs.

The great Harvard marketing professor Theodore Levitt was known to teach his students, "People don't want to buy a quarter-inch drill. They want a quarter-inch hole!" Every marketer we know agrees with Levitt's intuitive insight. But rarely has it changed the way marketers do their work. They continue to segment their markets by type of drill and by price point; they measure market share of drills, not holes; and they benchmark the features and functions of their products against rival makers of similar products. They then busy themselves offering more and better features and functions in the belief that these will translate into better pricing and market share. Doing this then causes them to improve their products along dimensions of performance that are irrelevant to what their customers really are trying to accomplish.

Hence, the prevailing methods of segmentation that budding managers learn in business schools and then practice in the marketing departments of good companies are actually a key reason *why* new product innovation has become a gamble—a gamble in which the odds of winning are horrifyingly low, given the amounts of money, talent and energy that companies expend trying to do it right.

This paper has four purposes. The first is to describe what we mean by jobs-to-be-done. Second, it shows managers how focusing on a job-to-be-done can guide them to integrate activities in their companies in ways that lead to sustained and profitable differentiation. Third, it teaches how powerful brands that we call "purpose brands" can be built that link customers' awareness that they need to do a job with products that have been designed to do it well. And finally, this paper aspires to guide marketers in how to understand the job-based structure of their markets, and build marketing strategies that are consistent with that structure.

Segmenting by Job-to-Be-Done

A job is the fundamental problem a customer needs to resolve in a given situation. To illustrate what a job is and how much clearer the path to successful innovation can be when marketers segment by job, we'll offer illustrations from the fast food and automobile industries, where companies historically have segmented their markets along the traditional boundaries of product and customer categories, but would greatly benefit from segmenting by job.

Hiring Milkshakes

A fast-food restaurant some time ago resolved to improve sales of its milkshake.[2] Its marketers first defined the market segment by product—milkshakes—and then segmented it further by profiling the customer most likely to buy milkshakes. Next they invited people who fit this profile to evaluate whether making the shakes thicker, chocolatier, cheaper, or chunkier would satisfy them better. The panelists gave clear feedback, but the consequent improvements to the product had no impact on sales.

One of our colleagues then spent a long day in a restaurant to understand the jobs that customers were trying to get done when they "hired" a milkshake. He chronicled when each milkshake was bought, what other products the customers purchased, whether they were alone or with a group, whether they consumed it on the premises or drove off with it. He was surprised to find that 40% of all milkshakes were purchased in the early morning. These early-morning customers almost always were alone; they did not buy anything else; and they all drove off with the milkshake.

Our colleague then returned to interview the morning customers as they left the restaurant, milkshake in hand, and essentially asked (in language that they would understand), "Excuse me, but could you please tell me what job you were needing to get done for yourself when you came here to hire that milkshake?" As they'd struggle to answer, he'd help them by asking, "Think about a recent time when you were in the same situation, needing to get the same job done, but you didn't come here to hire a milkshake. What did you hire?" Most of them, it turned out, bought it to do a similar job: They faced a long, boring commute and needed something to keep that extra hand busy and to make the commute more interesting. They weren't yet hungry, but knew that they'd be hungry by 10:00 am; they wanted to consume something now that would stave off hunger until noon. And they faced constraints: They were in a hurry, they were wearing work clothes, and they had (at most) one free hand.

In response to the researcher's query about what other products they hired to do this job, the customers realized that sometimes they bought bagels to do the job. But they were dry. Bagels with cream cheese or jam resulted in sticky fingers and gooey steering wheels. Sometimes these commuters bought a banana, but it didn't last long enough to solve the boring-commute problem. Donuts didn't carry people past the 10:00 a.m. hunger attack. The milkshake, it turned out, did the job better than any of these competitors. It took people 20 minutes to suck the viscous milkshake through the thin straw, addressing the boring commute problem. It could be eaten cleanly with one hand. And though they had no idea what the milkshake's ingredients were, they did know that at 10:00 a.m. on days when they had hired a milkshake, they didn't feel hungry. It didn't matter that it wasn't a healthy food, because becoming healthy wasn't the job they were hiring the milkshake to do.

Researchers observed that, at other times of the day, parents often bought milkshakes, in addition to a complete meal, for their children. What job were the parents trying to do? They were exhausted from repeatedly having to say "No" to their kids. They hired milkshakes as an innocuous way to placate their children and feel like loving parents. The researchers observed that the milkshakes didn't do this job very well, though. They saw parents waiting impatiently after they had finished their own meal while their children struggled to suck the thick milkshake up through the thin straw.

Customers were hiring milkshakes for two very different jobs. But when marketers had asked a busy father who needs a time-consuming milkshake in the morning (and something very different later in the day) what attributes of the milkshake they should improve upon, and when his response was averaged with those of others in the same demographic segment, it led to a one-size-fits-none product.

Once they understood the *jobs* that the customers were trying to do, however, it became very clear which attributes of the milkshake would do the job even better, and which improvements were irrelevant. How could they better tackle the boring commute job? Make the shake even thicker, so it would last longer. And swirl in tiny chunks of fruit—not to make it healthy, because they're not hiring it to be healthy—but to add some unpredictability and anticipation to their monotonous morning routine. Just as important, they could move the dispensing machine in front of the counter and sell customers a prepaid swipe card so that they could dash in, gas up and go, without getting stuck in a line. Addressing the other job-to-be-done would entail a very different product, of course.

Understanding the job, and improving the product on dimensions of the experience so that it does the job better, would cause the company's milkshakes to gain share against the *real* competition—not just competing chains' milkshakes, but donuts, bagels, bananas, and boredom. This would grow the category, which brings us to an important point: Job-defined markets are generally much larger than product category-defined markets. Marketers who are stuck in the mental trap that equates market size with product categories don't understand who they are competing against, from the customer's point of view.

Cars? Or Mobile Offices?

Here's another illustration. Automobile market researchers segment their markets into product categories such as sub-compacts, compacts, mid-size and full-size sedans; SUVs and minivans; light vs. full-size trucks; sports cars and luxury cars. In the belief that their market is structured by product category, they design their cars to slot into a category, believing that if they have better features and performance than other cars in their category, they'll succeed. But wait—there's more. They also segment their customers along extraordinarily sophisticated demographic and psychographic dimensions as well. They then try to target products to meet the needs of the typical customer in a segment—in the belief that demographically similar customers will want similar things. Have these practices served the automakers well? In all but the priciest luxury segments, differentiation that merits a premium price seems impossible to achieve. Indeed, slashing prices—paying customers to buy their products—seems to be the only sure-fire way to sell all the cars the auto makers produce.[3] Why?

These segmentation schemes don't reflect the way that customers experience life when buying and driving a car—the jobs that they hire a car to do. Millions, for example, hire a car primarily to be a mobile office. They are sales or service people who must work out of their car. When these people realize that they need to hire a car for this purpose, what model pops into their minds as having been designed to do this job? An Avalon, Accord, Accent, Astra or Altima? Camry, Cavalier or Corolla? Most models sell fewer than 100,000 units per year, and their makers struggle to sustain premium pricing for any of the features that add cost to their cars. And yet no company has designed a car that is optimized to do the mobile office job that these millions of people need to do. These customers must test-drive car after car, and then buy one that doesn't do the job well. While they resist premium prices for features that are irrelevant to this job, they put up with all kinds of inconvenient compromises and workarounds as they try to make phone calls, enter data, answer emails, file papers, enter or check the status of orders, find sales literature, use the Internet, keep their computer's battery charged, and eat lunch.

If the *job* were the unit of analysis for a carmaker, however, it's easy to see how they could differentiate a family of products in ways that mattered for those who hire a car to be their mobile office. Electrical outlets, wireless access to the corporate CRM database, a hands-free phone, a big-screen Blackberry, docking stations, fold-out desks and organizing systems all could differentiate the car on dimensions that would mean something to customers who need to get this job done.[4]

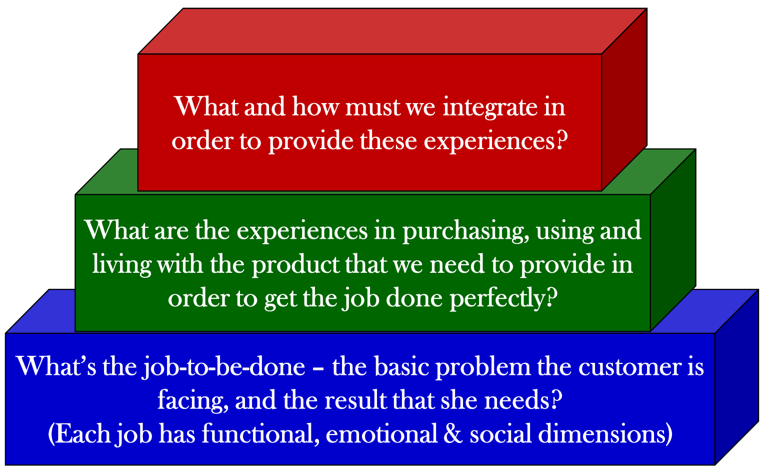
Every job has functional, emotional, and social dimensions. The weight of these three elements varies by job. For example, the need to *feel* a certain way—to feel macho, sassy, pampered or prestigious—is a job that arises in many of our lives on occasion. When we find ourselves needing to do one of these jobs we can hire products with names like Gucci and Louis Vuitton, where it is the brand, rather than the product, that carries the freight. The functionality dimension of the job isn't nearly as important as its social and emotional dimensions. In consumer cleaning products, in contrast, the functional dimensions of the job are predominant.

Creating and Sustaining Profitable Differentiation

There are three levels in the architecture of the job, as depicted in **Figure A**. The foundation in this architecture is the basic understanding of the problem the customer is facing and the result he or she needs to achieve: the job to be done. With this understanding in place, innovators can define the next level in the architecture: What are all of the experiences in purchasing and using the product that we must provide to nail the job perfectly? Once the requisite experiences have been defined, innovators can then move to the highest level in the architecture: What do we need to integrate and how do we need to integrate or knit these things together, in order to provide all of the experiences required to do the job perfectly?

Once the marketers understood the morning commute job-to-be-done in the example of the milkshake recounted above, for example, it became clear that an important experience to provide was the ability to get in and out quickly without risking a long wait in line. This led them to see that by integrating a self-serve dispensing machine that had been moved in front of the counter with a prepaid swipe card payment device, they could provide this fast-in-fast-out experience required to do the job. If they had not understood the job they'd not have known that fast-in-fast-out was an important experience to provide—and they'd never have seen that integrating the product with the dispensing and payments mechanism in a seamless self-serve way was critical to success.

Figure A Three Levels in the Architecture of a Job



Source: Clayton Christensen.

The desirability of profitable differentiation has never been in question. Yet it is the rare company that has proven itself capable of sustaining its differentiation for significant periods: Competitors seem unnervingly able to copy products, even when their design is ostensibly patent-protected. In those rare cases where competitors seem unable to copy a successful company, the barrier rarely is the product—that is the easiest to copy. Rather, if you want to put your finger on the precise spot in an organization where enduring differentiation can be built, it would be in the way the company has integrated in order to provide the experiences required to do the job. This is what seems hard for competitors to copy.

Segmenting markets by job, and then integrating to provide the experiences to do a job perfectly, helps companies escape the plague of the "positioning paradigm" in which differentiation-conscious marketers map their products along a couple of axes and then search for a vacant spot on such maps into which they can position new products. This typically *invites* copycats into spaces that are less densely populated, or sends pioneering innovators into spaces that are vacant for good reason. By illustration: Within five years after discount retailing pioneer Korvette's opened its first store in 1957, over a dozen copycat discounters had emerged. In contrast, the giant discount furniture retailer IKEA has never been copied. The company has been slowly rolling its stores out across the world for 40 years; and yet *nobody* has copied IKEA. Why would this be? It's not trade secrets or patents. Any competitor can walk through its stores, reverse engineer its products and copy its catalog. It can't be that there is no money to be made: its owner Ingvar Komprad is the third richest person in the world. And yet nobody has copied IKEA.

Our sense is that the other furniture retailers have followed the positioning paradigm and defined their business in terms of product and customer categories, which are readily copied. Levitz Furniture, for example, sells low-cost furniture to low income people. Ethan Allen sells colonial furniture to wealthy people. IKEA, in contrast, has organized its business around a job to be done: "I need to furnish my apartment (or this room) *today*." When this realization occurs to people anywhere in the developed world, the word *IKEA* pops into their minds. IKEA is organized and integrated in a completely different way than any other furniture retailer in order to do this job as well as possible.[5]

A problem with the positioning paradigm is that the lower-left corner on such maps typically is occupied by products that have only the basic functions that customers need. Disruptive companies in that minimalist position then move "up-market" in pursuit of profit, copying features and functions of competitors' higher-priced products. When this happens, features that once defined a differentiated, product become expected in all products—forcing differentiation-seeking marketers to offer even more. When these augmenting features become copied by disruptors and expected in all products, it forces marketers to search for yet more "unique" features with which to augment their offering; and so on.[6] A punishing fact of life on this treadmill is that when once-unique features of an augmented product become commonly expected, companies are saddled with the costs of providing those features, but cannot sustain premium pricing for offering them. Products that are positioned on jobs-to-be-done, in contrast, rarely over-shoot what competitors are willing to pay premium prices for.

For illustrative purposes only, we've listed in **Figure B** companies that, in our estimation, were able (and in some cases continue to be able) to sustain for many years a highly differentiated product or service that competitors struggled to copy. Although this merits much deeper study and the descriptions are our own interpretations of their strategies based upon public information, each company seems to have integrated in unique ways to provide a set of experiences that sum up to doing a job very well.

Figure B Job-Focused Companies that Have Achieved Profitable Differentiation for Sustained Periods

Company	Job-to-be-Done	Integration
IKEA	I need to furnish this place today	Furniture design for take-it-home-yourself packaging; childcare; things to cover floors, hang on walls, outfit kitchen;
OnStar	Whatever happens, I want to be sure that my family and I will be taken care of. I need peace of mind.	Live advisors integrated with local police emergency systems; Crash & activity sensors throughout vehicle enabling a monthly email on vehicle wellness; factory-install despite asynchronous qualification cycles of mechanical and electronic products
Disney Theme Parks 1955–1985	I want a warm and loving escape with my family into a fantasy.	Animated films that create characters and stories; Disney's "Wonderful World of Color" weekly TV show to bring the fantasy home; Theme parks
SAS Institute	I need to make the right decision, and the safe decision	Data analysis software; decision support tools; data warehousing; virtualization to facilitate access to additional data
FedEx	I need to get this from here there with perfect certainty as fast as possible.	Air transportation; Memphis hub; ground pickup & delivery; real-time tracking
Hilti	I need to finish this construction job on time and on budget	Hilti leases tools as a service, rather than owning them. It maintains the inventory of tools on its customers' construction sites.

Company	Job-to-be-Done	Integration
Microsoft Office	I need a persuasive document that clearly communicates and makes me look good.	Word processing, data analysis & graphics software; web browser; etc.
Mayo Clinic	I need a precise diagnosis of & recommended therapy for my disease.	Practiced processes for converging physicians from multiple specialties onto each patient. Mayo is integrated into training its own doctors.

Source: Clayton Christensen.

The Real Competition and the Real Market Size

Just as our colleague did in his milkshake research, we have found that we can understand jobs more deeply if we ask customers who have just hired a product, "Recall the last time you were in this situation, needing to get this job done, but didn't come here to hire this product. What did you hire?" The answer adds crucial richness to our understanding of the job and helps us understand what products compete for that job in the mind of the customer. While most marketers view their competitors as those who make the same category of products, this is generally only a small subset of the "Job Candidates" that customers consider hiring. Marketers who segment by product and customer category rarely see the competition that comes from outside their product category—and they therefore don't know whether their products perform better or worse than those that the customer considers to be the competitors.

Consider, for example, a job that arises millions of times on morning subway trains and busses. Crowded commuters want to pass the time productively. A free, single-section, easily-folded newspaper called *Metro* has been positioned on this job, and is read daily by tens of millions of people. It does not simply compete against the major metropolitan dailies. It competes against conversation with strangers, paperback novels, Apple iPods, mobile phones, Blackberries and boredom. Only segmenting by job can clarify who the other competitors really are. Then and only then can marketers array the competition against the experiences in purchase and use that would be required to do the job perfectly. In many ways these experiences required to do the job comprise the "hiring criteria" that customers use to evaluate competing products. In contrast, the typical method that marketers employ to assess the competition is compare products feature-by-feature. This often leads to spurious conclusions, because the extent to which particular features matter depends upon the experiences required to get the job done.

Framing the market's structure from the customer's point of view (jobs) instead of the company's perspective (product and customer categories) also gives a much more accurate view of market size. The *real* size of most markets is *much* larger than one thinks from simply summing the sales of products in a category. For example, how big is the milkshake market? It is a *lot* bigger than the sum of the sales of McDonald's, Burger King and Wendy's milkshakes. Furthermore, the *job* exists independently from the market for products and services that might be hired to do it. In **Figure B**, for instance, the job of needing to get something from here to there with perfect certainty as fast as possible has always existed—long before the emergence of FedEx's overnight delivery services.

Consider how Church & Dwight grew its baking soda "category" by focusing on the jobs-based structure of the market, rather than product categories. The company's Arm & Hammer Baking Soda has been a product with multiple uses in the home since the 1860s. For a century, the Arm & Hammer image remained singular: the iconic orange box, with Vulcan's hammer-hefting arm creating the enduring visual cue for the "standard of purity." In the late 1960's management began observational research to understand the diverse circumstances in which consumers found themselves with a job to do where Arm & Hammer could be hired to the rescue. They found a few consumers adding the product to laundry detergent, a few others mixing it into toothpaste, some sprinkling it on the carpet, still others placing open boxes in the refrigerator, and more. While a few of them did this, however, for most customers who had these jobs to do, it didn't occur to them that Arm & Hammer was a job candidate—they used it only when cooking recipes called for baking soda.

The company then began implementing a jobs-based strategy with its 1970 introduction of the first phosphate-free laundry detergent—Arm & Hammer Heavy Duty Laundry Detergent—a highly successful innovation whose purpose brand linked customers with a job to do—something like "I want to feel like I'm in a clean and fresh environment." Today, the Arm & Hammer brand endorses a range of job-specific products, including:

– Help my mouth feel fresh and clean
– Deodorize my refrigerator
– Keep my swimming pool clean and fresh for me and my environment
– Help my underarms stay clean and fresh
– Cleaning and freshen my carpets
– Deodorize that stinky cat litter!
– Freshen the air in this room
– Removing shower stain and mildew
– And more . . .

When marketers understand the structure of the market from the customer's perspective, the size of the markets they serve suddenly becomes *very* different than can be measured when framing the market's structure by product or customer category. *The orange box baking soda business is now less than 10% of Arm and Hammer consumer revenue*.[7] These jobs have long existed. There just wasn't a product that did them well.

Building Brands that Do the Job

A key to Church & Dwight's extraordinary growth was the creation of a two-tier brand architecture. The brand Arm & Hammer on each container played a general *endorser* role, as it always had done, imparting a sense of quality and purity to the products. But the building of *purpose* brands that linked customers' awareness that they had a job to do with a product that had been designed to do it was *much* more important. A purpose brand acts as a two-sided compass. On one side it points customers to the products they should hire. And on the other, it defines for those developing future generations of products what features and improvements lead the product and customer closer to getting the job done, and which ones are diversions from the job.

Much advertising is wasted in the mistaken belief that it builds brands. Advertising plays a crucial role, to be sure. But it is the *last* of five steps in the brand-building process:

1. Design a product that does a job well; and surround it with a set of experiences in purchase and use that sum up to nailing the job as perfectly as possible.

2. Give it a brand that defines a one-to-one association between customers' discovery that they have a job to do, and the product that was designed to do it.

3. When the brand leads customers to hire your product to do the job and find that your product does it well, they will begin trusting that brand for that purpose. We call this a *purpose* brand. A purpose brand is critical to success, because it is positioned on the mechanism that *causes* people to purchase a product: They have a job to do. If marketers give their product a general-awareness brand, people who have a *different* job to do will often hire your product and be disappointed that it doesn't do well the job that *they* were hoping to do—and they will learn to distrust your brand. This becomes a strong headwind that subsequent brand-building efforts must fight.

4. Customers begin to talk to others about the product, and how well it does the job. As others begin hiring the product, they too begin trusting the brand. The job of a brand is to connect customers' awareness that they have a job to do, with a product that does it well. Endorser brands cannot do this. Only purpose brands can.

5. Advertising can now, and only now, be used to help more customers see that they, too, find this job arising in their lives—and when it does, that a product has been designed to do it perfectly.

To illustrate what a purpose brand does, consider how executives in Unilever's Southeast Asia operations identified an important job that arose in the lives of many office workers in that region at around 4:00. They were drained of physical and emotional energy and had to get a lot done before their workday ended. They needed to hire something to keep them productive. They were hiring a range of caffeinated drinks, candy bars, stretch breaks and conversation, each with positive and negative attributes, do this job.

Unilever designed a microwavable soup whose properties were tailored to that job, and launched it into the workplace under the *descriptive* brand *SoupySnack*, with mediocre results. On a hunch, the brand's managers then re-launched the product with the tag line, *SoupySnack—4:00*. The four-o'clock purpose brand did the trick. The reaction of people who saw the advertisements was, "That's exactly what happens to me at 4:00!" Consumers had been landing on that space on the game board of their life so often, and so instinctively had been hiring things to do the job, that they needed something to help them "consciously discover" the job and what product they could hire to do the job. The product has become *very* successful. Purpose brands like customers' awareness that they have a job to do with a product that was designed to do it.

In Unilever's case, advertising clarified the nature of the job, made known the availability of a product that was designed to do it, and gave the product a name that people could remember when they had that particular job to do—so they would know what to hire. Advertising is not a substitute for relevant differentiation. Differentiation that has power over customers' choices is achieved by designing products that do specific jobs, and ensuring that improvements in their features and functions are relevant to that job. The ostensibly prohibitive expense of advertising-based brand-building is rooted in a flawed paradigm. Many valuable brands such as Starbucks, Zipcar, QuickBooks, Google, Craig's List and eBay have been built in recent years with minimal brand advertising, simply by filling a job opening.

Marketing mavens are fond of saying that brands are hollow words into which meaning gets stuffed. Beware. The advertising agencies and media companies win big in this game, but the companies whose brands are getting stuffed generally find themselves trapped in an expensive, treadmill-like shouting match whose hollow victory of vagueness only can be won by out-spending rivals. Differentiated meaning is stuffed into brand words only when customers hire a product that a company has designed to do that job, and discover that it does the job exquisitely well. Advertising that clarifies the linkage between job and product can only clarify the linkage, however. It is the *use* of the product that *creates* the linkage.

The exceptions to this rule are brands positioned on aspirational jobs, where it typically is the brand itself, rather than the functional dimensions of the product, that gets the job done—and this often is created directly by the images in advertising. The method for brand building through advertising that is appropriate in these situations, however, has been wantonly misapplied to the rest of the world.

Purpose Brands and the Definition of Quality

We have written elsewhere about the potential of disruptive innovations to create growth. Purpose branding can help a leading company with a premium brand to create disruptive growth markets in ways that *enhance,* rather than compromise, the value of the corporate endorser brand. Purpose branding has been the key, for example, to Kodak's success with two new-market disruptions. The first was its single-use camera, a classic disruptive technology. Because of their inexpensive plastic lenses, the quality of photographs taken with single-use cameras was not as good as the photos taken on Kodak film in good 35mm cameras. The proposition to launch a single-use camera encountered vigorous opposition within Kodak's film division. The corporation finally gave responsibility for the opportunity to a completely different organizational unit, which launched single-use cameras with a purpose brand—the Kodak *Funsaver*. This was a product to be hired when customers needed to save memories of fun occasions but had forgotten to bring a camera. The brand naturally led customers who had that job to do to Kodak's product that could do it well. This job had existed for a very long time, and because there had been nothing to hire to do this job well, customers were delighted with the quality of Kodak's solution to saving their fun. Creating a purpose brand for a disruptive job differentiated the product, clarified its intended use, delighted the customers, and thereby *strengthened* the Kodak endorsement. *Funsaver* accounted for most of Kodak's total growth for a decade after its launch.

Kodak scored another purpose-branding victory with its disruptive *Easy-Share* digital camera. The company initially had struggled for differentiation and market share in the head-on mega-pixel and mega-zoom race against Japanese digital camera makers (all of which aggressively advertised their corporate brand, but had no purpose brands). Kodak management then adopted a disruptive strategy that was focused on a job—sharing fun by sharing images. They made an inexpensive camera that customers could snap into a cradle, click "attach" in their computer's email program, and share photos effortlessly with friends and relatives. Sharing photos, not preserving highest-resolution images for posterity, was the job—and Kodak's *EasyShare* purpose brand guided customers with that job to this product that was tailored to the job very well. Kodak became the market share leader in digital cameras in the United States by a significant margin.[8]

The Extension and Destruction of Brand Equity

As soon as a valuable purpose brand has been created, it sets in motion forces wanting to *leverage* the brand—to apply the brand to other products in hopes that they can benefit from its endorsement. There are rules about the types of extensions that will reinforce and clarify the functions of a brand, and the types that will erode the brand's meaning.

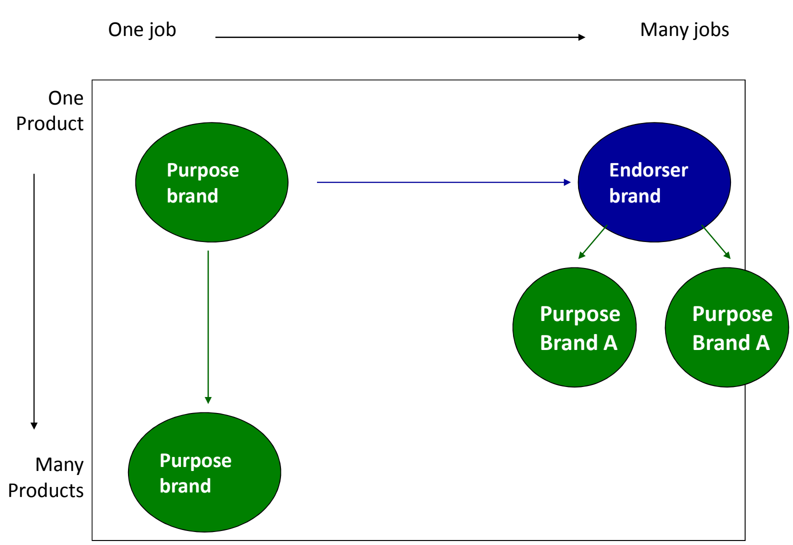
If a company chooses to extend a brand onto other products that can be hired to do the same job, it will not compromise the clarity of guidance that the purpose brand offers. However, purpose brands are "job specific" and cannot be extended to target other jobs. When marketers do this, the brand can no longer unambiguously lead customers from realization that they have a job to do, to purchasing a product that was designed exactly for that job. Different jobs demand different purpose brands.

Marriott Hotels seem to have sensed this when they sought to leverage the Marriott brand, which had been built around full-service hotels that cold be hired for large meetings. When it decided to extend its brand towards other types of hotels, it had to adopt a two-word brand architecture that appended to the Marriott endorsement a purpose brand for each of the different jobs that its new hotel chains were to be hired to do. Hence, individual business travelers who needed to hire a clean, quiet place to get work done in the evening could hire Courtyard by Marriott, the hotel designed *by* business travelers *for* business travelers. Longer-term travelers could hire Residence Inn by Marriott, and so on. Even though the latter types of hotels were not designed to the premium standard as full-service Marriott Hotels had been, the new chains actually reinforced the endorser qualities of the Marriott brand, because they do the jobs well that they are hired to do. Quality, after all, can only be measured relative to the job that needs to be done.

As **Figure C** suggests, marketers can extend a purpose brand onto other product forms that address a common job without compromising the clarity of its meaning in customers' minds. However, extending along the X-Axis, as Marriott, Kodak and Church & Dwight have done, requires developing new Purpose Brands because the prior purpose brand becomes an Endorser Brand instead.

In many ways, this explains Procter & Gamble's triumphs and tribulations with its Crest brand, which was originally positioned on a job: Prevent cavities. When customers saw or heard the word *Crest* they were reminded that this product was designed to do that job. Because it did the job so well, mothers grew to trust the product, and in fact became suspicious of the ability of products without the *Crest* brand to do that job. This unambiguous association made it *very* valuable.

Figure C A Framework for Brand Extension



Source: Clayton Christensen.

Crest's brand managers could have (but did not) extended the Crest brand to other product formulations such as fluoride mouth rinses that could be hired to do the same "prevent cavities" job for which its customers had learned to hire the Crest brand. This would have strengthened the association of the purpose brand with that job. P&G ceded this opportunity to Johnson & Johnson (*Act* mouth rinse) because, we suspect, P&G was internally structured by product category, rather than by job.

Instead, through the 1980s and 1990s P&G marketers began applying the Crest purpose brand to products that were designed to do other jobs—whiten my teeth, keep my breath kissing-fresh, and so on. The brand thereby acquired an endorser character, but Crest lost its clarity of purpose. Instead of customers with the cavity-prevention job to do resolutely going direct to Crest on the toothpaste shelves, they began instead to wonder whether Colgate was better for everything, or whether Crest was better for everything. This allowed other toothpastes and mouth rinses to edge their way into the prevent-my-kids'-cavities job, and Crest lost its dominance of the job market. Leveraging the Crest brand to endorse other products might have been a sensible *first* step—after all, Crest had won the endorsement of the American Dental Association. But in order to leverage the Crest endorsement, P&G then needed to develop clear purpose brands for the other jobs in the realm of oral hygiene. Interestingly, this is precisely what P&G did with its launch of Crest Whitestrips in 2001—one of the most successful new consumer product launches of the last 10-years.

Why do so few companies consciously create purpose brands for their products? A key reason is that when a company clarifies what job a branded product was designed to do perfectly, it would also be communicating what jobs the product should *not* be hired to do. Doesn't this limit the upside of its potential growth? Focus is scary—so most marketers deliberately create words as brands that have no meaning in any language, with *no* tie to *any* job, in the myopic hope that each individual model will be hired by every customer for every job. This is a pernicious variant of a disease that Professor Levitt labeled "Marketing Myopia." If indeed yours is the only product in the market, then positioning it as something that does everything for everybody is wise. But if there are many products, each of which is striving to do everything for everybody, this myopia—blindness to the real competition—leads innovators down a path to nowhere. The results of this strategy speak for themselves in industry after industry. Automobiles are but one example. In the face of overwhelming evidence that purpose-branded products that do specific jobs well command premium pricing, their products are substantially undifferentiated, the average sub-brand commands less than 1% market share, and most auto makers are losing money. Somebody gave these folks the wrong recipe for prosperity.

Doing the Job of Finding the Job

How can marketers figure out the jobs-to-be-done segmentation scheme in their markets? The insights cannot be deciphered from purchased databases in the comfort of marketers' offices. It requires watching, participating, writing and thinking. It entails knowing where to look, what to look for, how to look for it, and how to interpret what you find.

We suggest four ways by which researchers who are seeking opportunities to generate new growth might find jobs that customers need to do. The first is to watch the current customer base. Peter Drucker got it right: "The customer rarely buys what the business thinks it sells him."[9] Companies almost always find that their customers are using their product for different jobs than the company had envisioned. Often they learn that their product does one of these quite well, but they see customers force-fitting it for other jobs, putting up with its inefficiencies because it's the only thing they can hire. Such situations are opportunities to modify the product and position it with a different purpose brand on the newly discovered job-to-be-done.

Studying those who *could* be your customers, but are instead buying competing products in your category, is the second vein in which to prospect for new jobs. This often surfaces different jobs because subtle differences that seem inconsequential when comparing products within a category can be very important when the job is the unit of analysis.

The third method is to watch for compensating behaviors as customers try to "make do" with what's available. Such observation of the consumer in context is particularly critical when a new technology is developed, often for a purpose in another industry, and marketers are searching for opportunities to import it into other jobs. Sony's legendary founder, Akio Morita, was in such a situation. The transistor had been developed by Bell Laboratories for telecommunications. Where else could it be used? Morita had a policy never to rely on quantitative market data to guide new product development as he led the company between 1950 and 1980—because data doesn't exist for new applications of a technology. Instead, he and his associates just watched what people were trying to get done, and tried to imagine how applying the company's electronics miniaturization technology could make it easier and more affordable for more customers to do those jobs. Morita's success rate for new products was much higher than the 25% success rate for products whose launch is guided by more quantitatively sophisticated market research methods.[10]

Unexhaustedly asking "Why?" is the fourth mechanism for discovering jobs. For instance, an inventor approached the Big Idea Group (BIG), a developer of new products, with a card game he had created. BIG CEO Mike Collins sensed from his experience that the game wouldn't sell. Instead of sending the inventor away, however, he asked, "What caused you to develop this game?"

The inventor had a ready answer. "I have three young children and a demanding job. By the time I get home from work and we finish dinner, it's 8:00 and the kids need to go to bed—but I want to have a fun experience with them. What am I going to do? Set up Monopoly or Risk? I need some fun games that we can set up, play, and put away in 15 minutes. There just isn't a game designed to do this."

Bingo. While his solution to the job was mediocre, the valuable insight was the job itself—something that arises in the lives of millions of busy parents every evening. It was then a straightforward job for a team of experienced game developers to work with this man to create a very successful line of "Twelve-Minute Games" that are now sold nationwide. Marketers who frame their role as searching for good product ideas generally are not nearly as productive as those who are searching for jobs. The intuition that comes from living with the problem is a key reason why many of the most successful software products are developed by people who had been on the "user end," living with or working around the inadequacies of prior products.

When the Customer Is a Business

In the B2B world the job your customers need to get done is generally obvious: they need to make money. "The business of business is, after all, business."[11] Providing them products that get this job done therefore requires that you develop a deep understanding of the points of leverage in the way the customer makes its money. Hill-Rom Industries grew its share of the hospital bed market from 30% in 1975 to 90% by 1990 and doubled the frequency with which hospitals replaced beds with new ones by seeking to understand more astutely than their customers what drove their customers' profitability.

A key insight from their research was that nurses, who account for a significant share of hospitals' operating costs and whose interactions with patients strongly influenced perceptions of the quality of care, were spending inordinate time on tasks unrelated to nursing—things like picking up things from the floor that patients had dropped and solving television problems. By adding features and functions to their beds that obviated many non-nursing tasks, Hill-Rom differentiated its beds in ways that made nurses more efficient. Hospitals readily paid premium prices to get those improvements. These insights did not come from segmenting markets by small, medium and large hospitals. They came from understanding the job—the levers that drive hospitals' profitability.[12]

Configuring the Marketing Mix and Business Plan

When a job has been understood, the "Four Ps" of marketing—Product, Promotion, Price, and Placement—offer a useful way to structure the business plan to ensure success. We've already covered product issues in our discussion above about the three levels in the architecture of a job. And we covered promotion by asserting that when a purpose brand links the customer's job with your product, customers will *pull* your product into their lives. You'll have much less pushing, persuading and promoting to do because the causal mechanism behind every purchase is that customers have a job to do. In the following paragraphs, therefore, we'll address the other two elements of the marketing mix, price and placement.

Is the Price Right?

Unless marketers understand what other job candidates they're competing against from the customer's perspective, they cannot know whether their offering is over- or under-priced. By illustration: To fulfill its mission of educating people about the city's heritage, the nonprofit Chicago Architecture Foundation (CAF) started conducting boat tours of the architectural masterpieces lining the Chicago River. Their target customers were affluent, highly educated people with strong interest in architecture. Advertisements in media such as the local Public Radio station serving that demographic, focused on the buildings, the qualifications of the tour docents, and the history of the cruise boat itself.

After the boat tour's first disappointing season, one of our colleagues joined a cruise the next spring and asked passengers about the situations that had prompted them to take the cruise. A stunning number gave the same response: "I live in Chicago, and these folks are visiting from out of town. I needed somewhere to take them." Chicagoans of all demographics faced the "entertain my visitors with something that is Chicago" job. Architecture was a minor part of the cruise's appeal to this audience. When the researchers asked what else they had considered doing with their visitors—what the other job candidates were—they could see that while the CAF had thought its cruise was premium-priced, it was less expensive than many other ways to entertain visitors. Knowing what the job was made it easy to create vivid, humorous advertisements repositioning the cruise as a great solution that Chicagoans could hire in this common situation. And knowing who the real competitors were enabled the CAF to boost prices to reflect the value of resolving it.

Placement

The last of marketing's four Ps is placement. When marketers have defined the set of experiences in purchase and use that need to be provided in order to do the job perfectly, where the product needs to be available for purchase becomes obvious. Consider this illustration. A maker of boxed drinks that were a mixture of 40% fruit juice and 60% flavored sugar water, had placed its products in the boxed drink section of supermarkets, juxtaposed with competing products that were 100% fruit juice. Though boxed drinks were much cheaper than boxed juice, sales were languishing. Our colleague spent a day interviewing customers just after they had picked products from those shelves, to understand the situation they were in that caused them to hire a boxed drink. Most were parents. The functional dimension of their job was to put a healthy drink in their children's school lunches. The emotional element of the job was that these parents needed to feel like they were taking good care of their children. When pitted against the other job candidate—100% juice—the drink simply wasn't qualified. It rarely got hired.

The company then got its boxed drink placed in another location in the supermarket—snack foods. The situation that had compelled many customers to open their wallets in that section was to buy snacks for their children's parties. Buying all that junk food made them feel guilty. Arrayed against the job candidates in the snack aisle, a drink that had 40% real fruit in it in it was a healthy come run—one that solved the emotional component of that job much better than the competing candidates.

* * *

Working to understand the job to be done is worth the effort. In our studies of the factors that make innovation risky and, expensive, we have concluded that the proposition raised in this paper is one of the most important. Some of the fundamental paradigms of marketing that we follow in segmenting markets, building brands and understanding customers are broken. Quite possibly, the root reason why innovation is so failure-ridden is not that the outcomes are intrinsically unpredictable. Rather, the odds of getting it right will be much higher when we frame the market's structure to mirror the way that customers experience life.

Endnotes

[1] BASES ACNielsen Research Report

[2] The descriptions of the product and company in this example have been disguised.

[3] We recognize that Toyota's cars presently are differentiated by their reliability. But in terms of marketing, Toyota behaves just like the other auto makers.

[4] There are other job segments in the auto industry. The key reason why Chrysler's early minivans were such a hit with customers was, we believe, that it was positioned on a job that arose in the lives of families—to interact easily and safely with each other while traveling together from here to there. Creating a job-focused product does not guarantee a perpetual monopoly, of course, and other auto makers ultimately introduced their own minivans. It is noteworthy, however, that it took competitors years to introduce performance-competitive minivans. Because they were organized by product category, rather than job, the minivan just didn't fit with the way they were structured or thought about the market. As a result, Chrysler's market share leadership persisted for over a decade. Another job that people hire a car to do is to express care and love for a spouse or a child. No car has the features and associated services bundled with it to do this job well.

[5] We suspect that if an accurate history of Ikea were written, it would reveal that founder Ingvar Kamprad didn't have a crystal-clear understanding of this job-based positioning at the outset. Rather, his was a partial, intuitive sense of what some fraction of furniture buyers were needing to do when they walked into a store. As he and his associates started the company and tried to help their customers, understanding of the job coalesced piece by piece. Ikea executives probably do not articulate their strategy as being focused on this job—most likely this insight resides in a tacit, cultural understanding. For this reason, we used the term "illustrate," rather than "prove" at the beginning of this section. Our hope is that by articulating this model of jobs-to-be-done segmentation and illustrating it with companies like Ikea whose strategies *de facto* mirror this model, we might help students and managers who weren't blessed with the intuition (and luck) of Kamprad deliberately to find opportunities such as these.

[6] See Levitt, Theodore, "Marketing Success through Differentiation—of Anything," *Harvard Business Review*, Jan-Feb 1980, pp. 2-9, for a classic description of the augmented product concept. Harvard Business School Professor Youngme Moon has written and taught extensively about the concepts in this section, and we thank her for "augmenting" our own understanding of this phenomenon through her articles, cases and teaching notes. We recommend her expertise to others who want to explore disruptive positioning in greater depth. We hope this understanding becomes expected of all who are engaged in marketing and new product development!

[7] The authors thank Barry Goldblatt, Market Research Director of Church & Dwight for his insightful contributions.

[8] Kodak executives subsequently sold their digital photography business to Flextronics.

[9] Drucker, Peter F., *Managing for Results*, 1964, Harper & Row, New York, p. 94.

[10] This information was provided by Mickey Schulhoff, former Sony board member and CEO of Sony America for 20 years, during an interview in New York City in 2001.

[11] This statement has been attributed to a number of pundits, among them Milton Friedman.

[12] These methods are recounted in "Hospital Equipment Corporation" (Harvard Business School case study 697-086).