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Getting the Innovation Job Done: Matching the Right New Product With the Right Market

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Intelligence tests often ask us to identify the common thread across a set of items. In response to a listing of Monrovia, Beijing, Dacca, Kinshasa and Lima, for example, we would cite national capitals as the common factor. In the spirit of this experience, what might be the unifying factor across these items?

Nike running shoes
Starbuck's Coffee
Serta Mattress
Snickers bar

This grouping seems strange, but there *is* a common thread: people use these things to get through the afternoon slump. Although the manufacturers of these products don't view makers of the other items as direct competitors, they in fact do compete in customers' minds as alternative mechanisms for achieving a needed outcome.

Producers typically define their market and their competitors in terms of product or manufacturing technology, or of distribution economics. But customers look at the world differently, seeing products or services as outcome-enablers. A customer's interest in the intrinsic features of things they purchase (such as being high-tech or low-fat) stems only from how well any of them will deliver the desired outcome – whether it helps them get the job done.

This simple example is intended to introduce the central thesis of this paper: customers select products primarily for the outcomes those products enable them to achieve. We do not buy products so much as we hire them to do jobs for us. If marketers and engineers can understand how and why customers hire products and services to do various jobs that need to get done in their lives, they can segment markets more meaningfully, find exciting opportunities to differentiate, develop much more commanding brands, and create exciting new growth markets. Traditional methods of market segmentation, consumer research and brand building, in contrast, often yield one-size-fits-all, me-to products that cannibalize sales of existing lines. In the first section of this paper we'll illustrate this contrast through studies of three products – margarine, automobiles and milk shakes. We will then suggest how innovators can be much more productive if they will look at market research, branding, and consumer behavior in a different light.

Hiring Margarine to Get the Job Done

Hippolyte Mège-Mouriez of Provence, France invented margarine in 1870 on the challenge of Emperor Louis Napoleon III. Dairy farmers immediately saw margarine as a threat to butter, and in 1886 U.S. dairy producers successfully lobbied Congress to levy a tax of two cents on every pound of mar

garine. Taxes on margarine increased 500% in the early 20th century, and 32 states imposed color bans (margarine is white unless yellow coloring is added) in an attempt to diminish margarine's appeal to consumers. The tide finally began to turn in the 1940s when the relative health benefits of margarine over

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butter became clearer. In 1951, after extensive political debate, taxation and coloration restrictions on margarine were lifted. The following 20 years saw unprecedented growth in margarine consumption.

In most supermarkets, margarines are displayed in a refrigerated case alongside their nemesis, butter. Cream cheese typically is positioned a few meters away. Cooking oil and shortening, mayonnaise and peanut butter are in very different parts of the store. Product manufacturers in these diverse categories do not think of themselves as competitors.

I as a customer, however, view this world very differently. When I need to make lunch sandwiches for our children in the morning, I lay slices of bread on the counter and then look around. I've got a job to do. I need to employ something that will add a bit of flavor to the otherwise bland bread; something that will protect the bread from getting too soggy; and something that will keep the edges somewhat moist so that the kids will eat the crusts. In addition, there's an emotional dimension of this job: somehow I need to feel like I'm taking the best possible care of these kids that I love. So I look around the kitchen. What can I "hire" to achieve this outcome? Well, I could hire margarine. I could hire mayonnaise. Or I could hire peanut butter. Each of these alternatives will satisfice, but none is optimized for this job. If I use stick margarine from the fridge, for example, it is too hard and rips the bread. Mayonnaise itself can make the bread soggy.

When the sandwiches are done and after my sliced bagel has popped from the toaster, another job looms. I need something to spread on the bagel that will enhance its taste and make it moist and easier to chew. So I search for something to hire. Cream cheese, jam and margarine compete for this one.

If I want to cook dinner in the frying pan when I get home from work, I have another job: I need to lubricate the pan's surface so the food won't stick. What might I hire? Again, margarine might work. But so would cooking oil, shortening, and PAM spray. Dupont's *Silverstone*® pan coatings also do this job. If I fix mashed potatoes for the same dinner, I need something to add flavor and enhance their appearance in the serving bowl. I might engage margarine for this purpose, but butter and gravy are strong competitors here. And finally after dinner, there's another outcome I need to achieve when I cook popcorn to eat with the kids while watching TV. Here, I need something to add flavor to the popcorn, which won't get the kids' hands greasy but which will help the salt adhere to the surface of the popped kernels. What can I employ here? Butter, margarine, and flavored popcorn oil are all competitors.

How big is this market, and what share do various brands command within it? The question is a non-starter. Despite millions of dollars spent in market research, no margarine maker knows the size and their share of the market as customers experience it – and therefore they have only the vaguest sense of whether they are gaining or losing against the real competition. They know even less about why. Manufacturers see margarines as a category of food. Their customers hire products to get jobs done – to achieve required outcomes. Margarine doesn't dominate any of these jobs because its manufacturers don't look at the market in the way that their customers see it. Interestingly, the primary dimension of innovation in margarines over the past two decades has focused on a negative attribute – reducing its fat and calorie content – even though improving our health is not a job that we hire margarine to do for us.

Viewing a market in terms of a category such as margarine, and then seeking to understand customers who purchase products within the category leads to two problems. First, because many of the jobs for which margarines might be hired arise many times each day for most customers, seeking to understand *customers*, as opposed to the jobs they need to get done, can lead to one-size-fits-all products whose attributes are averaged across all jobs. Second, it causes companies to segment markets in counter-productive ways – often by product characteristics or psychological profiles – neither of which cause suppliers to focus on innovations that connect with how customers use their products and services.[1]

Automobiles

I have been confronted with different jobs in the personal transportation arena at various stages of my life. In my 20s, I needed something that would manifest my aggressiveness, independence and manhood to all who saw me. Later after all five children were born, a very different job confronted my wife and me while getting from here to there: we needed something safe that would keep all five engaged separately in something productive, so that they wouldn't fight. Now as I approach age 50, I am confronted with a job – an outcome I need to achieve – that I have never confronted before. My oldest daughter, Annie, is graduating from college, penniless – and she needs a car. This job is complex. With Annie's reluctant cooperation, I am searching for a product and associated services that will help me feel like I have taken care of my daughter. I want her to be ensconced in a system that keeps her safe. I don't want to spoil her, but I want her to feel loved. The system needs to be consummately reliable and worry-free, so that if anything goes wrong it will be simple and fast for her to get fixed. I want my sweet Annie to feel young, free and independent while she drives, but the car *absolutely* cannot make her appear to be racy or reckless. This is the job, and I need to hire something to get it done.

When I search, however, I find a plethora of one-size-fits-all offerings, just as I do with margarine. Whatever differentiation exists among automoiles is orthogonal to the outcome I need to achieve, because most producers have attempted to differentiate in *attribute* space, and have not aligned their offerings with specific jobs or outcomes. For example, there are Swedish cars with reputations for safety, but their designs won't address Annie's need to feel young. They are purportedly expensive to repair, and their few dealers are likely to be located far from where Annie lives and works – inconvenient when she needs her car serviced. Several American-made models seem more stylish and young, but their reliability ratings are mediocre. Toyota and Honda have great reliability ratings, but the styling of their Corollas, Camrys and Accords is averaged to appeal across the entire demographic spectrum. Maybe we can find a Camry whose paint is *sort* of red, but not *really* red.

One of the most frustrating aspects is that I get no guidance from *brands* in my search for a bundle of products and services that I can hire to get this job done really well. There are probably a half-million or more men who confront this job every year, for their daughters or wives. This is a *big* market segment. And yet I don't know where to turn.

Milkshakes for Breakfast

For years a certain fast food restaurant chain had tried to improve milk shake sales and profits by focusing on the product and the customer. They tried to be more sophisticated in segmenting their customers along a variety of psycho-behavioral dimensions, in order to define a profile of the customer that is most likely to buy milk shakes. In panels comprised of these most-likely consumers, the firm's market researchers explored whether making the shakes chocolateier, thicker, cheaper or chunkier would reverse the product's fortunes. But even though many of the proposed product features met with a positive consumer response during the research phase, none of the new variations of milkshakes they introduced in test markets significantly altered sales or profits.

Researchers who sought to understand what jobs customers were hiring the milkshake to do, however, drew insights that traditional market research had not. To learn what outcomes the chain's customers sought, the researchers spent an 18-hour day in a restaurant carefully chronicling who bought milkshakes. They recorded for each milk shake customer the time of purchase; what other products he or she purchased; whether the customer was alone or with a group; whether he or she consumed it on the premises or drove off with it; and so on. The most surprising insight from this work was that fully one-third of all milk shakes were bought in the morning, for *breakfast*. And most often, the milkshake was the *only* item these customers purchased.

The researchers then returned to interview customers who purchased a morning milk shake to understand what they were going to do with it. They also asked what other products they purchased instead of a milk shake, when they had the same need. Most of these morning milk shake customers had hired the milkshake to achieve a similar set of outcomes. They were rushing to work, did not have time for breakfast, and needed to eat in the car to get to work on time. They faced a long, boring commute and they needed something to make it more interesting. They weren't yet hungry, but knew that if they did not eat something now, they would be hungry by 10:00. They were driving, so they could only eat one-handed.

When these customers looked around for something to hire to get this job done, it turned out that the milk shake did the job better than almost any available alternative. Sometimes they bought bagels, but bagels got crumbs all over their clothes and the car. If the bagels were topped with cream cheese or jam their fingers and the steering wheel got sticky. Sometimes they hired a banana to do the job, but it got eaten too fast and did not solve the boring commute problem. The sorts of sausage, ham or egg sandwiches that the restaurant also sold for breakfast made their hands and ultimately the steering wheel greasy. Donuts didn't last through the 10:00 hunger attack. Milkshakes, in contrast, could be eaten cleanly with one hand with little risk of spillage. It took a long time to suck the viscous shake through the thin straw, addressing the boring commute problem; and the customers felt less hungry after eating the shake than after using the alternatives. They were not quite satisfied that the shake was as healthy as a breakfast should be, but at least it had the term "milk" in it.

The researchers observed that at other times of the day, parents purchased milkshakes for their children. When they sought to understand what outcome the parents had hired these milkshakes to achieve for them, they saw a very different situation. The parents hired milkshakes to placate, entertain and reward their children. They needed to feel like they were responsive, reasonable parents who didn't always say no. When they didn't hire milkshakes to get this job done, they hired cookies, promised things they didn't intend to deliver in the future, or simply told their children that they didn't have time or money. The researchers saw parents waiting impatiently after they had finished their own meal while their children struggled to suck the viscous milkshake up the thin straw. Many of the milkshakes were discarded half-full when the parents declared that time had run out.

Even though the chain's marketing experts had worked to understand what *product* their customers wanted, the very fact that they focused on the customer and the attributes of the product, even as customers were hiring the product to do two very different jobs, led them to create a one-size-fits-all product that left no customer truly satisfied.

Why Do Marketers Do This?

Why do marketers of these and countless other products do their work in a way that results in one-size-fits-all products that are differentiated on dimensions that are often only tangentially relevant to the outcomes that customers are trying to achieve when they buy them? There are at least two reasons – the jobs that market research is hired to do, and the difficulty in accepting the limited upside that focus entails.

Why Market Research Gets Hired

Part of the answer to this puzzle comes from assessing the jobs that executives hire market research to do for them. The first and most obvious job is that marketers and product developers do indeed undertake research efforts to understand how and why customers use products, in order to guide their ongoing innovation efforts. But a very different job that market research is hired to do – to quantify defensibly the size of market opportunities for new product initiatives as they go through resource allocation, budgeting and strategic planning processes – is often a more powerful driver of the way executives come to define market segmentation. This in turn distorts their views of the dimensions along which new products can be developed and differentiated.

In hiring market research to quantify market size and share, the simplest and most accurate measures of segment size can be made by drawing segment boundaries along the categories in which statistics are reliably and conveniently available. Demographic data constitutes a *much* easier foundation from which to extrapolate total market size, than observations about behavior and emotions that would help executives understand the market from a jobs or outcomes perspective. As a result, many market segmentation schemes, in one way or another, have their roots in the need to collect data that can be defended in presentations or reports to senior executives.

When market segmentation schemes that were defined to do one job well – to quantify over-all market size and get project funding – then are employed to guide the development of products that address the needs of customers in these "segments," a trajectory towards one-size-fits-all innovation kicks in. Consider, for example, my "segment" of the automobile market. It is quite simple for marketing executives in an auto company to hire a market research firm to compile data on men aged 45-55.[2] They can segment us by income, geography, profession, family size, the number of cars we own and the number of miles we drive. In the decade in which I will reside in this segment I will encounter several jobs that need to get done. Taking care of my sweet Annie, as noted above, is one. Being able to haul around the kids who are still at home without being driven crazy by their bickering is another. Commuting inexpensively to work and the airport in a car that never needs service and that nobody would ever want to steal is a third. When market researchers interview me as a representative member of my "segment," asking what attributes I need in an automobile, I respond by telling them everything I need. My needs are then tabulated with the needs chronicled in interviews with other consumers in my "segment," and fed to design engineers who wrestle with immutable economic and technological trade-offs. The result is a one-size-fits-all product and service bundle that compromises across all of the jobs I employ a car to do for me.

The same market researchers could come up with very different insights if, rather than seeking to understand me as a member of a statistical category, they sought to understand the jobs that arise in my life, which cause me to look to products for a solution. This sort of information needs to be observed in person, on an individual-customer-by-individual-customer basis. Although information collected by ethnographic means can give researchers deep insights into the jobs that customers are trying to get done in their lives, such insights don't easily scale to the statistical validity required to do the *other* job for which market research gets hired – the quantification of size and share. Hence, over time, executives' concepts of customer segmentation tend to be shaped by convenient statistical categories, in lines that are orthogonal to the ways that customers employ their products. The problem is *not* that marketers do not *understand* the notion that customers buy products to achieve needed outcomes. It is that in budgeting and resource allocation processes, intuitive arguments based upon personal observation rarely have the cogency to compete with crisp quantification.

The Fear of Focus

A second reason why marketers have a hard time creating packages of products and services that are optimized around the reasons that customers use them, is that it is very had to cap the ostensible upside of a new product by clarifying what it is and is not good for. The more clearly a product is focused on getting a specific job done perfectly, the less appealing it might become when hired for other jobs. Focus helps and it hurts – and it is much easier for marketers to quantify the hurt than the help.

One must believe deeply in the benefits of focus in order to accept its drawbacks, and few executives, apparently, are true believers. There is a religious analog. Most people who belong to a religion actually don't believe it. Many Christians believe *in* Jesus Christ at an abstract level, for example, but they really don't *believe* him. Whereas he taught that we should *always* love and forgive our enemies, many "believers" respond to this by saying, in effect, "I agree that *in general* that is the right thing to do. But in my particular extenuating circumstances, it won't work." By the same token, the desire to create a product that appeals to as many customers as possible leads executives who believe in the importance of focus for others, to embrace the sort of unfocused products described above which are hard to differentiate and leave customers unsatisfied.

Paradoxically, the market shares of many models and brands in the automobile and margarine markets are in the low single digits, and even lower. I suspect there are at least enough fathers of Sweet Annies out there every year towards whom a sharply optimized and precisely branded offering could be targeted, to sustain a product of comparable volume at much greater levels of differentiation and profitability.

Developing Products that Get the Job Done Right

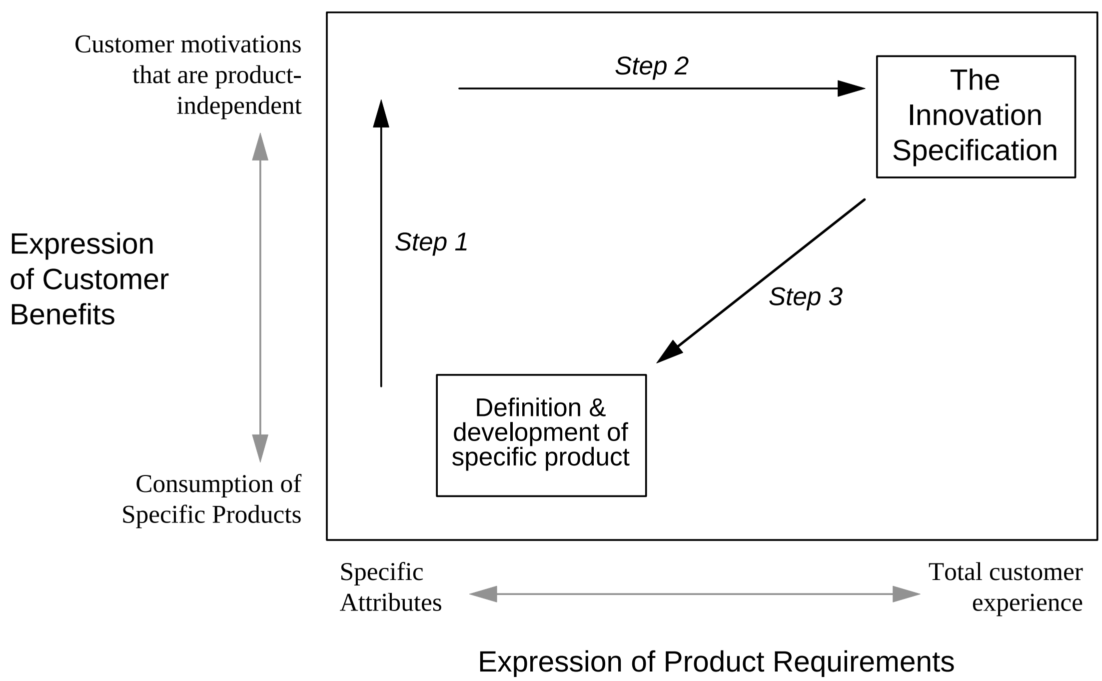
Figure 1 outlines how innovators can use this concept to segment markets differently and innovate more effectively. The vertical dimension of this "Innovation Space" depicts the ways that customer benefits can be defined. Innovators working at the lower extreme would begin their study with a specific solution – a product – in mind. Innovators working at the top of the spectrum focus instead on identifying the job that customers are trying to get done. At the left extreme of the spectrum depicted on the bottom, innovators are interested only in the physical or financial attributes of the product. At the right-most extreme, they are seeking to understand all of the dimensions associated with buying, owning and using the product or service that would be associated with getting a given job done effectively.

Much market research and new product development begins and ends in the lower-left corner of this innovation space. Innovators circumscribe their investigation by focusing on a product concept – such as margarine, automobiles, milk shakes, cameras, travel agencies or computers. With the assumption that this concept is the thing that customers are considering buying, they then work to understand which attributes of the product or service will make the product most attractive to the most customers. Bounding the challenge in this way typically limits innovations to new and improved attributes of established product concepts. This is in fact the only possible outcome when innovators begin their quest for solutions having already determined the solution.

The first step in defining products that focus on jobs that customers are trying to get done, rather than the products they hire to do them, is to find customers who have recently purchased a product. It is important that they have actually purchased it, because customers' actions are a clearer indicator of their values and priorities than are verbally expressed intentions. By carefully asking and watching, researchers can understand the circumstances the customer was in when he or she purchased and used the product. They need to discover the desired outcomes that led to its purchase. The researcher in this step also needs to understand the circumstances under which, and the reasons why, the customer recently may have purchased different products or services to satisfy this same outcome. This helps the researcher define more sharply the outcome that the customer is trying to achieve, and it defines the set of competitive products from the customer's viewpoint. As illustrated in Figure 1, this step takes the researcher from the lower-left to the upper-left area of the innovation space – from an assumption that a specific product or service is the solution that customers will hire, to a definition of the job that customers are trying to get done, independent of any specific product definitions.

In the second step, researchers need to trace the process by which the customer found, purchased, and came to use the product – learning not just *what* the customer did, but how he or she felt while doing it. There are many dimensions of a customer's experience with a product besides simply utilizing it, which comprise the social and emotional aspects of the outcomes sought.[3] Understanding the functional, social, and emotional motivations for hiring the product defines the total product experience required to do the job perfectly. It also helps the researcher understand the strengths and weaknesses of competing products, which on occasion might be employed to achieve that particular outcome.

Figure 1: Developing and Using an Innovation Specification



In completing step two, the researcher has moved to the upper right corner of the innovation space—having defined the job in terms that are independent of any specific product or technology, and having defined the total experience, not just product attributes, that would be required to get this job done. We call these definitions of what must happen in order to get the job done with complete satisfaction, an "innovation specification." Armed with the directives in the innovation specification, an integrated product development team can then undertake step three—moving back to the lower-left corner of the innovation space, to search for the particular technologies, attributes and experiences that are needed to get the job done perfectly.

When the researchers for the fast food restaurant noted above finally understood the jobs that customers were hiring the milkshake to do for them, for example, and then assessed the dimensions of customers' experience with the product that were required to get this job done well, they could define new products that beat the *true* competition from the customer's perspective – in every dimension of the job. For the morning job, they swirled in tiny chunks of real fruit—which made it healthier and more interesting to eat. They made it even thicker, so it would last longer. They gave it a new brand name and advertising campaign – so that when that particular job arose in a customer's life, he or she would instinctively think of that brand name. They set up a self-service machine in each restaurant which customers could operate by waving a device like Mobil's *SpeedPass®* at it – with the cost being automatically billed to the customer's credit card. The solution for the evening outcome was quite different. This was a product with much *lower* viscosity that could be drawn through a straw quickly, which was served in a small, entertainingly designed container. It was priced as an inexpensive add-on to the bundled children's meal, so that when a child begged the parent for it, the parent would be inclined to say "OK" with little forethought or effort. Note how the dimensions of these innovations included not just the physical product, but also innovations in advertising, distribution, brand positioning, and payments processing, in order to create the required total product experience.

In the markets in which the new products have been launched, it has been *very* successful—not because it captured milkshake sales from competing fast food chains, but because they captured share from products in other categories that periodically had been employed with limited satisfaction to get these particular jobs done. And perhaps more importantly, the products stole market share from *non-consumption* – which perhaps is the dominant competitor in a world of one-size-fits-all products that do no jobs satisfactorily.[4]

As another example, the innovation specification for the bundle that would help me squarely execute the job I need to get done for my Annie might read as follows. The product design should unabashedly be a young woman's car. Its style must be young but not reckless. It must be easy to get into while wearing a skirt. It should be compact to be easily parked, and designed with sophisticated crumple zones to make it as safe as any car on the road. Its mirror system should facilitate primping. It needs a convenient place to hold frequently used cosmetics. It should be equipped with an *OnStar*[5] system that automatically notifies police and a parent of the car's location, if ever the car's airbag is deployed or if the car is stolen. The car's dashboard *cannot* have a dumb 'check engine' warning light, but instead needs to read out a precise diagnosis of engine conditions. When the car has traveled a multiple of 7500 miles and routine service is required, the *OnStar* center should notify the local dealer, who then telephones the daughter and offers a menu of service appointment dates. At the time of purchase, the father can sign up for an optional annual father-to-daughter gift, which would cover the cost of the dealer driving a loaner car to the daughter's home and driving her car to the garage for service. Every year when this service is renewed, the car company could send the father a "Just to remind you how proud I am of you" card for his signature, which he could then forward on to the daughter, noting that the service has been renewed. A financing package would be developed that enables the young woman to build her own credit rating, even while the parents assume some share of the payments. Dealerships would be designed with spaces and furniture to help fathers and mothers make plans with their daughter and enjoy the excitement of the experience; and so on.

If the product and augmenting services were focused well on this particular job, it would send an explicit signal to customers *not* to hire this bundle when they're looking for a car to address other jobs that confront them. A package positioned at the "Take Care of Your Daughter" segment would probably deflect most male college graduates who are borrowing against their future income to display their independence and affluence through vehicle ownership, for example. In most cases, however, this fear would prove to be unfounded. Executives who seem satisfied with creating undifferentiated models and brands that command low single-digit market shares would likely find themselves with far more profit if they sold a highly focused, sharply differentiated job-focused proposition that commands a similar market share as the typical product in their present portfolios.

Implications for Brand Strategy

Viewing a market from the customer's perspective, in which products and services are hired to achieve outcomes or get jobs done, can lead to a very different view of branding strategy as well. Most marketers have done to their brands the same thing that they have done with their products. Their brands are one-size-fits-all appellations whose dimensions of subtle differentiation one from another might mean something to manufacturers, but have little usefulness for customers. Consider, for example, this description of a good brand from a leading marketing expert:

> "A good brand sits in people's minds and has an attachment in their hearts (**we need a much better straw man than this**)."[6]

From the *producer's* point of view, these attributes of a brand are absolutely important. Producers want their brand to be lodged indelibly and readily recalled in customers' minds. They want the brand to inspire loyalty and connote quality. Of course manufacturers want this. But what jobs does a *customer* hire a brand to do? *Customers do indeed hire brands*: typically, 10% to 40% of a branded product's price is the fee the customer pays to hire the brand.

We believe that customers hire brands to do three jobs for them. They need brands to tell them:

1. What the product or service is;

2. What jobs or purposes they should employ the product or service to do for them; and

3. Why they should buy this branded product instead of competing alternatives.

But because most marketers have defined and differentiated their brands in terms of emotional attributes, most brands do only the last of these jobs well, if at all.

Consider again the job I need to do for my Annie. The sequence of events as I experienced them is that I felt the need to give her a car, surrounding her with love and care. I then began searching for a package of products and services that will do this job best. I need to hire a *brand* to help in this search, but none of them come close to doing the job. Will an *Accord* help me do this job for Annie better than a *Camry*? Is this what a *Sentra* is for? Or did these companies design these models for me to hire when the job I need to get done is an inexpensive, perpetually dependable, solo commute to work? If a brand is about trust, what can I trust the products with these brands to do for me?

Marketers' likely response, of course, is that they'd like me to trust and therefore hire these cars to do *both* of these jobs – and in fact to do several other jobs that might arise as I go through life. But building an omnibus brand renders it impotent for a key job that brands get hired to do. In fact, the trend in the last decade to invent brand-new words such as *Camry* that have no dictionary-based meaning seems driven by a desire not to get niched with an explicit meaning. A brand-new word can mean anything that a customer wants it to mean. Focus is frightening indeed.

Three Dimensions of a Good Brand Strategy

For a brand to do effectively the three jobs that customers hire it to do, it needs to have three dimensions, as depicted in Figure 2. First, it needs an e*ndorser brand* to tell customers why they should buy this product instead of competing alternatives. Second, it needs a *purpose brand* to clarify what job the customer should hire the product for; and third, it needs a *descriptor brand* to contrast important physical or technological attributes of the product, when compared with other variants.

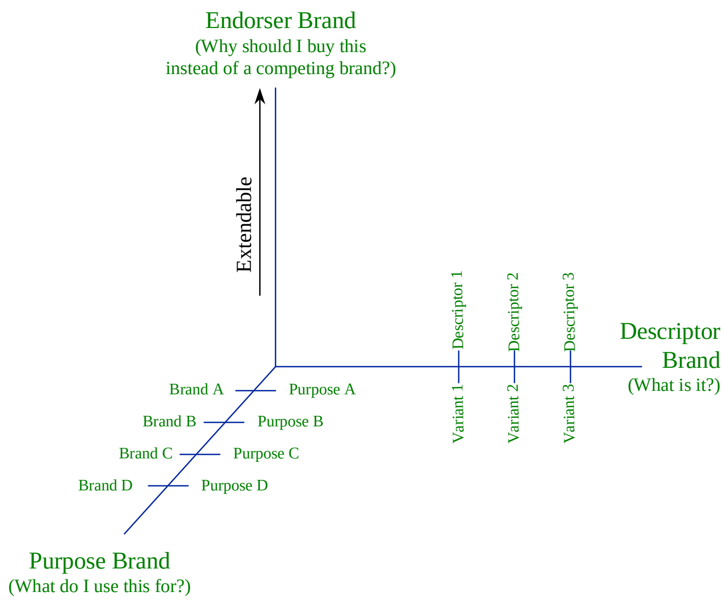
Most executives worry endlessly about building and preserving the endorser dimension of their brand. In companies like Kodak, Hallmark, Sony and Disney, the endorsing power of this brand has extraordinary value. Oddly, however, executives rarely seek to establish a purpose brand – even though *this is typically the most valuable dimension of a strong brand architecture*. When a company has a strong purpose brand it tends to *own* that piece of its market – because this is the brand that intersects squarely with how customers experience life. Customers first experience a need to get particular job done. They then begin a search for products or services that they can hire for this purpose. When a company has positioned a brand to guide them in this search, customers will instinctively think of that purpose brand when they encounter the job.

The descriptor is the third dimension of a strong brand strategy, because understanding what the important physical aspects of the product are, is a key job that customers hire a brand to do. Although this should be relatively straightforward, it is stunning how often brand strategies get confused on this dimension as well.

In our experience, no company consistently has nailed all three branding dimensions across all of its product lines. Consider Sony, for example. *Sony* is a powerful *endorser* brand with strong quality connotations. As depicted in Figure 2, an endorser brand is extendible across a range of products and outcomes. Sony's *Walkman*® is a powerfully positioned *purpose brand*. When people experience the need to isolate themselves from the chaos of the outside world through high-quality music without having to go to any specific place, they instinctively think of the term *Walkman*. The term *Diskman* is a descriptor – it helps customers know that this variant is a compact disc player instead of a tape player. Sony *owns* this market – not by virtue of its endorser brand, but because of its purpose brand. This brand strategy has done its job well.

Interestingly, Sony doesn't dominate any other consumer electronics product category to the extent that it dominates personal music players – because it has not established purpose brands in any of its other products – televisions, radios, boom boxes, camcorders, and so on. These other products rely solely upon the endorsement of the Sony brand, pitting Sony in a contest of advertising subtleties to somehow find an emotional attribute of endorsement that differs from those that Toshiba, Panasonic, Sharp, Pioneer, Kenwood and Mitsubishi are trying to build.

Figure 2: The Three Dimensions of a Good Brand Strategy



Unlike an endorser brand, a purpose brand is not extendible across multiple jobs to be done. If marketers attempt to extend it to other jobs, it loses clarity and its ability to come instinctively into the customer's mind when the need to get the job done arises. When a purpose brand is extended across multiple jobs, it will acquire the properties of an endorser brand. If Sony attempted to bolster its share of the boombox market by introducing a Walkman brand portable stereo, for example, the customer's instinctive association of the *Walkman* brand with a specific job to be done would erode.

Milwaukee Electric Tool Corporation offers another example of the power of purpose brands. Milwaukee has two products to which it has affixed purpose brands. The first is the Milwaukee Sawzall® -- a hand-held electric reciprocating saw. Contractors often need to cut into an existing monolithic wall without knowing in advance what they will be cutting into behind the wall: two-by-fours, electrical wires, chicken wire, plaster lath, dry wall, nails, pipes, etc. When confronted with needing to hire something that can cut through virtually anything they encounter, tradesmen instinctively think of the word *Sawzall*,® which does precisely what the name says: it saws everything. There are today at least six different manufacturers of reciprocating saws. Despite the fact that they have endorser brands such as Craftsman, Black & Decker, Skil and Makita that are better known than Milwaukee, the Sawzall still holds about 55% of this market. And most of the 45% of tradesmen who buy a reciprocating saw from one of these other manufacturers still think of the term *Sawzall* before they buy another manufacturer's product.

Milwaukee's *Holehawg* is the purpose brand for its right-angle drill. Drilling a large-diameter hole with a standard pistol-grip drill typically requires 18 inches of clearance. But plumbers often find they need to drill a big hole in a wall where they have as little as six inches of clearance for the tool and bit. When confronted with this job, plumbers instinctively think of the word *Holehawg*, and about 80% of them go out and hire a Milwaukee Holehawg to get this job done. The *Sawzall* and *Holehawg* purpose brands do their jobs well. Milwaukee supplies a full line of other electric tools, but they only have endorser and descriptor brands – such as a Milwaukee circular saw. Milwaukee's market share in most other tool categories is less than 5% -- showing how its purpose brands command far greater clout in the market than does its endorser brand.

Figure 3: The Milwaukee Sawzall®

Marriott Corporation has also built a strong series of purpose brands. If I need a facility for a major convention or company meeting, I can hire a Marriott Hotel. If I'm a solo business traveler and need to hire a nice hotel where I can get work done in the evening, I can hire Courtyard by Marriott – the hotel designed by business travelers, for business travelers. If I'm with my family and just need a clean, inexpensive place to stay, I can hire a Fairfield Inn by Marriott. If I need a place to stay on extended business assignment I can hire a Residence Inn by Marriott. Marriott's strategy of extending its endorser brand across this range of jobs that people might hire a hotel to do for them seems to be working. Though the brand is still relatively young, business travelers already are asking their travel assistants to "Find me something like a Courtyard." In contrast, what does Holiday Inn want me to hire *Holiday Inn Express* for? When I want to get out of a hotel fast?

Many executives find themselves trapped in mature markets, with product development efforts that repeatedly grind out products that differ from competing versions only in attributes that can be easily copied and seem unable to generate competitive traction or improved margins. The examples above suggest that when this happens, it is time to hire market research to do a different job – to see the market from the customer's perspective. In mature markets of adequate size, focusing innovative efforts around jobs that customers are hiring products to do – and thereby re-framing the segmentation and branding structure in the market – is a promising path to prosperity. And as the final section of this paper suggests, it can be the key to creating new growth markets as well.

Snatching Growth from the Jaws of Cannibalism

When a company has positioned a new product on a different job or outcome than those that its existing products typically are hired to do, and when the company creates a new purpose brand that customers instinctively think of when they need to get that job done, it will generate *additive* growth. When marketers fail to identify a unique job that customers should hire the new product to do, however, then cannibalism and conflict frequently result. We'll illustrate this by examining the attempts of a company with a powerful endorser brand, Kodak, to launch new growth products.

Two Images of Kodak

Contrast Kodak's extraordinarily successful experience with its *Funsaver* brand single-use camera, with its money-losing struggle to date in digital photography. The executives responsible for Kodak's consumer film business a decade ago bitterly fought the introduction of the single-use camera because, in retrospect, it was classically disruptive.[7] The quality of pictures from the disposable, plastic-lensed cameras was much worse than the quality that Kodak's customers had come to expect from mainstream 35mm cameras. Furthermore, Kodak's accounting system calculated lower gross profit percentages for film packaged in a single-use camera than film sold in rolls. The managers could see no sense in cannibalizing the sales of higher-margin regular film. It was not until management gave responsibility for marketing the single-use camera to another division that the product took off – and take off it did. It turned out not to cannibalize Kodak's film sales at all, because customers hired the single-use camera to do a different job – to preserve memories of fun moments when they had forgotten to bring a camera. Kodak's *Funsaver* purpose brand is positioned squarely on this job – so strongly, in fact, that even though competitors have subsequently introduced their own offerings, customers typically think of the brand *Funsaver* even when they buy a competing product. This brand has done its job.

In a good brand architecture customers need only to remember two words – the purpose brand (Funsaver, in this instance) and the endorser brand (Kodak). Within its purpose brand, Kodak has defined a series of descriptor brands that help customers know what variants of the *Funsaver* product they might hire to do their variant of the job most effectively – wide-angle, flash, and so on. Consumers don't need to remember descriptor brands, because descriptor brands can do most of their job on the store shelf.

In contrast to its success in single-use cameras, Kodak is struggling to make its $2.5-billion foray into digital photography pay off. Why? Because Kodak (along with *every* other established camera manufacturer) has not ventured beyond the lower-left corner of the innovation space in Figure 1. They started with a solution – a camera – and then have sought to define attributes of the digital camera that might cause customers to buy one instead of a conventional camera. When Kodak has succeeded in this persuasion, cannibalism has frequently been the only reward. Why? Because Kodak has not found *new* jobs that its consumers can hire digital imaging to do for them.

When a new technology finds an attractive market, almost always it is because customers were *already* trying to get a job done in an inconvenient, unsatisfactory way. In such cases a technology that they can hire to do this job more satisfactorily finds a welcome market, because the customers don't have to change any habits.

It is true that the attributes of digital cameras enable customers to do many more things than they can do with images on paper. Consumers can touch up flawed images. They can organize digital images in on-line scrapbooks, and zip those images over the Internet to relatives anywhere in the world. It is not clear, however, that most consumer photographers were trying to get any of these underlying jobs done through other means before the advent of digital imaging. When most consumers pick up their pictures from the developer, they take them home, look through them once, and then put them in a box. A small proportion of people choose a few of these photos to arrange in a scrapbook weeks or months later. And despite the fact that most people order double prints, only a few times a year do they put one in an envelope to mail to a family member. For some combination of selfish, lazy or irrational reasons, consumers just haven't been trying to get these jobs done. While the products or technologies that we hire to get jobs done in our lives can change, the basic outcomes that people seek to achieve in their lives tend to be very stable.[8] When an innovation's success is predicated on convincing customers that they need to get a job done that they have never been trying to get done before, it presages an uphill death march through knee-deep mud.

Framing Kodak's challenge as needing to be patient – to have the confidence that demand for digital cameras will explode once digital imaging becomes simple and cheap enough – is pinning the company's growth prospects on false hopes. It is akin to the beliefs of certain computer industry executives in the early 1990s that if they could just make a computer simple enough and cheap enough, computers would break into the large portion of US households that hadn't yet bought a computer. I suspect that the real reason those households did not own computers is that there weren't any jobs getting done in those households for which hiring a computer would be a better solution.

If Kodak's marketers framed their challenge differently, however, they would likely find themselves poised at the brink of exciting growth that is *additive* to the core film business, not cannibalistic. They need to search for jobs that people are already hiring products and services to do for them which are not yet being adequately and conveniently addressed, which digital imaging could help them do better. They then need to define the package of technology, attributes and experiences that would beat the competition for this job hands-down; define a new purpose brand for each of these jobs, endorsed by Kodak; and then make it happen. When a company discovers a job that consumers had long ago discovered, it doesn't need to endure losses patiently while customers adjust their habits to the attributes of the product.

Competing Against Non-Consumption

One of the most consistent tendencies we have observed in our studies of disruptive technological change is that the disruptive technology typically enables a larger population of less-skilled or less-wealthy people to do things in a simpler, more convenient way that historically only experts or the well-endowed had been able to do. The disruptive technologies weren't good enough to supplant the products that were being hired to do jobs in the mainstream market, so they took a more hospitable route: *they competed against non-consumption*. They did not take root by assuming that consumers would want to get completely new jobs done. Rather, the inventors of the technology found jobs that non-consumers of the established technology were already trying to get done, and enabled them to get those jobs done better. For example:

Makers of hydraulic excavators disrupted firms that made cable-actuated mechanical shovels. They did so by enabling residential contractors, who were having to dig shallow trenches by hand, now to dig them mechanically.

Personal computer hardware and software makers at the outset did not focus on enterprise accounting or engineering design applications. They targeted different jobs that children were already trying to do, and helped them play and learn better. They then got every-day adults to begin hiring computers to do jobs that *they* had already been doing in a kludgey way – typing documents and analyzing pro-forma financial statements by erasing pencil entries on paper spreadsheets.

Intuit disruptively grew the accounting software market by competing against check registers. They helped small business owners who previously had no use for complicated accounting packages and simply wanted to track their cash. *QuickBooks* enabled them to do it more simply and conveniently on a PC.

Inventors of angioplasty, which is disrupting open-heart bypass surgery, didn't attempt to sell balloon catheters as a new and better tool for heart surgeons. Rather, they targeted cardiologists, whose primary tools for treat patients with mild-to-moderate coronary artery disease were unsatisfactory drug, diet and exercise therapies. Angioplasty enabled cardiologists to begin interventional treatment, and get this job done better. Cisco routed data at the outset, not voice signals, and thereby competed against the US Mail rather than the Western Electric and Bell Laboratories arms of AT&T.

Corporate universities and on-the-job training programs are disrupting business schools not by competing for their students, but by competing against non-consumption – targeting managers who can't or don't want to enroll in MBA programs. Palm, HandSpring and Compaq's iPaq division began their disruptive journey toward the notebook computer market not by inviting customers to hire their hand-held products to do computing jobs, but to get the organize-your-life job done better than they could with a *Day-Timer*. The list could go on and on. This is how growth companies find growth. They target jobs that exist but aren't being done well, and compete against non-consumption before taking on the established competition in mainstream markets.

Finding opportunities to differentiate products and create growth involves some trial, error and luck. But it isn't as hard as we often make it. It requires that marketing executives not let the job of quantifying markets dominate the substance of their market research. Instead they need to personally and intuitively observe what jobs their present and potential customers are hiring products to do for them; and then to formulate packages of products and services, coupled with helpfully structured purpose brands, to get those jobs done better.

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[1] The observation that customers search across product categories to find ways to achieve needed outcomes is grounded in psychological research, which demonstrates that our perceptual systems are geared toward understanding what we can use objects to do and whether they are optimal for such purposes. See, for example, the section on affordances below and W. H. Warren, Jr., "Perceiving affordances: Visual guidance of stair climbing," *Journal of Experimental Psychology: Human Perception and Performance*, 10: 683-703. In a separate work, Psychologist James J. Gibson, widely respected for his research theories of perception, has written about "affordances," a concept that mirrors what we term "jobs" or "outcomes." According to Gibson, "[T]he affordances of the environment are what it offers…, what it provides or furnishes, either for good or ill." Gibson asserts that we see the world not in terms of primary qualities like being yellow or being 24 ounces by volume, but in terms of outcomes. "What we perceive when we look at objects are their [outcomes], not their qualities. We can discriminate the dimensions of difference if required to do so in an experiment, but what the object affords us is what we normally pay attention to." What matters about the ground, for example, is that it provides us a platform on which to stand, walk, build, etc. We don't "hire" the ground for its color or moisture content *per se*. The affordances of products, in Gibson's terms, are the outcomes that those products enable their users to achieve. See James J. Gibson, *The Ecological Approach to Visual Perception* (Houghton Mifflin Company, 1979), p. 127.

[2] Because the job to be done is to present market size and market share data that has unassailable credibility with management, marketers are quite prone to engage reputable outside firms to get this job done, rather than to subject their own subjective methods to executive scrutiny.

[3] As an example of what can be learned through this line of inquiry, imagine a customer (call her Julia), who tells a researcher that while she typically uses low-fat margarine to make her daughter's school lunch sandwiches. She occasionally uses mayonnaise, however, because *her* mother often used mayonnaise in making school lunch sandwiches when *she* was a little girl. Julia's mother was a good mother; and using mayonnaise on *her* daughter's sandwiches makes Julia feel like a good mother, too. Feelings such as Julia's are actually outcomes that carry significant weight.

[4] Many of the aspects of this project have been disguised in this account, to protect the proprietary interests of the company.

[5] OnStar is a trademarked service of General Motors Corporation.

[6] Peter Farnell-Watson, Landor Associates

[7] The concept of disruptive technologies is examined in Christensen, Clayton M., *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail*. Boston: Harvard Business School Press, 1997.

[8] This is the reason, I think, why in the diagrams of technology disruption, the trajectory of improvement that customers are able to absorb or utilize is quite flat, compared to the steep trajectory of technological progress.