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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, thus creating the world's first branded products. Today, things are more complicated. Billions of dollars and the energies of some of the world's brightest professionals are spent on marketing and advertising. But often such talent and money are being badly misspent. The evidence? Tens of thousands of new consumer products are launched each year, and 75% of them fail—even *after* managers have invested heavily to understand what their customers want.[1] In fact, many executives have judged the building of new brands to be so expensive that they've decided to stop trying. Instead they cut costs through brand consolidation, leverage through "brand extensions," or acquire brand equity 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 or fickle to be comprehensible? We don't think so. What we think is that some of the fundamental paradigms of marketing and product development—the methods that most of us use to understand customers, segment markets, and build brands—are broken.

Take market segmentation, for instance. Market segmentation defines the target at which innovations are aimed. It influences which products are developed, drives the features incorporated in those products, and shapes how they are taken to market. Segmentation schemes define which enterprises are framed as competitors and how large market opportunities are believed to be. Thus the market-segmentation scheme that a company adopts is a decision of vast consequence. Yet few managers give much thought to whether their chosen segments are leading their marketing efforts in the right direction. Many segment their markets by product category or by price point; others rely on demographic attributes, such as age, gender, marital status, and income level. Business-to-business (B2B) firms often use corporate demographics, such as industry verticals or company size, to define target users for their innovations. If you're inside a company looking out at the market, it indeed appears to be structured by product and customer category. And when managers collect data about the market, it invariably comes packaged by product or customer category, reinforcing this view of market structure.

This module note was prepared by Professors Clayton M. Christensen and Rory McDonald and Research Associates Laura Day and Shaye Roseman to aid students in the course, "Building and Sustaining a Successful Enterprise." Some of the text contained in this note was excerpted from Clayton M. Christensen, Scott Cook, and Taddy Hall, "Marketing Malpractice: The Cause and the Cure," *Harvard Business* Review 83, no. 12 (December 2005); Clayton M. Christensen, Scott D. Anthony, Gerald N. Berstell, and Denise Nitterhouse, "Finding the Right Job for Your Product," *MIT Sloan Management* Review 48, no. 3 (spring 2007), pp. 38-47; Taddy Hall and Rob Wengel, "The U.S. Breakthrough Innovation Report" (June 2014- U.S. edition), pp. 48-49, accessible online at https://www.nielsen.com/us/en/insights/reports/2014/breakthrough-innovation-report.html; Bob Moesta, www.jobtobedone.org, ReWired Group, Inc. Reprinted by permission of publisher. Copyright @ 2007 by Massachusetts Institute of Technology. All rights reserved.

The problem is that, for customers, this isn't what the world feels like at all. Things just happen to them. Jobs arise in their lives that they need to get done and they "hire" products and services to perform 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 personal characteristics and the probability of buying a particular product, but correlation does not equal causation. What *causes* a customer to make a purchase is having a job to do. By way of illustration, demographic data cannot explain why an athlete does CrossFit one evening, but goes to a yoga class the next. Same athlete, but two different jobs.

The great Harvard marketing professor Theodore Levitt was known to tell his students "People don't want to buy a quarter-inch drill. They want a quarter-inch hole!" Every manager we know agrees with Levitt's resonant insight—but rarely has it changed the way managers 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 that they believe will translate into better pricing and market share. This approach prompts them to improve their products along dimensions of performance that are irrelevant to what their customers are really trying to accomplish. Taking it even a step further, you might want to ask the customer, "What caused you to need to drill a hole?" Asking this type of question may reveal that the competitive set includes non-traditional, and even potentially disruptive, competitors.

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 will outline the aspects of the jobs to be done methodology that are most critical for helping managers to get started. First, we'll describe what we mean by *Jobs to Be Done*. Then we'll explain how focusing on the Job to Be Done can guide managers to integrate activities within their companies in ways that lead to sustained and profitable differentiation. Finally, we aim to guide managers to understand the job-based structure of their markets, and to build marketing strategies consistent with that structure. We'll close with some thoughts about using the framework to think about personal relationships.

What Is a Job to Be Done?

A job is a fundamental problem that 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 managers segment by job, we'll offer illustrations from the fast-food and real-estate industries, where companies have historically segmented their markets in keeping with traditional boundaries of product and customer categories, but would greatly benefit from segmenting by job.

Hiring Milkshakes

A fast-food chain was eager to improve sales of its milkshakes.[2] The chain had spent months studying the problem in detail: it had quizzed customers who fit the profile of the quintessential milkshake consumer about whether making the shakes thicker, more chocolatey, cheaper, or chunkier would prompt them to buy more. But when the company made changes that customers had said they would welcome, sales were unaffected.

The chain consulted one of our colleagues, who approached this challenge with a new question in mind: *What job arises in people's lives that causes them to come to this restaurant to "hire" a milkshake?* He spent eighteen hours at a restaurant one day watching people: What times of day did they buy milkshakes? What were they wearing? Were they alone? Did they buy other food too? Did they drink the milkshake at the restaurant or take it out? He was surprised to discover that 40% of all milkshakes were purchased before 9:00 a.m. by people who arrived at the restaurant alone. These customers rarely bought anything else, and didn't stop to drink the milkshake; they got into their cars and drove off with it.

The next morning our colleague returned to interview customers as they left the restaurant, milkshake in hand. He asked them to think of a time when they had been in a similar situation, with a similar Job to Be Done, but hadn't hired a milkshake: what had they hired instead? It soon became clear that what these early-morning customers shared had nothing to do with demographics. Instead they all had the same job to do: They had a long and boring drive to work, and needed something to make the commute interesting. They weren't really hungry yet, but knew that by midmorning their stomach would be grumbling. And they faced constraints: they were in a hurry, dressed for work, and had only one free hand.

It turned out that there was plenty of competition for this job, but nothing else did the job perfectly. "I hire bananas sometimes. But take my word for it: don't do bananas," one customer cautioned. "They're gone too quickly, and you'll be hungry again by midmorning." Doughnuts were too crumbly and made for sticky steering wheels. Bagels were often dry and tasteless, prompting people to drive with their knees while trying to slather on jam or cream cheese. But a milkshake? It was the best of the lot. It took 20 minutes to suck up through the thin straw. It fit neatly in a car's cup holder and could easily be consumed one-handed. Nor did it matter that the milkshake wasn't a healthy food; customers weren't hiring it for the job of improving their health. The ingredients barely mattered to customers at all.

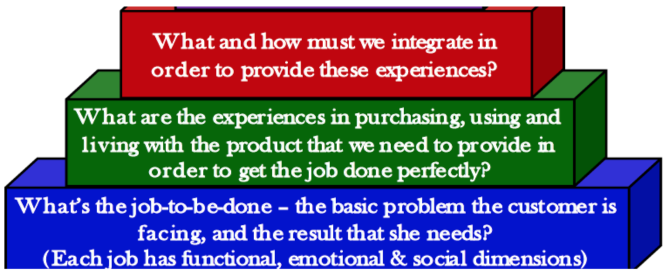
Our colleague also observed that, later in the day, parents often bought milkshakes, along with a meal, for their children. What job were the parents trying to do? They were exhausted from having to say no to their kids all day; they hired milkshakes as a way to placate their children and feel like loving parents. (The milkshakes didn't always do this job very well. Parents often got impatient as their children struggled to finish the thick milkshake.)

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

There are three levels in the architecture of the job, as depicted in **Figure A**. The foundation is the basic understanding of the problem the customer is facing in a given circumstance and the progress he or she needs to make: the job to be done. With this understanding in place, innovators can define the next level in the architecture: What are all the experiences in purchasing and using the product that we must provide to nail the job perfectly? Then, innovators can move to the next level: What do we need to integrate and how do we need to integrate—knit these things together—to provide all of the experiences required to do the job perfectly?

Once the fast-food chain team understood the *jobs* that customers were trying to get done, it became very clear what improvements to the milkshake would do the job better and which were irrelevant. How could the company better tackle the boring commute? Make the shake even thicker, so it would last longer. And swirl in tiny chunks of fruit, not to make it healthy but to add some unpredictability and anticipation to customers' monotonous morning routines. They could also reposition the dispensing machine near the door and add a payment terminal, so that customers could dash in, gas up, and go without wasting time in a line. Addressing the other job, needless to say, would entail a very different product.

Figure A Three Levels in the Architecture of a Job



Source: Clayton Christensen.

Understanding the job, and improving the product on relevant dimensions of the experience (here, the milkshake's consistency and the dispensing and payment mechanisms) so that it did the job better, caused the chain's milkshakes to gain share against the *real* competition—not just competing restaurants' milkshakes but also donuts, bagels, bananas, and boredom. This process would grow the category, which brings us to an important point: job-defined markets are generally much larger than product-category-defined markets. Managers stuck in the mental groove that equates market size with product category don't understand who they are competing with, from the customer's point of view.

Moving Lives

Here's another illustration. Some years ago, a Detroit-area building company sought to bolster sales of its new condominiums. Marketers segmented the universe of potential customers and decided to target divorced single parents and retirees looking to downsize. The company priced its units in keeping with that segment's average age and income, and added such high-end touches as granite counters and stainless-steel appliances. The company also spent generously to splash ads across the Sunday real-estate sections.

The units got lots of traffic, but few visits converted to sales. It was easy to speculate about possible reasons: bad weather, underperforming salespeople, and the looming recession. But marketers at the building company realized that they knew very little about what made the difference between a tire-kicker and a serious buyer. They hired a colleague of ours, who set out to learn what job those who purchased units had hired the condominiums to do. His first insight was that no particular set of desirable features had tipped their decisions.

Second, prospective customers had repeatedly declared in focus groups that they didn't need a formal dining room. But actual buyers mentioned their dining-room tables repeatedly. People kept saying, "Once I figured out what to do with my dining-room table, then I was free to move." Our colleague couldn't figure out why the dining-room table was such a big deal; in most cases it was a dated piece of furniture that might best be given to charity—or the dump. But at his own dining-room table over Christmas, our colleague suddenly understood: every birthday, every holiday, was spent gathered around that table. The table represented family.

What was stopping buyers from moving was not a feature or a finish that the company had failed to offer, but rather the anxiety that came with giving up something profoundly meaningful. The decision to buy a six-figure condo, it turned out, often hinged on a clunky piece of furniture. "I went in thinking we were in the business of new-home construction," our colleague recalled. But I realized we were in the business of moving lives."

The company began to innovate around this new understanding of the Job to Be Done. The architect revised the unit layout to create space for a dining-room table. And detailed attention was paid to easing the anxiety of the move itself: the company provided moving services, storage, and a sorting room where new owners could take time to decide which possessions to discard. The new perspective changed everything. The company actually raised condominium prices by $3,500, which covered (profitably) the cost of moving and storage. In 2007, when industry sales were off by 49% and the market was plummeting, the building company grew its business by 25% over the prior year.[3]

It's important to recognize that every job has functional, emotional, and social dimensions, and that their relative weight varies by job. For example, a need to feel a certain way—to feel macho, or sassy, or pampered, or prestigious—is a job that arises on occasion in many of our lives. When we find ourselves needing to get such a job done, we can hire products with names like Volkswagen Beetle and Ford Mustang. Similarly, we might hire a Subaru Outback or a "woodie" station wagon to signal our membership in certain social groups. In these instances, the brand rather than the product carries the freight. The functional dimension of the job isn't nearly as important as its social and emotional dimensions. In contrast, when it comes to trucks such as the Chevrolet Silverado, or minivans like the Honda Odyssey, the functional dimensions of the job are predominant.

Doing the Job of Finding the Job

How can managers figure out the Jobs to Be Done segmentation scheme in their markets? Such insights cannot be plucked out of purchased databases in the comfort of marketers' offices. They require watching, participating, thinking, and writing. They entail knowing where to look, what to look for, how to look for it, and how to interpret what you find.[4]

We can suggest four ways for researchers seeking opportunities to generate new growth to identify jobs that customers need to get done:

- 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."[5] Companies almost always find that customers use their products for different jobs than the company had envisioned. Often they learn that their product does one of these jobs quite well, but that customers force-fit it to other jobs because it's the only thing they can think of to hire. Such situations are opportunities to modify the product and position it to take on the newly discovered job. Consider Church & Dwight, whose iconic orange box of Arm & Hammer baking soda has been an American pantry staple and a key ingredient in baked goods for over a century. In the late 1960s, management observed that consumers also reached for that orange box in all sorts of other circumstances too: they added baking soda to laundry detergent, mixed it into toothpaste, sprinkled it on spills, and left an open box in the refrigerator to absorb odors. Those observations led to a jobs-based strategy that spawned a spate of new products, from phosphate-free laundry detergent to stain-removing toothpaste. The jobs that these products were designed to fulfill had long existed; there just hadn't been a product that did them well. Today the orange-box baking-soda business accounts for less than 10% of Arm & Hammer's consumer revenue.[6]

- Studying those who could be your customers, but are instead buying competing products is the second way to prospect for new jobs. Subtle differences that seem inconsequential when comparing products in a traditional category can loom large when the unit of analysis is the job. For example, "nobody ever got fired for buying IBM" was a common catchphrase in the early days of the computing industry; it referenced a job that many IT managers needed to get done: *Help me ensure that the new systems I am implementing will work, so I can have peace of mind (and maybe a promotion)*.[7] Rather than competing on technical specifications, IBM's competitors would have been well advised to consider the experiences that the company provided to earn its reputation as the safest, most reliable choice.

- The third method is to watch for compensatory behavior as customers try to "make do" with what's available. Such observation of the consumer in context is particularly critical when developing a new technology or creating a new product category. Beginning in the 1980s, a vibrant network of unofficial taxis and shuttles sprang up in New York City's outer boroughs.[8] These informal transportation networks, which operated in neighborhoods that weren't well served by public transportation or licensed taxis, evolved to help residents do a number of jobs that entailed getting around. More recently the arrival of ride-hailing apps like Uber and Lyft has provided new ways of getting those jobs done. Today, 97% of New York taxi rides start at the city's airports or in Manhattan, while a majority of Uber and Lyft rides begin in the outer boroughs.[9]

- The inexhaustible discipline of 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 long experience, that the game wouldn't sell. But instead of sending the inventor away, 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. Though his solution was mediocre, the insight was the job itself— something that arises in the lives of millions of busy parents every evening. A team of game developers then worked with the inventor to create a very successful line, "Twelve-Minute Games," that are now sold nationwide. Generally speaking, entrepreneurs who frame their agenda as searching for good product ideas are far less successful than those who search for jobs. A key reason why many of the most successful software products are developed by people with experience on the user end, living with or working around the inadequacies of prior products, is that living with a problem promotes intuition.

When the Customer Is a Business

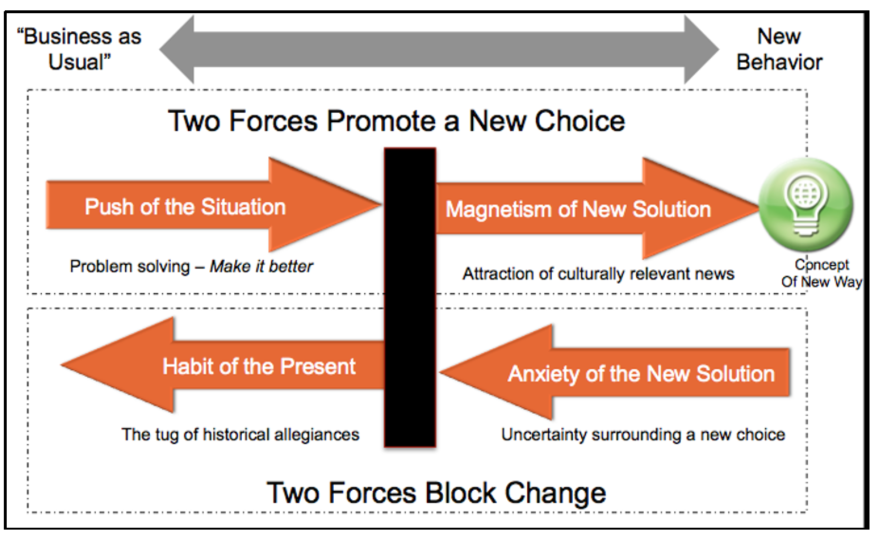
Even in the B2B world, where businesses pay for products and services, it is still individuals who ultimately make purchase decisions. These corporate decision-makers confront Jobs to Be Done just like consumers do. They may want to get promoted, or to learn a new skill, or to feel confident about their decisions as in the IBM example above. One particular job that B2B customers need to get done is to make money: "The business of business is, after all, business."[10] Providing them products that get this job done requires a deep understanding of points of leverage in the way a B2B 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 purchased new beds by seeking to understand what drove their customers' profitability more astutely even than the customers themselves did. This strategy proved extremely successful. A key insight from Hill-Rom's research was that nurses—who account for a significant share of hospitals' operating costs, and whose interactions with patients strongly influence perceptions of the quality of care— spent inordinate time on tasks unrelated to nursing, such as retrieving dropped objects and helping patients with their in-room television sets. Innovative bed designs that obviated many non-nursing tasks differentiated Hill-Rom's beds in ways that made nurses more efficient. Hospitals readily paid premium prices for those improvements, and innovations that the company introduced became industry standards. By 2001, the electric hospital bed had become a high-value item, with prices up to 2.5 times those of nursing-home beds. The insights that enabled Hill-Rom to command such prices did not arise from segmenting markets into small, medium, and large hospitals; they came from understanding the job—the levers that drive hospitals' profitability.[11]

The Forces of Progress

Overarching all four methods of identifying the Job to Be Done are the forces of progress, or what happens during the decision-making process to either propel you toward a purchase or discourage it. **Figure B** is a diagram, developed by Bob Moesta of the ReWired Group, depicting the forces of progress. Though you might use the methods discussed earlier to identify a Job to Be Done, *the forces that promote change must be greater than the forces that resist change* for a customer to switch to a new product.

Figure B The Forces of Progress



Source: Bob Moesta, ReWired Group, http:/ /jobstobedone.org/ .

Think for a moment about the last big purchase you made—about the job you bought it to perform, and about whatever you had previously been using to do the job. What circumstances caused you to look for a better way? What did you hope this new purchase would help you accomplish? What fears or anxieties did the buying process stir up (e.g. cost, complexity, fear of making a mistake)? And what was unattractive about the prospect of giving up your old solution?

For the Detroit-area downsizers we described above, the anxiety that accompanied giving up a place for family to gather, and the hassle of moving and storage, were powerful enough to outweigh any potential benefit of a new home, such as a lower mortgage. Only when the building company began offering services to minimize these barriers did its product become an attractive solution.

The next section will discuss how integrating business activities around the Job to Be Done can create and sustain profitable differentiation and even help to insulate companies from potential disruptive threats.

Creating and Sustaining Profitable Differentiation

The desirability of profitable differentiation has never been in question. Yet it is rare for a company to sustain its differentiation for significant periods: competitors seem unnervingly capable of copying products, even when their design is ostensibly patent-protected. In the rare cases when competitors seem unable to copy a company's success, the barrier is rarely the product; it is the easiest thing to copy. Instead, the precise spot in an organization where enduring differentiation resides is likely to be the way the company has integrated to provide the experiences required to do the job. This is what seems hardest for competitors to copy.

Segmenting markets by job, then integrating business activities to provide the products and experiences that do a particular job perfectly, helps companies avoid the "positioning paradigm" of differentiation-conscious managers who map their products along a couple of axes such as price, quality, and other attributes deemed important to customers, and then search for a vacant spot on the maps to situate new products. This process typically *invites* copycats into underpopulated spaces, including those that are vacant for good reason. For example: Within five years after the discount-retailing pioneer Korvette's opened its first store in 1957, over a dozen copycat discounters had emerged. In contrast, the giant no-frills furniture retailer IKEA has never been copied. The company has been slowly rolling out stores across the world for 40 years, and yet nobody has copied IKEA. Why not? It's not a question of 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: IKEA's owner Ingvar Kamprad rose to become the third-richest person in the world. And yet nobody has copied IKEA. We suspect that other furniture retailers have applied the positioning paradigm and defined their businesses 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 affluent people. IKEA, in contrast, organized its business around a Job to Be Done: When people anywhere in the developed world, find themselves thinking "Help me furnish my new home *today* so I can jump into the life I moved here to live," *IKEA* pops to mind. To do this job as well as possible, IKEA is organized and integrated utterly differently than any other furniture retailer.[12]

A problem with the positioning paradigm is that the lower-left corner on managers' market maps is typically occupied by products that possess only the basic functions that customers need. Disruptive companies in that minimalist position at the outset then move "up-market" in pursuit of profit, adding features and functions of competitors' higher-priced products. Thus features that once defined a differentiated product become expected in all similar products, forcing differentiation-seeking managers to offer even more, and so on.[13] A punishing fact of life on this treadmill is that, when once-unique features of an augmented product become commonplace, companies are saddled with the costs of providing such features but cannot sustain premium pricing for offering them. By contrast, products that are positioned on jobs to be done rarely overshoot what consumers are willing to pay premium prices for. As a result, such products are less likely to be disrupted.[14]

Figure C lists companies that, in our estimation, have been able to sustain (and in some cases continue to do so) a highly differentiated product or service that competitors struggled to copy. Each company seems to have integrated in a unique way to provide customers a set of experiences that add up to doing a job very well. (This observation merits much deeper study; the descriptions in the figure are our interpretations of company strategies based on public information.)

Figure C Job-Focused Companies that Have Achieved Profitable Differentiation

Company / Offering	Job to Be Done	Experiences and Integration
IKEA	"Help me furnish my new home today so I can jump into the life that I moved here to live."	Large inventory, including furnishings for every room; flat-pack furniture for easy transport and assembly; on-site childcare and dining, enabling a one-stop-shop.
CVS Minute Clinic	"When I need routine medical care, help me access it so I can avoid having to make an appointment with a doctor."	Open 7 days a week; no appointments necessary; nurse practitioners and physician assistants diagnose and treat common conditions; visit summaries sent to primary-care providers on request; affordable prices.
Intuit QuickBooks	"Help me manage my small business's finances so I can focus on doing the real work."	AI automatically sorts transactions into tax categories; integrated invoicing and payroll; phone support from live accountants; guaranteed penalty-free tax filing.
Disney Parks	"When I'm planning a family trip, help me guarantee a magical experience for my children so I can feel affirmed as a parent."	Costumed employees who bring stories to life; themed on-site hotels and restaurants, creating an immersive experience; wearable "Magic-Bands" that allow for seamless transactions.
FedEx	"When I ship an important package, guarantee me that it will arrive promptly and undamaged so I don't have to worry about it."	Time-definite delivery; real-time package tracking and updates; flexible delivery options for residential recipients; headquartered in Memphis, TN, for its central U.S. location and rare airport closures.
OpenTable	"When I'm organizing a group meal, help me coordinate availability so I can share my favorite restaurants."	Ability to browse restaurants by location, availability, and the size of the party; in-app ratings, prices, and menus; one-click confirmations, modifications, and cancellations.

Source: Clayton Christensen

Far more commonly, companies race to commercialize new technologies but ultimately fail in their product and service launches because they have not identified a clear Job to Be Done. Currently, a flurry of business ideas revolve around blockchain—but fail to specify a job that blockchain can do better than existing systems. "All of the big tech companies will come and say blockchain, blockchain, blockchain," observes Cathy Bessant, Chief Operations and Technology Officer at Bank of America. "I say, 'Show me the use case. You bring me the use case and I'll try it.'"[15] Segway's launch in 2001 and the 2013 pilot of Google Glass are cases in point. Both debuted impressive new technologies, but those technologies didn't do much to help consumers make meaningful progress in ways that they desired. Every few years the hot new technology changes, but the misstep doesn't: even the most cutting-edge technology is of little value if it doesn't address a Job to Be Done.

The Real Competition and Real Market Size

Like our colleague who researched milkshakes, we've found that we understand jobs more deeply if we ask customers immediately after they've 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 instead?" Their answers add crucial richness to our understanding by revealing what alternative products compete for the job in customers' minds. Most managers define their competitors as those who make products in the same category; in reality, those products typically represent only a small subset of the "job candidates" that customers consider. Thus managers who segment by product and customer category rarely take into account competition situated outside their product category—and therefore don't know whether their own products perform better or worse than those that customers view as competitors.

Consider, for example, a commonplace job on a typical weekday evening: hardworking people want to unwind. Netflix is well positioned to perform this job, and its subscribers stream more than 1 billion hours of content per week.[16] Asked whether Netflix fears competition from HBO and Amazon, CEO Reed Hastings answered: "Think about if you didn't watch Netflix last night: What did you do? There's such a broad range of things that you did to relax and unwind, hang out, and connect—and we compete with all of that."[17] In other words, Netflix does not merely compete against other internet streaming services; it also competes against playing a board game, gardening, playing a videogame, and even sleeping! In keeping with this expanded view of its market and its consumers, Netflix has abandoned traditional demographic groupings in favor of what it calls "taste communities." Similarly, the internet media company BuzzFeed enhances the virality of its content by categorizing posts not with traditional metadata but with data about the job each post will do for the consumer—a practice it calls "cultural cartography."[18a]

Only segmenting by job can pinpoint who the real competitors are. Then and only then can managers assess the competition in light of the experiences in purchase and use required to do the job perfectly. These experiences comprise the "hiring criteria" that customers use to evaluate an array of competing products. In contrast, managers typically assess the competition by comparing products feature-by-feature, an approach that often leads to spurious conclusions because whether a particular feature matters depends on the experiences required to get the job done.

Framing a market's structure from the customer's point of view (jobs) instead of the company's (product and customer categories) also produces a much more accurate view of market size. The *real* size of most markets is much larger than summing the sales of products in a category can reveal. For example, how big is the milkshake market? It is far larger than the sum of the sales of McDonald's, Burger King's and Wendy's milkshakes. Furthermore, the *job* exists independently of the market for products and services that might be hired to perform it.

For instance, the job of sending an important package from A to B with utter confidence existed long before the emergence of FedEx's delivery-tracking services. And consider how Church & Dwight grew its baking-soda category by defining the market in terms of jobs rather than product. When

[a] Jobs that BuzzFeed has identified for its social content include "Help me tell my story," "Connect with friends / family," and "[Show that] I am in the know." To illustrate, Publisher Dao Nguyen explains that the post "32 Memes You Should Send Your Sister immediately," features relatable scenarios, such as "Watching your sister get in trouble for something that you did and blamed on her." The list got 3 million views. Nguyen attributes this reach to its ability to do several jobs well: "This is us," "Connect with family," and "Makes me laugh."

managers understand the structure of a market from the customer's perspective, its size can suddenly change massively.

To illustrate a jobs-based approach to marketing, consider how Mars, Inc., sought in 2010 to differentiate two of its chocolate-bar offerings, Milky Way and Snickers. One might expect the two products to compete directly with one another. Jobs to Be Done interviews revealed that the two products were hired for very different reasons. Customers bought Milky Ways to indulge; it rewarded success and consoled after failure. Other products that people hired for the same job included a glass of wine, ice cream, and a brownie. By contrast, consumers hired Snickers for energy to power through a busy day; its competition consisted of on-the-go meal-replacement options such as PowerBars, trail mix, and energy drinks.

On the strength of this insight, the Snickers team altered the product's formulation to achieve a denser consistency and launched a successful marketing campaign, "You're Not You When You're Hungry." Consumers had been landing on that space on the game board of their life so often, and so instinctively had been hiring various snack foods to do the job of re-energizing themselves. But they needed a marketing message to explicitly articulate their job and a product they could hire to accomplish it. By 2014 Snickers had become the world's most popular candy bar, with annual global sales of $3.6 billion.[19]

In the case of Snickers, advertising clarified the nature of the job— though advertising *per se* is not a substitute for relevant differentiation. Differentiation that has power over customers' choices is achieved by designing products that do specific jobs, and by ensuring that improvements in their features and functions pertain to that job. The prohibitive expense of advertising-based brand-building is rooted in a flawed paradigm: many valuable brands, such as Starbucks, Zipcar, Google, Craigslist, and Facebook, have been built with minimal brand advertising, simply by filling a commonplace job opening.

Marketing mavens are fond of saying that brands are hollow words into which meaning gets stuffed. Beware: advertising agencies and media win big in this game, while the companies whose brands are getting stuffed typically find themselves trapped in an expensive shouting match that can only be won by outspending rivals. By contrast, genuine differentiated meaning can become linked to brands only when customers hire a product that a company has designed to do their job, and then discover that it does the job exquisitely well. Advertising that clarifies the link between job and product can do that and no more; it is *use* of the product that creates the actual linkage.

The exceptions to this rule are brands positioned on aspirational jobs, where it is typically the brand itself, rather than the product's functional dimensions, that gets the job done—often via the images employed in advertising. Consider the diamond company De Beers. The company's perennial slogan "A Diamond is Forever" positioned a diamond engagement ring as a virtually obligatory expression of enduring love.[20] This method of brand building through advertising is appropriate when selling aspirational products. However, it has been wantonly misapplied to the nearly the whole world of products and services. For the vast majority of companies, advertising should be the last step in the brand-building process, rather than the first. Businesses that build products and services that do a job well, and do so repeatedly, will find they need to spend very little money buying media.

A final thought regarding the intersection of Jobs to be Done with the Disruption framework. As suggested by new market disruption, firms can pursue new growth opportunities without significant competitive response from strong incumbents by creating a new product or service that specifically targets non-consumption. By introducing something simpler, more convenient, and more affordable than existing offerings, they enable a completely different group of consumers to purchase a solution.

But a solution to what? That's where the Jobs framework becomes helpful. By defining and validating the potential opportunity through the Jobs-to-be-Done lens (using the insights to understand which attributes of the solution are crucial to delivering on the job), managers can land in a place with real demand—a place that isn't likely to be initially attractive to existing competitors.[21]

* * *

Working to understand the job that the consumer needs to get done is worth the effort. Our studies of factors that make innovation risky and expensive have convinced us that the proposition raised in this paper is among the most important. Some of the fundamental paradigms of marketing—segmenting markets, building brands, and understanding customers—are broken. Quite possibly, innovation may be failure-ridden not because the outcomes are intrinsically unpredictable but because we are framing the question in the wrong way. As a framework, Jobs to Be Done is applicable well beyond consumer marketing and even beyond business: understanding the causal mechanisms that underlie human decision making is fundamental to both our professional and our personal lives. What social, emotional, and functional jobs cause your employees to show up for work every day? What jobs that need doing cause people to change career paths? Why did your spouse or partner hire you: what job do you perform in the relationship, and how well do you do it? As we refine our understanding of the theory, we will see more and more opportunities to apply it to understand causality in human decision-making.

Endnotes

[1] Joan Schneider and Julie Hall, "Why Most Product Launches Fail," *Harvard Business Review* (April 2011), https://hbr.org/2011/04/why-most-product-launches-fail, accessed May 2019.

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

[3] Clayton M. Christensen, Taddy Hall, Karen Dillon, and David S. Duncan, "Know Your Customers' 'Jobs to Be Done'," *Harvard Business Review* (September 2016), https://hbr.org/2016/09/know-your-customers-jobs-to-be-done, accessed May 2019.

[4] We are often asked about the difference between Jobs to Be Done and design thinking. Jobs and design thinking share some important features, including an emphasis on developing products and services that the customer desires rather than those which the company simply finds compelling. However, unlike design thinking (which might generate insights that correlate with customer behavior), jobs is only focused on the causal mechanisms that drive customer behavior. This focus on causality is important for managers because it is key to understanding why customers make specific purchase decisions, as well as what products and services they will demand in specific circumstances.

[5] Peter F. Drucker, *Managing for Results* (New York: Harper & Row, 1964), p. 94.

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

[7] IBM, https://www.ibm.com/ibm/history/ibm100/us/en/icons/personalcomputer/words/, accessed May 2019.

[8] Aaron Reiss, "New York's Shadow Transit," *The New Yorke*r, https://projects.newyorker.com/story/nyc-dollar-vans/, accessed May 2019.

[9] "What Actually Happened to New York's Taxi Drivers," *The New York Times,* May 28, 2019, https://www.nytimes.com/2019/05/28/podcasts/the-daily/what-actually-happened-to-new-yorks-taxi-drivers.html?, accessed May 2019.

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

[11] These methods are recounted in "Hospital Equipment Corporation," Harvard Business School case no. 697-086).

[12] We suspect that an accurate history of Ikea would reveal that founder Ingvar Kamprad didn't have a crystal-clear grasp of job-based positioning at the outset; instead, his sense of what a fraction of furniture buyers were in need of when they walked into a store was probably partial and intuitive. As he and his associates tried to help their customers, understanding probably coalesced bit by bit. Ikea executives probably do not articulate their strategy as a focus on this job—this insight probably 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 examples drawn from companies like Ikea whose strategies *de facto* mirror this model, we will help students and managers who haven't had an intuition (or luck) like Kamprad's.

[13] See Theodore Levitt, "Marketing Success through Differentiation—of Anything," *Harvard Business Review*, January-February 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 presented in this section, and we thank her for "augmenting" our own understanding through her articles, cases, and teaching notes. We recommend her expertise to others who want to explore disruptive positioning in greater depth. We hope that familiarity with her ideas comes to be expected of all who are engaged in marketing and new-product development!

[14] This is the case because successful entrepreneurs naturally look at opportunities in terms of the jobs they can do for customers. Identifying what jobs people need done and how those jobs could be done more easily, conveniently, or affordably is what enables a disrupter to imagine how to improve its product to appeal to more and more customers. When a disruptive business offers a significant advantage and no disadvantages when doing the same job as an incumbent, disruption will be swift and complete (think online music versus CDs). But when a disrupter is ill suited to the job and its disadvantages are considerable, disruption will be slower and incomplete. Thus, at the simplest level, cargo ships are still in use because they remain much better than planes at transporting heavy goods. If, as an incumbent, you can determine how effective a disrupter is likely to be at doing the same jobs you currently do, you can identify the most vulnerable segments of your core business—and your most sustainable advantages. See Maxwell Wessel and Clayton M. Christensen, "Surviving Disruption," *Harvard Business Review* (December 2012), https://hbr.org/2012/12/surviving-disruption, accessed May 2019.

[15] Matt Levine, "You Have to Threaten People Right," *Bloomberg*, March 26, 2019, https://www.bloomberg.com/opinion/articles/2019-03-26/you-have-to-threaten-people-right, accessed May 2019.

[16] Mansoor Iqbal, "Netflix Revenue and Usage Statistics (2018)," *Business of Apps*, February 27, 2019, http://www.businessofapps.com/data/netflix-statistics/, accessed May 2019.

[17] Rina Raphael, "Netflix CEO Reed Hastings: Sleep Is Our Competition," *Fast Company*, November 6, 2017, https://www.fastcompany.com/40491939/netflix-ceo-reed-hastings-sleep-is-our-competition, accessed May 2019.

[18] Dao Nguyen, "What Makes Something Go Viral," *TED,* https://www.ted.com/talks/dao_nguyen_what_makes_something_go_viral/transcript?language=en#t-236644, accessed May 2019.

[19] Bloomberg, "The World's Five Best Selling Candy Bars," https://www.youtube.com/watch?v=B9e3Wn4ISkc, accessed May 2019. Dale Buss, "De Beers Forevermark Revives 'A Diamond Is Forever' For Millennials," Brandchannel, June 4, 2019, https://www.brandchannel.com/2015/06/04/de-beers-forevermark-diamond-is-forever-060415/, accessed May 2019.

[20] Dale Buss, "De Beers Forevermark Revives 'A Diamond Is Forever' For Millennials," Brandchannel, June 4, 2019, https://www.brandchannel.com/2015/06/04/de-beers-forevermark-diamond-is-forever-060415/, accessed May 2019.

[21] For example, the desire to capture images dates back thousands of years. It was initially delivered through the skills and initiative of skilled artists, and then in the 1800's through technology that enabled photographs. For decades after its development, photography was focused on creating better and better photographs, with the implicit job: "I want the clearest image possible." With that framing, who would seriously pursue an approach that intentionally delivered a worse result? But what if a different job had actually always existed (but had never been explored) where image quality wasn't the crucial performance attribute? Consider the job: "I want to capture my own images, anywhere and at any time." It would be difficult (and expensive) to bring a professional photographer with all of their equipment to our trip to the beach, or our child's first birthday party. So what if the image isn't perfect, that's not the point. What brings this job to life is a solution that is low cost and foolproof—voilà—the first Kodak camera in 1888. It was a joke by professional photographers' standards who knew it had no chance of satisfying their "image quality" job, but was a product well-conceived through its price and simplicity to deliver on this formerly unsatisfied job. Kodaking became as much of a verb a hundred years ago as Googling is today.