

How to Turn a Job into a Product

RETHINKING WHAT CUSTOMERS WANT FROM THEIR PURCHASES

Businesses love their products, so they are often keen to show them off with all the latest and greatest features. Customers may love their products too – but maybe not for the features alone, which when piled on can even become confusing. Instead, they love products for the job they get done.

To take an example consumer product, American Girl has great reason to be proud of the broad range and quality of their dolls and playsets. Over time, they have expanded that selection to include more toys and more accessories. But what if you were responsible for innovating new products for American Girl? The answer is not simply more characters and accessories.

Instead of thinking products (“We are in the business of selling dolls”), think from the customer’s point of view: “I could use some help strengthening the bond between me and my daughter in ways that are fun for both of us.” Not only does this shift reveal a more accurate view of the potential opportunity, it also underscores the strong emotional forces at work at stake. With this approach, American Girl has not just put out new dolls and accessories but also focused on creating opportunities to strengthen parent-child bonds. These include, for example, American Girl books that can be read with one’s child, in-store restaurants with doll-sized high chairs, and the option to custom design a unique doll. In this way, American Girl creates shared experiences and connections in a way that product-led innovation could not on its own. Successful innovations like American Girl’s address not only the functional requirements but also address the underlying need that a customer has.

All too often, product managers reduce the value proposition of their products to a list of performance attributes and seek to one-up

the direct competition on those attributes. Jobs Theory is a powerful way to avoid this trap in any consumer-facing industry. The core insight is that customers do not look for products or services, rather they seek to make progress in their lives. Finding themselves in circumstances where they need a hand, they pull products and services into their lives to make the desired progress. This progress defines the “job” they are trying to get done. Products are what customers then “hire” to get these jobs done. If the purchase does not live up to expectations, customers will “fire” it and look for alternatives. Adopting this way of thinking broadens the possibilities and puts the consumer back at the heart of innovation.

DRAWING ROADMAPS THROUGH JOBS

Jobs Theory can be a powerful tool for developing consumer products. Changes in the dominant order in markets often follow disruptive innovation: new products that transform a market by changing the basis of competition by offering new dimensions of benefit, while reducing cost. Such innovations often have the air strokes of genius that a product developer came up with through chance or inspiration.

But Jobs Theory can take some of the chance out of innovation. Understanding specific jobs reveals why people purchase and use products and services, and why they sometimes behave in ways that involve no purchase at all.

Exhibit 1: Jobs-based innovation – Product versus jobs mindset



Source: Lippincott analysis

The theory looks for deep insights into human behavior – why people do what they do and which jobs they are struggling to perform – and considers the tasks they want performed. Product designers can then zone in systematically on the specific features that will improve products, services, and relationships. The jobs approach thus provides a roadmap with clues for where to look for opportunities.

Take, for example, making iced coffee at home. People were struggling and deploying a variety of suboptimal solutions which involved a time-consuming process of brewing the coffee and mixing in the sugar and creamer themselves, ultimately producing a semi-satisfactory drink.

International Delight, a maker of flavored coffee creamers, considered how it could help. One problem was that people are loyal to their coffee brand and would not normally consider buying from a brand without coffee credentials. Unlike hot coffee, however, iced coffee is drunk a bit like an adult milkshake, which means that brand and coffee qualifications matter less. Rather, individuals are seeking the sweet, creamy flavor that iced coffee offers but found the to-go version inconvenient, inconsistent, and costly. So International Delight used its existing creamers to create International Delight coffees: half-gallon, refrigerated, ready-prepared iced coffee that people can pour out at home without any hassle. The coffee mixture used International Delight's existing strong flavor credentials to make the product a success. They understood that iced coffee was about taste and a hassle-free caffeine pick-me-up.

OPERATORS VERSUS INNOVATORS

Generating growth in retail requires two different ways of thinking. An operator's mindset is needed to sustain the core business model, which requires continuous improvements in products and operations, minimizing costs, extracting existing value, and finding new opportunities for value sharing. Opportunities for these improvements can often be revealed through the collection and analysis of data.

However, retailers and consumer goods manufacturers also need an innovator's mindset. The innovator needs to create new sources of growth by "breaking the machine": creating new markets and discovering new areas of value for the customer. Data can help

innovation, too. But many organizations labor under a misconception that enough data and the right modeling will reveal the truth.

Innovation is the story of human progress, and life is not an algorithm. While high-powered analytics tools often help innovation, the insights it depends on are fragile constructs, easily washed over by the smoothing effects of averages and regressions. Innovative thinking depends on an appreciation that life's narrative structures are often messy, and innovators need a deep understanding of these if they are to develop offerings that customers will want to "hire."

So, for large companies, it is time to think deeply about specific job opportunities in customers' lives and how to bring about desirable experiences and help them make progress. Teams working with jobs-based innovation techniques can build and deploy data tools that reveal where people are struggling to make progress. They can then work on solutions to help them.

INNOVATING PRIVATE BRAND PRODUCTS

A family-owned general merchandise retailer was troubled by a lack of innovation in its private brand products, exacerbated by a difficult retail environment in their region. The company had a habit of measuring success in terms of sales dollars, rather than focusing on how to connect with customers and fulfill their needs. So, the retailer changed the way it approached product development. Its master objective would be to change the current, category-focused business into a needs-based organization, and it would aim to create products with lifetime value. This implied thinking more deeply and holistically about the customer.

To find out more about customer motivations – that is, the jobs they wanted products to do for them – a framework which included robust survey data and analysis to quantify consumer attitudes was used to look at key behaviors, helping to determine what customers were thinking and feeling as they looked for products. This included whether they agreed with statements such as, "I occasionally splurge and pamper myself because it makes me feel good," and "I want to use products/tools to help me get the job done." These insights were then used to design products that solved problems that matter. The result was more than 70 product innovations and over a dozen product briefs

that were ultimately moved to design for launch as solution-oriented products.

Retailers and product manufacturers can become more innovative once they understand that customer needs are the biggest driver for brand love. They can – and should continue to – pursue growth from optimization through a category-focused mindset, which is their current core business. But there could be greater opportunities from searching for growth that revolves around finding the white space and moving trading-partner relationships from transactional to strategic.



