Marketing executives focus too much on ever-narrower demographic segments and ever-more-trivial product extensions. They should find out, instead, what jobs consumers need to get done. Those jobs will point the way to purposeful products—and genuine innovation.

Marketing Malpractice
The Cause and the Cure
by Clayton M. Christensen, Scott Cook, and Taddy Hall

Included with this full-text Harvard Business Review article:

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Marketing Malpractice
The Cause and the Cure

The Idea in Brief
Thirty thousand new consumer products hit store shelves each year. Ninety percent of them fail. Why? We’re using misguided market-segmentation practices. For instance, we slice markets based on customer type and define the needs of representative customers in those segments. But actual human beings don’t behave like statistically average customers. The consequences? We develop new and enhanced products that don’t meet real people’s needs.

Here’s a better way: Instead of trying to understand the “typical” customer, find out what jobs people want to get done. Then develop purpose brands: products or services consumers can “hire” to perform those jobs. FedEx, for example, designed its service to perform the “I-need-to-send-this-from-here-to-there-with-perfect-certainty-as-fast-as-possible” job. FedEx was so much more convenient, reliable, and reasonably priced than the alternatives—the U.S. Postal Service or couriers paid to sit on airplanes—that businesspeople around the globe started using “FedEx” as a verb.

A clear purpose brand acts as a two-sided compass: One side guides customers to the right products. The other guides your designers, marketers, and advertisers as they develop and market new and improved products. The payoff? Products your customers consistently value—and brands that deliver sustained profitable growth to your company.

The Idea in Practice

To establish, sustain, and extend your purpose brands:

Observe Consumers in Action
By observing and interviewing people as they’re using products, identify jobs they want to get done. Then think of new or enhanced offerings that could do the job better.

Example:
A fast-food restaurant wanted to improve milk-shake sales. A researcher watched customers buying shakes, noting that 40% of shakes were purchased by hurried customers early in the morning and carried out to customers’ cars. Interviews revealed that most customers bought shakes to do a similar job: make their commute more interesting, stave off hunger until lunchtime, and give them something they could consume cleanly with one hand. Understanding this job inspired several product-improvement ideas. One example: Move the shake-dispensing machine to the front of the counter and sell customers a prepaid swipe card, so they could dispense shakes themselves and avoid the slow drive-through lane.

Link Products to Jobs through Advertising
Use advertising to clarify the nature of the job your product performs and to give the product a name that reinforces awareness of its purpose. Savvy ads can even help consumers identify needs they weren’t consciously aware of before.

Example:
Unilever’s Asian operations designed a microwaveable soup tailored to the job of helping office workers boost their energy and productivity in the late afternoon. Called Soupy Snax, the product generated mediocre results. When Unilever renamed it Soupy Snax—4:00 and created ads showing lethargic workers perking up after using the product, ad viewers remarked, “That’s what happens to me at 4:00!” Soupy Snax sales soared.

Extend Your Purpose Brand
If you extend your purpose brand onto products that do different jobs—for example, a toothpaste that freshens breath and whitens teeth and reduces plaque—customers may become confused and lose trust in your brand.

To extend your brand without destroying it:

• Develop different products that address a common job. Sony did this with its various generations of Walkman that helped consumers “escape the chaos in my world.”

• Identify new, related jobs and create purpose brands for them. Marriott International extended its hotel brand, originally built around full-service facilities designed for large meetings, to other types of hotels. Each new purpose brand had a name indicating the job it was designed to do. For instance, Courtyard Marriott was “hired” by individual business travelers seeking a clean, quiet place to get work done in the evening. Residence Inn was hired by longer-term travelers.