



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

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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 airlines—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 microwavable 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.

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Thirty thousand new consumer products are launched each year. But over 90% of them fail—and that's after marketing professionals have spent massive amounts of money trying to understand what their customers want. What's wrong with this picture? Is it that market researchers aren't smart enough? That advertising agencies aren't creative enough? That consumers have become too difficult to understand? We don't think so. We believe, instead, that some of the fundamental paradigms of marketing—the methods that most of us learned to segment markets, build brands, and understand customers—are broken. We're not alone in that judgment. Even Procter & Gamble CEO A.G. Lafley, arguably the best-positioned person in the world to make this call, says, "We need to reinvent the way we market to consumers. We need a new model."

To build brands that mean something to customers, you need to attach them to products that mean something to customers. And to do that, you need to segment markets in ways that reflect how customers actually live their

lives. In this article, we will propose a way to reconfigure the principles of market segmentation. We'll describe how to create products that customers will consistently value. And finally, we will describe how new, valuable brands can be built to truly deliver sustained, profitable growth.

Broken Paradigms of Market Segmentation

The great Harvard marketing professor Theodore Levitt used to tell his students, "People don't want to buy a quarter-inch drill. They want a quarter-inch hole!" Every marketer we know agrees with Levitt's insight. Yet these same people 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 drill, not their hole, against those of rivals. They then set to work offering more features and functions in the belief that these will translate into better pricing and market share. When marketers do this, they often solve the wrong

problems, improving their products in ways that are irrelevant to their customers' needs.

Segmenting markets by type of customer is no better. Having sliced business clients into small, medium, and large enterprises—or having shoehorned consumers into age, gender, or lifestyle brackets—marketers busy themselves with trying to understand the needs of representative customers in those segments and then create products that address those needs. The problem is that customers don't conform their desires to match those of the average consumer in their demographic segment. When marketers design a product to address the needs of a typical customer in a demographically defined segment, therefore, they cannot know whether any specific individual will buy the product—they can only express a likelihood of purchase in probabilistic terms.

Thus 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 that new product innovation has become a gamble in which the odds of winning are horrifyingly low.

There is a better way to think about market segmentation and new product innovation. The structure of a market, seen from the customers' point of view, is very simple: They just need to get things done, as Ted Levitt said. When people find themselves needing to get a job done, they essentially hire products to do that job for them. The marketer's task is therefore to understand what jobs periodically arise in customers' lives for which they might hire products the company could make. If a marketer can understand the job, design a product and associated experiences in purchase and use to do that job, and deliver it in a way that reinforces its intended use, then when customers find themselves needing to get that job done, they will hire that product.

Since most new-product developers don't think in those terms, they've become much too good at creating products that don't help customers do the jobs they need to get done. Here's an all-too-typical example. In the mid-1990s, Scott Cook presided over the launch of a software product called the Quicken Financial Planner, which helped customers create a retirement plan. It flopped. Though it captured over 90% of retail sales in its product category, annual revenue never surpassed \$2 million,

and it was eventually pulled from the market.

What happened? Was the \$49 price too high? Did the product need to be easier to use? Maybe. A more likely explanation, however, is that while the demographics suggested that lots of families needed a financial plan, constructing one actually wasn't a job that most people were looking to do. The fact that they should have a financial plan, or even that they said they should have a plan, didn't matter. In hindsight, the fact that the design team had had trouble finding enough "planners" to fill a focus group should have tipped Cook off. Making it easier and cheaper for customers to do things that they are not trying to do rarely leads to success.

Designing Products That Do the Job

With few exceptions, every job people need or want to do has a social, a functional, and an emotional dimension. If marketers understand each of these dimensions, then they can design a product that's precisely targeted to the job. In other words, the job, not the customer, is the fundamental unit of analysis for a marketer who hopes to develop products that customers will buy.

To see why, consider one fast-food restaurant's effort to improve sales of its milk shakes. (In this example, both the company and the product have been disguised.) Its marketers first defined the market segment by product—milk shakes—and then segmented it further by profiling the demographic and personality characteristics of those customers who frequently bought milk shakes. Next, they invited people who fit this profile to evaluate whether making the shakes thicker, more chocolaty, cheaper, or chunkier would satisfy them better. The panelists gave clear feedback, but the consequent improvements to the product had no impact on sales.

A new researcher then spent a long day in a restaurant seeking to understand the jobs that customers were trying to get done when they hired a milk shake. He chronicled when each milk shake was bought, what other products the customers purchased, whether these consumers were alone or with a group, whether they consumed the shake on the premises or drove off with it, and so on. He was surprised to find that 40% of all milk shakes were purchased in the early morning. Most often, these early-morning customers were alone; they did

Clayton M. Christensen

(cchristensen@hbs.edu) is the Robert and Jane Cizik Professor of Business Administration at Harvard Business School in Boston. **Scott Cook** (scott_cook@intuit.com) is the cofounder and chairman of Intuit, based in Mountain View, California.

Taddy Hall (taddy@thearf.org) is the chief strategy officer of the Advertising Research Foundation in New York City.

not buy anything else; and they consumed their shakes in their cars.

The researcher then returned to interview the morning customers as they left the restaurant, shake in hand, in an effort to understand what caused them to hire a milk shake. Most bought it to do a similar job: They faced a long, boring commute and needed something to make the drive more interesting. They weren't yet hungry but knew that they would be by 10 AM; they wanted to consume something now that would stave off hunger until noon. And they faced constraints: They were in a hurry, they were wearing work clothes, and they had (at most) one free hand.

The researcher inquired further: "Tell me about a time when you were in the same situation but you didn't buy a milk shake. What did you buy instead?" Sometimes, he learned, they bought a bagel. But bagels were too dry. Bagels with cream cheese or jam resulted in sticky fingers and gooey steering wheels. Sometimes these commuters bought a banana, but it didn't last long enough to solve the boring-commute problem. Doughnuts didn't carry people past the 10 AM hunger attack. The milk shake, it turned out, did the job better than any of these competitors. It took people 20 minutes to suck the viscous milk shake through the thin straw, addressing the boring-commute problem. They could consume it cleanly with one hand. By 10:00, they felt less hungry than when they tried the alternatives. It didn't matter much that it wasn't a healthy food, because becoming healthy wasn't essential to the job they were hiring the milk shake to do.

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

Customers were hiring milk shakes for two very different jobs. But when marketers had originally asked individual customers who hired a milk shake for either or both jobs

which of its attributes they should improve—and when these responses were averaged with those of other customers in the targeted demographic segment—it led to a one-size-fits-none product.

Once they understood the jobs the customers were trying to do, however, it became very clear which improvements to the milk shake would get those jobs done even better and which were irrelevant. How could they tackle the boring-commute job? Make the milk shake even thicker, so it would last longer. And swirl in tiny chunks of fruit, adding a dimension of unpredictability and anticipation to the monotonous morning routine. Just as important, the restaurant chain could deliver the product more effectively by moving the dispensing machine in front of the counter and selling customers a prepaid swipe card so they could dash in, "gas up," and go without getting stuck in the drive-through lane. Addressing the midday and evening job to be done would entail a very different product, of course.

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

Notice that knowing how to improve the product did not come from understanding the "typical" customer. It came from understanding the job. Need more evidence?

Pierre Omidyar did not design eBay for the "auction psychographic." He founded it to help people sell personal items. Google was designed for the job of finding information, not for a "search demographic." The unit of analysis in the work that led to Procter & Gamble's stunningly successful Swiffer was the job of cleaning floors, not a demographic or psychographic study of people who mop.

Why do so many marketers try to understand the consumer rather than the job? One reason may be purely historical: In some of the markets in which the tools of modern market

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research were formulated and tested, such as feminine hygiene or baby care, the job was so closely aligned with the customer demographic that if you understood the customer, you would also understand the job. This coincidence is rare, however. All too frequently, marketers' focus on the customer causes them to target phantom needs.

How a Job Focus Can Grow Product Categories

New growth markets are created when innovating companies design a product and position its brand on a job for which no optimal product yet exists. In fact, companies that historically have segmented and measured the size of their markets by product category generally find that when they instead segment by job, their market is much larger (and their current share of the job is much smaller) than they had thought. This is great news for smart companies hungry for growth.

Understanding and targeting jobs was the key to Sony founder Akio Morita's approach to disruptive innovation. Morita never did conventional market research. Instead, he and his associates spent much of their time watching what people were trying to get done in their lives, then asking themselves whether Sony's

electronics miniaturization technology could help them do these things better, easier, and cheaper. Morita would have badly misjudged the size of his market had he simply analyzed trends in the number of tape players being sold before he launched his Walkman. This should trigger an action item on every marketer's to-do list: Turn off the computer, get out of the office, and observe.

Consider how Church & Dwight used this strategy to grow its baking soda business. The company has produced Arm & Hammer baking soda since the 1860s; its iconic yellow box and Vulcan's hammer-hefting arm have become enduring visual cues for "the standard of purity." In the late 1960s, market research director Barry Goldblatt tells us, management began observational research to understand the diverse circumstances in which consumers found themselves with a job to do where Arm & Hammer could be hired to help. They found a few consumers adding the product to laundry detergent, a few others mixing it into toothpaste, some sprinkling it on the carpet, and still others placing open boxes in the refrigerator. There was a plethora of jobs out there needing to get done, but most customers did not know that they could hire Arm & Hammer baking soda for these cleaning and fresh-

Purpose Brands and Disruptive Innovations

We have written elsewhere about how to harness the potential of disruptive innovations to create growth. Because disruptive innovations are products or services whose performance is not as good as mainstream products, executives of leading companies often hesitate to introduce them for fear of destroying the value of their brands. This fear is generally unfounded, provided that companies attach a unique purpose brand to their disruptive innovations.

Purpose branding has been the key, for example, to Kodak's success with two disruptions. The first was its single-use camera, a classic disruptive technology. Because of its inexpensive plastic lenses, the new camera couldn't take the quality of photographs that a good 35-millimeter camera could produce on Kodak film. The proposition to launch a single-use camera encountered vigorous opposition within Kodak's film division. The

corporation finally gave responsibility for the opportunity to a completely different organizational unit, which launched single-use cameras with a purpose brand—the Kodak FunSaver. This was a product customers could hire when they needed to save memories of a fun time but had forgotten to bring a camera or didn't want to risk harming their expensive one. Creating a purpose brand for a disruptive job differentiated the product, clarified its intended use, delighted the customers, and thereby strengthened the endorsing power of the Kodak brand. Quality, after all, can only be measured relative to the job that needs to be done and the alternatives that can be hired to do it. (Sadly, a few years ago, Kodak pushed aside the FunSaver purpose brand in favor of the word "Max," which now appears on its single-use cameras, perhaps to focus on selling film rather than the job the film is for.)

Kodak scored another purpose-branding victory with its disruptive EasyShare digital camera. The company initially had struggled for differentiation and market share in the head-on megapixel and megazoom race against Japanese digital camera makers (all of whom aggressively advertised their corporate brands but had no purpose brands). Kodak then adopted a disruptive strategy that was focused on a job—sharing fun. It made an inexpensive digital camera that customers could slip into a cradle, click "attach" in their computer's e-mail program, and share photos effortlessly with friends and relatives. Sharing fun, not preserving the highest resolution images for posterity, is the job—and Kodak's EasyShare purpose brand guides customers to a product tailored to do that job. Kodak is now the market share leader in digital cameras in the United States.

ening jobs. The single product just wasn't giving customers the guidance they needed, given the many jobs it could be hired to do.

Today, a family of job-focused Arm & Hammer products has greatly grown the baking soda product category. These jobs include:

- Help my mouth feel fresh and clean (Arm & Hammer Complete Care toothpaste)
- Deodorize my refrigerator (Arm & Hammer Fridge-n-Freezer baking soda)
- Help my underarms stay clean and fresh (Arm & Hammer Ultra Max deodorant)
- Clean and freshen my carpets (Arm & Hammer Vacuum Free carpet deodorizer)
- Deodorize kitty litter (Arm & Hammer Super Scoop cat litter)
- Make my clothes smell fresh (Arm & Hammer Laundry Detergent).

The yellow-box baking soda business is now less than 10% of Arm & Hammer's consumer revenue. The company's share price has appreciated at nearly four times the average rate of its nearest rivals, P&G, Unilever, and Colgate-Palmolive. Although the overall Arm & Hammer brand is valuable in each instance, the key to this extraordinary growth is a set of job-focused products and a communication strategy that help people realize that when they find themselves needing to get one of these jobs done, here is a product that they can trust to do it well.

Building Brands That Customers Will Hire

Sometimes, the discovery that one needs to get a job done is conscious, rational, and explicit. At other times, the job is so much a part of a routine that customers aren't really consciously aware of it. Either way, if consumers are lucky, when they discover the job they need to do, a branded product will exist that is perfectly and unambiguously suited to do it. We call the brand of a product that is tightly associated with the job for which it is meant to be hired a *purpose brand*.

The history of Federal Express illustrates how successful purpose brands are built. A job had existed practically forever: the I-need-to-send-this-from-here-to-there-with-perfect-certainty-as-fast-as-possible job. Some U.S. customers hired the U.S. Postal Service's airmail to do this job; a few desperate souls paid couriers to sit on airplanes. Others even went so far as to plan ahead so they could ship via UPS trucks. But

each of these alternatives was kludgy, expensive, uncertain, or inconvenient. Because nobody had yet designed a service to do this job well, the brands of the unsatisfactory alternative services became tarnished when they were hired for this purpose. But after Federal Express designed its service to do that exact job, and did it wonderfully again and again, the FedEx brand began popping into people's minds whenever they needed to get that job done. FedEx became a purpose brand—in fact, it became a verb in the international language of business that is inextricably linked with that specific job. It is a very valuable brand as a result.

Most of today's great brands—Crest, Starbucks, Kleenex, eBay, and Kodak, to name a few—started out as just this kind of purpose brand. The product did the job, and customers talked about it. This is how brand equity is built.

Brand equity can be destroyed when marketers don't tie the brand to a purpose. When they seek to build a general brand that does not signal to customers when they should and should not buy the product, marketers run the risk that people might hire their product to do a job it was not designed to do. This causes customers to distrust the brand—as was the case for years with the post office.

A clear purpose brand is like a two-sided compass. One side guides customers to the right products. The other side guides the company's product designers, marketers, and advertisers as they develop and market improved and new versions of their products. A good purpose brand clarifies which features and functions are relevant to the job and which potential improvements will prove irrelevant. The price premium that the brand commands is the wage that customers are willing to pay the brand for providing this guidance on both sides of the compass.

The need to feel a certain way—to feel macho, sassy, pampered, or prestigious—is a job that arises in many of our lives on occasion. When we find ourselves needing to do one of these jobs, we can hire a branded product whose purpose is to provide such feelings. Gucci, Absolut, Montblanc, and Virgin, for example, are purpose brands. They link customers who have one of these jobs to do with experiences in purchase and use that do those jobs well. These might be called aspirational jobs.

In some aspirational situations, it is the brand itself, more than the functional dimensions of the product, that gets the job done.

The Role of Advertising

Much advertising is wasted in the mistaken belief that it alone can build brands. Advertising cannot build brands, but it can tell people about an existing branded product's ability to do a job well. That's what the managers at Unilever's Asian operations found out when they identified an important job that arose in the lives of many office workers at around 4:00 in the afternoon. Drained of physical and emotional energy, people still had to get a lot done before their workday ended. They needed something to boost their productivity, and they were hiring a range of caffeinated drinks, candy bars, stretch breaks, and conversation to do this job, with mixed results.

Unilever designed a microwavable soup whose properties were tailored to that job—quick to fix, nutritious but not too filling, it can be consumed at your desk but gives you a bit of a break when you go to heat it up. It was launched into the workplace under the descriptive brand Soupy Snax. The results were mediocre. On a hunch, the brand's managers then relaunched the product with advertisements showing lethargic workers perking up after using the product and renamed the brand Soupy Snax—4:00. The reaction of people who saw the advertisements was, "That's exactly what happens to me at 4:00!" They needed something to help them consciously discover both the job and the product they could hire to do it. The tagline and ads transformed a brand that had been a simple description of a product into a purpose brand that clarified the nature of the job and the product that was designed to do it, and the product has become very successful.

Note the role that advertising played in this process. Advertising clarified the nature of the job and helped more people realize that they had the job to do. It informed people that there was a product designed to do that job and gave the product a name people could remember. Advertising is not a substitute for designing products that do specific jobs and ensuring that improvements in their features and functions are relevant to that job. The fact is that most great brands were built before their owners started advertising. Think of Disney,

Harley-Davidson, eBay, and Google. Each brand developed a sterling reputation before much was spent on advertising.

Advertising that attempts to short-circuit this process and build, as if from scratch, a brand that people will trust is a fool's errand. Ford, Nissan, Macy's, and many other companies invest hundreds of millions to keep the corporate name or their products' names in the general consciousness of the buying public. Most of these companies' products aren't designed to do specific jobs and therefore aren't usually differentiated from the competition. These firms have few purpose brands in their portfolios and no apparent strategies to create them. Their managers are unintentionally transferring billions in profits to branding agencies in the vain hope that they can buy their way to glory. What is worse, many companies have decided that building new brands is so expensive they will no longer do so. Brand building by advertising is indeed prohibitively expensive. But that's because it's the wrong way to build a brand.

Marketing mavens are fond of saying that brands are hollow words into which meaning gets stuffed. Beware. Executives who think that brand advertising is an effective mechanism for stuffing meaning into some word they have chosen to be their brand generally succeed in stuffing it full of vagueness. The ad agencies and media companies win big in this game, but the companies whose brands are getting stuffed generally find themselves trapped in an expensive, endless arms race with competitors whose brands are comparably vague.

The exceptions to this brand-building rule are the purpose brands for aspirational jobs, where the brand must be built through images in advertising. The method for brand building that is appropriate for these jobs, however, has been wantonly and wastefully misapplied to the rest of the world of branding.

Extending—Or Destroying—Brand Equity

Once a strong purpose brand has been created, people within the company inevitably want to leverage it by applying it to other products. Executives should consider these proposals carefully. There are rules about the types of extensions that will reinforce the brand—and the types that will erode it.

If a company chooses to extend a brand onto other products that can be hired to do the same job, it can do so without concern that the extension will compromise what the brand does. For example, Sony's portable CD player, although a different product than its original Walkman-branded radio and cassette players, was positioned on the same job (the help-me-escape-the-chaos-in-my-world job). So the new product caused the Walkman brand to pop even more instinctively into customers' minds when they needed to get that job done. Had Sony not been asleep at the switch, a Walkman-branded MP3 player would have further enhanced this purpose brand. It might even have kept Apple's iPod purpose brand from preempting that job.

The fact that purpose brands are job specific means that when a purpose brand is extended onto products that target different jobs, it will lose its clear meaning as a purpose brand and develop a different character instead—an *endorser brand*. An endorser brand can impart a general sense of quality, and it thereby creates some value in a marketing equation. But general endorser brands lose their ability to guide people who have a particular job to do to products that were designed to do it. Without appropriate guidance, customers will begin using endorser-branded products to do jobs they weren't designed to do. The resulting bad experience will cause customers to distrust the brand. Hence, the value of an endorser brand will erode unless the company adds a second word to its brand architecture—a purpose brand alongside the endorser brand. Different jobs demand different purpose brands.

Marriott International's executives followed this principle when they sought to leverage the Marriott brand to address different jobs for which a hotel might be hired. Marriott had built its hotel brand around full-service facilities that were good to hire for large meetings. When it decided to extend its brand to other types of hotels, it adopted a two-word brand architecture that appended to the Marriott endorsement a purpose brand for each of the different jobs its new hotel chains were intended to do. Hence, individual business travelers who need to hire a clean, quiet place to get work done in the evening can hire Courtyard by Marriott—the hotel designed by business travelers for business travelers. Longer-term travelers can hire Residence Inn by Marriott, and so

on. Even though these hotels were not constructed and decorated to the same premium standard as full-service Marriott hotels, the new chains actually reinforce the endorser qualities of the Marriott brand because they do the jobs well that they are hired to do.

Milwaukee Electric Tool has built purpose brands with two—and only two—of the products in its line of power tools. The Milwaukee Sawzall is a reciprocating saw that tradesmen hire when they need to cut through a wall quickly and aren't sure what's under the surface. Plumbers hire Milwaukee's Hole Hawg, a right-angle drill, when they need to drill a hole in a tight space. Competitors like Black & Decker, Bosch, and Makita offer reciprocating saws and right-angle drills with comparable performance and price, but none of them has a purpose brand that pops into a tradesman's mind when he has one of these jobs to do. Milwaukee has owned more than 80% of these two job markets for decades.

Interestingly, Milwaukee offers under its endorser brand a full range of power tools, including circular saws, pistol-grip drills, sanders, and jigsaws. While the durability and relative price of these products are comparable to those of the Sawzall and Hole Hawg, Milwaukee has not built purpose brands for any of these other products. The market share of each is in the low single digits—a testament to the clarifying value of purpose brands versus the general connotation of quality that endorser brands confer. Indeed, a clear purpose brand is usually a more formidable competitive barrier than superior product performance—because competitors can copy performance much more easily than they can copy purpose brands.

The tribulations and successes of P&G's Crest brand is a story of products that ace the customer job, lose their focus, and then bounce back to become strong purpose brands again. Introduced in the mid-1950s, Crest was a classic disruptive technology. Its Fluoristan-reinforced toothpaste made cavity-preventing fluoride treatments cheap and easy to apply at home, replacing an expensive and inconvenient trip to the dentist. Although P&G could have positioned the new product under its existing toothpaste brand, Gleem, its managers chose instead to build a new purpose brand, Crest, which was uniquely positioned on a job. Mothers who wanted to prevent cavities in their children's teeth knew when they saw or

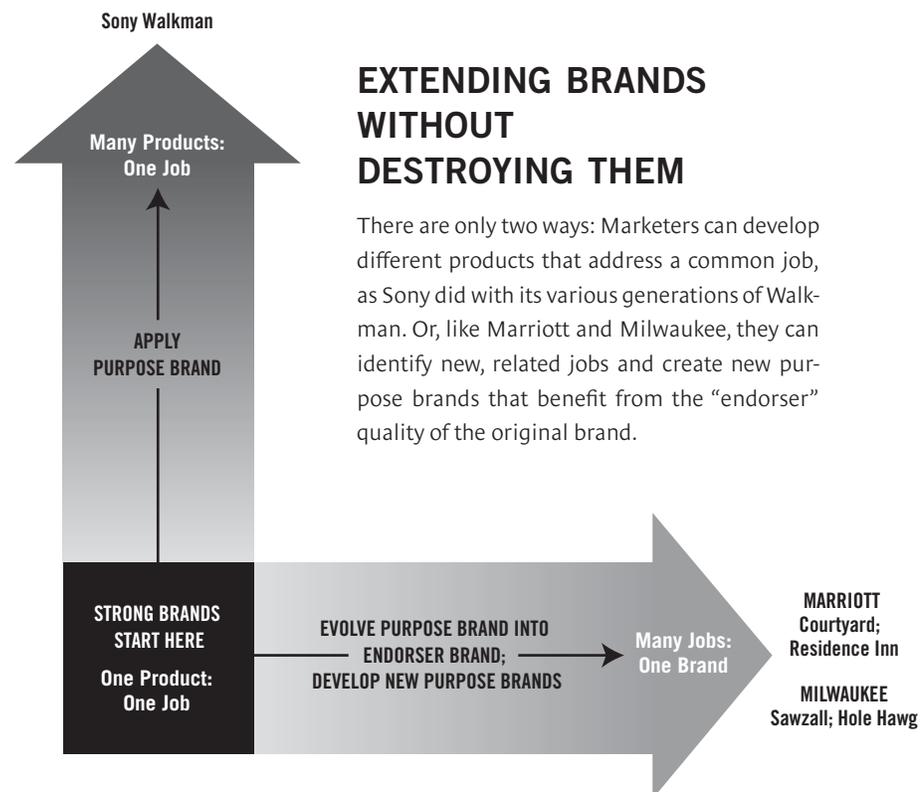
heard the word “Crest” that this product was designed to do that job. Because it did the job so well, mothers grew to trust the product and in fact became suspicious of the ability of products without the Crest brand to do that job. This unambiguous association made it a very valuable brand, and Crest passed all its U.S. rivals to become the clear market leader in toothpaste for a generation.

But one cannot sustain victory by standing still. Competitors eventually copied Crest’s cavity prevention abilities, turning cavity prevention into a commodity. Crest lost share as competitors innovated in other areas, including flavor, mouthfeel, and commonsense ingredients like baking soda. P&G began copying and advertising these attributes. But unlike Marriott, P&G did not append purpose brands to the general endorsement of Crest, and the brand began losing its distinctiveness.

At the end of the 1990s, new Crest executives brought two disruptions to market, each with its own clear purpose brand. They acquired a start-up named Dr. John’s and rebranded its flagship electric toothbrush as the Crest SpinBrush, which they sold for \$5—far below the price of competitors’ models of the

time. They also launched Crest Whitestrips, which allowed people to whiten their teeth at home for a mere \$25, far less than dentists charged. With these purpose-branded innovations, Crest generated substantial new growth and regained share leadership in the entire tooth care category.

The exhibit “Extending Brands Without Destroying Them” diagrams the two ways marketers can extend a purpose brand without eroding its value. The first option is to move up the vertical axis by developing different products that address a common job. This is what Sony did with its Walkman portable CD player. When Crest was still a clear purpose brand, P&G could have gone this route by, say, introducing a Crest-brand fluoride mouth rinse. The brand would have retained its clarity of purpose. But P&G did not, allowing Johnson & Johnson to insert yet another brand, ACT (its own fluoride mouth rinse), into the cavity-prevention job space. Because P&G pursued the second option, extending its brand along the horizontal axis to other jobs (whitening, breath freshening, and so on), the purpose brand morphed into an endorser brand.



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Why Strong Purpose Brands Are So Rare

Given the power that purpose brands have in creating opportunities for differentiation, premium pricing, and growth, isn't it odd that so few companies have a deliberate strategy for creating them?

Consider the automobile industry. There are a significant number of different jobs that people who purchase cars need to get done, but only a few companies have staked out any of these job markets with purpose brands. Range Rover (until recently, at least) was a clear and valuable purpose brand (the take-me-anywhere-with-total-dependability job). The Volvo brand is positioned on the safety job. Porsche, BMW, Mercedes, Bentley, and Rolls-Royce are associated with various aspirational jobs. The Toyota endorser brand has earned the connotation of reliability. But for so much of the rest? It's hard to know what they mean.

To illustrate: Clayton Christensen recently needed to deliver on a long-promised commitment to buy a car as a college graduation gift for his daughter Annie. There were functional and emotional dimensions to the job. The car needed to be stylish and fun to drive, to be sure. But even more important, as his beloved daughter was venturing off into the cold, cruel world, the big job Clay needed to get done was to know that she was safe and for his sweet Annie to be reminded frequently, as she owned, drove, and serviced the car, that her dad loves and cares for her. A hands-free telephone in the car would be a must, not an option. A version of GM's OnStar service, which called not just the police but Clay in the event of an accident, would be important. A system that reminded the occasionally absentminded Annie when she needed to have the car serviced would take a load off her dad's mind. If that service were delivered as a prepaid gift from her father, it would take another load off Clay's mind because he, too, is occasionally absentminded. Should Clay have hired a Taurus, Escape, Cavalier, Neon, Prizm, Corolla, Camry, Avalon, Sentra, Civic, Accord, Senator, Sonata, or something else? The billions of dollars that automakers spent advertising these brands, seeking somehow to create subtle differentia-

tions in image, helped Clay not at all. Finding the best package to hire was very time-consuming and inconvenient, and the resulting product did the job about as unsatisfactorily as the milk shake had done, a few years earlier.

Focusing a product and its brand on a job creates differentiation. The rub, however, is that when a company communicates the job a branded product was designed to do perfectly, it is also communicating what jobs the product should not be hired to do. Focus is scary—at least the carmakers seem to think so. They deliberately create words as brands that have no meaning in any language, with no tie to any job, in the myopic hope that each individual model will be hired by every customer for every job. The results of this strategy speak for themselves. In the face of compelling evidence that purpose-branded products that do specific jobs well command premium pricing and compete in markets that are much larger than those defined by product categories, the automakers' products are substantially undifferentiated, the average subbrand commands less than a 1% market share, and most automakers are losing money. Somebody gave these folks the wrong recipe for prosperity.

•••

Executives everywhere are charged with generating profitable growth. Rightly, they believe that brands are the vehicles for meeting their growth and profit targets. But success in brand building remains rare. Why? Not for lack of effort or resources. Nor for lack of opportunity in the marketplace. The root problem is that the theories in practice for market segmentation and brand building are riddled with flawed assumptions. Lafley is right. The model is broken. We've tried to illustrate a way out of the death spiral of serial product failure, missed opportunity, and squandered wealth. Marketers who choose to break with the broken past will be rewarded not only with successful brands but with profitably growing businesses as well.

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ARTICLES

[Customer-Centered Brand Management](#)

by Katherine N. Lemon, Roland T. Rust, and Valarie A. Zeithaml

Harvard Business Review

September 2004

Product no. R0409H

Ignoring individual customers' needs can kill a brand. Too many companies, the authors argue, focus overwhelmingly on growing brand equity at the expense of growing customer equity—as GM did when it tried (and failed) to reposition its Oldsmobile brand to appeal to younger buyers. The authors describe seven tactics for avoiding such mistakes. For example, replace traditional brand managers with a new position: customer segment manager. Target brands to as narrow an audience possible. And develop the capability and mind-set to hand off customers from one brand to another within your company.

[The Perfect Message at the Perfect Moment](#)

by Kirthi Kalyanam and Monte Zweben

Harvard Business Review

November 2005

Product no. R0511G

Providing customers with offerings they “hire” to do specific jobs isn’t enough to ensure strong brands. You must also attend to customers’ needs as they change—using database technology to send the right message, at the right time, and through the right channel. For example, when a steady, high-volume airline customer hadn’t booked a flight in several months, a sales representative called and heard complaints of poor service. He logged the details into the database, triggering creation of a written apology from an executive, accompanied by an offer of automatic upgrades. When the account remained inactive, the airline sent the customer an incentive-reminder e-mail the next month. The customer finally bought a ticket and received a thank-you e-mail tailored to “saved” customers.

[Disruptive Technologies: Catching the Wave](#)

by Joseph L. Bower and

Clayton M. Christensen

Harvard Business Review

May 2000

Product no. 95103

Continually enhancing your products to serve existing customers doesn’t work: you risk providing more functionality than most customers need, at higher prices. When a cheaper or easier way to do a “job” comes to market, customers defect to competitors. To avoid this scenario, don’t focus so narrowly on your main customers that you overlook opportunities to create “disruptive” products or services. Such offerings sacrifice some performance but provide new attributes that current customers don’t yet know they need. For example, Sony’s early transistor radios sacrificed sound fidelity but created a new market for small, portable radios. Nurture disruptive innovations on a modest scale, using rapid, inexpensive prototyping to generate product-development insights. And house these innovations in an independent entity, so they won’t compete with established products for company resources.

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