MUCH BETTER INNOVATION OUTCOMES ARE A MATTER OF CHOICE

HOW SUPERCONSUMERS AND JOB THEORY CAN UNLOCK THOSE OUTCOMES
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Customers don’t buy products or services; they “hire” them to do a job.

As Clay Christensen, Taddy Hall, Karen Dillon and David Duncan have uncovered, in their recently released book, Competing Against Luck, the missing link in most innovation processes and approaches is consumer jobs.

Focusing on understanding consumer jobs, or Job Theory, is a strategy employed by the world’s fastest-growing and most well-respected companies. It’s a principle, that when applied aptly, completes changes innovation success ratios.

A JOB IS THE PROGRESS THAT A PERSON IS TRYING TO MAKE IN A PARTICULAR CIRCUMSTANCE.

A job helps a person achieve a goal or aspiration. It is a process by which they make progress.

A job has context. It occurs in the daily flow of life. A successful solution can only be created relative to a specific context or circumstance.

A job is never just about function, they have important social and emotional dimensions to them, which can be even more powerful than functional ones.

A job is ongoing and recurring. They are rarely ‘events’.
Look for jobs by reflecting on your own personal experiences and challenges, find people who aren’t using your product, or look at what people don’t want to do. Your consumers can provide their own inspiration as they try to create their own workarounds to their issues or use your product or solution in unusual, unintended ways.

1. What progress is the person trying to achieve?
2. What are the circumstances of the struggle?
3. What obstacles are getting in the way of the person making that progress?
4. Are consumers making do with imperfect solutions through some kind of compensating behavior?
5. How would they define what “quality” means for a better solution, and what tradeoffs are they willing to make?

**STEP 2: SOLVE THE JOB**

- Outline what your consumers want to accomplish from a functional, emotional and social point of view.
- List the tradeoffs consumers are willing to make.
- The job may be getting done today, but you need to be the preferred solution. List the competing solutions and other obstacles and anxieties.

**STEP 3: GET HIRED**

Tell the consumer why they should hire you.

- Why should they change? Share the ‘push’ of the unsatisfied job and the ‘pull’ of the new solution.
- Address the forces prohibiting change such as any anxieties about a new solution.
**STEP 4: ORGANIZE AROUND THE JOB & REAP THE BENEFITS**

An organization explicitly focused on a clearly defined consumer job enjoys four key benefits:

1. **DISTRIBUTED DECISION-MAKING:** Employees throughout the organization are empowered to make good decisions that align with the job, and to be autonomous and innovative.

2. **RESOURCE OPTIMIZATION:** The consumer jobs focus shines a light on which resources are aligned against what matters most and which are not, and enables them to be rebalanced accordingly.

3. **INSPIRATION:** Solving a customer’s job is inherently inspiring to individuals in an organization, as it enables them to see how their work enables real people to make progress in their lives.

4. **BETTER MEASUREMENT:** With a focus on the job, people will naturally seek to measure and manage to more customer-centric metrics.

**AVOID THESE COMMON PITFALLS**

1. **The Fallacy of Active Data:** Growing companies start to generate operations-related data (active data), which can seduce managers with its apparent objectivity and rigor but which is far removed from the true picture of the consumer job.

2. **The Fallacy of Surface Growth:** As companies make big investments in customer relationships, they focus their energies on driving growth through selling additional products to those customers or solving a broader set of their jobs, what we call surface growth as opposed to staying focused on improving their solution for the core job.

3. **The Fallacy of Nonconforming Data:** Managers focus on generating data that conforms to their preexisting notions. Such a focus will inherently blind managers from new and emerging opportunities that are currently outside of their vision.

**MUCH BETTER INNOVATION OUTCOMES ARE A MATTER OF CHOICE!**
SUPERCONSUMERS:
A SIMPLE, SPEEDY, AND SUSTAINABLE PATH TO SUPERIOR GROWTH

COMING DECEMBER 2016

AN EXECUTIVE SUMMARY

They are passionate, highly engaged—and maybe even a little obsessive about a category or brand and pursue their passions with fervor. They’re the sneaker-heads who own dozens of pairs of sneakers and the bacon-loving consumers who call themselves “pork dorks.” They are emotional buyers who base their purchase decisions on their life aspirations. They aren’t average consumers—they’re superconsumers.

Superconsumers exist in every category. Superconsumers represent just 10% of total consumers in a given category, but drive between 30% to 70% of sales and are a treasure trove of insights to grow the category by leading non and light consumers via breakthrough innovation, marketing and retail strategies and business models. They can help you play the game better and faster, bend the rules or re-invent the game entirely.

GET THE MOST OUT OF YOUR SUPERCONSUMERS

INNOVATION
Superconsumers are a gold mine of information and they might even know your product or solution better than you. In fact the reason why they spend more is because they have identified multiple jobs for the same brand or category. They can offer invaluable advice on these unarticulated jobs and how it can improve your products or services, change your business models, energize their cultures, and attract new customers.

GROWTH
Most companies have a growth strategy that is just stealing share, or pie splitting driving industry profit down. Superconsumers helps you move away from pie-splitting or stealing share from competitors to pie-growing, allowing companies to grow their categories or verticals overall. Research at The Cambridge Group has shown that 1% of brands capture 80% of category growth. Superconsumers can also help companies create new categories. The Cambridge Group’s research has showed that of the top 100 fastest growing companies, 13% were category creators, and they capture over 50% of incremental revenue growth and over 70% of market cap growth.

GAIN A MULTICULTURAL EDGE
U.S. multicultural buying power is growing at an exponential rate versus total U.S. consumers, increasing from $661 billion in 1990 to $3.4 trillion in 2014. But don’t be misled by the statistics that the US will be majority minority by 2040. 21 of the top 25 cities are already majority minority and account for nearly 50% of US GDP.
The key to activating here is multi-cultural superconsumers, who are defined by their demand for multicultural products and services not just the common assumption of demographics. They are the 5MM white consumers who are Salsa superconsumers and buy a $1B of Hispanic foods. They are the 85% of non-Asians who are Korean soap opera and drama superconsumers. As a result, most companies vastly underestimate multi-cultural demand.

**EARLY WARNING SYSTEM**

When we hear of disruption, we imagine an unexpected, unseen force that overwhelms us. But the reality is that companies are rarely blindsided by disruptive category trends, rather they miscalculate the speed with which trends become mainstream. Superconsumers can change all this as the canary in the coal mine. They are the leading consumers who exhibit behaviors and identify leading markets that are both five to ten years ahead of the mainstream market. Superconsumers can create an warning system that help companies anticipate and articulate shifts to make focused bets and capture upside.

**UNLOCK CATEGORY GROWTH THROUGH THE COMBINATION OF JOBS THEORY AND SUPERCONSUMERS**

Competing Against Luck, co-authored by Cambridge Group Principal Taddy Hall fully explores the idea of Jobs Theory. The basic premise? Consumers don’t buy products, they hire them for a job. Integrate that concept with that of Superconsumers and the implications to category growth are astounding.

A new way to think about category growth.

1. When Superconsumers ‘hire’ products for their ‘jobs’, they spend more than the average consumer does, across all types of jobs.
2. Most categories naturally load towards entry or mass-marketed products or executive jobs, which are represented by aspirational brands.
3. Category growth is found by using Superconsumers to innovate across latent entry, middle and executive jobs in order to entice new consumers to the category.

**A CAUTIONARY TALE**

Do not confuse consumption with passion. Significant consumption can (and does) exist separate from category passion. Category passion does exist separate from category consumption. The goldmine is the intersection of passion and consumption.

**CONTACT THE CAMBRIDGE GROUP TO LEARN MORE. TADDY (TADDY.HALL@NIELSEN.COM) AND EDDIE (EYOON@THECAMBRIDGEGROUP.COM) WELCOME THE OPPORTUNITY TO ASSIST YOUR ORGANIZATION WITH ACTIVATING AGAINST SUPERCONSUMERS AND CONSUMER JOBS TODAY.**
ABOUT THE CAMBRIDGE GROUP

The Cambridge Group is the premier Demand Strategy consulting firm, located in Chicago. We help clients develop and execute growth strategies that are driven by a superior understanding of profitable demand. Our unique Demand Strategy approach helps clients stake out innovative, successful positions in the marketplace by identifying unsatisfied customer demand and aligning differentiated supply to fulfill it. For more than 40 years we have worked with Fortune 500 companies across multiple industries to develop actionable Demand strategies to accelerate profitable growth, restore pricing power and enhance competitive insulation. In 2009, The Cambridge Group became a wholly owned subsidiary of Nielsen. Together, no other company provides a more complete understanding of consumers.

ABOUT NIELSEN

Nielsen Holdings plc (NYSE: NLSN) is a global performance management company that provides a comprehensive understanding of what consumers watch and buy. Nielsen’s Watch segment provides media and advertising clients with Total Audience measurement services for all devices on which content — video, audio and text — is consumed. The Buy segment offers consumer packaged goods manufacturers and retailers the industry’s only global view of retail performance measurement. By integrating information from its Watch and Buy segments and other data sources, Nielsen also provides its clients with analytics that help improve performance. Nielsen, an S&P 500 company, has operations in over 100 countries, covering more than 90% of the world’s population.

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