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How Automotive Companies Can Master Customer-Driven Innovation

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The first vehicles to have adjustable seats began rolling off production lines in the late 1920s. Over the last 100 years, original equipment manufacturers (OEMs) have continued to make seats more adjustable and interiors more customizable. Now, the most recent iteration of the Bentley Bentayga, for example, comes with an astonishing 22-way power-adjusted seat, which raises the question, “how many adjustments do consumers need?” The answer is probably fewer than 22.

This decoupling between product enhancements offered by OEMs and their ability to create compelling customer value is quite common. Companies focus on areas of innovation that initially create value and then continue to improve performance until a vanishingly small number of demanding users can consume it. One of the reasons for this is that in the absence of more meaningful innovation opportunities that solve real problems, companies engage in a never-ending bid of incremental innovations to differentiate against competitors.

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One approach that can help lead to more meaningful innovations – those that help address a real pain-point – is “jobs to be done.” The core tenet is that people buy a vehicle, or any product, that helps them make progress in their life. Consumers are not purchasing for the sake of newness, but because the vehicle solves

a set of functional, social, or emotional jobs that are important and unsatisfied by current solutions. The classic analogy is that people don’t buy a drill to own a drill; they buy it to make a hole.

This approach can help automotive organizations in many ways, including wrestling with the more existential shift away from ownership to alternative mobility models. But related to vehicle innovation, jobs can help in two specific ways. First, the jobs-to-be-done approach can help companies innovate more meaningfully in existing categories, thereby increasing the value they get from existing investments in product enhancements.

The second area where jobs can help relates to the vast amount of new technology entering the industry, including connectivity, electrification, and driver assistance technologies. There is a risk – and some evidence – that companies may push new technology into vehicles without first establishing what customer jobs they solve. This often drives up cost and complexity without creating meaningful value to consumers. OEMs struggle to capture the returns in terms of metrics like customer loyalty or residual value while also leaving the door open to competitors to deploy new technology in more effective ways.

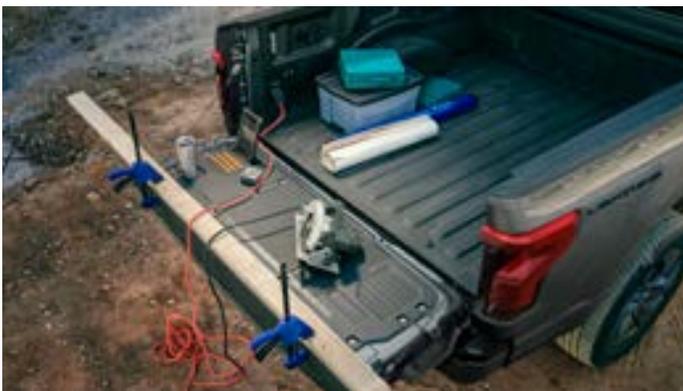
One example of a company using jobs to be done in both these categories to create meaningful value for their customers is Ford with their F-150.

Ford F-150 as a Master Class in Jobs to be Done

For more than 40 years, the Ford F-150 has been the best-selling vehicle in America. Part of that success is driven by a consistent string of innovations that have targeted customer jobs. For example in the early days, the F-150 focused some innovations on addressing the jobs to be done of suburban customers, with improvements like the “million dollar” and “five-star extra” cabs that increased driving comfort, helped reduce fatigue, and increased appeal to other family members. More recently, Ford has focused on innovations such as shifting to aluminum for greater fuel economy and improved towing capacity.

The latest generation F-150 is no different. Here are two specific ways Ford has applied jobs-based innovation in the latest generation:

- 1. Rethinking Innovation in Existing Categories:** Anyone who has driven by a construction site has no doubt seen workers napping in their car. They start early and work hard, and breaks create precious opportunities to recharge. Behind this behavior is a critical job, “stay energized and productive throughout the day.” Ford responded to this job through their introduction of Max Recline Seats, designed to lay almost completely flat to enable quick naps while at the worksite or waiting to pick up kids at a practice. This innovation, while not revolutionary or particularly headline grabbing, has the opportunity to create real value for consumers. As opposed to simply adding the next level of general adjustability, they focused on creating “adjustability” that mattered to consumers.



It's also not the only area they are focused on as it relates to productivity. Through in-depth ethnographic research about people's lives, Ford identified several other meaningful innovation opportunities. For example, when it comes to interior work surfaces, Ford realized customers needed an easy-to-access flat surface to use a computer or review documents better equipped than

their knees. Outside the truck, Ford saw that customers wanted additional dedicated work surfaces that they did not need to set up every time they got to a new worksite and so added additional features and functionality to the tailgate.

None of these are new categories of innovation. The industry has consistently tweaked seats, tailgates, and interior layouts. But by tying their innovation efforts to specific and important jobs, the F-150 creates real value for consumers. The overall result is that not just a truck, but a vehicle built to enable its owner to be productive and get work done.

2. Applying New Technology to Solve Real Problems: The industry is awash in new technology. These technologies have the potential to create value for consumers, but they also have the risk of being pushed on consumers in ways that aren't particularly helpful. For example, ADAS systems have been in vehicles since the early 2000s. Still, even now, a J.D. Power study suggests a significant portion of consumers do not understand them and go to the extent of turning them off.

By contrast, consider Ford's new hybrid and fully electric F-150s. These new powertrain platforms certainly improve performance along traditional dimensions like fuel economy and torque. However, Ford went beyond that to search for additional important and unsatisfied jobs that this technology could address. By using a jobs lens and keeping in mind the need for an F-150 owner to be productive, especially in remote settings like a job site or in a rural area, Ford saw that access to power was a pain point. And in response, they created Pro Power Onboard outlets that tap into the energy from the vehicle's battery to power tools and other devices. They also saw novel use cases around providing backup power to an owner's home during a storm outage.



Ford's F-150 demonstrates how how jobs to be done can be a powerful lens to understand customers and find opportunities for innovations that connect with them. The approach requires companies to ask a different question of their innovation efforts, moving from "How do we keep up with the competition?" to "What problems are our customers wrestling with in their lives and how we can create innovations that help them make progress?"

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