

What Airbnb Understands About Customers' "Jobs to Be Done"

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On a recent business trip to London, I surprised the conference organizers by turning down the opportunity to stay at the posh hotel hosting the conference in favor of a rather modest **Airbnb** flat. The hotel was clearly much more luxurious. The flat would require me to take the tube or an **Uber** to the event. Who in their right mind would make such a choice?

It turns out, a lot of people. **Airbnb** is currently raising money at a *\$30 billion valuation*, according to [The New York Times](#). That makes **Airbnb** more valuable than most of the leading hotel chains in the world. People are quick to point to disruption as the reason for the rapid rise of "upstarts" such as **Airbnb**. But that doesn't really explain its success. [Disruption theory](#) explains and predicts the behavior of companies in danger of being disrupted, but it doesn't tell a start-up company exactly what product or service to create to successfully disrupt a giant.

To get *that* right, companies have to understand what **Harvard Business School Professor Clayton Christensen** calls [the theory of Jobs to Be Done](#). Too many companies focus on making their products better and better without ever understanding *why* customers make the choices they do. Customers don't simply buy products or services. They "hire" them to do a job. That job is not just about function (having a nice bed to sleep in) but about creating the right set of experiences for customers. Those experiences have **social** and emotional components that may be even more powerful than the functional ones.

In my case, I wanted to stay in an **Airbnb** because I used to live in London and I didn't want to feel like a tourist in my former hometown. I wanted to be part of the old neighborhood, visit the same pastry and sushi joints, meet friends for coffee, and pretend, for a few days, I still was a Londoner. That experience mattered profoundly to me – more than a swimming pool or chocolates on my pillow. **Airbnb** wasn't really competing with the hotel for my business. It was competing with staying with friends. And the modest **Airbnb** flat was still better than my friends' spare room.

Being cheaper and "good enough" doesn't guarantee that people will choose your product or service over all others. You have to know what job customers are hiring you to do before you can hope to create the perfect solution for them – one that they'll choose over all other options.

Airbnb's founders clearly understood this. Before launching, the company meticulously identified and then storyboarded 45 different emotional moments for Airbnb hosts (people willing to rent out their spare room or entire home) and guests. Together, those story boards almost make up a mini documentary of the jobs people are hiring **Airbnb** to do. "When you storyboard something, the more realistic it is, the more decisions you have to make," **CEO Brian Chesky** told [Fast Company](#). "Are these hosts men or women? Are they young, are they old? Where do they live? The city or the countryside? Why are they hosting? Are they nervous? It's not that they [the guests] show up to the house. They show up to the house, how many bags do they have? How are they feeling? Are they tired? At that point you start designing for stuff for a very particular use case."

The *experience* of staying in an **Airbnb** is central to its customer strategy, explains **Airbnb's Head of Global Hospitality and Strategy, Chip Conley**. One of the critical storyboard moments, for example, is when customers first turn up at the home in which they'll stay. How are they greeted? If they're expecting a place that has been described as relaxing, is that evident? Maybe there should be soft music playing or a scented candle. Has the host made them feel at ease with their decision? Has the host made clear how they will solve any issues or problems that arise during the stay? And so on. The experience must match the customers' vision of what they hired **Airbnb** to do. The **Airbnb** storyboards — which have been constantly tweaked and improved since its founding — reflect the importance of the experience customers are seeking when they hire **Airbnb**.

The same is true for **Uber**, whose founders recognized the unsatisfactorily filled job of urban transportation. In recent years, few companies have captured the media's attention like **Uber**. In my opinion, **Uber** has been successful because it's perfectly nailed a Job to Be Done. Yes, **Uber** can often offer a nice car to take you from point A to point B, but that's not where it's built its competitive advantage. The experiences that come with hiring **Uber** solve customers' problems — from allowing you to travel without any cash on hand to knowing exactly when your specific driver will turn up — are better than the existing alternatives. *That's* the secret to its success.

So before you look for a disruptive strategy to create and launch a new product, make sure you understand what job prospective customers are looking to do — and who you are competing with. That is the foundation of successful innovation. If you nail that, the rest will fall in line.

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