# VERNON
## RESEARCH GROUP

# Kano Analysis

# Kano Analysis

**What drives customer satisfaction?**

- When determining what drives overall satisfaction, it is important to consider both the **combination** and **interaction** of product/program attributes in addition to examining each attribute separately.

- Using regression analysis to establish the connection between individual attributes and customers' overall satisfaction, we are able to plot derived importance and current satisfaction for each attribute.

- This allows us to focus on the attributes that are strongly impacting overall and current satisfaction so that we may *highlight areas where improvements will garner the largest satisfaction gains*.
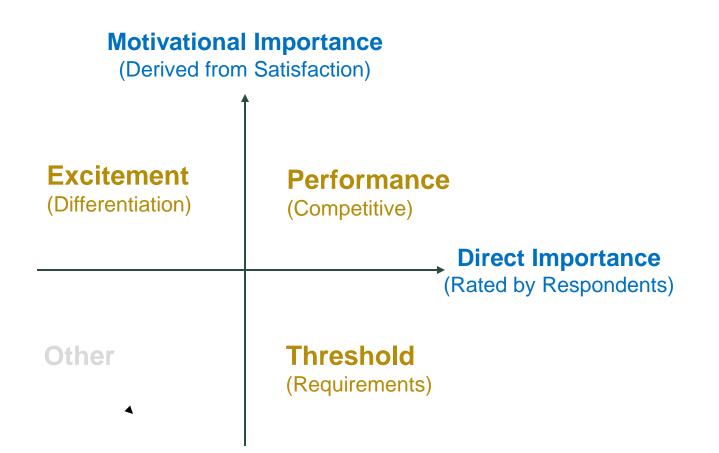
# Kano Analysis

**Excellent for:**

- Determining drivers of customer perceptions
- Identifying customer needs
- Understanding resource priorities for maintaining and attracting customers
- Gauging functional requirements
- Developing product, service and communications concepts
- Analyzing competitive products

# Perception and Importance Ratings
## *The Kano Model of Satisfaction*

- Attributes fall into three main categories:

    **Threshold**, **Performance** and **Excitement**

- For each attribute, *direct importance* is rated.

- For each attribute, *motivational importance* is derived from overall satisfaction and the satisfaction level for that attribute.

- Direct and motivational importance are plotted on a bivariate graph.

- The quadrant an attribute falls into on this plot classifies it as either *Threshold*, *Performance* or *Excitement* attribute.
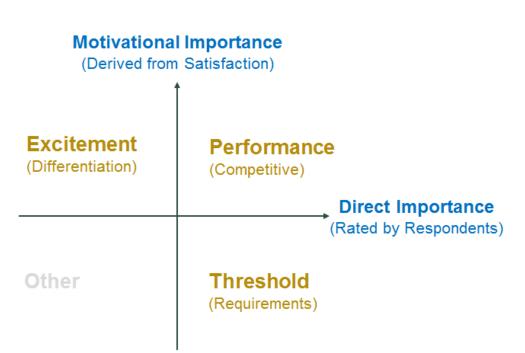
# The Kano Model



**Motivational Importance**
(Derived from Satisfaction)

**Excitement**
(Differentiation)

**Performance**
(Competitive)

**Direct Importance**
(Rated by Respondents)

**Other**

**Threshold**
(Requirements)

# Threshold Attributes

- Threshold attributes are **"must-have"** attributes.

  - Inadequacy on these attributes can drastically reduce overall satisfaction.
  - Proficiency is required to even begin to be in the consideration set of buyers.
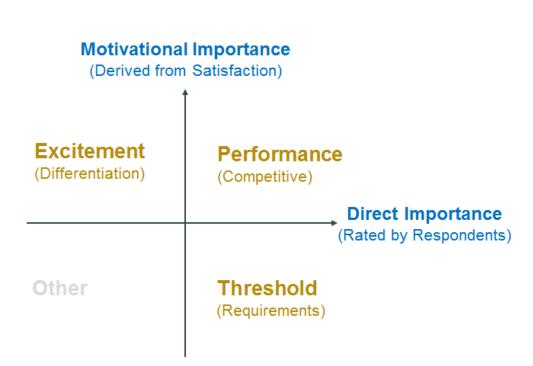  - Mastery does little to increase satisfaction.

An example would be brakes on a car. As long as the brakes work well, a buyer can only be satisfied. However, poor performance of the brakes will cause a perspective car buyer to pass on purchasing a vehicle without any consideration.

**Motivational Importance**
(Derived from Satisfaction)

**Excitement**
(Differentiation)

**Performance**
(Competitive)

**Direct Importance**
(Rated by Respondents)

Other

**Threshold**
(Requirements)

# Performance Attributes

- Performance attributes are strongly correlated with overall satisfaction. These are a product/program's **"signature attributes."**

  o Inadequacy can drastically reduce overall satisfaction.
  o Proficiency is required to even begin to be in the consideration set of buyers.
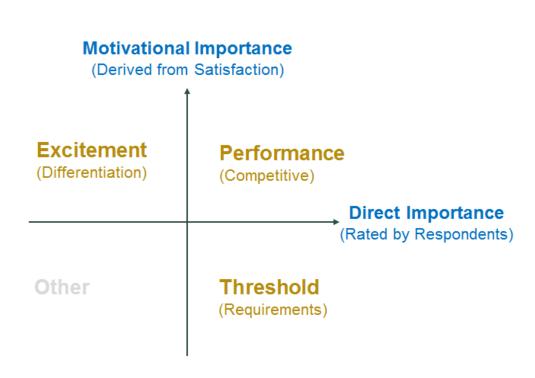  o Mastery tends to greatly increase overall satisfaction.

An example of a performance attribute would be gas mileage on a car. The higher the gas mileage, the more satisfied the customer and the better he/she feels about owning the vehicle. In other words, with performance attributes, *more is better*.

**Motivational Importance**
(Derived from Satisfaction)

**Excitement**
(Differentiation)

**Performance**
(Competitive)

**Direct Importance**
(Rated by Respondents)

Other

**Threshold**
(Requirements)

# Excitement Attributes

- Excitement attributes are **"unexpected delights"** to consumers.

  - Inadequacy does little to decrease overall satisfaction.
  - Proficiency is expected.
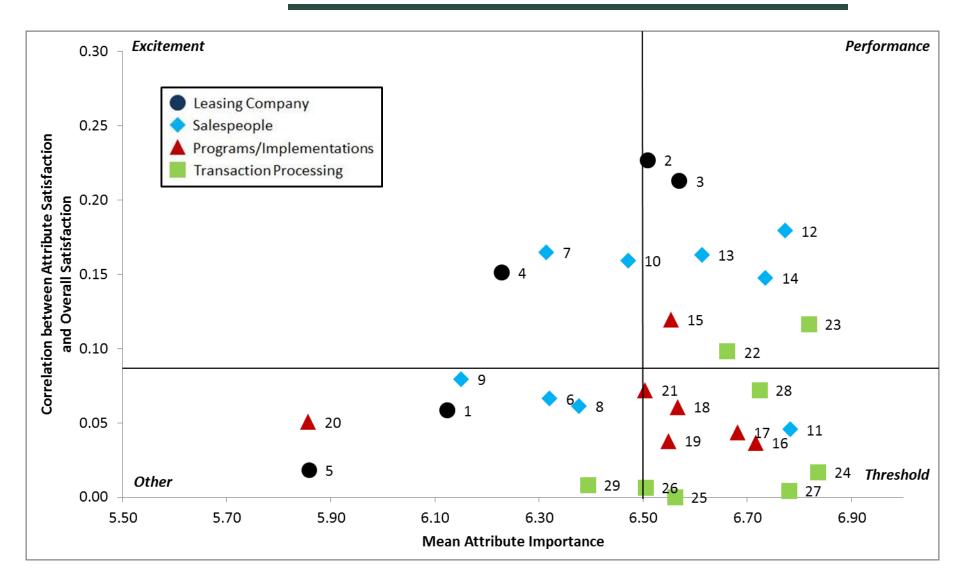  - Mastery tends to greatly increase overall satisfaction.

An example of an excitement attribute would be a heated driver's seat. It's not an expectation of most drivers, but it's also a nice bonus to the experience when it's present. *Often, over time, an excitement attribute will become a threshold attribute if the industry adopts it.*
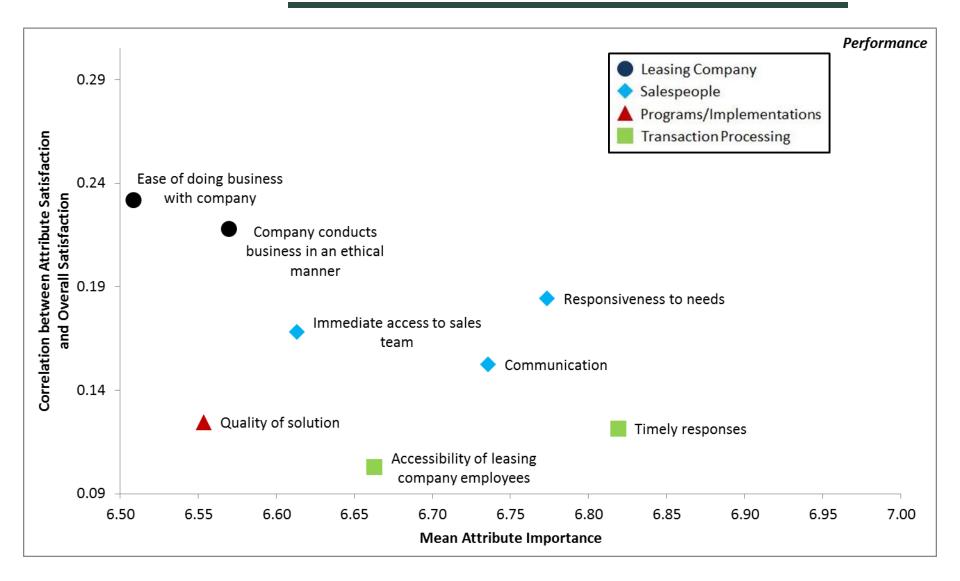
**Motivational Importance**
(Derived from Satisfaction)

**Excitement**
(Differentiation)

**Performance**
(Competitive)

**Direct Importance**
(Rated by Respondents)

Other

**Threshold**
(Requirements)

# Example Kano Table

| Attribute | Importance | Satisfaction | Ideal Satisfaction | Gap | Statistically Significant? | Attribute Type |
|---|---|---|---|---|---|---|
| Meeting your business requirements | 6.57 | 6.52 | 6.78 | 0.26 | NO | Threshold |
| Issue resolution | 6.72 | 6.60 | 6.86 | 0.26 | NO | Threshold |
| Credit process | 6.56 | 6.52 | 6.78 | 0.26 | NO | Threshold |
| Funding | 6.78 | 6.64 | 6.89 | 0.25 | NO | Threshold |
| Easy to understand | 6.55 | 6.54 | 6.77 | 0.23 | NO | Threshold |
| Accuracy (salespeople) | 6.78 | 6.67 | 6.89 | 0.22 | NO | Threshold |
| Accuracy (programs/implementations) | 6.72 | 6.65 | 6.86 | 0.21 | NO | Threshold |
| Follow-up | 6.50 | 6.55 | 6.75 | 0.20 | NO | Threshold |
| Accuracy (transaction processing) | 6.84 | 6.72 | 6.92 | 0.20 | NO | Threshold |
| Timely delivery | 6.68 | 6.65 | 6.84 | 0.19 | NO | Threshold |
| Documentation | 6.50 | 6.66 | 6.75 | 0.09 | NO | Threshold |
| Timely responses | 6.82 | 6.71 | 6.91 | 0.20 | NO | Performance |
| Communication | 6.74 | 6.68 | 6.87 | 0.19 | NO | Performance |
| Quality of solution | 6.55 | 6.59 | 6.78 | 0.19 | NO | Performance |
| Accessibility of leasing company employees | 6.66 | 6.65 | 6.83 | 0.18 | NO | Performance |
| Responsiveness to needs | 6.77 | 6.71 | 6.89 | 0.18 | NO | Performance |
| Immediate access to sales team | 6.61 | 6.66 | 6.81 | 0.15 | NO | Performance |
| Ease of doing business with company | 6.51 | 6.72 | 6.75 | 0.03 | NO | Performance |
| Company conducts business in an ethical manner | 6.57 | 6.81 | 6.79 | -0.02 | NO | Performance |
| Knowledge of your industry | 6.31 | 6.44 | 6.66 | 0.22 | NO | Excitement |
| Company is effective in helping us keep customers | 6.23 | 6.42 | 6.61 | 0.19 | NO | Excitement |
| Rapport/relationship | 6.47 | 6.65 | 6.74 | 0.09 | NO | Excitement |
| End-of-term performance | 6.39 | 6.18 | 6.70 | 0.52 | NO | Other |
| Sales & operations training | 5.86 | 6.18 | 6.43 | 0.25 | YES | Other |
| Knowledge of your company | 6.32 | 6.42 | 6.66 | 0.24 | NO | Other |
| Identifying solutions | 6.15 | 6.34 | 6.58 | 0.24 | NO | Other |
| Helping your business succeed | 6.38 | 6.46 | 6.69 | 0.23 | NO | Other |
| Value (quality of solutions relative to cost) | 6.12 | 6.36 | 6.56 | 0.20 | NO | Other |
| Company offers innovative products and services | 5.86 | 6.30 | 6.43 | 0.13 | YES | Other |

# Example Kano Plot

# Example Kano Quadrant

# The Kano Advantage

**How Kano will help you succeed:**

- **Improvement:** Identifying where the biggest gains can be made in your own customer's satisfaction.

- **Opportunity:** Identifying where your prospective customers are least satisfied with competitors.

- **Strategy:** Identifying true primary and secondary priorities when customers rate nearly all of a product or program's attributes as "highly important."