



KANO MODEL

TQM project



Definition

The Kano method helps to structure customer needs and determine its impact on satisfaction a factor to success



Origins of the KANO MODEL

Noriaki Kano:

- Professor at Tokyo Rika University
- International consultant
- Received individual Gemming prize 1997





INTRODUCTION

The kano model is based on an analysis of customer demands by Noriaki Kano 1940

He presented the following theory

In order to assess customer satisfaction the customer's needs of a product or service should be divided into the following groups

- Dissatisfies
- Satisfiers
- Exciters



KANO MODEL is a theory of:

- Product development
- Customer satisfaction

When to use the KANO MODEL:

- New product development
- Project selection: - Lean six sigma - Design for six sigma
- New service development
- Determining the market strategies

The KANO MODEL addresses the 3 types of requirements:

- Satisfying basic needs: allows a company to get into the market.
- Satisfying performance needs: allows a company to remain in the market.
- Satisfying excitement needs: allows a company to excel to world class.



MAKE BUSINESS

Dissatisfies or Basic needs

Expected features or characteristics of a product or service (legible forms, correctly spelled name, basic functionality)

These needs are typically “unspoken”. If these needs are not fulfilled, the customer will be extremely dissatisfied

An example of an "unspoken" need when staying at a hotel is cleanliness. this includes a clean bathroom, clean linens and a pleasant, fresh aroma in the air.

When a person books a reservation at a hotel, they do not request a clean room. They expect it . If this basic need is not met, they will be extremely dissatisfied.



Satisfiers or Performance Needs

Standard characteristics that increase or decrease satisfaction by degree/level cost, price, ease of use, speed etc.. these needs are typically “spoken”.

Using the hotel example again “spoken” needs could be internet access, a room away from the elevators, non smoking room, etc..



Satisfying excitement needs

Unexpected features or characteristics that impress customers and earn the company "Extra Credit"

These needs also are typically "unspoken"

Think of the DoubleTree hotels . Those who stay there are delighted (pleasure/satisfaction) by a freshly baked, chocolate chip cookie delivered to their room during turn-down service.



“KANO MODEL process”

Research

- Research available data sources
- Determine data collection strategy
- Design data collection instruments
- Collect and summarize data

Analyze & Brainstorm

- Analyze results from data collection
- Brainstorm list of features and functionality
- Develop Functional and Dysfunctional Questionnaire
- Distribute Questionnaire

Plot & Diagram

- Develop Customer Requirement Matrix
- Record Questionnaire results in Matrix and Summarize
- Plot results on Kano Model

Strategize

- Determine Project selection
- Product Development
- Service Development
- Identify Marketing Strategy

Identifying Attractive Behaviors of Managers Based on Kano Model in Isfahan Province Gas Company

Employees' satisfaction and motivation are the most important drivers of quality and productivity. Numerous studies discuss the impact of these attributes on company performance.

One of the factors that affect on motivation of employees is managers' behaviors. In this research, the impact of managers' behavior on satisfaction/dissatisfaction of employees has been investigated. For this purpose, a model has been proposed for analyzing and classification of employees' needs and this model has been examined in the Isfahan Province Gas Company. The results indicated that by using Kano model we can identify five kinds of behaviors i.e. Must-be, One-dimensional, Attractive, Indifferent and Reverse behavior. The findings of case study showed that 18 behaviors were classified in attractive category that these behaviors can affect on employees' motivation. These behaviors increase employees' satisfaction if fulfilled, but do not cause dissatisfaction if not fulfilled.



CONTRACT

Teamwork and cooperation between all the members of company provides success in business. Constant feedback and interaction of business people is the powerful method in getting the leading positions in market.

The examples can be found in any kind of business. Further to this evidence that the UK stock market is weak form efficient. Other studies of capital markets have pointed toward them being semi strong-form efficient. Studies have compared the share prices existing after a takeover announcement with the bid offer. Firth found that the share prices were fully and instantaneously adjusted to their correct levels, thus concluding that stock market was semi strong-form efficient. The market's ability to efficiently respond to a short term and widely publicized event such as a takeover announcement cannot necessarily be taken as indicative of a market efficient at pricing.

Another observed discrepancy between the theory and real markets is that at market extremes what fundamentalists might consider irrational behavior is the norm in the late stages of a bull market. Towards the end of a crash, markets go into free fall as participants underprice themselves from positions regardless of the unusually good value that their positions represent. This is indicated by the large differences in the valuation of stocks compared to bear markets. A theorist might say that rational (and hence, presumably powerful) participants should always immediately take advantage of the artificially high or artificially low prices caused by the irrational participants by taking opposing positions but this is observably not, in general, enough to prevent bubbles and crashes developing. It may be inferred that many rational participants are aware of the irrationality of the market at extremes and are willing to allow irrational participants to drive the market as far as they will, and only take advantage of the prices when they have more than merely fundamental reasons that the market will return towards fair value.

Measuring market penetration accurately is essential to defining a market and discovering new opportunities. Financial institutions use demographics and market intelligence to determine what products and services to offer to both their traditional and online customers and where to locate new branches. Some observers dispute the notion that markets behave consistently with the efficient market hypothesis, especially in its stronger forms. Some economists, mathematicians and market practitioners cannot believe that man-made markets are strong-form efficient when there are prima facie reasons for inefficiency including the slow diffusion of information, the relatively and the existence of apparently sophisticated professional investors. The way that markets react to surprising news is perhaps the most visible flaw in the efficient market hypothesis. For example, news events such as surprise interest rate changes from central banks are not

THANK YOU

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