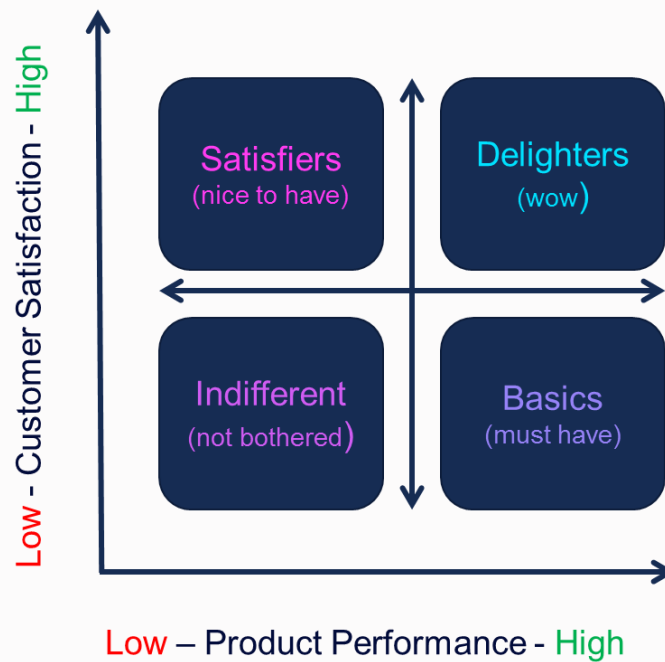# NorthStar People – An Introduction to Kano Analysis

Kano Analysis in summary

1. Helps you to explore, measure and prioritise customer needs, and identify areas for remedial action before significant investment
2. Provides a 'route map' for product/service development, identifying priority features for improvement and attention, allowing you to start with an appropriate MVP (minimal viable product), and evolve the proposition in line with customer needs, wants and desires
3. It will help you to understand which features should be included in your product/ service to increase the chances of success
4. It builds on NPS (net promotor score) with a focus on customer advocacy

This guide provides an outline of what Kano is, how it works and how you need to design your survey to inform and polish your product/service value proposition before soft launching it in BETA testing mode with a warm and friendly client.

Kano Analysis: A simple model

Satisfiers (nice to have)

Delighters (wow)

Indifferent (not bothered)

Basics (must have)

High – Customer Satisfaction – **Low**

Low – Product Performance – **High**

Satisfiers (nice to have)
- Satisfaction and dissatisfaction in line with availability / performance
- The better the performance, the more satisfied the user

Delighters (wow)
- Features the user perceives as unusually high value
- Can achieve disproportionally high satisfaction

Indifferent (not bothered)
- Elements which the service user does not consider important
- Little value placed on these service features

Basics (must have)
- Service features taken for granted as essential
- Huge dissatisfaction if missing or poor performance
- Only limited satisfaction if available or performed well

Introduction to Kano Analysis

The Kano Model is an analysis tool to explore and measure customer needs. It's a way to identify the basic needs of customers, as well as performance and excitement requirements. This model is based on the view that functionality is not the only measure of how 'good' a product. Customer emotions should also be taken into account.

The idea is that, as important as the basic functions of products or services are, adding new attractive features will help with customer satisfaction. For instance, when buying a new car, you'd expect the car to go faster when you accelerate. However, adding a virtual assistant feature would increase customer satisfaction and make you stand out from competitors.

Strengths of Kano Analysis

- One of the biggest strengths of Kano is its ability to effectively identify the needs and desires of customers.
- Kano provides a type of 'route map' for product and service development, identifying priority features for improvement and attention.
- It can also be used for product introduction, as Kano helps us to understand which features should be included to increase the chances of the product or service being a success.
- The analysis provided from Kano is extremely useful in terms of figuring out customers' priorities and needs, whatever stage a product or service is at*.
- Kano builds on the Net Promoter Score (NPS), showing you what you need to focus on to improve satisfaction. This step is often over looked.

*Although specifically mentioned in new product development, it is just as important to review features periodically (if not continually) as consumer needs change. For instance, air conditioning in a car may have once been a 'delighter' (i.e. not expected, but increasing satisfaction if included), but now it is seen as a 'must have' feature.

How does the Kano model work?

The model categorises the features and attributes of a product or service in five ways:

1. **Threshold Attributes (Basics) (Must-have features) –** these are features that customers expect the service or product to have, these aren't features that would necessarily impress customers but can cause dissatisfaction if missing.
2. **Performance Attributes (Satisfiers) (One-Dimensional features) –** these features don't come with the deal, rather add to the enjoyment level.
3. **Excitement Attributes (Delighters) (Attractive features) –** these are the crucial features that increase the product or service's competitors edge. This is the attribute to focus on as it will put you on a pedestal among your competitors.
4. **Indifferent Attributes –** these are features that customers cannot decide if they are good or bad.
5. **Reverse Attributes –** these features can be high quality or performance, but not increase satisfaction levels.

Questioning & Scoring

THIS IS REALLY IMPORTANT… In order to get to these definitions, consumers are asked two questions about each feature/aspect of the product/service. Question a, from an 'included perspective' and question b, from an 'excluded perspective'

a) How do you feel if you have this feature? (Functional Question)
b) How do you feel if you do not have this feature? (Dysfunctional Question)

In the example below (breakfast menu) show how a customer might respond in two scenarios:

- Question 1 focuses on how a customer might feel if a capability or feature were provided
- Question 2 focuses on how a customer would feel if a capability were limited or absent

Both questions are answered on a five-point, single-coded scale, as per example below:-

Kano Survey	
Circle the number 1-5 which best describes how you feel for each question	
1a. If your eggs are served hot how would you feel?	I would like that
	I would expect that
	I don't care about that
	I could live with that
	I would dislike that
1b. If your eggs are not served hot how would you feel?	I would like that
	I would expect that
	I don't care about that
	I could live with that
	I would dislike that
2a. If you are offered eggs in a variety of ways (poached, fried, scrambled, hard r soft boiled) how would you feel?	I would like that
	I would expect that
	I don't care about that
	I could live with that
	I would dislike that
2b. If you are offered eggs only as fried or scrambled, how do you feel?	I would like that
	I would expect that
	I don't care about that
	I could live with that
	I would dislike that

Results

The chart below shows how each feature is categorised based on the answers to the functional vs dysfunctional questions.

	Dysfunctional (feature excluded)				
Functional (feature included)	**Like it**	**Expect it**	**Don't care about it**	**Live with it**	**Dislike it**
Like it	Q	A	A	A	P
Expect it	R	Q	I	I	M
Don't care about it	R	I	I	I	M
Live with it	R	I	I	Q	M
Dislike it	R	R	R	R	Q

- **A – Attractive 'delighter' features – These features are not expected but are liked by customers**
- **M – 'Basic Must-have' features – These are must have features and customers dislike not having them**
- **P – Performance 'satisfier nice to have' features – Features customers like having and dislike not having**
- **I – 'Indifferent' features – Customers are neutral to the feature or can tolerate it**
- **Q – Questionable features – Conflicting responses from customers**
- **R – Reverse features – When customers like not having the feature or dislike having it**

Our working examples

So inking back to the 'eggs' examples and the highlighted answers:

Question 1 would be a combination of:

- 1a Functional – Expect it
- 1b Dysfunctional – Dislike it
- So the result for Q1 would be a Must Have feature for eggs served hot

Question 2 would be a combination of :

- 2a Functional – Like it
- 2b Dysfunctional – Live with it
- So the result for Q2 would be an Attractive Feature for eggs offered in a variety of ways

OPTIONAL: Adding a layer of depth to your Kano Analysis:

An additional question can be added to determine how important the given feature is to customers. For instance, we might ask "how important is it for there to be breakfast options for Vegans?, using a Likert scale for respondents to rate the importance of each feature, such as below, in the 'self state importance scale'

1	2	3	4	5
Not Important	Somewhat Important	Important	Very Important	Extremely Important

Recording the results

So, let's assume that you've got a new product/service/solution that you're going to KANO test with a sample group of 20 clients/prospects and you've got 50 questions... what do we do once they've all provided their considered opinion and view on each of the 50, what happens next.

You need a results matric for each question and the output could look something like this, for each question:

QUESTION 1 (Answer Matrix example)

Functional (feature included)	Dysfunctional (feature excluded)				
		Like it	Expect it	Don't care about it	Live with it	Dislike it
Like it	Q	A (4)	A	A	P (6)
Expect it	R	Q	I	I (1)	M (8)
Don't care about it	R	I	I	I	M
Live with it	R	I	I	Q	M
Dislike it	R (1)	R	R	R	Q

In the example above for Q1 we have 20 output sample answers that are mapped on the matrix.

- **4 have answers coloration to: A – Attractive 'delighter' features**
- **8 have answers coloration to: M – 'Basic Must-have' features**
- **6 have answers coloration to: P – Performance 'satisfier nice to have' features**
- **1 have answers coloration to: I – 'Indifferent' features**
- **0 have answers coloration to: Q – Questionable features**
- **1 have answers coloration to: R – Reverse features**

So for the feature being positioned in Q1 would need to be in the final product offering with a high degree of focus and emphasis on value add and benefit

Repeat this step for each of the feature question scenarios, and then you will be able to build both for Minimal Viable Product (MVP) and also have a plan to evolve the value proposition in line with what you clients/prospects are telling you they need, want and also don't want.

You can then go on and produce a final results report matrix showing where each feature sits by the highest response rate:

Dysfunctional (feature excluded)					
	Like it	**Expect it**	**Don't care about it**	**Live with it**	**Dislike it**
Functional (feature included) — Like it	Q **F5**	A	A	A **F2**	P
Expect it	R	Q	I	I	M **F1**
Don't care about it	R	I	I	I **F3**	M
Live with it	R	I	I	Q	M
Dislike it	R	R **F4**	R	R	Q

A further support analysis tool you can use is to rank the features based on a score allocated to each output. In the examples used, which will also help were are a significant number of features that our sample group want to see in the final value proposition and maybe we need to take a staged approach to developing the proposition by starting with an MVP (version1) and evolving it with a version 2, 3 and beyond as necessary.

Feature 1 (question one score output)	Response #	Score	Total
A – Attractive 'delighter' features – These features are not expected but are liked by customers	4	X 6	24
M – 'Basic Must-have' features – These are must have features and customers dislike not having them	8	X 5	30
P – Performance 'satisfier nice to have' features – Features customers like having and dislike not having	6	X 4	26
I – 'Indifferent' features – Customers are neutral to the feature or can tolerate it	1	X 3	3
Q – Questionable features – Conflicting responses from customers	0	X 2	0
R – Reverse features – When customers like not having the feature or dislike having it	1	X 1	1
Average score for ranking : (Total score of 84/6)		ave	14

You would repeat this to then have a ranked order of features that is colour coded by Kano category as below:

Rank	Feature number	Score (to 1 decimal point)	Value Proposition version
1	18	24.2	1
2	5	22.0	1
3	9	17.2	1
4	1	14.0	1
5	2	13.6	1
6	16	13.2	1
7	3	12.4	2
8	17	11.2	2
9	15	10.0	2
10	8	10.0	2
11	19	8.6	3
12	4	6.6	3
13	14	5.8	3
14	12	4.7	n/a
15	7	4.0	n/a
16	20	3.8	n/a
17	6	3.6	n/a
18	13	3.6	n/a
19	11	3.3	n/a
20	10	3.3	n/a

If you're in the process of innovation and creating a new products/service/solution or evolving your value proposition, and need any help of support in bringing Kano Analysis to life then reach out for further help and assistance…

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