

Kano 모델을 이용한 블루오션 혁신적 마케팅 전략 구축

Creating an Innovative Marketing Strategy based on Kano-Blue Ocean Approach

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요약

오늘날 기업들이 가장 중요시 여기는 주제 중 하나는 치열한 레드오션(red ocean)이 아닌 경쟁자가 없는 블루오션(blue ocean)을 찾는 데 많은 노력을 기울이고 있다. 본 연구에서는 이러한 블루오션을 이용하여 성공한 인도네시아의 버스회사의 사례(case study)를 통해 알아보고자 한다.

본 연구에서 사례로 제시한 기업의 경우 전략 캔버스, Kano 모델, 4가지 행동 프레임워크를 바탕으로 Kano 블루오션 전략모델 모델을 제시하여 치열한 경쟁이 벌어지는 레드오션에서 경쟁우위를 점하고 이를 통해 블루오션으로 전환하는 유용한 방법론을 알아보고 이를 통해 마케팅 및 경영혁신을 이루고자 하는데 기여하고자 한다.

■ 중심어 : | SWOT | Porter's Five Forces | Kano 모델 | 혁신마케팅전략 | 블루오션 |

Abstract

One of today's most frequently discussed topics in the business world is how to escape from the intense red ocean and how to create an uncontested blue ocean. However, because there are few practical guidelines available on this topic, we will introduce a case study of an autobus company to show how it aspires to be a leader in the newly introduced autobus industry in Indonesia. Analyzed through a strategy canvas, Kano model, four actions framework and characterized as Kano-Blue Ocean approach, this case study provides valuable information on how accompany reinforces its competitive advantage from the red ocean while it transitions into a blue ocean by creating an innovative marketing strategy. This study provides a good example in the field of marketing and innovation management.

■ keyword : | SWOT | Porter's Five Forces | Kano Model | Innovative Marketing Strategy | Blue Ocean |

I. Introduction

Based on the Association of Indonesian Motor Cycle Industry data, number of buses achieved highest

average growth during five recent years. The growth of bus was encouraged by high growth of tourism industry and demand of rental shuttle bus. From total 3.3 millions buses in 2007, 19,446 was cross cities and

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provinces buses, 8,224 travel buses, 215 pioneer buses and the rests were city bus[1]. Competition within this industry enables passengers to benefit from efficient, safer, and cheaper transport. Increased competition has bolstered the willingness of PO.X as an autobus company to produce more innovative bus services.

Historically, a dominant marketing strategy has been competition among companies based on how to gain the largest share of market space. However, intense competition has caused industry to be oversupplied, and increased market share does not always lead to increases in profit. Under the circumstances, a fast follower strategy is hardly effective, and a new growth engine is seldom found.

The Blue Ocean approach is “a consistent pattern of strategic thinking behind the creation of new markets and industries where demand is created rather than fought for and the rule of competition is irrelevant”[2]. Therefore, the Blue Ocean strategy provides companies with guidelines on how to escape from intense competition over the same market space—where there are limited customers with an increasing number of competitors—by creating a new market space where there is less competition if any.

Furthermore, Kano model is a powerful way to classify categories of quality attributes as customer requirements. It provides a rough sketch of the customer’s satisfaction in relation to the service performance level[3]. The Kano category result is used as one of considerations to determine which attributes should be eliminated, reduced, raised, and created[4].

By applying the Kano-Blue Ocean approach to analyze PO.X business model, this paper provides valuable information on how a company reinforces its competitive advantage from the red ocean while it moves toward the blue ocean by creating an innovative marketing strategy.

II. Literature Review

1. SWOT Analysis

SWOT the acronym standing for Strengths, Weaknesses, Opportunities, and Threats analysis is a commonly used tool for analyzing internal and external environments in order to attain a systematic approach and support for a decision situation[5][6]. Having identified these factors strategies are developed which may build on the strengths, eliminate the weaknesses, exploit the opportunities or counter the threats.

The strengths and weaknesses are identified by an internal appraisal of the organization and the opportunities and threats by an external appraisal. The internal appraisal examines all aspects of the organization covering, for example, personnel, facilities, location, products and services, in order to identify the organizations strengths and weaknesses. The external appraisal scans the political, economic, social, technological and competitive environment with a view to identifying opportunities and threats[5].

2. Porter's Five Force Analysis

In 1980, Michael Porter introduced Porter’s five forces, a model of competitive strategy to explain an industry’s position in a complex strategic environment[7]. Its purpose is to gain a thorough understanding of a particular industry by analyzing the suppliers’ bargaining power, customers’ bargaining power, rivalry among existing firms, threat of new market entrants, and threat of substitute products. Industry forces explain performance in that a firm’s success depends on how it reacts to market signals.

3. Kano Model

Kano et al.[3] proposed a model that was inspired from Herzberg’s motivator-hygiene model and

identified the quality attributes into five categories:

- 1) Attractive quality attributes (A): attributes that give satisfaction if present, but no dissatisfaction if absent;
- 2) One-dimensional quality attributes (O): attributes characterized by a linear relationship between the customers' perception of satisfaction and the degree of fulfillment of the attributes;
- 3) Must-be quality attributes (M): attributes whose absence will result in customer dissatisfaction, but whose presence does not contribute to the customer satisfaction;
- 4) Indifferent quality attributes (I): attributes that result in neither satisfaction nor dissatisfaction, regardless of being fulfilled or not; and
- 5) Reverse quality attributes (R): attributes that result in dissatisfaction when fulfilled and in satisfaction when not fulfilled.

Kano et al. [3][8] represented these quality attributes as illustrated in [Fig. 1].

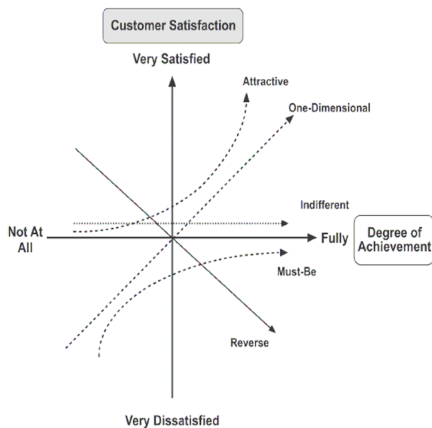


Fig. 1. Kano model diagram

4. Blue Ocean Strategy

Creating blue oceans is not a static achievement but a dynamic process. Once a company creates competitive advantages, and its superior performance

is shown, sooner or later imitators begin to appear in the market[9]. Kim and Mauborgne proposed the “blue ocean” approach, which emphasizes avoiding competition while creating value innovation that drives down costs while simultaneously driving up value for buyers. They developed a four actions framework (ERRC grid) to reconstruct buyer value elements in order to craft a new value curve. The ERRC practical actions reconstruct customer value perception by answering four aspects of the grid[Table 1].

Table 1. The ERRC Grid

Eliminate	Reduce
Those factors or elements that no longer have value or may even detract from value for customers.	Those attributes that have been over-designed in the race of competition or those have little attraction of customers.
Raise	Create
Those attributes that can result in significant value for customers or those that have high attraction to customers.	Those factors that can discover new sources of value for customers or those that can create new demand and attract non customers.

III. An Innovative Marketing Strategy

The innovative model developed here is based on the Blue Ocean approach proposed by Kim and Mauborgne[9] and Kano model proposed by Noriaki Kano[3]. The framework is categorized into three main phases. The first phase involves identifying current competition condition. This phase will include SWOT and the Porter’s five forces analysis. The second phase is a Kano-Blue Ocean approach. It involves Kano category, strategy canvas, four actions framework, and Eliminate-Raise-Reduce-Create(ERRC) grid. The purpose of strategy canvas is to visualize value curves allowing the comparison and differentiation of industries and competitors. By using the Kano category result, the four actions framework

is made and the company can determine which factors that should be eliminated, reduced, raised and created. The last phase involves developing an innovative marketing strategy consists of segmenting, targeting, and positioning(STP) and marketing mix. [Fig. 3] provides the conceptual framework of an innovative marketing strategy formulation.

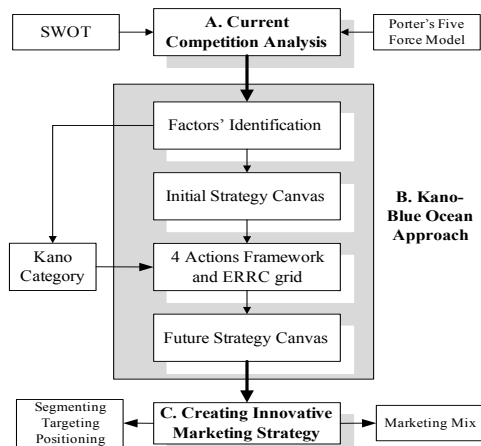


Fig. 2. An Innovative Marketing Strategy framework

IV. Empirical Study

The objects of this research were PO.X, a well-known autobus company in Jakarta, Indonesia and its competitors. The survey was conducted at several bus stations and bus agents in Jakarta. The questionnaire consisted of (1) profile details of the passengers, (2) statements focused on the passengers' satisfaction of existing attributes, (3) statements focused on the passengers' expectations and importance degree, and (4) functional-disfunctional statements for Kano category. The purposive sampling technique was used to collect the responses. 400 passengers from different bus company were surveyed and 325 returned usable questionnaires were obtained. All data were collected over a period of 3 months.

1. Current Competition Analysis

The SWOT analysis is used to provide information that is helpful in matching the company's resources and capabilities to the competitive autobus industry's environment[Table 2].

Moreover, the critical strategic factors that affect the conditions of competition need to be identified. Porter's five forces analysis helps the company to understand the critical strategic factors of competitive environment in autobus industry. It uses five forces which determine the competitive intensity and the attractiveness of an autobus market[Table 2].

Table 2. SWOT Analysis

Strength	Opportunities
-has many units of bus -on time departure -has own rest place -drivers drive bus well -competitive price	-the increasing of autobus business -the development of modern technology in transportation -the public cooperation to become new bus agents -niche market
Weakness	Threat
-the company still uses old buses -website is rarely to be up-dated -less promotion actions	-economic condition is not stable (gasoline and spare parts are expensive) -many competitors which have the same route -the company has not had strong brand image

2. Kano-Blue Ocean Approach

The main instrument for finding blue oceans is a 'strategy canvas'. It depicts strategies as value curves allowing the comparison and differentiation of a form and competitors based on passengers' satisfaction attributes.

The critical strategic factors/attributes that the autobus industry competes on and invests in are displayed on the horizontal axis and the vertical axis shows the offering level passengers receive for each critical strategic attribute. This strategy canvas describes a set of value curve for competing in an autobus industry.

After drawing the initial strategy canvas, the company will determine which critical factors that should be eliminated, reduced, raised, and created based on Kano category and importance degree [Table 3]. [Table 4] presents the result in four actions framework.

Kim and Mauborgne[9], therefore, suggest shifting the market focus to alternative customers, who place less weight on the competitive strategy factors under consideration, while valuing other (new) attributes more strongly.

Table 3. Table Type Styles

Strategic Factors	Kano Category	Importance Degree	Suggested Action
Face to face contact	I	low	Eliminate
Cleanliness	O	high	Raise
Facilities (AC & toilet)	O	high	Raise
The bus engine	M	low	Maintain
Bus speed	O	low	Reduce
Safety equipment	M	high	Raise
Time schedule	I	low	Eliminate
Agents	I	low	Eliminate
Cash payment system	O	low	Reduce
Customer service	M	high	Raise
On line payment system	A	high	Create
New supporting facilities	A	high	Create
Kinship situation	A	high	Create

As a consequence, some attributes are reduced or eliminated altogether for strategy factors of lower importance, while relevant attributes are raised and new ones created. [Fig. 6] presents future strategy canvas for PO.X based on four actions framework.

Table 4. Four Actions Framework about US Industry

Eliminate	Raise
Face to face contact	Cleanliness
Time Schedule	Facilities (AC & toilet)
Agents	Safety equipments
	Customer service performance
Reduce	Create
Cash Payment system	On line payment system
Bus speed	New supporting facilities
	Kinship situation

3. Creating Innovative Marketing Strategy

Then, an innovative marketing strategy is formulated based on Kano-Blue Ocean approach. The current retnto a marketing strategy process marketing strategy will be reviewed after the idea of innovative strategy. PO.X also need to focus on or change their market target and do repositioning. [Table 5] and [Table 6] show the marketing strategy differences before and after the innovative idea.

Table 5. New Segmenting, Targeting and Positioning

STP	Current Strategy	Innovative Strategy
Segmentation	Low, middle, high-middle segment	Low, middle, high-middle, and high segment
Targeting	Low and middle class group	High class group (business executives, businessmen, company)
Positioning	Public bus	Create new market as family bus

Table 6. New Marketing Mix(7P)

7P	Current Strategy	Innovative Strategy
Product	Economy and executive bus	Super executive family bus
Promotion	Banners, Sponsorship	Radio advertising, newspaper, and internet
Price	Based on government policy	Depend on given facilities
Place	Convenience agents	On line order and payment
People	No attention	Training
Process	No attention	Has a new division to handle the process
Physical Evidence	No attention	More attention

V. Discussion

In the red oceans, autobus industry boundaries are defined, and the competitive rules of the game are known. SWOT and Porter's five forces analysis were used to identify that condition. Based on the SWOT results, the company should manage its internal and external factors. For internal factors, the company

should enhance its strengths such as competitive price and good driver and should improve its weakness by updating the web site.

For external factors, the company should catch the opportunities up such as development of technology and niche market. While, five forces analysis helps the company to understand a competitive environment. Here, PO.X tries to outperform their rivals to grab a greater share of service demand. As the market space gets crowded, prospects for profits and growth are reduced.

Blue oceans, in contrast, denote the unknown market space in autobus industry not in existence today, untainted by competition. In blue oceans, demand is created rather than fought over. The initial strategy canvas is made as an elegant qualitative for understanding and explaining the strategic deviation of high performers from traditional market incumbents in creating value. Based on result, it has been identified 13 critical strategic factors influenced passengers' satisfaction.

To reconstruct customer value elements in crafting a future strategy canvas, we use the four actions framework in ERRC grid. Previously, to determine which critical factors that should be eliminated, reduced, raised and created, Kano category and importance degree of each attributes are considered.

After that, PO.X should change the current marketing strategy to gain niche market whenever it can attract new potential passengers and make competitive forces with its rivals irrelevant. The company should do resegmenting, retargeting and repositioning to reach its niche market. To achieve this objective, PO.X also needs to create new marketing mix that can respond to changes in passengers' perception because it can help company find new, uncontested market space that company successfully target.

VI. Conclusion

This research uses Kano and Blue Ocean approach to escape from bloody red ocean and to understand the demands of customers. The results not only can be used to identify the critical strategic attributes, but also can suggest the attributes that should be eliminated, reduced, raised, and created to capture the innovative idea in blue ocean. This result is beneficial for PO.X management to formulate their innovative marketing strategy when they devote significant portion of their organizational resources to them.

The encountered restrictions limited the study to autobus companies in Jakarta only, thus providing no objective description of the autobus industry in overall. However, this research is useful for the company decision maker to identify the service attributes for improvement. It also contributes to future development of this innovative model for other industries.

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