Merchant Risk Platform: Kano Model Feature Analysis

Kano Model Framework Overview

The Kano Model categorizes features into five types based on customer satisfaction:

- **Must-Have (Basic)**: Expected features that cause dissatisfaction if missing

- **Performance (Linear)**: Features where more is better - directly correlate with satisfaction

- **Attractive (Delighters)**: Unexpected features that create excitement and competitive advantage

- **Indifferent**: Features customers don't care about

- **Reverse**: Features that actually decrease satisfaction

🔴 MUST-HAVE (BASIC) FEATURES

Essential features that customers expect as table stakes

Core Risk Assessment

- **Basic KYB (Know Your Business) checks**
  - Business registration verification
  - Tax ID validation
  - Address verification
  - Basic sanctions screening

- **Website content scanning**
  - Prohibited product detection
  - Terms of service compliance

- Basic fraud indicators

- **MCC (Merchant Category Code) verification**
  - Automatic MCC suggestion
  - Business type classification
  - Industry risk categorization

Technical Infrastructure

- **API availability**
  - RESTful API with standard endpoints
  - Basic webhook support
  - JSON response format

- **Basic integration capabilities**
  - Stripe Connect integration
  - Standard payment processor APIs
  - CSV upload/download functionality

- **Data security & compliance**
  - SOC 2 Type II certification
  - GDPR compliance
  - PCI DSS compliance
  - Data encryption at rest and in transit

User Interface Basics

- **Web-based dashboard**
  - Login/logout functionality
  - Basic merchant list view

- Simple search and filtering

- **Case management basics**
  - Manual review queue
  - Basic case status tracking
  - Simple approval/rejection workflow

Reporting Fundamentals

- **Basic reporting**
  - Monthly risk summaries
  - Simple approval rate metrics
  - Basic export functionality (CSV/PDF)

📈 PERFORMANCE (LINEAR) FEATURES

Features where more capability directly increases satisfaction

Risk Intelligence & Data

- **Data source breadth**
  - Number of integrated data providers (Experian, D&B, etc.)
  - Geographic coverage (US, EU, APAC)
  - Real-time vs. batch data updates

- **Risk scoring accuracy**
  - Machine learning model sophistication
  - Historical performance tracking
  - Predictive risk indicators (3, 6, 12 month forecasts)

- **Screening depth**
  - Adverse media monitoring
  - Beneficial ownership investigation
  - Cross-reference checking depth

Processing Speed & Scalability

- **Response time performance**
  - Sub-second API response times
  - Real-time risk scoring
  - Parallel processing capabilities

- **Volume handling**
  - Merchants processed per hour
  - Concurrent API call limits
  - Auto-scaling infrastructure

Integration Capabilities

- **Platform integrations**
  - Number of supported payment processors
  - E-commerce platform connectors
  - CRM and business system integrations

- **Data flexibility**
  - Custom field mapping
  - Multiple data format support
  - Bi-directional data sync

Customization & Rules Engine

- **Rule complexity**
  - Multi-condition rule building
  - Nested logic support
  - Custom scoring algorithms

- **Workflow automation**
  - Automated decision trees
  - Custom approval workflows
  - Escalation procedures

Analytics & Insights

- **Reporting sophistication**
  - Real-time dashboards
  - Custom report building
  - Advanced data visualization

- **Business intelligence**
  - Trend analysis
  - Portfolio risk assessment
  - Benchmarking against industry

⭐ ATTRACTIVE (DELIGHTER) FEATURES

Unexpected features that create excitement and competitive advantage

AI-Powered Innovation

- **Conversational AI risk agent**
  - Slack/Teams integration for risk queries
  - Natural language risk rule creation
  - AI-powered case investigation assistance
- **Advanced fraud detection**
  - Synthetic identity detection
  - First-party fraud prediction
  - Transaction laundering identification using graph analysis
- **Predictive merchant lifecycle management**
  - Churn prediction modeling
  - Growth opportunity identification
  - Proactive risk intervention

Next-Generation User Experience

- **Mobile-native experience**
  - Native iOS/Android apps
  - Offline capability for basic functions
  - Push notifications for critical alerts
- **Visual risk profiling**
  - Interactive risk heat maps
  - Automated site screenshots with AI analysis
  - 3D network visualization of merchant connections
- **Self-service merchant portal**
  - Merchant self-onboarding interface

- Document upload with OCR processing

- Real-time status updates

Advanced Technology Integration

- **Blockchain verification**
  - Immutable audit trails

  - Smart contract compliance checking

  - Cryptocurrency business risk assessment

- **IoT and alternative data**
  - Geolocation-based risk scoring

  - Social media sentiment analysis

  - Open banking data integration

- **Computer vision capabilities**
  - Automated document verification

  - Storefront analysis via street view

  - Product catalog risk assessment

Industry-Specific Intelligence

- **Vertical risk models**
  - Industry-specific scoring algorithms

  - Regulatory change alerts by vertical

  - Peer benchmarking within industries

- **Emerging market expertise**
  - Cross-border transaction risk

  - Multi-currency risk assessment

- Local regulatory compliance tracking

Developer Experience Excellence

- **Advanced API features**
  - GraphQL API support
  - Real-time WebSocket connections
  - API versioning and backwards compatibility

- **Developer tools**
  - SDK in 10+ programming languages
  - Interactive API documentation
  - Sandbox environment with synthetic data

- **Open ecosystem**
  - Third-party plugin marketplace
  - Webhook event routing
  - Custom integration templates

Proactive Risk Management

- **Continuous monitoring intelligence**
  - Real-time news and event tracking
  - Automated regulatory change detection
  - Peer network risk propagation alerts

- **Predictive compliance**
  - Regulatory deadline tracking
  - Automated compliance task generation
  - Risk-based audit scheduling

😐 INDIFFERENT FEATURES

Features customers don't particularly care about

Over-Engineering

- **Excessive customization options**
  - Too many dashboard themes
  - Overly complex UI personalization
  - Unnecessary data visualization options

Legacy Technology Support

- **Outdated integration methods**
  - SOAP API support
  - FTP file transfers
  - Legacy database connectors

Non-Core Functionality

- **Generic business tools**
  - Built-in email marketing
  - General CRM functionality
  - Basic accounting features

🔻 REVERSE FEATURES

Features that actually decrease satisfaction

Complexity That Hurts Usability

- **Overly complex interfaces**
  - Too many navigation levels
  - Information overload on dashboards
  - Confusing multi-step workflows

Privacy/Security Concerns

- **Excessive data collection**
  - Unnecessary personal information requests
  - Invasive tracking capabilities
  - Unclear data usage policies

Vendor Lock-in

- **Proprietary formats**
  - Non-standard data exports
  - Closed API ecosystems
  - Difficult migration paths

🚀 RECOMMENDED FEATURE ROADMAP

Phase 1: Foundation (Months 1-6)

Focus: Must-Have + Critical Performance Features

- Core KYB and risk assessment capabilities
- Basic API and dashboard
- Essential security and compliance

- Key payment processor integrations

Phase 2: Differentiation (Months 7-12)

Focus: Advanced Performance + Select Attractive Features

- Enhanced risk intelligence and scoring
- Advanced rule engine and automation
- Mobile experience
- AI-powered fraud detection

Phase 3: Innovation (Months 13-18)

Focus: Breakthrough Attractive Features

- Conversational AI agent
- Advanced analytics and predictive modeling
- Blockchain and alternative data integration
- Industry-specific solutions

Phase 4: Market Leadership (Months 19-24)

Focus: Market-Defining Attractive Features

- Open ecosystem and marketplace
- Advanced computer vision capabilities
- Emerging market solutions
- Next-generation developer tools

💡 KEY INSIGHTS FOR COMPETITIVE ADVANTAGE

1. **Start with Excellence in Must-Haves**: Ensure flawless execution of basic features before adding complexity

2. **Prioritize High-Impact Performance Features**: Focus on features where superiority creates measurable customer value (speed, accuracy, coverage)

3. **Select Attractive Features Strategically**: Choose 2-3 delighter features that align with your target market and technical capabilities

4. **Avoid Feature Bloat**: Resist adding Indifferent features that increase complexity without customer value

5. **Monitor Feature Migration**: Features move between categories over time - today's Attractive features become tomorrow's Must-Haves

6. **Customer Segment Sensitivity**: Different customer segments (SMB vs Enterprise) may categorize the same feature differently

This framework provides a strategic foundation for product development that maximizes customer satisfaction while building sustainable competitive advantages.