

13. The following chart is a partial house of quality for a golf country club. Provide an importance weighting from your perspective (or that of a golfing friend) in the unshaded areas. If you can, using the QFD approach, compare it to a club where you or your friends play.

WHATs versus HOWs
 Strong Relationship: ●
 Medium Relationship: ○
 Weak Relationship: △

	Physical Aspects	Course location	Grounds maintenance	Landscaping	Pin placement	Course tuning	Tee placement	Service Facilities	Customer-trained attendants	Top-quality food	Highly rated chefs	Attractive restaurant	Tournament Activities	Calloway handicapping	Exciting door prizes	Perception Issues	Invitation only	Types of guests	Income level	Celebrity
Physical Aspects																				
Manicured grounds																				
Easy access																				
Challenging																				
Service Facilities																				
Restaurant facilities																				
Good food																				
Good service																				
Good layout																				
Plush locker room																				
Helpful service attendants																				
Tournament Facilities																				
Good tournament prize																				
Types of players																				
Fair handicapping system																				
Perception Issues																				
Prestigious																				

Case: IKEA: Design and Pricing

The Swedish retailer dominates markets in 32 countries, and now it's poised to conquer North America. Its battle plan: Keep making its offerings less expensive, without making them cheap.

Above all else, one factor accounts for IKEA's success: good quality at a low price. IKEA sells household items that are cheap but not cheapo, at prices that typically run 30 to 50 percent below the competition's. While the price of other companies' products tends to rise over time, IKEA says it has reduced its retail prices by a total of about 20 percent during the past four years. At IKEA, the process of driving down costs starts the moment a new item is conceived and continues relentlessly throughout its production run. The price of a basic Pöäng chair, for example, has fallen from \$149 in 2000 to \$99 in 2001 to \$79 today. IKEA expects the most recent price cut to increase Pöäng sales by 30 to 50 percent.

IKEA's corporate mantra is "Low price with meaning." The goal is to make things less expensive without

ever making customers feel cheap. Striking that balance demands a special kind of design, manufacturing, and distribution expertise. But IKEA pulls it off in its own distinctive way: tastefully, methodically, even cheerfully, and yet somehow differently than any other company anywhere. Here's a step-by-step guide to how IKEA designs, builds, and distributes the items that the entire world wants to buy.

The Trofé mug is one of the most popular IKEA products. The story of the mug is an example of how IKEA works, from a co-worker's bright idea through to production and sales. It is also a story about all the demands that customers place on IKEA. A low price tag is the obvious one, but other requirements include function, modern design, environmental considerations, and making sure products have been manufactured under acceptable working conditions. Both customers and co-workers must be able to rely on IKEA.