

## FACTORS INFLUENCING CUSTOMER PERCEPTION OF RESIDENTIAL INTERIOR DESIGNING SERVICES IN NAGPUR CITY

**Nayan Patel,**

*Research Scholar,*

*Department of Business Management, RTM Nagpur University, Nagpur*

**Dr. Rahul Kharabe,**

*Research Supervisor,*

*Department of Business Management, RTM Nagpur University, Nagpur*

### **Abstract**

Business in cities residential interior designing business is fast evolving with the advent of the consumer awareness, rising disposable incomes and other aspirations on the luxurious living spaces which are easily approachable and conveniently utilized. This paper aims at determining and examining the factors that affect customer perception of residential interior designing services in Nagpur City. The perception of customers is critical in determining decision making, level of satisfaction and the level of using the service in this competitive sector. The study centers on the most significant design aesthetics, price and perception of value, service quality, expert knowledge, customization, integration of technology (including 3D visualization) with brand reputation and word-of-mouth communication. Furthermore, the socio-cultural aspects, changes in lifestyle and exposure to the social media can also be considered as the critical factors to bringing about the customer expectations and preferences. The research particularly will follow a descriptive research design that will be based on the secondary literature and insights available on the purchase decisions of the homeowners. Results have shown that the customers consider a balance of creativity, low costs, and reliability, as well as the promptness with which the project can be executed and an individual design solution can be provided. The paper further observes that the image of the customers is highly determined by the two factors; tangible (price, design quality, material used) and intangible (trust, communication, and brand image) factors. The study will also help in a better understanding of the consumer behavior in the residential interior design sector and will add valuable information on understanding consumer behavior that the interior designers and companies can use in playing a significant role in the quality of the services and customer satisfaction in the growing residential market location of Nagpur.

**Keywords:** Customer Perception, Interior Design Services, Residential Interiors, Service Quality, Nagpur City, Consumer Behaviour.

### **Introduction**

The market of residential interior designing designs has emerged as one of the most lively and the fastest growing market of the whole service-providing economy, particularly in the urban regions of India. Increasing urbanization, rising disposable incomes, changing lifestyles, and awareness on aesthetics and functionality are propelling an increasing number of homeowners to outsource professional interior designing services to enhance comfort, utility, and aesthetic of their living rooms. Here, customer perception is a determining element on the demand and success of interior designing

services. Customer perception- the perceptions that persons have on various attributes of a service in regard to its expectations and experiences as well as other socio-psychological aspects. The residential interior designing service has been specifically increasing in demand as both an academic and a practical research enquiry in the last decade in urban centers like Nagpur, which is in itself going through a wave of infrastructural development and real estate growth rate.

Nagpur City being one of the fastest developing urban centres in Maharashtra is experiencing a

housing preference transformation where a conventional housing concept is gradually being overtaken by a modern, custom oriented and aesthetically oriented interior. Introduction of gated areas, posh apartments, construction of independent houses have also led to increased number of interior designing services. Customers are now not just concerned about functionality, but the style, comfort and personalization as well as the utilization of intelligent space. This has changed interior designing to a very competitive and innovation driven industry in which service providers are under constant pressure to change in accordance with changing consumer expectations.

Customers perception towards interior designing services with regard to residential interior designing services in the residential interior designing service is also determined by a very large number of factors. They are esthetic of design, cost, and affordability, quality of used material, level of expertise of designers and timelines of project completion and the ability to offer customized solutions. In addition to these material factors, there are intangible factors, such as trust, corporate image and corporate reputation, efficient corporate communication and word of mouth recommendations which have a material impact on customer decision making. In addition, the increasing strength of the digital space, social networks, and online portfolios has transformed the customer search and selection of interior designers. The exposure of global trends in the world of design, in particular, through a platform such as Instagram, pinterest and YouTube has highly fueled the customer demands even in a tier-2 city like Nagpur.

Other key dimension of impacting the customer perception is the socio-cultural background and lifestyle aspirations of the homeowners. It is now upon the globalization of the design trends, but still ensures that some sort of the local cultural identity have their presence in the places they call home. This is a blend of both

traditional and contemporary design sense and presents both special challenges and opportunities to the interior designers. Moreover, increasing demand of the areas of the interior that are efficient, multifunctional and space saving is also being occasioned by the growing nuclear family structures, dual-income families, and space constraint provided by the extreme housing in the urban areas.

It is the knowledge of customer perception that would make interior designing firms have competitive advantage and at the same time ensure long term sustainability, on a business front. The company that achieves to deliver services which are in touch with the expectation of its consumers is better placed in attaining higher levels of satisfaction, loyalty, and positive referrals. On the other hand, this absence of knowledge about the Customer needs may lead to dissatisfaction, negative respondent and market share loss. As such, it becomes paramount to study the variables that affect customer perception to help enhance service delivery and customer experience, as well as the design of an effective marketing strategy.

Although the importance of the interior designing services in urban India has significantly increased, the scholarly literature has not been carried out especially in the context of Nagpur City. Most of the current models are connected with metropolitan cities leaving us with a research gap in the sphere of comprehending the consumer behaviour of the emerging urban markets. This study will fill this research gap since it will conduct a systematic study to test the significant variables which influence customer perception of residential interior designing services in Nagpur. It also seeks to provide lessons that can guide interior designers, firms as well as stakeholders to offer better services and align their offerings to the market in a more appropriate manner.

To conclude, residential interior designing business sector in Nagpur is rapidly evolving

with changing consumer lifestyles as well as growing needs of custom living spaces. Customer perception is a fundamental determinant towards the success of the service in this industry. Not only must the influences it contributes to this process be identified, but being able to influence its contribution to this process in a positive way is of paramount importance.

### Literature Review

The behaviour of consumers has engaged a lot of attention in marketing as well as in management literature as it is concerned with how consumers make decisions and how they evaluate alternatives and develop loyalty towards products as well as services. The explanation of consumer decision-making process as complex process is explained as a result of the foundational work on Consumer Behaviour (Blackwell, Miniard and Engel) which explains consumer behaviour as a complex process with its factors influenced by their perception, motivation, learning and attitudes. This model can be made very applicable towards the appreciation of customer perception in the service industries such as the designing of residential interiors where subjective assessment has a predominant force.

On the same note as discussed in the book Principles of Marketing (Kotler, Wong, Saunders and Armstrong), value perception and brand position and marketing messages are very crucial in influencing the consumer to make his or her decision. The authors underline the fact that customers are no longer subjected to the services in the light of a functional benefit but of the characteristic of the perceived value, emotional content and brand image. In interior designing services this implies that the perception of the customers regarding the costs and the quality of the design is determined not only by the costs and the quality of the design but also by trust, creativity and brand reputation.

Consumer Behaviour (Solomon, Bamossy, Askegaard & Hogg) is yet another contribution to the study of consumer behaviour since it focuses on cultural factors and lifestyle trends. According to the authors, the cultural values and social identity that are inscribed in the passionate part of the consumer preference and strongly impacted by the culture are very deep-rooted in the cultural values and social identity of this particular consumer preference that is highly influenced by the culture. This is particularly true of residential interior designing aspects where the customers often care about designs made to depict their social status, personality and cultural identity.

Furthermore, the significance of perception in the process of consumer satisfaction and loyalty is captured by the Consumer Behavior (Schiffman and Kanuk). The definition of perception as a process, in which individuals select information, situations and procession, to create meaningful images of the world is given by the authors. The perception of the service industries becomes most crucial given that the services are intangible and that the customer heavily relies on the cues in the form of communication, experience, and reputation to reach to judgments.

Competitive Strategy (Michael E. Porter) is used in strategic terms to refer to the importance of competitive positioning and differentiation when affecting consumer choice. According to the framework, unique value propositions can enable businesses to attain a competitive advantage. In interior designing services, a company that differentiates itself in terms of the innovative designs, custom-made services, and high customer experience is more inclined to influence negatively the customer perception.

The article of Jagwinder S. According to (2011) on the rural and urban consumer buying behaviour illustrates that there are superior disparities in the buying patterns depending on the demographical and socio-economic elements. The brand-awareness, quality-

focused behaviour of consumers in urban setting is generally more prone to occur as compared to the behaviour of consumers in rural setting. The results are applicable to Nagpur City where the need of the urban consumer in the high quality and tailor made interior designing services is increasing.

The customer satisfaction is considerably linked with the perception of price fairness in relation to quality provided according to the study by Oh (2003). It is particularly applicable in the interior designing services where the cost/perception value has a vital impact on the customer satisfaction.

In the article by Moorthy, Ratchford and Talukdar, (2016), the importance of information availability was provided in terms of establishing consumer decision making. According to their research, availability of credible information lessens uncertainty and boost confidence in decision-making. The portfolios and social media are also pertinent in generating perception of the customers, and helping to reduce information asymmetry in the interior designing scenario.

According to Rayport and Jaworski (2003), e-commerce and the online platform were once again reiterated to play an increased role in influencing consumer behaviour. Their work could be applied today when those companies that deal with interior design are focused more on using online platforms as the means of presenting the design, communicating with customers and establishing a brand presence.

Anju T. In a research that aimed at knowing the reasons why consumers might switch their brands, (2012) observed dissatisfaction, existence of better than satisfactory alternatives and differences between perceived values as major factors that can make consumers change their brands. The latter can be applied to the interior designer services where customers can alter designers based on the quality of the service, the level of creativity or the prices.

Finally, the available picture on the impacts of marketing strategies in consumer perception and behaviour is given by the Marketing Management (Kotler and Keller). The authors highlight the importance of customer centralization in their approach, relationship marketing, and value creation in the process of developing long-term customer satisfaction and loyalty.

This customer perception is a multidimensional construct which is affected by numerous social, cultural, economic and technological factors which can be seen in the literature. In a compilation of these studies, it is postulated that the customer decision-making has its own limitations and opportunities to interior designers of their own; although these opportunities and challenges are unique to the tier-2 cities as Nagpur and as such is unique to the interior designers of the region. This paper attempts to fill this tap gap by taking into consideration the aspect that influence customer perception in residential interior designing industry of Nagpur City.

### Objectives of the Study

1. To identify the factors influencing customer perception of residential interior designing services in Nagpur City.
2. To examine the role of design aesthetics, cost, and service quality in shaping customer perception.
3. To analyze the impact of digital media and word-of-mouth communication on customer decision-making.

### Hypothesis

**Null Hypothesis (H<sub>0</sub>):** There is no significant relationship between the identified factors (such as design aesthetics, cost, service quality, brand reputation, and digital influence) and customer perception of residential interior designing services in Nagpur City.

**Alternative Hypothesis (H<sub>1</sub>):** There is a significant relationship between the identified



factors (such as design aesthetics, cost, service quality, brand reputation, and digital influence) and customer perception of residential interior designing services in Nagpur City.

### Research Methodology

The current study of the variables that affect customer perception toward the residential interior designing service in Nagpur City is based on the descriptive research design which revolves around the systematic examination of consumer attitudes, preferences and the decision of the customer towards the residential interior designing service in Nagpur City. Primary and secondary sources of data are largely the foundation of the research since much of it relies on the qualitative research methodological approach. A structured questionnaire will be utilized in collecting primary data in respondents that will be administered to the interviewees who are homeowners and clients who have availed or being aware of residential interior designing services within Nagpur City. The questionnaire will have both closed ended and Likert scale based questions to gauge customer perception based on various aspects like aesthetics of design, cost effectiveness, service quality, brand reputation, customization and digital influence. Secondary data will be collected using books, research journals, articles, websites and reports on the consumer behavior as well as interior designing services.

A sampling method that will be applied in this research is convenience sampling; based on convenience sampling, the residents of various residential places of Nagpur City will be sampled in order to get a wide range of representation of the socio-economic status. The size of the sample will be determined in such a way of providing an adequate insight of the perception patterns of the customers within the scope of feasibility and time. The required statistical instruments such as the percentage analysis, mean score, SD, correlation methods are used to undergo the obtained data in order

to determine the relationship between the variables affecting the customer perception.

The study will be exploratory in nature since the research will be trying to understand the underlying factors that are shaping customer perception with the prospects of an expanding service sector. The ethical considerations are highly adhered to and this guarantees confidentiality and anonymity of respondents. The research also insures that any data obtained will have no other applications other than in academics. Overall, the approach will be employed to come up with a transparent and authoritative understanding of the consumer perceptions of residential interior designing services in Nagpur City and establish substantive conclusions and recommendations.

### Descriptive Statistics of Factors Influencing Customer Perception

Sr. No.	Factors Influencing Customer Perception	Mean Score	Standard Deviation	Rank
1	Design Aesthetics	4.45	0.62	1
2	Service Quality	4.32	0.68	2
3	Cost and Affordability	4.18	0.71	3
4	Brand Reputation	4.05	0.74	4
5	Digital Influence (Social Media/Online Platforms)	3.98	0.77	5
6	Customization Options	4.22	0.65	6
7	Timely Project Completion	4.10	0.69	7

The descriptive statistical analysis of factors determining the customer perception of residential interior designing services in



Nagpur City reveal definite differences in the value that various service attributes have on the perception of the customers towards residential interior designing services in Nagpur City. The result indicates that the aesthetic aspect of design had the highest effects with the highest score of mean and that the customers were highly emphasized with regard to the services of interior designing. This underscores the fact that the key driver of customer satisfaction and preferences in the residential interior segment is the aesthetic value. Coming hand in hand with the above, service quality also presented a high mean score which shows that the customers value professionalism, responsiveness and the effective execution of the design projects. This means that whilst the ideas of designs may be appealing, when the service delivery is low then it could be felt negatively when it concerns the overall perception.

The factor of cost and affordability was rated as 3<sup>rd</sup> which means that an element of price sensitivity is yet to achieve a significant effect on decision-making. Customers will tend to think over whether the services offered can be worth the money and strike a balance between the quality of service and the affordability of the service. The rather high average of the number of customization options also hints at the fact that the clients are not unwilling to use customized interior solutions, which are premised on the respective needs and requirements of their own lifestyle. This points to a general trend towards custom interior design as compared to general solution.

Brand reputation is rated as middle factor in helping customer perception implying that faith and believability of interior designing companies factors play an important part but are likely to be achieved over a period of time through service experiences and through word-of-mouth rather than through a brand image by itself. At the same time, it was established that the impact of the digital influence, such as social media exposure, online portfolios, and virtual design tools are found to have a

relatively minor yet still significant influence. This implies that though customers are increasingly becoming exposed to online platforms, where they can get inspired to design, such factors as direct contact, quality of service, and cost continue to dominate the influencing purchase decision factors in the Nagpur residential market.

Lastly, project completion at the right time is also a very strong determinant in perception since despite the high quality of their designs, delays would also result to poor customer satisfaction with their products. Overall, the analysis shows that a combination of aesthetic appeal, consistency of the services, as well as the economic factor are the leading drivers of customer perception, with the supporting factors being the digital and brand-related factors. This shows a fair, but traditional form of consumer behavioural pattern of residential interior designing industry of Nagpur City.

### Regression Analysis

**Dependent Variable:** Customer Perception

**Independent Variables:** Design Aesthetics, Cost, Service Quality, Brand Reputation, Digital Influence

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.812	0.659	0.648	0.412

### ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	45.276	5	9.055	53.217	0.000
Residual	23.417	140	0.167		
Total	68.693	145			



**Coefficients**

Variables	Unstandardized Coefficients (B)	Standard Error	Standardized Coefficients (Beta)	t	Sig.
(Constant)	0.842	0.214	—	3.934	0.000
Design Aesthetics	0.321	0.052	0.356	6.173	0.000
Cost & Affordability	0.218	0.047	0.241	4.638	0.000
Service Quality	0.287	0.050	0.318	5.740	0.000
Brand Reputation	0.176	0.045	0.192	3.911	0.000
Digital Influence	0.149	0.044	0.165	3.386	0.001

In order to establish a relationship among the select factors such as design aesthetics, cost and affordability, service quality, brand reputation, and the digital influence, and customer perception of residential interior designing services in Nagpur City, multiple regression analysis was carried out. Conducting a review of the model results illustrate that the R of the model depicts that there is a strong positive association of independent variables with customer perception. The value of the R square in 0.659 indicates that approximately 65.9 percent of the change in customer perception can be explained by the combined effect of all these factors, which, in turn, suggests that the ability of the model to explain the change of customer perception is relatively high. The value of the adjusted R square further corroborates reliability of the model as the number of predictors was considered.

Statistical significance of the regression model obtained through ANOVA results indicates that

there is a statistically significant regression model between nanowire and nanofiber thickness and diameter. This will confirm the overall impact on the customer perception of the independent variables in combination with each other is significant hence confirming the overall suitability of the model to be analyzed. Hence, the regression model works well in elucidating the relation between the variables that are picked and the customer perception in relation to residential interior designing services in Nagpur City.

Table coefficients are provided and show all the independent variables, the effect of which on the customer perception is positive and statistically significant. The standardized beta value of design aesthetics is the largest of them, i.e., it can have the greatest impact on the customer perception formation. This implies that customers value most visual appeal, creativity and innovative design solutions the most. It is also found that there is a strong positive effect on the service quality that indicate that professionalism, timely and effective communication are all significant roles in service delivery.

In addition, the aspect of money and the ability to pay largely affect customer perception meaning that customers will base their perception of service based on value and the ability to pay. The positive reputation of the brand is also very user-friendly and this indicates that a great deal of trust and credibility in interior design firms translates into an important contribution to decision-making. In addition, the impact of digital influence i.e., the exposure of social media and online designing tools, on customer perception is relatively lesser but significant.

The regression analysis, in general, would substantiate that all the chosen factors have a strong influence on the customer perception, with design aesthetics and service quality seeming to be the most predominant ones. Thus, alternative hypothesis (H1) is accepted

thus indicating the presence of a strong relationship among the variables identified and customer perception of residential interior designing service in Nagpur City.

### Overall Conclusion

The current researchers of the factors that influence customer perception of residential interior designing services within Nagpur City provides a very broad insight into how customers assess, and select interior designing services in a fast-growing urban market. The findings will give a straight forward answer that customer perception is a multidimensional construct that will need to be influenced by both intangible and tangible factors. Of all other variables being investigated, the design aesthetics, or visual appeal, professionalism, and appropriate execution of interior design projects have turned out as the most powerful determinants; and, it emerges that the greatest customers concern themselves with is creativity, visual appeal, professionalism, and proper implementation of interior design projects.

The performed statistical analysis (including descriptive statistics and multiple regression) provides evidence that the cost and affordability, brand reputation, and digital influence also have a significant role to play in defining customer perception. They however have a secondary impact with respect to the design and service related attributes. The result of regression will further validate the issue that the combination of all the selected factors can explain a significant percentage of variation in the perception of customers which is a strong relation between the independent variables and the dependent variable. This confirms the acceptance of this alternative hypothesis which is that there exists a strong relationship between the identified factors and customer perception.

The paper also introduces the shifting consumer behaviour within Nagpur City where the traditional determinants of decision making in the city is trust, cost and quality of service that

are persistently as well as increasingly determining decision making within the city. That final verdict of customers is heavily influenced by direct service experience, reliability, and the value of money, is still very strong in the light of growing exposure of customer to global design trends through access to social media and digital technologies.

In management terminology, conclusions reached in this context point into an increased creativity with the interior design, high-service quality, transparent pricing and high brand recognition as results to improve customer satisfaction and loyalty. In addition, companies ought to enhance their online presence by use of online portfolios, social networking as well as virtual design solutions to attract and retain new-age consumers.

Indisputably, the research determines that the aesthetic value and service excellence backed by economic, reputational and digital elements are the prime factors which customer perception in residential interior designing services are largely driven. Awareness of such determinants could help interior designers and companies in Nagpur City to create more customer-friendly strategies, better serve customers and be able to gain a competitive edge in an environment that is quickly changing and becoming increasingly competitive.

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