



Role of loyalty in building ideal client relationship in interior designing business

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Abstract

Loyalty plays a vital role in promising relationships with clients in any business. Establishing and maintaining relationships with customers is the key to successes of businesses today. Like any other customer centric businesses, interior designing also demands client or customer relationship management skills for successful execution of projects. Most of the designers in this business pay much attention to the technical aspects of interior designing and are less concerned about the human aspect of relationship with their clients which really determines the sustenance of their businesses. They fail to realise that customer relationship management (CRM) skills are equally important as technical aspects. Many designers think that they know how to handle clients and their relationship with them as they do it every day. This oversight in them leads to failure in noticing the factors that contribute to customer relationship and retention. Loyalty is claimed to be a major factor contributing to strong and ideal relationships with customers or clients. The importance of loyalty in maintaining ideal relationships with clients in interior designing is yet to be realised by many designers. Hence, an empirical study was conducted among 240 clients of various interior designing studios and firms at Calicut town of Kerala to know the role of loyalty in building ideal client relationship in interior designing. This article is on the outcome of the study insisting the importance of building clients' loyalty in interior designing businesses for better relationships and continuing businesses.

Keywords: loyalty, client, relationship, interior designing, delight, satisfaction

Introduction

Interior designing is a fast growing service industry and is a part of large discipline called architecture. Both are the act of designing a building or a space. Interior design as a separate specialized design discipline is a relatively new field in India. Now it has been recognized as a profession different from decorators and architects, which dominated the field for historic reasons. Interior designing means the management of space to give maximum utility and beauty to its inhabitants. Interior design sees space as a living environment and is a holistic resolution of the socio-cultural, emotional and resource conditions of the context it represent. In context of design 'interiors' refers to any space within an enclosed structure that is inhabitable and human centred.

Need for Better Interiors

Everybody irrespective of the income, wish to live or use a beautiful and comfortable interior of a house or office or public utility space. People make better house interiors for their happy and comfortable living. Home is an extension of one's personality. Businessmen make better interiors for attracting clients and fetching business. Paco Underhill (2000)^[1] a consultant whose market research firm 'Envirosell' has been studying retail shopper behaviour for 20 years says that a pleasing environment with attractive lighting and decor not only makes an individual shopper linger but it makes groups or pairs more reluctant to leave. So they stick around and talk about the items- a process that leads to more purchases.

Significance of the Study- Building ideal client relationship, retention of clients and the role of clients' loyalty

In the present fiercely competitive business environment, Customer Relationship Management (CRM) is emerging as the core marketing activity for businesses. Formerly the attention was on acquisition of customers or clients. Gruen. T.W (1997)^[2] in his article 'Relationship Marketing: The Route to Marketing Efficiency and Effectiveness' says 'businesses, on an average, spend six times more to acquire customers than they do to keep them'. Many firms are now paying more attention to retain their existing clients and earn profit. People within the designing firm have the basic role in developing and maintaining relationship with clients. They have to understand that their work is towards satisfying clients. It involves a sequence of activities right from the need identification of potential clients to need fulfilment. The interior with desired attributes should be made for the need fulfilment of the clients. The process has to be delivered from client's view point for total client satisfaction. James H. Gilmore (1999)^[3] co-author with B. Joseph Pine II of 'The Experience Economy' says 'a company's goal should be to learn more about what each customer needs so that it can close the 'customer sacrifice gap', which is the difference between what individual customers 'settle for' and what each 'wants exactly'. In his article 'Zeroing In on What Customers Really Want' Douglas Smith (2007)^[4] says, 'The more completely you understand and meet your customer's needs, the more successful you will be in selling to her'. These sayings clearly

portray the need for understanding and meeting the clients' expectations. This can obviously happen only through interactions, transactions, and relationships between the client and the designer.

Interior offered must constantly provide value addition. Usually client's expectations go much beyond physical tangible things. Intangible benefits associated with the tangible product plays a major role in creating satisfied clients. These benefits include the effective listening made by designers, the courtesy shown to the client when he visits, the design studio atmosphere, the counselling rendered, expertise services offered and so on. Designing firms have to set high quality service standards and provide the same in all three phase viz. pre-design stage, during design and post design stage. Designing firms have to analyze the cost of products and services. Always there must be a sincere attempt towards cost reduction without compromising on quality. Pricing decisions are to be governed not merely by cost related factors but paying ability of the potential clients also must be considered. Influencing factors of the designing decision process and the ultimate outcome are to be analyzed in-depth. Causes for dissatisfaction are to be identified and have to be attended well. If a complaint is well attended then the unsatisfied client becomes more loyal to the designing firm and thereby relationship would continue to exist. In their book 'The Myth of Excellence: Why Great Companies Never Try to be the Best at Everything', Fred Crawford and Ryan Mathews (2002) ^[5] say that the new way for business to create a bond with their customers is to reflect fundamental human values such as trust, respect, dignity and ease in their offerings. They also say that customers are looking for human values showcased in every product or service the company offers. If the client is satisfied, delighted and loyal, he will be a good client and his relation with the designer will be 'ideal'.

Requirements of the clients are bound to change in tune with the changing in their lives, demographic and psychographic profiles and other related aspects. A designing firm has to observe these changes. In his article 'Do you Really Know What to Do with Your Customer Data?' Jean Ayers (2007) ^[6] a contributor to Harvard Management Update, says 'To boost customer satisfaction and ultimately, customer loyalty, you have to do more than listen simultaneously to customer averages and to individual customers. You also have to look for what lies beneath the externals of customers' behaviour (things they buy, the method of buying, and the time of buying). The outlook of customers is changing day by day and simply satisfying them is not enough but a designing firm should work for the customer delight. This is what the present day customer aims at'. In another article 'Five keys to Keeping Your Best Customers' in Harvard Management update, Jim Billington (2007) ^[7] says 'What you have to achieve today, apparently, is utter and complete satisfaction. But this pays off big'. It has to offer training to all staff members because unsatisfactory performance by anyone will destroy the entire process of providing total satisfaction to the clients concerned. Designing firm must have simple, open, efficient client friendly communication. The client must feel free to contact the designing firm at any point of time and get any sort of their problem solved. Factors contributing negatively towards client relationship are to be identified and

measures are to be taken towards preventing possible undesirable happenings. Designing firm must initiate research on client satisfaction in terms of client's level of satisfaction, factors contributing towards satisfaction, extent of client retention, influence of competitors brand on client satisfaction, client attitude towards brand, perception of brand image and so on. Designing firm should be aware of the technological advancements and provide quality service in turn with client's expectations. Every designing firm has to change their functioning according to the changes in the business environment to get more business and earn more profit. Otherwise the very existence of the designing firm will be in danger. A periodic analyzing of the reasons behind losing clients and accordingly developed efficient client retention plan is very much essential for retention of clients. Knowledge about the reasons behind losing of clients is required for preparing an efficient client retention plan.

Satisfaction and delight makes clients loyal and they become the apostles of the designer or the designing firm. A very good Customer Relationship Management (CRM) is essential for the same. Customer Relationship Management (CRM) is concerned with the designing of an efficient customer acquisition and retention plan by providing customer satisfaction and delight. The ultimate reward for the same is client's loyalty and thereby good business and more profit. These are very much important and essential for the success of interior designing profession/business. Loyalty in the marketing context may be defined as a wilful, voluntary, repeated choice of a specific brand of a product or type of service. The action of loyalty is a positive repeated behaviour of preferring one brand of a product from among the several brands available. In a highly competitive and challenging business environment, designing firms are really blessed if they are fortunate to have loyal clients in their client inventory. Building client loyalty is the basic platform of relationship formation. In tune with the loyalty the clients may be classified as hardcore loyalists, soft-core loyalists and switchers. Designing firms must focus their attention on conversion of switchers into soft-core loyalists and soft-core loyalists to hardcore loyal clients. Loyal clients serve as a sustainable competitive edge to the designing firm concerned in the present day context. Therefore designing firms should keep building client loyalty as their prime agenda.

In order to reach the loyal client, a careful marketing action plan should be evolved and implemented effectively. A client reaches the status of a loyal client by passing through a series of stages such as client by chance, client by occasion, client by choice, client by repetition, client by insistence and client by loyalty. Loyal clients are the assets of a designing firm. The loyal clients play six important roles such as the partner, the advisor, the custodian, the resource provider, the change driver, experience shaper and through each role they contribute effectively towards the betterment of the designing firm. An ideal relationship is necessary for both client and designer in terms of total satisfaction, delight and loyalty, for a long lasting relationship. This ideal relationship can be from the designers view or from the clients view. Client's loyalty is the practice of finding, attracting and retaining the clients who regularly purchase from a business. In his article 'Five keys to Keeping Your Best Customers, Jim Billington (2007) ^[8] says

‘The experts all agree that the critical test of loyalty is, somewhat self-evidently, the decision to repurchase’. Client empowerment helps to achieve loyalty. Kenneth Kanady (2002)⁹ education enablement manager of KANA, a leading provider of external-facing CRM solution in Natick, Massachusetts says ‘Empowerment is the feeling that customers develop ‘about themselves’ as a result of interacting with a company through its people, products, processes or services. Empowerment is what differentiates a ‘repeat’ customer from a loyal customer. Customer loyalty is viewed as the steadfast emotional allegiance or commitment given to a business, product, brand or person’.

The designer can also be the worst enemy of the client, when client relationships are not established properly. When clients get fed up, they do not just leave, but engage in anti-advocacy, warning coworkers and friends about bad experiences through word of mouth, e-mail campaigns, and internet chat rooms.

Available literatures, earlier studies and thoughts of experts clearly affirm that customer loyalty is an important factor in building healthy relationships. The extent to which it is true in the business of interior designing is witnessed through this study.

Statement of the Problem

Most of the designers and designing firms give importance to the technical aspects of interior designing. They are often less concerned about the human aspects. Since clients are the central point of interior design activity, loyalty of clients is very much essential for ideal relationship between client and designer, retention of clients and the smooth functioning of interior designing activity. So the present research intends to shed some light on the necessity of loyalty of clients in building ideal client relationship in interior designing profession/business by analyzing the opinion of clients at Calicut town of Kerala State.

Objectives of the Study

1. To know the opinion of the clients about their relationship with designer/designing firm,
2. after completion of the interior designing work
3. To know the status of loyalty of clients
4. To know the association between loyalty and ideal client relationship

Research Methodology

Two hundred and forty questionnaires were distributed to people who availed interior designing in the town ‘Calicut’ of Kerala during 2015-16. To obtain a broad and general opinion of the interior designing clients, the town was divided into four zones - north, south, east and west. Equal numbers of questionnaires were distributed in each zone. From each zone, clients who live in houses, villas, apartments and owning shops, commercial complexes, etc. were chosen. Similarly clients with different demographical profile on the grounds of income, age, educational qualification, and occupation from these zones were surveyed. Sixty (60) questionnaires were circulated in each zone. All these assortments summed up to 240 samples.

Key Hypothesis of the Study

H₀: Loyalty of clients has no association with ideal client relationships tested against the alternative:

H_a: Loyalty of clients has association with ideal client relationships

Sampling Design

The study was carried among the clients, who availed interior designing from designing studios/designing firms at Calicut of Kerala. Two Hundred and Forty (240) clients from the town of Calicut were chosen for conducting the study. These respondents were chosen through one of the most popular non probability sampling techniques – ‘convenience sampling.’

Data Collection: Method

In this study, the clients’ details were obtained from the records of different designing studios/designing firms at Calicut town.

Source of Primary Data

Primary data plays a vital role in this study. Primary data were collected from two hundred and forty (240) people who availed interior designing in the town of Calicut in the State of Kerala by using a well-structured questionnaire.

Detailed interviews were also conducted with many stakeholders such as interior designers, architects, clients and educators to understand their views and know more about interior designing, client’s satisfaction and retention of clients. These interviews helped the researcher to know the practical applications of the study and the same has been reflected in the literature.

Secondary Data

Secondary data sources were books on architecture, interior designing and CRM, newspapers, prominent magazines on architecture and interior designing, websites, encyclopaedia, former research thesis, dissertations, projects, reports, articles in journals, e-journals and study materials of leading interior designing educational institutions.

Tools of Data Collection

The questionnaire used for the survey had simple dichotomous questions and questions with fewer choices so that it can be filled effortlessly in less time for a suitable response.

Period of Study

The study was administered between May and October 2017.

Tools for Data Analysis

Percentage analysis and Spearman rank correlation coefficient test are the tools performed to meet the objectives of the study. Percentage analysis has been used to know the clients’ loyalty and relationship with the designer/designing firms. Spearman rank correlation coefficient test has been used to know the linear association between loyalty and ideal relationship.

Role of Loyalty in Building ideal client Relationship in Interior Designing - Data analysis

Role of loyalty of clients in building ideal client relationship in interior designing profession/business and the influence of loyalty on ideal relationships between clients and designers/designing firms have been analysed and the respective results are presented below. The numerical comments on loyalty and relationship are the compiled figures arrived through a comprehensive survey.

Opinion of the clients about their relationship with designer/designing firm, after completion of the interior designing work

Table 1: Relationship with designer

S. No	Relationship	No. of respondents	Percentage
1	Good and ideal	142	59.17
2	Not good and ideal	98	40.83
	Total:	240	100.00

Source: Primary Data percentage analysis

Among 240 clients surveyed, inferences from Table-1 (percentage analysis) reveals that 59.17 percent of clients have had good and ideal relationship with their clients and the remaining 40.38 percent were not satisfied with their relationship. Hence, majority of the client’s relationship with their designers is found to be good and ideal.

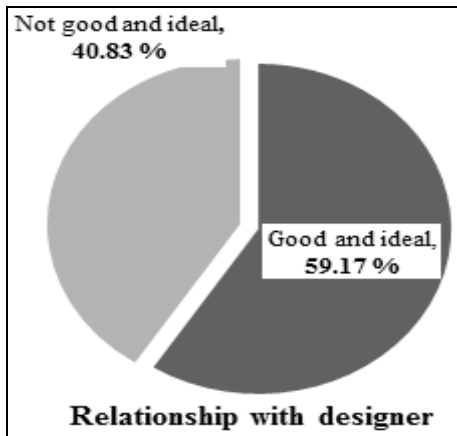


Fig 1: Relationship with designer

Opinion of the clients (who have ideal relationship with designer/designing firm) about their loyalty, after completion of the interior designing work

Table 2: Loyalty of clients who have ideal relationship with designer/designing firm

S. No	Loyalty under ideal relationship	No. of respondents	Percentage
1	Loyal	140	98.59
2	Not ready to disclose	2	1.41
	Total:	142	100.00

Source: Primary Data percentage analysis

Inferences from Table-2 (percentage analysis) reveal that 98.59 percent of the clients were loyal to the designer/designing firm and 1.41 percent of them were not ready to disclose their loyalty. Majority of the clients who have ideal relationship with the designer/designing firm were loyal.

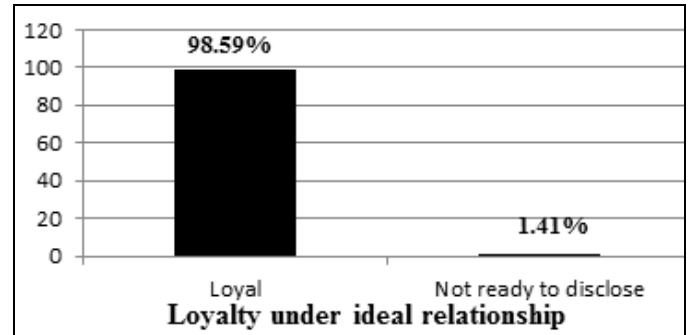


Fig 2: Loyalty of clients who have ideal relationship with designer/designing firm

Comparison of the data (given in Table I and Table 2) reveals the fact that out of the 59.17 percent of clients (i.e. 142 out of total 240 in Table-1) who have had ideal relationship with designers/designing firms, 98.59 percentage of them said that they were loyal to the designers/designing firms (140 out of 142 in Table-2).

Linear Association between Loyalty and ideal Relationship

Table 3: Linear association between loyalty and ideal relationship in different zones of the city

Zones	Loyal	Ideal relationship
North	33	33
South	34	35
East	39	40
West	34	34
Total	140	142

Source: Primary Data Spearman rank correlation coefficient test

Table 4: Spearman rank correlation coefficient test value

Calculated Value of Spearman rank-correlation coefficient	Result
0.95	There is strong positive correlation between loyalty and ideal relationship. When ideal relationship increase, loyalty also increases.

Calculated value (Table-3) of Spearman rank correlation coefficient (0.95) shows that there is a strong positive correlation between loyalty and ideal relationship. When loyalty increases, ideal relationship also increases.

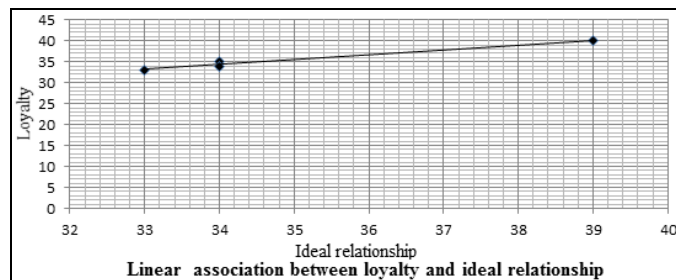


Fig 3: Linear association between loyalty and ideal relationship

Findings of the Study

Role of loyalty of clients in building ideal client relationship in interior designing profession/business is very high. It is found from the study that most of the clients who have ideal relationship with designers/designing firms are loyal to the designers/designing firms. So it is evident that loyalty helps to maintain ideal relationships. Those clients who have ideal relationship with designers will only continue their relationship with the designers/designing firm. There is a strong positive correlation between loyalty and ideal relationship. When loyalty increases, relationship strengthens.

Suggestions

From all the analyses conducted to study the role of loyalty in ideal client relationships, it is evident that loyalty plays a big role and paves the way for an ideal client relationship. Hence, interior designers should find ways and means to build loyalty in their clients for healthy and long standing relationships.

Scope of the Study

The study has been carried on the role of loyalty of clients in building ideal client relationship in interior designing profession/business at Calicut of Kerala. The art of making the clients loyal and customer relationship management are more or less common in almost all business. So the findings may be applicable to other designing firms and business concerns.

Limitations of the Study

The study is being carried out only in interior designing profession/business at Calicut of Kerala, for the want of operational considerations such as time, cost, availability, manpower etc. The result of the analysis made in the study depends fully on the information given by the respondents in Calicut and hence inferences made through this study may have geographical limitations due to the unique demographical profile of respondents.

Conclusion

Irrespective of the standard of a product or services offered by a designing firm, it is likely that the customers would reach a level of dissonance and seek for remedial action. A designing firm must be pro-active to such a situation. Usually dissatisfied customers simply make a brand switch-over without coming forward to show their displeasure. It definitely reflects on prospective customer's attitude. So the causes for dissatisfaction are to be identified and have to be attended well. If complaints are well attended, then dissatisfied customers become more loyal and the relationship would

continue to exist.

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