THE IMPACT OF CUSTOMER SATISFACTION ON DECORATION COMPANIES AT YEZHIFENG DECORATION COMPANY

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Abstract: According to Liang Changyu, an observer of Shanghai's interior decoration industry and director of China Business Channel on China.com, the home decoration industry is closely related to the people's expectations for a better life. Based on the complaint and consultation data in 2023, there is still a lot of room for improvement in consumer satisfaction in the home decoration industry. And this article aims to investigate the impact of customer satisfaction on companies.

The research objective is: 1) What is the current status of customer satisfaction in the renovation industry? 2) what factors affect customer satisfaction ?

This study adopts quantitative research methods. This study distributed a total of 425 questionnaires, of which 400 were valid, with an effective rate of 94.10%. The questionnaire survey was conducted in four regions: Shenzhen, Bangkok, Taiyuan, and Fuzhou. The sampling method was random sampling, and 85 questionnaires were pre ordered in each region. Based on customer satisfaction theory, this study found that: 1) the service quality of decoration companies has a significant positive effect on improving customer satisfaction. 2) The price discounts offered by decoration companies have a significant positive effect on improving customer satisfaction. 3) The after-sales service of decoration companies has a significant positive effect on improving customer satisfaction. 4) The customer loyalty of decoration companies has a significant positive effect on improving customer satisfaction. The improvement of customer satisfaction in decoration companies should focus on the follwoing aspects: 1) service quality, 2) price, 3) after-sales service, and 4) customer loyalty.

Keywords: Influencing Factors, Decoration Companies, Customer Satisfaction

Introduction

In recent years, China's decoration industry has made significant progress. As an important component of the real estate industry, the decoration industry has played a positive role in promoting economic growth, urbanization, and improving people's living standards. (Analysis Report on the Current Situation of China's Decoration Industry, October 21, 2023)

The architectural decoration industry is an important component of China's national economic

development. According to the different nature of building use, the architectural decoration industry is divided into public building decoration industry and residential decoration industry. With the acceleration of urbanization and the continuous increase in per capita residential area, it brings development space for the construction and decoration industry. Each building needs to undergo multiple decorative renovations throughout its entire lifecycle from the completion of its main structure to the end of its service life. Therefore, the architectural decoration industry has the characteristic of demand sustainability. (Zhongjing Baihui Research Center, Development Status of China's Building Decoration Industry in 2024, May 29, 2024)

In 2022, affected by the COVID-19, the per capita disposable income excluding price factors will actually increase by 2.9% compared with 2021. Although the growth rate has slowed down, the per capita disposable income will continue to grow, laying the foundation for effectively improving residents' purchasing power. The per capita consumption expenditure scale is basically the same as the level in 2021, and after deducting price factors, it shows a slight downward trend year-on-year. However, when it comes to specific categories, housing is the second largest category of consumption expenditure after food, and its level has increased by 4.3% year-on-year compared to 2021. It is the category with the highest growth rate except for other goods and services, and the growth rate is significantly higher than the overall growth rate of per capita consumption expenditure. It can be seen that consumers are willing to invest more in improving their living environment, which has the potential to benefit the home decoration industry. (Related report: "Market Research and Investment Potential Forecast Report on China's Home Decoration Industry from 2024 to 2030" released by Huajing Industry Research Institute)

Consumers' demand for personalized and customized design is constantly increasing, and the industry is also adapting to this trend. The enterprise is committed to meeting the personalized needs of customers and providing customized design and decoration solutions. At the same time, the industry is increasingly emphasizing the design of multifunctionality and flexibility. The flexibility of buildings and internal spaces can adapt to different needs, such as the flexible layout of office spaces that can accommodate different work modes and team requirements. In recent years, with increasing attention to environmental impact, sustainable buildings have become an important development direction for the industry. This includes the use of renewable materials, energy-saving technologies, and environmentally friendly design and building practices to reduce resource consumption and environmental impact. (Zhongjing Baihui Research Center, Development Status of China's Building Decoration Industry in 2024, May 29, 2024)

Research Objectives

This study mainly focuses on the factors that affect customer satisfaction in decoration

companies. Four factors were identified, with the main objective of examining the relationship between a company's service quality and customer satisfaction, examining the relationship between a company's price and customer satisfaction, examining the relationship between a company's after-sales service and customer satisfaction, and examining the relationship between customer loyalty and customer satisfaction.

Research Hypotheses

H1: The service quality of decoration companies has a significant positive effect on improving customer satisfaction.

H2: The price discounts offered by decoration companies have a significant positive effect on improving customer satisfaction.

H3: The after-sales service of decoration companies has a significant positive effect on improving customer satisfaction.

H4: Customer loyalty of decoration companies has a significant positive effect on improving customer satisfaction.
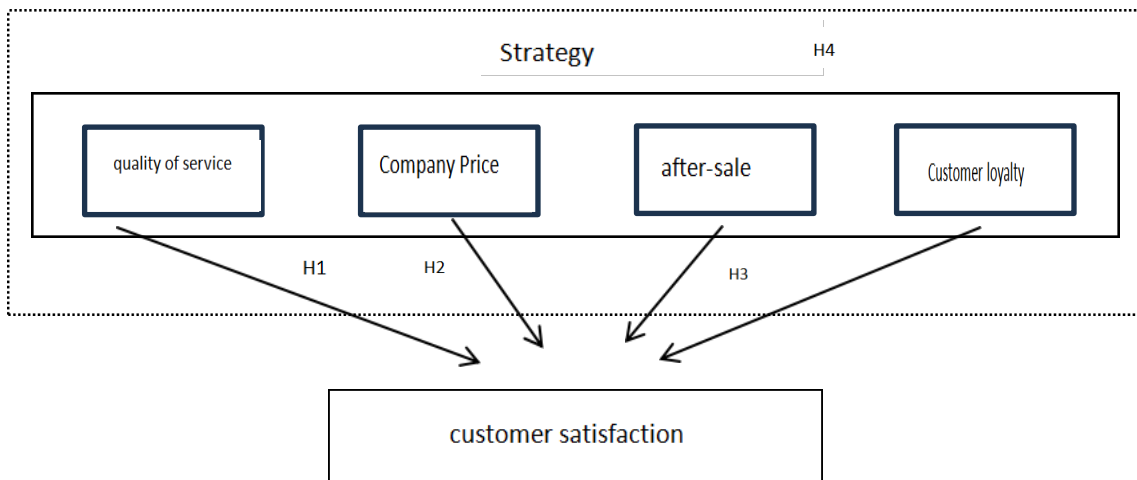
Literature Review

Conducted an in-depth analysis of the prospects and development potential of China's architectural decoration industry in literature, and proposed that shaping brand advantages and developing customer relationships are potential focus points for the future development of architectural decoration engineering.(Wang,Y.C. and Geng ,X.X. 2016)

First proposed the customer satisfaction theory in the process of marketing theory research. Dardozo believed that customers' expectations of products or services directly determine their satisfaction, and continuously improving customer satisfaction in products or services can stimulate

customers' desire for repeat purchases. (Dardozo, 1965)

Believed that the definition of customer satisfaction mainly comes from the gap between psychological expectations and actual experiential feelings. If this difference is negative, it represents a low level of customer satisfaction, which will lead to customer dissatisfaction with consumption.(Miller ,1972)

After conducting a survey of consumer data from hundreds of companies,found that the perceived state of customers' psychological expectations after purchasing goods or services and the actual results obtained after consumption reflects customer satisfaction. (Churchill and Surprenant ,1982)

Believes that after purchasing goods or enjoying services, consumers' subjective evaluation includes the quality of goods and services included in the goods, which is the overall feeling of customers towards consumption, directly affecting consumers' psychological feelings and reflecting customer satisfaction.(Fomell, 1992)

Believes that satisfaction is a psychological feeling formed by comparing customers' initial expectations with their performance of products and services, and belongs to a type of cognitive evaluation. (Lip Kotler,1997)

Constructed a structural equation model based on three satisfaction index models, and the results showed that customer satisfaction is influenced by multiple factors. Customer loyalty to the enterprise can be achieved by increasing customer satisfaction to increase customer stickiness. (Wang Lixia ,2019)

Are committed to customer relationship management and 5 innovations to improve the company's operational performance. In today's era of technological advancement, utilizing data for customer historical information, establishing an effective model, and establishing a management system for customer relationships to conduct scientific customer relationship management has become a major topic in the academic community.(Guerolaet al. ,2021)

Constructed a customer satisfaction evaluation model for service enterprises based on the SCSB, ACSI, and ECSI models, providing reference for the further application of customer satisfaction index in the service industry. Through a survey and analysis of consumers of three-star hotels in Jiangsu, Anhui, and other places, scholars found that the factors affecting customer quality perception, customer satisfaction, and customer loyalty are mainly influenced by customers' past shopping experiences, word-of-mouth promotion, and customer needs. At the same time, customers are particularly sensitive to quality perception in perceived value, and are more likely to overlook price comparisons or non monetary costs during the transaction process. Scholars have studied the impact of customers' shopping conversion costs on customer loyalty, and found through investigation that the fierce competition in hotels weakens the degree of customer conversion, only causing a negative impact on customers'

perceived value and loyalty to a certain extent.(Liang Feng ,2019)

Believes that in the context of the rapid development of Internet plus, consumer demand and appeal have become an important direction of enterprise product production, and consumer demand for products has also become the orientation of market demand. To improve the value of brand assets, enterprises must provide value-added services for consumers through service marketing, so that the profitability of brand assets can be transformed into tangible value.(Liang Ruixian ,2021)

Analyzed the correlation between customer satisfaction and purchase intention, and found that there are two main influencing factors of customer satisfaction: brand awareness and brand image. Customer satisfaction can enhance purchase intention.(DashG ,2021)

Studied the perception of customers during the service phase of customer satisfaction, and found that reputation services are most perceived at the beginning, and the impact of perceived quality on customer satisfaction is greater at the beginning than at the end. However, trust perception in experiential services has a significant impact at all times.(ChunchangXie et al. ,2021)

Conducted a systematic study on brand loyalty, investigating the driving factors, regulating factors, and formation mechanisms of brand loyalty, clarifying the strategic direction and focus for the company to improve customer satisfaction, and providing theoretical guidance for the enterprise to maintain competitive advantage. Scholars point out that the perceived quality of customers and brand reputation are covariant rather than causal. The perceived quality and brand reputation of customers do not directly determine their loyalty to the brand, but indirectly affect customer loyalty through customer satisfaction, customer trust, and perceived value. Customer satisfaction is the cause, and perceived value is the effect. Customer satisfaction is not the primary factor affecting customer loyalty, customer trust is the primary factor affecting customer loyalty.(Shang Pengfei, 2021)

Designed a superposition method for customer satisfaction from the perspective of psychological experience based on the two factor theory, constructed a customer satisfaction measurement model, and optimized the model from the perspective of maximizing customer satisfaction for analysis. Through data analysis, it was found that there is a monotonically decreasing relationship between customer satisfaction and a company's resource investment in product and service, with an increase followed by a decrease as cognitive levels increase. The lower the cognitive level, the more customer satisfaction will continue to increase with the increase of resource investment; The higher the cognitive level, the more likely the enterprise's resource investment is to be dispersed across different cognitive dimensions of customers, and requiring greater resource investment from the enterprise can ensure higher customer satisfaction. This also indicates that compared to incentive levels, the degree of guarantee and customer satisfaction show a more significant negative correlation.(Hu Wangsheng et al.,2023)

Proposed a feasible plan for construction in the construction industry .(Xu Qingying and Yang

Linlin, 2020)

Pointed out that home decoration should meet the needs of the new era society for decoration design and the concept of sustainable development.(Li Linyi and Zhang Xiaer, 2021)

Analyzed the application of the new revenue standard in the construction and decoration industry and pointed out that the new revenue standard will promote construction and decoration enterprises to strengthen their attention to construction contracts. At the same time, the new revenue standard has significant implications for improving the accounting, measurement, and disclosure of specific businesses in the construction and decoration industry under the new business model.(Lu Ping , 2021)

Believe that the influencing factors of customer satisfaction in modern logistics enterprises include the company's reputation, brand influence, service ability, service attitude, communication with customers, and care for customers. Clarifying the weight levels of various influencing factors and optimizing and adjusting them through actual monitoring results can continuously improve customer satisfaction. (Wu Shuilong et al.,2023)

Methodology

This article adopts quantitative research. According to customer satisfaction theory, this study mainly focuses on customers of decoration companies. The questionnaire consists of 15 questions and is presented in the form of a scale. There are many factors that affect customer satisfaction. The first part is a basic information survey, which is a multiple-choice question, including basic questions such as gender, age, type of decorated house, and decorated house area of the respondents. The second part is the influencing factors, including 6 items of service quality, 4 items of company price, 2 items of company after-sales service, and 3 items of customer loyalty.

The independent variables of this study are the company's service quality, service price, after-sales service, and customer loyalty. The dependent variable is customer satisfaction, and a model is constructed based on the relationship between the analyzed variables. The relationship between variables is established through assumptions.

Results

In the questionnaire, a total of 425 questionnaires were distributed, and 400 valid questionnaires were collected, with an effective response rate of 94.12%. The sample distribution of the satisfaction questionnaire survey is as follows: the gender ratio and age distribution of the respondents are listed. When displaying the results, there were 208 males participating in the survey, accounting for 25% of the total number of respondents, and 192 females, accounting for 48% of the total number of respondents. The gender ratio was basically equal. From the age of the survey questionnaire, there are

60 people under the age of 25, accounting for 15%; 264 people aged 25-35, accounting for 66%; 40 people aged 36-45, accounting for 10%; There are 32 people aged 46-55, accounting for 8%; There are 4 people aged 55 and above, accounting for 1%. As shown in Table 4.1. The sample population meets the statistical requirements. The specific age range for distributing the questionnaire this time is between 25 and 35 years old. At the current age group, a large proportion of people buy and decorate houses, and they have a strong personal experience. In the questionnaire, subjective conditions of the parties involved can be analyzed.

The proportion of housing types is 37% for apartments, 22% for villas, 35% for square meters, and 6% for other types of housing. In the areas where the questionnaire was distributed, most of them are strong first - and second tier cities with similar apartment decoration styles. The decoration styles of bungalows and villas are not singular, with more styles and more room for expression, and opinions are more valuable.

In the questionnaire, the proportion of housing area below 50 square meters is 18%, the proportion of housing area between 50 square meters and 100 square meters is 32%, the proportion of housing area between 101 square meters and 150 square meters is 40%, and the proportion of housing area above 150 square meters is 10%. In the age group of less than 50 square meters, most people are under 25 years old and do not have a strong personal experience in decorating houses. Most young people choose to personally renovate some house designs and are not familiar with decoration companies. In the customer satisfaction survey, 9% of customers expressed a very satisfied attitude towards the pre consultation of the decoration company, and 91% of customers expressed satisfaction. Among the satisfaction rates of design proposals proposed by designers, 12% are very satisfied, 73% are satisfied, 14% are average, and 1% are dissatisfied. In the questionnaire survey on the satisfaction of the construction team's technical level and work attitude, 3% were very satisfied, 86% were satisfied, 7% were average, and 4% were dissatisfied. In the questionnaire on whether the decoration materials meet expectations, 5% are very satisfied, 81% are satisfied, 10% are average, and 4% are dissatisfied. In the questionnaire survey on whether the decoration period was completed on time, 9% were completed ahead of schedule, 84% were completed on time, and 7% were slightly delayed. In the questionnaire survey on whether the prices of decoration companies are reasonable, the proportion of very reasonable ones is 1%, the proportion of reasonable ones is 82%, the proportion of general ones is 14%, and the proportion of unreasonable ones is 3%. In the questionnaire survey on the transparency of pricing for decoration companies, 14% were very satisfied, 80% were satisfied, 4% were generally satisfied, and 2% were dissatisfied. In the questionnaire survey on timely response to after-sales service after decoration, 20% were very satisfied, 73% were satisfied, 5% were generally satisfied, and 2% were dissatisfied. In the questionnaire survey on the ability and attitude of after-sales personnel to solve problems, 14% were very satisfied, 76% were satisfied, 8% were generally satisfied, and 2% were

dissatisfied. In the overall satisfaction survey of decoration companies, the proportion of very satisfied is 3%, the proportion of satisfied is 83%, the proportion of average is 6%, and the proportion of dissatisfied is 8%. In the survey on whether customers are willing to recommend decoration companies, 11% are very willing, 74% are willing, 10% are generally willing, and 5% are unwilling.

The Pearson correlation coefficient between the service quality of decoration companies and customer satisfaction is 0.462, P<0.01, indicating a general correlation between the service quality of decoration companies and customer satisfaction. This study found a correlation between the service quality of decoration companies and customer satisfaction, and conducted quantitative analysis using Pearson correlation coefficient. The correlation coefficient is 0.462, indicating a certain degree of positive correlation between the two, that is, as the company's service quality improves or strengthens, customer satisfaction may increase. A p-value less than 0.01 supports the existence of this relationship, which means that the correlation is unlikely to be caused by random factors, but has statistical significance. Correlation and causality are different. Although this study found a correlation between SSI and customer satisfaction, no causal relationship was established. In other words, it cannot be simply assumed that the improvement of a company's service quality will directly lead to an increase in customer satisfaction. Further research is needed to explore the specific relationship between the two and possible causal mechanisms.

The Pearson correlation coefficient between price discounts offered by decoration companies and customer satisfaction is 0.442, P<0.01, indicating a general correlation between price discounts offered by decoration companies and customer satisfaction. When the Pearson correlation coefficient is 0.442, it indicates a moderate positive correlation between the price discounts offered by decoration companies and customer satisfaction. This means that there is consistency between the price discounts offered by decoration companies and customer satisfaction, that is, the higher the price discounts offered by the company, the higher the likelihood of a corresponding increase in customer satisfaction. However, the value of the correlation coefficient is not entirely positive, indicating that the company's discounted prices are not the only factor affecting customer satisfaction, and may also be influenced by other factors. P<0.01 indicates that this correlation is not accidental and has statistical significance. This means that when conducting statistical analysis, we can exclude correlations caused by random errors, so this correlation is real rather than caused by sample errors or opportunities. The results of this study indicate that price discounts offered by decoration companies have a positive impact on customer satisfaction, but it cannot be determined that the company's discounted prices are the direct cause, and there may be other influencing factors. Therefore, although the company's discounted prices can provide some support for improving customer satisfaction, it is also necessary to consider the impact of other factors on customer satisfaction in order to develop a more comprehensive and effective plan to enhance customer satisfaction.

The Pearson correlation coefficient between the after-sales service of decoration companies and customer satisfaction is 0.478, P<0.01, indicating a general correlation between the after-sales service of decoration companies and customer satisfaction. When the Pearson correlation coefficient is 0.478, it indicates a moderate positive correlation between the after-sales service of decoration companies and customer satisfaction. This means that there is consistency between the after-sales service of decoration companies and customer satisfaction, that is, the more complete the company's after-sales service, the higher the customer satisfaction. But the value of the correlation coefficient is not completely positive, indicating that the company's after-sales service is not the only factor affecting customer satisfaction, and may also be influenced by other factors. P<0.01 indicates that this correlation is not accidental and has statistical significance. This means that when performing statistical analysis, we can exclude correlations caused by random errors, so this correlation is real rather than caused by sample errors or chance. The results of this study indicate that there is a correlation between the after-sales service of decoration companies and customer satisfaction, but it cannot be determined that the after-sales service of decoration companies is the direct cause of the improvement in customer satisfaction. There may be other influencing factors as well. Therefore, in the process of providing after-sales service, other influencing factors are needed to develop appropriate after-sales teaching and training programs to better meet customer needs.

The Pearson correlation coefficient between customer loyalty and customer satisfaction in decoration companies is 0.502, P<0.01, indicating a general correlation between customer loyalty and customer satisfaction in decoration companies. When the Pearson correlation coefficient is 0.502, it indicates a moderate positive correlation between customer loyalty and customer satisfaction in decoration companies. This means that there is consistency between customer loyalty and customer satisfaction in decoration companies, that is, the stronger the customer loyalty of decoration companies, the higher the customer satisfaction may be. However, the value of the correlation coefficient is not entirely positive, indicating that customer loyalty of decoration companies is not the only factor affecting customer satisfaction, and may also be influenced by other factors. P<0.01 indicates that the occurrence of this correlation is not accidental and has statistical significance. This means that when conducting statistical analysis, we can exclude correlations caused by random errors, so this correlation is real rather than caused by sample errors or opportunities. The results of this study indicate that there is a correlation between customer loyalty and customer satisfaction in decoration companies, but it cannot be determined that customer loyalty is directly responsible for the improvement of customer satisfaction. There may be other influencing factors as well. Therefore, in the process of improving customer loyalty, it is necessary to consider other influencing factors and develop corresponding training and support measures in order to better enhance customer satisfaction.

Discussion

For decoration companies, my suggestion is Conduct in-depth research on customer needs: Conduct regular market research to understand the constantly changing needs and expectations of customers in the field of decoration. Analyze the characteristics and preferences of different customer groups in order to provide more targeted services.

Establish a comprehensive customer feedback mechanism: Collect customer feedback and suggestions at different stages of the decoration project, and adjust service strategies in a timely manner. Classify and analyze customer feedback, identify common issues and key areas for improvement.

Strengthen employee training: Conduct customer service training courses to enhance employees' communication skills and service awareness. Let employees understand the importance of customer satisfaction to the company and motivate them to actively improve service quality.

Emphasize brand building: By improving customer satisfaction, establishing a good brand image, and increasing brand awareness and reputation. Utilize social media and other channels to actively promote the company's high-quality services and successful cases.

Continuously improve service processes: Regularly review and optimize the decoration service process to reduce unnecessary steps and waiting time. Introduce advanced management methods and technologies to improve work efficiency and service quality.

Establish a customer loyalty program: Provide discounts, value-added services or special care to old customers, encourage them to choose the company again and recommend it to others.

Conduct customer satisfaction surveys: Design a scientifically reasonable satisfaction survey questionnaire to ensure the accuracy and reliability of the survey results. Develop specific improvement measures based on the survey results and track the effectiveness of the improvements.

Strengthen cooperation with suppliers: Ensuring the quality of materials and timely supply is crucial for improving decoration quality and customer satisfaction.

Establish customer satisfaction indicators and goals: Incorporate customer satisfaction into the company's performance evaluation system and motivate departments to work together to improve satisfaction.

Learn and draw on industry best practices: Pay attention to the practices of other excellent decoration companies in the same industry, absorb useful experience and apply it to your own business.

Conclusions

From the above, it can be seen that customer satisfaction has a significant impact on a company. This article uses customer satisfaction theory to introduce four factors that affect customer satisfaction in decoration companies: the company's service quality, favorable prices, after-sales service, and customer loyalty. The conclusion is drawn that all four are related to customer satisfaction, and starting

from these four aspects can improve the customer satisfaction of decoration companies.

Suggestions for the company include: conducting in-depth research on customer needs: conducting regular market research to understand the constantly changing needs and expectations of customers in the field of decoration. Analyze the characteristics and preferences of different customer groups in order to provide more targeted services. In terms of establishing a comprehensive customer feedback mechanism, collect customer opinions and suggestions at different stages of the decoration project, and adjust service strategies in a timely manner. Classify and analyze customer feedback, identify common issues and key areas for improvement. Strengthen employee training: Conduct customer service training courses to enhance employees' communication skills and service awareness.

Let employees understand the importance of customer satisfaction to the company and motivate them to actively improve service quality.

Focus on brand building: By improving customer satisfaction, establishing a good brand image, and increasing brand awareness and reputation. Utilize social media and other channels to actively promote the company's high-quality services and successful cases. In terms of continuous improvement of service processes: regularly review and optimize the decoration service process to reduce unnecessary steps and waiting times. Introduce advanced management methods and technologies to improve work efficiency and service quality. In terms of establishing customer loyalty programs: providing discounts, value-added services, or special care to existing customers, encouraging them to choose the company again and recommend it to others. In terms of conducting customer satisfaction surveys: design a scientifically reasonable satisfaction survey questionnaire to ensure the accuracy and reliability of the survey results. Develop specific improvement measures based on the survey results and track the effectiveness of the improvements. In terms of strengthening cooperation with suppliers, ensuring the quality of materials and timely supply is crucial for improving decoration quality and customer satisfaction. In terms of setting customer satisfaction indicators and goals: incorporating customer satisfaction into the company's performance evaluation system to motivate departments to work together to improve satisfaction. Practice in learning and drawing on the best practices in the industry: pay attention to the practices of other excellent decoration companies in the same industry, absorb useful experience and apply it to one's own business.

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