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**Understanding Customer Loyalty in the Automobile Industry: The Case of Ford Motors in
the State of Virginia**

Jared Nichols

Abstract

The automobile industry is marked by intense competition and relatively stable demand, making customer retention highly essential for business survival in the sector. This research explores the factors and contextual conditions influencing customer loyalty among Ford vehicle owners in Virginia. By exploring these factors and their impact on loyalty decisions, the study aimed to provide insights into the drivers of customer loyalty and propose a model that auto manufacturers can adopt to attract and retain loyal customers more effectively. A mixed methods approach combining qualitative interviews, a focus group, and a survey of 105 participants was employed to analyze loyalty in customers of Ford Motor Company. Overall, this research finds that perceived quality, value, corporate image, and switching costs are critical factors in establishing and maintaining the loyalty of Ford vehicle owners in Virginia. However, of the four factors identified, perceived switching costs when considering competing brands may have the least influence on a customer's decision to remain loyal compared to the other three factors tested. Based on these insights, the study has advanced the understanding of drivers of customer loyalty, providing managerial, empirical, and theoretical contributions that will move this field of inquiry forward.

Introduction

Customer loyalty refers to a customer's willingness to repeatedly purchase products or services from a specific brand or company (Bowen and Chen, 2001; McMullan and Gilmore, 2008). This loyalty is critical for the success and growth of any business, especially ones where retaining existing customers is more feasible than attracting new ones. The automobile industry has existed for the past one hundred years. Over time, companies have emerged in this market seeking success by capturing a portion of the market share. As more companies enter the market,

competition intensifies, as the size of the automobile market experiences very little changes in size. As more companies enter the market, and the size of the market remains steady, retaining customers has become increasingly challenging for automobile companies. Therefore, researching the factors that influence customer loyalty in the automobile industry has become a crucial area of study (Gaurav, 2016; Chang et al., 2015).

Prior research has revealed that factors such as perceived product quality, perceived value, corporate image, and switching costs are essential determinants of customer loyalty. However, most studies have only examined one or two factors and their effects on customer loyalty. For example, Mittal and Lassar (1998) explored the connection between customer satisfaction and loyalty, while Yuen and Chan (2010) studied the influence of service/product quality on customer loyalty. Nevertheless, a literature review revealed that there are few studies on how the combined impact of multiple factors affects customer loyalty in the context of the automobile industry.

To address this knowledge gap, this study aims to investigate how perceived product quality, perceived value, corporate image, and switching costs affect customer loyalty among Ford vehicle owners in the state of Virginia. By examining these factors simultaneously, a better understanding of their combined impact on customer loyalty can be attained. Throughout the research process, our research uncovered key factors to the success of customer retention and loyalty. The outcome of this research suggests that perceived value, quality, corporate image, and switching costs play a vital role in a company's ability to retain customers and establish customer loyalty.

These research findings offer insights into how automobile companies can enhance customer loyalty and develop effective strategies for retaining customers in an increasingly competitive market by maintaining a high perceived quality and value, as well as a positive

corporate image and high switching costs when considering competing brands. For example, increasing the durability and dependability of a vehicle will enhance that vehicle's perceived quality and value, inherently driving increased customer loyalty. Additionally, lowering maintenance costs can contribute to a higher perceived switching costs to customers considering competing brands. Corporate image can also be increased through the adoption and promotion of ethical business practices and honest marketing techniques. This study also provides managerial, empirical, and theoretical contributions. From a managerial perspective, the findings from this research provide managers with key points of emphasis when working to increase customer loyalty. It provides information on how customer service, marketing, quality control, and product development can increase customer loyalty. Regarding empirical contributions, this research specifically provides accounts of the lived experiences of Ford Motor's customers regarding customer loyalty. Lastly, this research aligns with and supports previous research regarding customer loyalty, thereby making a theoretical contribution. The similarity in results strengthens existing arguments and enhances knowledge of driving factors regarding customer loyalty, specifically in the automobile industry.

Literature Review

Before performing the intended research, it is critical to study existing research regarding this topic. To better understand the current understanding of contributing factors of customer loyalty, a literature review was conducted. The review began with a basic review of twenty published articles regarding general customer loyalty and the influencing factors driving this phenomenon. Overall, customer loyalty is established through customer satisfaction and perceived value. According to Muhammad El-Adly, customers who experience satisfaction and a sense of value from a purchase are likely to return to that business establishment in the future (El-Adly, 2019). Research such as this supports my hypothesis that perceived value is a driving factor in the establishment of customer loyalty. Furthermore, a study conducted by Mert Gürlek, Ertugrul Düzgün and Selma Meydan Uygur further suggests that corporate image plays a vital role in the establishment of customer loyalty, as they discovered a positive relationship between a company's perceived corporate image and customer retention rates (Gürlek, Düzgün, Uygur, 2017).

To further better my understanding of driving factors that garnish customer loyalty, I conducted a deeper literature review by narrowing the literature review scope to customer loyalty factors in the automobile industry. A more focused literature review uncovered work that supported my hypothesis regarding perceived quality as a tool for establishing customer loyalty in the automobile industry. Research conducted by Darwin Dhasan and Mayuree Aryupong (2019) directly supports this claim. Their work uncovers pivotal research regarding the positive relationship between perceived product quality and consumer behavior and habits that create customer loyalty. Their work unveils that customers who purchase a product they perceive as higher quality are far more likely to purchase a product from that company again (Dhasan and Aryupong, 2019). Additionally, research conducted by Muhammad Naeem and Abdul Sami (2020)

supports our hypothesis regarding a relationship between a customer's brand loyalty and the perceived switching costs of switching to another brand. Participants in their research reported a perception of higher switching costs being associated with purchasing an automobile from a competitor of their current automobile brand (Muhammad Naeem and Abdul Sami, 2020). Due to this report, it is rational to believe this perception of higher switching costs is potentially a driving factor in a customer's decision to remain loyal to their current automobile brand. Conducting this literature review highlighted an important knowledge gap regarding customer loyalty in the automobile industry. After conducting the literature review, I discovered that research has been conducted on these four factors individually, but to my knowledge, no research has been conducted that explores these four factors collectively. This research was conducted with intention of filling this knowledge gap by investigating the impact all four factors have on customer loyalty collectively.

Research Objectives

In light of the knowledge gaps surrounding customer loyalty in the automobile industry, the main goal of this research is to investigate how perceived quality, value, corporate image, and switching costs impacts the customer loyalty of Ford vehicle owners in the state of Virginia.

Accordingly, the study poses the following research questions:

- How does perceived product quality impact customer loyalty?
- How does perceived value impact customer loyalty?
- How does perceived corporate image impact customer loyalty?
- How does perceived switching costs when considering competing brands impact customer loyalty?

Methodology

This research aimed to explore how perceived quality, value, corporate image, and switching costs impacts the customer loyalty in the context of customer Ford vehicle owners in Virginia using a combination of qualitative and quantitative research methodologies. The justification for selecting a quantitative research approach is that it enables empirical testing of the study variables, facilitates the generation of generalizable results, supports causal inference, allows for precise measurement, and enables comparisons across different respondents (Zikmund et al., 2013). Collecting qualitative data supplemented the quantitative data, as it provided deeper insights into the motivating factors that influence customer buying behavior and establishing customer loyalty (Qazzafi, 2019).

The data gathering was conducted in three phases, which were as follows:

Phase I: Focus groups

In this phase, I conducted 1 focus group discussion with a small group of customers to gain an in-depth understanding of their perception of product quality, value, corporate image, and switching costs when considering competing brands to analyze how these factors influence their loyalty to the Ford Motor brand. The focus group aided in the identification of the key factors that influence customer loyalty and also guided the development of the research questions and hypotheses for subsequent phases.

Phase II: In-depth interviews

In this phase, I conducted 4 in-depth interviews with selected Ford vehicle owners to further explore their perceptions around how product quality, value, corporate image, and switching costs when considering competing brands influences their loyalty to the brand. The interviews were

semi-structured, allowing me to probe further into the customers' responses, and gather more detailed and nuanced data. The data collected from this phase was then used to refine the research questions and hypotheses.

Phase III: Survey/Questionnaires

In this final phase of the data collection, I utilized an online survey questionnaire to collect data from a sample of 105 Ford vehicle owners. The survey was designed based on the insights gained from the focus groups and in-depth interviews. The survey questions measured the perceived product quality, perceived value, corporate image, switching costs when considering competing brands, and the degree of customer loyalty to the brand. The sample was selected using the convenience sampling method. Hence the focus of my data gathering was limited to the Shenandoah Valley and Southwest regions of Virginia.

Data Collection

The data collection for this research used multiple instruments. First, an online survey was constructed and administered using Qualtrics surveying software to gather quantitative data for this research. Social media platforms such as Instagram, Facebook, and Snapchat were utilized to call on participants and bring awareness of the ongoing research to consumers. In addition to this survey, survey participants were prompted to participate in an in-depth interview and focus group. In an effort to gather candid responses and eliminate any potential bias, research participation was strictly on a voluntary basis. Through social media outreach, 105 participants volunteered to complete the online survey. Of those participants, 15 agreed to participate in an interview or focus group. Due to scheduling conflict of the volunteer participants, 4 were selected to participate in an interview and 3 were selected to participate in a focus group. Both the focus group and interviews were conducted online via Zoom. After receiving consent from all participating parties, these conversations were recorded and transcribed for further analysis.

Data Analysis

This study utilized Qualtrics survey software to analyze the quantitative data while thematic analysis was used for the qualitative data analysis. This yielded several benefits consistent with a mixed method approach. First, the use of Qualtrics resulted in the generation of an in-depth report of the survey participant responses. I then took this data and created a data structure table to provide clarity and key points of emphasis from the research data. On the other hand, the first step of the qualitative data analysis entailed the transcription of the recorded interviews. Once the interviews were transcribed, I analyzed the participant's reports to create a table of aggregate themes that were most common amongst the participants. Creating this table helped simplify this rigorous task and allowed me to identify the most consistent responses among the participants. Once both tables were completed, I employed a cross-referencing technique to compare the quantitative and qualitative data. Comparing the two data types provided insight to a more comprehensive understanding of the collected data. The cross-referencing technique led to better supported and more robust findings, as it allowed me to verify trends within the data while simultaneously providing deeper insight into quality, value, corporate image and switching costs as they impact customer loyalty.

Findings

Based on the analyses of the various interviews conducted, as well as the collected survey results, several key themes emerged regarding customer perceptions of the Ford brand. These themes include customer loyalty, perceived quality and value, customer loyalty and corporate image, customer loyalty and switching costs when considering competing brands. Overall, many participants displayed a strong sense of loyalty towards Ford. For instance, four interview participants referred to their long-term history with the brand and underscored its dependability as

a significant factor in their loyalty. This sentiment was well articulated by one of the participants when he stated:

"Ford is the brand that I feel comfortable with. If I found a Chevy that was comparable and it was X number of dollars less, I'd have to ask why?"

Additionally, survey results supported these claims, as 65% of respondents report that their familiarity and comfort with Ford's products influence their decision to continue purchasing their products.

However, the study observed two long-time Ford users decided to switch to GM when their Ford vehicle began to exhibit issues. One of them stated that he had always found Ford vehicles to deliver high quality and offer comfortable drives, which significantly contributed to his loyalty towards the brand. However, he mentioned that he started facing substantial problems with his 2015 Ford F150 after it had run over 100,000 miles. These issues were not adequately resolved by Ford or its dealerships, leaving them dissatisfied.

"I've had good luck with Ford. They've always been a good vehicle and a comfortable riding vehicle... I didn't have any problems with it until we got about 100,000 miles. And then everything started happening to it."

This demonstrates that customer loyalty can be compromised when product quality and customer service fall short. It is critical to note the importance of continued customer satisfaction in establishing and maintaining brand loyalty in customers, as 43% of survey participants reported that it would not be difficult for them to switch automobile brands. In an effort to uncover some of the key factors that contribute to Ford's brand loyalty in their customers, I took a deeper dive into the qualitative and quantitative data that was collected. In regard to brand loyalty, there were four

primary contributing questions regarding Ford owners: quality, value, corporate image, and switching costs when considering competing brands.

RESEARCH QUESTION 1 and 2- Customer Loyalty, Perceived Quality and Value:

The interview participants generally lauded Ford vehicles for their quality and durability, deeming them to provide good value for money. Interview and focus group participants frequently associated their vehicle's resilience and practicality with the cost-effectiveness they believe they experience. One participant expressed that he values the vehicle's longevity and reliability, along with its resale value. He persistently extolled the reliability and quality of Ford vehicles, asserting that the vehicle parts are robust and long-lasting, capable of withstanding rigorous use. He also indicated that he hasn't encountered any major issues with the vehicles. Pertaining to resale value, he posits that Ford vehicles maintain a strong resale value, which bolsters his view of them as worthwhile investments. This faith in the reliability and quality of the product, combined with a positive outlook on resale value, appears to be a central factor in his allegiance to the brand. The following quotations corroborate this:

"Well, yeah, definitely that they last a long time. It's the dependability and in the vehicle itself, I guess everything about it, I've just felt like it's good."

"Yeah, I do think that being able to have that low maintenance costs definitely contributes to the value of the vehicle... I think that being able to keep your maintenance costs down through the ownership of that vehicle is definitely a value."

"They seem to hold their, their sale price. So, I bought mine for about \$9,000. And I could probably get just about that or more out of it if I was to resell it now."

Likewise, the comments from two focus group participants emphasize the perception that the lasting quality and value of Ford vehicles serve as strong selling points, especially for customers. One participant's subsequent statement underscores this customer perception of Ford vehicles' quality and value.

"I got the best value when buying used," and another participant's declaration, "I always found myself directed back to Ford due to its perceived quality and durability,"

Survey results suggest these Ford owners are not alone in their salute to Ford for their perceived quality. 80% of participants reported satisfaction in the quality of Ford's products. Additionally, 81% of participants reported they would recommend Ford products to other consumers, and 75% of participants reported they would likely purchase another Ford vehicle in the future. In regard to value received, 77% of participants reported they are pleased with the value they received from purchasing a Ford vehicle. When asked whether they believed Ford offers the best dollar to value ratio, 51% of participants reported they do.

Research Question 3- Customer Loyalty and Corporate Image:

Participants expressed a favorable view of Ford's corporate image, praising its marketing strategies and its commitment to customer service. One interview participant highlighted Ford's "Built Ford Tough" campaign and the Mustang symbol as effective marketing tools, which he associated with a fast, robust product. On the other hand, another interview participant emphasized the company's proactive approach to customer service, asserting that Ford "takes care of their customers exceptionally well." In the same vein, a third participant spoke positively of Ford's corporate image, portraying the company as one that caters to the working class of America. He extolled their diverse model offerings and involvement in racing. This participant believes that this

image has significantly contributed to his loyalty to the brand. The following quotes by two of the study interviewees provides evidence:

"Like with their marketing skills, you know, they have, like ads and everything, like "Built Ford Tough" and, you know, the Mustang symbol represents a very fast, strong product. I actually really, really like what they're doing with their products."

"My perceived corporate imaging is they were always with the Truck brand, it was always with the working class of America" and "Even in their Mustang brands, working with people like Steve Selene and Carroll Shelby and Roush Motorsports just allows them to draw in and feature different demographics of purchasers."

The above quotes illustrate Ford's successful management of its corporate image through an effective marketing campaign and customer-oriented approach. However, two participants highlighted their dissatisfaction with Ford's customer service, both at the dealership and corporate level. These reports underscore potential areas for Ford to improve its corporate image. They perceived Ford's service as unresponsive, unsupportive, and indifferent, which significantly contributed to their negative impressions of the Ford brand.

"I contacted Ford, and they weren't interested in the problem that you had... the biggest problem that I see with Ford right now is customer service, because they flat don't care anymore. And that's not only Ford Motor Company. That's the dealerships that represent Ford."

Given the above evidence, this research suggests that Ford's perceived corporate image is influential in their ability to attract and maintain loyal customers. Further, survey results support this, demonstrating that corporate image plays a vital role in customer loyalty. 68% of participants

report that corporate image is an important factor in their decision to purchase a product. Additionally, 58% of participants report they feel Ford has the best reputation in the automobile industry. Although customers report considering corporate image when making a vehicle purchase, results suggest that corporate image may not be the end-all-be-all factor in a customer's decision to purchase a vehicle, as 45% of participants report that they would likely continue purchasing Ford's products if their corporate image significantly decreased.

Research Question 4 – Customer Loyalty and Switching Costs when Considering Competing Brands:

During this study, customers reported mixed emotions regarding switching costs. Switching costs perceived to be associated with transitioning to another brand were highlighted by several interview participants. For example, one interview participant believed migrating to a different brand would be costly. He believed that this would be true not only in monetary terms but also in terms of the time and effort necessary to acquaint himself with a different brand's vehicles. Nevertheless, this participant didn't dismiss the idea of considering a brand switch if there were to be a notable decline in Ford's product quality or a detrimental shift in the brand's corporate image. Similarly, another participant didn't completely exclude the prospect of switching brands, should a significant alteration occur in the value proposition that the Ford brand provides.

"If the quality was to go negatively, I'd probably definitely look for different options" and "if the values go up would the parts get better? Or would they remain the same? You know, stuff like that. How much attention to detail are they taking and putting into the vehicles? If that don't really change, then why would I keep going with the brand?"

In addition, another participant perceived high switching costs associated with transitioning to another brand. They believe that they would confront challenges such as familiarizing themselves with the new vehicle, navigating relationships with unfamiliar dealerships, and sourcing parts. They asserted the following:

"If I was to switch to a newer vehicle, or a different vehicle, like a different brand, I might have a little problem with some of their price points, you know because everything varies from brand to brand."

Nevertheless, two participants' decision to switch to GM, in spite of the potentially higher switching costs, indicates that customers may choose to switch brands if they perceive a superior value proposition elsewhere. These two participants express they had been devoted Ford customers their entire life. However, a combination of declining product quality and unsatisfactory customer service eventually shattered their loyalty to Ford, prompting them to explore options with GM. They reported finding the transition relatively smooth and pointed out their perception that GM provides more features than Ford for the same price.

"But this broke me out of the habit. GM's not any more expensive than Ford. GM has more features than what Ford does for all the same money."

Despite what was previously mentioned, a subset of participants perceived the 'switching cost' as negligible in their decision to remain loyal to their car brand. For instance, one participant experienced higher initial costs when they switched to Ford from their previous brand, Jeep. Nonetheless, they are satisfied with their decision, noting fewer issues and an improved overall experience with Ford. Although the initial cost was higher, this participant does not deem the

switching cost significant in their decision to maintain loyal to Ford. This is mainly because they report placing utmost importance on safety above any other consideration.

"The most important thing to me is I will pay to keep my kids safe...at this point, I'm kind of stuck on Ford. It's just been the best experience I've had "

Overall, the research suggests that the costs associated with switching brands, and the overall cost of a new product, factor into a customer's decision to remain loyal to the Ford brand. Survey results support this, as 64% of survey participants reported they would likely switch to another automobile brand if Ford's prices were to significantly increase. Although some interview participants reported switching costs to be a factor in their decision to refrain from changing car brands, survey results suggest that switching costs may not be as daunting of a factor to the vast majority of automobile owners, as only 18% of survey participants reported a perception that it would cost them more to switch to another brand. According to the data, overall cost itself seems to have more influence on brand loyalty rather than the associated perceived switching costs.

In summary, the participants exhibited a high degree of brand loyalty towards Ford. This loyalty is primarily fueled by their perception of the superior quality and value of Ford's vehicles, as well as the brand's positive corporate image. Nevertheless, there is significant potential for enhancing the customer service experience. Additionally, while the cost of transitioning to a different brand is considered a substantial deterrent by customers, it is not perceived as an unassailable barrier, especially if other elements of the brand experience start to decline. Two tables are provided below. Table 1 is the coding framework demonstrating how the study data was organized to arrive at findings. This involved the development of first-order themes and second-order aggregate themes to address the overarching research objective. Next, table 2 captioned "Survey Results" presents the quantitative data detailing the results in frequencies and percentages.

Table 1: Data Structure

2nd Order Aggregate Theme	1st Order Theme	Overarching Research Objective
High Durability	Perceived Quality	Factors Impacting the Customer Loyalty of Ford Owners in Virginia
Good Quality		
Pleased with Capabilities		
Durability		
Comfortability with Products		
High Resale Value	Perceived Value	
Fair Price Range		
Low Maintenance Costs		
Discontinuation of Certain Features		
Price Compared to Competitors		
Strong Customer Service	Corporate Image	
Marketing and Ethics		
Treat Employees Well		
Don't Mind Paying More	Switching Costs when Considering Competing Brands	
Fear Increased Maintenance Costs		
Fear of Additional Switching Costs		

Table 2: Survey Results

Online Survey Results	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
Perceive Product Quality					
Satisfied with Quality of Ford Automobile	9%	4%	7%	28%	52%
Likely to Recommend Ford's Products to Others	8%	5%	6%	28%	53%
Likely to Purchase Ford's Products Again	14%	4%	7%	22%	53%
Perceived Product Value					
Satisfied with Value Received from Ford's Products	9%	9%	5%	33%	44%
Price is Important in Purchase Decision	1%	9%	11%	38%	41%
Likely to Switch Brands for a Better Value	15%	19%	21%	20%	25%
Ford Offers the Best Dollar: Value Ratio	8%	16%	25%	36%	15%
Perceived Switching Costs					
It Would be Difficult to Switch Brands	27%	16%	20%	16%	21%
Familiarity and Comfort Influence Loyalty	11%	6%	17%	30%	36%
Likely to Switch Brands if Prices Significantly Increase	11%	9%	16%	39%	25%
Believe it Would Cost More to Switch Automobile Brands	11%	25%	46%	14%	4%
Perceived Corporate Image					
Ford has the Best Reputation in the Automobile Industry	20%	3%	19%	30%	28%
Corporate Image is Important in the Purchasing Decision	2%	10%	19%	31%	38%
Likely to Continue Purchasing if Image Decreases	12%	14%	28%	23%	23%

Discussion

An analysis of the findings in this research have highlighted multiple points that are imperative to the understanding of customer behavior and the establishment of customer loyalty within the automobile industry. Results of this research support the hypothesis of this research, as participants highlighted multiple factors that contribute to their decision to remain loyal to the Ford brand.

(Perceived Quality) The importance of perceived quality in a customer's decision to remain loyal to their current automobile brand was highlighted as a driving factor within this research. This discovery aligns with research conducted by Dhasan and Aryupong (2019), as their research also highlights the importance of perceived quality in customer loyalty. Additionally, this research supports work done by Dhanny, Hudayah, Paminto, Hariyadi, & Adhimursandi (2021), as this research uncovered that perceived quality has a significant positive effect on customer loyalty of Toyota. Lastly, this research supports claims by Magdalena, Tannady, and Nurjanah (2022), as their work claims product quality has a significant effect on customer buying decisions. Furthermore, influencing consistent buying decisions can lead to customer loyalty of customers. In conclusion, this research further supports a previous understanding within the field that suggests customers are more likely to remain loyal to an automobile brand if they perceive their products to offer higher quality than competing brands.

(Perceived Value) This research also suggests that perceived value is an important factor in the retention of loyal customers. The importance of perceived value in customer loyalty is additionally supported by research conducted by Muhammad El-Adly (2019). According to El-Adly, customers are likely to return to further conduct business with brands they feel offer exceptional value. This research also works to further confirm research conducted by Zhang, van

Doorn, and Leeflang (2014), as their work suggests that western cultures have a higher value-for-money orientation, implying that the ability to provide a perceived higher value to customers will positively contribute to customer loyalty. Additionally, this research again reinforces research contributions from Muhammad EL-Adly (2019), as that research suggests that a higher perceived value leads to increased satisfaction and customer loyalty.

(Switching Costs when Considering Competing Brands) Findings of this study support research work by Muhammad Naeem and Abdul Sami (2020) regarding perceived switching costs. Participants within my study highlighted fears of potential additional costs associated with switching automobile brands. These participants reported concern that it may cost them more money to conduct repairs on their vehicle if they switched to a different automobile brand. Additionally, multiple interview participants reported conducting repairs and maintenance on their own vehicles rather than paying for repair services. These participants expressed additional concerns about the time and money it would cost them to get acquainted with a new automobile brand. Additionally, my findings further support research conducted by Albert Caruana (2003), as this research found that higher perceived switching costs when considering competing brands contributes to increased customer loyalty. Overall, this research suggests that perceived switching costs are a factor to some customers when considering future purchases and establishing customer loyalty. However, quantitative survey results in this research challenge existing assumptions about the importance of switching costs, as only 18% of survey respondents report they believe it would cost them more money to switch to a different automobile brand. This data suggests that perceived switching costs when considering competing brands may not be as important to consumers as previous research suggests.

(Corporate Image) This research reinforces work conducted by Mert Gürlek, Ertugrul Düzgün and Selma Meydan Uygur (2017) that identifies perceived corporate image as a driving factor in establishing and retaining loyal customers. Additionally, this research supports work by Tu, Liu, and Chang (2014), which claims that positive perceived corporate image fosters customer commitment, which in turn leads to increased customer loyalty. Lastly, qualitative data collected in this research reinforces findings from Jørgensen, Mathisen, and Pedersen (2016). Their work suggests that perceived dealer quality may have more influence on customer loyalty than perceived product quality. Interview responses collected in this survey support this claim, as some participants highlighted the importance of a positive perception of dealer quality and service in their decision to remain loyal to the Ford brand. In conclusion, this research further supports previous research regarding perceived corporate image as a driving factor in increasing customer loyalty.

Overall, this research supports previous work that suggests perceived quality, value, switching costs when considering competing brands, and corporate image are influential factors in establishing and maintaining customer loyalty in the automobile industry. Additionally, the hypothesis is supported in these findings, as participants report that their decision to remain loyal to the Ford brand is multifaceted and contingent upon their perception of Ford and their products. However, these findings suggest that some factors may have more influence on customer loyalty than others.

Contributions

This study has provided vital managerial, empirical, and theoretical contributions.

Managerial Contributions: This research provides valuable insights to managers within the automobile industry, as it provides them with areas of focus that can assist their companies in attracting and maintaining loyal customers. These findings can be applied to numerous managerial faucets such as customer service, marketing, quality control, and product development. Applying these findings to their business practices can enhance customer satisfaction rates and ultimately increase customer loyalty.

Empirical Contributions: This research provides evidence on customer loyalty drivers [quality, value, corporate image, and switching costs] in the context of Ford customers within the state of Virginia. Other researchers have conducted similar customer loyalty research. However, no known studies have been conducted explicitly regarding Ford owners in the state of Virginia. Therefore, the specificity of this research provides precise data and insight on how factors such as perceived quality, value, corporate image, and switching costs when considering competing brands impact the buying behavior and customer loyalty of this specific customer segment.

Theoretical Contributions: This research further contributes to previous works regarding customer loyalty by confirming conventional assumptions regarding factors that contribute to customer loyalty. This research confirms previous work by highlighting factors such as perceived quality, value, corporate image, and switching costs when considering competing brands as driving factors in establishing customer loyalty. Therefore, this research's consistency with previous work further improves and enhances our understanding of customer loyalty.

Conclusion

Overall, this research provides great insight in answering questions regarding what factors contribute to Ford's ability to establish and maintain loyal customers. This research revealed some of the most dominant factors contributing to customer loyalty are perceived quality, value, corporate image, and switching costs when considering competing brands. Implementing changes in marketing and business practices focused on these four dominant factors is likely to increase customer loyalty. However, it is important to note that not one customer's buying criteria and loyalty factors are the same. Some customers may prioritize some factors over others. To continue increasing customer loyalty, it is important for companies, such as Ford, to continue to receive feedback from customers and implement this feedback as much as possible.

Limitations and Recommendations for Future Studies

It is important to note that this research is subject to limitations. The limitations present in this research could have implications on its applicability and cohesiveness. It is important to consider the following implications when implementing these research findings in outside marketing applications:

Geographic Limitations: All participants in this research were Virginia residents, many of them residing in the southwest region. A small geographic pool such as this can restrict diversity, as many of the participants have had similar life experiences and upbringings. This limits the research's ability to collect broader and more diverse opinions that could be offered from customers in other geographic states and regions. Expanding the geographical footprint of this

study will likely provide more diverse opinions and responses, ultimately providing more clarity and understanding to researchers.

Sample Size: The sample size of this research was limited. Increasing the sample size of this research may provide researchers with more potent data and a more immersed understanding of influential factors regarding customer loyalty.

Methodological Limitations: The implementation of quantitative and qualitative data in this research creates a methodological divide. This divide presents difficulty in providing a cohesive interpretation of both data types. Collecting more quantitative and qualitative data may ease the interpretation process and provide a more cohesive interpretation.

Increasing the geographical scope, sample size, and collecting more data would likely provide a more cohesive study. This may help to improve the outcome of this research and provide more in-depth insight into this marketing subject.

Recommendations for Ford Motors

The findings of this research have resulted in a few recommendations that Ford can implement to increase brand loyalty. It is important to note that some of these recommendations can be applied to other industries outside of automobiles.

1. Emphasize customer feedback and implement product changes accordingly:

Comfort provided from products, along with perceived quality, were reported as two of the most influential factors in customers' decision to remain loyal to the Ford brand.

Reaching out to customers to receive feedback on areas that products may be improved, and implementing necessary changes to improve these products will increase customer comfortability, perceived quality of products, and overall perceived value. Participants in

this research highlighted an increasing issue with engine malfunctions as an area of improvement. Improvement to Ford's engine warranties, or new engineering of their engine to improve this issue will increase their perceived quality, inherently improving Ford's ability to attract and maintain loyal customers.

2. **Provide training to employees to better handle product failures and address**

customer concerns: Reports of dissatisfaction regarding customer service at the dealership level were highlighted by a few of the interview participants within this research. To combat this issue, Ford could improve their customer service ratings by providing training and implementing processes that improve their customer service at the dealership level. Improvement in customer service will increase their corporate image, which is an important factor in establishing customer loyalty.

3. **Practice and promote ethical business practices:** Participants in this research

highlighted their appreciation of their perception of Ford's honest marketing and advertising methods. Participants highlighted their satisfaction with existing marketing and promotion campaigns geared towards racing, blue-collar Americans, and their commitment to safety of their customers. I recommend that Ford double-down on these marketing techniques and continue to emphasize their commitment to racing, working Americans, and providing safety. Demonstrating commitment to these areas of business will increase consumer trust and corporate image perception. This will ultimately contribute to an increase in customer loyalty.

4. **Work to lower maintenance and repair costs:** This research revealed that switching

costs were another important factor in establishing and maintaining customer loyalty.

However, only 18% of customers reported perceiving higher switching costs associated

with changing automobile brands. Lowering dealership maintenance and repair costs for customers will help increase perceived switching costs, as it will cost customers more to service or repair their vehicle if they were to switch to another brand. Increasing perceived switching costs will incentivize customers to continue doing business with Ford and ultimately lead to an increase in customer loyalty.

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Appendices

Appendix A: Interview Protocol:

Introduction	<ul style="list-style-type: none"> - Introduce myself and thank the participant for agreeing to participate. - Explain the purpose of the study (understand driving factors of customer loyalty in the automobile industry.) - Provide an overview of the interview process (Q&A style with an emphasis on comfortable conversation and not formal discussion to keep them comfortable)
Demographic Information	<ul style="list-style-type: none"> - Ask the participant to provide basic demographic information including age, gender, education, and occupation - Ask the participant how long they have been a customer of Ford.
Perceived Quality	<ul style="list-style-type: none"> - Ask the participant to describe specific features or aspects of the product that they believe contribute to its perceived quality - Ask the participant how important perceived product quality is in their decision to remain loyal to their current automobile brand.
Perceived Value	<ul style="list-style-type: none"> - Ask the participant to describe specific features or aspects of the product that they believe contribute to its perceived value - Ask the participant how important perceived value is in their decision to remain loyal to their current automobile brand.

Perceived Corporate Image	<ul style="list-style-type: none"> - Ask the participant how they perceive the corporate image of their current automobile brand - Ask the participant to describe specific features or aspects of the corporate image that they believe contribute to its perceived image - Ask the participant how important corporate image is in their decision to remain loyal to their current automobile brand
Perceived Switching Costs when Considering Competing Brands	<ul style="list-style-type: none"> - Ask the participant if they perceive any associate switching costs with the Ford brand when considering competing brands - Ask the participant how important switching costs are in their decision to remain loyal to their current automobile brand.
Factors' Collective Influence on Customer Loyalty	<ul style="list-style-type: none"> - Ask the participant to provide specific examples of how each of these factors has influenced their decision to remain loyal to their current automobile brand - Ask the participant if there are any other factors that influence their decision to remain loyal to their current automobile brand - Ask the participant to describe specific factors or aspects that would make them consider switching to another brand
Conclusion	<ul style="list-style-type: none"> - Thank the participant for their time and participation in the study - Ask if the participant has any questions or comments - Remind the participant of the confidentiality of their responses

	- Provide the participant with contact information for any questions or concerns.
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Appendix B: Online Survey Template:

Demographic Questions					
How do you describe yourself?	Male	Female	Non-binary	Prefer to Self-Describe	Prefer Not to Say
How old are you?	<18 yrs	18-30 yrs	31-40 yrs	41-50 yrs	>50 yrs
What best describes your employment status?	Full-time	Part-time	Unemployed	Retired	Student
How often do you typically use your Ford vehicle?	Daily Disentangle	4-6x/week	2-3x/week	Once a week	Once a month

Perceived Product Quality					
I am satisfied with the quality of Ford's products.	Strongly Disagree	Somewhat Disagree	Neither Agree nor Disagree	Somewhat Agree	Strongly Agree
I am likely to recommend Ford's products to others.					
I am likely to continue purchasing Ford's products in the future.					
Perceived Product Value					

I am satisfied with the value I receive from Ford's products.					
Price is important in my decision to purchase Ford's products.					
I am likely to switch to a competitor's product if they offer a better value.					
Compared to other competitors, I feel Ford offers the best value to dollar ratio.					
Perceived Corporate Image					
I feel Ford's overall reputation is the best in the industry.					
A company's image is important to me when deciding to purchase their products.					
Even if their reputation decreases, I am likely to continue purchasing Ford's products.					
Perceived Switching Costs					
It would be difficult for me to switch to a different automobile brand.					
Brand familiarity and comfort with Ford's products influences my decision to continue purchasing their products.					
I am likely to switch to a different brand if Ford's prices increase significantly.					
I feel it would cost more to switch to a different automobile brand.					

Appendix C : Participant Invitation Letter

Hello Future Participant,


My name is Jared Nichols. I am an honors student at Bridgewater College. I am reaching out regarding to inform you of a research project that I am currently conducting regarding customer loyalty among Virginia Ford owners. To my knowledge, you are currently a Virginia resident and owner of a Ford automobile. Assuming my information is correct, I am inquiring about your willingness to volunteer to participate in this study. I am currently seeking participation in a brief online survey regarding your experience with and perception of the Ford Motor Company. Additionally, I am seeking volunteers to participate in interviews and focus groups regarding this topic. If you would be willing to volunteer your time to participate in any of these activities, please reach out to me at your nearest convenience.


Please note that this research is on a strict volunteer basis, so there will be no compensation involved with your participation. Additionally, please note that your identity and responses to research questions will remain anonymous. Feel free to reach out with any questions that you may have.

Thank you for your time,

Jared Nichols

Appendix D: IRB Certifications





Completion Date **04-Apr-2023**
 Expiration Date **04-Apr-2026**
 Record ID **55238404**

This is to certify that:

Jared Nichols

Has completed the following CITI Program course:

Not valid for renewal of certification through CME.


Social-Behavioral-Educational Researchers
(Curriculum Group)

Social-Behavioral-Educational Researchers
(Course Learner Group)


1 - Basic Course
(Stage)

Under requirements set by:

Bridgewater College


 Collaborative Institutional Training Initiative
101 NE 3rd Avenue, Suite 320
 Fort Lauderdale, FL 33301 US
www.citiprogram.org

Verify at www.citiprogram.org/verify/?we2816d94-dd84-4a67-b311-2f52f0714ef5-55238404





Completion Date **03-Apr-2023**
 Expiration Date **03-Apr-2026**
 Record ID **55238456**

This is to certify that:

Jared Nichols

Has completed the following CITI Program course:

Not valid for renewal of certification through CME.


Social and Behavioral Responsible Conduct of Research
(Curriculum Group)

Social and Behavioral Responsible Conduct of Research
(Course Learner Group)

1 - RCR
(Stage)

Under requirements set by:

Bridgewater College


 Collaborative Institutional Training Initiative
101 NE 3rd Avenue, Suite 320
 Fort Lauderdale, FL 33301 US
www.citiprogram.org

Verify at www.citiprogram.org/verify/?w1144d58f-ab84-4523-ab20-df4df58aa380-55238456