

Digital Rebranding and Customer Loyalty: Examining the Mediating Role of Brand Awareness and Interaction Quality among Instagram Users in Bali

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Abstract: This study examines the influence of digital rebranding strategy, brand awareness, and digital interaction quality on customer loyalty toward ERSPO, a local Indonesian sports apparel brand, among Instagram users in Bali. A quantitative research design was employed using a purposive sampling technique involving 100 respondents who followed and interacted with ERSPO's Instagram account. Data were analyzed using multiple linear regression with SPSS version 26. The findings indicate that digital rebranding strategy, brand awareness, and digital interaction quality each exert a positive and significant influence on customer loyalty, with the proposed model explaining a substantial proportion of customer loyalty variance. The study contributes to the digital marketing and brand management literature by providing empirical evidence that integrating digital rebranding initiatives with brand awareness and high-quality digital interactions strengthens customer loyalty in the context of local brands operating in digitally competitive markets. From a managerial perspective, the findings offer practical guidance for companies seeking to enhance consumer loyalty through effective social media branding and engagement strategies. Nevertheless, the cross-sectional design, single-brand focus, and geographically limited sample restrict the generalizability of the findings. Future studies are encouraged to adopt longitudinal designs, include multiple brands and regions, and explore additional variables that may influence customer loyalty.

Keywords: Customer Loyalty, Digital Interaction Quality, Digital Rebranding Strategy, Social Media Marketing

A. Introduction

The rapid advancement of digital technology has fundamentally transformed how companies build and manage their brands. Social media has evolved beyond a promotional platform into a strategic channel for establishing brand identity, shaping consumer perceptions, and fostering long-term customer relationships (Kannan & Li, 2017; Dwivedi et al., 2021). In today's increasingly competitive business environment, companies are required to undertake rebranding, which refers to the renewal of a brand's identity through modifications to its name, logo, design, or other brand

elements in order to establish a new position in the minds of consumers (Muzellec & Lambkin, 2006). In the digital era, rebranding strategies extend beyond visual identity changes to encompass brand communication and customer engagement through social media platforms, particularly Instagram, which offers strong visual appeal, interactive features, and extensive audience reach. Consistent brand communication on Instagram enhances brand awareness, which serves as a fundamental component of brand equity and plays a crucial role in fostering customer loyalty (Keller, 2013).

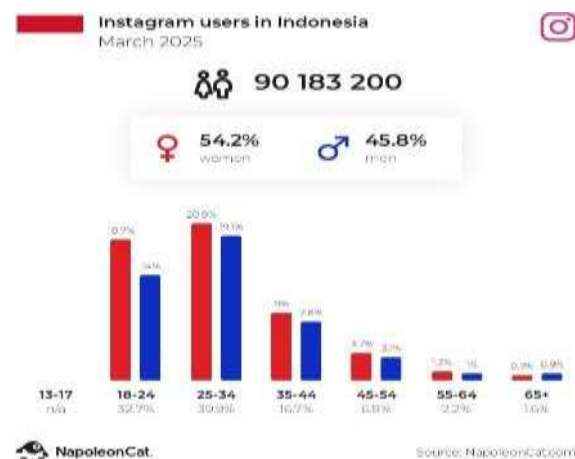


Figure 1. Active Instagram Users in Indonesia, 2025
 Source: NapoleonCat, 2025

ERSPO, a local sports apparel brand based in Bali, faces the challenge of maintaining its competitiveness amid the growing presence of both local and international brands. To address this challenge, ERSPO has implemented a digital rebranding strategy through Instagram by revitalizing its visual identity, communication style, and customer engagement approach. This strategy is expected to strengthen the brand image, enhance brand awareness, and foster closer relationships with customers (Cheung et al., 2023). Nevertheless, a digital rebranding strategy does not automatically lead to customer loyalty. Customer loyalty is influenced not only by a renewed brand image but also by the quality of interactions established between the brand and its consumers. According to Brodie et al., (2011), high-quality digital interactions enhance customer engagement, which subsequently promotes positive attitudes and long-term relationships with the brand. Responsive, interactive, and consistent communication through social media provides consumers with positive experiences and strengthens their trust in the brand.

Previous studies have demonstrated that digital rebranding strategies and brand awareness play significant roles in fostering customer loyalty. Several studies have found that digital rebranding through social media enhances consumers' perceptions of and awareness toward a brand, ultimately leading to greater customer loyalty (Pratama, 2020; Wijaya & Nugroho). Furthermore, the quality of digital interactions between brands and consumers has been shown to positively influence long-term relationships and customer loyalty (Hollebeek et al., 2023). Despite these findings,

previous research presents several limitations. First, studies examining digital rebranding strategies have predominantly focused on large corporations or well-established brands, leaving research on local brands relatively limited (Bazi et al., 2023a). Second, existing studies generally investigate the effects of individual variables separately, such as the influence of digital rebranding on brand awareness or customer loyalty, without integrating digital interaction quality as a comprehensive determinant of customer loyalty (Hollebeek et al., 2023).

In addition, there remains a scarcity of studies that specifically investigate Instagram as the primary platform for implementing digital rebranding strategies (Hazzam, 2021). Given its highly visual and interactive nature, Instagram provides substantial opportunities for brands to establish two-way communication, enhance brand awareness, and deliver high-quality digital interactions with consumers (Ji et al., 2021). This gap highlights the need for further investigation into how digital rebranding strategies implemented through Instagram, supported by brand awareness and digital interaction quality, influence customer loyalty, particularly in the context of local brands (Atmaja & Sari, 2023; Wang et al., 2023). Based on this research gap, the present study aims to examine the effects of digital rebranding strategy, brand awareness, and digital interaction quality on the customer loyalty of ERSPO through Instagram among users in Bali. This study is expected to provide empirical contributions to the advancement of digital business research while offering strategic insights for local brands in designing and managing effective and sustainable digital branding strategies.

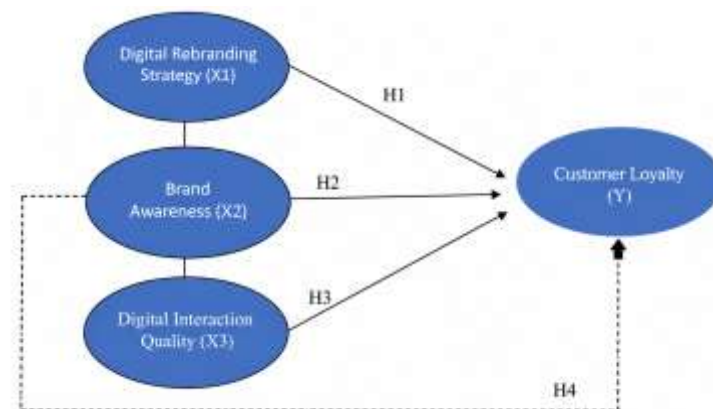


Figure 2. Conceptual Framework

Relationships Among Variables

1. $X_1 \rightarrow Y$: An effective digital rebranding strategy enhances consumers' perceptions of the brand, thereby fostering customer loyalty.
2. $X_2 \rightarrow Y$: Higher levels of brand awareness increase the likelihood of customers developing loyalty toward the brand.

3. $X_3 \rightarrow Y$: High-quality digital interactions characterized by responsiveness, warm communication, and active engagement strengthen customers' emotional attachment to the brand, thereby enhancing customer loyalty.
4. $X_1, X_2, X_3 \rightarrow Y$ (Simultaneously): The combined optimization of digital rebranding strategy, brand awareness, and digital interaction quality is expected to exert a stronger influence on customer loyalty than each variable individually.

Hypotheses

- H1: Digital rebranding strategy has a positive effect on customer loyalty.
H2: Brand awareness has a positive effect on customer loyalty.
H3: Digital interaction quality has a positive effect on customer loyalty.
H4: Digital rebranding strategy, brand awareness, and digital interaction quality simultaneously have a significant effect on customer loyalty.

B. Methods

This study employed a quantitative research design using descriptive and associative approaches to examine the influence of digital rebranding strategy, brand awareness, and digital interaction quality on customer loyalty toward ERSPO among Instagram users in Bali. The descriptive approach was used to describe respondents' perceptions of each research variable, whereas the associative approach was applied to examine the causal relationships among variables through statistical analysis. This design is appropriate for testing hypotheses and explaining the relationships between independent and dependent variables using numerical data (Creswell & Creswell, 2018; Saunders & Thornhill, 2023).

The study was conducted in Bali Province from May to June 2026. The target population consisted of Instagram users in Bali who were familiar with ERSPO's official Instagram account. Since the exact population size could not be determined, the sample size was established using the Lemeshow formula for unknown populations. With a confidence level of 95% ($Z = 1.96$), an estimated population proportion ($p = 0.50$), and a margin of error of 10%, the minimum required sample size was approximately 96 respondents. To increase statistical reliability and anticipate incomplete responses, the final sample size was rounded to 100 respondents. Respondents were selected using a purposive sampling technique because only individuals who met predetermined criteria were considered suitable for the study. The selection criteria included: (1) being at least 18 years old; (2) residing in Bali; (3) following ERSPO's official Instagram account; (4) having viewed ERSPO's Instagram content within the previous six months; and (5) having interacted with or purchased ERSPO products. Purposive sampling enables researchers to select respondents who possess the knowledge and experience necessary to provide relevant information regarding the research phenomenon. Primary data were collected through a structured online questionnaire administered using Google Forms. The questionnaire link was distributed through Instagram, WhatsApp, and other digital communication platforms during the data collection period. Before

completing the questionnaire, respondents were informed about the objectives of the study and assured that all responses would remain anonymous and confidential. Secondary data were obtained from books, peer-reviewed journal articles, company publications, and other relevant scientific sources to support the theoretical framework and interpretation of the research findings.

The questionnaire was developed by adapting measurement indicators from established theories and previous empirical studies. The Digital Rebranding Strategy variable was measured using indicators related to visual identity transformation, consistency of brand communication, clarity of brand messages, and digital content attractiveness adapted from Muzellec and Lambkin (2006). Brand Awareness was measured using indicators of brand recognition, brand recall, top-of-mind awareness, and brand familiarity adapted from Keller (2013). Digital Interaction Quality was measured through indicators reflecting responsiveness, communication clarity, interaction consistency, and consumer engagement adapted from Brodie et al. (2011). Meanwhile, Customer Loyalty was measured using indicators including repurchase intention, recommendation intention, brand commitment, and brand preference adapted from Oliver (1999). The questionnaire items were arranged using a five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree). The questionnaire was developed following recommended procedures for survey instrument development, including indicator adaptation, content evaluation, and psychometric assessment (Hinkin, 1998; Boateng et al., 2018). Before the main survey, the questionnaire was evaluated to ensure the clarity and relevance of each statement item. Subsequently, instrument quality was assessed through validity and reliability testing. Construct validity was evaluated using the Pearson Product-Moment correlation, while internal consistency reliability was assessed using Cronbach's Alpha coefficient, with a minimum acceptable value of 0.70. The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS) version 26. The analytical procedure consisted of descriptive statistical analysis, validity testing, reliability testing, classical assumption tests (normality, multicollinearity, and heteroscedasticity), and multiple linear regression analysis. Furthermore, hypothesis testing was conducted using the t-test to evaluate the partial effect of each independent variable, the F-test to examine the simultaneous effects of all independent variables, and the coefficient of determination (R^2) to determine the explanatory power of the proposed regression model. Statistical significance was determined using a significance level of $\alpha = 0.05$.

C. Results and Discussion

1. Results

Based on the respondents' characteristics, the majority of the 100 participants were male, accounting for 81 respondents (81.0%), while female respondents totaled 19 (19.0%). These findings indicate that ERSPO's Instagram followers and users in Bali

are predominantly male, which is consistent with ERSPO's positioning as a sports apparel brand that primarily appeals to consumers with active lifestyles. In terms of age, the largest group of respondents was between 18 and 22 years old, comprising 38 individuals (38.0%), followed by those over 27 years old with 37 respondents (37.0%), those aged 23–27 years with 22 respondents (22.0%), and respondents under 18 years old with 3 individuals (3.0%). These results suggest that most respondents belong to the productive age group, which actively uses social media and is therefore highly exposed to ERSPO's digital marketing activities and digital rebranding strategies. The findings also reflect the alignment between the company's target market and the demographic characteristics of its Instagram users.

Based on the distribution of respondents' responses, all research variables—namely digital rebranding strategy, brand awareness, digital interaction quality, and customer loyalty recorded mean scores above 4.00, indicating that respondents held positive perceptions of ERSPO's digital activities on Instagram. Respondents perceived that the digital rebranding strategy had successfully strengthened the brand identity through an appealing visual transformation and informative content, making it easier for them to understand the brand's characteristics. Furthermore, the high level of brand awareness was reflected in respondents' ability to recognize the brand's logo, recall the brand, and associate ERSPO with sports apparel products. The quality of digital interaction was also evaluated positively, as ERSPO consistently delivered clear information, maintained coherent communication, and provided effective opportunities for audience engagement. These favorable perceptions contributed to a high level of customer loyalty, as demonstrated by respondents' intentions to repurchase ERSPO products, recommend the brand to others, and remain committed to choosing ERSPO despite the availability of competing brands. Overall, these findings indicate that ERSPO's digital strategy has successfully established strong relationships with consumers while reinforcing the brand's position in their minds. Prior to conducting the main data analysis, the research instrument was evaluated to ensure its validity and reliability. Instrument testing was performed to verify that the questionnaire accurately and consistently measured the research variables. The evaluation consisted of validity and reliability tests for all questionnaire items used to measure the constructs of Digital Rebranding Strategy (X_1), Brand Awareness (X_2), Digital Interaction Quality (X_3), and Customer Loyalty (Y).

Validity Test Results

Table 1. Validity Test Results

Variable	Statement	Calculated r	Critical r	Decision
Digital Rebranding Strategy (X_1)	I noticed changes in ERSPO's visual appearance on Instagram.	0.578	0.1966	Valid
	ERSPO's new logo and design are noticeably different from the previous ones.	0.776	0.1966	Valid

	ERSPO's Instagram content conveys consistent messages.	0.690	0.1966	Valid
	I understand the direction of ERSPO's brand transformation through its content.	0.722	0.1966	Valid
	ERSPO actively communicates its brand identity through Instagram.	0.715	0.1966	Valid
	The messages delivered by ERSPO are easy to understand.	0.748	0.1966	Valid
	ERSPO's content (photos/videos) attracts my attention.	0.854	0.1966	Valid
	ERSPO's content helps me better understand the brand.	0.449	0.1966	Valid
Brand Awareness (X ₂)	I can recognize ERSPO from its logo or visual appearance.	0.669	0.1966	Valid
	I can easily recognize ERSPO's content on Instagram.	0.744	0.1966	Valid
	I can recall ERSPO without any external cues.	0.760	0.1966	Valid
	ERSPO comes to mind when I think about sports apparel.	0.791	0.1966	Valid
	ERSPO is one of the first brands I remember.	0.796	0.1966	Valid
	ERSPO is among the leading brands in the sports apparel category.	0.787	0.1966	Valid
	I frequently see ERSPO's content on Instagram.	0.796	0.1966	Valid
	I am familiar with the ERSPO brand.	0.669	0.1966	Valid
Digital Interaction Quality (X ₃)	ERSPO responds quickly to comments or messages.	0.715	0.1966	Valid
	I perceive ERSPO's responses as prompt.	0.647	0.1966	Valid
	ERSPO provides clear information.	0.589	0.1966	Valid
	ERSPO's communication is easy to understand.	0.716	0.1966	Valid
	ERSPO consistently interacts with its audience.	0.683	0.1966	Valid
	ERSPO maintains a consistent communication style across its content.	0.711	0.1966	Valid
	ERSPO actively involves its audience in communication.	0.729	0.1966	Valid
Customer Loyalty (Y)	I intend to repurchase ERSPO products.	0.520	0.1966	Valid
	I am interested in purchasing ERSPO products repeatedly.	0.634	0.1966	Valid
	I would recommend ERSPO to my friends or family.	0.689	0.1966	Valid
	I would continue choosing ERSPO despite the availability of many competing brands.	0.789	0.1966	Valid
	I feel committed to the ERSPO brand.	0.649	0.1966	Valid
	ERSPO is one of my preferred brands.	0.773	0.1966	Valid
	ERSPO is one of my preferred brands.	0.715	0.1966	Valid

Based on Table 1, all statement items measuring the variables of Digital Rebranding Strategy (X_1), Brand Awareness (X_2), Digital Interaction Quality (X_3), and Customer Loyalty (Y) have calculated r -values exceeding the critical r -value of 0.1966, indicating that all questionnaire items are valid. The calculated r -values for the Digital Rebranding Strategy variable ranged from 0.449 to 0.854, while those for Brand Awareness, Digital Interaction Quality, and Customer Loyalty ranged from 0.669–0.796, 0.589–0.776, and 0.520–0.789, respectively, all satisfying the established validity criteria. The highest r -values within each construct indicate that the measurement items adequately represent their respective latent variables. Therefore, all questionnaire items were deemed valid and appropriate for subsequent reliability testing.

Reliability Test Results

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Interpretation
Digital Rebranding Strategy (X_1)	0.850	Good
Brand Awareness (X_2)	0.890	Good
Digital Interaction Quality (X_3)	0.846	Good
Customer Loyalty (Y)	0.810	Good

As presented in Table 2, all research variables achieved Cronbach's Alpha values greater than 0.80, indicating that the research instrument possesses a high level of reliability and provides consistent measurement results. Among all variables, Brand Awareness (X_2) recorded the highest Cronbach's Alpha value (0.890), demonstrating excellent internal consistency among its measurement items in assessing respondents' awareness of the ERSPO brand. Digital Rebranding Strategy (X_1) and Digital Interaction Quality (X_3) obtained Cronbach's Alpha values of 0.850 and 0.846, respectively, both of which are classified as good, indicating that the items within each construct consistently measure the intended concept. Meanwhile, Customer Loyalty (Y) produced a Cronbach's Alpha value of 0.810, which also falls within the good reliability category, confirming that the items used to measure customer loyalty are sufficiently reliable. Overall, the reliability analysis demonstrates that all research variables have Cronbach's Alpha values exceeding the recommended threshold of 0.70. Therefore, the research instrument can be considered reliable and suitable for subsequent statistical analyses.

Normality Test Results

Table 3. One-Sample Kolmogorov-Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test Unstandardized Residual	
N	100
Normal Parameters	

One-Sample Kolmogorov-Smirnov Test Unstandardized Residual	
Mean	0.0000000
Std. Deviation	4.85656591
Most Extreme Differences	
Absolute	0.086
Positive	0.044
Negative	-0.086
Test Statistic	0.086
Asymp. Sig. (2-tailed)	0.062

As shown in Table 3, the One-Sample Kolmogorov-Smirnov test produced an Asymp. Sig. (2-tailed) value of 0.062, which is greater than the significance level of 0.05 ($0.062 > 0.05$). This result indicates that the regression residuals are normally distributed. Therefore, the regression model satisfies the normality assumption.

Multicollinearity Test Results

Table 4. Multicollinearity Test Results

Variable	Tolerance VIF	
Digital Rebranding Strategy (X_1)	0.954	1.048
Brand Awareness (X_2)	0.984	1.017
Digital Interaction Quality (X_3)	0.950	1.053
Dependent Variable: Customer Loyalty		

Based on Table 4, the Digital Rebranding Strategy (X_1) variable has a tolerance value of 0.954 and a VIF of 1.048, Brand Awareness (X_2) has a tolerance value of 0.984 and a VIF of 1.017, while Digital Interaction Quality (X_3) has a tolerance value of 0.950 and a VIF of 1.053. Since all tolerance values exceed 0.10 and all VIF values are well below 10.00, the regression model is free from multicollinearity. Accordingly, the multicollinearity assumption has been satisfied, allowing the analysis to proceed to the next classical assumption test.

Heteroscedasticity Test Results

Table 5. Heteroscedasticity Test Results

Variable	B	Std. Error	Beta	t	Sig.
Constant	3.140	2.458	—	1.277	0.205
Brand Awareness	0.019	0.042	0.047	0.459	0.647
Digital Interaction Quality	0.026	0.051	0.054	0.523	0.602
Digital Rebranding Strategy	-0.050	0.050	-0.104	-1.001	0.319
Dependent Variable: ABS_RES					

As presented in Table 5, the significance values for Brand Awareness (X_2), Digital Interaction Quality (X_3), and Digital Rebranding Strategy (X_1) are 0.647, 0.602, and 0.319, respectively. Since all significance values exceed the 0.05 threshold, the regression model does not exhibit heteroscedasticity. Accordingly, the assumptions of normality, multicollinearity, and heteroscedasticity have all been satisfied, indicating that the regression model is appropriate for multiple linear regression analysis and subsequent hypothesis testing.

Multiple Linear Regression Analysis

Table 6. Multiple Linear Regression Analysis Results

Variable	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Constant	35.056	3.633	–	9.648	0.000
Digital Rebranding Strategy (X_1)	0.260	0.078	0.304	3.330	0.001
Brand Awareness (X_2)	0.189	0.064	0.272	2.977	0.004
Digital Interaction Quality (X_3)	0.194	0.075	0.240	2.579	0.011

Dependent Variable: Customer Loyalty

Based on Table 6, the multiple linear regression equation can be formulated as follows:
 $Y = 35.056 + 0.260X_1 + 0.189X_2 + 0.194X_3 + e$

Where:

- Y = Customer Loyalty
- X_1 = Digital Rebranding Strategy
- X_2 = Brand Awareness
- X_3 = Digital Interaction Quality
- e = Error term

The regression equation can be interpreted as follows. First, the constant value of 35.056 indicates that when Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality are assumed to remain constant, the predicted Customer Loyalty score is 35.056. Second, the regression coefficient of Digital Rebranding Strategy (X_1) is 0.260, indicating that a one-unit increase in the digital rebranding strategy is associated with a 0.260-unit increase in Customer Loyalty, assuming the other variables remain constant. Third, the regression coefficient of Brand Awareness (X_2) is 0.189, implying that each one-unit increase in Brand Awareness increases Customer Loyalty by 0.189 units, holding the other variables constant. Finally, the regression coefficient of Digital Interaction Quality (X_3) is 0.194, indicating that every one-unit improvement in Digital Interaction Quality increases Customer Loyalty by 0.194 units, *ceteris paribus*. Overall, the regression analysis demonstrates that Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality each have positive relationships with Customer Loyalty, suggesting that improvements in these variables are associated with higher levels of customer loyalty toward the ERSPO brand.

Hypothesis Testing

Partial Significance Test (t-Test)

Table 7. Partial Significance Test Results

Variable	B	Std. Error	Beta	t	Sig.
Constant	35.056	3.633	–	9.648	0.000
Digital Rebranding Strategy (X ₁)	0.260	0.078	0.304	3.330	0.001
Brand Awareness (X ₂)	0.189	0.064	0.272	2.977	0.004
Digital Interaction Quality (X ₃)	0.194	0.075	0.240	2.579	0.011

Dependent Variable: Customer Loyalty

Based on Table 7, the Digital Rebranding Strategy (X₁) variable produced a t-value of 3.330 with a significance level of 0.001, which is below the 0.05 threshold. This finding indicates that Digital Rebranding Strategy has a positive and statistically significant effect on Customer Loyalty. Therefore, H₁ is supported. Similarly, Brand Awareness (X₂) yielded a t-value of 2.977 with a significance level of 0.004, indicating a positive and significant effect on Customer Loyalty. Accordingly, H₂ is supported. Furthermore, Digital Interaction Quality (X₃) produced a t-value of 2.579 with a significance level of 0.011, which is also below 0.05. This result demonstrates that Digital Interaction Quality has a positive and statistically significant effect on Customer Loyalty. Therefore, H₃ is supported.

Simultaneous Significance Test (F-Test)

Table 8. Simultaneous Significance Test Results

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	436.403	3	145.468	9.699	0.000
Residual	1,439.787	96	14.998		
Total	1,876.190	99			

Dependent Variable: Customer Loyalty

Predictors: (Constant), Digital Interaction Quality, Digital Rebranding Strategy, Brand Awareness

As presented in Table 8, the regression model produced an F-value of 9.699 with a significance level of 0.000, which is lower than the 0.05 significance threshold. This finding indicates that Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality simultaneously have a significant effect on Customer Loyalty. The result further confirms that the regression model is statistically appropriate for explaining the relationship between the independent variables and Customer Loyalty. Therefore, H₄ is supported, indicating that the three independent variables jointly contribute significantly to explaining customer loyalty.

Coefficient of Determination (R^2)

Table 9. Coefficient of Determination Results

Model R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.903	0.816	0.810

Predictors: (Constant), Digital Interaction Quality, Digital Rebranding Strategy, Brand Awareness

Based on Table 9, the model produced an R^2 value of 0.816, indicating that 81.6% of the variance in Customer Loyalty can be explained by Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality. The remaining 18.4% of the variance is attributable to other factors not included in the present study, such as product quality, pricing, customer satisfaction, brand image, customer trust, service quality, and other variables that may influence customer loyalty.

The Adjusted R^2 value of 0.810 indicates that, after adjusting for the number of predictors included in the model, the explanatory power remains very high, with approximately 81.0% of the variation in Customer Loyalty accounted for by the three independent variables. Furthermore, the R value of 0.903 reflects a very strong positive relationship between Digital Rebranding Strategy, Brand Awareness, Digital Interaction Quality, and Customer Loyalty. This finding suggests that more effective digital rebranding initiatives, higher levels of brand awareness, and better-quality digital interactions are associated with stronger customer loyalty toward the ERSPO brand. Overall, the coefficient of determination analysis demonstrates that the proposed research model possesses high explanatory power in predicting Customer Loyalty. The substantial R^2 value confirms that Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality collectively make a considerable contribution to enhancing customer loyalty toward ERSPO.

2. Discussion

The Influence of Digital Rebranding Strategy on ERSPO Customer Loyalty through Instagram in Bali

The hypothesis testing results indicate that the Digital Rebranding Strategy (X_1) variable produced a t-value of 3.330 with a significance value of 0.001, which is below the 0.05 significance threshold. Therefore, Digital Rebranding Strategy has a positive and statistically significant influence on Customer Loyalty, supporting H_1 . These findings indicate that the more effectively ERSPO implements its digital rebranding strategy through Instagram, the higher the level of customer loyalty toward the brand. Rebranding initiatives involving the renewal of visual identity, consistent brand messaging, effective digital communication, and engaging content contribute to enhancing consumers' positive perceptions of ERSPO. Consequently, customers become more likely to continue purchasing ERSPO products, make repeat purchases,

and recommend the brand to others (Bazi et al., 2023) (Penttinen, 2023). These findings are consistent with the theory proposed by Muzellec & Lambkin, (2006), which argues that rebranding enables firms to establish a new market position by renewing their brand identity (Ilviendri & Sari, 2021). In a digital environment, social media-based rebranding strategies allow companies to communicate their brand identity and values more effectively while facilitating greater consumer engagement. Furthermore, Keller, (2013) emphasizes that consistent brand communication strengthens consumer perceptions and ultimately enhances brand loyalty.

The results also support Brand Equity Theory, which posits that brand value is largely determined by consumers' perceptions of the brand (Ramadhan et al., 2023). An effective digital rebranding strategy strengthens brand equity and consequently fosters greater customer loyalty. These findings are consistent with the studies of Ridwan et al., (2026), who reported that digital rebranding strategies have a positive and statistically significant influence on customer loyalty. Likewise, Hanifah, (2025) found that digital marketing activities conducted through social media have a positive and statistically significant influence on customer loyalty by delivering effective and engaging content.

The Influence of Brand Awareness on ERSPO Customer Loyalty through Instagram in Bali

The hypothesis testing results show that Brand Awareness (X_2) produced a t-value of 2.977 with a significance value of 0.004, indicating that Brand Awareness has a positive and statistically significant influence on Customer Loyalty. Therefore, H_2 is supported. This finding suggests that higher levels of consumer awareness of the ERSPO brand contribute to stronger customer loyalty. Consumers who can easily recognize ERSPO's logo, visual identity, and brand characteristics are more likely to recall the brand when considering sports apparel products. As a result, they are more inclined to choose ERSPO over competing brands and remain loyal over time (Arbi & Aminah, 2023). These findings are consistent with Aaker, (1997) concept of Brand Awareness, which defines it as consumers' ability to recognize and recall a brand within a particular product category (Pandiangan et al., 2021). Higher levels of brand recognition and recall increase the likelihood that consumers will consider the brand during the purchasing decision process. Similarly, Keller, (2013) identifies brand awareness as a fundamental component of brand equity that ultimately contributes to customer loyalty (Agusnur, 2025).

The findings further support Brand Equity Theory, which identifies brand awareness as one of the primary dimensions of brand equity. Brands with higher awareness are more likely to be recognized, trusted, and preferred by consumers, thereby strengthening customer loyalty. These results are consistent with Putri & Komaryatin, (2026), who concluded that brand awareness has a positive and statistically significant

influence on customer loyalty. The stronger consumers' awareness of a brand, the greater their tendency to maintain long-term relationships with that brand.

The Influence of Digital Interaction Quality on ERSPO Customer Loyalty through Instagram in Bali

The hypothesis testing results indicate that Digital Interaction Quality (X_3) yielded a t-value of 2.579 with a significance value of 0.011, which is below the 0.05 threshold. Therefore, Digital Interaction Quality has a positive and statistically significant influence on Customer Loyalty, supporting H_3 . These findings suggest that the quality of interactions established by ERSPO through Instagram contributes significantly to enhancing customer loyalty. Prompt responses, clear and consistent communication, and opportunities for audience engagement make customers feel valued and appreciated by the brand. These positive experiences strengthen the relationship between customers and ERSPO, ultimately fostering greater loyalty.

The findings are consistent with Relationship Marketing Theory, which emphasizes the importance of developing long-term relationships between companies and customers. Responsive and consistent communication enhances customer trust, satisfaction, and commitment, thereby strengthening brand loyalty. Furthermore, the results align with Mere et al., (2024), who argued that high-quality digital interactions increase customer engagement, leading to more favorable attitudes toward a brand. Likewise, Putri & Muanas, (2025) demonstrated that meaningful digital interactions strengthen customer attachment and encourage long-term loyalty. These findings are also consistent with Perkasa, (2025), who reported that digital interaction quality has a positive and statistically significant influence on customer loyalty. Effective social media interactions enable firms to establish emotional connections with consumers, thereby reinforcing brand loyalty.

The Simultaneous Influence of Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality on ERSPO Customer Loyalty through Instagram in Bali

The results of the F-test reveal an F-value of 9.699 with a significance level of 0.000, indicating that Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality simultaneously have a positive and statistically significant influence on Customer Loyalty. Accordingly, H_4 is supported. In addition, the coefficient of determination analysis produced an R^2 value of 0.816, indicating that 81.6% of the variation in Customer Loyalty is collectively explained by Digital Rebranding Strategy, Brand Awareness, and Digital Interaction Quality. The remaining 18.4% is attributable to other variables outside the scope of the present study. These findings demonstrate that customer loyalty toward ERSPO is shaped not by a single factor but by the combined influence of an effective digital rebranding strategy, strong brand awareness, and high-quality digital interactions. Together, these variables reinforce

positive consumer perceptions, strengthen customer engagement, and foster long-term relationships between consumers and the brand.

The findings support Brand Equity Theory, which suggests that customer loyalty develops through strengthening key dimensions of brand equity, including brand awareness and favorable brand perceptions (Troiville, 2024). They also support Relationship Marketing Theory, which emphasizes that high-quality interactions strengthen customer commitment and long-term relationships (Morgan & Hunt, 1994). Moreover, Digital Marketing Communication Theory highlights that consistent and effective digital communication enhances the delivery of brand identity and value propositions to consumers. Collectively, these findings confirm that an integrated digital branding strategy encompassing digital rebranding, brand awareness enhancement, and high-quality digital interaction plays a crucial role in strengthening customer loyalty toward ERSPO among Instagram users in Bali.

D. Conclusions

This study examined the influence of digital rebranding strategy, brand awareness, and digital interaction quality on customer loyalty among ERSPO Instagram users in Bali. The findings demonstrate that all three independent variables have positive and statistically significant effects on customer loyalty, both individually and simultaneously. Among the three variables, digital rebranding strategy exhibited the strongest contribution, followed by brand awareness and digital interaction quality. Furthermore, the coefficient of determination ($R^2 = 0.816$) indicates that these variables collectively explain a substantial proportion of customer loyalty, confirming the importance of an integrated digital branding strategy in strengthening long-term consumer relationships.

From a theoretical perspective, this study extends the application of Rebranding Theory by demonstrating that successful digital rebranding is not limited to changes in visual identity but also requires consistent digital communication and meaningful consumer engagement through social media. The findings further support Brand Equity Theory by confirming that stronger brand awareness contributes to greater customer loyalty while also reinforcing Relationship Marketing Theory, which emphasizes the importance of high-quality digital interactions in developing sustainable customer relationships. By integrating these theoretical perspectives into a single research model, this study contributes empirical evidence to the growing literature on digital branding strategies within the context of local sports apparel brands in emerging markets.

From a practical perspective, the findings suggest that companies should implement digital rebranding strategies comprehensively by combining visual identity renewal with consistent brand communication and attractive digital content. Maintaining strong brand awareness through regular content publication and effective utilization

of Instagram features, together with responsive and interactive communication, can strengthen customer engagement and foster long-term customer loyalty. Therefore, local brands operating in increasingly competitive digital environments should adopt integrated digital branding strategies to enhance their competitive advantage and sustain long-term business performance.

Despite these contributions, several limitations should be acknowledged. The cross-sectional research design limits the ability to establish causal relationships among the investigated variables. In addition, the use of purposive sampling involving Instagram users in Bali and the exclusive focus on ERSPO may limit the generalizability of the findings. Future research is therefore encouraged to employ longitudinal or experimental research designs, involve broader samples across different regions and industries, and incorporate additional variables such as brand trust, customer satisfaction, customer engagement, perceived value, or brand image as mediating or moderating variables to provide a more comprehensive understanding of customer loyalty formation.

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