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The Effect of Rebranding on Brand Loyalty: Brand Reputation As Mediator

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Abstract

The fatal accident that took hundreds of life that caused the Malaysian Airline System (MAS) to rebrand their organization by performing a changing on their corporate level, business unit level, and a part of their brand visual identity such as name to rebuild their brand reputation and retain customer brand loyalty. Therefore, this study is attempted to explore the effect of rebranding as name change on brand loyalty and rebuild brand reputation. This paper utilized quantitative analysis method. The total number of 372 flight passengers from Penang and Alor Setar airports used in this study. Seven Likert scales was used to measure the degree of rebranding on brand loyalty and brand reputation. SPSS 20.0 and Smart PLS software was used to test the reliability of the items and hypothesized relationship. The result found that rebranding has no effects on branding loyalty. However, rebranding does rebuild brand reputation. Brand reputation has a significant influence on brand loyalty and it also acts as a mediator between brand loyalty and rebranding. This paper presents significant theoretical contribution for academic purpose and useful contributions to the practitioners.

Keywords: Branding, Rebranding, Brand Equity, Brand Reputation, Brand Loyalty.

Introduction

The important components of brand comprise the name, logo, and slogan. These components reflected to be important structures of each brand and if an organization chooses to transform any of these components, it is vital to creating the transformation that has an effect for customers to recall, identify and can connect on. The transformation should be able to make the customers remember the brand name (Al-Shebil 2007). With the fast growths and change in the consumer conduct, the necessity for outlining rebranding and repositioning tactics rise broadly. It provides the organization with a competitive advantage as well.

According to Zahid and Raja (2014), a logo, colour, and taglines are usually transformed or enhanced.

During rebranding of any brand visual identity, it is important to recognize the factors that can upgrade or destroy the organization's long-term established name. These factors are brand reputation and brand loyalty. Brand reputation and brand loyalty are vital to the organization brand survival because it will determine the success of the brand based on the consumers and individual perception and willingness to remain with their preference's brand. In other words, it is considered as loyal to the brand.

Background of the Study

Rebranding products and services are tough, challenging, dangerous and risky to organizations. But at the same time, this rebranding also represents the most impressive aspect of brand management that will change the face of the organization for good (Kapferer, 2004). Over the past years, organizations' brand reputation has dropped in its values, trust, loyalty, relevancy in the marketplace, which has called for the organization to acknowledge rebranding (Opuni et al., 2013). Rebranding is the act of redirecting the brand identity without demolishing the current brand trust known by the consumers (Keller, 1999). It is an ongoing development whereby an organization replies to the dynamics of its business environment by changing its self-identity to survive and succeed to a higher level (Tevi & Otubanjo, 2013). It is also an exercise of rebuilding an existing brand to a fresh brand identity, and its aim is to stand out it location differently in the mind of the external stakeholders as well their competitors (Muzellec et al., 2003). It is the solution for the organization to react to a brand that loses its reputation, the value in the marketplace, irrelevancy, and unfavourable in the eyes of its consumers (Teh, 2009). Rebranding is practice in the organization to redirect how consumers perceive the existing brand, uplift and reinstate a tarnished brand (Muzellec & Lambkin, 2006; Hankinson & Lomax, 2006). There are three different levels of rebranding practice in the organization; minor change as aesthetics, medium change as repositioning and complete change as rebranding (Daly & Moloney, 2004). Also, rebranding practice can occur at three different levels in an organization; corporate level, business unit level, and product level (Muzellec & Lambkin, 2003).

The fatal accidents in 2014 that claims hundreds of life's, that result to Malaysian Airline System (MAS) rebranding their organization completely by changing their corporate level, business unit level, and changing a part of their brand visual identity such as name to rebuild their brand reputation and retain customer brand loyalty. However, there seems to be no research on the effect of rebranding as name change on brand loyalty and its effect on rebuilding a brand reputation in the area of airline sector specifically on MAS's case. This study is important because it focused on the MAS's rebranding currently known as Malaysian Airline Berhad (MAB). Past study has mentioned that it is important for an organization to consider the rebranding especially if the airline is considered a "flag-carrier" of the country-of-origin brand. Such airline's brands ought to gain strength from their customers toward their perception of the brand (Sackett & Kefallonitis 2003). In this study, we attempt to examine the effect of rebranding as name change on brand loyalty and its effect on rebuilding the brand reputation. In this study, we investigate rebranding carried out in the airline sector. Based on the literature, rebranding is done to retain customer loyalty and rebuild brand reputation (Muzellec & Lambkin, 2006; Hankinson & Lomax, 2006; Lindberg-Repo, 2005). In

this view, the research questions and research objective were developed for this study. The research questions and research objectives are as follows.

Research Questions

1. Does of rebranding effect on brand loyalty?
2. Does rebranding rebuilding brand reputation?
3. Does brand reputation influence the brand loyalty?
4. Does brand reputation effect as a mediator between rebranding and brand loyalty?

Research Objective

1. To identify the effect of rebranding on brand loyalty.
2. To determine rebranding influence to the brand reputation.
3. To determine the relationship between brand reputation and brand loyalty.
4. To examine the mediating effect of brand reputation on the relationship between rebranding and brand loyalty.

Literature Review

Rebranding

The organizations with more self-confident in communication and working with their teams and internal stakeholders, the rebranding process will go faster to the external stakeholders (Hankinson & Lomax 2006). By giving rebranding more time to surround itself inside organizations and then its possessions on staff will be understandable and long-term (Hankinson, et al., 2007). In agreement with Hankinson et al (2007), giving extensive time to rebranding can be a supportive strategy to organizations in following the right steps for their rebranding exercise. It is because rebranding is a difficult exercise of which organizations might fail or success. Rebranding is an important key strategy for organizations to achieve or reinstate brand values that have been out of date or tarnished (Zahid & Raja, 2014). The change of the original brand name to a new formulation of the brand in the mindset of the consumer and the marketplace is rebranding (Merriless & Miller, 2008). Rebranding has an effect on consumer's perception, especially in the case of revolutionary rebranding (Ing, 2012). In summarization, rebranding occurs due to organization aims. Organizations undergo rebranding because of changing their level of position and intend to upgrade its communication with the internal and external stakeholders as well to stay relevant in the marketplace. Muzellec et al (2003) believed that the practice of rebranding is re-building a name representative and distinctive identity from competitors.

Brand Equity

Aaker (1996) view the brand equity by relating the brand loyalty as the key factor of the brand equity. Brand equity has been defined by Kotler et al (2012) as the reflection of how customers think, feel and act on the prices, market share and profitability that the brand commands. Kotler et, al (2012) also proposed a comprehensive model of brand equity named Customer-Based Brand Equity (CBBE) focus on the differential effect that brand knowledge has on customers reaction to the marketing activities of the brand. CBBE model views the brand building as an upcoming series of steps from bottom to tops. Kotler et al (2012) further classified brand equity into four stages. The first stage is brand identification and association of customer need and brand, the second stage is established brand meaning in consumer mind by link the tangible and intangible brand association; the third is eliciting the brand-

related judgment and feeling by customers; and the fourth is create intense, active loyalty relationship between customer and brand by converting the brand response.

Brand Loyalty

Brand loyalty is the behaviour or attitude showing by the customer towards the buying pattern for one specific brand. The behaviour of rebuy or patronize to a preferred brand is the foundation for defining the term of brand loyalty (Bowen & McCain, 2015; Veloutsou, 2015; Oliver, 1999). Brand loyalty is also an emotional or psychological attachment to brand within a product class (Ahluwalia, Burnkrant, & Unnava, 2000). Any rebranding has its risks sometimes and can affect customer loyalty and equity (Keller, 1993). Customers might not appreciate the rebrand and might as well feel deceived when the brand's perceived value disappears after the rebranding (Haig, 2003). However, without offering something new such as rebranding the logo, the name of aesthetics would not bring much success (Goi & Goi, 2011). It means that customer loyalty is related to rebranding.

Brand Reputation

In Linguistic explanation, the word of reputation brings the meaning of the estimation of consistency over time of a quality of an entity (Herbig & Milewicz, 1997). Correlation to the scientific explanation, brand reputation is the evaluation by a customer of the consistency of product or service' quality associated with the brand name (Sengupta et al., 2015; Zayerkabeh et al., 2012; Selnes, 1998). Developing a brand reputation is based on the subjective evaluation of the quality of product or services offered by the organization (Rhee, 2009). Therefore, a slight mistake or failure on the product or service will affect the brand reputation. In identifying the brand reputation's antecedents, several types of research have been carried out. One of the prominent precursors found is the corporate social responsibility (CSR). CSR is the primary precursors on building brand reputation. Many organizations have used CSR as a strategic tool to establish a good brand reputation (Jinfeng et al., 2014). Fombrun (2005) suggested that engaging CSR activities which can develop brand reputation are an extrinsic motivation for the organization. To maintain the brand reputation and customer loyalty, rebranding has become one of the important strategies to be successful (Zahid & Raja, 2014). Marketers see rebranding as an active approach to reinstating the old brand (Petburikul, 2009). Three hypotheses formed for this study was based on the evidence shown in this section from previous studies.

Underpinning Theory

In this study, reciprocity theory is the underpinning theory which brand reputation and customer loyalty is a kind of reaction resulting from rebranding taken by the organization while switch to the other brand is the unkind behaviour. "Researchers have supported their views by showing that reciprocity is an influential factor in human behaviour; empirical evidence, questionnaires used by psychologists and economists and notable texts in sociology, ethnology, and anthropology have highlighted the presence of reciprocal conduct" (Al-Refai, 2015: p. 76). The focal point of reciprocity theory is how people evaluate the kindness of an action after considered the underlying intention (Falk & Fischbacher, 2006). Relatively to this study, the rebranding has been implemented by the organization which the customer evaluation refers to the consumer's loyalty. This evaluation will lead to reciprocal action which is either the user will display kindness by being loyal to the organization or being unkindness by switching the other brand.

Research Framework

Based on the literature, the researcher has developed the theoretical framework which shows the relationship between the independent variable (rebranding) and the dependent variable (brand loyalty), mediates by brand reputation. Figure 1 presents the research framework of this study.

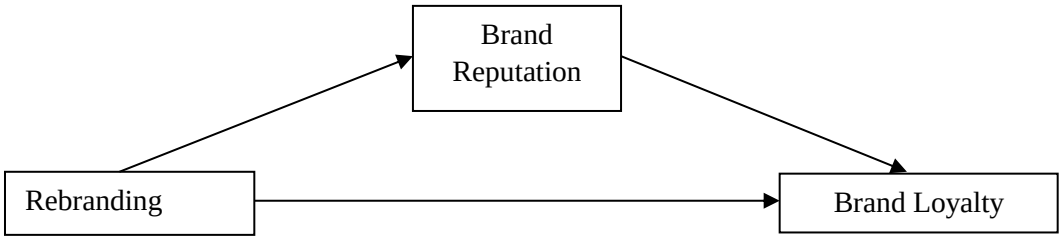

Figure 1: Research Framework

Research Hypotheses

Based on the evidence found in the literature studies, as stated in sections 2.3 and 2.4, these hypotheses were developed to determine the relationship between the variables employed in this research paper. These hypotheses are as listed below:

1. Hypothesis 1a: Rebranding has a significant relationship with brand loyalty
2. Hypothesis 1b: Rebranding has a significant relationship with brand reputation
3. Hypothesis 1c: Brand reputation has a significant relationship with brand loyalty
4. Hypothesis 1d: Brand reputation mediates the relationship between rebranding and brand loyalty

Methodology

Research Design Method

This chapter will explain the research methodology for this research paper. The primary objective of this study is to identify the effect of rebranding leaves on the consumer as brand loyalty and its influence on brand reputation. In 2015, MAS undergone a rebranding exercise by changing their business unit level, corporate level and changed its brand name which we are concerned about how the consumer does react after the rebranding exercise.

Data Collection Method

The quantitative research design of questionnaire form was used to gather the data from the respondents. The method utilized to distribute the surveys was a personal administrative approach. The overall questionnaires distributed were 580. In the questionnaire, the rebranding variable part consists of nine items from (Walsh, ,2005). Ten questions of brand reputation from (Mason, 2014). And seven items of brand loyalty were adapted from (Chaudhuri and Holbrook, 2001). Seven Likert scales were used to measure all questions of rebranding, brand reputation, and brand loyalty of this study. The seven Likert scale is range from 1= strongly disagree, and 7= strongly agree. The nominal scale was used to attain the respondent profile of eight items.

Sample Size and Population

The target population for this research is the passengers of the airline's services in Northern Region of Peninsular Malaysia (Kedah, and Penang). Kedah and Penang have been choosing because there is one international airport (Penang International Airport) and one domestic

airport (Sultan Abdul Halim Airport). The population of the passengers in these two airports are 6,970,984. The target sample size for this study is more than 30 and less than 500 sample sizes for the data analysis. This based on (Sekaran, 2003).

Data Analyses Techniques

The technique utilized to analyze the data collected is descriptive statistics. Statistical Package for the Social Sciences (SPSS) 20.0 was used to analyze the demographic profile by testing the frequency distribution test and to measure the reliability of the items by testing the reliability Cronbach's alpha. Smart PLS software was used to test the hypothesized relationship, evaluate the measurement model and the structural models simultaneously, validate the convergent and discriminant validity of the measure.

Results

Response Rate

Reporting the total of 580 questionnaires distributed to passengers at the airport by hand to hand techniques, the overall responses recovered was 580 which yielded a response rate of 100%. However, responses accepted and used for data analysis in this study was 372. The 208 rejected responses were due to the incomplete responses from the participants. Table 1 illustrates the sample size and response rate of the data distributed and collected.

Table 1
The Sample Size and Response Rate

Questionnaire Response	**Frequency**
Number of questionnaires distributed	580
Recovered questionnaires	580
Usable questionnaires	372
Rejected questionnaires	208

Demographic Profile Results

The details for frequency distribution of respondents demographic profile for this study was summarizes as shown in Table 2

Table 2
The Respondents Demographic Profile

Gender	Male	154
	Female	218
Age	25-35	160
	36-46	133
	47-57	70
	58 and above	9
Education	High School	17
	Bachelor Degree	53
	Master Degree	171
	PhD	131
Status	Single	337
	Married	35
Nationality	Malaysian	303
	Non-Malaysian	69
Occupation	Government Servant	195
	Private Worker	101
	Self-Employed	59
	Retired	17
Favorite airlines	MAS	154
	Air Asia	119
	Other	99
Frequency using airlines	Once a year	273
	Once a month	91
	Once a week	8

Reliability Results

This section presents all the reliability and validity results. This test was done first using SPSS program to evaluate the internal consistency of the items measured by the three variables. This significant results found has indicated that the items set for the respondents are reliable to the data collection. Table 3 present the total reliability and validity results on the variables.

Table 3
Reliability Statistics Test

Reliability Statistics		
Variables	**Cronbach's Alpha**	**No. of Items**
Rebranding	.956	9
Brand Reputation	.940	10
Brand Loyalty	.938	7

Referring to Table 3, the reliability of α= 0.956 measured on rebranding nine items, α= 0.940 measured on brand reputation ten items and the α= 0.938 measured on brand loyalty seven items have shown that all variable items measured have maintained internal consistency. These items were accepted based on the Cronbach's alpha .90 is considered excellent for research study recommendation by (Nunnally, 1975).

Measurement Model

There are three criteria introduced by Tenenhaus (2005) to determine the overall quality of the model. The three levels are as below: i. The quality of the measurement model, ii. The quality of the structural model, and iii. Each structural regression equation used in the structural model. The quality of the measurement model was tested by examining the individual item and scale reliability continued by the convergent and discriminant validity of constructs' measures. Primarily, the relationships were displayed between the constructs of Brand Loyalty, Brand Reputation, and Rebranding. PLS algorithm was applied, and the result of the relationships, coefficients, and values of loadings are as shown in Figure 2.

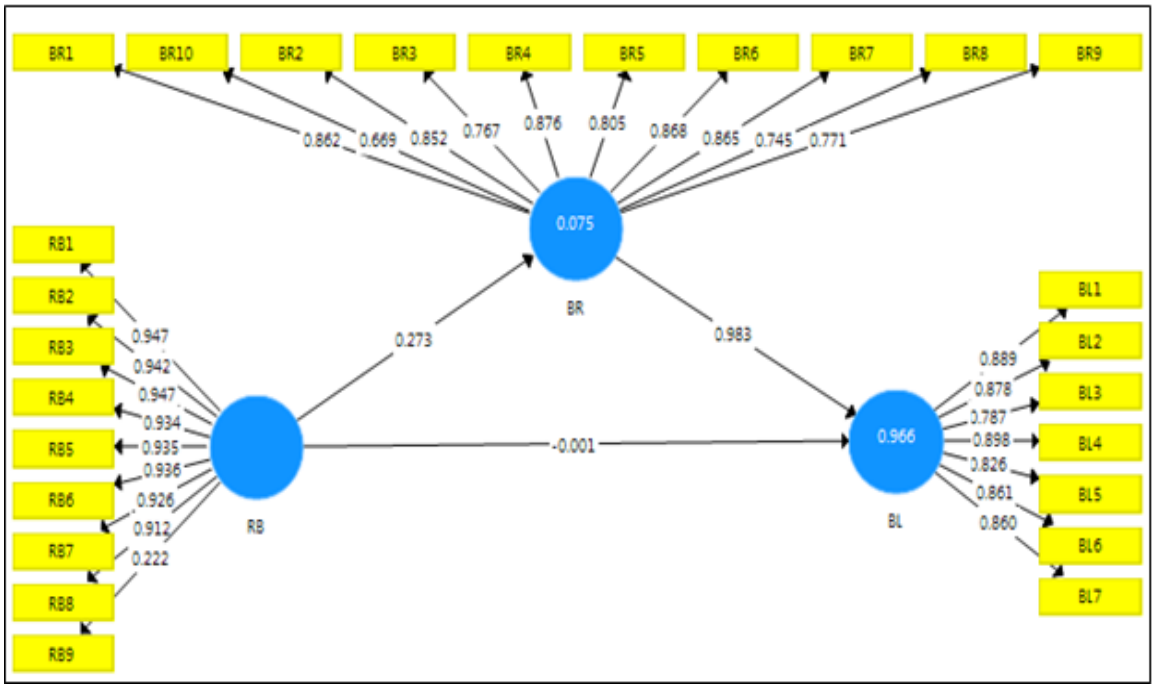

Figure 2: Initial Path Model

Outer loadings method was adapted to examine the content validity. The outer loadings can be classified in five classification; (i) less than 0.30 is poor, (ii) 0.31 – 0.50 is fair, (iii) 0.51 – 0.60 is moderate, (iv) 0.61 – 0.80 is strong, (iv) 0.81 – 1 is very strong (Chan, 2003). For this study, the outcome found that the outer loadings for all the items are very strong except for BR10 and RB9. Therefore, the two items were drop out for this research. The details of the outer loadings are as shown in Table 4.

Table 4
Outer Loadings of the Items

	BL	BR	RB
BL1	0.889		
BL2	0.878		
BL3	0.787		
BL4	0.898		
BL5	0.826		
BL6	0.861		
BL7	0.860		
BR1		0.862	
BR10		0.669	
BR2		0.852	
BR3		0.767	
BR4		0.876	
BR5		0.805	
BR6		0.868	
BR7		0.865	
BR8		0.745	
BR9		0.771	
RB1			0.947
RB2			0.942
RB3			0.947
RB4			0.934
RB5			0.935
RB6			0.936
RB7			0.926
RB8			0.912
RB9			0.222

Reliability

The reflective measurement should be done to distinguish between reflective and formative measurement models by testing the reliability and validity. In PLS-SEM which prioritizes indicators based on their reliability during model estimation, composite reliability is more suitable because it does not assume all indicators are equally reliable (Hair, Ringle & Sarstedt, 2011). Composite reliability values of 0.60 to 0.70 in exploratory research and values from 0.70 to 0.90 in more advanced phases of research are regarded as satisfactory (Nunnally and Bernstein 1994), whereas values below 0.60 indicate a lack of reliability. In this study, the composite reliability ranged from 0.948 to 0.989, which met the minimum standard of 0.70 as recommended by Fornell and Larcker (1981). Table 5 presents the Construct Reliability and validity results found on the three variable items measured.

Table 5
Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Brand Loyalty	0.940	0.941	0.951	0.735
Brand Reputation	0.941	0.948	0.950	0.657
Rebranding	0.955	0.968	0.968	0.782

Convergent Validity

In assessing the convergent validity, we evaluate the value of average variance extracted (AVE). The minimum value of AVE is 0.50, and the higher value indicates a sufficient degree of convergent validity. It means the latent variables clarify more than half of its indicator's variance (Hair et al., 2011). For this study, the value of AVE ranged from 0.6574 to 0.782, which it exceeded the minimum requirement as suggested by (Hair et al., 2011).

Discriminant Validity

To evaluate the discriminant validity, there are two methods that can be exercised. The first method is the Fornell-Lacker criterion and the second method is cross-loadings. Fornell-Lacker criterion has been used to evaluate the discriminant validity of this study. For the Fornell-Lacker criterion, the AVE of each latent constructs should be more than the latent construct's highest squared correlation with any other latent construct (Hair et al., 2011). The diagonal elements in Table 6 are the square root of the AVE score for each construct and the value possess discriminant validity.

Table 6
Discriminant Validity

	BL	BR	CR
Brand Loyalty	0.858		
Brand Reputation	0.810	0.983	
Rebranding	0.268	0.273	0.884

Structural Model Analysis

Analyzing data using PLS contains two part; the outer model which is a measurement model relating the observable variables to their latent variables and the internal model, a structural model relating some endogenous latent variables to other latent variables (Tenenhaus et al., 2004). The primary evaluation criteria for the structural model or internal model are the R^2 measures and the level and significance of the path coefficients (Hair et al., 2010). R^2 is to determine how well the model fits the hypothesized relationship. To indicate the levels of predictive accuracy, Hair, et al (2014) has suggested that the R^2 value of 0.25 is weak, 0.50 is moderate and 0.75 as substantial. Path coefficients are the standardized beta coefficients. Paths that are insignificant to the hypothesized direction do not support a previous hypothesis, whereas significant paths were showing that the hypothesized direction support the projected causal relationship (Hair et al., 2010). The path coefficient close to +1 symbolizes significant association, and close to 0 symbolizes weak relationship (Hair, et al., 2014). Also, the hypothesized relationship can be tested by t value. When the t value is greater than the critical value, the coefficient is significant at certain error probability. And frequently used critical value for two-tailed test are 1.65 (significance level = 10%), 1.96 (significance level = 5%) and 2.57 (significance level =1%) (Hair, et al.,2014). Table 7 and Table 8. presents the details of R^2 value and path coefficient for this study.

Table 7
R square value

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STDEV|)	P-Values	Level of Predictive accuracy
Brand Loyalty	0.966	0.967	0.002	423.467	0.000	Substantial
Brand Reputation	0.075	0.079	0.028	2.700	0.007	Weak

Table 8
Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (|O/STDEV|)	P-Values	Decision
BR -> BL	0.983	0.983	0.003	337.666	0.000	Supported
Rb -> BL	-0.001	-0.001	0.011	0.059	0.953	Not Supported
Rb -> BR	0.273	0.277	0.049	5.531	0.000	Supported

The relationship between Brand Reputation and Brand loyalty is significant (β=0.983, t value= 337.666, p<0.01) and it indicate that brand reputation has the direct positive influence on the brand loyalty. It supported the hypothesized relationship. However, the outcomes of this study found an insignificant relationship between rebranding and brand loyalty (β=-0.001, t value= 0.059, p< 1.00). The negative influence of the two variables rejected the hypothesized relationship. Also, the significant association found between rebranding and brand reputation from this study (β=0.273, t value= 5.531, p< 0.01). It clearly indicates that corporate rebranding has positive influence to brand reputation and it supported the hypothesized relationship. Another evaluation of structural model is to test the capability of the model to predict each endogenous latent construct's indicators. In examining the predictive relevance, the statistic observed is Q^2. A Q^2 value that is less than zero means that the model lacks predictive relevance and greater than zero means the model has predictive significance (Hair, Black, Babin, & Anderson, 2010). For this study, the value of Q^2 for brand loyalty is 0.661, and for the brand, reputation is 0.043, and the value proves that the model has sufficient predictive quality.

Table 9
Q^2 statistic

	SSO	SSE	Q^2 (=1-SSE/SSO)
Brand Loyalty	2,604.000	882.432	0.661
Brand Reputation	3,720.000	3,552.497	0.043
Rebranding	3,348.000	3,348.000	

Mediating Effect Test

To test the mediating effect of brand reputation between brand loyalty and rebranding, the researchers have excluded the brand reputation from the path model and run the bootstrapping routine. As a result, the value of direct effect between brand loyalty and rebranding is 0.268 and significant at p<0.01. Then, the full model (including the mediator) has been re-estimating and testing the indirect effect's significance. The result of the re-estimating the full model is 0.268 and it significant at p<0.01. Finally, VAF has been computing using the following formula:

$$VAF = \frac{\text{Indirect effect}}{\text{Total effect}}$$

The result of this final analysis yields a VAF value of 1.00. Based on Hair, Black, Babin, and Anderson (2014) recommendation, Brand Reputation fully mediated the relationship between Brand Loyalty and Rebranding.

Summary of Findings

The objective of this data analysis was to determine the effect of rebranding on the brand loyalty. The result shows the rebranding was an insignificant driver of the brand loyalty. The finding also found the brand reputation has mediated the relationship between brand loyalty and rebranding. The results also supported the hypothesized relationship in H1b, H1c, and H1d but rejected H1a and answered the research questions.

Discussion

The general objective of this study is to examine rebranding as a name change, rebuild or affects the brand reputation and brand loyalty. This chapter discusses the achieved t-test results and hypothesis tested. The result found that there is an insignificant relationship between rebranding and brand loyalty and it has negatively answered hypothesis 1a of this study. The relationship between rebranding and brand reputation is significant, which have responded to the second research question and research objective. Brand reputation also found to be significant to the brand loyalty, and it also acts as a mediator between brand loyalty and rebranding. Therefore, the findings of this study have achieved the objective of this study. Potentially, this study addresses the argument raised by few scholars which state that rebranding rebuilds brand loyalty and brand reputation by Makasi, et al (2014) and the claim that rebranding destroys the brand loyalty and brand reputation (Muzellec & Lambkin, 2006; Collange, 2014; Roy & Sarkar, 2015). It has shown that rebranding did rebuild brand reputation but has no effects on brand loyalty as one of the elements of brand equity. This research is in line with Muzellec and Lambkin (2006); Collange (2014); Roy and Sarkar, (2015) which claim that rebranding negatively effects on brand loyalty. However, it is contradicting to the claim by Makasi et al (2014) that claim a good rebranding will positively effect on brand loyalty.

Theoretical Contribution

Based on the achieved findings and discussion, this study made contributions in two separate levels of theoretical and practical levels. The contributions are beneficial to the researchers and practitioners of any industries. The theoretical contributions of this study elucidate the argument made on rebranding rebuilding or destroying the brand reputation and brand loyalty in previous studies (Muzellec & Lambkin, 2006; Collange, 2014; Roy & Sarkar, 2015; Makasi, et al., 2014; Le, et al., 2014). Theoretically, it informs that rebranding do rebuild brand reputation but it has no effect on brand loyalty. Brand reputation has a significant influence on brand loyalty and it is the mediator to brand loyalty and rebranding. The results discovered in the aspect of rebranding and brand reputation in this study contribute to support the Reciprocity Theory. However, for the part of rebranding and brand loyalty, it does not support the theory.

Practical Contribution

The empirical contribution of this research can support the management of the organization to understand that rebranding strategy is needed to rebuild their brand reputation, but it will have no effects on brand loyalty. It can help the firm to understand to what extent does the rebranding support to rebuild a brand reputation for the growth of the revenue and market shares that can benefit the organization and customers. Also, it helps to inform the firm that rebranding is a valid strategy in reacting to develop a brand reputation.

Limitations and Recommendations for Further Study

In this study, there are few limitations and recommendations that further studies need to consider in this research. This study aims to examine the effect rebranding on brand loyalty and its influence on brand reputation in Malaysian airline sector specifically on MAB. There are few factors that should be considered in rebuilding the brand loyalty and brand reputation such as brand association and brand awareness. This study was limited to two airports, Sultan Abdul Halim Airport, Kedah and Penang International Airport in the Northern Region of Malaysia only. Further research should extend this finding to other parts of Region in Malaysia that have an airport with passengers to increase the understanding of rebranding, brand reputation, and brand loyalty to generalize the result found in this study. This study focused on the Malaysian airline service sector only. Further research should concentrate on other industries, such as tourism, banking, and manufacturing industries in Malaysia and other countries to confirm whether rebranding as name change rebuilds brand reputation and brand loyalty depending on the areas and settings. The participants in this research include all range of age such as Gen Y, Gen X, and Millennials, while every range of age has a different opinion or different philosophy in determining the loyalty behaviour. Another study should focus on the specific generation that uses airlines as part of their travel medium to identify the effect of rebranding on brand loyalty and its influence on a brand reputation based on the particular gender. These recommendations were made to cover the gap that the study could not be able to accomplish, hoping that further study will continue this as a longitudinal research for more empirical results.

Conclusion

The major finding of this study is rebranding has a significant relationship with brand reputation but insignificant to the brand loyalty. It is an additional information to the body of knowledge. This study also concludes that other organizations in different sectors need to understand that rebranding can significantly influence brand reputation but negatively effect on brand loyalty. As a recommendation, the empirical results found in this study can be used for further study. Another research may focus on different setting with different sample and population. Also, additional elements other than brand reputation and loyalty may influence the effect of rebranding toward the brand equity and the organisation sustainability. The finding of this research also can be an assisting guide to the organization in exercising rebranding to rebuild their brand reputation and brand loyalty.

On behalf of all authors, the corresponding author states that there is no conflict of interest.

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