

# The Influence of Rebranding and Social Media Marketing on Purchase Decisions at CV Agam AC in Banjarbaru City, South Kalimantan

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**Abstract:-** This study aims to analyze the influence of rebranding and social media marketing on purchase decisions at CV Agam AC in Banjarbaru, South Kalimantan. Using a quantitative approach with a sample of 100 respondents selected through purposive sampling, the study employed SmartPLS software for data analysis. The results indicate that rebranding has a positive and significant effect on purchase decisions, as does social media marketing. Both variables were found to significantly influence consumer purchase decisions at CV Agam AC.

**Keywords:-** Rebranding; Social Media Marketing; Purchase Decision.

## I. INTRODUCTION

In the contemporary business environment, many consumers judge the quality of a company predominantly based on its external attributes, such as its logo, brand name, and tagline, often disregarding its internal structure, service quality, and performance. This superficial evaluation frequently leads to the misconception that companies with visually appealing branding inherently provide superior services. However, an attractive brand image alone does not guarantee the maintenance of quality or competitiveness in the market. To sustain their position in an increasingly

competitive landscape, companies must innovate and revitalize their brand image. Rebranding, in particular, serves as a critical strategy for enhancing market relevance and influencing consumer purchase decisions.

Rebranding involves redefining a brand's identity, image, or perception to align with evolving market dynamics, repair reputational damage, or bolster competitiveness. According to Joseph (2021), rebranding exerts a dual influence on purchase behavior and decision-making, affecting both external stakeholders, such as consumers, and internal stakeholders, including employees. For service-oriented businesses, such as CV Agam AC, which specializes in car air conditioning maintenance, rebranding can be instrumental in attracting and retaining customers.

CV Agam AC, a South Kalimantan-based provider of car air conditioning repair services, faces significant challenges in maintaining its reputation amidst fierce market competition. Despite offering reliable services, the company has encountered persistent customer complaints and criticism over its marketing inefficiencies. This situation underscores the urgent need for CV Agam AC to undertake a rebranding initiative and strategically leverage social media to enhance its corporate image and positively influence consumer purchasing behavior.

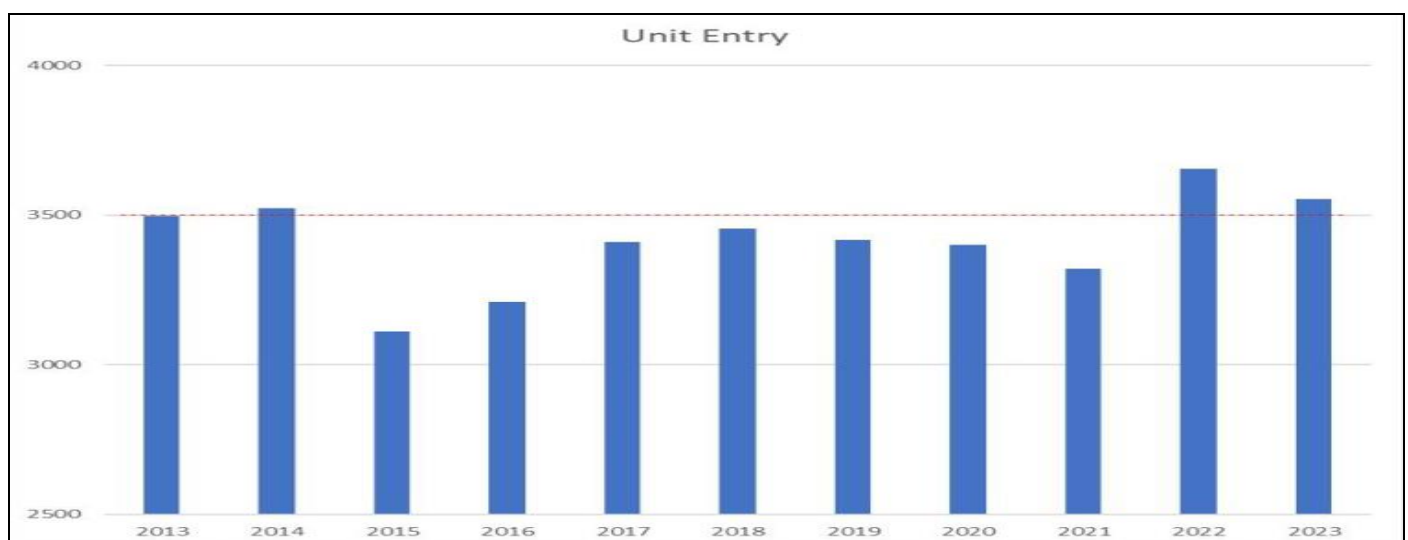


Fig 1 Vehicle Entry Data at CV AGAM AC Banjarbaru, South Kalimantan, from 2013 to 2023

Customer feedback over recent years reveals several critical concerns. Negative reviews highlight issues such as high service costs, prolonged turnaround times, and unprofessional appointment management. These factors collectively damage the company's reputation, reducing customer trust and loyalty, which are vital determinants of purchasing decisions. To address these challenges, CV Agam AC must refine its brand identity, optimize its visibility on digital platforms, and expand its service offerings to elevate customer satisfaction and regain market trust. Effective complaint resolution is essential, as unresolved grievances can significantly undermine customer loyalty and purchasing behavior.

Moreover, social media marketing has emerged as a pivotal tool for improving corporate branding and influencing consumer decision-making. Social media platforms enable direct engagement with customers, enhance brand visibility, and facilitate the deployment of data-driven marketing strategies. Handayani and Sihananto (2023) and Arsj (2023) emphasize that social media marketing effectively fosters brand awareness and customer loyalty, which, in turn, influence purchasing decisions.

Recognizing the importance of content-driven marketing, CV Agam AC has increasingly utilized social media to share educational content on car air conditioning maintenance. This strategy not only supports customers in making informed decisions but also strengthens the company's brand image as a credible source of expertise. Such initiatives are expected to enhance customer perceptions and overall corporate reputation. However, The data (**Figure 1**) indicates that CV Agam AC has experienced fluctuations in the number of unit entries each year. This trend is believed to be due to the absence of a rebranding strategy by the company, as well as a lack of educational and engaging social media marketing strategies implemented by CV Agam AC.

This study investigates the impact of rebranding and social media marketing on purchase decisions, aiming to provide actionable insights for CV Agam AC in developing more effective strategies to improve customer satisfaction and strengthen its market position. Furthermore, this research contributes to the broader discourse on service marketing, particularly within the automotive sector, in the context of digital transformation. By delivering an in-depth analysis, the study aspires to offer valuable recommendations for practitioners in the car air conditioning service industry seeking to boost customer engagement and drive sales.

## II. LITERATURE REVIEW

### ➤ *Rebranding*

Rebranding is a critical process for refreshing a brand's identity, particularly when a product or company experiences diminished appeal. This process goes beyond merely altering visual elements such as logos, names, or slogans; it also encompasses reshaping consumer perceptions and the company's overall image. Rebranding seeks to modernize the company's visual presentation to align with contemporary

trends while preserving the brand's core values. Its primary objectives include strengthening the company's image, differentiating it from competitors, and enhancing its position in a competitive market. For instance, Bank KB Bukopin successfully employed rebranding strategies, including logo and tagline changes, to target new audiences and reinforce its positive corporate image (Burhanuddin et al., 2023).

Rebranding influences stakeholder perceptions, including those of customers and investors, thereby helping organizations establish a competitive advantage. This strategy is particularly relevant when companies face new challenges or seek to capitalize on emerging market opportunities. By redefining its identity, a company can align its image with its desired market position and remain relevant in a dynamic business landscape (Makasi et al., 2021).

According to Setiyadi et al. (2022), Ahmad and Aminah (2023), Koo and Prastyani (2024), and Muhammad et al. (2021), several key indicators define rebranding:

- (X1.1) Logo Modification
- (X1.2) Visual Design Changes
- (X1.3) Brand Image Repositioning
- (X1.4) Strategic Adjustments
- (X1.5) Slogan Changes.

### ➤ *Social Media Marketing*

Social media marketing is an effective strategy for building brand awareness, recognition, and recall while enhancing consumer engagement. Platforms such as blogs, microblogs, and content-sharing sites enable companies to reach a broader audience and foster personalized interactions with consumers. This approach not only strengthens the relationship between companies and customers but also influences purchasing behavior by offering relevant and direct experiences (Li et al., 2022). Through these platforms, businesses can promote their products, facilitate the discovery of offerings tailored to consumer needs, and build stronger brand recognition.

The growth of online marketing, driven by advances in digital technology, allows companies to reach their target audience more efficiently. Digital platforms empower organizations to foster customer loyalty through personalized interactions and improved purchasing experiences. Additionally, social media enables businesses to create engaging and interactive campaigns that significantly influence purchase decisions (Bui & Huynh, 2022).

Setiyadi et al. (2022) and Giovani & Purwanto (2022) identify the following key indicators for social media marketing:

- (X2.1) Content Creation
- (X2.2) Content Sharing
- (X2.3) Community Building
- (X2.4) Interaction
- (X2.5) Accessibility

### ➤ *Purchase Decisions*

Purchase decisions are influenced by various external and internal factors, including economic conditions, technological advancements, cultural influences, and marketing elements such as product, price, place, and promotion. These factors shape how consumers process information and make decisions. In the era of digital marketing, technological advancements have accelerated and simplified decision-making, as real-time information is readily accessible through various platforms. Companies must therefore develop comprehensive marketing strategies to effectively influence purchasing decisions (Rachmawati et al., 2023).

The consumer purchase decision process typically involves five stages: need recognition, information search, alternative evaluation, purchase decision, and post-purchase behavior. Consumers identify their needs, gather information from multiple sources, evaluate options based on criteria such as price and quality, and ultimately make a purchase decision. Post-purchase evaluations, including satisfaction levels, further influence repeat purchases and product recommendations (Widi Santuso et al., 2024).

According to Setiyadi et al. (2022), Giovani & Purwanto (2022), Kevin (2021), and Ngadimen & Widyastuti (2021), the following indicators are associated with purchase decisions:

- (Y1) Product Selection
- (Y2) Transaction Timing
- (Y3) Recommendations
- (Y4) Repeat Purchases
- (Y5) Transaction Experience

### ➤ *The Impact of Rebranding on Purchase Decisions*

Research by Dewi and Fita (2024) demonstrates that rebranding significantly influences consumer purchase

decisions. Their study highlights that key rebranding activities—such as brand repositioning, renaming, redesigning, and relaunching—positively impact purchase decisions. Fuji and Putu (2022) further emphasize that rebranding enhances product appeal by reshaping brand imagery, making it more relevant and attractive to consumers. Specific strategies, such as logo redesign or identity changes, create new consumer interest and drive purchase behavior. These efforts reinforce brand image, boost brand awareness, and project a sense of innovation, aligning the brand with contemporary consumer values and preferences. Consequently, rebranding directly strengthens consumer loyalty and post-purchase behavior.

### ➤ *The Impact of Social Media Marketing on Purchase Decisions*

Ignatius and Reza (2022) found that social media marketing exerts a significant positive effect on purchase decisions. Their research reveals that intensive use of social media marketing strategies enhances the likelihood of consumers engaging with a brand and ultimately purchasing its products. Similarly, Putri and Sukma (2023) confirmed that effective social media campaigns boost consumer interest, leading to positive purchasing outcomes.

Social media marketing significantly influences every stage of the purchase decision process—from information gathering to post-purchase evaluations. By leveraging tools such as blogging, microblogging, and real-time content sharing, businesses can enhance brand awareness and create emotional connections with consumers. This approach strengthens customer loyalty and fosters repeat purchases. Additionally, online reviews, recommendations, and transparent content improve consumer trust, expediting the decision-making process. Social media marketing also enhances post-transaction satisfaction, encouraging repeat purchases and reinforcing the brand's position in the consumer's mind over the long term.

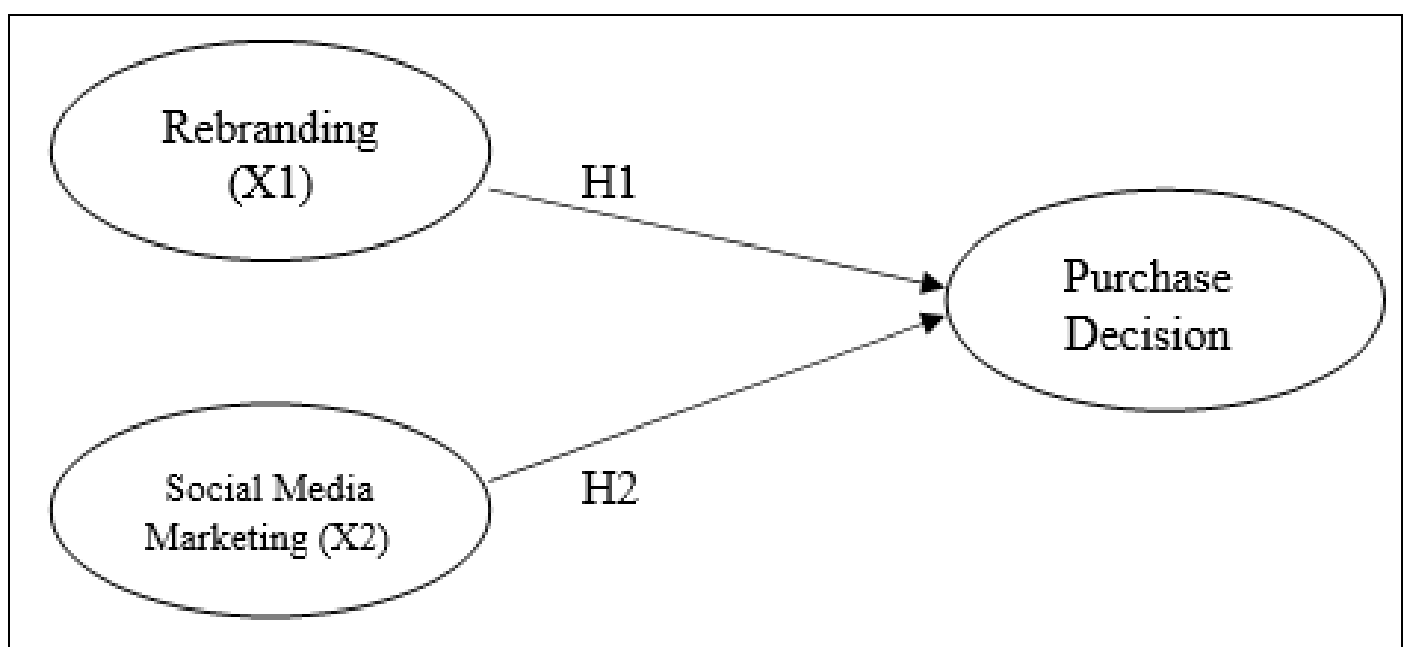


Fig 2 Framework of Thought

➤ *The Hypothesis is :*

- **Hypothesis H1:** Rebranding is positively associated with purchase decisions at CV Agam AC, Banjarbaru, South Kalimantan.
- **Hypothesis H2:** Social media marketing is positively associated with purchase decisions at CV Agam AC, Banjarbaru, South Kalimantan

### III. RESEARCH AND METHOD

The research employs a quantitative approach to analyze the relationships among the variables. To generate quantitative data, the study utilizes an ordinal measurement

scale with a weighting technique based on the Likert scale. The population for this research consists of all customers of CV Agam AC who have utilized its air conditioning replacement services. The sampling method applied is purposive sampling, with a total of 100 respondents serving as the research sample.

### IV. RESULTS AND DISCUSSION

From the responses of 100 participants who completed the questionnaire, the gender distribution of respondents is presented in **Table 1** below:

Table 1 Characteristics of Respondents Based on Gender

No	Gender	Frequency	Percentage
1.	Male	68	68%
2.	Female	32	32%
	Total	100	100%

Based on Table 1, the respondents are categorized into two groups: male and female. Data collection revealed that 68 respondents (68%) were male, while 32 respondents (32%) were female.

From the PLS output above, the factor loading values for each indicator can be observed above the arrows

connecting the variables and their respective indicators. Additionally, the path coefficients are displayed above the arrows connecting exogenous variables to endogenous variables. Furthermore, the R-Square value, representing the explanatory power of the model, is shown within the circle of the endogenous variable (purchase intention variable).

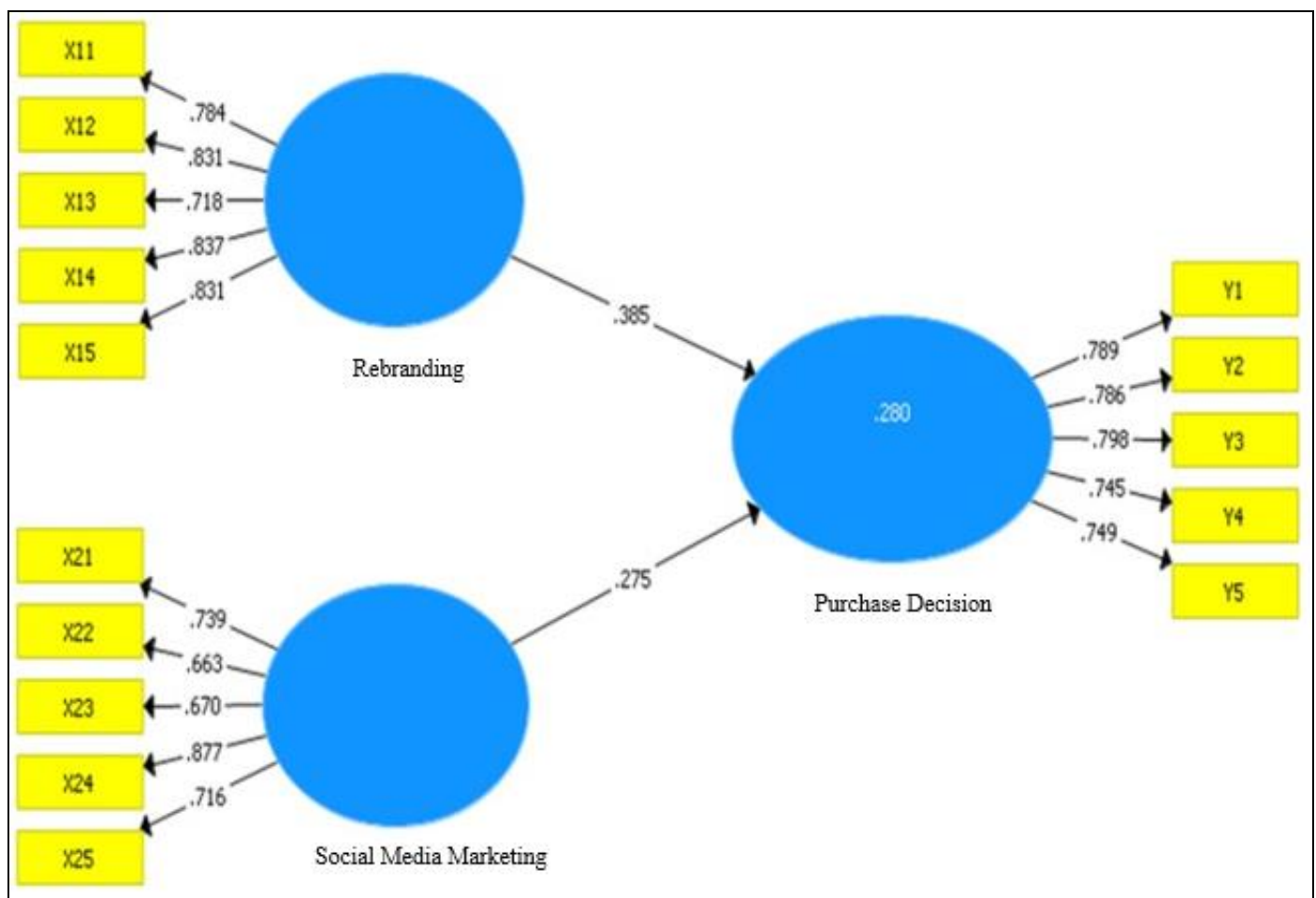


Fig 3 Outer Model, along with Factor Loading, Path Coefficient, and R-Square

Based on the outer loading table, all reflective indicators for the variables Rebranding (X1), Social Media Marketing (X2), and Purchase Decisions (Y) exhibit factor loading values (original sample) greater than 0.50 and are statistically significant (T-Statistic values exceed the critical value of  $Z \alpha = 0.05$  (5%) = 1.96). Therefore, the estimation

results indicate that all indicators meet the criteria for convergent validity, confirming their reliability in measuring the constructs effectively.

➤ *Average Variance Extracted (AVE)*

Table 2 Average Variance Extracted (AVE)

Variable	AVE (Average Variance Extracted)
Purchase Decision (Y)	0.599
Rebranding (X1)	0.643
Social Media Marketing (X2)	0.544

Based on the AVE test results, the AVE value for the Rebranding (X1) variable is 0.643, the Social Media Marketing (X2) variable is 0.544, and the Purchase Decision (Y) variable is 0.599. All three variables have AVE values greater than 0.5, indicating that the constructs in this study

demonstrate good validity overall. This suggests that the latent variables adequately explain the variance in their respective indicators.

➤ *Composite Reliability*

Table 3 Composite Reliability

Variable	Composite Reliability
Purchase Decision (Y)	0.882
Social Media Marketing(X2)	0.900
Rebranding (X1)	0.855

Based on the Composite Reliability test results, the Rebranding (X1) variable has a Composite Reliability value of 0.855, the Social Media Marketing (X2) variable has a value of 0.900, and the Purchase Decision (Y) variable has a value of 0.882. Since all three variables demonstrate Composite Reliability values above the threshold of 0.70, it

can be concluded that all the variables in this study are reliable. This indicates that the indicators consistently measure their respective constructs.

➤ *Latent Variable Correlation*

Table 4 Latent Variable Correlations

Variable	Purchase Decision (Y)	Rebranding (X1)	Social Media Marketing (X2)
Purchase Decision (Y)	1.000	-	-
Rebranding (X1)	0.458	1.000	-
Social Media Marketing (X2)	0.377	0.265	1.000

From the latent variable correlations table, the average correlation values between the variables indicate moderate correlations. The highest correlation is observed between the Rebranding (X1) variable and the Purchase Decision (Y) variable, with a value of 0.458. This indicates that among the variables in the research model, the relationship between Rebranding (X1) and Purchase Decision (Y) is the strongest.

This finding can also be interpreted to mean that, within the research model, the extent of purchase decisions is more significantly influenced by the Rebranding (X1) variable compared to the Social Media Marketing (X2) variable. Thus, Rebranding plays a more prominent role in shaping purchase decisions in this context.

➤ *R-Square*

Table 5 R Square

R Square	Value
Purchase Decision (Y)	0.280

Based on the table above, the R-Square value for the Purchase Decision (Y) variable is 0.280, indicating that 28%.

Table 6 Path Coefficients (Mean, STDEV, T-Values, P-Values)

Path	Path Coefficients (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STERR )	P Values
Rebranding → Purchase Decision	0,385	0,397	0,074	5,171	0
Social Media Marketing → Purchase Decision	0,275	0,285	0,071	3,862	0



Of the variability in Purchase Decision is explained by the independent variables, namely Rebranding and Social Media Marketing. The remaining 72% of the variability is influenced by other variables not included in this study (beyond Rebranding and Social Media Marketing).

Based on the research findings (**Table 5**), it is evident that the Rebranding (X1) variable has a positive and significant effect on purchase decisions for CV Agam AC in Banjarbaru, South Kalimantan, confirming that the hypothesis is accepted. This indicates that effective rebranding enhances purchase decisions. The factor loading analysis for the rebranding variable shows that the most influential indicator is strategic adjustment, specifically the effective communication by CV Agam AC. For instance, customer complaints about car air conditioning issues are resolved efficiently due to strong communication, which customers appreciate as it helps them understand their issues and receive tailored solutions. Moreover, direct communication has facilitated the introduction of new services such as home service options and modernized service systems, which improve customer experiences and influence their decisions to use CV Agam AC's services. These findings align with the research by Dewi Citra Sekar Asih & Fita Kurniasari (2024) in their study, and the study by Fuji Dwi Rani & Putu Nina Madiawati (2022), both of which demonstrate the positive impact of rebranding on purchase decisions.

Similarly, the research findings reveal that the Social Media Marketing (X2) variable has a positive and significant effect on purchase decisions for CV Agam AC, affirming the hypothesis. This suggests that improved social media marketing enhances purchase decisions. The factor loading analysis identifies interaction as the most influential indicator. Effective interactions on social media platforms help customers feel supported and simplify their processes, such as making efficient service bookings, obtaining clear updates on repair completion times, and resolving car air conditioning problems. These interactions strengthen the relationship between customers and CV Agam AC, boosting their confidence in purchasing services. These findings align with the research by Maylannda Ayu Putri & Rivera Pantro Sukma and the study by Ignatius Irvan & Reza Erdiansyah (2022), which also highlight the positive and significant influence of social media marketing on purchase decisions.

## V. CONCLUSION

Based on the PLS analysis, it can be concluded that both rebranding and social media marketing have a positive and significant contribution to purchase decisions at CV Agam AC in Banjarbaru, South Kalimantan. Therefore, it is recommended that CV Agam AC re-evaluates its rebranding strategies, particularly focusing on the aspect of strategic adjustments, to further enhance purchase decisions and exceed the established targets. Additionally, the company should prioritize social media marketing, emphasizing interaction as a key factor to achieve better outcomes.

For future researchers, it is suggested to broaden the scope of respondents and seek additional references related to rebranding and social media marketing variables to obtain more comprehensive results.

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