Rebranding and Brand Equity: The Mediating Role of Sublime Experience

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Abstract:

This study examines the mediating role of sublime experience in the relationship between rebranding and brand equity. Drawing on Social Identity Theory and Experiential Branding as the core theoretical frameworks, the research investigates how rebranding efforts translate into brand value. This study adopts a cross-sectional research design and is based on a sample of 401 participants. Data were analyzed using structural equation modeling (SEM) to examine the proposed relationships among the study constructs. Findings indicate that rebranding does not have a significant direct effect on brand equity. Instead, its influence is primarily transmitted through sublime experience, characterized by awe, admiration, and transformative meaning, which serve as the emotional mechanism linking rebranding to brand equity. This research contributes to branding theory by demonstrating that emotional and experiential resonance, rather than solely visual or symbolic changes, drives brand equity. Practical implications guide managers in designing rebranding strategies that prioritize deep consumer experiences.

Keywords: rebranding, brand equity, sublime experience, consumer perception, structural equation modelling.

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I- Introduction:

In an era of intensified market dynamism and digital transformation, brands have transcended their traditional role as mere identifiers to become strategic assets that embed organizational identity and shape consumer perceptions. Rebranding has consequently emerged as a pivotal strategic lever for sustaining competitiveness, repositioning, and differentiation (Cavanaugh, 2025). Yet, despite the proliferation of rebranding initiatives across industries, a critical theoretical tension remains unresolved: while some studies suggest that rebranding directly enhances brand equity through visual and positional renewal, others indicate that such effects are inconsistent or even negative when psychological mechanisms are overlooked. This contradiction points to a fundamental gap in the branding literature, namely, the lack of a robust theoretical explanation for how and under what conditions rebranding translates into brand equity.

Existing research has predominantly adopted a resource-based perspective, emphasizing the preservation of tangible, intangible, and relational assets during rebranding processes (Tahar & Derradj, 2025). From this view, brand equity is maintained insofar as strategic resources are protected and leveraged. Complementary evidence from co-opetition research suggests that managing unique resources enhances innovation and performance. However, these approaches remain largely supply-side and structural, focusing on what firms *do* rather than on what consumers *experience*. They assume, often implicitly, that rebranding signals are directly and uniformly perceived and valued by consumers, an assumption that empirical findings increasingly challenge.

A closer examination of the literature reveals two interconnected theoretical gaps. First, while scholars have acknowledged the importance of consumer engagement (Waqas et al., 2024) and brand attachment (Mensah & Brew, 2023) as mediating mechanisms, the role of sublime experience, characterized by awe, admiration, and transformative meaning, an emotional state that, according to Keltner and Haidt (2003), involves perceiving something vast and adjusting one's mental frameworks to accommodate it, has received scant attention. This omission is consequential because sublime experiences differ qualitatively from general satisfaction or engagement; they represent peak emotional states that fundamentally restructure consumer–brand relationships. Second, the vast majority of rebranding research has been conducted in Western, individualistic contexts, leaving non-Western settings shaped by collectivist values, cultural identity, and social solidarity theoretically underdeveloped (Ramos et al., 2024). Whether theoretical models developed in one cultural context travel to another remains an open empirical and conceptual question.

Recent Algerian-based research has examined consumer-based brand equity within the home appliance sector, confirming the applicability of the multidimensional brand equity framework (Aaker, 1996; Yoo & Donthu, 2001) in the Algerian context (Elfekair et al., 2024). Similarly, brand attachment has been identified as a key emotional driver of consumer behavior, influencing brand loyalty and willingness to pay a premium price in the Algerian market (Laradi et al., 2024). However, despite these contributions, the specific mediating role of sublime experience in rebranding-brand equity dynamics remains unexplored, particularly in the telecommunications sector, justifying the need for the present study.

To address these interrelated gaps, this study advances a theoretically grounded mediation model grounded in Social Identity Theory and Experiential Branding Theory, the two frameworks selected for their complementary explanatory power. Social Identity Theory explains why rebranding can threaten or affirm consumers' sense of belonging and self-worth within a group, while Experiential Branding Theory specifies how peak emotional episodes (such as sublime experiences) shape lasting brand attitudes. The central proposition is that rebranding does not directly enhance brand equity but rather does so indirectly and fully through the generation of sublime experiences.

These limitations suggest that the key theoretical question is not whether rebranding creates brand equity, but rather how consumers transform brand changes into meaningful evaluations of brand value. Therefore, a consumer-centered perspective is required to identify the experiential mechanism through which rebranding influences brand equity, particularly in culturally embedded markets. Accordingly, this study examines: (1) whether rebranding directly affects brand equity, (2) whether rebranding generates sublime experiences, (3) whether sublime experiences affect brand equity, and (4) whether sublime experiences mediate the rebranding–brand equity relationship.

By testing these propositions, the study contributes to branding theory in three ways. First, it resolves a theoretical inconsistency in the literature by specifying the psychological mechanism through which rebranding operates. Second, it introduces sublime experience as a theoretically distinct and empirically testable mediator, moving beyond more generic constructs like engagement or attachment. Third, it tests these relationships in a culturally significant non-Western context, thereby examining the boundary conditions of existing theories and offering a foundation for culturally informed rebranding models.

II. Literature Review

1. Rebranding and Brand Equity

Rebranding is defined as a strategic process through which organisations change brand identity elements, such as name, logo, or visual design, to renew symbolic meaning and maintain competitiveness. Within the brand equity framework, rebranding is theorised to influence key dimensions including brand awareness, associations, loyalty, and perceived quality (Keller, 1993). However, the relationship between rebranding and brand equity remains theoretically contested. From the perspective of Social Identity Theory (SIT) (Tajfel & Turner, 1979), rebranding matters to consumers primarily because it affects their sense of group belonging and social identity. When rebranding aligns with consumers' identity expectations, it strengthens perceived brand meaning and value. When it disrupts or contradicts those expectations, it generates resistance (Lam et al., 2010; He & Mukherjee, 2009). Despite the growing body of research on rebranding and brand equity, existing studies remain fragmented and theoretically inconsistent. While some studies emphasize cognitive mechanisms such as brand awareness and perceived quality (Keller, 1993; Yoo & Donthu, 2001), others highlight emotional and relational constructs such as brand attachment and engagement (Mensah & Brew, 2023; Waqas et al., 2024). However, these streams of research rarely converge into an integrated explanatory framework.

Moreover, empirical findings remain contradictory: some studies report a strong direct effect of rebranding on brand equity, while others suggest weak, conditional, or even negative outcomes depending on consumer interpretation and cultural context. This inconsistency indicates the absence of a unified theoretical synthesis capable of explaining when and why rebranding generates value. This divergence reflects a deeper theoretical limitation: prior research has largely developed in parallel streams without sufficient cross-comparison or theoretical integration. As a result, the literature tends to accumulate evidence rather than synthesize competing explanations.

An opposing view suggests that superficial or purely visual identity changes rarely produce lasting improvements in brand equity. Evidence indicates that rebranding enhances consumer perceptions only when processed through experiential states rather than cognitive evaluation alone. This indicates that traditional constructs such as awareness and loyalty, while important, are insufficient to fully explain consumer responses to brand renewal. A deeper exploration of affective and transformative experiences is therefore necessary. The emotional dimension of consumer-brand relationships has been empirically validated in the Algerian context, where brand attachment was found to significantly influence brand loyalty and willingness to pay a premium price (Laradi et al., 2024). This supports the relevance of examining sublime experience as an intense emotional state in the same cultural context. However, many studies on engagement and attachment remain conceptually broad and fail to capture high-intensity emotional states that are theoretically distinct from general affective responses. This limitation reinforces the need to examine more elevated consumer interpretation constructs such as sublime experience. In the Algerian context, technology innovation has been shown to significantly influence consumer purchase intention, with consumers demonstrating awareness of innovative product characteristics and exhibiting positive attitudes toward brands that invest in technological renewal (Tahar & Felleuge, 2019).

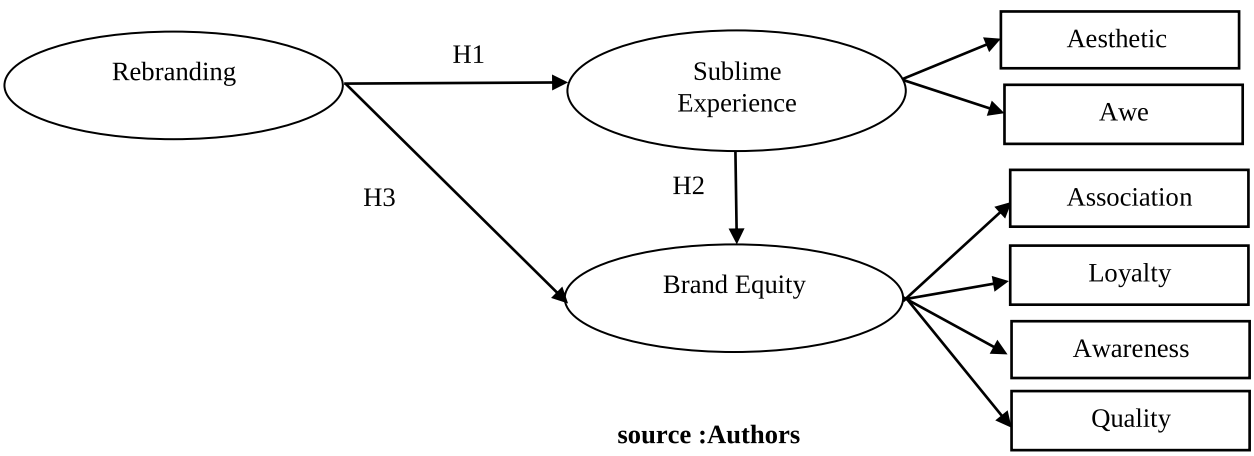
2. Conceptual Framework

To establish a coherent theoretical foundation, this study integrates Social Identity Theory (SIT) and Experiential Branding Theory as complementary explanatory frameworks. Social Identity Theory explains how rebranding influences consumers' perceptions by reinforcing or challenging their sense of belonging, self-concept, and identification with the brand. When consumers perceive the renewed brand identity as consistent with their values and social identity, they are more likely to develop favorable evaluations of the brand. SIT is used specifically to explain identity alignment in response to rebranding stimuli.

Experiential Branding Theory complements this perspective by explaining how consumers transform rebranding stimuli into meaningful emotional experiences. Rebranding activities such as changes in visual identity, symbolism, and communication can generate intense emotional responses characterized by admiration, inspiration, and awe. These responses are conceptualized in this study as sublime experiences. EB theory is used to explain emotional transformation into evaluative judgments. This conceptualization of awe aligns with the foundational psychological definition proposed by Keltner and Haidt (2003), who characterize awe as an emotional response to stimuli perceived as vast and requiring a fundamental accommodation or restructuring of one's existing mental schemas

Accordingly, the proposed framework assumes that rebranding influences brand equity primarily through the generation of sublime experiences. Social Identity Theory explains why consumers become emotionally receptive to rebranding initiatives, whereas Experiential Branding Theory explains how these emotional responses are converted into favorable evaluations of brand value. Therefore, sublime experience is positioned as the central mediating mechanism linking rebranding to brand equity. (Figure 1) .

Figure (1):Research model



source :Authors

3. Hypotheses

Drawing on Experiential Branding Theory (Schmitt, 1999), rebranding represents more than a visual change; it constitutes a sensory and emotional event capable of reshaping consumer–brand relationships. Adjustments to logos, colours, typography, and symbolic cues can trigger emotional engagement, transforming brand encounters into meaningful experiences. Accordingly, rebranding is expected to stimulate profound emotional reactions reflected in sublime experience.

H1 (Direct Effect): Rebranding has a direct positive effect on consumers' sublime experience.

From a Social Identity Theory perspective (Tajfel & Turner, 1979), rebranding may also influence brand equity when it affirms consumers' social identity and sense of belonging (Lam et al., 2010). However, this effect is theorised to operate indirectly through identity-based emotional responses rather than directly. Brand equity is conceptualised as a multidimensional construct combining functional and affective components.

H2 (Direct Effect): Rebranding has a direct positive effect on brand equity, independent of sublime experience.

Emotional and experiential pathways constitute the central mechanism through which rebranding strengthens consumer–brand relationships. Building on Experiential Branding Theory (Schmitt, 1999), sublime experience is positioned as the mechanism through which rebranding translates into enhanced brand equity. The theoretical logic is that rebranding stimuli generate sublime experiences (awe, admiration, transformative meaning), and these sublime experiences, in turn, produce lasting brand equity.

H3 (Mediated Effect): Rebranding influences brand equity through the mediation of sublime experience.

4. Contextual Challenges and Assumptions

Applying this framework in culturally embedded markets requires consideration of contextual dynamics shaping consumer responses. From a Social Identity Theory perspective, collectivist cultural orientations, including group belonging and shared identity, are expected to amplify emotional responses to rebranding, as consumers in such contexts are more sensitive to identity-relevant brand changes (Lam et al., 2010; He & Mukherjee, 2009).

Constructs such as sublime experience and brand equity may manifest differently across cultural settings; therefore, measurement scales require linguistic and cultural adaptation to ensure validity and reliability. Market maturity may also influence outcomes, as rebranding effects tend to be stronger in emerging markets where symbolic and identity-driven changes carry greater weight. This is consistent with findings from the Algerian electronics market, where consumers demonstrated significant responsiveness to technological innovation and product renewal, factors that directly influenced their purchase intentions (Tahar & Felleuge, 2019)

The model assumes that rebranding affects brand equity indirectly through sublime experience, with empirical testing determining the strength and nature of this mediation. Overall, the framework provides a clearly defined mediation pathway, integrates cultural and methodological considerations, and offers a structured basis for hypothesis testing within emerging, identity-oriented markets.

5. Methodology and Data

Research Design : This study adopts a quantitative, explanatory design to examine the relationships between rebranding (independent variable), sublime experience (mediator), and brand equity (dependent variable). A cross-sectional, hypothesis-driven approach consistent with structural equation modelling (SEM) was employed. To strengthen measurement validity, only respondents who had experienced the brand before and after rebranding were included, enabling informed comparisons of perceptions over time. While the cross-sectional design limits definitive causal inference, it allows examination of relationships at a specific point in time.

Sampling Procedures : The target population comprises Ooredoo consumers in Algeria who experienced the company's recent rebranding. The case was selected due to its national reach, clear brand transformation, and relevance to the service sector.

A purposive sampling technique was applied using a screening question to ensure that participants had used Ooredoo's services (formerly Nedjma) continuously for at least one year prior to the rebranding. Questionnaires were distributed physically across multiple urban and semi-urban service locations to diversify the sample and reduce location bias. Incomplete responses and questionnaires with missing critical data were excluded to ensure data quality .

Table (1): Sample Demographic Characteristics

		Frequency	Percentage	Total
Gender	Male	167	41.6	401
	Female	234	58.4	
Educational level	Intermediate	43	10.7	
	Secondary	93	23.2	
	University	265	66.1	

source :Authors

A total of 401 valid responses were retained. According to Hair et al. (2019), sample sizes between 200 and 400 are statistically adequate for SEM involving multiple latent constructs and reflective indicators. Given that the present model includes three latent variables measured by several observed items, the sample size is considered appropriate. Although purposive sampling may limit generalisability, demographic diversity in gender and education closely reflects Ooredoo's customer structure, supporting external validity.

6. Data Collection Methods

Data were collected using a self-administered structured questionnaire distributed physically. The instrument comprised three sections:

- **Rebranding** (3 items): perceptions of changes in logo, colour, typography, visual identity, and symbolic meaning, adapted from Bosnjak et al.(2007) .

- **Sublime experience** (3 items): aesthetic appreciation, emotional elevation, awe, and symbolic immersion, adapted from Park et al. (2013), with reference to the experiential dimensions outlined in Brakus et al. (2009)

- **Brand equity** (6 items): awareness, perceived quality, brand associations, and loyalty, adapted from Yoo & Donthu.(2001)

The questionnaire was developed in English and translated into Modern Standard Arabic using a back-translation procedure involving bilingual experts to ensure linguistic and cultural equivalence. All items were measured on a five-point Likert scale (1 = strongly disagree to 5 = strongly agree). All constructs were specified as reflective measurement models, given that indicators are manifestations of underlying latent variables.

A cross-sectional research design was employed in this study. This approach involves collecting data from respondents at a single point in time and is appropriate for examining relationships among theoretical constructs based on consumers' current perceptions and experiences. Cross-sectional survey designs are widely adopted in marketing and consumer behavior research, particularly when testing conceptual models using structural equation modelling techniques (Acikgoz et al., 2026; Wei et al., 2026; Prasad et al., 2026).

7. **Data Analysis Techniques** : Data were analysed using SPSS 26 and AMOS 24. Descriptive statistics were used to profile respondents and examine demographic distributions. Reliability and internal consistency were assessed using Cronbach's alpha and Composite Reliability (CR).

Exploratory Factor Analysis (EFA) was conducted to identify underlying factor structures, followed by Confirmatory Factor Analysis (CFA) to validate the measurement model and ensure that observed indicators adequately represented latent constructs. Model fit was evaluated using CFI, TLI, and RMSEA.

SEM was then employed to test the hypothesised relationships between rebranding, sublime experience, and brand equity. Bootstrapping with 5000 resamples was applied to assess indirect effects and examine the mediating role of sublime experience. The significance of the indirect effect was assessed using bias-corrected bootstrap confidence intervals at the 95% level. Mediation was considered statistically supported when the confidence interval of the indirect effect did not include zero.

Regarding the modelling of multidimensional constructs, Brand Equity was specified as a first-order reflective construct. This decision was based on empirical validation from prior measurement studies. Following Yoo and Donthu (2001), this study operationalizes brand equity as a multidimensional concept measured through reflective indicators. Accordingly, this study adopted the same first-order specification, as the objective was to examine the overall brand equity construct rather than the differential effects of its individual dimensions. No second-order (higher-order) specification was employed.

Potential methodological limitations, including self-report bias and recall errors related to pre-rebranding perceptions, were addressed through careful questionnaire design, clear instructions, and screening questions ensuring participants' familiarity with the brand.

III. Results

This section reports the findings of the structural equation modelling (SEM) used to test the hypothesized relationships. The analysis proceeded in two stages: assessment of the measurement model, followed by evaluation of the structural model and hypothesis testing.

1. Assessment of Reliability and Validity

To ensure the robustness of the measurement model, a purification process was conducted following established SEM guidelines (Hair et al., 2019). Items with standardized factor loadings below 0.50 were systematically removed due to their weak contribution to construct reliability and convergent validity. This step was necessary to improve construct clarity and ensure that retained indicators adequately represent their underlying latent variables. Following item elimination, the measurement scales were re-specified and re-estimated, resulting in a refined model with improved psychometric properties. This restructuring ensures that each construct is measured using only empirically valid indicators, thereby enhancing the reliability and validity of subsequent structural analysis. The removal of weak items led to a partial restructuring of the measurement model. Consequently, all constructs were re-evaluated to ensure internal consistency and convergent validity after purification. This process confirms that the final retained items form a coherent and statistically reliable measurement structure suitable for structural equation modelling.

Cronbach's Alpha confirmed satisfactory internal consistency across constructs. Brand Equity demonstrated strong reliability ($\alpha = 0.84$), Sublime Experience showed acceptable reliability ($\alpha = 0.76$), and the Rebranding scale, developed for this study, yielded a lower but acceptable value ($\alpha = 0.66$) within an exploratory context.

For convergent validity, all CR values exceeded 0.60 (0.65–0.83), indicating adequate reliability. However, AVE values for Rebranding (0.39) and Brand Equity (0.45) were below the recommended 0.50 threshold, suggesting that some indicators may not strongly represent their respective constructs and that further scale refinement may be needed in future research.

The measurement model for Rebranding was refined by retaining only items with the strongest empirical and theoretical relevance.

Convergent validity was reassessed after removing items with factor loadings below the recommended threshold. The refined measurement model demonstrated generally acceptable reliability and validity indicators, although some limitations remained regarding convergent validity of the Rebranding construct. Composite Reliability (CR) values ranged from 0.65 to 0.83, while Cronbach's Alpha coefficients ranged from 0.65 to 0.81, indicating acceptable internal consistency for the retained constructs. Furthermore, the Average

Variance Extracted (AVE) values for Sublime Experience (0.59) and Brand Equity (0.51) exceeded the recommended threshold of 0.50, confirming adequate convergent validity.

Table (2): Reliability and Validity Indicators

Construct	Items	Statments	Loading	CR	AVE	α
	RB2	I noticed the brand changed its jingle recently	0.59	0.65	0.39	0.65
	RB3	The new design clearly represents the same brand	0.65			
	RB4	I noticed the brand changed its logo/identity recently	0.58			
Sublime Experience	SE3	The new identity prompted personal reflection	0.75	0.83	0.59	0.81
	SE4	The brand’s excellence feels beyond the ordinary	0.79			
	SE5	I experienced inspired emotions joy, uplift, unity	0.76			
Brand Equity	BE2	I believe this brand offers superior-quality services	0.67	0.82	0.51	0.81
	BE3	I can quickly recall this brand when thinking of	0.74			
	BE5	I am satisfied with what I get from this brand	0.69			
	BE6	I intend to continue using this brand in the future	0.76			
	BE7	I would recommend this brand to others	0.64			
	BE8	It evokes feelings of reliability and innovation	0.61			

source :Authors

Although the AVE value for Rebranding (0.39) remained below the recommended threshold of 0.50, the construct demonstrated acceptable Composite Reliability (CR = 0.65). According to Fornell and Larcker (1981), convergent validity may still be considered adequate when Composite Reliability exceeds 0.60 despite an AVE below 0.50. Therefore, the construct was retained because of its theoretical importance and significant contribution within the structural model. This limitation suggests that the current measurement scale may not fully capture the multidimensional nature of rebranding perceptions. Future research should develop broader measurement items covering strategic, symbolic, and communicational aspects of rebranding.

Discriminant validity was then evaluated using the Fornell–Larcker criterion (1981). The square root of AVE for Rebranding (0.62) exceeded its correlations with Sublime Experience (0.31) and Brand Equity (0.29), supporting discriminant validity for this construct. However, the correlation between Sublime Experience and Brand Equity (r = 0.81) remained higher than the square roots of their respective AVE values (0.77 and 0.71), indicating a degree of shared variance between the two constructs. This relatively high correlation reflects their conceptual proximity within experiential consumption contexts, which may be attributed to the strong conceptual relationship between sublime brand experiences and consumers' evaluations of brand equity. Prior research has suggested that emotional and experiential dimensions, particularly affective and sensory brand experiences, constitute important antecedents of brand equity, naturally leading to high empirical associations between these constructs (Brakus et al., 2009; Iglesias et al., 2011). Nevertheless, both constructs demonstrate acceptable internal consistency and convergent validity, supporting their empirical distinction.

To complement the Fornell–Larcker assessment with a more rigorous criterion, the heterotrait–monotrait ratio (HTMT) was also examined following the recommendations of Henseler et al. (2015). Although the Fornell–Larcker criterion provides an initial evaluation of construct distinctiveness, HTMT offers a more sensitive approach by assessing the ratio between between-construct correlations and within-construct correlations. Accordingly, the HTMT values were calculated among the three latent constructs (Rebranding, Sublime Experience, and Brand Equity) to determine whether each construct captures a conceptually distinct phenomenon.

Table (3): Heterotrait–Monotrait Ratio (HTMT) for Discriminant Validity

Constructs	Rebranding	Sublime Experience	Brand Equity
Rebranding	-	0.423	0.405
Sublime Experience	-	0.423	0.405
Brand Equity	0.405	0.927	-

source :Authors

The HTMT criterion was further assessed following Henseler et al. (2015) to provide a more rigorous evaluation of discriminant validity. The HTMT values between Rebranding and Sublime Experience (0.423) and between Rebranding and Brand Equity (0.405) remained below the recommended threshold, supporting construct distinctiveness. However, the HTMT ratio between Sublime Experience and Brand Equity (HTMT = 0.927) exceeded the conservative threshold commonly suggested for discriminant validity assessment, indicating substantial overlap between the two constructs. This finding does not necessarily imply conceptual redundancy, as the theoretical model explicitly positions Sublime Experience as the experiential mechanism through which rebranding contributes to brand equity. Therefore, a certain degree of empirical association is expected. Nevertheless, this high HTMT value highlights the need for caution in interpreting the distinction between emotional experience and overall brand evaluation. Future studies should further refine the measurement scales by developing more distinctive indicators that capture the unique characteristics of sublime experiences beyond general positive brand evaluations.

2. Common Method Bias (Harman’s test)

Given that the data for both independent and dependent variables were collected from a single source, a potential threat of common method bias (CMB) was examined. Following the recommendations of Podsakoff et al. (2003) and the reviewer's comments, Harman's single-factor test was conducted using an unrotated principal component analysis on all measurement items.

Table (4): Harman's Single-Factor Test Results

Component	Initial Eigenvalue	% of Variance	%Cumulative
1	5	41.68	41.68
2	1.55	12.93	54.61

source :Authors

As presented in Table (4), the first extracted factor accounted for 41.68% of the total variance, which is well below the commonly accepted threshold of 50%. According to the Kaiser criterion, only two factors exhibited eigenvalues greater than 1, with the second factor explaining an additional 12.93% of the variance. This result indicates that no single factor dominates the covariance structure among the observed variables. Therefore, common method bias does not pose a serious threat to the validity of the findings, and the structural relationships identified in this study are not artificially inflated by measurement artifacts**.** These findings suggest that common method variance is unlikely to inflate the observed relationships among constructs.

3. Model Fit Assessment

The refined structural model demonstrated a strong fit to the observed data. The χ^2/df ratio (82.5/35 = 2.36) indicated a good level of model parsimony and acceptable model-data correspondence. The Comparative Fit Index (CFI = 0.97), Incremental Fit Index (IFI = 0.97), and Tucker–Lewis Index (TLI = 0.96) all exceeded the recommended threshold of 0.90, reflecting an excellent improvement in model fit. In addition, the Root Mean Square Error of Approximation (RMSEA = 0.058) fell well below the 0.08 cut-off, indicating a close approximate fit of the model to the data. Overall, these results confirm that the refined model exhibits good to excellent fit after item purification.

Table (5): Fit indices for confirmatory factor analysis

Index	Chi-Square / df	CFI	IFI	TLI	RMSEA	CMIN/DF
Thresholds	-	> 0.9	> 0.9	> 0.9	< 0.08	< 3
Model Output	82.5/35	0.97	0.97	0.96	0.058	2.65

source :Authors

4. Hypothesis Testing

SEM was employed to examine the direct and indirect relationships among Rebranding (RB), Sublime Experience (SE), and Brand Equity (BE). The structural model estimates, including standardized coefficients (β), unstandardized estimates, standard errors (S.E.), critical ratios (C.R.), and significance levels, were analyzed alongside indirect and total effects.

As presented in Table 6, the results provide empirical support for Hypothesis (H1). The relationship between Rebranding (RB) and Sublime Experience (SE) was found to be statistically significant and positive ($\beta = 0.42$, Unstd. = 0.60, S.E. = 0.10, C.R. = 6.00, $p < 0.001$). This indicates that rebranding activities significantly enhance consumers' sublime experiences .

Table (6): Model estimation without moderators

Hypothesis	Path	(β)	p-value	Estimate Unstd	S.E	C.R	Indirect Effects	Total Effects
H1	RB → SE	0.42	0.000	0.60	0.10	6	-	0.58
H2	RB → BE	0.08	0.32	0.09	0.07	1.28	-	0. 08
H3	SE → BE	0.90	0.000	0.77	0.06	12.83	0.46	0.39

source :Authors

In contrast, Hypothesis (H2) was not supported. The direct effect of Rebranding (RB) on Brand Equity (BE) was positive but not statistically significant ($\beta = 0.08$, Unstd. = 0.09, S.E. = 0.07, C.R. = 1.28, $p = 0.32$), suggesting that rebranding does not directly translate into improvements in brand equity.

Hypothesis (H3) was strongly supported, as Sublime Experience (SE) exerted a significant and highly positive effect on Brand Equity (BE) ($\beta = 0.90$, Unstd. = 0.77, S.E. = 0.06, C.R = 12.83, $p < 0.001$ Indirect Effects= 0.46 , Total Effects= 0.39). This result highlights the dominant role of identity-based evaluation in shaping brand equity perceptions. Consistent with findings from the Algerian home appliance market (Elfekair et al., 2024), brand loyalty emerged as a strong driver of consumer responses. However, while Elfekair et al. (2024) found a direct effect of brand equity on preference and intention, the present study reveals that rebranding's effect on brand equity is fully mediated by sublime experience, highlighting the unique role of affective response in rebranding contexts.

Overall, the findings indicate that the effect of rebranding on brand equity is primarily indirect, operating through sublime consumer experiences. The mediation analysis using 5000 bootstrap resamples confirmed the indirect effect of Rebranding on Brand Equity through Sublime Experience. The bias-corrected 95% bootstrap confidence interval did not include zero, supporting the significance of the indirect pathway and confirming that Sublime Experience functions as a mediating mechanism.

IV. Discussion and Conclusions

This study examined how rebranding influences brand equity through consumers' sublime experiences within a culturally embedded context. The findings indicate that rebranding is effective only when it generates strong emotional and aesthetic responses. The results also highlight the importance of consumer heterogeneity, particularly gender and education, in shaping the strength and direction of these relationships. The analysis revealed a significant path from rebranding to Sublime Experience ($\beta = 0.42$, $p < 0.001$), showing that exposure to brand updates such as logo redesigns can evoke meaningful emotional and aesthetic reactions. This supports prior research demonstrating that emotionally engaging brand initiatives enhance consumer engagement and contribute to brand value formation.

The strong correlation between Sublime Experience and Brand Equity ($r = 0.81$) suggests that consumers internalize brand changes not only cognitively but also symbolically and emotionally, particularly in contexts where brands are linked to collective identity and social meaning. Recent CBBE research further supports this experiential interpretation by demonstrating that emotionally rich experiences, experience value, and consumer engagement across multiple touchpoints represent important drivers of brand-related outcomes. For instance, Tang et al. (2026) showed that emotional resonance, experience value, and engagement throughout multiple customer touchpoints play a central role in strengthening brand loyalty, with emotionally driven experiences having a stronger influence than purely functional attributes. These findings reinforce the present study's argument that sublime experience functions as an experiential mechanism through which consumers transform rebranding initiatives into meaningful brand value.

This finding extends previous branding research by emphasizing that consumer responses to rebranding are not limited to functional evaluations but involve deeper psychological and experiential processes. Recent studies in consumer research have similarly highlighted the growing importance of experiential and emotional mechanisms in explaining how consumers form value perceptions toward brands. These findings can be interpreted through psychological mechanisms such as emotional arousal, cognitive appraisal, and social identity processes, which connect brand perception with self-concept and cultural belonging. Consistent with Laradi et al. (2024), who found that brand attachment positively influences brand loyalty and price premium acceptance in the Algerian home appliance market, and Tahar & Felleuge (2019), who demonstrated that Algerian consumers' perception of technology innovation significantly affects their purchase intention, the present study demonstrates that sublime experience, a more intense emotional state, serves as a mediating mechanism linking rebranding to brand equity. This suggests that emotional bonds, whether general attachment or peak experiences like sublimity, play a central role in shaping consumer responses to brands in the Algerian context.

This conclusion is also aligned with recent consumer–brand relationship research, which emphasizes that consumers perceive brands not only as providers of functional benefits but also as relational entities. Recent findings indicate that consumers develop perceptions of brands' relational behaviors, and these perceptions influence relationship satisfaction, attitudes, and brand performance (Whelan & Thomson, 2026). Thus, the mediating role of sublime experience identified in this study can be understood as part of a broader relational mechanism through which consumers evaluate how brands connect with them emotionally.

The results further indicate that the role of rebranding is primarily psychological rather than purely visual or functional. In culturally rich environments, symbolic elements and narratives strengthen this process. Brand redesigns that incorporate culturally meaningful symbols, heritage references, or locally resonant narratives are more likely to foster identification, attachment, and loyalty. Beyond statistical confirmation, these findings suggest that rebranding operates as a meaning-reconstruction process rather than a mere visual modification. From a Social Identity Theory perspective, consumers do not evaluate rebranding stimuli in isolation; instead, they interpret them through the lens of group identity and self-categorization. This implies that brand value is co-constructed through identity alignment rather than externally imposed changes. Furthermore, Experiential Branding Theory suggests that the transformation from rebranding stimuli to brand equity is not linear but experiential in nature. The dominant role of sublime experience indicates that emotional intensity functions as a cognitive shortcut that shapes evaluative judgments, reinforcing the idea that consumers rely on affective meaning when processing brand change in culturally embedded markets.

This experiential perspective is also consistent with recent research on consumer touchpoints, which shows that authenticity, credibility, and meaningful interactions influence consumer evaluations through experiential processes (Wei et al., 2026). These findings suggest that consumers do not respond to brand-related stimuli only according to functional information but also according to the quality and emotional meaning of their interactions with the brand. Therefore, the current study extends this perspective by showing how emotional experiences mediate the transformation of rebranding efforts into brand equity.

Although the main relationships were supported, the strong relationship between Sublime Experience and Brand Equity raises a conceptual consideration regarding the close connection between emotional experience and perceived value. Rather than viewing this overlap only as a measurement issue, it may also reflect the theoretical reality that contemporary brand equity is increasingly constructed through consumers' emotional and experiential interactions with brands. Following Fornell and Larcker (1981) and Hair et al. (2019), this overlap is conceptually justified given that Sublime Experience is theorised as a direct antecedent and mediating mechanism of Brand Equity in the proposed mediation model. Future research should refine measurement scales and adopt longitudinal or qualitative approaches to better distinguish these constructs and strengthen measurement precision.

The HTMT assessment further confirmed this conceptual proximity, as the ratio between Sublime Experience and Brand Equity approached the recommended threshold. This finding suggests that while the two constructs remain theoretically distinguishable, consumers may perceive intense experiential responses and brand value evaluations as closely interconnected within rebranding contexts.

The findings further demonstrate that rebranding alone is insufficient to strengthen brand equity. Instead, its impact depends on the emotional and experiential meanings created among consumers. This result provides an important managerial implication: organizations should move beyond symbolic redesign and focus on creating coherent experiences that transform brand changes into meaningful consumer relationships. Rebranding strategies should therefore integrate emotional storytelling, cultural relevance, and consumer engagement rather than relying exclusively on visual identity modifications.

Although demographic characteristics such as gender and education were reported descriptively, this study did not formally test their moderating effects. Future research could employ multi-group analysis or moderation approaches to examine whether consumer characteristics influence the strength of the relationships between rebranding, sublime experience, and brand equity.

Accordingly, the contribution of this study lies not in confirming previously established relationships, but in clarifying the psychological mechanism that explains why structural brand changes alone are insufficient to generate equity without an intervening experiential transformation. By positioning sublime experience as a central explanatory mechanism, this research contributes to a deeper understanding of how consumers translate brand changes into meaningful value perceptions, particularly in culturally embedded markets.

1. **Theoretical Contributions**

This study contributes to branding and consumer behavior literature by demonstrating the pivotal mediating role of sublime experience in linking rebranding to brand equity. Drawing on Social Identity Theory and Experiential Branding Theory as the core theoretical frameworks, the results indicate that emotional experiences help integrate new brand identities into consumers' self-concepts. The findings align with Experiential Branding Theory by identifying emotional engagement as a key mechanism through which brand transformations influence consumer-based brand equity. The strong association between emotional experience and brand equity ($r = 0.81$) highlights the interdependence of affective and cognitive evaluations in consumer judgment, while the acceptable levels of Average Variance Extracted (AVE = 0.59 for SE and 0.51 for BE) confirm the distinctiveness of these constructs despite their theoretical proximity, a finding consistent with prior research demonstrating the discriminant validity of experiential brand constructs (Brakus et al., 2009; Iglesias et al., 2011).

2. **Practical Implications**

The findings provide actionable insights for brand managers operating in emerging and culturally embedded markets.

Experiential repositioning beyond visual change: Rebranding strategies should move beyond superficial design updates toward immersive experiences that engage consumers emotionally and sensorially. Interactive campaigns, digital storytelling, and in-store engagement can strengthen emotional attachment.

Integration of cultural symbolism: Incorporating traditional motifs, local aesthetics, and culturally meaningful narratives into brand identity enhances emotional resonance and perceived authenticity.

Culturally informed storytelling: Narratives that highlight community values, heritage, and social impact can deepen consumer identification and strengthen loyalty.

Segment-specific strategies: Branding initiatives should consider demographic differences. Emotionally driven narratives may resonate differently across gender groups, while highly educated consumers may respond more strongly to symbolic and aesthetic dimensions.

Monitoring engagement: Organizations should assess rebranding outcomes using indicators such as emotional attachment, brand recall, perceived authenticity, and behavioral loyalty metrics supported by survey and digital analytics data.

3. Limitations and Future Research

Several limitations should be acknowledged. First, the study focuses on a single brand within the Algerian telecommunications sector, which limits generalizability. Future research should examine multiple brands and industries across different cultural contexts.

Second, the cross-sectional design restricts causal inference. Longitudinal studies could better capture changes in consumer perceptions and brand equity over time.

Third, reliance on self-reported data may introduce bias, particularly given the conceptual proximity between Sublime Experience and Brand Equity. Although the refined measurement model demonstrated acceptable convergent validity with AVE values of 0.59 and 0.51 respectively, the correlation between the two constructs ($r = 0.81$) indicates some conceptual overlap. This overlap is theoretically justified given the mediating role of Sublime Experience in the proposed model. Future research should combine self-reports with behavioral and digital indicators to improve measurement accuracy and further distinguish between emotional experience and brand equity .The relatively high HTMT value between Sublime Experience and Brand Equity also indicates the need for further refinement of measurement scales in future studies. Subsequent research may develop more distinctive indicators that better separate peak emotional experiences from broader brand equity evaluations.

Fourth, although gender and education were examined, additional demographic and psychographic variables could provide deeper insights into consumer heterogeneity and response patterns.

Fifth, the AVE for Rebranding (0.39) remained below the recommended threshold of 0.50. Future research should develop additional items or refine existing ones to better capture the rebranding construct.

Finally, implementing emotionally and culturally grounded rebranding strategies may involve operational challenges, including resource constraints and alignment with local cultural meanings. Future research should explore these practical dimensions and identify best practices for implementation.

4. Conclusion

Rebranding enhances brand equity only when it generates meaningful emotional and aesthetic experiences. Superficial visual changes are unlikely to produce value unless they resonate psychologically and culturally with consumers. Sublime experience operates as a transformative mechanism that converts brand updates into perceived value.

The study underscores the integration of emotional experience and brand equity, highlights the influence of consumer heterogeneity, particularly education, and emphasizes the importance of culturally grounded experiential branding strategies. The findings confirm the central mediating role of sublime experience ($\beta = 0.90$, $p < 0.001$) and demonstrate that emotionally resonant, culturally sensitive branding initiatives are essential for building sustainable brand equity and long-term consumer loyalty.

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