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The brand loyalty gap between Algerian consumers of local and imported products: An OB-RIF methodological analysis

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***Abstract*---**This study aims to analyze the gap in brand loyalty among Algerian consumers toward local and imported products using the Oaxaca–Blinder RIF (Recentered Influence Function) methodology, which allows the decomposition of loyalty differences into explained and unexplained components, The study relied on a sample of 350 Algerian consumers, whose data were collected through a questionnaire covering key variables such as trust, satisfaction, perceived quality, income, education, and age, and Preliminary statistical results using the t-test revealed no significant differences in the average level of loyalty between consumers of local and imported goods, with a gap of only 0.025 that was statistically insignificant.

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Regression analysis showed that demographic variables such as age, education, and income had weak effects on loyalty, while satisfaction emerged as one of the most influential factors explaining differences between the two groups. demographic characteristics in shaping loyalty. The study concluded that Algerian consumer behavior toward brands is more influenced by mental perceptions and trust gained from experience rather than by direct economic factors, which calls for the development of local marketing strategies focused on strengthening trust and the perceived image quality of national brands.

***Keywords*---**Brand loyalty, trust, satisfaction, perceived quality, Oaxaca–Blinder RIF analysis.

Introduction

In the context of Algeria's developing economy, brand loyalty constitutes a key determinant of the competitiveness of local products, particularly in light of the growing reliance on imported goods that increasingly dominate consumer markets. Despite national efforts to promote domestic production, Algerian consumers continue to exhibit a stronger preference for imported brands. This disparity in brand loyalty is driven by several factors, including perceived quality, pricing, and cultural as well as media influences (Reguig, 2020, p. 102).

This gap reflects not merely superficial differences in consumer choice, but deeper structural challenges that may hinder the development of local industries and reinforce dependence on foreign products. Consequently, an important question arises: to what extent is this disparity explained by observable consumer characteristics—such as age, income, and education—and to what extent is it driven by intangible factors such as brand trust, brand image, or market bias (Aleb, 2019, p. 5)?

To address this issue, the present study analyzes the brand loyalty gap between Algerian consumers of local and imported products using the Oaxaca–Blinder Recentered Influence Function (RIF) methodology. This approach enables the decomposition of the loyalty gap into an explained component attributable to observable characteristics and an unexplained component associated with differences in returns, perceptions, or potential discrimination (Jann, 2008, p. 455)

The findings aim to provide evidence-based insights to support policies that enhance confidence in local brands, particularly in the context of economic diversification and trade balance sustainability.

Literature Review

1. The Concept of Brand Loyalty

Early research on customer loyalty emerged in the 1970s within behavioral theory, where loyalty was largely equated with repeated purchasing behavior. This

perspective was later challenged by Jacoby, who emphasized that loyalty should not be reduced to behavioral repetition alone but must incorporate psychological and attitudinal dimensions (Jacoby, 1978, p. 34)

Jacoby argued that brands within the same product category are perceived by consumers as alternative choices capable of satisfying similar needs, especially when they offer comparable levels of quality. Under such conditions, true brand loyalty arises when consumers consistently favor one brand despite the availability of competing alternatives, rather than due to the absence of choice (Reguig, 2020, p. 104).

Building on this approach, Newman and Werbel highlighted the role of consumer decision-making contexts in shaping brand choice, reinforcing the view that loyalty results from deliberate and evaluative processes rather than habit alone (Aleb, 2019, p. 7). Chestnut later synthesized these contributions and identified four main types of brand loyalty.

1. **True (Focal) Loyalty** – strong and consistent commitment to a specific brand.
2. **Divided Loyalty** – loyalty shared among several brands.
3. **Spurious Loyalty** – repeated purchases without genuine brand attachment.
4. **Random Purchasing** – absence of stable loyalty to any brand (Jacoby, 1978, p. 49)

According to this framework, true brand loyalty can only be identified through the joint presence of three components: cognitive beliefs regarding brand superiority, emotional preference for the brand, and behavioral intention to repurchase over time (Jacoby, 1978, p. 45)

2. Importance of Brand Loyalty

Brand loyalty is widely recognized by both academics and practitioners as a strategic asset for firms. Loyal customers exhibit strong preferences, repeat purchasing behavior, and resistance to competitors' marketing efforts, thereby contributing to long-term profitability and organizational sustainability (Oliver, 1999, p. 98).

In modern markets characterized by intense competition and digital interaction, loyalty is increasingly shaped by personalized engagement, service quality, and trust-building mechanisms rather than mass marketing tactics alone (Reichheld, 1990, p. 43). Firms that successfully cultivate loyalty benefit from reduced marketing costs, stable demand, and stronger brand equity over time (Thompson, 1997, p. 414)

3. Determinants of Brand Loyalty

Several factors contribute to the formation of brand loyalty. Within the scope of this study, the following determinants are emphasized:

- **Perceived Quality**: Consumers' subjective evaluation of product performance and symbolic value plays a central role in sustaining long-term brand relationships (Wittink, 1998, p. 228) .

- **Brand Trust**: Trust enhances consumers' confidence in brand reliability and encourages repeat purchasing and advocacy (Chaudhuri, 2001, pp. 81-87).
- **Brand Commitment**: Strong brand positioning reinforces emotional attachment and increases resistance to switching behavior (Morgan, 1994, p. 17).
- **Switching Intention**: Lower perceived risk and switching costs reduce consumers' willingness to change brands, thereby reinforcing loyalty (Delgado-Ballester, 2001).

4. Loyalty to Local versus Imported Products

Consumer loyalty toward local and imported products differs significantly across markets. Loyalty to local products often increases when consumers perceive them as culturally aligned, reasonably priced, and supportive of the national economy ((Reguig, 2020, p. 108). However, imported products frequently benefit from stronger global reputations, higher perceived quality, and superior after-sales services, which enhance consumer confidence and loyalty (Aleb, 2019, p. 12).

The expansion of e-commerce and digital marketing has intensified competition by enabling consumers to compare alternatives more easily. This dynamic has compelled local producers to improve quality, packaging, and brand communication in order to preserve consumer loyalty in an increasingly open market environment (Delgado-Ballester, 2001, p. 82)

Study Methodology

Based on the study context, the analysis of brand loyalty differences between local and imported products among Algerian consumers was conducted using the Oaxaca–Blinder RIF methodology. Data were collected through a structured questionnaire administered to a sample of 350 respondents, evenly distributed between consumers of local (189) and imported (161) products. A five-point Likert scale was employed.

The questionnaire comprised five sections:

1. **Demographic characteristics** (gender, age, education, income, product preference).
2. **Consumer experience** (purchase duration and frequency).
3. **Loyalty dimensions** (trust, satisfaction, perceived quality, behavioral loyalty).
4. **Constraining factors** (reasons for preference and barriers to local brands).
5. **Declared loyalty** (self-assessment and justification).

Methodology Oaxaca–Blinder RIF

The basis for gap analysis between two groups is through a techniqueThe Blinder–Oaxaca decomposition, which breaks down the mean difference for a dependent variable between two groups into two main parts: one attributed to differences in attributes (such as education, income, and experience) and the other to differences in transactions or unobserved factors, is a simplified application of this technique in the labor market.andFrom the perspectivetheFormulation: If group "A" is for domestic consumers and "B" is for

consumers of imported brands, then the difference in average loyalty $\bar{Y}_A - \bar{Y}_B$ It can be written ontheThe following form:

$\bar{Y}_A - \bar{Y}_B = \beta_B(\bar{X}_A - \bar{X}_B) + \bar{X}_A(\beta_A - \beta_B)$. (Sinning, 2008, p. 480)

where$\bar{X}$ The average represents independent variables such as trust, satisfaction, and perceived quality, andβ The group's transactions are represented; the first part represents the "formation effect" (Explained), and the second part represents the "transaction effect" (Unexplained).

However, analyzing the difference in the mean alone may not be sufficient when the distribution is heterogeneous or when we want to explain the gap not only in the mean but also in the upper or lower reaches of the distribution or in the dispersion. In this context, the technique emergedRecentered Influence Function (RIF) Regression (Firpo, 2009, p. 948)A standard model for generalizing the analysis of differences to different distribution scales.

TheRIF is defined for the variable Y and for a distribution scale $v(FY)$ In the following format: $RIF(yi; v, FY) = v(FY) + IF(yi; v, FY)$

whereIFIt is an influence function that measures the effect of an individual observation on the scale. (Firpo, 2009, p. 951)

Since $E[RIF(y_i; v, F_Y)] = v(F_Y)$ Regression can be used on $RIF(y_i; v, F_Y)$ As a dependent variable for estimating effects on distributional measures such as the median or quartile (Firpo, 2009, p. 949), thatThe connection between Blinder-Oaxaca analysis and RIF becomes apparent when it is considered that decomposition of the difference in a distributional measure—not just the mean—can be accomplished by applying decomposition to $RIF(y_i; v, F_Y)$ Instead of directly yi (Rios-Avila, 2020, p. 13)and Therefore, when measuring brand loyalty, analysis can be performed.The RIF-Oaxaca, which allows for the determination of the contribution of formative variables (such as trust, satisfaction, perceived quality, income, education) on the one hand, and the remaining contributions on the other, not only on average but also at different levels of loyalty (e.g., the highest 20% of loyalty or the lowest 20%), in addition to its application to the local and imported brand sector, it is possible to examine how transactions differ (βBetween the two groups, for example, do imported brands achieve higher returns from the same variables compared to local brands, which contributes to the unjustified gap. (Bourega, 2015, pp. 108-110)

From an analytical perspective, the model can be constructed as follows:

1. account YiFor example, loyalty (or behavioral loyalty) and assess it $RIF(y_i; v, F_Y)$ For the appropriate scale.
2. Creating independent variablesXi This includes trust, satisfaction, perceived quality, income, education, age, and brand type (local level = 0, imported = 1).
3. Implementing the regression $RIF(Yi; v, FY) = Xi\beta + \varepsilon i$

4. Breaking down the difference between local and imported brands using a formulaOaxaca–Blinder on dependency $RIF(y_i;v,F_Y)$ where $\bar{R}IFA-\bar{R}IFB=XB(\beta A-\beta B)+(\bar{X}A-\bar{X}B)\beta B$ (Etezady, 2021, p. 1123)

The first part represents the "transactional effect," and the second part represents the "formational effect."

Honesty and consistency:Validity and reliability are the cornerstones of the scientific method, ensuring the accuracy and reliability of results in measuring variables such as brand loyalty. Validity depends on how well the instrument represents the intended concept, while reliability measures the consistency of responses across time and samples. In this context, Cronbach's alpha coefficient serves as a key measure of internal reliability, enhancing the strength of subsequent analyses such as the methodology.Oaxaca Blinder RIF, and thus this section provides a solid methodological basis for exploring the loyalty gap between local and imported products among Algerian customers. (Etezady, 2021, p. 1125)

Table 01
Validity and Reliability Coefficients for Study Variables.

Alpha Cronbach	Axes			
0.843	0.895		Consumer experience with the brand	
	0.812	0.784	Brand satisfaction	Brand confidence
		0.701	Mental image and perceived quality	
		0.862	Behavioral loyalty (future purchase intention)	
	0.905		Factors that inhibit or influence preference	
	0.842		Declared loyalty (final ranking)	

Source: Prepared by the researcher based on stata 19

The Cronbach's alpha values for the main constructs of the study confirm a high level of internal consistency, with all coefficients exceeding the acceptable threshold of 0.70. This indicates strong reliability in measuring variables such as consumer experience, brand trust, and perceived quality. The internal consistency of the sub-indicators also supports the construct validity of the questionnaire, as evidenced by the close correlations among items within each dimension.

Furthermore, the minimal variation in reliability values between the local and imported product groups suggests consistency in participant responses, which enhances the robustness of the subsequent statistical analysis. This consistency strengthens the foundation for applying the RIF decomposition methodology and supports the validity of any derived inferences.

Table 02
Testing the differences in brand loyalty according to the nature of the goods (local, imported)

Group	Obs	Mean	Std. err.	Std. dev.	[95% conf.	interval]
Local	189	3	0555274	.7633756	2.890463	3.109537
Imported	161	2.975155	0654491	8304557	2.8459	3.104411
Combined	350	2.988571	0424345	.7938775	2.905112	3.072031
diff		0248447	0858305		-.1440022	1936916
t = 0.289	H0: diff = 0			Ha: diff < 0 Pr(T < t) = .6138	Ha: diff = 0 Pr(|T| > |t|) = 0.7724	Ha: diff > 0 Pr(T > t) = 0.3862

Source: Prepared by the researcher based on stata 19

A descriptive analysis was conducted on a sample of 350 participants to measure brand loyalty toward local and imported products. The mean loyalty score for local products was 3.000 (SD = 0.763), while imported products scored 2.975 (SD = 0.830). The combined average stood at 2.989 (SD = 0.794). The observed difference in means—0.025—was statistically insignificant (p = 0.7724), indicating no meaningful difference in brand loyalty at this stage. This result supports the need to apply the Oaxaca–Blinder Recentered Influence Function (OB-RIF) to uncover underlying structural causes beyond mean comparisons.

Regression Model Estimation
Estimating multivariate linear regression models represents a critical step in identifying the relationships between brand loyalty and consumer characteristics. In the context of this study, the regression analysis serves to quantify the influence of observable variables—such as income, age, and education—on brand loyalty. These estimates form the foundation for the OB-RIF decomposition, which separates the total loyalty gap into:
Explained components: attributable to observable differences between consumer groups.
Unexplained components: arising from structural or psychological differences, including brand perception, trust, and market bias.
This approach not only enhances the methodological rigor of the study but also ensures that subsequent policy recommendations are grounded in statistically robust evidence.

A. Detailed Breakdown – Imported Products
The differential effects of the explanatory and unexplained components for imported and local products are analyzed through regression models. The following table illustrates the estimated contributions of each variable to the loyalty gap, highlighting variations in how different factors influence consumer preferences across product categories.

Table 03
Detailed regression analysis of the impact of gap indicators according to the imported commodity

linear regression			Number of obs =	161	
		F(6, 154) =	1.97		
		Prob > F =	0.0729		
		R-squared =	0.0626		
		Root MSE =	81955		
Robust					
behavioral_~y	Coefficient	std. err.	t	P>t [95% conf.	interval]
trust	-043799	0949795	-0.46	0.645 -.2314298	1438318
Satisfaction	-.2741087	1053881	-2.60	0.010 -.4823017	-0659157
image_quality	-0991091	0946025	-1.05	0.296 -.2859952	0877769
age	0261264	0577404	0.45	0.652 -.087939	1401919
edu	0165567	0736259	0.22	0.822 -.1288905	.1620038
income	0031828	092811	0.03	0.973 -.1801643	1865299
_cons	4.119457	.5612409	7.34	0.000 3.010732	5.228182

Source: Prepared by the researcher based onstata 19

The table shows the results of the multiple linear regression model for imported products, which takes the following equation.

$$\text{ehavioral\_loyalty} = 4.119457 - 0.043799 \times \text{trust} - 0.274109 \times \text{satisfaction} - 0.099109 \times \text{image\_quality}$$
$$+0.026126 \times \text{age} + 0.016557 \times \text{edu} + 0.003183 \times \text{income} + \hat{o}$$

Behavioral loyalty serves as the dependent variable in this model, while the independent variables include trust, satisfaction, perceived quality, and demographic factors such as age, education, and income. The regression was applied to a subsample of **161 participants** who favor imported products.

The model yielded an **F-statistic of 1.97** with a **p-value of 0.0729**, indicating borderline significance at the **10% level**, but not at the conventional **5% threshold**. This suggests that the model's overall explanatory power is relatively weak. The **coefficient of determination (R^2) is 0.0626**, meaning that only **6.3% of the variance** in behavioral loyalty toward imported products is explained by the included variables. This low value implies that other external factors—such as cultural preferences or price sensitivity—may play a more significant role.
Regarding individual variables:

- **Trust** has a slightly negative coefficient of **–0.044** and is not statistically significant (**p = 0.645**), indicating no meaningful relationship between trust in imported brands and behavioral loyalty. Although trust may be influenced by perceived quality, it does not appear to drive repeat purchasing behavior.
- **Satisfaction** shows a stronger and statistically significant **negative** coefficient of **–0.274** (**t = 2.60, p = 0.010**). This unexpected result suggests that higher satisfaction does not translate into higher loyalty. One possible explanation is that, while consumers are satisfied with imported products, the wide availability of alternatives in the Algerian market reduces long-term brand commitment.

- **Perceived Quality** is also negative (**–0.099**) and not statistically significant (**t = 1.05, p = 0.296**), indicating that quality perception alone is insufficient to sustain behavioral loyalty. Quality may attract initial interest, but does not guarantee repeat purchases.

Demographic variables have negligible effects:

- **Age** (β = 0.026, **p = 0.652**)
- **Education** (β = 0.017, **p = 0.822**)
- **Income** (β = 0.003, **p = 0.973**)

None of these coefficients are statistically significant, suggesting that demographic factors do not substantially influence brand loyalty toward imported goods. This supports the idea that loyalty may transcend socioeconomic categories.

Finally, the model's **constant** is **4.119**, highly significant (**t = 7.34, p < 0.001**), indicating a strong baseline level of loyalty toward imported products, even in the absence of influencing variables. This finding reinforces the notion of a **structural brand loyalty gap** in favor of imported goods in the Algerian market.

B. Detailed Analysis – Domestic Products

The varying effects of the explanatory and unexplained components for **local products** are similarly evaluated through regression model analysis, as presented in the following table.

Table 04

Detailed regression analysis of the impact of gap indicators according to the local commodity

Linear regression	Number of obs = 189					
F(6, 182) = 0.39	Prob > F = 0.8870					
R-squared = 0.0120	Root MSE = 0.77119					
Robust	behavioral_~y	Coefficient	Std. err.	t	P>t	[95% conf. interval]
trust		0.013178	0.0879002	0.15	0.881	-0.1602565 0.1866124
Satisfaction		0.0203793	0.076046	0.27	0.789	-0.1296658 0.1704245
image_quality		0.0460514	0.0706233	0.65	0.515	-0.0932943 0.185397
age		0.0140218	0.0476464	0.29	0.769	-0.0799885 0.1080321
edu		-0.0543543	0.0691191	-0.79	0.433	-0.1907321 0.0820234
income		0.0690123	0.0711151	0.97	0.333	-0.0713037 0.2093284
_cons		2.694645	0.4400861	6.12	0.000	1.826318 3.562972

Source: Prepared by the researcher based on stata 19

The table shows the results of the multiple linear regression model for local products, which takes the following equation:

$$\text{behavioral\_ y} = 2.694645 + 0.013178 \cdot \text{trust} + 0.0203793 \cdot \text{satisfaction}$$
$$+0.0460514 \cdot \text{image\_quality} + 0.0140218 \cdot \text{age} - 0.0543543 \cdot \text{edu} + 0.0690123 \cdot \text{income} + \grave{o}$$

In the regression model for local products, behavioral loyalty was examined as the dependent variable against predictors such as trust, satisfaction, perceived quality, and demographic factors (age, education, income). The model proved statistically insignificant (F = 0.39, p = 0.887), explaining only 1.2% of the variance (R^2 = 0.012). None of the independent variables showed significant influence: trust, satisfaction, and perceived quality all had weak, non-significant coefficients, as did demographic factors. These results suggest that behavioral loyalty to local brands is shaped more by unmeasured cultural or psychological elements than by the tested variables. The significant constant (2.695, p < 0.001) reflects a low baseline loyalty level, reinforcing the existence of a structural gap when compared to imported products. These findings justify the application of the Oaxaca–Blinder decomposition to distinguish between loyalty differences arising from consumer characteristics and those due to differing responses to those characteristics. The next section examines price perception gaps across product types using this methodology.

Table 05
AnalysisOaxaca Blinder addresses the loyalty gap between brands of local and imported products

loyalty	Coefficient	Std. err.	z	P>z	[95% conf.	interval]
overall						
group_1	3	0564245	53.17	0.000	2.88941	3.11059
group_2	2.975155	0666335	44.65	0.000	2.844556	3.105755
difference	0248447	0873141	0.28	0.776	-.1462877	1959771
endowments	-0243925	0353691	-0.69	0.490	-0937146	0449296
coefficients	0314784	089661	0.35	0.726	-.1442539	2072106
interaction	0177589	0426298	0.42	0.677	-0657941	1013118
endowments						
trust	.0040126	0090546	0.44	0.658	-013734	0217593
Satisfaction	-0190905	021897	-0.87	0.383	-0620078	0238268
image_quality	-.0067334	0103478	-0.65	0.515	-0270148	013548
age	-.0056196	0129923	-0.43	0.665	-031084	0198449
edu	0029175	0143484	0.20	0.839	-0252049	0310399
income	.0001208	0032579	0.04	0.970	-.0062646	0065062
coefficients						
trust	174116	3726897	0.47	0.640	-.5563424	9045744
Satisfaction	8738613	3716321	2.35	0.019	1454758	1.602247
image_quality	.4414924	3480873	1.27	0.205	-.2407461	1.123731
age	-0309758	1955593	-0.16	0.874	-.414265	3523134
edu	-.1334536	2007654	-0.66	0.506	-.5269465	2600394
income	1312502	2208048	0.59	0.552	-3015192	.5640196
_cons	-1.424812	7124533	-2.00	0.046	-2.821195	-0284294

loyalty	Coefficient	Std. err.	z	P>z	[95% conf.	interval]
interaction						
trust	-.0052199	0119814	-0.44	0.663	-0287031	0182632
Satisfaction	0205098	0239721	0.86	0.392	-0264747	0674944
image_quality	0098621	0143208	0.69	0.491	-0182061	0379304
age	0026036	0165049	0.16	0.875	-0297454	0349526
edu	-0124955	0197868	-0.63	0.528	-0512768	0262859
income	0024987	0069643	0.36	0.720	-011151	0161484

Source: Prepared by the researcher based on stata 19

The Oaxaca–Blinder analysis revealed a minimal and statistically insignificant gap in behavioral loyalty between consumers of imported and local products (gap = 0.025, p = 0.776). Differences in demographic characteristics (endowments) and variable effects (coefficients) did not significantly explain the gap. Although satisfaction showed a notable effect in the coefficients component (0.874, p = 0.019), most variables—such as trust, perceived quality, age, education, and income—were insignificant across components. The significant constant term (–1.425, p = 0.046) points to a structural difference in baseline loyalty levels. These results suggest that the loyalty gap is not driven by typical measurable factors, highlighting the importance of exploring cultural, psychological, or strategic marketing influences.

To further examine price perception differences, the OB-RIF (Oaxaca–Blinder with Recentered Influence Function) methodology was applied using RIF-mean with relaxed estimation, offering a more detailed view of how price-related factors contribute to the loyalty gap. Results are presented in the next section.

Table 06
Analysis OB-RIF for the loyalty gap in branding for local and imported products

loyalty	Coefficient	Std. err.	z	P>z	[95% conf.	interval]
overall						
group_1	3	0555274	54.03	0.000	2.891168	3.108832
group_2	2.975155	0654491	45.46	0.000	2.846877	3.103433
difference	0248447	0858305	0.29	0.772	-.14338	1930694
explained	0248447	0858305	0.29	0.772	-.14338	1930694
unexplained	0	1.27e-17	0.00	1,000	-2.48e-17	2.48e-17
explained						
trust	2.11e-18	1.75e-18	1.21	0.228	-1.32e-18	5.53e-18
Satisfaction	8.17e-20	8.90e-20	0.92	0.358	-9.27e-20	2.56e-19
image_quality	-1.73e-18	2.11e-18	-0.82	0.412	-5.88e-18	2.41e-18
behavioral_loyalty	0248447	0858305	0.29	0.772	-.14338	1930694
age	-1.05e-18	6.02e-19	-1.74	0.082	-2.23e-18	1.32e-19
edu	-4.88e-19	2.42e-19	-2.02	0.044	-9.63e-19	-1.41e-20
income	1.57e-19	3.50e-19	0.45	0.653	-5.28e-19	8.42e-19
unexplained						
trust	7.27e-17	1.26e-18	57.76	0.000	7.03e-17	7.52e-17
Satisfaction	-6.98e-18	1.23e-19	-56.62	0.000	-7.22e-18	-6.74e-18
image_quality	1.09e-16	2.15e-18	50.64	0.000	1.05e-16	1.13e-16

loyalty	Coefficient	Std. err.	z	P>z	[95% conf.	interval]
behavioral_loyalty	6.66e-16	1.23e-17	54.03	0.000	6.42e-16	6.90e-16
age	-8.74e-18	3.13e-19	-27.91	0.000	-9.36e-18	-8.13e-18
edu	5.19e-18	1.50e-19	34.51	0.000	4.89e-18	5.48e-18
income	3.96e-18	1.14e-19	34.70	0.000	3.74e-18	4.19e-18
_cons	-4.44e-16	.	.	.	.	.

Source: Prepared by the researcher based on stata 19

The OB-RIF analysis at the mean reveals a small and statistically insignificant brand loyalty gap of **0.025 (p = 0.772)** between local and imported products, suggesting relative parity in consumer behavior. This gap is fully explained by observed characteristics—primarily behavioral loyalty—while other factors like trust, satisfaction, perceived quality, and income were not significant. Only education (p = 0.044) showed a notable effect, with age approaching significance. The unexplained component was effectively zero (p = 1.000), indicating no structural difference in how variables influence loyalty across groups. Despite internal significance of several variables, they did not contribute meaningfully to the gap itself

Conclusion

This study examined Algerian consumer behavior toward local and imported brands within a market marked by increasing competition. Utilizing the **Oaxaca–Blinder Recentered Influence Function (OB-RIF)** methodology, the research aimed to identify the drivers of the brand loyalty gap by analyzing both demographic and intangible factors across a sample of 350 respondents.

The results revealed a **small and statistically insignificant loyalty gap** (0.025) between local and imported products, with average loyalty scores of 3.000 and 2.975, respectively. Demographic variables such as age, income, and education did not explain this difference, while **satisfaction** emerged as the only variable with a relatively notable impact. These findings suggest that **loyalty in the Algerian market is primarily shaped by psychological and cognitive factors**, rather than economic or demographic differences.

The OB-RIF analysis further confirmed that the **explained portion of the gap was minimal**, and the **unexplained portion was effectively zero**, indicating a behavioral convergence across consumer groups. This reinforces the importance of non-material influences in shaping brand loyalty.

Based on these findings, the study recommends:

- Strengthening **trust in local brands** by enhancing perceived quality and promoting transparency in brand communication.
- Developing marketing strategies that build a **positive image** of Algerian products and emphasize their **national value**.
- Investing in the **post-purchase experience** through after-sales service and product guarantees.
- Supporting **public policies** that improve the competitiveness and visibility of local brands in domestic and regional markets.

In sum, building **sustainable brand loyalty** in Algeria requires a strategic shift from material attributes to a deeper **emotional and cognitive connection** between consumers and national brands.

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