

The influence of individual characteristics, product attributes and usage situations on consumer behaviour: An exploratory study of the New Zealand, Australian, UK and US wine markets

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By

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Previous research has suggested that the country of origin cue is important to consumers during their purchase decision making process; the cue is utilised as an indicator of product quality and thus has an effect on purchase decisions. However, country of origin research has been heavily criticised in terms of methodology and has tended to focus on durable, manufactured products such as automobiles, electronics and apparel.

This research investigates whether consumers do utilise the country of origin cue during actual wine purchase decisions and whether consumer perceptions of wine will vary based upon the country from which it originates. In addition, this study also seeks to identify all of the product attributes which are utilised by wine purchasers, and the degree to which these attributes are important to them during the purchase decision process. Finally, the research seeks to understand the influence that individual consumer characteristics (i.e. demographic variables, product knowledge and product involvement) and usage situations will have upon attribute utilisation and importance.

In order to examine these broad research questions, a structured survey was developed and administered to respondents in four countries immediately following an actual wine purchase.

Analysis of the collected survey data revealed that consumers typically utilised only a small number of attributes during their purchase decisions, and that the attributes which were most frequently utilised were not necessarily the most important to wine consumers. The country of origin cue was the eighth most frequently utilised attribute and the fourth in terms of

importance. The majority of consumers could accurately identify the country of origin of the wine they had just purchased and their perceptions of wines were found to vary based upon the country of origin. Individual consumer characteristics were found to have varying effects upon attribute utilisation and importance ratings. Three-quarters of all wine purchases were made to resolve just four usage situations, and these situations were found to moderate the origin of the wine that the consumer selected during their purchase decision.

From a theoretical standpoint, this study supports the idea that consumers utilise only a small number of attributes during their decision making process, and that this number will increase as product knowledge and product involvement levels increase. The most important attributes for consumers were found to be intrinsic in nature. Country of origin theory has also been advanced by this study; consumers were found to hold stereotyped perceptions of wine based upon its national origin, and both the nationality and education level of the consumer were found to moderate the utilisation of the country of origin cue. Whilst earlier researchers had suggested that any home country bias may be product specific, this study suggests that it may actually be a product dimension specific phenomenon. The high reliability of the product involvement and subjective knowledge scales should also be of value to future consumer behaviour researchers. Similarly, the idea that the usage situation influenced which product was purchased, but not how it was selected, expands current knowledge.

Practical implications arising from this study include the identification of the importance of having previously tried a wine; marketers could increase sales through the provision of wine tasting opportunities for consumers. The significant correlation between involvement and the frequency of wine consumption also provides wine producers with an opportunity to increase sales through initiatives which will increase consumer involvement with wine. The results indicate that the wine industry should focus on the production and marketing of wines which are suitable for consumption in the identified four dominant usage situations and should seek to increase consumption in dining situations in the US. Finally, promotional strategies linking New Zealand wines with high quality appear to have been successful, but these messages will need to be repeated in order to reinforce the positive consumer perceptions.

Key Words:

Wine, country of origin, product attributes, demographics, product knowledge, product involvement, usage situations

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1 INTRODUCTION

1.1 Chapter Introduction

This chapter begins by providing background information to illustrate the nature of the research problem. Furthermore, the chapter documents the objectives of this study and explains the structure of this thesis. Finally, the theoretical and practical contributions of this study, or the ways in which it will add to current knowledge, are discussed.

1.2 Background

1.2.1 *Growth of the New Zealand wine industry*

The emergence of a commercial wine industry in New Zealand began during the 1970s (Banks, Kelly, Lewis & Sharpe, 2007). Over more recent years the New Zealand wine industry has flourished, with massive increases in the number of operating wineries, the planted vineyard area, wine production levels, and the value of exports (see Table 1.01).

Table 1.01 Growth in the New Zealand Wine Industry

	1994	2006
Number of wineries	190	530
Total planted vine area (hectares)	6,680	22,616
Total production (million litres)	41.1	133.2
Export value (NZ\$FOB)	41.5	512.4

Source: Winegrowers (2008)

Alongside growth in the number of wineries and the planted vineyard area, the industry has also enjoyed a growing reputation as a producer of high quality premium wines. Indeed, the quality of New Zealand wines is reflected in their average export price being well ahead of that paid for French wines (Anderson, 2001).

1.2.2 *The global wine market*

Further good news for the New Zealand wine industry is the increased per capita wine consumption in the domestic market (Bennett, 2005). Increased wine consumption has also been reported in most other major Western markets, with the exception of continental Europe

(Gluckman, 1990; Selvanathan & Selvanathan, 2005), as well as in non-traditional markets such as Japan and China (Wittwer, Berger, & Anderson, 2003). There is also evidence to suggest that global consumers are increasingly purchasing premium wines rather than non-premium jug or cask wines (Anderson, 2001, 2003; Beverland, 2003; Wittwer et al., 2003).

In reality, the global wine market is in a rather more sobering state, and this may have serious implications for the young New Zealand wine industry. Firstly, the well documented world wine glut is a critical issue. To put it simply, the supply of premium wine is greater than that demanded by global consumers (Beverland, 2002). Wittwer et al. (2003) used a model to determine future supply and demand values and predicted that the large growth in premium wine production from New World countries would result in a heavy reliance on export sales to markets which are saturated with competing premium wines. Whilst the New Zealand industry has achieved substantial growth, some have argued that there is little planning as to where all this new wine will be sold (Bennett, 2006).

Whilst New Zealand wines have enjoyed the highest average price of any nation's wines, this price has fallen over three consecutive years in the main export markets (Bennett, 2005). This is especially true in the UK market, where New Zealand wines have commanded the highest average per bottle price of any producing nation, but have also declined more than any other nation during 2005 (Bennett, 2005).

Despite these issues in the global wine market, marketing research has not had a high priority within the New Zealand wine industry. Authors have noted that the considerable investment made in terms of viticultural and oenological research and development has not been matched by the investment in wine marketing (Bennett, 2006; Beverland & Bretherton, 1998). This underinvestment in marketing research is not confined to the New Zealand wine industry; a deficiency in marketing investment, skills and research has also been noted in the wine industry at a global level (Anderson, 2001; Howley & Young, 1992; Jennings & Wood, 1994; Lockshin, 1999). It has been suggested that there is a lack of consumer research into both the current situation and predictions for future requirements in the global wine industry, and that the industry remains production focused rather than market oriented (Spawton, 1991). The questions of 'what', 'who', 'why' and 'how often' still need to be answered in order to explain the changing behaviour of wine consumers (Thomas & Pickering, 2005).

1.2.3 The country of origin effect

This study is particularly interested in the country of origin effect, which is a well examined area in the consumer behaviour literature. In general, consumers have been found to hold stereotyped views of a product based upon its country of origin (Bilkey & Nes, 1982). These stereotyped images are typically applicable to a specific product class, rather than being generalisable across all products which originate from a country (Roth & Romeo, 1992). The product-country of origin images that consumers hold impact upon both their evaluation of product quality and their purchase intentions.

A product such as wine has strong links to origin, and thus the country of origin cue has frequently been found to be an important consideration for wine purchasers (Halstead, 2002; Keown & Casey, 1995). Previous researchers have sought to rank consumer preferences for wines from various national origins (Balestrini & Gamble, 2006; Felzensztein & Dinnie, 2005; Orth, Wolf, & Dodd, 2005), or have examined the relationship between wine origin and wine pricing (Arias-Bolzmann et al., 2003; Schamel, 2006).

However, the country of origin literature is dominated by the examination of durable and manufactured products such as automobiles, electronics and apparel; consumer perceptions of wine in terms of the dimensions which are frequently examined in country of origin research remain unknown at this point in time. These perceptions are likely to be of considerable importance to wine producers and marketers at what is a difficult and highly competitive time in the global wine industry. The identification of consumer wine perceptions based upon the country of origin will also be of value to the New Zealand wine industry, which uses a generic country level promotions strategy in order to market its wines.

1.3 Research Preface

1.3.1 Objectives and research questions

The increased production in the New Zealand wine industry, the glut in the world wine market, the fall in the price paid for New Zealand wine in export markets, and the lack of consumer behaviour research pertaining to the global wine market, are the key drivers behind this study.

The objectives of this exploratory research are to answer some of the ‘what’, ‘who’, ‘why’ and ‘how often’ questions, and to therefore advance knowledge regarding the behaviour of global wine consumers. In particular, this research is focused on understanding the influence of three main concepts on the behaviour of wine purchasing consumers:

- Product attributes, and in particular the country of origin cue.
- Individual consumer characteristics, including demographic variables, product knowledge and product involvement.
- Usage situations for which wine is purchased.

This study will question consumers in actual wine purchasing contexts and aims to answer five broad research questions based on their responses:

1. Which product attributes are utilised by consumers when they are purchasing wine, how important are these attributes to them, and is the wine’s country of origin identified and utilised?
2. Do perceptions of wines vary depending upon the country from which they originate?
3. Will attribute usage, attribute importance ratings and wine country of origin perceptions be modified by individual consumer characteristics such as demographics, product knowledge and product involvement?
4. For which usage situations do consumers purchase wine?
5. Will attribute usage, attribute importance ratings and the country of origin of the selected wine be modified by the usage situation for which a wine is being purchased?

1.3.2 Thesis organisation

This thesis is structured into six distinct chapters, beginning with this introductory chapter. Chapter 2 presents a review of the literature which is relevant to this study and highlights gaps where no literature has been found. Chapter 3 provides a theoretical framework for this study, including a list of hypotheses and exploratory questions of interest, whilst Chapter 4 documents the methodology that was followed. Chapters 5 and 6 present the results and a discussion of these results respectively. Each chapter commences with a short introduction which outlines what is included in the body of the chapter and each is concluded with a short summary of the key points. Any supporting documents which are referred to in the chapters are contained within Appendices at the end of this thesis.

1.4 Research Significance

1.4.1 Theoretical contributions

The lack of a single, widely-accepted consumer decision making model suggests that decision making processes may vary by both product class and situation. Researchers have suggested that a greater understanding of the actual decisions that consumers make on a daily basis is required (Lye, Shao, & Rundle-Thiele, 2005), whilst others have noted that consumer behaviour research has a shortfall in the areas of cross-national buying and situational effects (Sheth, 1979). This international study will question consumers immediately after an actual wine purchase decision has been made and will therefore add to knowledge of the consumer decision making process, particularly in terms of the influence of product attributes, individual characteristics, and usage situations.

This study has sought to address specific gaps in the consumer behaviour literature which have been identified and documented in Chapter 2, and has also sought to verify earlier findings but with respect to the specific product of wine. In particular this study has added to the attribute processing and cue utilisation theories by providing support for previous research regarding the total number of attributes evaluated by consumers, and the relationship between this number and consumer product knowledge or involvement levels. This study has primarily added to country of origin knowledge by addressing several methodological issues which have been levelled against much of the previous research. Consumers were found to acquire country of origin information when they purchased wine and they held significantly different perceptions of wine based upon the country from which it originated. Differences in the consumer perceptions of Old World and New World wines were especially interesting.

This study has also significantly added to knowledge regarding the influence of individual consumer characteristics, such as demographic variables, product knowledge and product involvement, on attribute utilisation and importance during actual purchase decisions. Finally, the much less examined area of situational theory has also been added to; this study interestingly revealed that wine was purchased primarily in order to satisfy four usage situations.

The theoretical contributions of this study are discussed in greater detail in Chapter 6.

1.4.2 Practical implications

In a review of consumer behaviour literature, Walters (1979) stated that research has been primarily concerned with explaining consumer behaviour, but has not been concerned with applying these findings to business at a practical level. Many of the results from this study are aimed to be of practical benefit to wine industry members, particularly at a time when the global market has become increasingly competitive.

Country of origin images and their subsequent effects on consumer behaviour are especially important to those who sell their products in global markets. This is especially true for the New Zealand wine industry who must export to succeed because the domestic market is not large enough to absorb current and predicted production levels. This study has revealed the wine country of origin perceptions which consumers hold; from a practical standpoint, having knowledge of positive or negative consumer perceptions is of considerable importance to those who market wine. For instance, identified weaknesses in a nation's wine can be improved upon to overcome negative perceptions, whilst strengths can be reinforced through advertising and promotion campaigns. This research has provided an understanding of the value or the equity that is built-in to every bottle bearing the 'Made in New Zealand' label. Bennett (2006) argued that the phrase "world class" is bandied about within the New Zealand wine industry without much foundation; this study has determined whether such a phrase can be justifiably employed by industry members.

Information revealed in this study regarding the influence that demographics, wine knowledge and wine involvement levels have on global consumers will also be of benefit to those in the wine industry. Similarly, knowledge of the usage situations for which wine is purchased by global consumers is also of practical use to the wine industry; for instance, the industry needs to focus on the production and marketing of wines which are suitable for the dominant four usage situations revealed in this study. In addition, this study has exposed an opportunity to increase wine sales in the key US market, by promoting the consumption of wine in certain usage situations for which it is currently less frequently purchased by US consumers.

A full discussion of the practical implications arising from this study is included in Chapter 6.

1.5 Chapter Summary

This chapter has introduced the research topic and has provided background information to illustrate the importance of this study at this point in time. The principal objectives and research questions that will be examined by this research are outlined, and the theoretical and practical contributions arising from this study are introduced. The next chapter will document and examine key literature which is relevant to this study.

2 LITERATURE REVIEW

2.1 Chapter Introduction

The literature reviewed in this chapter relate to the major themes of this study which were outlined in Chapter 1. This chapter is organised into three major sections; 2.2 Consumer Behaviour, 2.3 Product Attributes and 2.4 Usage Situation. Each section contains subsections which examine moderating variables such as demographic characteristics, product knowledge and product involvement. Pertinent research in terms of the product category of wine is also included in the three sections.

2.2 Consumer Behaviour

2.2.1 Introduction to consumer behaviour

At a fundamental level, the consumer behaviour discipline is concerned with understanding *how* and *why* consumers purchase products and services. The goal of consumer behaviour research is to describe and predict how consumers will behave when faced with alternative product choices (Hauser & Urban, 1979); in line with this goal, this study seeks to describe how consumers behave when making wine purchasing decisions. Consumer behaviour has been broadly defined as “those actions directly involved in obtaining, consuming, and disposing of products and services, including the decision processes that precede and follow these actions” (Engel, Blackwell, & Miniard, 1993, p. 4).

2.2.2 Consumer purchase decision making

An abundance of theoretical models have been developed to depict how consumers make purchase decisions, from the 1940's through to today. The development of these models has coincided with the maturing consumer behaviour discipline; the models have moved from those which were deeply rooted in rational and conscious economic thought, through to those which have a greater basis in psychology and sociology.

One of the most well known consumer decision making models is that of Howard and Sheth; this model suggested that consumers apply certain choice criteria to alternative brands, even for the most simple and habitual choices (Olshavsky & Granbois, 1979). Reasoned action and

planned behaviour were also important in the Fishbein and Ajzen model, which excluded non-evaluative components such as emotional perspectives (Hansen, 2005). The Engel, Blackwell and Kollat model is still widely referred to and consisted of five distinct stages: problem recognition, search, evaluation of alternatives, choice, and outcomes (Olshavsky & Granbois, 1979).

A number of models have been developed which have suggested that information processing is done at an attribute level. The Bettman model stated that processing by attribute was especially likely when there were few alternatives to evaluate, when the consumer had low product knowledge and when good information was available (Liefeld, Wall, & Heslop, 2000). Some models have focused on the cue utilisation perspective, in which consumers are believed to use product cues as heuristics to indicate quality (Hansen, 2005).

Other authors have proposed models in which various consumption values influence the consumer decision making process (Sheth, Newman, & Gross, 1991). The Zeithaml model attempted to combine aspects of both cue utilisation and value theories by linking the internal and external product characteristics to the perceived consequences arising from the product purchase (Hansen, 2005). Models from authors such as Bagozzi, Gopinath and Prashanth have suggested that affective responses or emotions could explain consumer decisions (Hansen, 2005). Other authors have depicted the influence of situational factors on consumer behaviour in their models (Bearden & Woodside, 1978; Belk, 1975; Punj & Stewart, 1983).

Traditional consumer decision making models, such as the Howard and Sheth and the Engel, Blackwell and Kollat models, have been dominated by a cognitive approach. Cognitive models make an assumption that consumers know what they want and that they are capable of obtaining and processing the information required in order to make sensible choices (Foxall, 2003). Consumers search their memory for information they already possess and if this is insufficient they will engage in external search for information. Early models tended to argue that consumers comprehensively considered the implications of their actions before they engaged in purchase behaviour (Derbaix & Abeele, 1998) and that consumers acted as problem-solving decision makers (Hansen, 2005).

In more recent times, the domination of the cognitive paradigm has been questioned. The major issue with cognitive models is that human beings are not perfect processors of

information (Derbaix & Abeele, 1998; Pinson & Jolibert, 1998). Consumers do not strictly obey the principles of economic rationality, but neither do they behave in a random manner, thus making it difficult to adequately describe their actual behaviour in a model (Pinson & Jolibert, 1998). Evidence suggests that consumers do not use rational rules or deliberate reasoning to identify the best possible solution, but are often guided by subjective reactions, impulses, personal impressions or mental images induced by stimuli (Pinson & Jolibert, 1998; Zaltman, 2003). Olshavsky and Granbois (1979) reported evidence to suggest that consumers in many instances do not engage in extended search or evaluation steps; the choice process was found to involve the evaluation of only a few alternatives, little extensive search, and few evaluative criteria. Zaltman (2003) suggested that the choice process is often relatively automatic, stems from habit and other unconscious forces, and is greatly influenced by the consumer's social and physical situation. Further issues with the cognitive-dominant view of consumer decision making arise from consumers having less time for shopping, being faced with an increasing number of choices, and feeling overloaded with information (Zaichkowsky, 1991). 'Rules of thumb' and heuristics are often utilised by consumers to simplify purchase decisions in today's complex world.

Current theory, drawing heavily on contributions from psychology, does not dismiss the cognitive approach entirely, but rather suggests that the cognitive, affective and conative facets of consumer behaviour are closely interwoven. The tri-component view focuses on the interaction between these three facets of consumer behaviour, and how these can be acted upon both consciously or unconsciously (Derbaix & Abeele, 1998). These facets cannot be sharply distinguished from one another during the decision process, and even when one is dominant it is likely that the other facets will still be present (Derbaix & Abeele, 1998).

At this point in time, no single model has comprehensively illustrated the purchase decision making process followed by all consumers, in all situations, and for all product classes. Pinson and Jolibert (1998) suggested that it is often difficult to speak of a true decision-making process. In a similar vein, Hansen (2005) noted that no single perspective offers the 'correct' theory of consumer decision making. Some authors have suggested that consumers are adaptive decision makers, utilising different strategies in different decision contexts and thus no single strategy can be implied as being the most efficient across all decisions (Lye et al., 2005). With respect to the product class of wine, no literature was found which has

proposed or tested a decision making model incorporating elements such as attribute or cue utilisation, individual consumer characteristics and situational contexts.

2.2.3 Demographic characteristics

Demographics are a widely studied aspect of both marketing and consumer behaviour research. Demographics have been described as “vital statistics about consumers” (Walters & Paul, 1970, p. 42), whilst Pol (1991, p. 54) suggested that demography is the “study of human populations”, which includes size, composition, and distribution dimensions. Demographic data describe consumers in terms of quantifiable attributes such as number, location, gender, occupation, education, income, age, race, ethnicity, social class, and marital status.

Demographic characteristics provide a means for categorising individual consumers into homogenous market segments. Demographic data are also used as a basis from which to classify aspects of consumer behaviour (Walters & Paul, 1970). Another important use of demographic data in market research is to identify trends in the marketplace. Changes currently occurring in western societies, such as decreasing birth rates and ageing populations, are identified by marketers in order to predict changes in demand for, and consumption of, products and services (Blackwell, D'Souza, Taghian, Miniard, & Engel, 2007).

Pol (1991) reported that demographic information is well utilised in consumer behaviour research; in an evaluation of 1,972 marketing articles, 17 percent were found to contain a demographic component. The demographic variables that were most frequently measured by researchers were age, income, education and gender (Pol, 1991).

Demographic characteristics have been examined in terms of the specific product class of wine. Results from a demographic study in the United States suggested that the heaviest wine consumers were well educated, high income earners, and residents of the urban areas along the East and West coasts (Reizenstein & Barnaby, 1980).

Mitchell and Hall (2001a) identified a number of differences in the behaviour of wine consumers in New Zealand based upon gender. Males (39.7%) were significantly more likely than females (20.3%) to participate in wine club activities, and males (86.5%) were also more likely to cellar wine than females (77.9%). Females tended to purchase wine at supermarkets,

whilst males were more likely to purchase at cellar doors, wine shops and via mail order (R. Mitchell & Hall, 2001a). From a sociology standpoint, the result mirrors the division of labour in most households where females are the primary purchaser of grocery items.

Gender has also been found to have an influence on the type of wine that will be consumed. An Australian study reported that females were significantly more likely than males to drink white and sparkling wines (Hoffman, 2004). However, no significant differences were found between genders with respect to red wine consumption.

Commercial research has reported that women drink 55 percent of all wine and are having a significant effect on the increased wine consumption levels witnessed in the UK market (Mintel, 2005). Males and females used price, colour, country and brand attributes similarly, but females (23%) were more likely than males (17%) to be swayed by special offers or promotions. It was also reported that peak UK wine consumers were in the 35-64 year old range, with the over 50s representing the fastest growing wine drinking group. Consumers in the highest income households were found to have a weekly wine spend almost eight times higher than those in the lowest income groups (Mintel, 2005).

Thomson (2007) noted that women are buying wine more than ever before, but reported conflicting information from wine retailers about this important demographic section. Some retailers noted that women do not have preconceived ideas about wine and are thus more likely than men to try something new, but others observed that women seek reassurance by buying familiar branded wines. One retailer reported that women responded to award stickers, variety and menu suggestion cues when evaluating wine, whilst another stated that women tended to use packaging and price cues and men were more likely to use award stickers (Thomson, 2007). These contradictory accounts from wine retailers suggest that there may be variations in various wine markets or that further research into the influence of demographic characteristics on the behaviour of wine consumers is necessary.

In a focus group study of UK wine consumers, Ritchie (2007) identified significant differences in behaviour based upon gender. The author suggested that wine buying was viewed as an overtly masculine behaviour, and that women were complicit in supporting this view. When their partner was present or when they were in a restaurant setting, females abdicated the wine purchase decision to male companions. Males predominantly purchased

wine for use in public consumption situations, whilst females purchased it routinely with other grocery items for home or private consumption. A very interesting finding was that women perceived that they were ‘not really’ buying wine when they put it in their trolley alongside food items in a supermarket (Ritchie, 2007).

The moderating effect of demographic characteristics on the behaviour of wine purchasing consumers has not been directly researched in previous studies. For instance, no literature was found to have examined the moderating effect of various demographic characteristics on the importance of the attributes that were evaluated by consumers or on their perceptions of wines from various origins, during actual wine purchase decisions.

2.2.4 Consumer product knowledge

Consumer product knowledge has been defined as consisting of three distinct constructs; subjective knowledge, objective knowledge and familiarity (Brucks, 1985). Objective knowledge is what a consumer actually knows about a product class, whilst subjective knowledge is what a consumer thinks they know. In other words, objective knowledge is accurate product class information that is stored in a consumer’s long-term memory, whilst subjective knowledge is a consumer’s perception of how much they know about a product class (Park, Mothersbaugh, & Feick, 1994). Familiarity has been described as the number of product-related experiences accumulated by a consumer (Rao & Monroe, 1988), and this would therefore include both purchasing and consumption events related to a specific product class.

A review of the literature suggests that the three constructs of objective knowledge, subjective knowledge and familiarity proposed by Brucks (1985) have been used somewhat interchangeably as equivalent measures of product knowledge (Flynn & Goldsmith, 1999; Laroche, Cleveland, Bergeron, & Goutaland, 2003). Subjective knowledge is considered easier to measure with standardised scales, whilst objective knowledge requires a test to be developed for each specific product class. Brucks (1985) noted that any test developed to measure objective product class knowledge could never be entirely objective in itself (Brucks, 1985). For these reasons, the majority of studies examining consumer knowledge have concentrated on subjective rather than objective knowledge. It is clear that what a consumer *thinks* he/she knows and what he/she *actually* knows are two quite different concepts (Flynn

& Goldsmith, 1999), but some authors have found that subjective and objective knowledge, although conceptually distinct, are empirically correlated (Park et al., 1994; Rao & Monroe, 1988). However, conflicting results regarding the extent of the correlation between subjective and objective knowledge suggest that any such relationship may be applicable to some product classes but not to others.

The majority of product knowledge literature has focused on reporting evidence of how the construct can affect the entire consumer decision making process. In general, product information is processed in a deeper and more detailed manner by expert consumers. Several authors have noted a positive relationship between product knowledge and the amount of pre-purchase information search that is performed by a consumer (Lin & Chen, 2006; Philippe & Ngobo, 1999; Rao & Monroe, 1988; Scribner & Weun, 2000). In a seminal study, Brucks (1985) used a series of questionnaires and computerised product search experiments applied to a small sample of female consumers, and reported that objective knowledge was associated with seeking information about a greater number of attributes and with seeking less information about alternatives which were inappropriate for a specific usage situation. Of significant theoretical interest, objective knowledge was found to be related to the number of attributes examined but subjective knowledge was not, suggesting that these two dimensions of product knowledge affect consumer information processing in different ways (Brucks, 1985). Limitations of the Brucks (1985) study were the small and unrepresentative sample and the examination of the single product class of sewing machines. In an experimental study of US students, Rao and Monroe (1988), found that those who were unfamiliar with women's blazers used only intrinsic cues to judge the quality of these products, whilst those with high product familiarity were also able to use extrinsic cues as surrogate indicators of product quality. Other authors have also reported that knowledgeable consumers are more selective in what information cues they examine and that they have a greater understanding of which attributes should be examined to make the best choice in a given situation (Cowley & Mitchell, 2003). A study of US consumers reported that males, in the high-tech electronics product category, rated their subjective knowledge higher than did females and also exhibited higher levels of objective knowledge (Meeds, 2004).

In terms of the product class of wine, several studies have examined the relationship between product knowledge and various aspects of consumer behaviour. The major findings of these

studies are discussed in the following paragraphs and these provide support for the notion that product knowledge influences consumers during the wine purchase decision making process.

A number of studies have considered the relationship between consumer wine knowledge and the attributes which are utilised during the decision process. Following in-depth interviews with a small sample of Australian wine consumers, it was reported that consumers with higher wine knowledge were more likely to utilise the regional cue (Rasmussen & Lockshin, 1999). A survey of randomly selected shoppers in Perth, Australia, revealed that price was a more important attribute for those consumers who drank and purchased wine less frequently, whilst those who purchased and drank wine more frequently rated brand as an important product cue (Batt & Dean, 2000). A study of Czech wine consumers found that those who were less experienced were more likely to use the medals cue in order to identify wines which they perceived to be good value for money (Orth, 2002). Conversely, consumers who rated themselves as 'connoisseurs' in a New Zealand study were found to place more importance on awards and medals than did those consumers who were 'new wine drinkers' (Thomas & Pickering, 2003). A survey of recent wine purchasers in France, Austria, Germany and the UK revealed that expert consumers were found to use a larger number of attributes when evaluating a product, and unlike novice wine consumers, they did not use exactly the same attributes when evaluating different brands (Perrouy, d'Hauteville, & Lockshin, 2006). Previous research had suggested that the region of origin equity was moderated by other wine attributes which appeared on the wine label; the empirical results of the study concurred with this suggestion, but found that the moderating effect was more important to experts than to novices. The authors suggested that the importance of individual product attributes decreased for more knowledgeable wine consumers, but that the combination of these attributes was used to a greater degree as wine knowledge increased (Perrouy et al., 2006).

*I can certainly see you know your wine. Most
of the guests who stay here wouldn't know the
difference between Bordeaux and Claret.
John Cleese (as Basil Fawlty)*

In a study of visitors to New Zealand wineries, Mitchell and Hall (2001b) measured product knowledge using a self-ascribed method. The frequency of wine consumption, the cellar size, the average monthly wine purchase, and the frequency of participation in wine club activities were all found to rise with increasing levels of wine knowledge, and consumers with greater

knowledge were significantly more likely to purchase from specialist wine stores, cellar doors, or mail order sites (R. Mitchell & Hall, 2001b). Males had significantly higher levels of subjective wine knowledge than females; a result reinforced by the later findings of the Forbes, Cohen and Dean (2008a) multinational study. In another New Zealand study, Beverland (2003) surveyed consumers outside Auckland stores and identified a significant relationship between the level of the consumer's wine knowledge and their monthly spend on wine. The study also found that consumers with greater knowledge were more likely to purchase wines at cellar doors, but were less likely to purchase from general liquor stores or supermarkets (Beverland, 2003).

In another study of New Zealand wine consumers, 'connoisseurs' were found to rank 'wine company', 'wine brand name' and 'expert opinions, awards and medals' as their top three label information elements, whilst 'new wine drinkers' placed a greater importance on information such as 'alcohol level', 'wine attributes' and 'how a wine should be used' (Thomas & Pickering, 2003).

Can't we just get rid of wine lists? Do we really have to be reminded every time we go out to a nice restaurant that we have no idea what we are doing? Why don't they just give us a trigonometry quiz with the menu?
Jerry Seinfeld

Veale and Quester (2007) developed an instrument to specifically measure the objective wine knowledge amongst consumers. In general the South Australian respondents were found to have low levels of objective wine knowledge; out of a total of 14 multiple choice questions, around 90% of respondents scored seven or less correct (Veale & Quester, 2007).

In a recent international study (using the methodology documented in this thesis), a significant correlation was found between objective wine knowledge and subjective wine knowledge (Forbes, Cohen & Dean, 2008a). The authors suggested that, for the product of wine, the subjective knowledge measurement could be justifiably used to infer objective knowledge. In addition, males were found to have significantly higher objective wine knowledge than females, Australian consumers had significantly higher objective knowledge than consumers from New Zealand, the UK and USA, and those consumers who purchased

wine in speciality wine stores were more knowledgeable than those who shopped in supermarkets or general liquor stores.

Consumer product knowledge is a key variable which has been used to explain consumer behaviour; so too has product involvement. The level of product class knowledge that a consumer has is likely to be closely linked to their level of involvement with the product class. Several studies have identified a positive correlation between the level of consumer knowledge and the level of consumer involvement (Bloch, 1986; Eroglu & Machleit, 1989; Forbes, Cohen, & Dean, 2008b; McCarthy, O'Reilly, & Cronin, 2001; Quester & Smart, 1996).

2.2.5 Consumer product involvement

In the literature the term 'involvement' is often preceded by words such as 'advertisement', 'product', 'brand' or 'purchase situation' in order to describe a specific form of involvement. These various forms of involvement are a major reason for the disparate definitions of this variable (Laurent & Kapferer, 1998; Zaichkowsky, 1985). Laurent and Kapferer (1998) noted that an array of other forms, such as emotional, rational, personal, ego and solution involvement, have also been suggested in literature. Among the diverse definitions, the majority imply that involvement is related to the individual, usually in terms of some measure of personal interest or importance (Antil, 1984). Involvement has been referred to as "the intensity, the direction and the nature of the interest held by the consumer regarding a product, a product category or any relevant marketing activity" (Pinson & Jolibert, 1998. p. 20). Two main types of involvement have been identified: situational, which is a temporary form only occurring in specific situations, and enduring, which is a long-term level of interest or arousal (Richins & Bloch, 1986). Involvement has been used as a moderating or explanatory variable with respect to consumer behaviour, and also as a basis for segmenting markets (Bloch, 1981). Much of the involvement literature refers to consumers or products as having either 'high' or 'low' involvement. Antil (1984) suggested that involvement must be conceptualised and operationalised as a continuous variable, and not as a dichotomous one, in order for it to be useful as an explanatory variable and appropriate for multivariate statistical techniques.

This present study is concerned solely with product involvement. Product involvement is a long-term or enduring interest in a product class and can be thought of as the personal

relevance of a product to a consumer (Aurifeille, Quester, Lockshin, & Spawton, 2002; Mittal & Lee, 1989; Zaichkowsky, 1988). The perceived relevance of the product is based upon the consumer's inherent needs, values and interests (Zaichkowsky, 1985). Antil (1984) suggested that it is not the product per se that is involving, but rather the personal meaning or relevance the individual consumer assigns to the characteristics of the product that result in involvement. Consumers do not have a consistent level of involvement across all product classes; they may have high involvement with some product classes and yet will be largely uninvolved with others. Consumers are likely to become, and remain, highly involved with a product for a number of reasons, including the satisfaction experienced through product usage, the need to master skills, the need to feel unique, or the desire for affiliation with a group (Bloch, 1986).

Involvement acts as a motivating force and it thus has a significant effect on consumer behaviour, especially in the purchase decision making process. In general, consumers with high involvement in a product class will expend more time and effort when making purchase decisions, will exhibit high levels of information seeking, will be innovative, and will be more likely to act as opinion leaders (Bloch, 1981; Hansen, 2005; Laurent & Kapferer, 1998; Pinson & Jolibert, 1998). A survey of US consumers reported significant correlations between a consumer's involvement in a product class and their tendency to engage in ongoing information search ($r = 0.70$ for clothing and $r = 0.67$ for computers) (Bloch, Sherrell, & Ridgway, 1986). A significant empirical study of French housewives and their involvement with 14 product categories found that individual consumers differed in their level of involvement, and these differences resulted in variations in the extent of their decision processes and their level of information search (Laurent & Kapferer, 1998).

In terms of wine, a number of studies have examined consumer involvement with this product and its effects on consumer behaviour. Bloch (1986) suggested that both complex products and hedonic products are likely to generate high levels of involvement or enthusiasm amongst consumers. Wine can fit into both of these categories.

A number of studies have considered the relationship between consumer wine involvement and the attributes which are utilised during the decision process. In a Canadian study, consumers with low red wine involvement were found to place a greater weight on the price attribute than did the high involved group (Zaichkowsky, 1988). However, the findings were

limited by the small and non-representative sample used and by the subjects only being presented with two attributes, price and variety, from which to evaluate the wines. Quester and Smart (1996) reported that high involvement consumers placed greater importance on both the wine region cue and the wine style cue than did low involvement consumers. In contrast to the findings of Zaichkowsky (1988), South Australian wine consumers with low involvement did not differ significantly from high involvement consumers in terms of the importance they associated with the price cue. Somewhat surprisingly however, they did rate the grape variety as more important to them than it was to the highly involved consumers. The authors concluded that these results indicated that product involvement significantly influenced consumer decision making with regards to the product of red wine (Quester & Smart, 1996). A survey of New Zealand wine consumers revealed that the region of origin cue was more important to those consumers who were highly involved with wine, the price cue was of greater importance to the less involved, and the level of importance attached to the discount price cue was not significantly different across the high and low involved consumers (Hollebeek, Jaeger, Brodie, & Balemi, 2007).

*One not only drinks wine, one smells it,
observes it, tastes it, sips it and one talks
about it.*

King Edward VII

Consumer demographic characteristics have been found to influence wine involvement levels. In a survey of South Australian wine purchasers, Quester and Smart (1996) found that gender did not significantly influence the level of wine involvement, but that involvement increased with age until the above 55 age group and increased with income up to the above \$70,000 bracket.

In another survey of South Australian wine consumers, involvement was used as a basis for market segmentation (Lockshin, Spawton, & Macintosh, 1997). Data analysis yielded five clusters of wine consumers, with significant differences across the clusters in terms of purchase behaviour. Consumers with high levels of wine involvement were found to shop at speciality wine stores, to buy wine more often, and to purchase it at higher prices. High involvement consumers spent more time thinking about their purchase, contemplating the wine labels and interacting with salespersons, whilst low involvement consumers spent little or no time and effort on their purchase decision. The authors suggested that the concept of

involvement was a good basis for understanding shopping behaviour and for segmentation of the wine market (Lockshin et al., 1997).

In Europe we thought of wine as something healthy and normal as food and also a great giver of happiness and well being and delight. Drinking wine was not a snobbism nor a sign of sophistication nor a cult; it was as natural as eating and to me as necessary.
Ernest Hemingway

Following on from the Lockshin et al. (1997) and Quester and Smart (1998) studies, an additional study examined the potential for involvement to be used to segment the international wine market (Lockshin, Quester, & Spawton, 2001). In a survey of French and Australian wine consumers, the authors proposed that nationality would matter less than involvement in terms of determining the behaviour of the consumers. Although some differences between nationalities were identified, the behaviours of similarly involved consumers were more comparable; highly involved consumers were found to be interested in knowledge about brands and sought store trust and satisfaction, whilst less involved consumers were more price and deal sensitive.

Forbes, Cohen and Dean (2008b) identified significant positive relationships between involvement and the frequency of both wine purchasing and wine consumption behaviour. Whilst age and gender had no relationship with the level of involvement, American consumers were found to be significantly more involved with wine than were consumers from New Zealand, Australia and the UK (Forbes et al., 2008b).

2.2.6 Consumer decision making and wine

A considerable number of studies have examined consumer purchase decision making behaviour with respect to wine. Wine is a particularly interesting product class because the quality of the product cannot be identified until such time as the bottle is opened and tasted. Consequently, evaluations of wine quality must be based upon other product attributes, heuristic cues, consumer perceptions, and brand, varietal or origin reputations. In addition, consumers are faced with an ever-increasing and potentially bewildering selection of wine varieties and brands (Gluckman, 1990; Hollebeek et al., 2007), and thus decision making can

be an especially complex process. Indeed, Lockshin (2005) noted that no other supermarket category comes close to consisting of the 300 or more brands which are typically displayed in a wine aisle. Table 2.01 provides a summary of some of the key wine consumer decision making studies.

Table 2.01 Summary of Wine Purchase Decision Making Research

Reference	Methodology	Major Findings
Reizenstein & Barnaby, 1980	Interviews of 40 retailers and survey of 288 US residents	Price and word of mouth were important wine choice factors.
Keown & Casey, 1995	Survey of 210 Northern Ireland liquor store shoppers	Country of origin was the most important wine choice factor, followed by brand name and grape variety.
Hall & Winchester, 1999	Telephone survey of 191 adults in an Australian city	Identified four market segments (connoisseurs, image conscious, enjoyment and risk averse) based on product attribute preferences.
Rasmussen & Lockshin, 1999	In-depth interviews of 20 Australian wine consumers	Price and previous tasting were ranked as the most mentioned cues used, followed by region and brand.
Batt & Dean, 2000	Survey of 251 mall shoppers in an Australian City	Price was the most important wine choice factor, especially for those who purchased wine less frequently and to those who spend less per bottle.
Chaney, 2000	Survey of 107 adults across England and Scotland	Point-of-sale, labels and word of mouth were most important sources of information.
Hall, O'Mahony, & Lockshin, 2001	Interviews of 200 recent Australian wine consumers	Taste, price and type were the most important choice factors.
Bruwer, Li, & Reid, 2002	Interviews with members of 272 Australian households	Identification of five market segments, based upon a wine-related lifestyle approach.
Halstead, 2002	Focus group discussions involving 31 respondents in two UK cities	Price was the most important cue, followed by grape variety and country/region of origin.
Beverland, 2003	Survey of 275 adult shoppers in a New Zealand city	Quality was the most important wine choice factor, followed by knowledge, food matching and reputation.

Reference	Methodology	Major Findings
Thomas & Pickering, 2003	Survey of 320 New Zealand wine consumers and students	Front labels were more important than back labels on bottles, with company, brand and awards/medals being the most important overall label items.
Hoffman, 2004	Survey of 105 winery/liquor store shoppers in Australia	Price, recommendation, region of origin and brand were the most important wine choice factors.
Goodman, Lockshin, & Cohen, 2007	Best-worst scaling responses from wine consumers in Australia, Israel, UK, Germany and China	Having tried a wine previously was ranked as the most important attribute in all markets except China. Recommendation, variety, wine origin and brand were the next most important attributes.

A content analysis of the methods employed by the thirteen studies included in Table 2.01 has revealed that none of these studies measured *actual* consumer behaviour. These studies questioned consumers using interviews, focus groups or questionnaires about their recollections of their wine buying behaviour in general or about a recent wine purchase; none of these studies questioned consumers immediately following an actual wine purchase decision.

It is possible that the results of these studies may be biased to some degree, due to the methods employed. For instance, consumer recall of past or generalised purchasing behaviour may not be accurate (P. Desai, 2002; McIntyre & Bender, 1986; Grunert, 1986). In addition, consumers may alter their responses in order to portray a desirable self image to the researcher. It is evident that, in terms of the product of wine, there are few studies which have examined consumer behaviour immediately following an actual purchase selection.

Several current wine production and consumption trends are worthy of mention:

1. There is a global trend of increased production and consumption of premium wines, rather than non-premium or jug wines (Anderson, 2001; Wittwer et al., 2003).

2. Per-capita consumption of wine has declined in the domestic markets of the Old World wine producing nations, such as France, Italy and Spain (Anderson, 2003; Selvanathan & Selvanathan, 2005; Spawton, 1991).
3. Per-capita wine consumption has steadily increased in almost all other Western markets, whilst consumption of beer and spirit products has declined (Anderson, 2003; Gluckman, 1990; Selvanathan & Selvanathan, 2005; Spawton, 1991).
4. In some markets, increased consumption has arisen from the relaxation of liquor laws which have permitted wine sales in supermarket outlets (Cobb, 2005; Ritchie, 2007).
5. The well publicised health benefits associated with wine drinking may also be responsible for the increased consumption levels (Intel, 2005; Ritchie, 2007).
6. There has been a massive expansion of vine plantings and wine production in New World nations over the past decade (Anderson, 2001; Wittwer et al., 2003).
7. There has been a substantial increase in sales of New World wine in export markets such as the UK and the USA (Anderson, 2003; Cobb, 2005; Dean, 2002; Intel, 2005).
8. The domination of European wines in international markets has declined (Anderson, 2001; Cobb, 2005; Dean, 2002; Intel, 2005).
9. Consumers are being exposed to an increasingly wider range of wines available through retail outlets (Gluckman, 1990).

2.3 Product Attributes

2.3.1 Introduction to product attributes

Product attributes, and their importance ratings, are of significant interest to marketing researchers, as these are the very criteria by which consumers evaluate products prior to making purchase decisions. Indeed, the purchase decision process is often viewed as one in which consumers evaluate alternative products on the strength of various attributes (Grunert, 1986). Evaluative criteria come in many forms; for instance, Engel et al. (1993) noted that attributes such as safety, reliability, fuel consumption and price, as well as associated hedonic feelings, may be evaluated by a consumer when purchasing a car.

Early researchers' defined product attributes as the physical properties of a product that were quantitative and objectively measurable (Wu, Day, & MacKay, 1988). In more recent years the accepted definition has expanded to include all evaluative criteria, including objective or

physical properties such as price, brand name or country of origin, subjective properties such as quality, style or comfort, and other aspects of the product that a consumer may perceive as providing benefit or value (Grapentine, 1995; Jamal & Goode, 2001; Wu et al., 1988).

Product attributes have been dichotomised as being either intrinsic or extrinsic in nature.

Intrinsic attributes are specific to a product, unalterable, and include physical attributes such as shape, ingredients, flavour, colour, and aroma. Extrinsic attributes are not an integral part of the physical product itself and thus include cues such as price, brand name, and country of origin (Forney, Pelton, Caton, & Rabolt, 1999; Jamal & Goode, 2001; Zeithaml, 1988).

Researchers have sought to understand the importance of both intrinsic and extrinsic product attributes during the consumer decision making process. An early study, using a small sample of female students and three examples of hosiery, reported that intrinsic product attributes had a greater effect on perceptions of product quality than did the extrinsic cues of price and store image (Szybillo & Jacoby, 1974). Other authors have also stated that intrinsic attributes are more important than extrinsic cues as evaluative criteria to consumers (Forney et al., 1999; Grunert, 1986; Liefeld et al., 2000). Zeithaml (1988) argued that the importance of intrinsic versus extrinsic attributes depended upon the product and the situation. For example, intrinsic attributes will be important quality indicators if they are accessible and can be evaluated at the time of purchase, but in many cases they will be absent until consumption and therefore extrinsic attributes will be evaluated instead. Other authors have also argued that extrinsic cues, such as the country of origin, will be especially important when consumers are evaluating products for which intrinsic information such as product quality are not known (Nebenzah, Jaffe, & Lampert, 1997; Samiee, 1994). This is likely to be true for a product such as wine, where intrinsic attributes such as aroma and taste are not available to be evaluated by consumers during the purchase decision process; and indeed several previous studies have reported that extrinsic attributes such as price (Batt & Dean, 2000; Halstead, 2002; Hoffman, 2004; Rasmussen & Lockshin, 1999) and country of origin (Keown & Casey, 1995) are the most frequently used or most important attributes for wine purchasing consumers.

The number of attributes evaluated by a consumer has been found to be affected by situation, knowledge, motivation and involvement (Engel et al., 1993). Typically more attributes are evaluated when the level of purchase involvement is high. Researchers have suggested that the number of attributes actually used by a consumer when evaluating a product is relatively

small and lies somewhere in the range of three to seven dimensions (Grunert, 1986; Hoffmann, 2000; Jacoby, Szybillo, & Busato-Schach, 1977). No previous research has been found which examines the number of attributes utilised during the wine purchase process, nor how this number is moderated by the consumer's level of wine knowledge or involvement.

Consumers have also been found to use heuristic cues when evaluating products in order to reduce risk (Grunert, 1986; Hansen, 2005; Jacoby et al., 1977). Heuristics are informational cues or indicators which can be used by consumers to infer the values of other attributes. For instance, price is commonly used to infer attributes such as product quality and reliability. Pinson and Jolibert (1998) noted that price is most frequently used as a heuristic cue when quality is difficult to judge and when it is perceived to vary greatly among brands. Additional product attributes which are frequently used as heuristic cues are brand name, store reputation and country of origin (Hansen, 2005). Attributes or values which are inferred through the use of cues have been noted as having a substantial influence on consumer product evaluations and purchase intentions (Pinson & Jolibert, 1998).

Whilst this study seeks to identify all of the attributes which are evaluated and the degree to which these are rated as being of importance to wine purchasing consumers, the country of origin attribute is of particular interest. Country of origin is an extrinsic product cue and as such it is distinct from other physical product characteristics or intrinsic attributes (Peterson & Jolibert, 1995).

Consumers may use the country of origin cue heuristically in order to assign meaning to another product attribute or to an entire product class (Goldberg & Baumgartner, 2002). Although extrinsic cues such as the country or region of origin, price, brand name, labelling, and warranty have no direct bearing on product performance or quality, they are used by consumers as indicators which therefore influence their product evaluations, perceptions of risk and purchase intentions (Bilkey & Nes, 1982). Indeed, Papadopoulos and Heslop (2002) noted that country of origin is used by consumers to reduce perceived risk and to assess the social acceptability of the products that they purchase. Country of origin research is, at its simplest level, the study of how a product's national origin influences consumer evaluations and behaviours.

2.3.2 Country image and product-country image

An image can be described as a “synthesis of impressions” (O’Shaughnessy & O’Shaughnessy, 2000, p. 57). Images are constructed out of previously processed information and are created and interpreted by an individual. People use images to assess, classify, simplify, symbolise and explain objects and their associated phenomena. The country of origin concept is based upon the notion that people hold stereotypical images of countries.

Stereotyped images are used to make complex choice decisions easier for consumers (W.-N. Lee, Yun, & Lee, 2005). Stereotypes simplify decision making by allowing consumers to rely on previously stored knowledge instead of processing new incoming information (Hilton & von Hippel, 1996). Stereotypes are a biased view of a stimulus, and in the case of nations they can be positive, negative or neutral (O’Shaughnessy & O’Shaughnessy, 2000). Stereotypes are mental representations of reality, but because these are formed by the individual they may not accurately reflect reality (Balabanis, Mueller, & Melewar, 2002). Morello (1984) suggested that stereotyped images are therefore personalised feelings of what we both *know* and *feel* about a country.

A thoughtful mind, when it sees a nation's flag, sees not the flag only, but the nation itself, and whatever may be its symbols, its insignia, he reads chiefly in the flag the government, the principles, the truths, the history which belongs to the nation that sets it forth.

Henry Ward Beecher

Personalised country images are formed from various factors, including the consumer’s knowledge or direct experience of a country, the level of economic development of a country, the political, social, cultural and historical standing of a country and the relationship a country has with the perceiver’s country (Bannister & Saunders, 1978). Country image has also been said to be influenced by other variables such as representative products, traditions, historical relations, language fluency and consumer demographics (Balabanis et al., 2002). Papadopoulous and Heslop (2002, p. 295) sought to highlight the extensiveness of country images by stating that “whether positive or negative, focused or diffuse, held widely or by only a few, developed deliberately or by default, and formed from education, the media,

travel, immigration, product purchases, business experiences or any combination of sources, *every place has an image*".

The effect of the 'made in...' label on a product has been widely studied by business, marketing and consumer behaviour researchers (Peterson & Jolibert, 1995). Despite a plethora of research, several authors have noted that the country of origin construct is ambiguous and that there is a lack of consensus in the literature in terms of defining the central construct and other key terms (Josiassen & Karpen, 2007; Nebenzahl et al., 1997; Peterson & Jolibert, 1995). Following a review of the literature, Martin and Eroglu (1993, p. 193) defined country image as "the total of all descriptive, inferential and informational beliefs one has about a particular country". The authors also noted that the multi-dimensional country image concept was completely different and distinct from attitudes that a consumer holds toward products originating from a specific country (Martin & Eroglu, 1993). Other authors have noted that country image and product-country image are not distinctly defined by researchers and that there is considerable overlap between the constructs (Marchant & Ward, 2003) or have suggested that the general country image and the product specific country image are two dimensions or sub-constructs which make up the country of origin image (Parameswaran & Pisharodi, 1994).

The vast majority of country of origin literature has used the terms 'country image', 'product-country image' 'country of origin', 'country of origin effects', 'country image effects' and 'made-in effects' interchangeably to represent the opinions that consumers have regarding the merits of products originating from various countries. For instance, the country of origin cue has been defined by some authors as "consumers' general perceptions of quality for products made in a given country" (Han, 1990, p.24). Similarly, Roth and Romeo (1992, p. 479) stated that "country image is the overall perception consumers' form of products from a particular country, based on their prior perceptions of the country's production and marketing strengths and weaknesses" and Nebenzahl, Jaffe and Lambert (1997, p. 28) stated that country image effects are "the impact that generalizations and perceptions about a country have on a person's evaluations of the country's products and/or brands". Nagashima (1970, p. 68) defined country of origin as "the picture, the reputation, the stereotype that businessmen and consumers attach to products of a specific country".

The growth of multi-national companies and manufacturing processes over recent years has, to some extent, blurred a product's origin and has complicated the task of defining the country of origin concept. Some authors have suggested that the country of origin is the country with which a firm is most associated or the country where a firm has its corporate headquarters (Johansson, Douglas, & Nonaka, 1985; Samiee, 1994). Others have defined country of origin as the country in which manufacturing or assembling is carried out (Ahmed et al., 2004; Bilkey & Nes, 1982; Han & Terpstra, 1988). Several authors have suggested additional terms to reflect multi-national manufacturing. For instance, Nebenzah, Jaffe and Lambert (1997) defined terms such as 'origin country', 'made-in country' and 'designed-in country' to describe, respectively, the brand's home country, the production country and the country where key design stages occur. The terms 'country of assembly' and 'parts-source country' have also been promoted (Chao, 1998). In a content analysis of country of origin literature from 1965 to 2002, Usunier (2006) noted that the traditional 'made in country' definition for the country of origin concept has blurred, and that other terms such as 'country of manufacture', 'country of design' and 'country of brand' have now arisen.

Nagashima (1970) noted that consumers attach a particular reputation and stereotype towards all of the products originating from a specific nation, but O'Shaughnessy and O'Shaughnessy (2000) suggested that such prejudices may apply to specific product classes and not to every product made in a country. For example, consumers may have a negative bias towards Columbian products in general, but may rate a single product, such as Colombian coffee, favourably. This specific product-country image is likely to have greater influence on consumer behaviour than the more general country image will have. The 'made in' label associates a product to the symbolic or emotional connotations of a national identity.

Whilst a nation can be thought of as consisting of a mishmash of images, it is possible that a single image may dominate over all other meanings (O'Shaughnessy & O'Shaughnessy, 2000), and consumers are widely exposed to these throughout their lives. Common sayings such as 'French flair', 'German engineering', 'British handling' and 'Italian styling' have entered our vocabulary and been exploited by canny marketers. Consumers typically perceive Japanese products to be high in quality, technically advanced and reliable (Doole & Lowe, 2001). In a similar vein, Morello (1984) suggested that 'Made in Japan' means good quality, 'Made in France' means style and elegance, and 'Made in Sweden' means strong and solid. New Zealand would like to be perceived as a clean, green and naturally beautiful country and

this image is emphasised in the marketing of agricultural-based products such as lamb, wine and kiwifruit. Authors have even suggested that a country's image is of such importance that it should be treated as a brand in its own right (O'Shaughnessy & O'Shaughnessy, 2000).

The "Made in..." label on a product and its associated product-country image are of considerable importance to marketers. Positive product-country images can be stressed in marketing campaigns (Martin & Eroglu, 1993). Orth, Wolf and Dodd (2005) noted that some brand names are intrinsically linked with a national or regional identifier, such as Kentucky bourbon, Florida ruby red grapefruit, New Zealand kiwifruit and French champagne. Other well known examples include Ceylon tea, Swiss cheese, Belgian chocolate, New Zealand lamb, French perfume, Italian pasta and Scotch whiskey. Companies have also included their country of origin into brand names (e.g. Air New Zealand or Alitalia) or formed associations between their brand and national symbols (e.g. Laughing Kangaroo or Tuatara Bay wine brands).

Whilst a positive product-country image can be exploited, marketers must also seek to deflect any negative product-country images. One way to prevent a negative product-country image is to avoid any association with a less prestigious country. For instance, the German-sounding name of 'Haier' has been used as a brand identifier for household appliances manufactured in China (O'Shaughnessy & O'Shaughnessy, 2000), and the Italian-sounding brand names of Giordano and Bossini have been used by successful apparel retailers in the Hong Kong market (Kotabe & Helsen, 1998). Usunier (2006) also reported a number of brand names which are not what they appear to be, such as Klarbrunn Water which comes from Wisconsin rather than the German Alps as the name suggests, and Häagen-Dazs ice cream which implies Denmark but is in fact another American brand. Some global companies use a strategy whereby they position their headquarters in a developed nation, but manufacture components in a variety of lesser developed nations which traditionally have poor product-country images associated with them. Other strategies, such as lowering the price of products or selling through reputable retailers, can be used by marketers to counteract a negative product-country image.

2.3.3 *The effect of country of origin on consumer behaviour*

Country of origin effects relate to how consumers perceive products from various national origins and the complex influence that this has on their behaviour. The country of origin cue is used by consumers to form beliefs about a product, which in turn influences their attitudes and behaviour.

A plethora of research has examined consumers' use of the country of origin cue and the effect that it has upon consumer behaviour. Major findings from the reviewed literature are summarised in Table 2.02. This table serves to illustrate the complex and sometimes conflicting nature of country of origin research.

Table 2.02 Summary of Country of Origin Research

Major Finding	Supported	Refuted
Consumers hold stereotyped views of products based on their country of origin (Schooler, 1965).	Bilkey & Nes, 1982; Darling & Peutz, 2002; Klein, Ettenson, & Morris, 1998; Lawrence, Marr, & Prendergast, 1992; Leclerc, Schmitt, & Dube, 1994; Lillis & Narayana, 1974; Morello, 1984; Nebenzah et al., 1997; Reiersen, 1966; Schooler, 1971	Johansson et al., 1985
Consumers have a bias against products originating from less developed countries (Schooler, 1971).	Bannister & Saunders, 1978; Bilkey & Nes, 1982; Cordell, 1991, 1992; Hampton, 1977; Ho, 1997; Kaynak & Cavusgil, 1983; Nishina, 1990; O'Cass & Lim, 2002; Peris, Newman, Bigne, & Chansarkar, 1993; Quester, Dzever, & Chetty, 2000; Wall & Heslop, 1986; Wall, Liefeld, & Heslop, 1991; Wang & Lamb, 1983	Dzever & Quester, 1999
The country of origin images held by consumers can change over time (Nagashima, 1977).	Darling & Peutz, 2002	
Consumers have a bias towards products originating from their domestic country (Reiersen, 1966).	Baumgartner & Jolibert, 1978; Chinen, Jun, & Hampton, 2000; Darling & Kraft, 1977; Lillis & Narayana, 1974; Loeffler, 2002	Akaah & Yaprak, 1993; Balabanis & Diamantopoulos, 2004; Bannister & Saunders, 1978; Bruning, 1997; Elliott & Acharya, 2003; Elliott & Cameron, 1994; Ettenson, 1993; Gurhan-Canli & Maheswaran, 2000a; Ho, 1997; Huddleston,

Major Finding	Supported	Refuted
		Good, & Stoel, 2001; Johansson et al., 1985; Kaynak & Cavusgil, 1983; Mohamad, Ahmed, Honeycutt, & Tyebkhan, 2000; Nagashima, 1970; Wall & Heslop, 1986
Country images are applicable across all product classes originating from a country (Schooler, 1965).	Agarwal & Sikri, 1996; Chinen et al., 2000; Dzever & Quester, 1999; Han & Terpstra, 1988; Kaynak & Kara, 2002	Eroglu & Machleit, 1989; Etzel & Walker, 1974; Han, 1990; Kaynak & Cavusgil, 1983; Kaynak, Kucukemiroglu, & Hyder, 2000; Lampert & Jaffe, 1998; Nebenzah et al., 1997; Peris et al., 1993; Roth & Romeo, 1992. NB. These authors argue that country images are applicable to a specific product class and not across all products.
The country of origin cue influences the consumer's evaluation of product quality (Reiersen, 1966).	Agrawal & Kamakura, 1999; Ahmed, Johnson, Ling, Fang, & Hui, 2002; Bilkey & Nes, 1982; Chao, 1989; d'Astous & Ahmed, 1999; Han, 1990; Hoffmann, 2000; Huddleston et al., 2001; Kaynak & Cavusgil, 1983; Papadopoulos & Heslop, 2002; Peterson & Jolibert, 1995; Quester et al., 2000; Samiee, 1994; Teas & Agarwal, 2000; Verlegh & Steenkamp, 1999; Wall et al., 1991	Akaah & Yaprak, 1993; Hester & Yuen, 1987; Johansson et al., 1985; M. Lee & Lou, 1996; Liefeld, Heslop, Papadopoulos, & Wall, 1996; Thorelli, Lim, & Ye, 1989; Ulgado & Lee, 1998. NB. These authors reported that the country of origin cue had no effect, or had only a modest effect, on product quality evaluations.
The country of origin cue influences the consumer's purchase intentions.	Bilkey & Nes, 1982; G. A. Knight & Calantone, 2000; Lawrence et al., 1992; Peterson & Jolibert, 1995	Agrawal & Kamakura, 1999; Ahmed et al., 2002; Parameswaran & Pisharodi, 2002; Piron, 2000; Ulgado & Lee, 1998; Wall et al., 1991. NB. These authors found that the country of origin cue had no effect, or a negligible effect, on purchase intentions.
The country of origin cue moderates the perceived level of purchase risk (Hampton, 1977).	Bilkey & Nes, 1982; Cordell, 1991, 1992; Siu & Wong, 2002; Usunier & Lee, 2005	
The country of origin effect can be moderated by the product price (Schooler & Wildt, 1968).	Nebenzah & Jaffe, 1997	

Major Finding	Supported	Refuted
The country of origin effect can be modified by the retailer reputation (Reiersen, 1967).	Chao, 1989	

In a seminal country of origin study, Schooler (1965) reported that Central American consumers formed preconceptions about a product based upon their stereotyped views of the nation from which the product had originated from. The majority of subsequent country of origin research has provided support for the idea that consumers have beliefs about products based upon stereotyped images that they hold towards the products origin. Knowledge of a country has been found to influence the country image stereotypes. For instance, the products originating from a neighbouring or culturally similar country to the consumer's own nation are generally perceived as more favourable than products originating from elsewhere (Kaynak & Cavusgil, 1983). Similarly, Wang and Lamb (1983) also suggested that the cultural and political climate in the product's source country and the similarity of this country's belief system to the consumer's home country would moderate the country image. The existence of country of origin stereotypes was reinforced by the results of an interesting study regarding the use of foreign-sounding brand names (Leclerc et al., 1994). In the study, Leclerc, Schmitt and Dube (1994) found that product perceptions and evaluations changed depending on whether a brand name was pronounced in English or French; evaluations of, and preference for, hedonic products was higher when a French-sounding name was used. Conversely, Johansson, Douglas and Nonaka (1985) argued that there is little evidence of product stereotyping based on country of origin. A study of US and Japanese respondent evaluations of ten automobiles produced in three countries found that the country of origin had some minor effects on the ratings of certain attributes but did not have any consistent or significant impact on the overall evaluation of the products (Johansson et al., 1985).

In another early country of origin study, Schooler (1971) reported that the products from less developed nations were perceived by consumers to be lower in terms of quality and reliability. The level of economic development in a nation influences stereotypes because consumers associate product technicality, quality and reliability with the industrialisation level of the origin country. A study of US consumers and their willingness to buy products from a list of 36 countries revealed a significant relationship to the level of economic development in an originating country; consumers were most willing to buy products originating from

economically developed and politically free countries, and least likely to buy products from less developed and less politically free countries (Wang & Lamb, 1983). Cordell (1991) reported that the aversion to products from less developed nations strengthened in relation to the increasing value of the products; in other words, a higher financial risk was felt for higher priced products and subjects displayed greater preference for domestic products in these circumstances. Whilst the majority of studies in the literature have supported the notion that consumers have a bias against products from less developed nations, an Australian study did not confirm this. In a study of purchasing agents and their quality perceptions for products from seventeen nations, the ratings were not found to be grouped homogeneously as per the 'industrialised', 'newly industrialised' and 'industrialising' status of the origin countries, as the authors had expected (Dzever & Quester, 1999).

The country image stereotypes held by consumers can change over time. This is not surprising given that these images are influenced by factors such as a country's political, cultural, social and economic conditions, which are also likely to change over time. In the first major cross-sectional study, Nagashima (1977) studied the perceptions of Japanese businessmen to products from the US, Japan, Germany, England and France in 1967 and again in 1975. During this period, consumer product perceptions based on country stereotypes were found to change with much improved attitudes towards Japanese and German products (Nagashima, 1977). In a repeated longitudinal study of Finish consumer attitudes across 25 years, overall rankings of French, English, German and US products were not found to alter significantly, but general attitudes towards English products declined whilst those regarding US products improved over the time period (Darling & Peutz, 2002).

Some studies have reported that consumers exhibit a preference for their domestic products over those which are imported from other nations. This preference may be due to consumer ethnocentric, nationalistic or patriotic characteristics or to the risk that is perceived to apply to foreign made products (Han & Terpstra, 1988; Shimp & Sharma, 1987). One of the earliest country of origin studies reported that across the categories of mechanical products, food products and fashion merchandise American respondents ranked their domestic products in first place (Reiersen, 1966). Similarly, other studies have also reported domestic product preferences amongst American consumers (Chinen et al., 2000; Lillis & Narayana, 1974), Finish consumers (Darling & Kraft, 1977), and French consumers (Baumgartner & Jolibert, 1978). However, many other authors have reported that consumers are not biased towards

their domestic products. For instance, a study of US and Japanese businessmen's attitudes towards products originating from the US, Japan, England, Germany, France and Italy asked respondents which country's products they would select if they were all equal in price, quality and styling; only 57% of Japanese businessmen preferred their domestic products over imported products (Nagashima, 1970). Subsequent studies of consumers in the UK (Bannister & Saunders, 1978), Canada (Bruning, 1997; Kaynak & Cavusgil, 1983; Wall & Heslop, 1986), the US and Japan (Johansson et al., 1985), the US, Ghana and Turkey (Akaah & Yaprak, 1993), Australia (Elliott & Acharya, 2003; Elliott & Cameron, 1994), Russia, Poland and Hungary (Ettenson, 1993) and Malaysia (Mohamad et al., 2000) have all failed to find a bias in favour of domestic products. Some authors have suggested that any home country bias appears to be a product specific phenomenon (Balabanis & Diamantopoulos, 2004; Elliott & Acharya, 2003). No literature has been identified which has examined whether wine consumers have a bias towards their own nation's wines and a less favourable opinion of imported wines.

Early country of origin researchers typically suggested that the stereotyped country images held by consumers were applicable across all products originating from that country. For instance, Schooler (1965) reported that the evaluations by Guatemalan consumers of products originating from four nations did not significantly vary on the basis of the product category (Schooler, 1965); this result is somewhat limited because only two product categories were examined. In a survey of household heads in a US city, Agarwal and Sikri (1996) found that the country image for a well-established product was transferred to new product categories. In other words, there was a relationship between the beliefs a consumer held for a well-known product category originating from a country and their expectations towards other products emerging from the same origin. Whilst it is possible that the country image may affect evaluations of all product categories, it is more likely that the effect will be product specific. The specific product type has a considerable influence over whether the consumer utilises the country of origin cue and the degree to which it will be important during the evaluation process. Considerable evidence supports the idea that the attitude of consumers to products from a specific country will vary across product types (Bilkey & Nes, 1982; Kaynak & Cavusgil, 1983; Lampert & Jaffe, 1998; Nagashima, 1970; Roth & Romeo, 1992). The range of products exported from individual countries is likely to be too broad for generalisations to adequately encompass all of them. For example, the criteria that would be of importance

when evaluating New Zealand dairy products would be unlikely to be suitable for the evaluation of electronic products originating from the same nation.

Consumers may also hold very strong stereotypical associations between a country and its' production strengths, such as the association between France and fashion, or Germany and engineering. It is also unrealistic to expect that consumers can evaluate *all* products originating from a country; they are likely to answer questions about all products whilst mentally referring to a specific set of products with which they are most familiar (Etzel & Walker, 1974). In a study of US consumer attitudes to all products, automobiles, cameras and mechanical toys originating from Germany and Japan, Etzel and Walker (1974) reported that the perceptions of consumers to products in general and to specific product classes originating in the US, Germany and Japan were found to be significantly different; this suggests that the stereotypical image of a nation's products in general may be different from the image of a specific product class (Etzel & Walker, 1974). Han (1990, p. 24) noted that consumer perceptions are likely to be specific to product categories, "since consumers do not perceive all products from the country as being of equal quality". In a key study, Roth and Romeo (1992) examined the link between product category and perceptions of the country image. The study surveyed Irish, Mexican and American respondents and revealed various favourable and unfavourable product-country matches, and indicated that consumer willingness to buy was related to these product-country matches. For example, Germany, Japan and the US were found to have a favourable match in terms of producing automobiles and watches, whilst Mexico and Hungary had unfavourable matches for the same product categories (Roth & Romeo, 1992). Similarly, Nebenzah, Jaffe and Lambert (1997) noted that US consumers held positive images towards England as a manufacturing nation of luxury automobiles, but held weak images for the same nation's ability as a producer of any other type of automobiles. The identification of the images held by consumers for wine originating from various producing nations does not appear to have been undertaken in any previous research.

The effect of the country of origin cue on product evaluations is one of the most widely studied aspects of country of origin research. The country of origin cue is used by consumers to evaluate products and is widely used as a predictor of product quality. The country of origin cue is not a straightforward quality attribute per se, but is rather a consumer's subjective evaluation of the meaning attached to the origin (Skuras & Vakrou, 2002). In a

seminal study, Reiersen (1966) examined the views of American respondents towards mechanical products, food products, fashion merchandise and products in general originating from various countries. The study revealed that perceived product quality varied greatly and significantly across the selected countries (Reiersen, 1966). In an influential study, consumers who were not familiar with a country's products were found to use the country of origin as a 'halo' from which to indirectly infer the quality of a brand, whilst those who were familiar with a country's products were found to use the country of origin as a 'summary construct' to directly affect their attitude towards brand quality (Han, 1990). In a meta-analysis of 52 published studies, Peterson and Jolibert (1995) found that country of origin accounted for 30 percent of the explained variance for quality and reliability perceptions. In another meta-analysis of empirical studies published between 1980 and 1996, Verlegh and Steenkamp (1999) reported that the country of origin had a stronger influence on quality perceptions than on purchase intentions. The authors stated that consumers form a particularly strong link between country of origin and perceived product quality (Verlegh & Steenkamp, 1999). In a rare study of non-durable products, a large proportion of Swedish consumers were found to use the country of origin as an indicator of the quality and safety of fresh meat (Hoffmann, 2000). Other authors have even suggested that a product's origin is more influential on consumer product evaluations than attributes such as price, retailer reputation or brand name (Papadopoulos & Heslop, 2002). However, some authors have reported that the country of origin cue has no effect, or only a modest effect, on product evaluations. Johansson, Douglas and Nonaka (1985) suggested that extrinsic cues were primarily used to evaluate products when intrinsic cues were not available to consumers. Studies have reported that the country of origin cue was either not utilised or was unimportant to consumers during the evaluation process (Akaah & Yaprak, 1993; Hester & Yuen, 1987) or that only a small proportion of the variance in quality ratings amongst products was explained by the country of origin cue (Liefeld et al., 1996; Thorelli et al., 1989).

The country of origin cue has also been found to influence consumer purchase intentions. In their meta-analysis of country of origin research, Peterson and Jolibert (1995) reported that the country of origin cue had a smaller effect on consumer purchase intentions than it had on their perceptions of product quality. Whilst studies in New Zealand (Lawrence et al., 1992), Japan and the US (G. A. Knight & Calantone, 2000) have reported that an automobile's country of origin is an important influence in the final purchase decision, other studies have found that the country of origin cue has been found to have a negligible effect on purchase

intentions (Ahmed et al., 2002; Ulgado & Lee, 1998; Wall et al., 1991). Agrawal and Kamakura (1999) reported that the effect of the country of origin cue appeared to diminish as consumers moved closer to an actual choice decision, whilst Piron (2000) suggested that other attribute information took precedence over country of origin information when consumers were making actual purchase decisions. Parameswaran and Pisharodi (2002) suggested that the country of origin had no direct affect on purchase intentions, but rather influenced these indirectly through its influence on quality perceptions. The contradictions reported above may be due to the differing methods that were employed in these studies and to the varying product classes that were considered.

Products originating from a specific nation will have a level of risk and a social image associated with them by the evaluating consumer. The level of perceived risk associated with imported products is generally higher than that felt for domestically produced products (Bilkey & Nes, 1982; Hampton, 1977; Usunier & Lee, 2005) and the level of risk associated with products from less developed nations is higher than for those originating from developed nations (Bilkey & Nes, 1982; Cordell, 1991, 1992; Usunier & Lee, 2005). The effect of the country of origin cue on consumer behaviour has been found to increase as the perceived financial risk increases (Cordell, 1991; Loeffler, 2002). Cordell (1992) suggested that the country of origin effect was much more significant for consumers when evaluating high performance, high risk products.

The country of origin effect can be moderated by the product's price. Research has found that the negative image associated with a country can be offset by lowering the price of the imported product relative to a corresponding domestic product (Schooler & Wildt, 1968). In other words, biases towards or against products originating in a certain country can be counteracted by altering the price. Whilst American respondents were found to have a bias against Japanese products, their willingness to buy Japanese made products was able to be altered through manipulating the price differential (Schooler & Wildt, 1968). In the case of wine, however, Beverland (2004) noted that iconic or luxury wines are associated with high prices; lowering the price of wines such as these would be likely to reduce, rather than increase, consumer demand.

The reputation of the retailer can also moderate the degree of influence that the country of origin cue has on consumer behaviour. The negative image of an originating country can be

mitigated by the product being distributed through a reputable and prestigious retailer. In two studies of American consumers, the negative images associated with both Japanese products (Reierson, 1967) and Korean products (Chao, 1989) were found to become more favourable when these products were associated with a prestigious American retailer.

Several major reviews and meta-analyses of the country of origin literature have raised key issues with the research to date and these are summarised in table 2.03. The often conflicting nature of the results, as illustrated in the previous paragraphs, may be due to the methodological weaknesses that have been noted by some authors.

Table 2.03 Summary of Key Issues with Country of Origin Research

Key Issue	Description
Researchers have assumed that consumers know or acquire the origin of the products they purchase.	A critical underlying assumption has been made that consumers know or acquire the origin of the products they purchase (Cordell, 1992; Liefeld, 2004; Samiee, Shimp, & Sharma, 2005). Evidence seems to contradict this key assumption. Wall and Heslop (1986) reported that 34% of respondents often did not know if a product was Canadian-made or not. Similarly, a survey of apparel purchasers revealed that only 25% of Canadian consumers and 20% of US consumers were aware of the country of origin of the products they had purchased (Hester & Yuen, 1987). Samiee (1994) noted that respondents are exposed to the country of origin cue in studies, but in reality they may have little or no interest in the origin of the products they purchase. A survey of apparel purchasers reported that over half of the US respondents and a third of the Canadian respondents did not know the country of origin of the apparel they purchased (Forney et al., 1999). A survey questioning a large sample of US consumers at the time of purchase revealed that 93.5% of respondents could not correctly identify the country of origin of the product they had just purchased (Liefeld, 2004). If consumers do not know nor acquire a product's country of origin, then the country of origin cue cannot possibly influence their real-life choice behaviour.
Country of origin is poorly defined and operationalised.	There is a lack of consensus regarding the definition and operationalisation of the central construct, and a lack of validity and reliability in the measurement of this construct (Bilkey & Nes, 1982; Nebenzah et al., 1997). Roth and Romeo (1992) noted that the country of origin is generally believed to be a multi-dimensional construct, but there is a wide variation in the number and type of dimensions that are used to measure it. Most of the dimensions used are particularly applicable to manufactured or assembled products but less appropriate for other product types (Roth & Romeo, 1992).
Dominance of single cue studies.	Many studies have only presented a single cue, country of origin, for consumers to evaluate products, and this has artificially inflated the impact of the cue on product evaluations and purchase intentions (Bilkey & Nes, 1982; Chao & Rajendran, 1993; Liefeld, 2004), and has created validity issues (Eroglu & Machleit, 1989). The results of

Key Issue	Description
	product evaluation studies which have focused on a single attribute and ignored other attributes which are available to consumers in real life are not strongly generalisable (M. Lee & Lou, 1996). There is evidence to suggest that an over-stating of the country of origin effect has indeed occurred. In a meta-analysis of 52 country of origin studies, the average effect size for the country of origin cue on product quality perceptions in single-cue studies was .30, but this dropped to just .16 in those studies which considered multiple cues (Peterson & Jolibert, 1995). Similarly, Verlegh and Steenkamp (1999) reported a smaller country of origin effect size for multi-cue studies than for single-cue studies.
Use of hypothetical rather than real products.	The majority of studies have provided respondents with verbal references to hypothetical rather than tangible products to evaluate, thus researchers cannot be sure what a respondent actually calls to mind when they thought of the product (Bilkey & Nes, 1982). The Peterson and Jolibert (1995) meta-analysis suggested that the country of origin effect size was inflated in studies which had only utilised verbal product descriptions.
Introduction of demand effects, halo effects and other biases.	The focus on country of origin has often allowed respondents to guess the purpose of the study and thus demand effects, halo effects and other potential biases are likely (Eroglu & Machleit, 1989; Liefeld, 2004). Respondents have also been asked to indicate their beliefs, attitudes and intentions regarding matters they may not give thought to in real life. These issues are likely to have inflated the country of origin effect on consumer behaviour. Liefeld (2004, p. 94) stated that “a sad characteristic of consumer research is that researchers keep using the term consumer <i>behaviour</i> and making predictions about <i>behaviour</i> , but almost never measure consumer <i>behaviour</i> ”.
Criticism of sample size, randomness and representativeness.	The samples used in country of origin research are often small in size, non-random and non-representative. Common criticisms are that the research is dominated by samples from the United States or samples of students. However, Peterson and Jolibert (1995) reported that there were no differences in the country of origin effect size between samples of American respondents and samples of respondents from other countries. Whilst it can be argued that student samples are not representative of the general population, Verlegh and Steenkamp (1999) found that there were no significant differences in the country of origin effect size expressed by student and non-student samples.
Dominance of durable and manufactured product categories.	The product categories examined by country of origin researchers are dominated by durable and manufactured items and this may limit the generalisability of the results. Usunier and Lee (2005) noted that electronic items, automobiles and clothing are mentioned as product categories in more than 75% of country of origin studies.
Relevance of country of origin research.	The country of origin effect may be less relevant today because of the impact of multinational production and global branding (Usunier, 2006). Samiee (1994) also noted that country of origin labelling is no longer a requirement in all countries and on all products because of the push towards global free trade.

A content analysis of the sixty-one country of origin papers reviewed in this present study revealed that many of the aforementioned issues do indeed exist. In terms of sampling, 38 percent of the studies used only student respondents and 30 percent of studies used respondents solely from the United States.

A noteworthy 61 percent of studies considered only a single cue, and are thus likely to have inflated the effect of the country of origin. Whilst many authors have suggested this is only an issue in early country of origin research, this review has found that the provision of single cues was still occurring in studies which have been published as recently as during this decade.

Only four of the studies (Schooler, 1965, 1971; Schooler & Wildt, 1968; Wall et al., 1991) provided *actual* products to the respondent to evaluate, whilst the rest relied on verbal or written product descriptions. In terms of the products themselves, 26 percent of the studies evaluated products in general, 31 percent considered automobiles, 39 percent considered electronic items, and 34 percent related to clothing or accessories. This result indicates the dominance of these three product categories in country of origin research. Of significant concern, only two studies (Hester & Yuen, 1987; Liefeld, 2004) interviewed consumers following an actual purchase and asked them whether they could identify the national origin of the product they had just purchased. No literature has been found in which consumers who had just purchased wine were asked to identify the origin of the product that they had selected. A wide range of sixty-one different origin countries were considered in the reviewed literature, but studies were still dominated by products from the US (evaluated in 69% of the papers), Japan (67%), and Germany (57%).

2.3.4 Country of origin and demographic characteristics

Several studies have examined the moderating impact of age on the use of the country of origin cue. Schooler (1971) identified that there were significant differences in the evaluations of products originating from various countries due to the consumer's age. Consumers who were 50 years of age or older rated products from Africa, Asia, North America and West Germany significantly lower than did those consumers who were aged less than 35 years of age (Schooler, 1971). Whilst this suggested that older consumers were more conservative and therefore may have evaluated foreign-made products less favourably, a

Canadian study found that younger consumers held more positive attitudes towards domestic products than did their middle aged or elderly counterparts (Wall & Heslop, 1986).

The moderating effect of gender has also been studied. Research examining consumer views regarding fabric, pens, and goblets originating from various nations, found that females rated products from Nigeria, Czechoslovakia and Western Europe significantly higher than males did (Schooler, 1971). In their review of the country of origin literature, Bilkey and Nes (1982) also reported that females tended to rate foreign-made products significantly higher than their male counterparts. Contrastingly, a large survey of Canadian consumers found that women were more positive than men in their attitudes regarding the quality of domestic products (Wall & Heslop, 1986). In a study focused on the use of the country of origin cue by males and females, Hong and Toner (1989) examined a male product (car), a female product (sanitary napkins) and a gender-neutral product (camera). Females evaluating a car were more influenced by the country of origin cue than males were, males were more influenced by country of origin during evaluation of a sanitary napkin, but there were no significant gender differences found during evaluation of a camera. The authors argued that the gender differences identified in other country of origin studies may actually be a function of the respondents' knowledge of a product rather than their gender (Hong & Toner, 1989). Whilst the results of the study are very interesting, the findings are limited by the very small number of undergraduate student subjects who were included in the experiment. In another review of country of origin research, Al-Sulaiti and Baker (1998) concurred with the findings of Wall and Heslop (1986) by reporting that females generally tended to display a country of origin bias towards domestic products. A survey of Swedish consumer attitudes towards fresh meat and country of origin, found that women were significantly more likely than men to use the country of origin cue as an indicator of quality (Hoffmann, 2000).

In general, the literature reports fairly consistent results regarding the effect of education on the country of origin cue. Schooler (1971) identified a negative relationship between education level and the strength of bias towards foreign-made products. In other words, more educated consumers appear to rate foreign products significantly higher than do less educated consumers, and this has been supported by a number of authors (Al-Sulaiti & Baker, 1998; Bilkey & Nes, 1982). From a survey of Swedish meat consumers, Hoffman (2000) found that the perceived usefulness of the country of origin cue as a quality indicator decreased as the consumer's education level increased.

Lastly, income has also been examined to determine its impact on the use of the country of origin cue. Not surprisingly, given the high correlation between income and education, many literature reviews have noted that consumers with higher incomes have more favourable evaluations of foreign-made products (Al-Sulaiti & Baker, 1998; Bilkey & Nes, 1982). High income Canadian consumers were negative in their evaluations of and purchase intentions towards domestically made products and had a preference for products imported from countries with an image for high quality production (Wall & Heslop, 1986). Swedish consumers with higher household income were found to place less importance on the country of origin cue when purchasing fresh beef and pork (Hoffmann, 2000). In contrast, other authors have reported that income had no significant impact on the evaluations of products originating from various countries (Johansson et al., 1985).

A study of US and Japanese students and their assessment of automobiles produced in three nations reported that whilst demographic characteristics did influence the evaluations, there were no consistent trends (Johansson et al., 1985). Cordell (1991) also noted that no consistent thread had emerged with regards to the moderating effect of demographic characteristics on consumer behaviour. It is apparent from the literature that, with respect to the product of wine, no research has been found which examines how various demographic characteristics will affect utilisation of the country of origin cue, the importance of the country of origin cue, or the country of origin images held by wine consumers.

2.3.5 Country of origin and consumer product knowledge

Another individual factor, consumer product class knowledge, has also been found to moderate the country of origin effect. Some literature suggests that the less knowledge a consumer has of a product class, the more the originating country will influence the consumer's product evaluation and purchase behaviour; the argument is that low knowledge consumers have little ability to process intrinsic product information and are thus more likely to rely on extrinsic cues. An experimental study found that females with less perceived knowledge of automobiles evaluated these products using the country of origin cue more than their male counterparts; the same was found to occur when males evaluated a 'female' product (Hong & Toner, 1989). Other studies have also reported that the product evaluations of novice consumers are more heavily influenced by the country of origin cue (Ahmed et al., 2002; Maheswaran, 1994; Moon, 2004). Moon (2004) suggested that expert consumers were

more able to process complex intrinsic informational cues, and were thus less reliant on country of origin perceptions.

In contrast, other studies have suggested that consumers with greater product class knowledge make increased use of extrinsic attributes, such as the country of origin cue (Johansson, 1989; Johansson et al., 1985; Schaefer, 1997). Using a simultaneous equations approach, a small sample of Japanese and US students, and the product class of automobiles, little support was found for the premise that country of origin was used to evaluate products when a consumer has low product knowledge (Johansson et al., 1985). In an experimental study of English lager consumers, those with high levels of objective product knowledge were found to rely on country of origin cues more than those with little product knowledge, but this effect was only evident when they were evaluating unfamiliar brands (Schaefer, 1997). The author also found that subjective product knowledge and experience (familiarity) did not have any effect on the extent to which the country of origin cue was utilised during product evaluations. Limitations of this study were that objective product-country knowledge was measured rather than objective product class knowledge and only two attributes, country of origin and brand name, were provided to evaluating consumers.

Other authors have found that there is no evidence of a relationship between knowledge and country of origin (G. A. Knight & Calantone, 2000) or have identified only a weak relationship between the variables (Phau & Suntornnond, 2006). In a study of Japanese and American consumer evaluations of German automobiles, the level of product knowledge was found to have no association with the degree to which the consumer relied upon the country of origin cue (G. A. Knight & Calantone, 2000). In a study of Australian consumers evaluating genuine (familiar) and fictitious (unfamiliar) beer brands originating from four countries, Phau and Suntornnond (2006) found that only consumers with moderate objective knowledge relied more frequently on country of origin cues and only when they were evaluating unfamiliar brands; consumers with high or low knowledge did not rely on the country of origin cue when evaluating beer brands.

In one of the most important country of origin studies, Han (1989) suggested that consumers utilised the country of origin in one of two ways: as a halo or as a summary construct. Data examining the images of television and automobile products originating from the US, Japan and Korea was collected from a survey of respondents in a mid-west American city.

Consumers who were unfamiliar with a country's products used the country image as a halo from which to infer a brand's product attributes and indirectly affect their attitude towards the brand. Those consumers who were more familiar with a country's products used the country image as a construct that summarised their beliefs and directly affected their attitude toward the brand (Han, 1989). As familiarity is one of the consumer product knowledge constructs, the findings suggest that the country of origin cue is likely to be utilised by both high and low knowledge consumers.

The contradictory results obtained by previous studies may arise from methodological limitations, such as product knowledge not being measured in a universally consistent manner (Moon, 2004). Researchers have measured the single constructs of either objective knowledge, subjective knowledge, or familiarity (experience) in order to infer product class knowledge. It is apparent from the literature that, with respect to wine, no study appears to have examined how product knowledge will affect either the utilisation of the country of origin cue, the importance of the country of origin cue, or the country of origin images associated by consumers to the wines from various producing nations.

2.3.6 Country of origin and consumer product involvement

Contradictory findings in the literature suggest that the moderating influence of consumer involvement on the country of origin effect is not clearly understood. Some studies suggest that the country of origin cue is more likely to be used during product evaluations by high involvement consumers than by those who are less involved; simply put, the country of origin cue is less likely to be an influence for less involved consumers. In a review of the influence of source countries on consumer purchase decision making processes, Samiee (1994) argued that the purchase of low involvement products may be of such little importance to the consumer that they would not warrant the evaluation of a cue such as country of origin. In a study of Singaporean consumers and low involvement products, the brand attribute was found to be more important during product evaluations than was the country of origin cue (Ahmed et al., 2004). Whilst country of origin did play a role in consumers' product evaluations, its' effect was found to be a weak one. The study did not actually measure the level of consumer product involvement, but simply presented bread and coffee as plausible examples of low-involvement products; all of the respondents however may not have had an equally low level of involvement with both products. In another example, Lin and Chen (2006) examined the

influence of the country of origin image, product knowledge and product involvement on consumer purchase decision making. The study found that as the level of consumer product involvement increased, the country of origin image was found to have a greater influence on information search intention and a significantly positive influence on purchase intention (Lin & Chen, 2006). The results of the study are limited as only the views of Taipei consumers were examined with regards to insurance and catering services rather than physical products.

Conversely, other studies suggest that low involvement consumers are more likely to use the country of origin cue during product evaluations in order to minimise the effort required when making a purchase decision. Using an experimental design and student subjects, a study found that those with high motivation (and therefore high implied involvement) did not utilise the provided country of origin information when evaluating electronic products (Gurhan-Canli & Maheswaran, 2000b). On the other hand, those subjects with low motivation in a purchase situation were found to be more likely to use the country of origin cue. The finding coincides with those from an experimental study of US students utilising advertisements for fictitious laptop computers made in both Japan and Korea (W.-N. Lee et al., 2005). The study found that the country of origin cue did not affect the evaluation of workmanship for those students with manipulated high levels of situational involvement; conversely, those who were not highly involved with the task used the country of origin cue to evaluate both workmanship and purchase intention. Interestingly, the identified moderating influence of situational involvement only occurred when consumers also had a relatively high level of enduring product involvement. The authors suggested that those consumers with high situational involvement were able to systematically process a number of cues during product evaluations, and thus they relied to a lesser extent on the country of origin cue (W.-N. Lee et al., 2005).

With regards to wine, research has identified that a consumer's level of involvement will influence their product evaluations and how they respond to varying retail strategies (Lockshin, 1998), but no studies examining how wine involvement moderates the utilisation or importance of the country of origin cue have been identified.

2.3.7 Country of origin and wine

Increases in multi-national production and global brands have served to lessen the potential relevance of the country of origin concept. However, this does not apply to the product of

wine, for which international origin labelling regulations exist. In France, Italy, Spain, Portugal, Germany, Austria, Hungary, the UK, Australia, New Zealand and South Africa, the country of origin is a compulsory informational item under wine labelling regulations. Both European Union and United States regulations require that all imported bottles of wine also display origin labelling.

Agricultural products are ideal for studying the country of origin effect, because they have historically been associated with a country or region of origin (Beverland & Lindgreen, 2002; Skuras & Vakrou, 2002). Such associations between place and wine are also historically deep (Banks, Kelly, Lewis, & Sharpe, 2007). Different countries and regions have the potential to create distinctive wines, even when produced from the same grape variety. The popularised French concept of *terroir* is used to denote the unique qualities that are imparted to the grapes grown upon land in a specific region. Traditionally, wine predominantly originated from Old World nations such as France, Italy, Germany, Spain and Portugal. In more recent years, wines from New World producers such as Australia, Chile, USA, South Africa and New Zealand have become increasingly significant in terms of sales in the global marketplace. It is not just the production side of the industry which has seen a change, but the marketplace itself which is changing. Consumption of Old World wine is decreasing, as consumers are increasingly turning to New World wines which offer comprehensible labels, consistent quality and value for money. Wine consumption is decreasing in traditional wine-producing nations such as France and Italy, whilst it is increasing in other western nations and in countries which have no wine tradition, such as Asian nations. The decline of Old World wines and the growth in sales of New World wines in traditional markets suggests that a wine's country of origin has some effect on consumer behaviour.

*If you ask most wine drinkers where
Sauvignon Blanc comes from, there's a fair
chance they'll say New Zealand.*

Oz Clarke

The unique identity or character of a region can be utilised as a marketing tool by wine producers and is thus subject to abuse by those producing wines in lesser known regions. For this reason, national and international regulations have been established to protect the reputation of well known wine regions such as Champagne, Bordeaux, Chianti and Rioja. In Spain alone, there are 61 appellations of origin (AO) and protected geographical indications

(PGIs) covering the wine sector (Santos, Blanco, & Fernandez, 2006). Several wine producing nations, including France, Australia, New Zealand, Germany, Italy, Bulgaria and Spain, have established organisations responsible for the promotion of the numerous wine producers in their countries under unified marketing campaigns (Chaney, 2002). These campaigns promote the country itself as a reputable wine producing nation. New Zealand Winegrowers has achieved much success by aligning their wine promotions with the natural and unspoilt image of the country itself (Chaney, 2002).

The importance of origin to wine producers has led to considerable research. The country of origin effect has even been suggested as a fifth element of the traditional marketing mix, especially for an agricultural product such as wine (Felzensztein, Hibbert, & Vong, 2004).

Using a mailed questionnaire to survey a large sample of Canadian consumers, Wall and Heslop (1986) examined their views toward Canadian made and imported products. The quality image of Canadian wine was found to be lower than that of French, Italian, German and Spanish wines. The authors noted that wine producers had recently begun to grow premium grape varieties and had increased marketing efforts, and they predicted that the quality image of Canadian wines would improve over time (Wall & Heslop, 1986).

In a review of the literature and consumption statistics, Gluckman (1990) suggested that consumers would consider one or possibly two countries as acceptable producers of wine for a given situation. The author noted that consumers are becoming exposed to a wider range of wine available in retail outlets and this greater complexity of choice results in consumers grouping products into sets; it is not inconceivable to think that consumers could use country of origin images as one method of grouping wines and simplifying the choice process. The author also noted that French wines had lost their dominance in the UK market. Wines originating from France were perceived to be expensive, too dry and rough, too variable in terms of quality, and confused consumers were afraid of making a mistake when selecting a French wine. Italian wines were perceived to be of lower quality than French but better value for money, Spanish wines were consistently felt to be cheap and rough, and German wines were seen as safe and reliable (Gluckman, 1990).

Keown and Casey (1995) distributed questionnaires to Northern Ireland wine consumers through off-licences in order to understand how consumers selected wine to purchase. The

questionnaire provided a list of 10 factors for the consumer to rank in terms of importance during the wine selection process. Results indicated that country of origin was the single most important factor to Northern Ireland consumers, with nearly 65 percent of subjects stressing the value of this information in their decision making (Keown & Casey, 1995). One limitation of the study is that the list of ten factors provided to the consumer was not a comprehensive list of wine product attributes and thus the importance of the country of origin cue may have been inflated.

A Texan study found that placing an emphasis on origin information in retail stores had a negative impact on sales when that origin was associated with low quality wine production (Duhan, Kiecker, Areni, & Guerrero, 1999). The study used both a survey of knowledgeable consumers and a field experiment in order to ascertain consumer views regarding imported and domestic wines. The evaluation of Californian and imported wines were similar, but wines from Texas received a much lower evaluation from consumers (Duhan et al., 1999).

*Australia's success in storming the export
markets of the world has, for better or worse,
been primarily focused on cheap and
cheerful, sunshine in a bottle, wines.*

James Halliday

Personal interviews conducted with wine purchasers inside retail outlets in Greece ascertained their preferences and willingness to pay for origin labelled wine (Skuras & Vakrou, 2002). The findings of the study suggested that consumers with a higher level of education and also those with an association to a region were more willing to pay a premium for an origin labelled wine. The authors suggested that consumers may use a certified origin label as a risk reduction strategy, because it gives them an assurance of an authentic, healthy, and safe product (Skuras & Vakrou, 2002).

Olsen, Nowak and Clarke (2002) examined whether complimentary marketing channels, in this case through Mexican restaurants, would overcome the negative country of origin image Mexico has as a wine producing nation. Using an experimental design, the study provided identical food and Mexican wines to a small sample of Californian students, who were given a detailed restaurant proposal with either a 'Mexican' or 'Contemporary' theme. Subjects exposed to the Mexican theme were found to enjoy the Mexican wine served with the meal

significantly more than those in the other group, and they were also significantly more likely to purchase the wine at the proposed restaurant than were those in the Contemporary themed group. The study suggested that Mexican wine producers could penetrate new export markets through exposure in Mexican food restaurants, thereby giving consumers an opportunity to sample the wine and possibly transform the negative product-country images (Olsen, Nowak, & Clarke, 2002).

Country of origin has been found to have a significant influence on wine pricing strategies. Content analysis of 420 wines appearing in the Wine Spectator magazine revealed that French wines in the US market achieved a significant price premium, after controlling for factors such as variety, age and quality ratings (Arias-Bolzmann et al., 2003). Compared to Californian wines, those from Chile and South Africa were found to receive a significant markdown in price, whilst those from Australia, New Zealand and Italy did not differ significantly from the Californian baseline.

*When the last raindrop has been counted,
and no geological stone is left unturned,
there will still remain the imponderable
question of national character which makes
France the undisputed mistress of the vine;
the producer of infinitely more and more
varied great wines than all the rest of the
world.*

Hugh Johnson

Orth, Wolf and Dodd (2005) suggested that previous research, as well as practical evidence, indicated a strong link between the origin of wine and consumer perceptions of wine quality. An online survey of US wine buyers was used to ascertain consumer preference for wine from a list of nine origins (Orth et al., 2005). California was identified as the most preferred wine origin, followed by France, Italy, Australia, Oregon, Chile, Spain, and Washington, with New Zealand as the least preferred. The authors suggested that other than quality, there were four other dimensions of wine region equity: price, social, emotional, and environmental dimensions. Some wine origins were found to be highly perceived with regards to some dimensions and not in others. For instance, wines from Australia and California were preferred by those with a price focus, whilst Californian and New Zealand wines were positively associated with the social dimension, and Oregon wines with the environmental

dimension. Those consumers who valued the price dimension were found to avoid French wines and those who valued the emotional dimension stayed away from Californian wines.

Using a survey distributed to Scottish wine consumers through speciality off-licence stores, country of origin was found to be an important criteria in the wine purchase selection process (Felzensztein & Dinnie, 2005). Australia, Chile and New Zealand were identified as the three most preferred countries of origin for wine, indicative of the growth in sales of New World wines witnessed in the UK market. The highest educated consumers preferred Australian and US wines, whilst consumers with the lowest level of education preferred French wines. The country of origin cue was the second most important evaluative criteria, after price and just ahead of grape variety. Australia and France were both perceived as being high quality-premium wine producers, whilst Chile was perceived as producing good value for money wines. Australia, France and the US were associated with producing well known wine brands, whilst France and Australia were perceived as being reputable wine producing countries. The authors noted that France may not be able to use quality as a competitive advantage in the UK marketplace, as Australian wines had surpassed French wines in terms of perceived quality (Felzensztein & Dinnie, 2005).

*You can tell German wine from vinegar by
the label.*

Mark Twain

Using a hedonic model, Schamel (2006) analysed quality evaluations and price data for premium wines published in the Wine Spectator over a twelve month period. High, average and low quality producer brands were identified within each region based on their performance against their regional average. High quality whites and reds from Burgundy, along with whites from the Rhone Valley, rated significantly higher prices than the Napa averages, but the prices of other Old World producing nations (i.e. Germany, Spain and Portugal) had been surpassed by Australian and New Zealand wines. In terms of price, New Zealand and Australia were identified as the most successful New World wines in the US market, whilst Chile, South Africa and Argentina were found to be on a par with wines from Oregon and Washington. Whilst no non-US New World wines were found to exceed the Napa average, New Zealand white wines almost reached parity. This study illustrated a clear relationship between wine origin, quality reputations, and wine price.

Hamlin and Leith (2006) used a series of field experiments to assess the country of origin impact on consumer evaluations of wines from four nations. The country of origin cue was found to have a significant effect on the wine evaluations of consumers in both the UK and New Zealand. The impact of the country of origin cue was stable across the provided examples of white and red varietals, suggesting that the cue is utilised by consumers as a relatively steady heuristic when they are evaluating all wines from a specific nation (Hamlin & Leith, 2006).

Balestrini and Gamble (2006) performed interviewer administered surveys in Shanghai supermarkets in order to understand the importance of the country of origin cue amongst Chinese wine consumers. The country of origin cue was found to be the second most important factor during the wine purchasing process, after quality (Balestrini & Gamble, 2006). In a ranking of preferred wine origins, respondents placed France first, followed by Australia, Italy, Spain, USA, China and finally Germany. Interestingly, the country of origin cue was more important to Chinese consumers when purchasing wine for a special occasion, than when they were purchasing it for their own private consumption (Balestrini & Gamble, 2006).

A review of the front labels on a small sample of Australian and New Zealand wines revealed that the importance of place references was stronger amongst New Zealand wines than for Australian wines (Banks et al., 2007). New Zealand was referred to on 55 percent of the front labels, whilst Australia was noted on only 33 percent of the front labels. In terms of company names, 55 percent of the New Zealand wines had place-related themes, whilst only 24 percent of the Australian company names were associated to place. The authors suggested that the difference in importance of place between New Zealand and Australian wines was due to their different industry structures in the marketplace; Australia being noted for cheaper, lower quality bulk wines, and New Zealand being renowned as a smaller, quality-driven and regionally focused producer (Banks et al., 2007).

The literature clearly illustrates that a number of studies have ranked wine origin preferences or have identified the price premiums associated with the wines from various origins. It is apparent that no previous research has examined the images that consumers hold for the wine originating from various countries across all of the dimensions that have been typically measured in previous country of origin studies, such as price and value, workmanship and

quality, prestige, and presence in the marketplace; nor has any previous research considered how such images may be moderated by individual consumer factors such as demographic characteristics, wine knowledge or wine involvement.

2.4 Usage Situation

2.4.1 Introduction to usage situation

A situation has been viewed as comprising “all those factors particular to a time and place of observation which do not follow from a knowledge of personal (intra-individual) and stimulus (choice alternative) attributes and which have a demonstrable and systematic effect on current behaviour” (Belk, 1974, p. 157). Situation in this instance was represented as something outside of any personal traits or characteristics of the individual, as well as beyond any product or brand characteristics. In later work, Belk (1975) suggested that a situation was comprised of a specific point in time and space, and that it represented a momentary encounter with elements from the total environment which were available to the individual. The author suggested that a situation was characterised by five dimensions: physical surroundings (e.g. purchase location), social surroundings (e.g. presence of other people), temporal perspective (e.g. time of day or season of year), task definition (e.g. reason for purchase, such as gift giving), and antecedent states (e.g. moods) (Belk, 1975).

However, a lack of consensus regarding the definition of situation has been reported (Stayman & Deshpande, 1989; Vincent & Zikmund, 1976) and Belk’s (1975) definition has been criticised as being too restrictive. Fennell (1978, p. 39) defined the product-use situation as “the activities and conditions for which products are created and marketed”, and that these situations may differ across consumers. Others have suggested that consumption situation reflects the interacting effects of time, place, people and stimulus (product) variables on consumer behaviour (Bearden & Woodside, 1978). This definition differs from Belk (1974), in that both people and product variables are included in the interaction that encompasses a situation. Whilst various situational forms exist, including purchase and communication situations, only the usage situation is of interest to this present study. The literature highlights the lack of consensus regarding the construct, with alternative terms such as ‘usage situation’, ‘consumption situation’, ‘context’ or ‘end-use situation’ being employed interchangeably by researchers.

Several situational researchers have noted that many theoretical models of consumer behaviour are predominantly based upon personal characteristics and product attributes, but that these factors alone are insufficient to explain variation in consumer behaviour (Bearden & Woodside, 1978; Fennell, 1978; Sandell, 1968; Srivastava, 1980). Srivastava (1980) commented that products and consumers do not exist in a vacuum, but rather are embedded in an environment. Dickson (1982) stated that human motivations, intentions and behaviour are basically a function of the interaction between a person and a situation. Troye (1985) noted that the inclusion of situational variables in theoretical models tended to improve the ability to predict consumer behaviour. In a study of consumers and financial services, Srivastava (1980) reported that when the effects of usage situation were controlled for there was a high level of agreement amongst respondents in terms of the services they deemed appropriate; this suggests that variation in consumer choice may be better explained by the situations that consumers face than by personal characteristics.

2.4.2 The effect of usage situation on consumer behaviour

The usage situation has an influence on consumer information processing. When consumers are making a purchase decision they recall from memory a set of products that may fulfil their wants and needs and they make a final product choice from this consideration set. The composition of this recalled set will vary across different usage situations as products will be considered more appropriate in some situations than in others (K. K. Desai & Hoyer, 2000). For instance, many consumers would consider a glass of wine to be an appropriate drink with an evening meal but an inappropriate choice to drink with breakfast. Desai and Hoyer (2000) reported that in familiar situations consumers' directly retrieved items from memory to form their consideration set, whilst for less familiar situations they used situational goals from which to develop a new set. The authors also found that the sets developed from memory for familiar situations had a larger number and variety of items (K. K. Desai & Hoyer, 2000). Similarly, an earlier study of student subjects found that the context could be utilised by consumers in one of two ways; to facilitate the recall of problem solutions directly from memory for known usage situations or to determine the product benefits the consumer should seek when facing less familiar situations (Warlop & Ratneshwar, 1993).

Product or brand choice has been the focus for several situational researchers. An experiment with a small sample of Swedish student subjects reported that a consumer's choice of drinks

was highly dependent upon the situation, with lone and interacted situational factors accounting for about 73 percent of the choice variance (Sandell, 1968). In an experimental study of snack and meat consumers, Belk (1974) reported that consumer food preferences were significantly influenced by the consumption situation. The author stated that situational main effects or situational interactions (with persons or products) accounted for nearly half of the explained variance in snack and meat product preferences (Belk, 1974). Other studies have also reported that consumer preferences for food or beverage products were influenced by the situational context (Ahlgren, Gustafsson, & Hall, 2005; Bearden & Woodside, 1978; Cardello, Schutz, Snow, & Leshner, 2000; Hustad, Mayer, & Whipple, 1975; Koster, 2003; Miller & Ginter, 1979).

The usage situation has a clear relationship with the benefits that are sought by a consumer. Indeed, brand preferences are likely to change across usage situations because the benefits sought by the consumer change (Yang, Allenby, & Fennell, 2002). Lee and Steckel (1999) noted that the utility or value derived from consumption of a product depends upon the context in which it is consumed. One benefit that may be sought by consumers' is that of expressing an image that is both socially acceptable to others and that enhances their own self-image. The concept of situational self-image is defined as the meaning of self that an individual wishes others to have of him/herself (Schenk & Holman, 1980). Situational self-image is likely to change in various situations; for instance, the desired self-image of a person socialising with their boss will be different from the desired self-image of the same person when socialising with good friends. The purchasing of particular products or brands is one method that consumers have of projecting an appropriate image to match the social expectations of others within a given situation (Graeff, 1997). In experiments, Graeff (1997) found that the situational ideal self-image (i.e. the image consumers perceived as being ideal in a specific situation) had a large impact on consumer behaviour. The result illustrates how consumers wish to project different images in different situations; the image a consumer wants to portray in one situation could be very different from that which they wish to portray in a different situation.

Several studies have examined consumer behaviour and one or more of the five situational dimensions originally proposed by Belk (1975). An experimental study of Dutch student subjects examined the effect of the social dimension and found that the consumption situation influenced consumer intentions to eat TV dinners and their evaluation of product attributes

(Verlegh & Candel, 1999). The social dimension (i.e. dinner alone, dinner with family, or dinner with friends) had a significant impact on the likelihood that TV dinners would be consumed. A Swedish study also reported that ready meal consumption occurred more often in situations when the diner was alone (Ahlgren et al., 2005). The task definition dimension has also been examined, particularly with regards to high-risk gift giving situations. The level of perceived social risk and financial risk have been found to be significantly affected by whether a product is purchased for own use or to give as a gift (Vincent & Zikmund, 1976). Other studies have also reported that the purchasing target (i.e. self or gift) influenced consumer brand preferences and the benefits sought (Parsons, 2002; Schmitt & Shultz, 1995).

The conspicuousness of the consumption situation has also been found to affect consumer behaviour. Typically, private consumption situations would be expected to involve lower perceived risk than public consumption situations. Bearden & Woodside (1978) considered various beer consumption situations, including both public and private contexts, and found that the conspicuousness of the situation significantly influenced consumer purchase intentions towards various beer brands. Wine is an example of another product which can be consumed in both private and public situations.

Actual usage situations have been used by marketers in advertisements to influence consumer perceptions. Wansink and Ray (1996) reported that consumers who were exposed to a situation comparison advertisement generated more favourable ratings of the brand in the new usage situation than did respondents who were exposed to other forms of advertisements. Similarly, those who viewed the situation comparison advertisement indicated greater consumption of the brand in the new situation than did other respondents (Wansink & Ray, 1996). Marketing researchers have also suggested that usage situations could provide a basis from which to segment a market. As noted previously, the benefits that are sought by a consumer are linked to the situation in which the product will be used; an early study suggested that benefit segmentation could provide an accurate method for identifying market segments with similar behaviours (Haley, 1968). Other authors have also suggested that different usage situations can be used as a basis for market segmentation (Ahlgren et al., 2005; Dickson, 1982; Hustad et al., 1975).

A review of situational literature reveals a number of issues. Many situational studies have focused on food and beverage products or on gifts; in a content analysis of the literature

reviewed for this present study a high percentage of the research focused on food or beverage consumption situations (Ahlgren et al., 2005; Bearden & Woodside, 1978; Belk, 1974; Cardello et al., 2000; Graeff, 1997; Hustad et al., 1975; Miller & Ginter, 1979; Sandell, 1968; Stayman & Deshpande, 1989) or gift giving situations (Parsons, 2002; Schmitt & Shultz, 1995; Vincent & Zikmund, 1976). Alongside this issue, Troye (1985) noted that studies have focused on anticipated or imagined situations, thus respondents simulated their decision making in a hypothetical situation rather than making actual purchase decisions. In many cases, respondents were exposed to several products and several situations, but the lack of detailed product attribute information provided to them was likely to over-inflate the effect of the situation on their behaviour. Several methodological limitations were also identified with the studies reviewed in this section; half of the studies gathered data from relatively small sample sizes, forty percent of the studies used student subjects, and forty-five percent were based on experimental designs which therefore did not necessarily reflect real life purchase decisions. Whilst many authors, including Sandell (1968) and Dickson (1982), have stated that a large amount of the variance in consumer behaviour can be explained by examining the interaction of product, situational and personal factors, surprisingly very little situational research actually does examine this interaction; the majority consider the main effects of situational factors alone (Bonner, 1985). Certainly for the product of wine there is a lack of studies which have examined the interactions between usage situations and the utilisation and importance of various product attributes, or between usage situations and individual consumer factors such as demographic characteristics, wine knowledge and wine involvement.

2.4.3 Usage situation and demographic characteristics

Belk (1975) noted that the interaction between a person and a situation accounted for more of the variance in consumer behaviour than the individual variables on their own. Dickson (1982, p. 58) developed an integrated person-situation framework for segmenting markets and stated that “human motivations, intentions and behaviour are a function of the interaction between person and situation”. Thus Belk’s (1975) and Dickson’s (1982) work suggests that individual consumer factors, such as demographic characteristics, would be abundantly studied by situational researchers. However, there is a significant lack of studies examining how the attitudes and choice behaviour of consumers in various situations are moderated by their demographic characteristics. Researchers have appeared to make an assumption that consumers of varying ages, gender, education, and income levels will have equivalent

attitudes or behaviours in a specified usage situation. Only a small number of researchers appear to have examined this assumption.

Using an experimental design and a small sample of undergraduate subjects, Schmitt and Shultz (1995) considered the influence of situational variables on consumer images of men's colognes. The authors found that the difference in preference for various colognes in personal-use and gift-giving situations was not due to gender (Schmitt & Shultz, 1995). In a New Zealand study, telephone surveys were used to identify the benefits sought by consumers when purchasing products in a gift-giving situation for five different recipients (Parsons, 2002). Results indicated that the benefits sought not only differed by the type of gift recipient, but that gender, age and income were found to moderate these differences. For instance, when purchasing for a boss, males chose fun, functional and recognised brands, females selected brands which were prestigious, high income consumers chose expensive ones, and low income earners chose those which were prestigious. In terms of age, the over 60s purchased brands to give as gifts to colleagues which were exclusive, whilst the under 30s selected brands which were exciting (Parsons, 2002).

2.4.4 Usage situation and consumer product knowledge

Previous research has suggested that consumers with high product knowledge are able to comprehend and process greater levels of information about brand or model attributes and performance. Consumers with high product knowledge have also been found to evaluate more appropriate brands when provided with a specific usage situation (Brucks, 1985; Cowley & Mitchell, 2003). In an experimental study of a small sample of consumers, Brucks (1985) reported that the degree of inappropriate search (i.e. the search for alternatives which were inappropriate for a given usage situation) decreased as the level of objective knowledge increased. Brucks (1985) finding was only significant for complex usage situations, suggesting that consumers do not need advanced product knowledge when considering simple usage situations. Similarly, Cowley and Mitchell (2003) examined product knowledge and its affect on brand retrieval in a given usage situation. Using a large sample of students, the product class of cameras, and an experimental design, the authors reported that consumers with low product knowledge retrieved the same set of brands, irrespective of their appropriateness for the usage situation they were facing. In contrast, consumers with high product knowledge were able to retrieve those brands which were most appropriate for the

usage situation and were able to vary this set of brands as the usage situation was changed (Cowley & Mitchell, 2003).

2.4.5 Usage situation and consumer product involvement

Very few studies examining the relationship between product involvement and usage contexts were identified. Quester and Smart (1998) reported that the behaviour of red wine consumers was influenced by both their level of product involvement and by the situation in which they anticipated consuming the wine. The study collected data relating to four red wine attributes (price, wine region, wine variety and wine style) and three usage situations (to drink at home alone or with family, to take to a friends dinner party, and to give as a 50th birthday gift to an employer or respected friend) from a large sample of South Australian wine consumers. The level of importance attached to various attributes across each situation was found to be moderated by the consumers' level of involvement (Quester & Smart, 1998).

2.4.6 Usage situation and country of origin

A small number of researchers have considered whether the influence of the country of origin cue is greater in some situations than in others. The relationship between the use of the country of origin cue and the conspicuousness of the usage situation was explored in a survey of adult consumers (Piron, 2000). The study hypothesised that the influence of the country of origin would be greater on publicly consumed products than on privately consumed products. The findings indicated, however, that there was no significant relationship between the conspicuousness of the usage situation and the use of the country of origin cue (Piron, 2000). Amine and Shin (2002) interviewed a large sample of US and Thai students to examine their country of origin preferences in both personal use and gift giving situations. The authors had perceived that the greater level of risk associated with a gift purchase would result in a greater use of the country of origin cue (Amine & Shin, 2002). A significant difference between the two situations was revealed, but the country of origin cue was actually utilised more when purchasing for personal use than for gift giving. An explanation offered for this behaviour was that consumers were less concerned with buying inappropriate gifts than they were with purchasing quality and socially acceptable products for themselves (Amine & Shin, 2002). Given these somewhat surprising results, it is apparent that further research is necessary to identify the nature of any relationship between the usage situation and the consumer's

utilisation of the country of origin cue. For the product of wine, no literature has examined whether consumers utilise the country of origin cue more for some situations than for others, nor whether the wines originating from one country are selected more often to satisfy a specific usage situation than are the wines originating from another country.

2.4.7 Usage situation and wine

Several studies have considered the influence of the usage situation on consumer behaviour in terms of the specific product class of wine. Hall, O'Mahony and Lockshin (2001) used interviews to gather qualitative data from wine consumers regarding the importance of product attributes across eight differing consumption occasions. Taste, price and type were found to be the most important attributes for all occasions, but these attributes were interpreted and utilised by consumers in different ways depending on the situation. For instance, when purchasing for the 'casual drink with friends' occasion, consumers rated price as important because they were interested in value for money wines. Conversely, price was important for 'business functions' because consumers were prepared to pay more in order to ensure that a quality wine was purchased. The authors also noted the importance of the social surroundings dimension; the presence of others was found to influence the choice of wine across all situations (Hall, O'Mahony et al., 2001).

I drink champagne when I'm happy and when I'm sad. Sometimes I drink it when I'm alone. When I have company I consider it obligatory. I trifle with it if I'm not hungry and drink it when I am. Otherwise, I never touch it - unless I'm thirsty.

Madame Lilly Bollinger

In a focus group study of UK respondents, Halstead (2002) found that the factors evaluated during wine purchase decisions changed depending on the situation in which the wine would be consumed. The finding was illustrated by respondent comments such as "there is obviously a wine for every occasion" and "it depends on what I'm eating or the social occasion" (Halstead, 2002). In recent work, Ritchie (2007) examined the views of a small sample of UK wine consumers using semi-structured interviews in focus group settings. The results of the study confirmed that situation-specific behaviours were evident among wine consumers. Wine was viewed as a good gift for less well known recipients, for business

recipients and to say “thank you”. Respondents suggested that when buying wine as a gift or to take to a dinner party, they ‘traded up’ from their normal price level in order to be seen as socially acceptable by others. In addition, the respondents reported that they did not feel stressed when purchasing wine per se, but that the significance of the occasion they were buying the wine for could cause them to feel stress. Buying wine in a restaurant situation was noted as being a particularly public and stressful buying environment (Ritchie, 2007). Whilst the findings of Ritchie (2007) suggest the influence of ‘situational involvement’ on consumer behaviour, only the enduring product involvement construct is considered in this study.

The usage situation has also been examined in terms of its ability to successfully segment the global wine market. Hall and Lockshin (1999) used a means-end laddering technique to describe wine usage situations for the purpose of market segmentation. The authors identified eight common wine usage situations in their Australian study: an intimate dinner, a meal with friends, a meal with family, a business related event, an outdoor BBQ/picnic, a party/celebration, a drink by oneself, and a drink with friends (Hall & Lockshin, 1999).

The literature has been found to lack a comprehensive examination of the frequency with which wine is purchased in order to satisfy real life usage situations, and whether this purchase behaviour will have any relationship with individual consumer factors such as demographic characteristics, wine knowledge and wine involvement.

2.5 Chapter Summary

This chapter has provided a summary of the key literature, and in particular it has identified gaps in the literature in terms of country of origin, usage situation, consumer demographics, product knowledge, and product involvement research. Literature relating to these research areas which focused specifically on wine was of particular interest. Whilst the literature has highlighted some contradictions and a lack of consensus in some research areas, the review has been used to develop the conceptual model and research hypotheses which are presented in the subsequent chapter.

3 THEORETICAL FRAMEWORK

3.1 Chapter Introduction

This chapter examines the theoretical framework upon which this research is based. Section 3.2 illustrates the conceptual wine purchasing model which has been developed following assessment of the literature reviewed in Chapter 2. A subsequent section provides definitions for the constructs which are included in the wine purchasing model, whilst the hypotheses and exploratory questions which this research will test or examine are presented in Section 3.4.

3.2 The Conceptual Model

Faced with a large and daunting selection of products in a store, how does a consumer choose a wine to purchase? Which attributes are used by the consumer to evaluate wine and how important, in particular, is the wine's country of origin? Do consumers perceive the wines from one nation to be significantly different from those originating from another nation? Is the use and importance of specific attributes moderated by individual characteristics of the consumer or by the situation in which the wine is intended to be used? The illustrated conceptual wine purchasing model (see Figure 3.01) seeks to answer these broad questions by identifying and evaluating the importance of various factors which may influence and moderate the consumer's wine purchase decision.

The conceptual wine purchasing model consists of three main factors. These factors, as well as the interactions between them, are explored in a number of illustrated hypotheses and exploratory questions. Questions were written as hypotheses where support for these had been identified in the literature review. Exploratory questions were used to analyse areas for which there were identified gaps in the existing literature reviewed in Chapter 2. The unit of analysis used throughout the model is the individual wine purchasing consumer.

The conceptual model integrates multiple factors to explain the behaviour of wine purchasing consumers; these factors consist of product attributes, individual consumer characteristics, and usage situations. Individually, these factors are unlikely to adequately explain or predict consumer behaviour. The conceptual model is therefore in agreement with those authors who have suggested that consumer behaviour arises from an interaction of these product,

consumer, and situational factors (Bearden & Woodside, 1978; de la Fuente & Guillen, 2005; Srivastava, 1980; Troye, 1985).

Chapter 2 indicated that numerous consumer behaviour models have been based upon the concept of attribute processing. For instance, the Howard-Sheth Model suggested that consumers evaluate physical, symbolic and social aspects of a product, such as quality, price, distinctiveness, service and availability, during their purchase decisions. The model theorised that consumers would seek and process information about the various aspects of a product, and that this would lead to a learning process and an actual purchase decision.

Similarly, the Fishbein Model proposed a multi-attribute concept. In this model, Fishbein suggested that consumers hold beliefs about a product based upon its attributes and benefits, and that these beliefs lead to the formation of attitudes and behaviours. Attributes were defined as being the characteristics or features that a product may have, whilst benefits were the positive outcomes that these attributes might provide to the consumer.

The Engel-Blackwell-Miniard Model also theorised that consumers would search for information in their memory or externally in order to evaluate alternative products according to certain criteria. Every consumer would differ in terms of the product attributes which were most desirable to them and in terms of the level of importance they would ascribe to each of these attributes; these are defined as the consumer's evaluative criteria. The evaluation of alternatives leads consumers to form attitudes and to make purchase decisions.

The Bettman Model was similar to the Engel-Blackwell-Miniard Model in that it included an information processing step; the major difference is that the Bettman Model suggested that consumers may not always have the capacity for processing complex or extensive information. In this model, Bettman proposed that the level of information processing performed by the consumer is linked to their motivation. Consumers will simplify a purchase decision by using information stored in their memories; if this is not possible, consumers will seek to acquire new information until the point at which time and money costs prohibit continued search.

A further way for consumers to simplify and speed up their purchase decisions is through the utilisation of heuristic cues. Consumers utilise heuristic cues as indicators of other product

attributes; for instance, price is often utilised by consumers as an indicator of product quality. Other cues which are frequently utilised by consumers to infer product quality include brand name and country of origin.

The attribute processing models which have been discussed are examples of consumer behaviour models which have adopted a cognitive approach. These models have suggested that consumers can obtain and process product information from which to formulate a logical and reasoned purchase decision.

It is evident from the literature that wine purchase decisions are ones which are typically made by consumers using cognitive processes. Numerous studies which have examined recollections of previous purchase decisions have reported that product attributes or heuristic cues are evaluated by wine consumers (Batt & Dean, 2000; Goodman, Lockshin & Cohen, 2007; Halstead, 2002; Hoffman, 2004; Keown & Casey, 1995). In terms of which attributes are utilised by wine purchasers, and the degree to which these are important, the key gap in the literature concerns *actual* rather than *recalled* purchase decisions, and this is addressed in this study.

It is apparent from the literature that the rational evaluation of product attributes will influence consumer wine purchase decisions, and thus it has been included as a key factor in the conceptual wine purchasing model. The conceptual model illustrates a cognitive decision process. A variety of both intrinsic and extrinsic cues extracted from the results of previous studies, including a wine's country of origin, are incorporated within the product attributes factor. Several hypotheses and exploratory questions will be used to examine which attributes are evaluated by wine consumers, what importance they ascribe to these attributes, and what perceptions they have of a wine based upon its country of origin.

The literature suggests that country of origin is an important cue for consumers during their purchase decisions; in terms of wine, Keown and Casey (1995) found that it was the single most important attribute for Northern Ireland wine consumers. Country of origin is also the key attribute focused upon in this study because wine perceptions based upon country of origin have not been examined using the dimensions which have generally been used in previous country of origin studies. In addition, the country of origin cue is of special interest

because of the issues that have been noted with regards to much of the earlier country of origin research; the method adopted for this study seeks to address many of these issues.

This study examines consumer decision making immediately following an actual purchase of wine. Therefore a key assumption which is incorporated into the conceptual model is that a wine purchase decision has been made by the consumer. In other words, this study will question consumers who have already completed the final step of purchase in order to understand the factors which had a moderating influence on their purchase decision.

The second factor included in the conceptual model concerns the individual consumer, and specifically the constructs of demographic characteristics, knowledge of wine, and involvement with the product of wine. These three constructs were included into the conceptual model because the literature review revealed that consumer behaviour can be moderated by individual consumer characteristics such as demographics (Hansen, 2005; Mitchell & Hall, 2001a; Ritchie, 2007), product knowledge (Brucks, 1985; Rao & Monroe, 1988) and product involvement (Bloch, 1981; Laurent & Kapferer, 1998).

Demographics have been frequently included in previous consumer and marketing research. In particular, the demographic statistics of gender, age, education and income have been measured the most often by researchers (Pol, 1991). As these four are the most frequently measured statistics they, as well as nationality, have been included in this study. The literature review also revealed that demographics have been measured in some previous wine related studies. Typically, however, these studies have considered the consumers from a single nation; this study will add to the current body of knowledge by measuring the demographic characteristics of wine consumers across four nations.

The literature review indicated that product knowledge consists of objective knowledge, subjective knowledge and familiarity (Brucks, 1985). Typically, researchers have appraised consumer product knowledge by measuring only a single one of these three dimensions of product knowledge. Brucks (1985) suggested that the dimensions of objective and subjective knowledge may affect consumer behaviour in different ways; for this reason, all three of the dimensions of product knowledge are included within this study's conceptual model.

The construct of product involvement is also included in the conceptual model. Whilst other forms of involvement have been found to exist, it was necessary to focus the scope of this study solely on product involvement. This is a construct which has been found to be important to wine consumers in several previous studies, and it has been measured using a scale which has achieved good reliability (Hollebeek, Jaeger, Brodie & Balemi, 2007; Lockshin, Spawton & Macintosh, 1997; Quester & Smart, 1996).

Whilst other characteristics of the individual consumer have also been found to moderate consumer purchase decisions, it was necessary, at a practical level, to limit the scope of this study to the examination of the three important constructs of demographics, product knowledge and product involvement. The conceptual model seeks to identify what influence these characteristics of the individual consumer will have upon the utilisation and importance of various attributes during their cognitive purchase decision process. The model illustrates that many of the possible relationships between the individual consumer and the product attributes are written as exploratory questions; these relate to gaps which were identified in the literature.

The third factor which is included in the conceptual model is that of usage situation. Previous researchers have noted the important influence that situation has on consumer decision making (Bearden & Woodside, 1978; Belk, 1975). Whilst several types of situations, including usage, purchase and communications, have been defined and examined by consumer behaviour researchers, only the usage situation is included in the conceptual wine purchasing model. This study sought to examine consumer purchase decisions during an actual purchase event; if purchase or communications situations had been examined, consumers may have had to recall past beliefs or attitudes from memory. In addition, at a practical level it was again necessary to limit the scope of the number of constructs that were included into the conceptual model for examination.

The conceptual model seeks to identify what influence the various usage situations for which wine is purchased will have upon the utilisation and importance of various attributes during the consumer's decision making process. Chapter 2 revealed a gap in terms of understanding the relationship between usage situations and product attributes; thus exploratory questions are used to examine this area.

Finally, the conceptual model also seeks to understand whether individual consumer characteristics could have a moderating influence on the usage situations for which wine is purchased. In other words, the exploratory questions that are illustrated in the model will be used to explore whether consumer demographics, product knowledge or product involvement will moderate the usage situations for which a consumer purchases wine. Again, no literature was found to have adequately explored the relationship between individual consumer characteristics and usage situations, particularly for the product of wine.

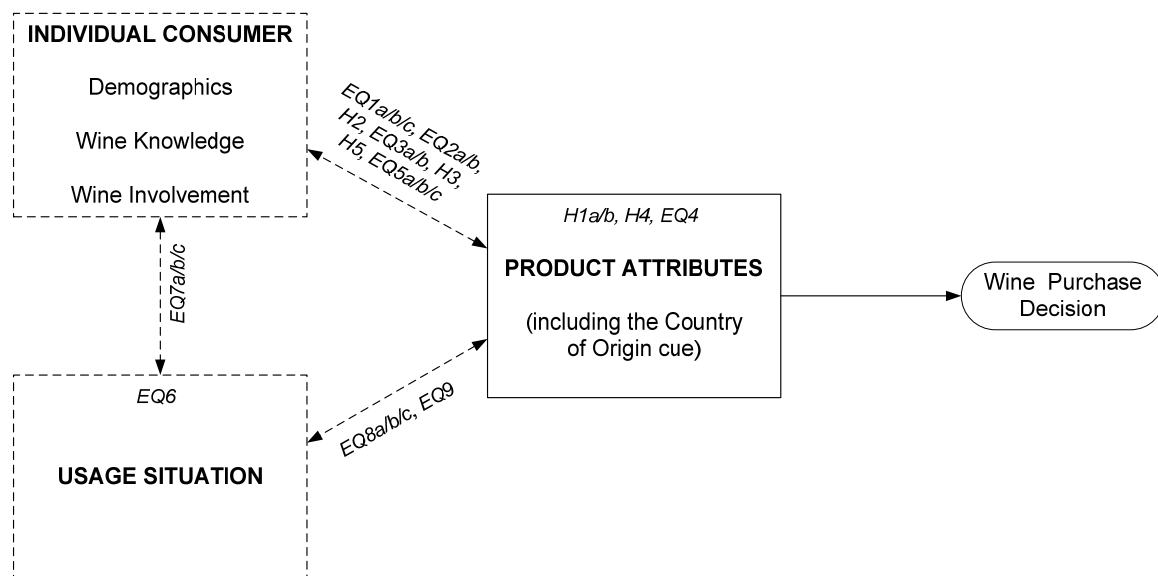


Figure 3.01 The Conceptual Wine Purchasing Model

3.3 Construct Definitions

Whilst some authors have noted that consumer behaviour suffers from a lack of standardised definitions for commonly used variables and constructs (Kollat, Engel, & Blackwell, 1970), this section documents the definitions which have been adopted as most appropriate for this research.

3.3.1 Demographics

Consumer demographics have been previously described as “vital statistics about consumers” (Walters & Paul, 1970, p. 42). Demographics are generally used to describe and categorise populations. Demographic statistics may include a wide ranging number of variables, but the

four that have been most frequently measured by consumer behaviour researchers are age, income, education and gender (Pol, 1991). In this study consumer demographics have been defined as:

“A description of individuals based upon their gender, age, education, and income level”.

3.3.2 Wine knowledge

Brucks (1985) suggested that product knowledge consisted of three distinct constructs; subjective knowledge, objective knowledge and familiarity. Subjective knowledge is what a consumer thinks they know about a product, objective knowledge is what they actually know about a product class, and familiarity is their level of experience with regards to the product. This study concurs with Brucks (1985) and has thus defined wine knowledge as:

“The sum of what an individual thinks they know and understand about wine, plus what they actually know about wine characteristics, varietals, regions and oenological processes, plus their wine purchasing and consuming experience”.

3.3.3 Wine involvement

Involvement is a concept that has been widely studied by consumer behaviourists and variously defined. Product involvement, in this case with the product of wine, is the sole form of involvement which is examined in this research. Product involvement can be viewed as a consumer's interest in a product class (Mittal & Lee, 1989). Several authors have suggested that product involvement is a form of personal involvement which is relatively enduring in nature (W.-N. Lee et al., 2005; Lockshin, 1998; Mittal & Lee, 1989; Richins & Bloch, 1991; Zaichkowsky, 1985). Consumers who attach an importance to a product, or have interest evoked by a product, or focus attention towards a product can be said to have a high level of product involvement (Lockshin, 1998; Richins & Bloch, 1991). Lockshin (1998) suggested that a consumer who is highly involved with a product class will think more about this product, will search more widely for information relating to it, and will spend more time and effort during the purchase decision making process than will lesser involved consumers. Many of the product involvement definitions mention concepts such as interest, enthusiasm, enjoyment and importance. For instance, Hollebeek et al. (2007, p. 1034)

conceptualised product involvement as “the interest, enthusiasm and excitement that consumers exhibit towards the category of wine”. Based upon aspects from many of the earlier definitions, this study has conceptualised wine involvement as:

“The level of interest, importance and enjoyment felt by an individual towards the product of wine”.

3.3.4 Product attributes

Product attributes are the evaluative criteria used by a consumer to assess and select a product to purchase; these include physical properties as well as other aspects which are perceived to provide benefit or value (Grapentine, 1995; Jamal & Goode, 2001; Wu et al., 1988). Product attributes can be either intrinsic or extrinsic in nature. Intrinsic attributes are those which are an integral part of the product itself and can't easily be altered, such as shape, ingredients, flavour, colour and aroma. Conversely, extrinsic attributes are not part of the physical product itself, such as price, packaging, brand name and country of origin. In line with earlier definitions, product attributes are defined as:

“The intrinsic and extrinsic aspects of a product which are evaluated by a consumer during the purchase decision making process”.

One of the extrinsic product attributes which is of particular interest in this study is the country of origin cue. Country image is a stereotyped perception that consumers hold of a nation itself and everything that is done in this nation. The country image therefore influences the image that consumers hold of products which originate from a nation; this idea is also referred to as the product-country image or the country of origin effect. Morello (1984) found a close connection between consumer attitudes towards a country and their attitudes towards the products originating from this country. It has been noted that consumers hold views and perceptions for particular product classes originating from a nation; in other words, the stereotyped images are likely to be product specific. In this study, the country of origin effect is thus defined as:

“The perceptions that a consumer has of a wine which are based upon its country of origin”.

3.3.5 Usage situation

Whilst some studies have examined situations such as those experienced by consumers during purchasing or communication processes, this research is solely focused on usage situations. Terms such as ‘usage situation’, ‘end-use situation’, ‘product-use situation’, ‘consumption situation’ and more recently ‘context’ have been referred to interchangeably in the literature. This study prefers the term usage situation to explain the use to which the purchased wine will be put to. The usage situation has been described as “the activities and conditions for which products are created and marketed” (Fennell, 1978, p. 39), and these situations reflect the interacting effects of time, place, people and stimulus (product) variables on consumer behaviour (Bearden & Woodside, 1978). In terms of Belk’s (1975) situational dimensions, this study only considers social surroundings (in terms of the presence or absence of other people in the wine consumption situation) and task definition (in terms of gift giving versus personal use situations). Usage situation in this study has been defined as:

“The purpose or circumstance for which the wine was selected and purchased”.

3.4 Research Hypotheses and Exploratory Questions

The hypotheses (H) and exploratory questions (EQ) documented in this section will be used to examine the relationships portrayed in the conceptual wine purchasing model.

Many of the early consumer decision making models were based upon consumer evaluations of multiple product attributes. Generally, consumers are thought to evaluate between three and seven product attributes during the purchase decision making process (Grunert, 1986; Jacoby et al., 1977). The reviewed literature suggests that consumers use multiple attributes to evaluate wine and price has been identified as the most important wine choice attribute in several studies (Batt & Dean, 2000; Halstead, 2002; Hoffman, 2004; Rasmussen & Lockshin, 1999; Reizenstein & Barnaby, 1980). Concurring with previous findings, this study hypothesises that:

H1a Price will be the attribute most frequently evaluated by consumers during the wine purchase process.

H1b Price will be the most important attribute evaluated by consumers during the wine purchase process.

The literature suggests that consumer demographic characteristics moderate the use of various product attributes during the decision making process. For instance, Hoffmann (2000) surveyed Swedish consumer attitudes towards fresh meat and reported that women were significantly more likely to use the country of origin cue than men were. Interestingly, Hoffmann (2000) also noted that those consumers with high education and those with high incomes placed less importance on the country of origin cue. A study of UK wine consumers reported that females were more likely than males to be swayed by special offers or promotions (Mintel, 2005). Thomson (2007) reported conflicting accounts from interviewed wine retailers; one suggested that females evaluated wine using awards and variety, whilst another stated that price and packaging influenced females, and males were more likely to use awards. The following exploratory questions seek to identify the influence that consumer demographic characteristics (i.e. age, gender, education, income and nationality) have on the attributes evaluated:

EQ1a How will the total number of attributes used by consumers to evaluate wine vary based on demographic characteristics?

EQ1b How will the frequency with which each attribute is evaluated by consumers vary based on demographic characteristics?

EQ1c How will the importance ascribed by consumers to each attribute vary based on consumer demographic characteristics?

There is a lack of consensus regarding the relationship between wine knowledge and the attributes that are most important to consumers during the wine choice process. Some authors have reported that consumers with greater wine knowledge utilise the regional cue more than do less knowledgeable wine consumers (Rasmussen & Lockshin, 1999). Others have reported that the brand attribute is of most importance to knowledgeable consumers and that the price cue is of greater importance to consumers with little wine knowledge (Batt & Dean, 2000). Whilst Orth (2002) noted that less experienced consumers relied more on the medals cue, Thomas and Pickering (2003) reported that wine connoisseurs placed more importance on awards and medals than did new drinkers. Some country of origin researchers have suggested that those consumers with low product knowledge will utilise the country of origin attribute (Ahmed et al., 2002; Hong & Toner, 1989; Maheswaran, 1994; Moon, 2004), whilst others have argued that the country of origin cue is of greater importance to the more knowledgeable (Johansson et al., 1985; Schaefer, 1997). It is generally recognised that

consumers with higher product knowledge tend to utilise a greater number of attributes when evaluating a product (Brucks, 1985); this has also been reported for wine consumers (Perrouy et al., 2006). This study seeks (a) to identify the relationship between wine knowledge and specific attributes that are evaluated, and (b) to confirm that knowledgeable consumers evaluate a greater number of attributes:

EQ2a How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine knowledge?

EQ2b How will the importance ascribed by consumers to each attribute vary based on their level of wine knowledge?

H2 As the consumer's knowledge of wine increases, the total number of attributes evaluated during the purchase decision making process will also increase.

The literature does not provide a consistent view of the effect that wine involvement has upon the attributes that are evaluated and their importance to the consumer. In a Canadian study, Zaichkowsky (1988) reported that consumers who had a low involvement with wine placed a greater importance on the price attribute than did high involvement consumers. Quester and Smart (1996) found that highly involved consumers rated the region and style attributes as more important than did less involved consumers, but noted no significant difference in the importance of the price cue between high and low involved consumers. Somewhat surprisingly, less involved consumers were found to place greater importance on the grape variety attribute (Quester & Smart, 1996). Hollebeek et al. (2007) reported that New Zealand consumers with high wine involvement found the origin cue to be more important than it was for low involved consumers, whilst these consumers placed greater importance on the price cue than did those who were highly involved. Similarly to product knowledge, researchers have reported contradictory findings regarding the effect of involvement on the use and importance of the country of origin cue. Some authors have argued that consumers with low product involvement will be more likely to use the country of origin cue (Gurhan-Canli & Maheswaran, 2000b; W.-N. Lee et al., 2005), whilst others have argued the opposite (Lin & Chen, 2006; Samiee, 1994). The level of involvement that a consumer has with a product is also likely to moderate the use and importance of the product attributes used during the evaluation process. In general, it has been suggested that consumers engage in greater information search and the evaluation of a higher number of attributes when they are highly involved with a product (Engel et al., 1993). This study seeks (a) to identify the relationship

between wine involvement and specific attributes that are evaluated, and (b) to confirm that highly involved consumers evaluate a greater number of attributes:

EQ3a How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine involvement?

EQ3b How will the importance ascribed by consumers to each attribute vary based on their level of wine involvement?

H3 As the consumer's involvement with wine increases, the total number of attributes evaluated during the purchase making decision process will also increase.

Country of origin is one of the extrinsic product attributes examined in this study. Many country of origin studies have examined the effect of this attribute on consumer behaviour and have made the assumption that the consumer has indeed identified a product's origin. For some products this assumption has been proven to be incorrect; Hester and Yuen (1987) reported that only 20-25 percent of US and Canadian consumers were aware of the origin of purchased apparel items, whilst Liefeld (2004) revealed that almost 94 percent of US consumers could not identify the country of origin for a variety of durable products that they had just purchased. This study asserts that consumers may well be uninterested in the origins of many product categories and will therefore not acquire this information. For instance, consumers who are purchasing haute couture apparel will probably confirm that the item was made in France or Italy, but the vast majority of apparel purchasers will be far more interested in fashion and fit than in the product's origin. For other products, the origin may be more strongly linked to consumer perceptions of product quality, value or prestige. This study expects that wine is such a product and, despite the findings of Hester and Yuen (1987) and Liefeld (2004), it is hypothesised that:

H4 During the decision making process, consumers will acquire country of origin information about the wine that they have selected to purchase.

Country of origin researchers have found that consumer perceptions of various product categories can be influenced by the product's origin. For instance, a study of British and Spanish consumers reported that Germany was strongly preferred as an origin for automobiles but was the least preferred origin for wine, shoes and fashion clothing (Peris et al., 1993). Many of the country of origin studies have examined consumer perceptions of a product

category across a number of dimensions; Roth and Romeo (1992) noted that innovativeness, design, prestige and workmanship were the most commonly measured dimensions.

A number of studies have examined consumer perceptions of wines originating from various Old World and New World nations. It could be assumed that wines originating from Old World nations would be perceived more favourably by consumers than those from New World nations due to the historical and well-known associations between wine production and these nations; but literature reveals a somewhat different story. Gluckman (1990) noted that UK consumers viewed French wines as of variable quality and too expensive. In contrast, Balestrini and Gamble (2006) noted that Chinese consumers ranked France as their preferred wine origin, followed by Australia, Italy and Spain. A study of Scottish consumers revealed that the wines of Australia, Chile and New Zealand were the most preferred (Felzensztein & Dinnie, 2005). Orth, Wolf and Dodd (2005) surveyed US consumers and reported that California was the most preferred origin for wine, followed by France, Italy and Australia, with New Zealand being the least preferred. Most of these previous studies have asked consumers to simply rank their preferred wine origins or to rate the quality of wines based upon origin. This study extends current knowledge by examining consumer perceptions towards wine from various origins along four distinct dimensions. It is possible that the wines originating from one nation are perceived favourably in terms of one dimension but less favourably in terms of another. The exploratory question is thus:

EQ4 How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of a wine vary based upon its' country of origin?

In general, previous researchers have suggested that consumers evaluate domestic products more favourably than foreign-made products (Baumgartner & Jolibert, 1978; Loeffler, 2002; Reiersen, 1966). However, a Canadian study revealed that consumers rated the quality of French, Italian, German and Spanish wines higher than domestic wines (Wall & Heslop, 1986). In agreement with the country of origin studies which have reported a domestic country bias, this study hypothesises that:

H5 Consumers will evaluate their domestically produced wines more favourably than wines originating from other nations in terms of (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence.

The reviewed literature reveals somewhat inconsistent findings regarding the moderating effect of consumer demographic characteristics on the evaluation of products from various countries. In general, country of origin research tends to suggest that younger, female, more educated and higher income consumers have more favourable views towards foreign made products (Al-Sulaiti & Baker, 1998; Bilkey & Nes, 1982). Whilst Felzensztein and Dinnie (2005) reported that consumer preferences for wine from various origins were moderated by their level of education, few other studies have examined the effect of demographic characteristics on the evaluations of wine from specified origins. No literature examining whether either product knowledge or product involvement moderates consumer perceptions of wines from various origins has been identified. This study seeks to understand if any of these individual consumer characteristics will moderate the consumer perceptions of wines from various origins:

EQ5a How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by consumer demographic characteristics?

EQ5b How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by the consumer's level of wine knowledge?

EQ5c How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by the consumer's level of wine involvement?

Previous researchers identified that the usage situation could be used to segment the global wine market (Hall & Lockshin, 1999; Hall, Lockshin, & O'Mahony, 2001). In other words, consumers have been found to purchase wine in order to satisfy one of a number of usage situations. Usage situations can be dichotomised as being either private or public in nature. Purchases which are made in order to satisfy a public usage situation can be expected to have higher conspicuousness and a greater level of risk associated with them, than those purchases which are made to satisfy a private usage situation (Bearden & Woodside, 1978). Wine is a product which is likely to be used in both private (i.e. when drunk alone or with family) and public (i.e. when drunk in the presence of others) usage situations. This study explores the private and public usage situations in which wine can be used:

EQ6 What are the usage situations, both private and public, for which consumers will purchase wine?

Little previous literature has examined how demographic characteristics influence the frequency with which consumers purchase a product for specific usage situations. In the case of situations in which wine may be used, it is possible that there will be relationships between certain demographic characteristics and the usage situations for which wine is purchased. For instance, it could be assumed that those consumers over 65 years of age would be unlikely to purchase wine for a 'business related' usage situation. A small focus group of UK respondents reported that males predominantly purchase wine for public consumption situations whilst females purchase it for private consumption (Ritchie, 2007). Similarly, no literature has been identified which examines whether product knowledge or product involvement moderates the frequency with which consumers purchase a specific product for various usage situations. It is possible that those consumers with greater wine knowledge or involvement would be more likely to purchase wine for some situations, such as gift giving, than would less knowledgeable or involved consumers. The exploratory questions are thus:

EQ7a How will the usage situations for which consumers purchase wine vary based on consumer demographic characteristics?

EQ7b How will the usage situations for which consumers purchase wine vary based on their level of wine knowledge?

EQ7c How will the usage situations for which consumers purchase wine vary based on their level of wine involvement?

In a study of fast food consumers, Miller and Ginter (1979) reported that the importance ascribed to various product attributes varied based on the usage situation. Other authors have also found that the usage situation moderates the attributes that are evaluated by consumers or the level of importance that is attached to these attributes (Halstead, 2002; Verlegh & Candel, 1999). Bearden and Woodside (1978) revealed that consumer purchase intentions, with regards to beer, were influenced by the conspicuousness of the usage situation. There is little previous literature regarding the influence of the usage situation on the use of the country of origin attribute; Piron (2000) found no significant relationship between the conspicuousness of the situation and the use of the country of origin cue, whilst Amine and Shin (2002) reported that the country of origin cue was utilised more for personal usage situations than for

gift giving. In terms of wine, Balestrini and Gamble (2006) reported that Chinese consumers regarded the country of origin cue as more important to them when they were purchasing wine for a special occasion than when they were purchasing it for private consumption. Halstead (2002) also noted that with UK wine consumers the attributes that were evaluated during the decision making process changed depending on the situation in which the wine would be used. It is likely that the attributes which are evaluated by wine consumers and the importance of these attributes will vary with the situation for which the wine has been purchased, but this has not been fully explored in previous research. This study asks:

EQ8a How will the total number of attributes used by consumers to evaluate wine vary based on the wine usage situation?

EQ8b How will the frequency with which each attribute is evaluated by consumers vary based on the wine usage situation?

EQ8c How will the importance ascribed to each attribute by consumers vary based on the wine usage situation?

One of the key areas that this study explores is whether there is a relationship between the usage situation and the wine origin. It is possible that consumers may prefer to purchase a wine originating in one nation to satisfy a specific usage situation and will favour a wine from another origin when faced with a different usage situation. No previous research has been identified which examines consumer preference for wine from a given origin in a specific usage situation. This study thus asks:

EQ9 What is the nature of the relationship between wine origin and the frequency with which it is purchased in order to satisfy specific usage situations?

Table 3.01 Summary of Research Hypotheses and Exploratory Questions

#	Hypothesis or Exploratory Question
H1a	Price will be the attribute most frequently evaluated by consumers during the wine purchase process.
H1b	Price will be the most important attribute evaluated by consumers during the wine purchase process.
EQ1a	How will the total number of attributes used by consumers to evaluate wine vary based on demographic characteristics?
EQ1b	How will the frequency with which each attribute is evaluated by consumers vary based on demographic characteristics?

#	Hypothesis or Exploratory Question
EQ1c	How will the importance ascribed by consumers to each attribute vary based on consumer demographic characteristics?
EQ2a	How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine knowledge?
EQ2b	How will the importance ascribed by consumers to each attribute vary based on their level of wine knowledge?
H2	As the consumer's knowledge of wine increases, the total number of attributes evaluated during the purchase decision making process will also increase.
EQ3a	How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine involvement?
EQ3b	How will the importance ascribed by consumers to each attribute vary based on their level of wine involvement?
H3	As the consumer's involvement with wine increases, the total number of attributes evaluated during the purchase making decision process will also increase.
H4	During the decision making process, consumers will acquire country of origin information about the wine that they have selected to purchase.
EQ4	How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of a wine vary based upon its' country of origin?
H5	Consumers will evaluate their domestically produced wines more favourably than wines originating from other nations in terms of (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence.
EQ5a	How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by consumer demographic characteristics?
EQ5b	How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by the consumer's level of wine knowledge?
EQ5c	How will consumer perceptions regarding (a) price/value, (b) quality/workmanship, (c) prestige, and (d) market presence of wine be moderated by the consumer's level of wine involvement?
EQ6	What are the usage situations, both private and public, for which consumers will purchase wine?
EQ7a	How will the usage situations for which consumers purchase wine vary based on consumer demographic characteristics?
EQ7b	How will the usage situations for which consumers purchase wine vary based on their level of wine knowledge?
EQ7c	How will the usage situations for which consumers purchase wine vary based on their level of wine involvement?
EQ8a	How will the total number of attributes used by consumers to evaluate wine vary based on the wine usage situation?
EQ8b	How will the frequency with which each attribute is evaluated by consumers vary based on the wine usage situation?
EQ8c	How will the importance ascribed to each attribute by consumers vary based on the wine usage situation?
EQ9	What is the relationship between wine origin and the frequency with which it is purchased in order to satisfy specific usage situations?

3.5 Chapter Summary

This chapter has presented the conceptual model, hypotheses and exploratory questions that have been developed following an examination of the literature documented in Chapter 2.

The subsequent chapter will document the research method that will be employed to test these hypotheses and exploratory questions.

4 RESEARCH METHOD

4.1 Chapter Introduction

This chapter describes the method that was employed to test the conceptual wine purchasing model. Section 4.2 documents the development of the instrument, Section 4.3 provides detail on the research method, and Section 4.4 examines the issues of validity and reliability. The approach outlined in this chapter was developed following a comprehensive review of consumer behaviour and methodology literature.

4.2 Development of the Instrument

A copy of the questionnaire that was developed and used in this study is included in Appendix A. The instrument developed for this study was designed to assess the origin of wine that was purchased by a consumer, their images of this origin as a wine producing nation, and the situation in which the wine would be used. The questionnaire was subsequently refined during a phased pre-test process.

4.2.1 Pre-testing the instrument

Many authors have stressed the importance of undertaking pre-testing during the development of a survey (Brace, 2004; Hunt, Sparkman, & Wilcox, 1982; Reynolds & Diamantopoulos, 1998; Reynolds, Diamantopoulos, & Schlegelmilch, 1993; Statistics, 1995). Indeed, Hunt, Sparkman and Wilcox (1982, p. 273) stated that pre-testing was an “indispensable part of survey research”. This study adopted a three-phased pre-testing approach.

Construct validity was checked in the first pre-testing phase by asking six expert participants to assign listed items to the construct which they felt each would measure. The test contained 31 randomly ordered items and three constructs; product-country image, wine knowledge and wine involvement. The expert panel in this first pre-testing phase was comprised of Lincoln University academic staff and doctoral students. Reynolds and Diamantopoulos (1998) reported that the error detection rate of expert participants when pre-testing was significantly higher than that of subjects who lacked knowledge, and as the participants had not been presented with any construct definitions minor issues had been anticipated. Of the 31 items,

fourteen were assigned to the correct construct by all subjects. Whilst some participants made incorrect assignments with one or more of the other items, no major or consistent issues were found. Whilst questionnaire critique by expert participants was undoubtedly beneficial, authors have noted that effective pre-testing also needs to involve actual respondents or non-expert participants (Czaja & Blair, 2005); thus a three-phased approach was employed.

In the second phase, face validity was tested by six non-expert participants who evaluated every question in the instrument. The non-expert panel included one person who held a Viticulture and Oenology degree and five others who were regular wine purchasers. Each question was read to the participants who then described how they had interpreted the question and whether they had any issues with answering it. The participants also considered factors such as whether any wording was too technical, difficult or ambiguous and whether any responses on the show cards were missing. This phase of the pre-test revealed the need for several minor changes to the questionnaire, which were subsequently made.

In the final phase, the questionnaire was pilot tested in a liquor store in Christchurch. The pilot test was held over a one and a half hour period and data was collected from six respondents who had purchased wine in the store. Hunt, Sparkman and Wilcox (1982) recommended that pre-tests use participants who are as similar as possible to the target respondents, and the pilot test accomplished this. Whilst some authors have argued that pre-tests using face-to-face interviews are superior to impersonal methods, others have suggested that the pre-test should be conducted using the final survey method (Reynolds & Diamantopoulos, 1998). In this instance, the pilot test phase was conducted using face-to-face interviews, which also happened to be the method that would be employed in the final survey. This phase was a dress rehearsal of the survey, in that it exactly mirrored the process that would be followed during the actual data collection phase. In addition to providing further testing of the questionnaire, the pilot test also provided a means to ascertain the likely response rate, the time required to complete each questionnaire, and the effectiveness of the fieldwork procedures. A category of 'fortnightly' was added to the scale measuring the frequency of wine drinking and purchasing because one pilot test participant reported drinking wine more frequently than monthly but less frequently than weekly. No other problems were identified with either the questionnaire or the show cards.

4.2.2 The finalised instrument

The final questionnaire consisted of a variety of question formats, including dichotomous-choice items, forced-choice items, scaled-choice items, and an open-ended question. This variety was introduced in order to combat the problems of repetitive answering which could have resulted in response bias (Brace, 2004).

In the first section of the questionnaire, the respondent was asked to identify the situation in which they would use the wine they purchased by selecting one of 13 responses listed on a show card. Eight of these responses were based upon wine related situations which had been identified using a means-end chain technique in a previous Australian study: ‘an intimate dinner’, ‘a meal with friends’, ‘a meal with family’, ‘a business related event’, ‘an outdoor BBQ/picnic’, ‘a party/celebration’, ‘a drink by oneself’, and ‘a drink with friends’ (Hall & Lockshin, 1999). Following pre-testing and pilot testing, five additional response categories were added to this list so that it represented a comprehensive list of usage situations for wine. This section of the questionnaire also asked for a simple ‘yes’ or ‘no’ response to ascertain whether the respondent had planned to purchase wine during their visit to the store.

The second section of the questionnaire contained questions pertaining directly to the actual bottle of wine purchased by the respondent. To begin with, the respondent was asked to identify which attributes they had used to select their wine and the level of importance they had ascribed to each of these attributes during their decision making process (using a 5-point rating scale ranging from 1 ‘slightly important’ to 5 ‘extremely important’). The respondent selected one or more attributes from a list of sixteen responses provided on a show card. This comprehensive list of responses was compiled by combining the results of several previous studies which had sought to identify the attributes that were important to wine consumers (Hall & Lockshin, 1999; Morey, Sparks, & Wilkins, 2002; Quester & Smart, 1998).

Additional questions in this section recorded the wine’s country of origin and a ‘yes’ or ‘no’ response to establish whether this origin could be accurately identified by the respondent. The section also contained questions which examined the country of origin perceptions that the respondent held, specific to the origin of the wine that they had just purchased. The four distinct dimensions of ‘price/value’, ‘quality/workmanship’, ‘prestige’ and ‘market presence’, were used to measure the country of origin image. These dimensions were adopted or modified from previous country of origin studies (Agarwal & Sikri, 1996; Han, 1990; G. A.

Knight & Calantone, 2000; Mohamad et al., 2000; Nagashima, 1977; Papadopoulos & Heslop, 2002; Roth & Romeo, 1992). In their review of country of origin research, Roth and Romeo (1992) argued that the country image for a product category was a multi-dimensional construct and suggested that innovativeness, design, prestige and workmanship were the most examined dimensions. However, most country of origin studies have focused on durable, manufactured products and thus some of the dimensions and items were not applicable for a product category such as wine. A total of fourteen items were used to measure the four dimensions, using 7-point Likert scales (from 1 'strongly disagree' to 7 'strongly agree'). Some of the fourteen items were adapted from previous country of origin studies, whilst others were modified so that they were applicable for wine research. Likert scales have been commonly used to measure consumer attitudes, and in particular, they have been used widely in country of origin studies. Brace (2004) suggested that the 'disagree' response should be placed on the left of a scale in order to cancel out the issues of order effect and acquiescence, and this approach was adopted in this questionnaire. Another issue with Likert scales is that of pattern answering, but this was diminished by including both positive and negative statements and by using an interviewer administered rather than a self-completed questionnaire (Brace, 2004). Whilst 5-point scales have been frequently used, Brace (2004) suggested that greater discrimination could be obtained through using a 7-point scale. Dawes (2002) also noted that scales with more than five response categories result in greater variance in the data and are thus more useful for researchers.

Subsequent questionnaire sections contained questions designed to profile the consumer in terms of demographic information, their level of wine involvement, and their level of wine knowledge. Wine involvement was measured by five items, using a 7-point Likert scale. Three of these items were adapted from the Consumer Involvement Profile (Laurent & Kapferer, 1998), whilst the other two were adapted from previous research which had specifically measured involvement with wine (Alonso, 2005; Lockshin et al., 1997). Three of the involvement items also evolved from the semantic differential items included in the Personal Involvement Inventory (Zaichkowsky, 1985).

Product knowledge has been defined as consisting of three categories; subjective knowledge, objective knowledge and familiarity or experience (Flynn & Goldsmith, 1999). In this questionnaire, subjective wine knowledge was measured by four items using 7-point Likert scales, adapted from previous research (Flynn & Goldsmith, 1999; Perrouy et al., 2006).

Objective wine knowledge was measured by six developed items, with five possible response categories, including ‘don’t know’ options. These six items measured various aspects of wine knowledge, such as varietal, regional, sensory and oenological knowledge. Familiarity or experience was measured using two items recording the frequency of wine purchasing and consumption behaviour.

A final section contained the single open-ended question “do you have any comments about wines and the countries that make them?”. This question was designed to collect qualitative data from the respondents which would further reveal any thoughts they had about wine and wine producing nations that they had not been able to fully express during their answers to previous structured questions.

The completed questionnaire was approved by the Lincoln University Human Ethics Committee in May 2007 (application number 2007-20). A copy of this approval can be found in Appendix C.

4.3 Research Method

4.3.1 Sampling plan

This study focuses on the behaviour and decision-making of wine purchasing consumers in New Zealand, Australia, the United Kingdom and the United States of America. The population for this study was thus defined as consumers who purchased wine and were resident in these countries at the time of data collection. In addition, the population for the study consisted of consumers who met the minimum alcohol purchasing age of 18 years of age in New Zealand, Australia and the UK, and 21 years of age in the US. Time and cost constraints would not allow the views of the entire population of interest to be collected, and therefore a sampling plan was developed to best represent this population.

A cross-national sample was used because it is possible, and indeed likely, that country of origin perceptions would vary across consumers from different countries (Roth & Romeo, 1992). New Zealand, Australia, the UK and USA were selected as the four countries of interest to this study because they are all of considerable importance to the New Zealand wine industry. In the domestic market, consumers imbibed 50 million litres (38%) of the total

133.2 million litres of wine produced by the New Zealand industry in 2006 (Winegrowers, 2008). The other nations are the three largest export markets for New Zealand wine (see Table 4.01), and indeed the UK is the largest importer of wine in the world (Ritchie, 2007). Australia is of additional interest to the New Zealand wine industry as it is, by far, the largest supplier of wine into New Zealand, with 22.89 million litres of Australian wine being imported into New Zealand in the twelve months to May 2008 (Winegrowers, 2008). In addition to their noted importance to the New Zealand wine industry, the four countries were also selected because of their similarity in terms of language, culture, level of economic development, distribution systems, media and advertising. The study focused on particular large cities in each of the countries of interest; Christchurch and Auckland in New Zealand, Sydney and Melbourne in Australia, London in the UK, and San Francisco in the US.

Table 4.01 Exports of NZ Wine to the UK, Australia and the US (in year to May 2008)

Export Country	Exported Litres	Export Value
UK	29,404,581	\$237,912,445
Australia	23,497,922	\$234,640,688
USA	19,242,101	\$157,937,011

(Source: Winegrowers, 2008)

In terms of sampling, a non-probability convenience method was used in the data collection phase of this study. Consumers who had selected wine in a store were approached and asked if they were willing to be interviewed about their purchase.

Several authors have criticised the widespread use of student subjects in previous country of origin studies (Samiee, 1994; Wall & Heslop, 1986). This study therefore interviewed consumer subjects in order to better represent the demography, experience and attitudes of the general population and to improve the external validity of the findings.

This sampling plan was adopted in order to increase external validity, to test the views of a wide range of wine consumers, and to best represent the wine purchasing population in the four countries of interest. The final sample contained a total of 399 respondents from the six surveyed cities. These respondents were obtained from approaches made to 647 wine purchasers, giving a reasonably high response rate of sixty-two percent. The sample size is comparable to that of a number of earlier country of origin studies (see Table 4.02). A detailed description of the sample is provided in Section 5.2 of this document.

Table 4.02 Sample Size Comparison to Previous Country of Origin Studies

Researcher/s	Year	# Countries	Sample	Sample Size
Nagashima	1970	1	Business	100
Lillis & Narayana	1974	2	Residents	131
Kaynak & Cavusgil	1983	1	Residents	197
Erickson, Johansson & Chao	1984	1	Students	96
Johansson, Douglas & Nonaka	1985	2	Students	152
Wall & Heslop	1986	1	Residents	635
Han	1989	1	Residents	116
Roth & Romeo	1992	3	Students	368
Chao	1998	1	Students	360
Balabanis & Diamantopoulos	2004	1	Residents	465
Laroche, Papadopoulos, Heslop & Mourale	2005	1	Residents	436

4.3.2 Data collection

Quantitative data were collected from a large sample of individual respondents using an intercept interview technique performed in natural purchase settings.

A list of the retail wine stores in each city was compiled, assigned random numbers and ordered numerically. Prior to data collection, a number of stores at the top of each of the randomly ordered lists were contacted in order to request participation in the study. Each of the stores was offered a copy of the results pertaining to their individual store in return for their cooperation with the research project. For logistical reasons the selected stores were all situated within a 10 kilometre zone of each city centre. To increase the representativeness of the sample, the stores were located within metropolitan or suburban areas of varying socio-economic character. In the case of London and San Francisco, emails and telephone calls to the selected stores did not result in an adequate number of participants. The interviewer contacted several additional stores in person upon arrival in these two cities. A number of extra stores in London agreed to participate in the research and were added into the schedule, but no further stores agreed to participate in San Francisco. Spreadsheets which document the schedule of store visits completed in each city are included in Appendix D.

The face-to-face personal interviews used a structured questionnaire and respondents were intercepted immediately after they had selected wine to purchase. In some instances, the interviewer stood inside a store and intercepted consumers as they placed their selected wine

into their trolley or basket, and in other stores the interviewer stood on the far side of the checkout counters and intercepted consumers after they had purchased their selected wine. The interviews were conducted at differing times and days of the week, so that both peak and off-peak shoppers were included in the sample. The collection of data at different days of the week and during different times of the day improved the representativeness of the sample.

Interviews were also conducted with consumers in various types of stores, including supermarkets, speciality wine stores and general liquor stores. In terms of volume of trade, supermarkets provide seven out of every ten bottles of wine sold in the UK (Cobb, 2005; Dean, 2002) and over 70% of consumers note that they have purchased wine in supermarkets in New Zealand (R. Mitchell & Hall, 2001a). Supermarkets are not permitted to sell alcoholic products in the Australian market (Batt & Dean, 2000), so these stores were therefore excluded from the list of stores surveyed in Australia. It was important that examples from various store types were included in the study, as each may be the preferred store choice for different segments of consumers, and thus selecting a range of store types ensured that this source of variation was included in the sampling strategy. For example, it could be expected that expert wine consumers would be more likely to shop in speciality wine stores than in supermarkets. Previous research had also suggested that gender differences may be associated with the store type, with females being more likely to purchase wine in supermarkets and males being more likely to purchase in wine stores (R. Mitchell & Hall, 2001a).

Two problems that are commonly faced by researchers are those of consumers failing to remember or describe past actions accurately, and consumers who construct a desired self-image when completing an interview or survey (P. Desai, 2002; McIntyre & Bender, 1986). Other authors have also noted that some questions may carry a social stigma that can bias consumer responses (Chaudhuri & Mukerjee, 1988), and matters related to the consumption of an alcoholic product could fall into this category. The use of intercept interviews immediately following an actual purchase selection allowed the researcher to look at consumer behaviour in the place and time at which it occurred and therefore alleviated or eliminated both of these response bias problems. Grunert (1986) suggested that methodological problems can arise when researchers examine the consumer's memory for their prior beliefs or behaviours. The questions that were asked in this study related directly

to the bottle of wine which had just been purchased by the consumer, and did not therefore require them to remember or describe any previous wine purchase.

McIntyre and Bender (1986) studied soft drink purchasing consumers and the accuracy of various data collection methods. Mail and telephone surveys were found to have a high degree of error in terms of differences between reported behaviour and observed behaviour, when compared to in-store observation and intercept interview techniques. Another study examined the effect of the survey mode on country of origin research, and found that personal interviews were the least susceptible to social desirability biases, but were more susceptible to demand artefacts (Han, Lee, & Ro, 1994). The authors suggested that demand artefacts could be reduced in personal interviews by disguising the major research hypotheses (Han et al., 1994), and in this study such information was not provided to the respondents prior to completing the survey.

O'Shaughnessy and O'Shaughnessy (2000) noted that country of origin research has predominantly examined consumer purchase intentions rather than actual purchases. The authors argued that intent and purchase are by no means the same. It is likely that actual purchasing decisions require different, or possibly greater, thought processes to that of communicating purchase intentions. In this study, questions related directly to the wine that a respondent had purchased and not to any hypothetical bottle that they had an intention to purchase. Note, that if more than one bottle of wine had been purchased, the respondent was asked to mentally select one of these and to answer questions by referring to this bottle.

Whilst mailed questionnaires are more frequently used by researchers, they typically achieve a much lower return rate than that achieved using interviews (Newman & McNeil, 1998). In addition, the use of an interview method ensured that every questionnaire was fully completed to a high quality standard, so each questionnaire was thus suitable for analysis. Other advantages of using face-to-face interviews included the capacity to establish rapport with the respondents, the ability to ask complex or sensitive questions, and the ability to use visual aids (i.e. show cards to present possible responses). As noted in the literature, the major drawbacks associated with the intercept interview method are the high travel costs and the longer time period needed to complete the data collection (Czaja & Blair, 2005).

4.3.3 Interview technique

Primarily the interviewer was located in the wine aisles of each store and approached those consumers who had selected wine to purchase. All potential respondents were approached by the interviewer who introduced herself and Lincoln University in order to establish a friendly rapport. The interviewer requested 2 to 3 minutes of the respondent's time in order to help with the research. The number of consumers who declined to take part in the survey was recorded so that a response rate could be calculated. During the interview, a series of show cards illustrating possible responses were presented to the respondents in order to simplify their answering process. The interviewer circled responses to each question on the questionnaire answer form (see Appendix B), apart from the final qualitative question for which any consumer comments were fully noted.

One problem related to the use of an interview method is that of inconsistency across interviewers (Belson, 1986; Oppenheim, 1992). When multiple interviewers are involved in the collection of data, it is possible that wording or emphasis of some questions may be changed. This research used only a single interviewer and all questions were asked in an identical manner to eliminate this recognised problem.

4.3.4 Data analysis

A variety of statistical techniques, using the SPSS 15 software package, were employed to analyse the collected data. These techniques have been commonly used by other consumer behaviour researchers and were deemed as the most appropriate to fulfil the purposes of this research. Appendix E contains a table which documents the techniques that were used to test each of the hypotheses and exploratory questions developed in Chapter 3.

4.4 Validity and Reliability

Newman and McNeil (1998) noted that researchers often develop an entirely new survey to collect data, rather than using an existing survey which has established some measure of reliability and validity. Wherever possible, this research has borrowed or adapted items from instruments which have been utilised by previous researchers, in order to increase the reliability and validity of the findings.

The instrument was pre-tested in order to assess content and construct validity. In other words, pre-testing was used to check that the survey items really were measuring what they were intended to measure and that the items did indeed represent the relevant theoretical concepts. Population validity is the extent to which a sample accurately represents the entire population (Sapsford, 1999), and this was tested by comparing the characteristics of the sample to secondary census data. The sample was found to be similar to the population and complete details of this population validity test are reported in Section 5.2.

The data collection method used in this study ensured a reasonable reliability. Interviews have a lower degree of respondent bias and a higher level of reliability than methods such as mailed or telephoned surveys (Czaja & Blair, 2005; Newman & McNeil, 1998).

Scales must be reliable in order to be valid and usable. Reliability has been defined as the degree to which measures are free from error and thus yield consistent results (Peterson, 1994). In a meta analysis of the reliability values obtained in empirical marketing research, it was found that both the number of items used in a scale and the number of scale points have a positive relationship with the overall reliability of a measurement (Churchill & Peter, 1984), thus providing endorsement for the multiple items and 7-point Likert scales used in this research. Other authors have also criticised the use of single-item scales by researchers (Hensel & Brunner, 1992; Peterson, 1994).

Where multiple items were used to measure constructs the reliability of the measurements could be analysed using Cronbach's alpha tests (see Table 4.03). In their study, Churchill and Peter (1984) reported a mean coefficient alpha value of .75 and suggested that values below .60 represented relatively low reliability. In a similar meta-analysis, Peterson (1994) found that the average coefficient alpha from 832 studies was .77. High coefficient alpha's indicate that the items performed well in capturing the constructs that they were intended to measure (Churchill, 1979), and this was achieved by the scales used to measure both the product involvement and subjective product knowledge constructs in this study.

Table 4.03 Reliability Tests

Construct	Number of Items	Cronbach's Alpha
Product Involvement	5	.780
Subjective Product Knowledge	4	.799

Principal axis factor analysis with varimax rotation was conducted to assess the underlying structure of the fourteen items used to measure the image of wine from various countries of origin. These fourteen items had been designed to measure the four product-country dimensions: price/value, quality/workmanship, prestige, and market presence.

The factor analysis revealed that the fourteen items actually loaded against just three factors (see Appendix F for a scree plot of factor numbers and Eigenvalues). After rotation, the first factor accounted for 21.1% of the variance, the second factor accounted for 13.6%, and the third factor accounted for 12.3%.

Table 4.04 displays the items and factor loadings for the rotated factors (loadings less than .40 have been omitted to improve clarity). The factor analysis suggests that, for the product of wine, consumers' perceived that the prestige and quality/workmanship dimensions were closely associated. All further analysis in this study will be performed on the three dimensions of price/value, quality/prestige and market presence.

Table 4.04 Factor Loadings for the Rotated Factors

Item (<i>nnn</i> is the country from which the wine purchased by the respondent originated)	Factor 1 Quality/Prestige	Factor 2 Price/Value	Factor 3 Market Presence
<i>nnn</i> wines have high overall quality	.761		
I can rely of the quality of <i>nnn</i> wines	.646		
I am consistently satisfied by <i>nnn</i> wines	.634		
<i>nnn</i> wines have high status	.630		
<i>nnn</i> wines are prestigious	.629		
I am proud to buy <i>nnn</i> wines	.560		
<i>nnn</i> is a reputable producer of wines	.466		
<i>nnn</i> wines are reasonably priced		.801	
<i>nnn</i> wines are good value for money		.747	
<i>nnn</i> wines are expensive		-.644	
<i>nnn</i> has many well known wine brands			.663
<i>nnn</i> makes a wide choice of wine varieties			.583
I see/hear lots of adverts for <i>nnn</i> wines			.432
<i>nnn</i> wines are widely available			.417

4.5 Chapter Summary

This chapter has provided a detailed account of the methodological approach utilised by this study and the reasons why such an approach was adopted. Whilst validity and reliability were of substantial importance to this study, practicality also played a role in determining some aspects of the methodological approach. As with any approach, some limitations were identified and these are discussed in the final chapter of this document. The following chapter presents the results of this study.

5 RESULTS

5.1 Chapter Introduction

This chapter documents the results of the data analyses that were performed in order to test the hypotheses and exploratory questions developed in Chapter 3. Analyses were also executed in order to describe the sample that was surveyed. Each of the results is typically presented in either a tabular or graphical form.

Section 5.2 presents data which describes the sample in terms of various characteristics and behaviours. This data includes information regarding consumer demographics, survey response rates, planned versus unplanned wine purchasing behaviour, frequency of wine purchasing, frequency of wine drinking, consumer wine knowledge, and levels of consumer involvement with wine. Following this, Section 5.3 presents data which examines the results of the statistical techniques which were performed to test each of the previously documented hypotheses and exploratory questions.

5.2 Sample Description

5.2.1 Demographic characteristics

Table 5.01 presents the demographic characteristics of the sampled wine consumers from New Zealand, Australia, the UK, and the US in terms of gender, age, education and income. Mean values for the total sample are also provided.

The subsequent Table 5.02 compares the sample demographic characteristics with the characteristics of the general populations in each of the four surveyed countries. Where possible, data was obtained from each country's census results so that population validity could be examined.

Table 5.01 Sample Demographic Characteristics

Characteristic	NZ (%)	Aust. (%)	UK (%)	USA (%)	TOTAL (%)
Gender					
Male	50	52	49	56	51
Female	50	48	51	44	49
Age					
18-24 years	5	5	5	7	5
25-34 years	8	11	21	44	15
35-44 years	26	25	13	7	22
45-54 years	25	24	26	21	25
55-64 years	21	20	18	7	19
65+ years	15	16	16	14	15
Education					
High school	35	22	28	9	28
Trade / tech	21	15	11	2	16
Undergrad degree	26	35	28	56	31
Postgrad degree	19	28	33	33	24
Income					
Very low	5	6	5	2	5
Low	13	11	10	14	12
Middle	48	49	57	47	49
High	28	24	23	32	26
Very high	8	10	5	7	8

Table 5.02 Comparison of the Sample to the Population

Characteristic	NZ (%)	2006 Census¹	Aust. (%)	2006 Census²	UK (%)	2001 Census³	USA (%)	2000 Census⁴
Male	50	49	52	49	49	49	56	49
Female	50	51	48	51	51	51	44	51
18-24 years	5	10	5	-	5	-	7	7
25-34 years	8	13	11	-	21	-	44	14
35-44 years	26	15	25	-	13	-	7	16
45-54 years	25	14	24	-	26	-	21	13
55-64 years	21	10	20	-	18	-	7	9
65+ years	15	12	16	13	16	19	14	12
High school	35	55	22	-	28	-	9	-
Trade / tech	21	-	15	-	11	-	2	-
Undergrad	26	8	35	-	28	-	56	22
Postgrad	19	3	28	-	33	-	33	9

¹ source: www.stats.govt.nz² source: www.censusdata.abs.gov.au³ source: www.statistics.gov.uk⁴ source: www.census.gov

5.2.2 Survey response rates

Table 5.03 illustrates the number of wine consumers who declined to participate in the survey, the number who agreed to participate, and the response rate achieved in each country and in total.

The individual response rates achieved in each country varied between 58 and 64 percent. Overall, 62 percent of the wine purchasers who were approached by the interviewer agreed to participate in the study.

Table 5.03 Survey Response Rates

	NZ	Australia	UK	USA	TOTAL
Declined to take part	122	57	45	24	248
Agreed to take part	214	81	61	43	399
Response rate (%)	64	59	58	64	62

5.2.3 Planned versus unplanned wine purchasing behaviour

Table 5.04 documents the number of respondents in each country and in total who planned to purchase wine and those who made an unplanned wine purchase.

The data illustrates that the vast majority of wine purchases made by consumers in New Zealand, Australia, the UK and the US are planned acquisitions (88%). In other words, the majority of respondents had intended to purchase wine on the day that they were interviewed, prior to entering the store where the purchase took place.

Table 5.04 Planned Versus Unplanned Wine Purchasing

	NZ	Australia	UK	USA	TOTAL
Unplanned purchase	33	3	10	4	50
Planned purchase	181	78	51	39	349
Planned rate (%)	85	96	84	91	88

5.2.4 Frequency of wine purchasing and consumption behaviour

Table 5.05 illustrates that a majority of consumers tended to purchase wine on a weekly basis (nearly 60%). A one-way ANOVA revealed a significant difference ($p=.029$) between consumer nationalities and their average wine purchasing frequency. A post-hoc LSD test revealed that the average purchase frequency amongst Australian consumers (4.31) was significantly lower than the average purchasing frequency of New Zealand (4.66) and UK (4.70) wine consumers.

Table 5.05 Frequency of Wine Purchasing Behaviour

	NZ (%)	Aust. (%)	UK (%)	USA (%)	TOTAL (%)
Never	0	0	0	0	0
Up to 6/year	2	6	2	7	4
Monthly	13	15	7	14	12
Fortnightly	16	30	18	7	18
Weekly	62	44	62	67	59
Most days	6	1	10	2	5
Every day	1	4	2	2	2

Table 5.06 illustrates that wine consumers tended to drink wine quite regularly, with over 90% of the respondents drinking it either weekly, on most days or every day. A one-way ANOVA revealed no significant relationship ($p=.677$) between nationality and the frequency with which consumers drank wine. Based on their wine consumption frequency, respondents have been categorised into three groups; infrequent consumers (never-monthly), average consumers (fortnightly-weekly), and frequent consumers (most days-every day). These recoded categories will be used as product familiarity values in all subsequent analyses.

Table 5.06 Frequency of Wine Consumption Behaviour

	NZ (%)	Aust. (%)	UK (%)	USA (%)	TOTAL (%)
Never	1	0	0	0	1
Up to 6/year	1	1	0	2	1
Monthly	5	1	0	2	3
Fortnightly	6	1	5	0	4
Weekly	27	33	39	42	32
Most days	42	48	36	42	42
Every day	19	15	20	12	18

5.2.5 Consumer wine knowledge

Data were collected to measure the levels of consumer product knowledge at both an objective and subjective level. Product knowledge, in terms of familiarity, has been mentioned in the previous section on wine purchasing and consumption frequency.

Six questions were used to assess objective wine knowledge and thus the range of objective wine knowledge scores could vary from zero for someone who answered all of the questions incorrectly to six for someone who correctly answered all the questions. The objective knowledge results for the sampled respondents are illustrated in Table 5.07. Overall, less than one percent of the sample answered all questions incorrectly, whilst twelve percent answered six questions correctly. The greatest number of respondents answered three or four questions correctly, with around twenty-two percent of wine consumers in each category.

Respondents have been categorised into three objective knowledge groups; low (0-2 questions correctly answered), average (3-4 correct answers) or high (5-6 correct answers). These categorisations are based on a histogram of objective knowledge scores which showed that the average group were clustered around the mean value, whilst both the low and high objective knowledge groups each contained almost 30 percent of the respondents. These recoded objective knowledge categories will be used in all subsequent analyses, except in correlations.

Table 5.07 Consumer Objective Wine Knowledge

Minimum value	0
Maximum value	6
Mean	3.46

Four items were used to measure the consumers' self-ascribed level of wine knowledge, with respondents using a 7-point Likert scale to indicate their level of agreement or disagreement with each statement. The subjective knowledge scores could thus range from a minimum of 4 for someone who believed they had no wine knowledge at all, to a maximum of 28 for someone who believed they knew a lot about wine.

Table 5.08 illustrates the minimum, maximum and mean subjective wine knowledge values obtained from the sample.

Respondents have been categorised into three subjective knowledge groups based on their self-ascribed knowledge score; low (4-11 score), average (12-20 score) or high (21-28 score).

The average subjective knowledge group is the largest and is centred around the mean score, whilst smaller numbers of respondents are included in the low and high subjective knowledge groups. These recoded subjective knowledge categories will be used in all subsequent analyses, except in correlations.

Table 5.08 Consumer Subjective Wine Knowledge

Minimum value	4
Maximum value	28
Mean	16.91

5.2.6 Consumer wine involvement

Five items were used to measure wine involvement, with a 7-point Likert scale used to record the consumer's level of agreement or disagreement with each of the statements. Possible involvement scores could thus theoretically range from a minimum of five for someone who felt that they had very little interest in wine, through to a maximum of thirty-five for someone who believed that they had a high degree of interest in wine.

Table 5.09 summarises the minimum, maximum and mean values for wine involvement from the sampled respondents.

The respondents' level of wine involvement has been recoded into low and high categories. The low involvement group have involvement scores of less than the mean value (0-23), whilst the high involvement group have involvement scores which are above the mean value (24-35). All further analyses computed, except correlations, will examine differences between these low and high wine involvement groups.

Table 5.09 Consumer Wine Involvement

Minimum value	7
Maximum value	35
Mean	23.47

5.3 Testing of Hypotheses and Exploratory Questions

H1a stated that price would be the most frequently evaluated attribute during the wine purchase decision process. Table 5.10 illustrates the number of consumers who evaluated each of the wine attributes and indicates that the price cue was the attribute which was most frequently evaluated by wine consumers. This provides support for H1a.

Table 5.10 Frequency of Evaluated Attributes

Attribute	Number of Evaluations	Percentage	Attribute Type
Price	179	45	Extrinsic
Tried previously	142	36	Intrinsic (taste)
Type (e.g. red/white)	140	35	Intrinsic
Variety (e.g. Riesling)	125	31	Intrinsic
Discounted price	112	28	Extrinsic
Brand	89	22	Extrinsic
Region	74	19	Extrinsic
Country	55	14	Extrinsic
Personal recommendation	22	6	Extrinsic
Medals / awards	19	5	Extrinsic
Age / vintage	15	4	Intrinsic
Bottle / label design	12	3	Extrinsic
Professional review	9	2	Extrinsic
Alcohol %	4	1	Intrinsic
Promotion (e.g. free gift)	3	1	Extrinsic
Other	7	2	-

All further analysis will consider only those attributes which were evaluated by more than ten percent of the respondents (i.e. price, tried previously, type, variety, discounted price, brand, region and country of origin).

H1b stated that price would also be the most important attribute to wine consumers during the purchase decision making process. Table 5.11 illustrates the mean level of importance ascribed to each evaluated attribute and the standard deviation. The final column indicates the percentage of total respondents who ranked each specific attribute as being most important or equally most important to them. Neither the mean level of importance nor the importance

rankings indicate that price was the most important cue for wine purchasers. H1b was thus not supported. Variety, type and tried previously were the most importance attributes evaluated by wine consumers.

Table 5.11 Importance of Evaluated Attributes

Attribute	Mean Importance	Standard Deviation	Ranked Most Important (%)
Variety (e.g. Riesling)	3.88	.876	24
Type (e.g. red/white)	3.76	1.017	26
Tried previously	3.69	1.012	25
Country	3.51	.998	9
Discounted price	3.38	1.066	14
Region	3.36	1.041	10
Brand	3.08	.991	9
Price	3.02	1.044	17

EQ1a asked how would the number of attributes used to evaluate wine vary based on consumer demographic characteristics. In the first instance, chi-square statistics were computed to investigate whether demographic characteristics would have any effect on the number of attributes used by the consumer when evaluating wine. Assumptions and conditions for chi-square tests were met; data for the variables was independent and the data could be treated as nominal even if it was in fact ordinal, such as the income level data.

In general, consumers evaluated between one and seven attributes during the wine purchase decision making process. The mean number of attributes evaluated by consumers was 2.5. The chi-square results in Table 5.12 illustrate that out of the five demographic variables only the consumer's level of education had a significant effect upon the number of attributes that were evaluated. A one-way ANOVA revealed no significant differences in the mean number of attributes evaluated by New Zealand (2.64), Australian (2.40), UK (2.28) and American (2.51) consumers. Likewise, the mean number of attributes evaluated did not differ significantly between males (2.51) and females (2.53), and nor were the number of attributes evaluated significantly different amongst the various age or income groups.

A one-way ANOVA revealed a significant difference between the four levels of education and the average number of attributes that were used to evaluate wine, $F(3, 395) = 7.935, p$

=.001. The mean number of attributes evaluated by consumers increased as their level of education increased, as illustrated below in Table 5.13.

Table 5.12 Chi-square of Attribute Number & Demographic Characteristics

	Nationality	Gender	Age	Education	Income
Number of Attributes	10.728	2.774	28.899	36.253**	25.642

** significant at .01 level

Table 5.13 Mean Number of Attributes Evaluated by Consumer Education

	High School	Trade/Tech Qualification	Undergraduate Degree	Postgraduate Degree
Mean # of Attributes Evaluated	2.17	2.45	2.60	2.90

EQ1b sought to understand whether demographic characteristics would have an effect on the frequency with which each attribute was evaluated, and this was examined using chi-square statistics. The assumptions and conditions for chi-square statistics were met.

Table 5.14 illustrates that consumer nationality had a significant effect on their use of the discount price, brand, and country attributes. New Zealanders (41%) were more likely to utilise the discount price cue than were Australian (9%), UK (15%) or American (19%) consumers. In terms of utilising the brand cue, New Zealanders (26%) and Australians (27%) showed similar usage, whereas the use of this cue was lower amongst UK (7%) and American (19%) consumers. UK consumers (28%) made significantly greater use of the country cue, than did New Zealand (12%), Australian (11%) or US (7%) consumers.

The consumer's gender had a significant effect on the frequency with which they utilised the discount price and region attributes. With regards to the discount price cue, around 23% of male respondents reported using this attribute and 34% of females. Conversely, more males (24%) than females (13%) reported using the region attribute.

The age of the consumer had a significant effect on their use of the price and wine type attributes. The use of the price cue was lowest amongst the 18-24 year old group (30%), but it was used more frequently in the older groups, up until the 45-54 year old group when its

utilisation then decreased with increasing age. The use of the type attribute also increased up until the 45-54 year old group and then decreased with age.

The consumer's level of education had a significant effect on the frequency with which they utilised the country and region attributes. The use of both the country and the region cues increased as the level of consumer education also increased.

The consumer's income level had no effect on the frequency with which any of the wine attributes were utilised.

Table 5.14 Chi-square of Attribute Evaluation Frequency & Demographic Characteristics

	Nationality	Gender	Age	Education	Income
Price	4.543	1.218	14.573*	4.971	4.904
Tried previously	1.717	.926	7.465	2.314	3.532
Type	1.284	3.241	11.219*	7.484	6.422
Variety	6.960	.780	1.635	7.684	6.489
Discount price	40.461***	6.302*	9.345	4.687	4.267
Brand	11.594**	.130	4.433	.897	1.564
Region	3.970	8.277**	4.685	22.057***	2.942
Country	12.827**	.065	3.360	10.892*	6.163

* significant at .05 level, ** significant at .01 level, *** significant at .001 level

To examine EQ1c, a number of one-way ANOVAs were computed to determine if demographic characteristics could affect the importance that consumers ascribed to each of the wine attributes. A statistically significant difference was found among the four nationality groups in terms of the importance they ascribed to the price attribute, $F(3, 175) = 4.229, p = .006$. A post-hoc LSD test revealed that Australian consumers placed significantly lower importance on the price attribute than did consumers from the other three nations. Nationality did not significantly affect the importance ratings ascribed to any of the other wine attributes. There were no significant differences in terms of attribute importance ratings between consumer groups based upon gender, age, education levels or income levels.

EQ2a asked how the frequency with which each attribute was evaluated would vary based on the consumer's level of wine knowledge. A series of chi-square statistics were computed to

identify what effect each of the three product knowledge constructs would have on the frequency with which each attribute was evaluated.

The results in Table 5.15 indicate that objective wine knowledge (i.e. low, average or high) significantly moderated the frequency with which the discount price, variety and region attributes were evaluated by wine consumers. In terms of the discount price cue, the general trend was that the frequency with which this attribute was evaluated decreased as the consumer's level of wine knowledge increased. Around 36% of the low knowledge consumers used the price discount cue, dropping to 28% amongst those with average knowledge and just 19% for those in the high knowledge group. Conversely, the use of both the variety and region attributes typically increased in frequency as wine knowledge also increased. For instance, 10% of low knowledge consumers used the region cue, compared to 16% of the average knowledge group and 31% of those with high wine knowledge.

Similarly to the objective knowledge results, subjective wine knowledge was found to significantly affect the frequency with which the variety and region attributes were evaluated, although it had no significant influence on the use of the price discount cue. The general trend was that utilisation of both the variety and region attributes increased as the consumers' level of subjective knowledge increased.

Product familiarity, measured in terms of the frequency of wine consumption behaviour, had no significant effect on the frequency with which any of the attributes were evaluated.

Table 5.15 Chi-square of Attribute Evaluation Frequency & Product Knowledge

Attribute	Objective Wine Knowledge	Subjective Wine Knowledge	Familiarity (consumption freq.)
Price	2.189	1.474	2.203
Tried previously	4.781	.694	.841
Type	.307	.980	3.383
Variety	18.734***	8.325*	1.333
Discount price	8.282*	5.198	.260
Brand	3.334	.364	1.391
Region	17.606***	12.155**	3.640
Country	3.550	.622	3.161

* significant at .05 level, ** significant at .01 level, *** significant at .001 level

EQ2b asked how product knowledge would affect the importance level that consumers ascribed to the wine attributes they had evaluated.

A series of one-way ANOVAs were computed to examine EQ2b. Both objective and subjective wine knowledge were found to have no significant moderating effect on the level of importance that consumers ascribed to any of the evaluated wine attributes. Whilst no significant effects were found to exist with regards to objective and subjective knowledge, several interesting trends did emerge. The importance that respondents ascribed to the price, discounted price, country of origin, and tried previously attributes decreased as their objective wine knowledge increased. In other words, consumers with greater actual wine knowledge placed less importance on these attributes. In contrast, the importance ascribed to the region cue tended to increase as the level of objective wine knowledge increased. With regards to subjective wine knowledge, the importance ascribed to the discount price and brand attributes all increased as self-ascribed knowledge increased.

Product familiarity was found to have a significant effect on the importance that consumers attached to the country of origin cue $F(2, 52) = 3.608, p = .034$, but had no significant effect on the importance ascribed to any other attributes. The importance attached to the country of origin cue by consumers decreased as their frequency of wine consumption increased; in other words, those who drank wine most frequently placed less importance on this cue.

H2 stated that as the consumer's level of wine knowledge increased, so would the number of attributes they evaluated. To investigate the association between product knowledge and the number of attributes evaluated correlations were computed. The direction of the correlations for objective knowledge was significant and positive (see Table 5.16). This indicates that those consumers who had high levels of actual wine knowledge evaluated a greater number of attributes when making a purchase, and vice versa, thus partially supporting H2.

Table 5.16 Correlation Between Number of Attributes Evaluated & Wine Knowledge

	Objective Wine Knowledge	Subjective Wine Knowledge	Familiarity (consumption freq.)
Spearman's correlation coefficient	.160***	.093	.064

*** significant at .001 level

Linear regression was then computed to identify how well a wine consumer's objective knowledge, subjective knowledge and familiarity would predict the number of attributes they evaluated when purchasing wine. The result was statistically significant $F(3, 395) = 5.671, p = .001$, but only 3.4 percent of the variance in the number of attributes evaluated was explained by the three constructs encompassing product knowledge.

EQ3a asked how the frequency with which each attribute was evaluated would vary based on the consumer's level of wine involvement (i.e. low or high). A series of chi-square statistics were computed to identify what effect product involvement would have on the frequency with which each attribute was evaluated.

Table 5.17 indicates that wine involvement significantly moderated the utilisation of only the region attribute. Whilst the region cue was utilised by 12% of the low involved consumers, twice as many of the high involved consumers (24%) evaluated this attribute.

Table 5.17 Chi-square of Attribute Evaluation Frequency & Wine Involvement

Attribute	Wine Involvement
Price	.730
Tried previously	.248
Type	.314
Variety	.956
Discount price	.138
Brand	.008
Region	9.962**
Country	.055

** significant at .01 level

EQ3b asked how product involvement would affect the importance that consumers would attach to the attributes they evaluated. A series of one-way ANOVAs were computed to examine this and the results of these are reported in Table 5.18. Wine involvement did not significantly moderate the importance attached to any of the attributes by consumers.

Table 5.18 ANOVA of Evaluated Attribute Importance & Wine Involvement

Attribute	Low Involvement Mean	High Involvement Mean	F	Significance
Price	3.10	2.96	.792	.375
Tried previously	3.54	3.83	2.966	.087
Type	3.70	3.80	.331	.566
Variety	3.82	3.93	.487	.487
Discount price	3.40	3.35	.059	.809
Brand	2.95	3.19	1.295	.258
Region	3.52	3.29	.755	.388
Country	3.63	3.39	.771	.384

not significant

H3 stated that as the consumer's level of wine involvement increased, the total number of attributes they evaluated during the decision making process would also increase. A correlation was computed (see Table 5.19) to investigate if there was a significant association between product involvement and the number of attributes evaluated by the consumer. The direction of the significant correlation was positive, indicating that consumers with high wine involvement evaluated a greater number of attributes when making a purchase, and vice versa, and thus providing support for H3.

Table 5.19 Correlation Between Number of Attributes Evaluated & Wine Involvement

	Wine Involvement
Spearman's Correlation Coefficient	.164***

*** significant at .001 level

Whilst a computed linear regression was statistically significant $F(1, 397) = 13.29, p = .000$, the R^2 statistic indicated that only 3.2 percent of the variance in the number of attributes evaluated by consumers was explained by their level of product involvement.

H4 stated that during the decision making process, consumers would acquire country of origin knowledge regarding the wine they purchased. Figure 5.01 illustrates that over 83% of wine purchasers could accurately identify the national origin of the wine they had selected to purchase, and thus H4 was supported.

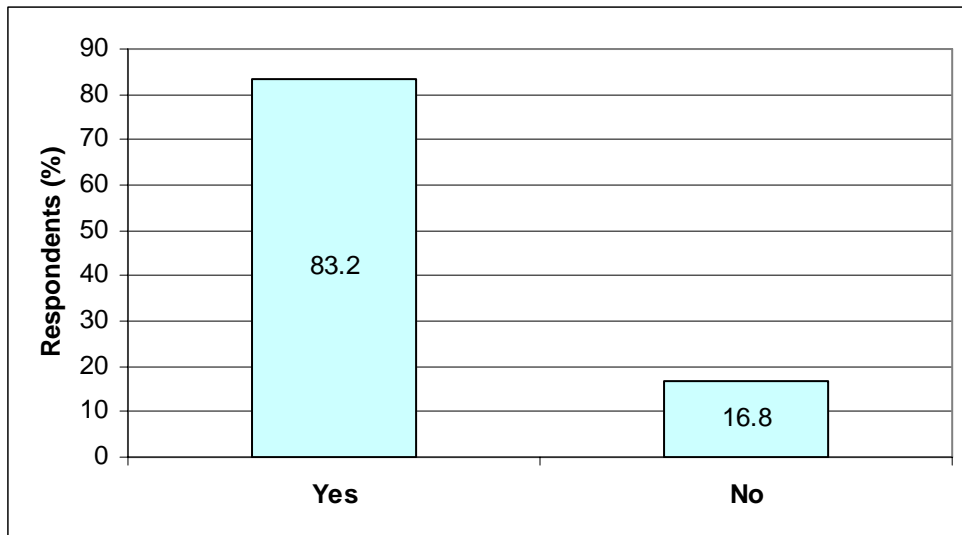


Figure 5.01 Accurate Identification of the Purchased Wine’s Country of Origin

Table 5.20 illustrates the national origin of all of the wines purchased by the respondents during the data collection phase. The data illustrates that purchases of wines originating from Australia and New Zealand were dominant in this study.

All further analysis undertaken in this study will focus only on those wines which have originated from Australia, New Zealand, USA, France, Italy and Spain. The representation of wines from other countries was too small for meaningful data analysis.

Table 5.20 Frequency of Wine Purchased by Country of Origin

Wine Origin	Frequency	Percentage of Respondents
Australia	151	37.8
New Zealand	149	37.3
USA	31	7.8
France	22	5.5
Italy	19	4.8
Spain	17	4.3
South Africa	3	.8
Germany	2	.5
Chile	2	.5
Argentina	1	.3
Portugal	1	.3
England	1	.3

In addition, table 5.21 provides a breakdown of consumer purchases in each nation by the wine's country of origin. Unsurprisingly, sales of domestic wines dominated in the Australian, New Zealand and US wine markets, whilst the majority of the Old World wine purchases were made by consumers in the UK market. Sales of Australian wines were also high in the New Zealand market, with 44 percent of consumers purchasing wines originating from this nation.

Table 5.21 Wine Purchased by Country of Origin & Sampled Country

	Purchased in NZ	Purchased in Australia	Purchased in the UK	Purchased in the US	Totals
Australian Wine	67 44%	73 48%	8 5%	3 2%	151
NZ Wine	137 92%	6 4%	5 3%	1 1%	149
US Wine	0	0	3 10%	28 90%	31
French Wine	4 18%	2 9%	14 64%	2 9%	22
Italian Wine	1 5%	0	12 63%	6 32%	19
Spanish Wine	3 18%	0	12 71%	2 12%	17
Totals	212 54%	81 21%	54 14%	42 11%	389

EQ4 asked how would the consumer perceptions of a wine's (a) price/value, (b) quality/prestige, and (c) market presence dimensions vary based upon its' country of origin. Tables 5.22 to 5.24 illustrate the mean values for each of the fourteen items that were used to measure these three country of origin dimensions.

Table 5.22 Mean of Items Measuring the Price/Value Dimension, by Origin

Item	France	Italy	Spain	USA	Australia	NZ
Value for money	4.68	5.42	5.59	5.55	5.93	5.39
Reasonably priced	4.55	5.53	5.47	5.23	5.69	5.07
Expensive	3.82	3.16	2.88	3.77	2.69	3.64

Table 5.23 Mean of Items Measuring the Quality/Prestige Dimension, by Origin

Item	France	Italy	Spain	USA	Australia	NZ
Prestigious	5.14	4.26	3.94	4.29	4.56	5.36
Consistently satisfied	4.68	5.16	4.94	5.26	5.58	5.66
Reputable producer	6.09	5.79	5.76	5.61	6.01	6.18
Rely on quality	5.55	5.21	5.24	5.13	5.77	5.81
Proud to buy	4.77	4.79	4.94	4.97	4.84	5.99
High overall quality	5.36	5.00	5.06	5.19	5.55	5.85
High status	5.59	4.37	3.94	4.55	4.83	5.50

Table 5.24 Mean of Items Measuring the Market Presence Dimension, by Origin

Item	France	Italy	Spain	USA	Australia	NZ
Widely available	5.45	5.95	5.71	6.42	6.28	6.17
Lots of adverts	2.59	2.79	2.41	4.06	3.77	3.58
Wide variety choice	5.50	5.32	5.06	5.48	5.62	5.48
Many known brands	5.55	4.68	4.82	5.58	5.62	5.56

ANOVAs were computed for the three dimensions and the six countries of origins (using the dimension factors generated previously). The wine's country of origin was found to have a significant effect on consumer perceptions of price/value $F(5, 362) = 14.54, p = .000$. The wine's country of origin was found to have a significant effect on consumer perceptions of quality/prestige $F(5, 362) = 11.91, p = .000$. The wine's country of origin was also found to have a significant effect on consumer perceptions of market presence $F(5, 362) = 2.91, p = .014$. These significant ANOVA statistics thus provide a clear indication that the country of origin had a strong effect on consumer perceptions regarding wine in terms of dimensions such as price/value, quality/prestige, and market presence.

Table 5.25 documents the results of the calculated ANOVAs and illustrates the direction of consumer perceptions; for instance, consumers clearly had a negative perception of French and New Zealand wines in terms of price and value. Conversely, wines from these same two countries were the only ones for which consumers had positive quality/prestige perceptions. The table also illustrates the significant differences between countries in terms of consumer perceptions for each of the dimensions.

Table 5.25 ANOVA of Dimensional Factors & Wine Countries of Origin

Dimension	France	Italy	Spain	USA	Aust.	NZ
Price/Value	-.7104 ^{ISUAN}	.1891 ^{FN}	.1970 ^{FN}	.0310 ^{FA}	.3864 ^{FUN}	-.2155 ^{FISA}
Quality/Prestige	.1385 ^{SU}	-.3377 ^N	-.5277 ^{FAN}	-.3213 ^{FN}	-.0501 ^{SN}	.4241 ^{ISUA}
Market Presence	.1251	-.3633 ^{UAN}	-.2783 ^{UAN}	.2204 ^{IS}	.1183 ^{IS}	.0888 ^{IS}

^F significantly different at .05 level from French wines

^I significantly different at .05 level from Italian wines

^S significantly different at .05 level from Spanish wines

^U significantly different at .05 level from USA wines

^A significantly different at .05 level from Australian wines

^N significantly different at .05 level from New Zealand wines

H5 stated that consumers would evaluate their domestic wines more favourably than imported wines in terms of (a) price/value, (b) quality/prestige, and (c) market presence. Note that UK consumers have not been included in the analysis of this hypothesis because the domestic wine industry there is much smaller and less commercially successful than those of New Zealand, Australia and the USA. Additionally, only a single bottle of English wine was purchased by respondents in this study.

One-way ANOVAs were computed to analyse H5 and the results are documented in Table 5.26. All of the ANOVAs were significant, indicating a noteworthy difference in the perceptions of consumers towards the domestic and imported wines they purchased. For the quality/prestige and market presence factors, the perceptions of consumers towards their domestic wines were more favourable than were their perceptions of imported wines. However, in terms of the price/value dimension, consumer perceptions of domestic wines were actually less favourable than were their perceptions of imported wines. H5 is thus only partially supported.

Table 5.26 ANOVA of Dimensional Factors & Domestic/Imported Wine Consumers

Dimension	Domestic Wine Consumers (mean)	Imported Wine Consumers (mean)	df	F
Price/Value	.0151937	.2079827	1, 324	4.32*
Quality/Prestige	.2258440	-.2886992	1, 326	29.95***
Market Presence	.2247242	-.1665791	1, 327	25.28***

* significant at .05 level, *** significant at .001 level

EQ5a asked how would consumer perceptions regarding the price/value, quality/prestige and market presence dimensions be moderated by consumer demographic characteristics. One-way ANOVAs were computed to analyse this exploratory question.

Consumer nationality had a significant effect on evaluations of wine across all dimensions (see Table 5.27). Post-hoc LSD tests revealed that the mean price and value perceptions of Australian consumers were significantly higher than those of NZ and UK consumers. In terms of wine quality and prestige, the mean perceptions of US consumers were significantly lower than those of NZ and Australian consumers, and UK consumers had significantly lower mean perceptions of market presence than did other consumers.

Table 5.27 ANOVA of Dimensional Factors & Consumer Nationality

Dimension	NZ Consumers (mean)	Australian Consumers (mean)	UK Consumers (mean)	USA Consumers (mean)	df	F
Price/Value	-.03170	.37752	-.02218	.09017	3, 386	5.56***
Quality/Prestige	.12284	.14532	-.04686	-.25254	3, 386	3.22*
Market Presence	.07750	.21557	-.24647	.05282	3, 386	5.32***

* significant at .05 level, *** significant at .001 level

Table 5.28 illustrates that consumer gender had a significant effect only in terms of the price and value dimension; males had less favourable mean perceptions of wine price and value.

Table 5.28 ANOVA of Dimensional Factors & Consumer Gender

Dimension	Male (mean)	Female (mean)	df	F
Price/Value	-.01656	.14987	1, 388	4.32*
Quality/Prestige	-.01437	.14278	1, 388	3.72
Market Presence	.00504	.10508	1, 388	2.00

* significant at .05 level

The age of the consumer had no significant influence over their perceptions of wine in terms of the price/value, quality/prestige and market presence dimensions (see Table 5.29).

Table 5.29 ANOVA of Dimensional Factors & Consumer Age

Dimension	18-24 (mean)	25-34 (mean)	35-44 (mean)	45-54 (mean)	55-64 (mean)	65+ (mean)	df	F
Price/Value	.01774	-.04731	.13019	.08804	.01181	.12981	5, 384	.759
Quality/Prestige	.00777	-.02571	.01258	.08958	.08706	.15212	5, 384	.849
Market Presence	.16591	.04103	.00314	.19075	-.02848	-.01563	5, 382	.282

not significant

The level of education achieved by the consumer had no significant influence over their perceptions of wine in terms of the three dimensions (refer to Table 5.30).

Table 5.30 ANOVA of Dimensional Factors & Consumer Education

Dimension	High School (mean)	Trade/tech (mean)	Undergrad Degree (mean)	Postgrad Degree (mean)	df	F
Price/Value	.07123	.05553	.05535	.08010	3, 386	.924
Quality/Prestige	.14945	.07920	-.02626	.05524	3, 386	.022
Market Presence	.12632	.07162	.06834	-.06242	3, 386	1.29

not significant

The consumer's level of income had no significant influence on their perceptions of wine in terms of the price/value, quality/prestige and market presence dimensions (see Table 5.31).

Table 5.31 ANOVA of Dimensional Factors & Consumer Income

Dimension	Very low income (mean)	Low income (mean)	Middle income (mean)	High income (mean)	Very high income (mean)	df	F
Price/Value	-.33103	.23043	.11690	-.00731	-.01998	4, 385	2.21
Quality/Prestige	.02624	.03456	-.02057	.14800	.36435	4, 385	1.89
Market Presence	.03423	.07198	.06454	.00581	.13525	4, 385	.24

not significant

EQ5b sought to understand how the consumer's level of wine knowledge would moderate their perceptions of wine price/value, quality/prestige and market presence. The results of one-way ANOVAs are presented in Table 5.32. Wine knowledge had an influence on only one dimensional factor; the level of subjective wine knowledge had a significant effect on consumer perceptions regarding the market presence dimension. Consumers with low self-ascribed wine knowledge had a significantly lower mean for the market presence dimension than did those who had an average or high level of subjective knowledge.

Table 5.32 ANOVA of Dimensional Factors & Wine Knowledge

Dimension	Objective Wine Knowledge		Subjective Wine Knowledge		Familiarity (consumption freq.)	
	df	F	df	F	df	F
Price/Value	2, 387	1.13	2, 387	2.43	2, 387	2.15
Quality/Prestige	2, 387	.74	2, 387	.27	2, 387	.01
Market Presence	2, 387	.52	2, 387	6.68***	2, 387	1.65

*** significant at .001 level

EQ5c asked how perceptions of wine would be moderated by the consumer's level of wine involvement. Table 5.33 illustrates that wine involvement had a significant influence only on the market presence dimension. Those consumers with a high level of involvement with wine had significantly higher mean perceptions regarding market presence, than did those consumers with low involvement.

Table 5.33 ANOVA of Dimensional Factors & Wine Involvement

Dimension	Low Involvement (mean)	High Involvement (mean)	df	F
Price/Value	.08169	.05086	1, 388	.15
Quality/Prestige	.06082	.06184	1, 388	.00
Market Presence	-.02395	.12427	1, 388	4.41*

* significant at .05 level

EQ6 sought to identify the private and public usage situations for which consumers purchased wine. Table 5.34 illustrates the frequency with which wine was purchased in order to satisfy each of the possible usage situations and notes whether wine was consumed privately or in public in these situations.

Wine was purchased by more than 10 percent of the total respondents for only four out of the thirteen possible usage situations (i.e. meal with partner/spouse, meal with family, drink with friends and meal with friends). All further statistical analysis will examine only these four dominant usage situations.

Table 5.34 Frequency of Wine Purchased by Usage Situations

Usage Situation	Frequency	Percentage	Conspicuousness
Meal with partner/spouse	83	21	Private
Meal with family	79	20	Private
Drink with friends	68	17	Public
Meal with friends	66	17	Public
Drink by oneself	32	8	Private
Drink with partner/spouse	17	4	Private
Party/celebration	15	4	Public
Gift giving	15	4	Public
Business related	8	2	Public
Outdoor BBQ/picnic	6	2	Public / Private
Drink with family	4	1	Private
Cellaring	4	1	Private
Other	2	1	Public / Private

EQ7a sought to understand the relationship between demographic characteristics and the frequency with which they purchased wine in order to satisfy specific usage situations. A series of cross-tabulations and chi-square statistics were calculated to examine how consumer nationality, gender, age, education and income would moderate the usage situations for which wine was purchased.

A chi-square statistic comparing consumer nationality to the frequency with which they purchased wine to satisfy the usage situations was significant ($\chi^2 = 25.03, p = .003$). In other words, the usage situations for which consumers purchased wine were significantly moderated by their nationality. Table 5.35 illustrates some interesting trends. For instance, New Zealanders purchased wine to consume over a meal with a partner or spouse less often than did the consumers from the other three nations, but were more likely to purchase wine to consume with a family meal. American consumers were the least likely to purchase wine to consume during a meal with either family or friends, but were the most likely to enjoy wine as a drink with friends.

Table 5.35 Cross-tab of Usage Situations by Consumer Nationality

Consumer Nationality	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
New Zealand	22	36	19	23
Australia	38	18	20	23
UK	32	16	30	23
USA	34	9	41	16

** significant at .01

A chi-square statistic comparing consumer gender to the frequency with which they purchased wine to satisfy the four usage situations was not significant ($\chi^2 = 5.66, p = .129$), indicating that the situations for which wine was purchased were not significantly moderated by the gender of the consumer. Some interesting trends did emerge however, as illustrated in Table 5.36. Whilst 34 percent of males purchased wine to enjoy over a meal with their partner or spouse, only 22 percent of females purchased for the same usage situation. Conversely, 27 percent of females purchased wine to drink with friends, compared to just 19 percent of males.

Table 5.36 Cross-tab of Usage Situations by Consumer Gender

Consumer Gender	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Male	34	26	19	22
Female	22	27	27	23

not significant

A chi-square statistic comparing consumer age to the frequency with which they purchased wine to satisfy the four usage situations was significant ($\chi^2 = 40.06, p = .000$), indicating that the usage situations for which wine was purchased were significantly moderated by the age of the consumer. Table 5.37 illustrates that the majority of 18-24 year old consumers purchased wine for drinking with friends, whilst none in this age group purchased wine to drink over a meal with either a partner/spouse or with family. Similarly, only 15 percent of consumers in the 25-34 year old group purchased wine to drink with a family meal, which is less than the percentage of consumers who purchased for this situation amongst the older age groups.

Table 5.37 Cross-tab of Usage Situations by Consumer Age

Consumer Age	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
18-24 years	0	0	77	23
25-34 years	31	15	19	35
35-44 years	25	28	21	26
45-54 years	32	35	19	14
55-64 years	29	23	23	25
65+ years	29	35	21	15

*** significant at .001

A chi-square statistic comparing consumer education level to the frequency with which they purchased wine to satisfy the four usage situations was not significant ($\chi^2 = 15.58, p = .076$), indicating that the usage situations for which wine was purchased were not significantly moderated by the consumer's level of education. Table 5.38 illustrates that those consumers with a university education appeared to purchase wine more often for a meal with their partner or spouse, than did those who were not university educated. Contrastingly, those with high school or trade/tech qualifications purchased wine more often for a family meal than did those with higher education.

Table 5.38 Cross-tab of Usage Situations by Consumer Education

Consumer Education	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
High school	21	33	26	20
Trade/tech	18	39	16	27
Undergrad	35	18	24	24
Postgrad	35	21	24	21

not significant

Similarly to education, the chi-square statistic comparing consumer income to the frequency with which they purchased wine to satisfy the four usage situations was not significant ($\chi^2 = 8.97, p = .706$). This indicates that the usage situations for which wine was purchased were not significantly moderated by the income level of the consumer. Table 5.39 illustrates that those consumers with high incomes purchased wine more frequently for consumption over a meal with a partner or spouse, but purchased wine less often than other income groups for consumption with friends.

Table 5.39 Cross-tab of Usage Situations by Consumer Income

Consumer Income	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Very low	17	25	25	33
Low	18	32	24	26
Middle	26	26	24	23
High	31	25	23	21
Very high	48	26	13	13

not significant

EQ7b asked how the frequency for which wine was purchased to satisfy various usage situations would be moderated by the consumer's level of wine knowledge.

Chi-square statistics comparing both objective wine knowledge ($\chi^2 = 3.99, p = .678$) and subjective wine knowledge ($\chi^2 = 8.19, p = .224$) levels to the frequency with which consumers purchased wine to satisfy the four usage situations were not significant (see Tables 5.40 and 5.41). This indicates that the usage situations for which wine was purchased by the consumers were not significantly moderated by either their actual or self-ascribed level of wine knowledge.

Table 5.40 Cross-tab of Usage Situations by Objective Wine Knowledge

Objective Wine Knowledge	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Low	25	30	26	19
Average	28	25	20	27
High	31	26	25	19

not significant

Table 5.41 Cross-tab of Usage Situations by Subjective Wine Knowledge

Subjective Wine Knowledge	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Low	18	38	20	24
Average	29	26	21	24
High	33	22	28	17

not significant

However, the chi-square statistic comparing wine familiarity to the frequency with which wine was purchased to satisfy the usage situations was significant, ($\chi^2 = 19.76, p = .003$). This means that the frequency with which consumers drank wine significantly influenced the frequency with which they purchased it for specific usage situations. Table 5.42 illustrates that those who drank wine most often purchased it more frequently for consuming in private situations (i.e. meal with partner/spouse or meal with family) than they did for public consumption situations. Conversely, those with average drinking frequency tended to purchase wine more often for consuming in public situations (i.e. drink or meal with friends) than they did for private situations.

Table 5.42 Cross-tab of Usage Situations by Wine Familiarity

Wine Familiarity	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Infrequent	20	30	30	20
Average	18	19	30	32
Frequent	34	31	19	17

** significant at .01 level

EQ7c sought to understand whether the frequency with which consumers purchased wine in order to satisfy various usage situations was moderated by their level of involvement with wine. The chi-square statistic comparing wine involvement level to the frequency with which consumers purchased wine to satisfy the four usage situations was not significant ($\chi^2 = 5.84, p = .120$). This indicates that the usage situations for which wine was purchased were not significantly moderated by the consumer's level of involvement with wine.

Table 5.43 Cross-tab of Usage Situations by Wine Involvement

Consumer Wine Involvement	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
Low	22	31	23	24
High	33	23	23	21

not significant

EQ8a sought to understand how the total number of attributes which were evaluated by wine consumers would vary based on the specific wine usage situation. The chi-square statistic comparing the number of attributes evaluated by the consumer to the four usage situations

was not significant ($\chi^2 = 19.61, p = .355$). This indicates that the usage situation did not have a significant effect on the total number of attributes which were evaluated by a consumer during the wine purchase decision making process.

EQ8b asked how the frequency with which each attribute was evaluated would vary based on the wine usage situation. In other words, were some attributes evaluated more or less frequently when wine was purchased for one specific usage situation, than they were for other usage situations? A series of cross tabs and chi-square statistics were computed to test EQ8b. None of the chi-square statistics were significant, indicating that the usage situation had no influence on the frequency with which each attribute was evaluated.

EQ8c asked how the importance ascribed to each attribute by consumers would vary based on the wine usage situation. A number of one-way ANOVAs were calculated to examine EQ8c and none of these were significant. This indicates that the usage situation had no significant effect on the importance level that consumers attached to the various attributes.

EQ9 sought to identify the relationship between a wine's country of origin and the frequency with which it was purchased in order to satisfy specific usage situations. In other words, were the wines originating from a specific country more favoured by consumers as a solution for some situations than were the wines which originated from other nations?

The chi-square statistic comparing the wine's country of origin and the frequency with which it was purchased to satisfy the four usage situations was significant ($\chi^2 = 25.94, p = .039$). This result indicates that the usage situations for which wines were purchased did moderate the origin of the wine that was selected by the consumer. Table 5.44 illustrates some interesting relationships between wine origin and the usage situation it had been purchased for. For instance, French wines were more frequently purchased for consumption with friends (i.e. in public situations), than they were for a meal with family or a partner/spouse. In contrast, the majority of Spanish wine purchases were made for drinking over a meal with a partner or spouse or the family (i.e. in private situations). Wines from Australia and New Zealand were fairly evenly spread across all four of the usage situations.

Table 5.44 Cross-tab of Usage Situations by Wine Origin

Wine Country of Origin	Meal with partner/spouse (%)	Meal with family (%)	Drink with friends (%)	Meal with friends (%)
France	6	13	31	50
Italy	39	8	31	23
Spain	43	36	14	7
USA	39	17	35	9
Australia	31	26	21	22
New Zealand	22	35	20	24

5.4 Chapter Summary

This chapter has provided a description of the sample population in terms of their demographic characteristics, their level of wine knowledge and involvement, and their wine purchasing and consumption behaviour. The previously developed hypotheses and exploratory questions have been examined through various statistical analyses and a summary of these results is provided in Table 5.45 below.

Table 5.45 Summary of Results

#	Hypothesis or Exploratory Question	Outcomes
H1a	Price will be the attribute most frequently evaluated by consumers during the wine purchase process.	Supported.
H1b	Price will be the most important attribute evaluated by consumers during the wine purchase process.	Not supported. Variety, type and tried previously were ranked as the most important attributes by wine consumers.
EQ1a	How will the total number of attributes used by consumers to evaluate wine vary based on demographic characteristics?	Only education had a significant moderating effect on the number of attributes evaluated.
EQ1b	How will the frequency with which each attribute is evaluated by consumers vary based on demographic characteristics?	Nationality, gender, age and education significantly affected the frequency with which some attributes were evaluated.
EQ1c	How will the importance ascribed by consumers to each attribute vary based on consumer demographic characteristics?	Only nationality had a significant moderating effect on the importance ascribed to the price attribute.
EQ2a	How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine knowledge?	Objective and subjective wine knowledge significantly moderated the frequency with which some attributes were evaluated. Familiarity had no effect on attribute usage.
EQ2b	How will the importance ascribed by consumers to each attribute vary based on their level of wine knowledge?	Objective and subjective wine knowledge had no significant moderating effect on the importance ascribed to the attributes. The importance of the country of origin cue

#	Hypothesis or Exploratory Question	Outcomes
H2	As the consumer's knowledge of wine increases, the total number of attributes evaluated during the purchase decision making process will also increase.	decreased as wine familiarity increased. Partially supported. Supported for objective knowledge, but not supported for subjective knowledge or product familiarity.
EQ3a	How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine involvement?	Wine involvement significantly moderated the frequency with which the region of origin attribute was evaluated.
EQ3b	How will the importance ascribed by consumers to each attribute vary based on their level of wine involvement?	Wine involvement did not significantly moderate the importance attached to any of the attributes.
H3	As the consumer's involvement with wine increases, the total number of attributes evaluated during the purchase making decision process will also increase.	Supported.
H4	During the decision making process, consumers will acquire country of origin information about the wine that they have selected to purchase.	Supported.
EQ4	How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of a wine vary based upon its' country of origin?	Country of origin had a significant effect on consumer perceptions of wine price/value, quality/prestige, and market presence.
H5	Consumers will evaluate their domestically produced wines more favourably than wines originating from other nations in terms of (a) price/value, (b) quality/prestige, and (c) market presence.	Partially supported. Consumers perceived domestic wines were more favourable than imported wines in terms of quality/prestige and market presence dimensions, but were less favourable in terms of price/value.
EQ5a	How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by consumer demographic characteristics?	Nationality significantly moderated perceptions of all three dimensions, whilst gender significantly moderated perceptions of price/value. Age, education and income did not significantly moderate wine perceptions.
EQ5b	How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by the consumer's level of wine knowledge?	Subjective knowledge significantly moderated consumer perceptions of only the market presence dimension.
EQ5c	How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by the consumer's level of wine involvement?	Wine involvement significantly moderated consumer perceptions of only the market presence dimension.
EQ6	What are the usage situations, both private and public, for which consumers will purchase wine?	Wine was purchased to satisfy one of thirteen different usage situations - only four of these usage situations were specified by more than 10% of the total respondents.
EQ7a	How will the usage situations for which consumers purchase wine vary based on consumer demographic characteristics?	The usage situations for which wines were purchased was significantly moderated by consumer nationality and age, but not by

#	Hypothesis or Exploratory Question	Outcomes
EQ7b	How will the usage situations for which consumers purchase wine vary based on their level of wine knowledge?	gender, education or income. Familiarity significantly moderated the usage situations for which wine was purchased, but objective and subjective knowledge did not.
EQ7c	How will the usage situations for which consumers purchase wine vary based on their level of wine involvement?	The usage situation for which a wine was purchased was not significantly moderated by the consumer's level of wine involvement.
EQ8a	How will the total number of attributes used by consumers to evaluate wine vary based on the wine usage situation?	The usage situation for which a wine was purchased did not significantly moderate the number of attributes which were evaluated by the consumer.
EQ8b	How will the frequency with which each attribute is evaluated by consumers vary based on the wine usage situation?	The usage situation for which a wine was purchased did not significantly moderate the frequency with which each attribute was evaluated by consumers.
EQ8c	How will the importance ascribed to each attribute by consumers vary based on the wine usage situation?	The usage situation for which a wine was purchased did not significantly moderate the importance ascribed to the attributes by consumers.
EQ9	What is the relationship between wine origin and the frequency with which it is purchased in order to satisfy specific usage situations?	There was a significant relationship between the usage situation and the origin of the wine the consumer selected to purchase.

6 DISCUSSION AND CONCLUSIONS

6.1 Chapter Introduction

This chapter begins with a discussion of the results that were presented in the previous chapter; it offers explanations for these results and examines whether these results were expected based upon the findings of previous studies. Section 6.3 provides conclusions for this study in terms of both theoretical contributions and practical implications. Finally, the limitations of this study and ideas for further research are presented in Sections 6.4 and 6.5 respectively.

6.2 Discussion

6.2.1 *The sampled wine consumer*

In terms of response rate, 62 percent of the approached wine purchasers across the four countries agreed to participate in this study. Grover (2006) and Bradley (2007) both suggested that response rates of around 60 percent could be achieved by researchers utilising a face to face interview technique. This study has achieved a good response rate despite no financial incentives being offered to entice respondents. In comparison to previous country of origin studies which have examined the views of consumers, the response rate in this study is fairly high. Analysis of previous country of origin studies reveals that response rates varied widely, from 36 percent in the Laroche et al. (2005) study and 42 percent in the Wall and Heslop (1986) study, up to 65 percent (Han, 1989) and around 70 percent in the Balabanis and Diamantopoulos (2004) study.

The overall sample of wine purchasers consisted of 51 percent males and 49 percent females. The sample was fairly consistent with the ratio of males and females in the populations of three of the countries, but was slightly dominated by males in the US sample. It had been expected that female consumers would be over-represented in the samples from New Zealand and the UK as wine is mainly sold in supermarkets in these countries and females are the primary shoppers in these stores. However, the samples of New Zealand and UK consumers were found to closely resemble the gender split in the actual populations of these countries.

Although comparison census data was only available from New Zealand and the US, the sample appeared to be over-represented by university educated consumers, with 55 percent of the sampled wine purchasers holding an undergraduate or postgraduate degree. Such a sample was expected however, as a US study had previously reported that the heaviest wine consumers were those with high education levels (Reizenstein & Barnaby, 1980). A further UK study also reported that the largest group (32 percent) in their sample of wine consumers had a university education (Chaney, 2000).

In terms of age, the sample was dominated by those consumers who were aged between 35 and 64 years old; consumers in this age range had been identified as the peak wine consuming group in previous UK research (Mintel, 2005) and thus this result had been expected. Other UK research used a sample where almost half of wine consumers were aged between 30 and 49 and a third were aged over 60 years old (Chaney, 2000). Respondents aged 31 years or older accounted for 77 percent of the sample in an Australian study of consumers who had drunk wine in the previous three months (Hall, O'Mahony et al., 2001). Similarly, those aged 30 years or older accounted for more than 70 percent of the sample in a New Zealand study of wine consumers (Beverland, 2003). Reizenstein and Barnaby (1980) surveyed wine consumers in a US city and reported over-representations of those in the 25-34 and 45-64 year old groups.

Whilst the sample was not representative of the national populations across all demographic variables, it did mirror the general demographic profile of wine consumers in Western markets which had been depicted in previous studies.

Chaney (2000) suggested that wine purchasing decisions were often made by consumers who did not have an intention to purchase wine prior to entering a store. In contrast, this study found that, on average, 88 percent of consumers made planned purchases of wine. Consumers in New Zealand (85 percent) and the UK (84 percent) had a lower level of planned wine purchasing behaviour than did consumers in Australia (96 percent) and the US (91 percent). The lower level of planned purchases in New Zealand and the UK may be attributable to consumers who selected wine on impulse at the time they were doing their regular grocery shopping in supermarkets. In contrast, Australian consumers cannot purchase wine in supermarkets, and must therefore make a premeditated visit to a liquor store or speciality wine

store in order to purchase wine, and thus the level of planned purchasing would be expected to be higher.

With respect to the frequency of purchasing behaviour, almost 60 percent of all consumers purchased wine weekly, but Australian consumers were found to purchase wine less often than did consumers from the other nations. Again, this behaviour is likely to be linked to Australian consumers being unable to purchase wine alongside other grocery purchases in supermarket stores. Consumers from New Zealand, the UK and the US purchased wine more frequently because they are likely to do so at the same time as they are doing their regular grocery shopping. This result corresponds to a survey of Northern Ireland wine consumers, where 60 percent of those sampled were found to purchase wine on a weekly basis (Keown & Casey, 1995).

In terms of wine consumption behaviour, a total of 60 percent of all consumers drank wine most days or every day. The wine consumption behaviour revealed in this study was similar to that of an Australian study which reported that 61 percent of consumers drank wine more than once per week and 30 percent consumed it every day (Batt & Dean, 2000). It would appear that regular and habitual wine consumption amongst those people who purchase wine is now commonplace, and this typical consumption behaviour was confirmed by one of the respondents who commented that “*it’s becoming more normal in New Zealand to sit down and drink wine with everyday meals*”. Gluckman (1990) had also previously suggested that consumption of wine was increasing in most major Western markets, apart from in continental Europe. Interestingly, the frequency of wine consumption was not different amongst consumers from the four nations, indicating that Australian consumers who purchased wine less frequently must be buying it in larger quantities in order to consume it at the same rate as the consumers in other nations.

6.2.2 Product attribute utilisation and importance

Wine consumers evaluated between one and seven attributes during their purchase decision making process. A mean of 2.5 attributes were considered by evaluating wine consumers. As respondents were questioned about which attributes they had examined when they had selected their bottle of wine to purchase, this result provides a key insight into the actual behaviour of wine consumers. Many previous studies had asked consumers to consider lists

of wine attributes and to rank these in order of importance; this study suggests that the actual attributes examined by consumers during wine purchase decisions is likely to be much smaller in number. This finding concurs with those of earlier studies which have suggested that consumers evaluate only a small number of attributes during the purchase decision process, usually somewhere between three and seven cues (Grunert, 1986; Hoffmann, 2000; Jacoby et al., 1977).

Consumer behaviour researchers have established that consumers utilise heuristic cues to simplify purchase decisions or to reduce risk (Grunert, 1986; Hansen, 2005; Jacoby et al., 1977). For example, product price is often used by consumers as a surrogate indicator of product quality (Pinson & Jolibert, 1998). In terms of wine, there was considerable evidence to suggest that price is a key attribute for wine consumers. An experimental study of US consumers reported a significant and positive relationship between the price of a wine and consumer perceptions of wine quality (Lockshin & Rhodus, 1993). Interviews with a small number of Australian consumers revealed that price was the cue which was most frequently utilised when choosing wine (Rasmussen & Lockshin, 1999). When recent Australian consumers of wine were asked to indicate what had influenced their purchase, taste (44 percent), price (42 percent) and type (42 percent) were identified as the three attributes which were most frequently evaluated (Hall, O'Mahony et al., 2001). A focus group study in the UK also revealed that the price cue was the primary selection criteria utilised by wine consumers during the purchasing process (Halstead, 2002). A study of visitors to Australian wineries reported that price was the attribute which most greatly influenced wine purchase decisions (Hoffman, 2004).

Earlier studies had examined remembered consumer behaviour as it applied to recent wine purchasing or to wine purchasing in general, whilst this study examined actual purchase behaviour. Regardless, this study provides support for the previous studies which have suggested that price is the attribute most frequently examined by wine consumers (Halstead, 2002; Hoffman, 2004; Rasmussen & Lockshin, 1999), as 45 percent of respondents evaluated the price cue during an actual purchase. The next most frequently utilised attributes were tried previously (36 percent), type (35 percent) and variety (31 percent). Although the relationship between price and quality was not examined in this study, it could be argued that price was most frequently evaluated by wine consumers because of its long-held association with product quality. It is also possible that the current unstable financial markets in the four

countries of interest may have influenced the consumers' high utilisation of the price cue, in that they may enter a store with a clear intention of purchasing wine which falls within an acceptable price range.

It is also interesting to examine those attributes which were scarcely utilised by wine consumers. The attributes which were utilised by less than 10 percent of consumers included personal recommendations, medals/awards, age/vintage, bottle/label design, professional reviews, alcohol percentage and promotions. Some of these attributes have been identified in previous studies as being of importance to wine consumers. For instance, Keown and Casey (1995) reported that promotional activities were one of the important influencers on wine consumers, whilst Halstead (2002) noted that promotional offers were the fifth most important wine attribute and bottle/label design was the fourth most important. Wine recommendations were identified as the second most important choice factor in a more recent Australian study (Hoffman, 2004). In actual purchase situations, none of these attributes were found to be greatly utilised by wine consumers. The medals/awards cue is interesting because of the contradictory findings of previous research; Orth (2002) reported that the medals/awards cue was more important to the less experienced wine consumer, whilst Thomas and Pickering (2003) suggested that wine connoisseurs placed more importance on this cue. In this study, the medals/awards cue was utilised by only 5 percent of wine consumers, suggesting that it is not especially important to either novice or expert wine consumers. One respondent commented that "*medals are misleading as there are too many of them*" and perhaps this is a reason for the low utilisation of this attribute by wine consumers. The low utilisation of the medals/awards cue provides some support for the cognitive wine purchasing model proposed in this study; this cue may be more likely to influence a consumer at an affective level, although further research would be necessary to confirm that this is the reason for this result. It is possible that respondents may have been too embarrassed to admit to utilisation of cues such as the bottle/label design or medals/awards, but the fact that these had been noted by respondents in previous studies would tend to suggest that this would not have been an issue.

Whilst the aforementioned studies considered attribute utilisation amongst wine consumers, other studies have examined the importance of wine attributes. Keown and Casey (1995) studied Northern Ireland wine consumers and reported that out of the ten listed characteristics, country of origin was judged to be the most important factor during the wine selection

process; however, price was not included in the list of factors for respondents to consider. The study suggested that almost 65 percent of wine consumers rated the country of origin cue as being most important to them (Keown & Casey, 1995). In contrast to the Keown and Casey (1995) study, Australian researchers reported that the country of origin cue was only the ninth most important attribute, whilst previous purchase and price were ranked as the two most important variables by wine consumers (Batt & Dean, 2000). A UK study asked wine consumers to rank written information types and reported that tasting notes and price were the two most important informational requirements for consumers (Chaney, 2000). An experiment using best-worst choice modelling across consumers from multiple countries reported that previous tasting of a wine was the most important influencer on consumers who were purchasing wine in retail stores in Australia, the UK, Germany, China and Israel (Goodman et al., 2007). The study reported that the wine origin cue was the third most important influencer on wine shoppers in the UK and China and was the fourth most important cue for Australian and German wine consumers.

Similarly to previous research, this study has found that having tried a wine previously (ranked third with a mean of 3.69) and the wine's country of origin (ranked fourth with a mean of 3.51) were indeed both important to consumers during the purchase decision. However, contrary to previous results, variety (mean 3.88) and type (mean 3.76) were revealed as the two most important attributes to consumers during actual wine purchase decisions. Corresponding to this result are respondent comments such as "*variety is important to me*", "*I like to experiment with unusual grape varieties*" and "*I'm addicted to Shiraz!*". With consumers being exposed to an ever increasing range of wines (Gluckman, 1990), it may be that they are seeking to simplify their purchase decisions by placing significance on the wine type and variety attributes. Although the reasons behind the importance rankings have not been identified in this study, it is clear that many consumers have a preference or reliance for purchasing wine by specific types and varieties. Such a preference or reliance may occur through habitual consumption of this type and variety, thus boosting consumer confidence in their purchase decision making and reducing risk. Or, it may be that the importance of the type and variety to wine consumers is linked to situational or seasonal factors. For whatever reason, it appears likely that consumers are determining type and variety first, and are placing less importance on other attributes such as brand, country of origin or region of origin; this suggests that experimentation, in terms of

purchasing previously untried wine brands or origins may occur, but only within the parameters of the desired type and variety.

What is also evident is that having tried a wine previously is more important to consumers than are any of the other marketing strategies which can be adopted by a winery, including price, discounted price, brand, medals and awards, bottle or label design, and promotions. This result is supported by a previous European study which suggested that personal familiarity was an important factor for wine purchasers (Jenster & Jenster, 1993). Similarly, a UK study of consumers reported that positive brand attitudes were increased more by providing an opportunity to sample wines than they were through other brand promotion strategies (Rink, 1998). Halstead (2002) also reported a positive relationship between product usage and attitudes, and suggested that wine companies should understand the importance of tasting samples to wine consumers. For some consumers 'tried previously' may simply have meant that they had purchased and consumed the wine in the past, but other consumers may have tasted the wine during an in-store sales promotion event. In-store tastings are directly under the control of companies in the wine supply chain and this result suggests that such samples may have considerable influence on consumer purchase decisions. One respondent noted that they "*usually buy what they know because of the expense and would like more sampling*". It has been noted that consumers seek reassurance through in-store wine tastings, which not only reduce their financial risk but also increase their level of wine knowledge (V.-W. Mitchell & Greatedorex, 1989).

Whilst previous studies have examined either the utilisation of wine attributes or the level of importance ascribed to wine attributes in recalled purchase situations, this study has considered both behaviours during an actual purchase situation. Wine type, variety, and having tried a wine previously are ranked in the top four by consumers in terms of both utilisation and importance. However, there are clear differences between utilisation and importance rankings with regards to other product attributes. For instance, the price attribute was the most frequently evaluated but it was ranked only eighth in terms of importance. This suggests that consumers are using the price cue, probably with respect to a pre-determined and tolerable price range, but that in terms of their actual final purchase decision it is not as important as other attributes. In other words, price may be used by consumers to disqualify certain products from their consideration; after this step, other attributes are more important when selecting one product to purchase from amongst a wide range that is available within

certain price points. Respondent comments such as “*price is not an indicator of quality*” and “*I don’t think that price comes into it – it’s just a matter of finding wines you enjoy, regardless of price*” seem to support the lack of importance that consumers attach to the price cue. Conversely, the country of origin cue was evaluated by only 14 percent of consumers, but these consumers ranked it as their fourth most important attribute. As hypothesised by this study, a wine’s origin is likely to be of importance to consumers because of the strong associations between wine and place.

Several authors have argued that intrinsic product attributes are of greater importance to evaluating consumers (Forney et al., 1999; Grunert, 1986; Liefeld et al., 2000; Szybillo & Jacoby, 1974). However, others have argued that intrinsic cues can only be important to consumers if they are available to be evaluated during the decision making process (Zeithaml, 1988). In terms of wine, intrinsic cues such as taste and bouquet are not available for evaluation (unless previously tasted), and thus it was expected that extrinsic cues would be more frequently used and more important to consumers. Lockshin and Rhodus (1993) found that even those consumers who were provided with an opportunity to taste wine placed greater significance on the price cue as an indicator of wine quality. This study has found that five of the eight most frequently used attributes were indeed extrinsic cues (i.e. price, discounted price, brand, region of origin, and country of origin). However, consumers ranked the three intrinsic cues of variety, type, and tried previously (i.e. taste) ahead of the extrinsic cues in terms of importance. This result therefore disagrees with the findings of Lockshin and Rhodus (1993), but concurs with the argument put forward by other consumer behaviour researchers that intrinsic cues are more important to consumers (Forney et al., 1999; Grunert, 1986; Liefeld et al., 2000; Szybillo & Jacoby, 1974). Wine consumers may hold sufficient knowledge in order to utilise the type and variety attributes as estimations of how a wine will taste, and are therefore less reliant on extrinsic cues as surrogate indicators of wine quality.

This study has added to consumer behaviour knowledge by identifying *which* attributes are evaluated by wine consumers and the degree to which these attributes are important to them, during *actual* purchase decisions.

6.2.3 *The country of origin effect*

The vast majority of previous country of origin research has been based upon the assumption that consumers know or acquire product origin information during the purchase process (Cordell, 1992; Samiee et al., 2005). Those studies which have questioned consumers immediately following an actual purchase have provided evidence to contradict this assumption; the majority of consumers have not been able to accurately provide origin information for the products that they have purchased (Hester & Yuen, 1987; Liefeld, 2004). These studies examined consumers who had purchased items in various product classes, including apparel, shoes, appliances, housewares, entertainment, communications, computer, outdoor, hardware, toys and furniture. Establishing whether wine consumers would know or acquire country of origin information during actual purchase decisions was one of the key aims of this study.

Over 83% of wine consumers either knew or acquired country of origin information about the wine they selected and were able to accurately recall this information at the point of purchase. This result gives further support for the cognitive nature of the wine purchasing model proposed in this study. In contrast, studies by Hester and Yuen (1987) and Liefeld (2004) reported that consumers did not know or acquire country of origin information; it is likely that the product classes that were included in these studies (e.g. apparel, shoes, appliances, entertainment and communications equipment), are evaluated at an affective level to a greater extent than is wine. It is possible that the presentation of wines by country of origin groupings in some retail stores may have influenced this result. The high level of importance that consumers ascribed to the country of origin cue is likely to exist because of the strong associations between wine and place. One respondent even commented that “*wine is a fascinating thing – it is international, but is linked to places*”. Another respondent suggested that “*different countries make different styles of the same varietal*”. Whilst only 14% of wine consumers stated that they utilised the country of origin cue during their purchase decision, the fact that the majority of them could identify this country suggests that the cue may be evaluated by consumers at a subconscious level. This would also tally with the country of origin cue being ranked fourth in terms of importance by wine consumers.

The vast majority of country of origin research has found that consumers hold stereotyped views of various products based upon their country of origin (Bilkey & Nes, 1982; Darling & Peutz, 2002; Klein et al., 1998; Leclerc et al., 1994; Lillis & Narayana, 1974). This study has

revealed that consumers hold stereotyped views regarding wines based upon the country from which the wine originated; perceptions of wine, in terms of price/value, quality/prestige, and market presence, varied significantly based upon the country of origin. As this study has revealed, the majority of consumers were able to identify the national origin of the wine they purchased, therefore the stereotyped images that they have regarding these are of considerable importance to wine producing nations. This study has demonstrated that country of origin has an effect on the perceptions of wine consumers and is likely to therefore have a flow-on effect on their purchase decisions.

Table 6.01 depicts the means of the items that were used to measure each of the three dimensions (NB. the ‘expensive’ item was reverse coded in this analysis). These rankings, however, must be tempered by the fact that the first three places are populated by countries from which the sample population was drawn. These results therefore may have been influenced by consumer biases in favour of their domestic wines (NB. this is discussed in greater detail later in this sub-section).

Table 6.01 Wine Origin Rankings

Country of Origin	Price/Value (mean of 3 items)	Quality/Prestige (mean of 7 items)	Market Presence (mean of 4 items)	Wine Country of Origin Ranking
Australia	5.31	5.31	5.32	1
New Zealand	4.61	5.76	5.20	2
USA	4.67	5.00	5.39	3
Italy	4.93	4.94	4.69	4
Spain	5.06	4.83	4.50	5
France	4.14	5.31	4.77	6

Gluckman (1990) noted that consumer perceptions are based upon expected consequences. The results therefore suggest that consumers typically expected to pay reasonably low prices and attain good value for money when purchasing Australian wines. Likewise, consumers expected that when they opened a bottle of New Zealand wine it would be of a high and consistent quality, and it would be a socially acceptable and prestigious choice for them to make. American wines were expected to be well advertised and to have a high presence in the marketplace. Similarly, consumers also utilise a product’s origin as a risk reducing strategy. For instance, wines from Australia, Italy and Spain would be perceived to have low financial risk, wines from New Zealand would have low quality risk, and French wines would have low social acceptability risk.

The results indicate that consumer perceptions of the wines originating from various nations differ across the dimensions. For example, New Zealand wines are perceived to be the best in terms of quality and prestige value, but with regards to price and value they are perceived poorly and are ranked ahead of only French wines. Italy and Spain are perceived to produce reasonably low priced wines which are good value for money, but which are perceived to be weak in terms of quality and prestige. In contrast, French wines are perceived to be the worst with regards to price and value for money, but are second equal with Australian wines in terms of quality and prestige perceptions. It is apparent that the wines originating from various nations are perceived to have varying areas of strengths and weaknesses which the consumer weighs up during the purchasing process.

In terms of overall ranking, Table 6.01 indicated that Australia came out as the top wine producing nation, followed by New Zealand and the USA. Traditional Old World wine producers such as Italy, Spain and France filled the bottom places amongst the six originating countries which were examined. Whilst this study has provided the first examination of actual consumer perceptions towards wines based upon their national origin, there is considerable literature to support the view that New World wines are outshining their Old World rivals. A number of authors have noted that the domination of Old World wines in international markets has declined and that there have been significantly increased sales of New World wines in the same key export markets (Anderson, 2001, 2003; Cobb, 2005; Mintel, 2005). Evidence from Sainsbury supermarket sales figures in the UK indicated that the wines from France, Germany and Italy accounted for 94% of sales in 1990, but just 42% by 2002 (Dean, 2002). In addition, Dean (2002) reported that UK consumers were purchasing Australian and New Zealand (New World) wine rather than French (Old World) wine because they trusted it and had high confidence in it. In contrast to older generations, the important baby boomer generation in the UK “no longer believe that France produces the best wines in the world” (Dean, 2002, p. 94). This study clearly illustrates that consumers perceive wines originating from the New World more favourably than those from the Old World in terms of price and value, quality and prestige, and market presence. Several comments from respondents help to illustrate these findings, including “*New World wines are far better than French wines*”, “*I like the red wines from the New World wine regions, as the Old World ones are not as good*”, “*I drink red wines and go for the New World generally (Chile and Australia)*” and “*best value wines for low pounds are from the New World*”.

Australia emerged as the top ranked wine producing nation and their wines were perceived consistently well across all three dimensions. In particular, they were perceived very strongly in terms of their pricing and being good value for money. Several respondents made comments which support these perceptions, including *“I generally buy Aussie wines as they are good value for money”*, *“Australian wines are relatively inexpensive”*, *“Australian wines are good value for money”*, *“I only purchase Australian wines as they are good value for money and pretty cheap”* and *“why go overseas when there are so many Australian wines and they are so well priced?”*. Whilst Australian wines were also perceived quite well in terms of the quality and prestige dimension, many respondents noted a difference in their perceptions of Australian red and white wines. Respondents commented that *“Aussie reds are good”* and that *“I tend to buy red wines from Australia”*, but they also noted that *“I hate Australian white wines”*, *“I prefer New Zealand whites to Aussie ones, but buy Australian reds”*, and *“Aussie reds are a good buy, but their whites aren’t good”*.

In the overall ranking of wine producing nations, New Zealand came second behind Australia. Consumers held a similar market presence view of the two nation’s wines, but New Zealand wines were perceived more positively in terms of quality and prestige, whilst Australian wines were superior in terms of price and value perceptions. These views are illustrated by positive comments from respondents such as *“New Zealand wines are the best!”*, *“I’m happy with New Zealand wines”*, *“New Zealand makes some of the best wines in the world”*, *“wines from New Zealand are very good and are of a consistent quality”*, but are offset by price related comments including *“New Zealand wines don’t provide great value for money”*, *“I would like to see New Zealand wines at a lower price”*, *“New Zealand needs to price for everyday drinking wines”*, *“the impression is that they [New Zealand wines] are more expensive”* and *“the quality of New Zealand wine is good, but value for money is not as good as Australian wines”*. Similarly to the Australian industry, consumers had different views regarding white and red wines from New Zealand. This difference was illustrated by comments such as *“New Zealand white wines are good”*, *“I tend to drink New Zealand whites and Australian reds”*, *“New Zealand produces excellent white wines, but the reds lack body”*, *“New Zealand makes better white wines than Australia does”* and *“New Zealand makes beautiful white wines and Australia makes good reds”*.

American wines were perceived highly in terms of their market presence, but were only average in terms of price/value and quality/prestige perceptions. In other words, consumers

who purchased wines originating from the US perceived that these wines were widely available, that they were frequently advertised, that they produced a wide choice of wine varieties, and that there were many well known US wine brands. Only a few comments were made by respondents about US wines, but these were typically positive, including “*I drink a lot of Californian wines and they are good*”, “*I visit Californian wineries so I’m familiar with their wines and tend to buy USA wines*” and “*I primarily drink Chardonnay and Zinfandel from California*”. American wines, in terms of perceived price and value for money, were rated ahead of only the French and New Zealand wines. Respondent comments such as “*American wines are over-priced and not as good as those of Chile and Australia*” and “*Californian wines are over-priced and are losing market share*” illustrate this perception.

Gluckman (1990) wrote that Italian wines were assumed by UK consumers to be of lesser quality than French wines, but better value for money. The findings of this study provide support for this assumption. Italian wines were perceived favourably in terms of price and value for money, but were less well regarded in terms of quality and prestige. Respondent comments about Italian wines were rather mixed, from “*I buy Italian wines or those made by Italians in Australia*”, “*I like Italian wines*” and “*my all time favourite are Italian wines*” to “*I hate the composition corks that Italian wineries use*” and “*Italian wines are not consistent in quality*”. One respondent suggested that “*Italy has the best potential*” however.

Spanish wines were evaluated similarly to those from Italy. They were perceived very favourably in terms of price and value for money, but were rated the lowest of the six nations in terms of producing quality and prestigious wines. Gluckman (1990) suggested that Spanish wines had a poor quality image and that they were purchased by those who were most influenced by price. Despite this, a small number of positive comments were made by respondents about Spanish wine; “*Spanish wines are fantastic*”, “*I like Spanish, Italian and French wines because they have lower levels of preservatives*”, “*Spanish wines are under-rated*” and “*my favourite are Spanish wines*”. Respondents also commented about the image of Spain as a producer of good value for money wines, including “*good value from Argentina, Chile, Spain and Italy*” and “*Spain, Portugal, Argentina and Chile all make good value for money wines*”.

Perhaps the biggest surprise in terms of consumer perceptions regarding wine arose from the French results. Despite its long and renowned historical standing as a wine producing nation,

France came last out of the overall ranking of the six countries of origin which were included in this study. Whilst Gluckman (1990) wrote that UK consumers typically viewed French wines as being complicated, confusing and highly variable in terms of quality, it is still a surprise that the overall consumer ranking for French wine fell below that of Italian and Spanish wines. Several respondents illustrated the confusing and complicated nature of purchasing French wines through comments such as *“I am trying to learn about French wines, but they are very difficult to understand”* and *“I don’t understand much about French wines”*. Another respondent noted that *“all European wines are more difficult to understand because grape varieties are not clearly labelled”*. In a positive light, French wines were second behind New Zealand wines in terms of quality and prestige and were equal to those originating from Australia for this dimension. Closer inspection of the items used to measure the quality and prestige dimension reveal some interesting points; consumers regarded French wines as having the highest status, but these were the wines for which they were least proud to buy and they rated them as providing the least consistent satisfaction. Like New Zealand wines, the French equivalents were also perceived poorly in terms of their pricing and their ability to provide value for money. Several comments from respondents supported these views, including *“If I am buying less expensive wine I steer clear of French ones; you need to spend a pound or two more to get quality with French wines”*, *“I don’t like French wines as they are over-rated”*, *“French wines are expensive and of varying quality”*, *“France needs to improve its quality and its marketing of wines”*, *“French are over-rated, but have high social value and acceptability”*, *“French wines are over-rated compared to New Zealand wines”*, *“you pay a fortune for good French wine which is no better than cheap New Zealand wine”*, *“there are plenty of crap wines from France”* and *“I rarely buy French wines as the best is kept in France and the UK gets the dregs”*. However, French wines appear to polarise consumer views, with a small number of respondents stating that *“French wines are the best”*, *“I love French Syrah”*, *“I stick to French and New Zealand wines”*, *“French wines are more subtle and enjoyable than Australian wines”* and *“the best glass of wine I ever tasted was French”*. Whilst consumer perceptions of Australian and New Zealand wines are different for reds and whites, perceptions for French wine appears to differ between still and sparkling wines. Respondents noted that *“I only buy Champagne from France, otherwise I stick to New Zealand wines”* and *“I like Australian wines and French Champagne”*, whilst another stated that *“Champagne is over-priced”*. For hundreds of years, France has commanded a reputation for high quality wine production, so it is interesting to see that this reputation appears to now be somewhat tarnished. Perhaps it has been French arrogance and

their inability to respond to criticism by international consumers regarding their confusing and complicated wine labels that has resulted in this diminished reputation. Indeed one respondent seemed to hint at this by expressing the view that the “*French are up themselves with regards to their wines!*”.

Consumer perceptions of their domestic wines in terms of quality/prestige and market presence were more favourable than were their perceptions of imported wines. Whilst several authors had previously reported that consumers have a bias towards the products which originate from their domestic country over imported products (Baumgartner & Jolibert, 1978; Chinen et al., 2000; Darling & Kraft, 1977; Lillis & Narayana, 1974; Loeffler, 2002; Reiersen, 1966), the vast majority of country of origin research has not found evidence that consumers are biased towards their domestic products. This study had assumed that perceptions regarding the presence of locally produced wines in domestic markets would be high, but clearly wine consumers also have a bias in terms of their perception of the quality and prestige of their domestic wines. This result contradicts that of a Canadian study (Wall & Heslop, 1986) which reported that domestic wines had a lower quality image than that of imported wines; however, the Canadian industry did not have a strong record of producing premium quality wines at that time. A number of the respondent comments suggest that loyalty to domestic wines had some influence over their purchase decisions; “*I tend to stick to USA wines*”, “*I always buy European wines because I am more aligned with Europe – I have a sense of belonging and identify with Europe*”, “*I have lived in Australia and therefore have a preference for their wines*”, “*I like to support the New Zealand wine industry*”, “*I only drink New Zealand wines and this is due to patriotism*” and “*I tend to stick to Californian wines to be nationalistic and to support the local economy*”. Conversely, consumer perceptions of wine in terms of price/value were more favourable towards imported rather than domestic wines; this is possibly due to the large number of New Zealand consumers who were included in the sample and the previously discussed finding regarding New Zealand wines being perceived poorly in terms of price and value for money by wine consumers. This study provides support for the notion that home country bias is a product specific phenomenon (Balabanis & Diamantopoulos, 2004; Elliott & Acharya, 2003), but goes further to suggest that any home country bias may be specific to certain product dimensions too.

This study has established that consumers in the global marketplace have different perceptions of wine based *solely* on the country of origin. This indicates that for wine

consumers the country of origin is an important product attribute, although it appears that this cue may be utilised at a subconscious level to affect purchase decisions. The country of origin cue is therefore also of significant importance to those who produce or market wine.

6.2.4 The influence of individual consumer characteristics

Consumer demographic characteristics have been widely collected and analysed by consumer behaviour researchers. These demographic variables have often been used as a basis to describe or categorise individual consumers and their behaviour. The demographic variables measured in this study were nationality, gender, age, education and income.

Earlier research revealed that some relationships existed between the country of origin attribute and various consumer demographic characteristics. For instance, studies have reported that females tend to rate imported products significantly more favourably than do males (Bilkey & Nes, 1982; Schooler, 1971). Others have suggested that females are more positive in their attitudes towards domestic products too (Wall & Heslop, 1986). A Swedish fresh meat study revealed that females made greater use of the country of origin cue, but that utilisation of this cue decreased as consumer education levels increased (Hoffmann, 2000).

In terms of wine, previous research reported that wine labelling and packaging had a greater influence on young consumers, and that wine origin was more important to males than it was to females (Batt & Dean, 2000). It has also been suggested that males and females utilised the price, colour, country of origin and brand attributes similarly, but that females were more likely to be influenced by discounts or promotions (Mintel, 2005). Reports from wine retailers are varied, with some suggesting that females respond to variety and medal attributes, whilst others suggest that females utilise price and packaging cues and males make greater use of medals (Thomson, 2007).

This study has found that the total number of attributes utilised by consumers during their wine purchase decisions is moderated by their level of education, but not by any other demographic values. As the consumer's level of education increased, so too did the average number of wine attributes that they evaluated. It would be logical to expect that those individuals with higher levels of education would also have the ability to process greater levels of product information during purchase decisions.

This study has found that consumer nationality has a moderating influence on the degree of utilisation of three wine attributes; discount price, brand and country of origin. In the first instance, the discount price cue was more heavily utilised by New Zealand consumers. This finding may be due to the prevalence of wine purchasing in New Zealand supermarket outlets which offer regular and heavy discounts on wine, but further research would be needed to confirm this. The brand cue was utilised significantly less by UK and American consumers than it was by New Zealand or Australian consumers. It could be argued that consumers in the UK and US markets are exposed to a far greater number of wine brands from a greater number of origins, whereas New Zealand and Australian consumers are exposed primarily to a smaller number of predominantly Australasian brands. This would mean that Australasian consumers would be more familiar with these brands and could thus be expected to make greater use of this product cue. In terms of the country of origin, UK consumers utilised this cue significantly more often than did consumers in the other three nations. This result may relate to the global nature of the UK wine market; wine shelves in UK wine retail stores are generally arranged by country of origin and a wide range of origins are represented on the shelves. A typical UK supermarket, for instance, would include sections devoted to the Old World wines from France, Italy, Spain, Germany and Portugal, along with well-stocked sections containing New World wines from Australia, New Zealand, Chile and South Africa. With regards to the importance that consumers ascribed to the attributes they evaluated, nationality only moderated the importance of the price cue. Australian consumers were found to place significantly less importance on the price cue than did wine consumers from New Zealand, the UK and the US. As previously noted, Australian wine was positively perceived for price and value, thus domestic consumers may not utilise the price cue as much as consumers elsewhere because they have an expectation that the wines they purchase will be reasonably priced and good value for money. Nationality did not influence the importance ascribed by consumers to any of the other wine attributes.

Gender was found to moderate the utilisation of the discount price and the region of origin cues. Females made greater use of the discount price cue, whilst males made greater use of the region of origin cue. Commercial research in the UK also reported that female wine consumers were more swayed than males by price discounts (Mintel, 2005). The latter result is similar to the earlier finding of Batt and Dean (2000), who reported that males rated the region of origin cue as being more important than it was to female wine consumers. However, in this study the gender of the consumer was not found to significantly moderate

the importance that was attached to any of the wine attributes. Whilst utilisation of the discount price and the region of origin cues differed between males and females, they did not differ in the importance that they ascribed to any of the attributes that they evaluated during the purchase decision making process. This would suggest that the behaviour of male and female wine consumers is reasonably comparable and that gender would not therefore make a good basis for segmentation of the international wine market.

The wine consumer's age moderated their utilisation of the price and wine type attributes. Those in the young age group (18-24) made less use of the price cue; utilisation of this cue increased with age up until the 45-54 year old group. This result may relate to the high disposable income levels of both young and elderly consumers who are frequently unencumbered by dependent children or mortgages. Similarly, utilisation of the type attribute increased with age up to those aged 45-54, when it then decreased. Consumer age did not moderate the level of importance that was ascribed to any of the product attributes; again, this suggests that categorisation of international wine consumers on the basis of age would not be a successful strategy.

Education levels had a significant influence on utilisation of both the country and region of origin attributes. As the consumer's level of education increased, so too did their utilisation of these two origin cues. This result was not expected, as previous country of origin research had suggested that a negative relationship existed between utilisation of the cue and consumer education (Hoffmann, 2000). With regards to wine, utilisation of the origin cue may imply that the consumer has a reasonable level of wine knowledge; it could be argued that those with higher educational levels would be expected to have higher levels of knowledge regarding all manner of subjects, including wine, and this would result in them making greater use of the origin cues. However, education had no significant influence on the importance levels attached to the any of the product attributes.

Consumer income did not moderate the utilisation of any of the wine attributes and nor did it have any influence on the importance levels that consumers ascribed to the attributes they evaluated. This is a somewhat surprising revelation, as it had been assumed that income level would at least have an influence on the utilisation and importance of the price or discounted price cues. However, in terms of the product of wine, consumer income does not appear to be a useful variable for describing or categorising international consumers.

One interesting point to note is that utilisation of the variety and tried previously attributes was not moderated by any of the consumer demographic characteristics. These cues were ranked as the first and third most important to evaluating wine consumers, and in terms of utilisation they were evaluated with consistently high frequency by consumers across all of the demographic groups.

Apart from examining the effect that consumer demographic characteristics could have on attribute utilisation and importance ratings, this study also considered how these characteristics might modify wine perceptions. Both nationality and gender were found to have some influence on consumer perceptions of wine, whilst age, education and income had no moderating effect on consumer perceptions. In terms of price and value for money, Australian consumers were significantly more favourable in their views than were consumers from New Zealand and the UK. Consumers in Australia predominantly purchased domestically produced wines, which are well perceived in terms of being reasonably priced and good value for money; hence, the favourable perceptions of Australian consumers in terms of price and value were not surprising. With regards to wine quality and prestige, the perceptions of US consumers were significantly less favourable than those of New Zealand or Australian consumers. Wine sales in these three markets tend to be dominated by domestic products, so this result suggests that American consumers don't have a strongly favourable view of their domestic wines in terms of quality and prestige. In terms of market presence, UK consumers had a lower perception than did consumers from the other three nations. As the UK does not have a commercial wine industry of any significant size this result is not surprising; consumers in the other three nations are likely to be more familiar with, and exposed to, brand names and advertising from members of their domestic wine industries. Finally, males had less favourable perceptions of wine price and value than did female consumers. In terms of this single dimension, this study is in agreement with previous country of origin literature which suggests that males generally have less positive views than females towards both imported (Bilkey & Nes, 1982; Schooler, 1971) and domestic products (Wall & Heslop, 1986). Further analysis revealed that a larger percentage of males purchased wine at general liquor stores or speciality wine stores, whilst more females than males tended to purchase wine at supermarkets. Whilst the differences between the store types visited by males and females were not significant, they may have contributed to this finding to some degree; the males who were purchasing wine at liquor or wine stores would not be exposed to

the regular and large price discounts offered in supermarkets, and may thus have a less favourable regard for the price and value of the wine they purchased.

Finally, demographic characteristics of the consumers were examined to determine if they moderated the usage situations for which consumers purchased wine. Previous research had revealed that in gift giving situations demographic characteristics, such as gender, age and income, moderated the benefits that were sought by the purchasers (Parsons, 2002). This study has revealed that the gender, education and income levels of wine consumers have no relationship with the usage situations for which wine is purchased. However, both nationality and age did have a significant influence on the usage situations. In New Zealand, consumers viewed wine as an appropriate drink for family meal situations, but were less likely to purchase wine for dining with a partner or spouse. The cultural or social reasons behind such behaviour have not been investigated in this study, but it may be possible that consumers do not feel it is appropriate or financially viable to open a bottle of wine for an everyday meal with a partner or spouse, but are happy to do so when dining with a larger family group. In contrast, American consumers were less likely to drink wine during dining situations with either family or friends. These US consumers favoured drinking wine when they were with their friends, but not in a meal situation. In the US, wine is obviously less strongly thought of as an accompaniment to meals and again this may be due to cultural or social factors which were beyond the scope of this study. Finally consumer age was found to moderate the situations for which wine was purchased. In particular, the young 18-24 year old group purchased wine to drink with their friends, but did not tend to purchase it for consuming over a meal with a partner/spouse or with family. This finding is logical, as young consumers are less likely to have a partner or spouse. They are also generally too old to be still living with family members, but are too young to have started a family of their own, so they simply don't find themselves involved in a family dining situation very often.

The five demographic variables which were examined in this study have been found to have a rather haphazard effect on the behaviour of wine consumers. This study has provided some interesting insights, but no strong evidence that consumer demographic characteristics are a good basis for categorising or segmenting the global wine market.

As well as demographic characteristics, this study also examined the individual consumer in terms of their wine knowledge. Whilst many consumer behaviour studies have focused on

only a single construct, this study measured all three of Brucks (1985) product knowledge constructs; objective knowledge, subjective knowledge and familiarity. As product knowledge is an individual characteristic, the levels of knowledge had been expected to vary amongst consumers. This study found that consumers did indeed possess varying levels of both objective and subjective wine knowledge. A significant correlation was found between objective and subjective knowledge levels (Forbes, Cohen, & Dean, 2008a), indicating that wine consumers generally ascribed themselves with a level of knowledge that aligned with their actual wine knowledge. The mean level of objective knowledge questions answered correctly was 3.5, whilst around twelve percent of respondents answered all six objective knowledge questions correctly. The objective knowledge results in this study are considerably higher than those achieved by an earlier study; Veale and Quester (2007) utilised a different instrument, consisting of a greater number of questions, to measure objective wine knowledge, and this is probably the reason for the different results achieved in the two studies.

Brucks (1985) identified a positive relationship between the consumers' level of product knowledge and the number of product attributes that they evaluated when making a purchase decision. The finding was verified by a later study which considered the product of wine (Perrouty et al., 2006). This study also provides support for this positive relationship; those consumers who had a high level of objective wine knowledge and those who consumed wine most frequently evaluated significantly more attributes than did those consumers with low objective knowledge or low familiarity. In this instance, both objective knowledge and familiarity were found to influence the number of attributes that were evaluated, but subjective knowledge had no moderating effect. This result concurs with the findings of Brucks (1985), who suggested that objective and subjective product knowledge may affect consumer information processing in differing ways.

Researchers have reported contradictory findings with regards to the relationship between product knowledge and utilisation or importance of the country of origin cue. Whilst some authors have argued that consumers with low product knowledge will be more influenced by the country of origin cue (Ahmed et al., 2002; Hong & Toner, 1989; Maheswaran, 1994; Moon, 2004), others have argued that the cue will be most utilised by those with high product knowledge (Johansson, 1989; Johansson et al., 1985; Schaefer, 1997). Knight and Calantone

(2000), as well as Phau and Suntornnond (2006), found little evidence of any relationship between product knowledge and country of origin.

Earlier studies have reported that less experienced wine consumers will make greater use of the price cue as an indicator of quality (Lockshin & Rhodus, 1993) and that expert wine consumers will be more likely to utilise the region of origin cue (Rasmussen & Lockshin, 1999). A segmentation study reported that connoisseurs had the greatest wine knowledge and were brand loyal but not price sensitive consumers (Hall & Winchester, 1999), suggesting that knowledgeable wine consumers will make greater utilisation of the brand cue and less use of the price cue. Other authors have noted that those consumers who drink wine less frequently will ascribe greater importance to the price cue, whilst the brand attribute will be more important to those who are more frequent wine drinkers (Batt & Dean, 2000).

This study has also found that the consumers' level of wine knowledge has a moderating effect on the attributes which are utilised during their product evaluations. Both objective and subjective wine knowledge significantly affected the utilisation of the variety and region of origin cues; as consumer wine knowledge increased so too did their use of these two cues. This result supports earlier research which suggested that there was no relationship or only a weak relationship between product knowledge and country of origin variables (G. A. Knight & Calantone, 2000; Phau & Suntornnond, 2006). The fact that utilisation of the country of origin cue was not moderated by product knowledge, yet region of origin was, suggests that wine consumers of varying knowledge levels are able to process and interpret country of origin information. The region of origin cue appears to be a more specialised and complex informational attribute than is the country of origin cue. Wine consumers with higher levels of objective knowledge also made less use of the discount price cue. This coincides with Hall and Winchester's (1999) connoisseur segment of consumers with high wine knowledge who were price insensitive. This study supports the notion that the most knowledgeable consumers are not looking for a bargain when they purchase wine. Familiarity with wine, measured in terms of consumption frequency, was found to have no moderating effect on the utilisation of any of the attributes.

Both objective and subjective knowledge levels were found to have no significant effect on the level of importance that consumers ascribed to the various wine attributes. Familiarity had a negative relationship with the importance ascribed to the country of origin cue. In

simple terms, as the frequency of wine consumption increased the importance attached to the country of origin cue decreased.

This study also considered how product knowledge would moderate the perceptions that consumers had of wine. Both objective knowledge and familiarity had no moderating effect on wine perceptions; subjective knowledge moderated only the market presence dimension. As subjective knowledge levels decreased the consumers mean perception of the market presence dimension also decreased. These results suggest that product knowledge does not have a significant effect on consumer perceptions of wine; the stereotyped images of wines from varying countries of origin are therefore largely consistent amongst consumers irrespective of their level of wine knowledge.

Consumer product knowledge was found to have little effect on the usage situations for which wine was purchased. Neither objective nor subjective wine knowledge levels moderated the situations for which consumers purchased wine. Familiarity, in terms of wine consumption frequency, did moderate the usage situations. Those consumers who drank wine most frequently did so primarily in private situations, whilst those who drank wine less often mainly purchased it for public situations. This result is not surprising, as consumers are unlikely to be in public situations (i.e. with friends) on a daily basis, and thus those who noted that they drank wine daily or almost everyday would therefore be expected to do so to a greater degree in private situations (i.e. at home with a partner or family).

Consumer involvement with the product class of wine is another of the individual variables of interest to this study. Similarly to product knowledge, levels of wine involvement were found to vary amongst individual consumers. Interestingly, a significant and positive correlation was identified between the consumer's level of wine involvement and their level of wine knowledge (Forbes et al., 2008b).

Several authors have previously suggested that consumers with high product involvement exhibit high levels of information seeking (Bloch, 1981; Hansen, 2005; Laurent & Kapferer, 1998). In other words, these high involvement consumers would be expected to consider a larger number of product attributes during the purchase decision making process. This study confirmed that those consumers who were highly involved with the product of wine did evaluate a greater number of attributes than did the less involved wine consumers. This

supports the findings of Lockshin, Spawton and Macintosh (1997) who suggested that highly involved consumers spend more time contemplating wine labels.

Consumer product involvement levels have been reported as having varying effects on the utilisation or importance of the country of origin cue. Some authors have found that as product involvement increased, so too did utilisation of the country of origin cue (Lin & Chen, 2006) or that evaluation of the country of cue was unnecessary when consumers were purchasing unimportant, low involvement products (Samiee, 1994). Others have argued that consumers with low product involvement would be more likely to use the country of origin cue to simplify their purchase decision processes (Gurhan-Canli & Maheswaran, 2000b; W.-N. Lee et al., 2005).

Wine researchers have identified various relationships between the levels of consumer involvement and attribute utilisation or importance. For instance, some have reported that consumers with low wine involvement place greater importance on the price cue (Hollebeek et al., 2007; Lockshin et al., 2001; Zaichkowsky, 1988), whilst others have found that involvement does not affect the importance of the price cue (Quester & Smart, 1996). The region of origin cue has been noted as being of greater importance to those with high wine involvement (Hollebeek et al., 2007; Quester & Smart, 1996) and these highly involved consumers have also been found to have greater interest in knowledge about wine brands (Lockshin et al., 2001).

This study found that consumer wine involvement levels significantly moderated the utilisation of only the region of origin cue. Those consumers with high levels of wine involvement made greater use of the region of origin cue during their product evaluations. This result supports the earlier studies by Quester and Smart (1996) and Hollebeek et al. (2007). This result is logical given the correlation between involvement and knowledge, and the fact that wine knowledge had also been found to have a positive relationship with utilisation of the region of origin cue. Again, this result suggests that the region of origin cue is of a higher order than other cues, and most suitable for evaluation by those with greater wine involvement and knowledge. Consumer involvement with wine did not significantly affect the utilisation of any other product attributes.

Likewise, consumer involvement with wine had no moderating influence on the level of importance that consumers ascribed to the various product attributes. This result is again similar to the product knowledge findings, where neither objective nor subjective wine knowledge levels were found to affect attribute importance ratings.

This study also considered how product involvement would moderate the consumer perceptions of wine. Wine involvement was found to only moderate the market presence dimension; as involvement increased, so too did the consumers mean perception of the market presence dimension. It appears logical that consumers who are more involved with a product would be more aware of brands, varieties, availability and advertising associated with that product. These results suggest that product involvement does not have a major effect on consumer perceptions of wine; the stereotyped images of wines from various countries of origin are generally consistent amongst consumers despite their differing levels of wine involvement.

Finally, consumer involvement was examined in terms of its effect on the usage situations for which wine was purchased. In this exploratory research, consumer wine involvement levels were found to not have a significant moderating effect on the usage situations for which they were purchasing wine.

Overall, these results show that individual characteristics did have *some* moderating effect on consumer wine purchasing behaviour. The frequency with which some of the wine attributes were evaluated by consumers was moderated by some of their demographic characteristics, their wine knowledge and their involvement with wine. However, these individual characteristics did not have much of an influence upon the consumer attribute importance ratings. A key finding was that the perceptions of wine from various countries of origin were reasonably consistent across individual consumers; this suggests that the stereotyped views of wine producing nations were entrenched across consumers of varying ages, education, income, wine knowledge and wine involvement levels. Negative consumer perceptions of some wine producing nations may therefore be difficult for producers or marketers to change.

6.2.5 The influence of the usage situation

This study examined the usage situations for which wine was purchased by consumers in order to understand whether these situations could explain variation in purchasing behaviour. Belk (1975) noted that the predicted usage situations for a product may not be equally common amongst consumers, and that studies need to provide evidence which describes the frequency of these situational occurrences. This study has identified that consumers purchase wine in order to satisfy one of up to thirteen usage situations. Of these thirteen, only four situations were commonly specified by more than 10 percent of the wine consumers; a meal with partner/spouse, a meal with family, a drink with friends, and a meal with friends. These four can be described as the primary situations for which wine is purchased and consumed.

Previous research suggests that usage situations influence the attributes which are evaluated by consumers and the importance that is attached to these attributes (Verlegh & Candel, 1999). In terms of the country of origin cue, contradictory results have been reported in the literature; one study reported that utilisation of the country of origin cue did not significantly differ between private and public situations (Piron, 2000), whilst another noted that the country of origin cue was used more by consumers when they were purchasing products for personal use than when they were purchasing for gift giving (Amine & Shin, 2002).

In the case of wine, Quester and Smart (1998) revealed that the importance ascribed to the price, grape variety and wine style attributes differed across usage situations, whilst the importance of the wine region cue differed across usage situations for only those consumers with high wine involvement. Hall and Lockshin (1999) reported that consumers could recall the wine attributes that were most important to them and link these to specific usage situations. Later research suggested that wine consumers utilised a consistent group of important attributes, but used these somewhat differently depending upon the specific situation (Hall, O'Mahony et al., 2001). Another study suggested that wine consumers changed the set of criteria they used when selecting a wine, depending on the situation in which they planned to consume it (Halstead, 2002). This study has found, however, that the usage situation did not moderate the total number of attributes that were utilised by wine consumers and nor did it influence which attributes they evaluated. In other words, the frequency with which each attribute was evaluated did not differ across the four usage situations; this provides support for the findings of Piron (2000) who revealed no difference in the utilisation of the country of origin cue between public and private usage situations. In

addition, the importance that consumers ascribed to the attributes which they evaluated was not moderated by the usage situation either. It is possible that differences in the research methods may have resulted in these contradictory findings; this study identified the usage situation in which a selected bottle of wine would be consumed and the attributes that the consumer had utilised during an actual purchase decision, whereas the aforementioned wine studies examined recalled or experimental data.

Several studies have reported that the usage situation has a significant influence on the product that is selected and purchased by a consumer; many of these studies have considered food or beverage products (Ahlgren et al., 2005; Belk, 1974; Koster, 2003; Sandell, 1968). The findings of a UK focus group study indicated that wine consumers changed their product preferences depending upon the situation in which the wine would be consumed (Halstead, 2002). In this study the wine chosen by the respondent could be described only on the basis of its country of origin. For the product of wine, the usage situation was found to have a significant relationship with the national origin of the wine selected and purchased by consumers. In other words, consumers had preferences for wines originating from a particular nation when faced with a specific usage situation. Consumers clearly perceived the wines originating from a specific nation to be a better solution for some situations than they were for others; these preferences appear to relate to the conspicuousness of the usage situation for which the wine was purchased.

The conspicuousness of the usage situation has been found to affect consumer choice behaviour (Bearden & Woodside, 1978). Consumers typically feel greater risk when they are purchasing a product for a public usage situation. In public situations the consumer is also concerned by concepts such as social acceptability and enhancement of their self-image or esteem. Halstead (2002) reported that consumers believe that the wine they purchase reflects what type of person they are to others. The moderating influence of the usage situation on the country of origin selected by wine consumers, as discussed in the previous paragraph, has a relationship to whether the usage situation was a public or private one. French wines were most frequently purchased for use in public situations (i.e. a drink or meal with friends). An earlier section discussed how consumers perceived French wines to have the highest status out of the six studied countries of origin; through the purchasing of French wines for use in public situations, consumers are hoping the high status of these wines will project a favourable image of themselves to the other people they are socialising with. Contrastingly, Spanish

wines were perceived favourably by consumers in terms of price and value for money and these were clearly preferred for use in private situations; in these private situations consumers would not be concerned with how other people perceive them, and so they were happy to consume wines which were reasonably priced from a nation which is not renowned as a prestigious wine producer.

This study suggests that, for the product of wine, the usage situation does not have a strong influence on *how* consumers choose which wine to purchase. It clearly had no significant effect on the total number of attributes that were evaluated by consumers, on which attributes were evaluated, nor on the importance that was ascribed to the attributes they evaluated. This supports previous research which had reported that the same wine attributes were consistently rated as the most important cues for consumers across a range of various usage situations (Hall, O'Mahony et al., 2001). Whilst the usage situation appeared to have no influence over how consumers selected a wine, it did have an effect on *what* they selected to purchase. It is evident from this study that the usage situation had an influence over the origin of the wine that consumers selected to purchase.

6.3 Conclusions

6.3.1 Theoretical contributions

This study has provided an insight into the purchasing behaviour of wine consumers and has revealed an understanding of the factors that have an influence on their behaviour. Whilst this information has practical benefit in terms of predicting the behaviour of wine consumers, it has also added to knowledge of consumer behaviour at a theoretical level. It is expected that these theoretical contributions will be of interest and assistance to subsequent consumer behaviour researchers.

In the first instance, this study has added to the attribute processing and cue utilisation theories. Previous consumer behaviour researchers had noted that consumers evaluated only a small number of attributes during their purchase decision making processes (Grunert, 1986; Hoffmann, 2000; Jacoby et al., 1977), but the number which was evaluated by wine consumers during actual purchases remained unknown. Wine researchers have typically supplied respondents with lengthy lists of attributes and asked them to note which they use or

which they find important during the purchase process; this appears to have inflated the number of attributes which they actually use. This study has provided confirmation of the aforementioned studies; consumers, for the product of wine, evaluated only a small number of attributes despite the plethora of informational cues which were available to them.

In addition, previous consumer behaviour research had reported that the number of attributes evaluated by consumers was moderated by factors such as situation, knowledge and involvement (Engel et al., 1993). This study provides evidence that as consumer product knowledge and product involvement levels increase, so typically do the number of attributes that are evaluated. However, the usage situation was found to have no influence on the number of attributes that are evaluated by wine consumers.

This study has also added to consumer behaviour knowledge by identifying that disparities can exist between the frequency with which consumers utilise attributes and the level of importance that they ascribe to these attributes. It is evident that an attribute which is most frequently evaluated by consumers may not actually be the attribute which is of greatest importance to them.

Several authors have stated that intrinsic product attributes are more important than extrinsic cues to consumers (Forney et al., 1999; Grunert, 1986; Liefeld et al., 2000; Szybillo & Jacoby, 1974), whilst others have argued that extrinsic cues will be more important when intrinsic information such as product quality is unknown (Nebenzah et al., 1997; Zeithaml, 1988). Unless a wine has been previously tried, the quality of it is unknown and therefore extrinsic attributes had been expected to be of greater importance to consumers. However, this study has identified that the three most important cues to wine consumers are intrinsic in nature, thus providing support for the previously mentioned studies.

Country of origin is the area of consumer behaviour theory which has been most added to by this study. To begin with, this study has addressed several of the methodological criticisms which have been levelled at much of the earlier country of origin research. The majority of previous research has made a critical assumption that consumers either know or acquire country of origin information during an actual product purchase. This assumption has been refuted, across a number of product classes, by a small number of studies which have questioned consumers immediately following a purchase (Hester & Yuen, 1987; Liefeld, 2004). In a key result this study has found that the vast majority of consumers either know or

acquire country of origin information when they evaluate and purchase wine. Several other methodological issues have been addressed, including those surrounding single cue studies, hypothetical products, dominance of durable products, and sample representativeness. In this study, consumers were exposed to their normal selection of actual products, these products exhibited an unspecified and unlimited number of product attributes, and the product class was not a durable and manufactured one such as automobiles, electronics or apparel. The sample was randomly drawn from wine purchasers in a variety of stores and was not dominated by representatives from the US, nor was it obtained from student populations.

Numerous country of origin studies have identified that consumers hold stereotyped views of products based on their country of origin (Darling & Peutz, 2002; Lillis & Narayana, 1974; Morello, 1984; Schooler, 1965). Whilst earlier research asked consumers to rank wine origins in order of preference or had examined the price premiums which were associated with various wine origins, no previous study had identified the perceptions that consumers have regarding wines based solely upon the country of origin. In agreement with earlier country of origin research, this study has revealed that consumers hold stereotyped perceptions, with regards to wine, based upon its origin. As the majority of consumers were able to accurately identify the origin of the wine they had purchased, these perceptions can be viewed as having considerable value and relevance during their decision making processes.

Previous country of origin research has reported conflicting results regarding whether consumers hold biases in favour of their domestic products. Some authors have interpreted the contradictory findings as implying that home country biases are a product specific phenomenon (Balabanis & Diamantopoulos, 2004; Elliott & Acharya, 2003). This study has found that consumers hold more favourable perceptions of their domestic wines in terms of quality/prestige and market presence, but less favourable perceptions in terms of price/value. This suggests that any bias in favour of domestically produced items may not just be product specific, but may also be a dimension specific phenomenon. In other words, it appears that consumers may hold a bias for their domestic products as being better than imported products in terms of some specific dimensions but not in terms of others.

Very little country of origin literature has examined the moderating influence of consumer demographic characteristics on the utilisation or importance of the country of origin cue. In this study, both nationality and education were found to moderate the utilisation of the

country of origin cue, but none of the five demographic variables significantly influenced the importance that consumers placed on the country of origin cue. Consumer nationality and gender were also found to have some influence on consumer perceptions of wine based upon its national origin.

Previous country of origin research has reported mixed findings with regards to the effect that individual consumer characteristics such as product knowledge and product involvement have on the country of origin cue. This study has found that generally neither product knowledge nor product involvement significantly moderated the utilisation or importance of the country of origin cue. These results provide support for previous studies which also found no relationship between knowledge or involvement and the country of origin cue (G. A. Knight & Calantone, 2000; Phau & Suntornnond, 2006).

Another key aspect of consumer behaviour theory which has been added to through the findings of this study concerns the influence of individual consumer characteristics. Some individual demographic characteristics were found to significantly vary the utilisation or importance of some of the attributes that were evaluated during the consumer's purchase decision process. Both product knowledge and product involvement were also found to have some influence on the utilisation of some of the attributes, as well as having a positive relationship with the total number of attributes that were evaluated. Somewhat surprisingly, the consumers' levels of product knowledge and product involvement were found to have no influence over the importance that was ascribed to any of the attributes they evaluated. The somewhat haphazard effects that these individual consumer characteristics had on attribute utilisation or importance would suggest that these effects may be product specific rather than being a consistent influence on the behaviour of consumers in all purchasing situations. For instance, the significant effect that gender had on the utilisation of the discounted price cue may apply for the product of wine but may not be found to exist if the behaviour of consumers purchasing other products was measured. These results have thus advanced knowledge of the behaviour of wine consumers, but may not be found to be relevant or consistent across all products.

In terms of product knowledge, this study was unusual in that it measured all three constructs of product knowledge. The measurement of objective product knowledge, subjective product knowledge and product familiarity enabled this study to consider how these constructs

correlated or differed, and these findings add considerably to the theory concerning consumer product knowledge. Several authors have noted that the three product knowledge constructs have been used interchangeably as equivalent measures (Flynn & Goldsmith, 1999; Laroche et al., 2003). Whilst this study revealed a significant correlation between objective product knowledge and subjective product knowledge, these constructs, as well as the product familiarity construct, had differing effects upon the behaviour of consumers. This result provides support for an earlier study which reported differences in terms of the effect that objective and subjective product knowledge had on the number of attributes evaluated by consumers (Brucks, 1985). This suggests that these constructs should not be treated as equivalent measures of product knowledge because the influences that they have on consumers during the purchase process are not always comparable.

This study has also added to the less examined area of situational theory. Previous research in this area has been criticised for a number of methodological issues; it has frequently examined anticipated or imaginary situations, detailed product attribute information has not been presented to respondents, samples are small and unrepresentative, and primarily main effects rather than interactions with other constructs have been considered. This study has addressed all of these issues by examining consumers immediately after they have purchased tangible products for use in actual situations. In addition, relationships between the usage situation and other constructs have been analysed in this study. One of the key results is the identification of the actual usage situations for which consumers purchase wine, and the recognition that four of these situations account for around 75 percent of all wine purchases. In addition, the usage situation was not found to moderate how consumers selected a product to purchase, in that it did not influence the total number of attributes that were evaluated, which attributes were utilised, or the importance ascribed to them. However, it did moderate what was purchased, as the choice of wine country of origin was significantly influenced by the usage situation.

Finally, some of the measurements used in this study will provide a benefit to future consumer behaviour researchers. For example, the five items that were used to measure consumer product involvement achieved a high degree of reliability, thus suggesting that these items could be used to measure this construct in future studies. Four of these items were adopted from earlier involvement studies (Laurent & Kapferer, 1998; Zaichkowsky, 1985), and had also been used by other wine researchers (Alonso, 2005; Lockshin et al., 1997).

Aside from providing support for the scale utilised in earlier research, the reliability of the product involvement scale also suggests that the fifth item that was added by this study (i.e. “I read books or magazines about wine”) has measured the underlying aspects of the product involvement construct and could therefore be applicable in future research. Similarly, the high degree of reliability achieved with respect to the items adopted to measure subjective product knowledge also provides support for previous studies which have utilised the same scale (Flynn & Goldsmith, 1999; Perrouy et al., 2006). Lastly, this study has some measurement related findings which will be of interest to country of origin researchers. Dimensions such as price/value, prestige, quality/workmanship, and market presence had been widely used to measure consumer country of origin perceptions regarding durable and manufactured products in previous studies (Agarwal & Sikri, 1996; Han, 1990; G. A. Knight & Calantone, 2000; Mohamad et al., 2000; Nagashima, 1977; Papadopoulos & Heslop, 2002; Roth & Romeo, 1992). However, factor analysis performed in this study revealed the existence of only three dimensions; price/value, quality/prestige, and market presence. The items that had been adopted or adapted in order to measure the dimensions of prestige and quality/workmanship were found to load onto the same factors. The majority of country of origin research has focused on examining consumer perceptions towards durable, manufactured products, and is particularly dominated by studies regarding automobiles, electronic items and apparel. This study suggests that consumer perceptions of prestige and quality/workmanship, for the product of wine, were intrinsically linked. It is possible that country of origin perceptions may be found to relate to just three dimensions for other types of products too.

6.3.2 Practical implications

This study has provided a number of interesting insights into who the typical wine consumer is, how they select a wine, and which wine they actually purchase (in terms of country of origin). These insights are of importance to wine producers and marketers who must develop strategies to influence consumers. It is essential that such strategies are especially effective at a time when the global wine market is becoming increasingly competitive. It has been noted that “prices are down, retailers are demanding more concessions, production of fine wine is up, and more countries are seriously entering the global market” (Lockshin, 2005, p. 32).

Wine producers and marketers provide a number of informational cues or employ certain promotional tactics which they hope will sway consumers into purchasing their products. One of the key findings of this study is that many of these cues or tactics are neither utilised nor important to consumers during their wine purchase decisions. Attributes such as bottle or label design, medals or awards, professional reviews, and promotional tactics such as prize draws or free gifts, had little influence over consumer decision making. The provision of in-store wine tastings is one of the promotional tactics which is under the control of wine producers or marketers. If consumers had tasted a wine previously they utilised this when selecting a wine to purchase and they rated it as being very important to them. Consumers utilise in-store product trials as a way in which to gain confidence and reduce purchase risk; this study recommends that in-store wine tastings is one tactic which could be used to successfully increase wine sales.

A key consideration for wine producers and marketers is how to increase the frequency with which consumers purchase and consume wine. This study has revealed a positive relationship between the frequency of wine purchasing or consumption behaviour and the individual's level of wine involvement (Forbes et al., 2008b). It appears that those consumers who are most involved with wine are also more knowledgeable and they make more frequent purchases of wine. This finding, across four countries, supports previous research which examined only the New Zealand wine market (Hollebeek et al., 2007). So the question isn't necessarily how do wine producers or marketers increase purchasing and consumption behaviour, but rather how do they increase consumer involvement with wine which will indirectly increase sales? The fostering of wine involvement could be achieved through a variety of wine industry initiatives, including the provision of cellar door tastings, food and wine events, appreciation or educational courses, and sponsorship of charitable or sporting events.

Fennell (1978) stated that usage situations are the activities and conditions for which products are actually created and marketed. This study has shown that wine industry members need to predominantly focus on the creation and marketing of wines which can be consumed in four usage situations: meal with a partner or spouse, meal with family, drink with friends and meal with friends. These are the primary usage situations for which consumers purchase wine and the wine industry should therefore focus on the production of wines which are suitable and appealing for these occasions. The notion that wines are suitable and appropriate for

consumption in these four situations can be reinforced to consumers through depiction of them being consumed in these situations in advertising messages. In addition, the findings indicated that American consumers purchase wine less often for consumption in dining situations. Wansink and Ray (1996) noted that situation comparison advertising increased consumption of brands in the featured situations; promotions of wine being consumed in dining situations could change consumer views regarding the suitability of wine as a beverage in these situations, and could thus result in increased wine sales in the key US market.

Anderson (2003) suggested that wine consumers would gradually begin to differentiate between grape varieties and between countries of origin; this study has revealed that consumers already have differing perceptions of wine, based solely upon the country of origin. These country of origin images are important to wine producers and marketers, both in terms of understanding how consumers perceive their own products, as well as understanding consumer perceptions regarding wines from competing nations. Yet, Parameswaran and Pisharodi (1994) noted that very few marketers actually make use of favourable country of origin images (or successfully overcome unfavourable images).

There are a number of marketing strategies that can be employed to promote a positive, or lessen a negative, country of origin image. For instance, if a product's country of origin image is favourable, then the "Made in..." label should stress the origin and marketing communications should be used to reinforce the positive perceptions so that these are also prevalent across new market segments (Morello, 1984). Price and distribution strategies can be used to negate unfavourable country of origin perceptions (i.e. by lowering the product's price or selling it through reputable retailers).

It is difficult to place a monetary value on the most famous product-country images (e.g. Scottish whiskey or Swiss watches), but it is likely that consumer perceptions are potentially worth many millions to producers of these products in these countries. This study has identified the perceptions that consumers have towards various wine producing nations and these perceptions can be viewed as having a financial value or cost associated with them. For instance, the strong image of New Zealand wines having consistently high quality is likely to be of considerable financial value to members of this country's wine industry. Similarly, the perceptions amongst consumers of France being a producer of high priced wines, with high status yet inconsistent quality, has probably resulted in a financial cost to wine producers in

this nation. This cost is likely to be the reason behind a rescue plan to salvage the ailing French wine industry; a recently released report has documented new relaxed regulations and labelling practices which seek to modernise the French wine industry and bring it in line with its New World competitors (Wilson, 2008). Researchers have noted that country of origin images can change over time (Darling & Peutz, 2002; Nagashima, 1977), and it is possible that through this plan the negative perceptions that consumers hold towards French wine will be transformed.

The consumer country of origin perceptions revealed in this study have a practical and valuable contribution for the New Zealand wine industry. The New Zealand wine industry has long utilised country of origin as a differentiation strategy in global wine markets. Positive imagery of clean and green New Zealand landscapes have been used to enhance perceptions of wine quality, especially when the industry was a young and developing one (Beverland & Lindgreen, 2002). Whilst the industry has self-congratulated itself on the high quality wines it produces, global research to verify this conviction has been carried out only at a retailer or distributor level. This study sought to understand the actual perceptions that consumers had of New Zealand produced wines and whether promotional campaigns utilising country of origin were an advisable strategy. In this study, consumers have been found to hold New Zealand wines in high regard with respect to quality and prestige in particular; this suggests that utilisation of a country of origin promotional strategy has indeed enhanced consumer perceptions of quality for this nations wines. Previous studies have noted that New Zealand is highly regarded in terms of food safety and quality, and that consumers have confidence and trust in food products originating from this country (J. Knight, Holdsworth, & Mather, 2003). Such an image adds value for New Zealand products in international marketplaces, and wine appears to be no exception.

The New Zealand wine industry has long held the view that they must price their wines at the high end in global markets so as not to damage their reputation for being a producer of high quality wines. In this study Australian wines were perceived second behind New Zealand wines in terms of quality and prestige and consumers generally had consistently high perceptions of Australian wines across all three dimensions. This suggests that it is not impossible to produce wines which consumers perceive to be of good quality, and at the same time they also perceive them to be good value for money. The results regarding Australian wines indicate that quality and value may not be mutually exclusive in the eyes of wine

consumers. In the over-crowded and highly competitive international wine market, this result may be worthy of some consideration by the New Zealand wine industry.

6.4 Limitations

This study was affected by several limitations, which are noted and discussed in the following paragraphs.

Firstly, this study interviewed a total of 399 respondents. Whilst this sample size is not small and is comparable to many other studies, a larger number of respondents may have provided more powerful indications of consumer behaviour. In addition, the interviewed respondents were resident at the time of data collection in only six cities; it is implausible to believe that these respondents would be truly representative of *all* consumers in the global wine market. Whilst respondents from all six cities were included in the sample, around half of the total interviewees were derived from the New Zealand cities of Christchurch and Auckland. This means that the sample may be biased by the views of New Zealand respondents. In addition, Table 5.21 illustrated that the majority of wines purchased by New Zealand, Australian, and US respondents were those from their domestic producers; this is likely to have biased the results, especially when the reported domestic country bias across two of the wine dimensions is taken into account. However, this study set out to examine *actual* wine purchases and thus it had been expected that sales of domestic wines would dominate in these three markets.

An additional potential sample bias may have occurred because only those English speaking consumers with time to stop were included in the sample. It is also possible that having a New Zealand interviewer may have influenced respondents to display more favourable perceptions towards wines originating from this nation. However, the methodology adopted in this study was designed to limit biases and increase the representativeness of the sample as much as was practically possible (i.e. interviews were conducted with actual wine purchasers, in various store types, over various days of the week and times of the day so that the results could be generalisable to the population). By examining consumer purchasing behaviour in naturally occurring purchase situations, rather than through experimental analysis or recall of previous behaviour, all of the factors which logically influenced the consumer choice should have been accounted for in the findings of this study. Kollat, Engel and Blackwell (1970) noted the value of analysing the actual choice decisions of consumers in genuine situations. It

should also be noted that any effects from factors such as the season, the financial calendar, or holiday periods, could not be taken into account in the sampling plan.

Another limitation with this research is that it has concentrated on analysing consumer behaviour in terms of the single product of wine. This means that the attributes and usage situations which were examined apply solely to this product. Thus, it is possible that the findings of this study may not be generalised across other products or other situations; additional research would be needed to examine this.

A further limitation arose from the test that was developed to measure objective wine knowledge. This test is in fact entirely subjective in nature; it is likely that other researchers would have a different view on which questions would best measure the objective wine knowledge construct. Every effort was made to use questions which tested the knowledge of consumers regarding a range of wine facets and the objective knowledge instrument was also pre-tested with experts and novices to check that it did differentiate between the two. Practical reasons limited the measurement to a small number of questions, but pre-testing of these questions indicated that the scale did differentiate between consumers with varying levels of wine knowledge.

A final limitation is that many other individual consumer characteristics, including emotions, values, culture, personality, social class and reference groups, have been identified by researchers as having an influence on consumer behaviour. These variables, however, were beyond the scope of this study and thus their influence on the behaviour of wine consumers has not been established herein.

6.5 Directions for Future Research

It would be of some benefit to repeat this study in five years time. This repeated study would indicate whether consumer perceptions of wine based upon its country of origin have changed over time; in particular, it would be interesting to see if the changes made in the French industry have improved consumer perceptions of this nation's wines.

Beverland and Bretherton (1998) suggested that developing new export markets is particularly important [for the New Zealand wine industry] at a time when serious threats exist, such as

the world wine glut, falling prices and increased production levels. Replicating this study by examining the views of consumers in developing wine markets such as China and India would therefore be a particularly meaningful avenue of future research. Similarly, examining the perceptions of consumers in Old World wine producing nations would also provide a good comparison to the findings of this study.

This study found that the usage situation had a moderating effect on the selected wine's country of origin. Data identifying the purchased wine's country of origin was collected in this study, but information relating to the purchased wine type, variety and region of origin was not collected. Future research could collect information identifying data such as the wine type, variety and region of origin, as it would be interesting to examine whether the usage situation would also moderate these variables.

One of the limitations of this study is that it has considered only a single product. A replication of this study, using a different product, would add considerable weight to the findings of this research. As the majority of country of origin research has focused on durable, manufactured products such as automobiles, electronics and apparel, it would be of interest to examine consumer views regarding other non-durable, agricultural based items which originate from a number of different countries (e.g. beef, lamb or dairy products).

6.6 Chapter Summary and Concluding Comments

This chapter has provided a discussion regarding the findings of this research and explanations for why such results were obtained. The chapter has also outlined both the theoretical contributions and practical implications that have arisen from this study. Finally, the limitations and ideas for future research have been presented and discussed within this chapter.

Thomas and Pickering (2005) suggested that there had not been enough research effort devoted to understanding the *what, who, why* and *how often* aspects relating to the behaviour of wine consumers. This study sought to explore these questions by examining global wine consumers in actual purchase situations; the existing knowledge of the behaviour of these global wine consumers has been added to considerably through this study. A particular focus

has been placed on understanding how these results could be of practical benefit to the New Zealand wine industry at what is a very difficult and competitive time in the global market.

Figure 6.01 reintroduces the wine purchasing model which was presented in Chapter 3. This study has identified the attributes which are most frequently utilised by consumers and the level of importance that they ascribe to these attributes. Consumers had made their wine purchase decision prior to being interviewed; the majority were found to be able to identify the origin of the wine they had selected and their perceptions of wines were found to vary based upon this origin. These results highlight the importance of the country of origin cue for wine consumers. The product knowledge and product involvement constructs were found to have a fairly similar impact on how consumers selected wine to purchase. Some, but not all, of the consumer demographic characteristics were also found to have an effect on purchase decision processes. The usage situation was found to have no effect on how wine was selected by consumers, but it did affect which wine was chosen in terms of its origin. This study has provided confirmation that consumers utilise a cognitive approach when purchasing wine. Whilst it is likely that other influencing constructs will be identified in the future, the model does provide a good foundation of the consumer wine purchasing process from which subsequent studies can build upon.

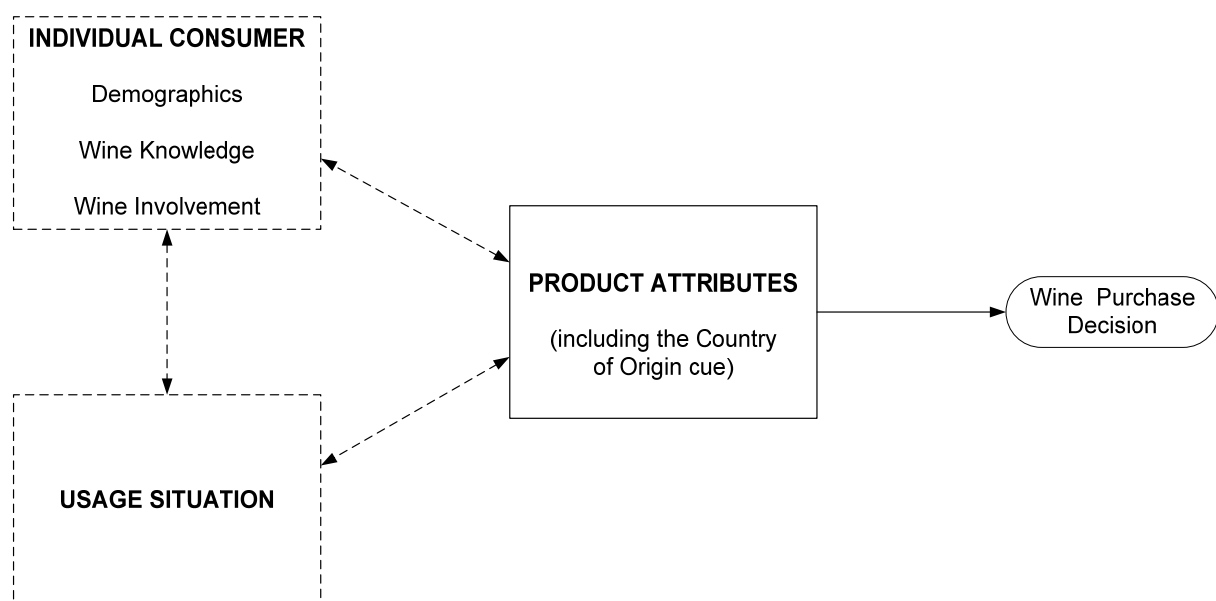


Figure 6.01 The Wine Purchasing Model

This study has addressed the five broad research questions that were documented in Chapter 1 and these provide a good summary of this study's contributions:

1. Price is the wine attribute which is most utilised by consumers, but variety is the most important attribute to consumers during their purchase making decision. The country of origin cue is ranked eighth in terms of utilisation by consumers and fourth in terms of importance, but a wine's country of origin is identified by the majority of consumers.
2. Perceptions of wines do vary significantly depending upon the country from which a wine has originated.
3. Individual consumer characteristics such as demographic values, product knowledge and product involvement have varying effects upon attribute utilisation, attribute importance ratings, the perceptions of wines from various national origins, and the usage situations for which a wine is purchased.
4. Consumers purchase wines to satisfy thirteen different usage situations, but just four of these situations are the reason behind around three-quarters of all wine purchases.
5. The usage situation does not influence attribute utilisation or attribute importance ratings but does influence the national origin of the wine that is selected to purchase.

It is hoped that the insights into the behaviour of wine consumers that have been afforded through this study will add to the existing body of literature and be an inspiration to future consumer behaviour researchers.

*So life's year begins and closes
Days though shortening still can shine
What though youth gave love and roses
Age still leaves us friends and wine.
Thomas Moore*

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APPENDICES

Appendix A: Questionnaire

Usage Situation and Planned/Unplanned Purchase

- Q1. Did you plan to purchase wine today? 1 No 2 Yes
- Q2. In what situation will you use the wine you have purchased today?
- | | | | |
|----------------------|----------------------|--------------------|----------------------|
| 1 Meal with partner | 2 Meal with friends | 3 Meal with family | 4 Drink with partner |
| 5 Drink with friends | 6 Drink with family | 7 Drink by oneself | 8 Business related |
| 9 Outdoor BBQ/picnie | 10 Party/celebration | 11 Cellaring | 12 Gift giving |
| 13 Other: | | | |
-

Wine Attributes (including product-country image)

- Q3. Which factors did you consider when purchasing this wine today?
- | | | |
|-----------------------------------|----------------------------|--------------------------------|
| 1 Price | 2 Discounted price | 3 Type (red / white) |
| 4 Variety (Riesling, Merlot, etc) | 5 Brand | 6 Country |
| 7 Region | 8 Tried previously | 9 Medals / awards |
| 10 Professional review | 11 Personal recommendation | 12 Bottle / label design |
| 13 Alcohol % | 14 Age / vintage | 15 Promotion (prize draw, etc) |
| 16 Other: | | |
- Q4. For each of the factors you noted in the previous question, can you rate the level to which these were important to you during your purchase decision today?
- 0 Unused 1 Slightly important 2 Moderately imp. 3 Important 4 Very imp. 5 Extremely imp.
- Q5. Did you notice which country the wine you purchased was made in?
- 1 No 2 Yes
- | | | | | |
|----------------|----------------|-----------|---------|-------------|
| 1 France | 2 Italy | 3 Spain | 4 USA | 5 Argentina |
| 6 Australia | 7 South Africa | 8 Germany | 9 Chile | 10 Portugal |
| 11 New Zealand | 12 Other: | | | |

Price/Value

- Q6a. _____ wines are expensive *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6b. _____ wines are good value for money *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6c. _____ wines are reasonably priced *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*

Prestige

- Q6d. I am proud to buy _____ wines *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6e. _____ wines are prestigious *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6f. _____ wines have high status *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*

Workmanship

- Q6g. _____ is a reputable producer of wines *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6h. I can rely on the quality of _____ wines *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6i. I am consistently satisfied by _____ wines *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6j. _____ wines have high overall quality *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*

Market Presence

- Q6k. _____ wines are widely available *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6l. I see/hear lots of adverts for _____ wines *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6m. _____ has many well known wine brands *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
- Q6n. _____ makes a wide choice of wine varieties *Strongly Disagree* 1 2 3 4 5 6 7 *Strongly Agree*
-

Wine Involvement

- Q7a. Wine is very important to me *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q7b. For me, wine does not matter *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q7c. I have a strong interest in wine *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q7d. I like having wine with my food *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q7e. I read books or magazines about wine *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*

Wine Knowledge

Subjective Knowledge

- Q8a. I don't understand much about wine *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q8b. I am confident in my knowledge of wine *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q8c. Among my friends, I am the wine expert *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*
Q8d. I know less about wine than others do *Strongly Disagree 1 2 3 4 5 6 7 Strongly Agree*

Familiarity/Experience

- Q8e. I drink wine *Never Up to 6/year Monthly Fortnightly Weekly Most Days Every Day*
Q8f. I purchase wine *Never Up to 6/year Monthly Fortnightly Weekly Most Days Every Day*

Objective Knowledge

- Q8g. Which of the following is a red wine?
Riesling Chardonnay Merlot Sauvignon Blanc Don't Know
- Q8h. A peppery character is most associated with which wine?
Semillon Merlot Shiraz Pinot Noir Don't Know
- Q8i. Burgundy is the French term for which wine?
Shiraz Pinot Noir Merlot Muscat Don't Know
- Q8j. Which grape variety is never used to make Champagne?
Chardonnay Riesling Pinot Noir Pinot Meunier Don't Know
- Q8k. Which is not a famous French wine region?
Bordeaux Champagne Alsace Rheingau Don't Know
- Q8l. What is the name of NZs famed Sauvignon Blanc region?
Kapiti Hawkes Bay Marlborough Waipara Don't Know
-

Demographics / Psychographics

- Q9. What is your gender? *1 Male 2 Female*
- Q10. What is your age? *1 18-24 2 25-34 3 35-44 4 45-54 5 55-64 6 65+*
- Q11. What is your highest level of education?
1 High School 2 Trade or tech qualification 3 Undergraduate degree 4 Postgraduate degree
- Q12. How would you rate your income level?
1 Very Low 2 Low 3 Middle 4 High 5 Very High
-

Comments

- Q13. Do you have any comments to make about wines and the countries that make them?

Appendix B: Questionnaire Answer Form

CITY:
STORE NAME:
DATE/TIME:

STORE TYPE:

Using the same scale on **Card C**, state your level of agreement or disagreement to the following statements.

Q1. Did you plan to purchase wine today?

1 No 2 Yes

Q2. Looking at **Card A**, in what situation will you use the wine you have purchased today?

- 1 Meal with partner / spouse
- 2 Meal with friends
- 3 Meal with family
- 4 Drink with partner / spouse
- 5 Drink with friends
- 6 Drink with family
- 7 Drink by oneself
- 8 Business related
- 9 Outdoor BBQ / picnic
- 10 Party / celebration
- 11 Cellaring
- 12 Gift Giving
- 13 Other _____

Q3. Looking at **Card B**, which factors did you consider when purchasing this wine today?

- 1 Price _____ 2 Discount price _____
- 3 Type _____ 4 Variety _____
- 5 Brand _____ 6 Country _____
- 7 Region _____ 8 Tried previous _____
- 9 Medals/awards _____ 10 Prof. review _____
- 11 Recommendn _____ 12 Bottle/label _____
- 13 Alcohol % _____ 14 Age/vintage _____
- 15 Promotion _____ 16 Other _____

Q4. For each of the factors you noted in the previous question, can you rate the level to which these were important to you during your purchase decision today?

Q5. Did you notice which country the wine you purchased today was made in?

1 No 2 Yes

Country _____

Looking at the scale on **Card C**, state your level of agreement/disagreement to these statements.

- Q6a. nnn wines are expensive _____
- Q6b. nnn wines are prestigious _____
- Q6c. I am consistently satisfied by nnn wines _____
- Q6d. nnn wines are widely available _____
- Q6e. nnn wine are good value for money _____
- Q6f. nnn is a reputable producer of wines _____
- Q6g. I can rely on the quality of nnn wines _____
- Q6h. I see/hear lots of adverts for nnn wines _____
- Q6i. nnn makes a wide choice of wine varieties _____
- Q6j. nnn wines are reasonably priced _____
- Q6k. I am proud to buy nnn wines _____
- Q6l. nnn wines have a high overall quality _____
- Q6m. nnn wines have high status _____
- Q6n. nnn has many well known wine brands _____

- Q7a. Wine is very important to me _____
- Q7b. I like having wine with my food _____
- Q7c. For me, wine does not matter _____
- Q7d. I read books or magazines about wine _____
- Q7e. I have a strong interest in wine _____

- Q8a. I don't understand much about wine _____
- Q8b. I am confident in my knowledge of wine _____
- Q8c. Among my friends, I am the wine expert _____
- Q8d. I know less about wine than others do _____

Use the scale at the bottom of **Card D** to answer the following two questions.

- Q8e. I drink wine _____
- Q8f. I purchase wine _____

Turn over to **Card E**.

Q8g. Which of the following is a red wine?

1 No 2 Yes _____

Q8h. A peppery character is most associated with which wine? 1 No 2 Yes _____

Q8i. Burgundy is the French term for which wine? 1 No 2 Yes _____

Q8j. Which grapes are never used to make Champagne? 1 No 2 Yes _____

Q8k. Which is not a famous French wine region? 1 No 2 Yes _____

Q8l. What is the name of NZs famed Sauvignon Blanc region? 1 No 2 Yes _____

Q9. Gender? 1 Male 2 Female

Turn to **Card F**.

Q10. What is your age?

1 18-24 2 25-34 3 35-44
4 45-54 5 55-64 6 65+

Q11. What is your highest level of education?

- 1 High school
- 2 Trade / Tech qualification
- 3 Undergraduate degree
- 4 Postgraduate degree

Q12. How would you rate your income level?

- 1 Very low
- 2 Low
- 3 Middle
- 4 High
- 5 Very high

Q13. Do you have any comments about wines and the countries that make them?

Appendix C: Ethics Committee Approval Form



Research & Innovation Office
P O Box 94
Lincoln University
Salisbury 8150
NEW ZEALAND
Telephone 64 03 325 2611
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HUMAN ETHICS COMMITTEE

Application No: 2007-20

24 May 2007

Title: The effect of country of origin and usage situation on consumer behaviour: an exploratory study of multiple wine markets

Applicants: Sharon Forbes

The Lincoln University Human Ethics Committee has reviewed the above noted application.

Dear Sharon:

Thank you for your detailed response to the questions which were forwarded to you on the Committee's behalf.

Having read your responses, I am satisfied on the Committee's behalf that the issues of concern have been satisfactorily addressed.

I am pleased to give final approval to your project and may I, on behalf of the Committee, wish you success.

Yours sincerely

Lyn Boddington
Acting Chair, Human Ethics Committee

PLEASE NOTE: The Human Ethics Committee has an audit process in place for applications. Please see 7.3 of the Human Ethics Committee Operating Procedures (ACHE) in the Lincoln University Policies and Procedures Manual for more information.

cc: Dr David Cohen (Commerce)
Dr David Dean (Commerce)

Appendix D: Data Collection Schedules

Christchurch

Wednesday 9 th May	Thursday 10 th May	Friday 11 th May	Saturday 12 th May	Sunday 13 th May	Monday 14 th May	Tuesday 15 th May
0930-1130 Countdown Eastgate Yes 4 No 4	0900-1100 New World Fendalton Yes 6 No 4	0900-1100 PakNSave Northlands Yes 9 No 2	0900-1100 Countdown Northlands Yes 10 No 3		0930-1130 PakNSave Moorhouse Yes 9 No 4	1000-1200 Countdown Colombo St Yes 5 No 8
	1300-1500 Liquorland Shirley Yes 2 No 2	1200-1430 Countdown Colombo St Yes 8 No 10	1230-1500 Hemingway Wines Yes 7 No 0	1300-1530 Countdown Eastgate Yes 6 No 8	1300-1500 Countdown Church Cnr. Yes 9 No 3	
1630-1830 New World Halswell Yes 10 No 10	1600-1830 Countdown Church Cnr. Yes 9 No 3	1500-1800 Vino Fino City Yes 9 No 4	1645-1815 Liquor King Carlton Mill Yes 12 No 10			1500-1730 Countdown Northlands Yes 7 No 3
Total Yes 14 Total No 14	Total Yes 17 Total No 7	Total Yes 26 Total No 16	Total Yes 29 Total No 13	Total Yes 6 Total No 8	Total Yes 18 Total No 7	Total Yes 12 Total No 11

Total stores surveyed	12
Total number of store visits made	16
Total number of wine customers	198
Total number of customers surveyed	122
Response rate	62%

Sydney

Wednesday 27 th June	Thursday 28 th June	Friday 29 th June	Saturday 30 th June	Sunday 1 st July	Monday 2 nd July	Tuesday 3 rd July
1030-1230 Stanmore Cellars Yes 1 No 0		1000-1200 1 st Choice Naremburn Yes 5 No 4	1000-1200 1 st Choice Haberfield Yes 6 No 2			
1330-1530 Liquorstop Croydon Yes 1 No 2	1230-1430 Porters Pymont Yes 1 No 0	1330-1530 Stanmore Cellars Yes 1 No 0	1300-1500 Porters Pymont Yes 2 No 2			
	1530-1730 Kemenys Bondi Yes 9 No 6	1630-1830 Liquorstop Croydon Yes 5 No 1	1600-1800 Ultimo Wines Yes 0 No 2		1500-1700 Kemenys Bondi Yes 8 No 6	
Total Yes 2 Total No 2	Total Yes 10 Total No 6	Total Yes 11 Total No 5	Total Yes 8 Total No 6		Total Yes 8 Total No 6	

Total stores surveyed	7
Total number of store visits made	11
Total number of wine customers	64
Total number of customers surveyed	39
Response rate	61%

Melbourne

Thursday 5 th July	Friday 6 th July	Saturday 7 th July	Sunday 8 th July	Monday 9 th July	Tuesday 10 th July	Wednesday 11 th July
103-1230 Randall Wines Yes 4 No 1	1000-1200 1 st Choice Balwyn Yes 8 No 6					
1400-1600 Prospect Wines Yes 2 No 1	1330-1530 Randall Wines Yes 6 No 4	1330-1530 1 st Choice Balwyn Yes 10 No 8			1300-1500 Dan Murphy Richmond Yes 6 No 4	
	1700-1900 Armadale Cellars Yes 0 No 2	1600-1800 Cellarbrations Balwyn Yes 3 No 3			1400-1600 Prospect Wines Yes 3 No 3	
Total Yes 6 Total No 2	Total Yes 14 Total No 12	Total Yes 13 Total No 11			Total Yes 9 Total No 7	

Total stores surveyed	6
Total number of store visits made	9
Total number of wine customers	74
Total number of customers surveyed	42
Response rate	57%

London

Wednesday 25 th July	Thursday 26 th July	Friday 27 th July	Saturday 28 th July	Sunday 29 th July	Monday 30 th July	Tuesday 31 st July
1000-1200 Sainsburys Holburn Yes 5 No 6		1000-1200 Tesco Notting Hill Yes 3 No 6				
	1330-1530 M & S Kensington Yes 5 No 0	1330-1530 Handford Holland Pk. Yes 2 No 1	1200-1400 Tesco Notting Hill Yes 7 No 2	1230-1430 Wine of Course Yes 0 No 1	1400-1600 M & S Kensington Yes 6 No 7	1300-1500 Sainsburys Camden Yes 10 No 6
1500-1700 Milroys of Soho Yes 2 No 0	1600-1800 Handford South Kens. Yes 0 No 3	1600-1800 Majestic Shep. Bush Yes 4 No 1	1630-1830 Majestic Greenwich Yes 3 No 0		1700-1900 Threshers Hammersmith Yes 4 No 3	1600-1800 M & S Camden Yes 10 No 9
Total Yes 7 Total No 6	Total Yes 5 Total No 3	Total Yes 9 Total No 8	Total Yes 10 Total No 2	Total Yes 0 Total No 1	Total Yes 10 Total No 10	Total Yes 20 Total No 15

Total stores surveyed	12
Total number of store visits made	14
Total number of wine customers	106
Total number of customers surveyed	61
Response rate	58%

San Francisco

Tuesday 14 th August	Wednesday 15 th August	Thursday 16 th August	Friday 17 th August	Saturday 18 th August	Sunday 19 th August	Monday 20 th August
1300-1500 Coit Liquor North Beach Yes 1 No 0			1330-1530 Lucky Fulton St Yes 2 No 2	1200-1400 The Jug Shop Yes 7 No 2		
1600-1800 Lucky Fulton St Yes 6 No 2		1600-1800 The Jug Shop Yes 5 No 3	1630-1830 Coit Liquor North Beach Yes 10 No 10	1600-1800 Bacchus & Venus Yes 2 No 3		1630-1830 Lucky Fulton St Yes 10 No 2
Total Yes 7 Total No 2		Total Yes 5 Total No 3	Total Yes 12 Total No 12	Total Yes 9 Total No 5		Total Yes 10 Total No 2

Total stores surveyed	4
Total number of store visits made	8
Total number of wine customers	67
Total number of customers surveyed	43
Response rate	64%

Auckland

Wednesday 10 th October	Thursday 11 th October	Friday 12 th October	Saturday 13 th October	Sunday 14 th October	Monday 15 th October	Tuesday 16 th October
1030-1230 New World Mission Bay Yes 8 No 2	1030-1230 Woolworths Northcote Yes 5 No 2				1000-1200 Foodtown Three Kings Yes 5 No 2	
1400-1600 Foodtown City Yes 10 No 7	1400-1600 Liquor King Ponsonby Yes 2 No 1	1230-1430 Foodtown Takapuna Yes 10 No 4	1230-1430 Woolworths Grey Lynn Yes 12 No 5	1200-1400 New World Remuera Yes 5 No 7		1200-1400 Foodtown Mt Eden Yes 7 No 1
	1630-1830 New World Victoria Pk Yes 14 No 6	1500-1730 Liquor King Takapuna Yes 5 No 3	1600-1800 Point Wines Northcote Pt Yes 6 No 1	1500-1700 Glengarry Herne Bay Yes 3 No 4		1430-1630 Acc. Wines Parnell Yes 0 No 1
Total Yes 18 Total No 9	Total Yes 21 Total No 9	Total Yes 15 Total No 7	Total Yes 18 Total No 6	Total Yes 8 Total No 11	Total Yes 5 Total No 2	Total Yes 7 Total No 2

Total stores surveyed	14
Total number of store visits made	14
Total number of wine customers	138
Total number of customers surveyed	92
Response rate	67%

Appendix E: Data Analysis Techniques

Hypothesis / Exploratory Question	Question Type	Statistical Analysis
H1a: Price will be the attribute most frequently evaluated by consumers during the wine purchase process.	Descriptive	Frequency distribution
H1b: Price will be the most important attribute evaluated by consumers during the wine purchase process.	Descriptive	Mean and standard deviation
EQ1a: How will the total number of attributes used by consumers to evaluate wine vary based on consumer demographic characteristics?	Group comparison	Cross tab with chi-square and ANOVA
EQ1b: How will the frequency with which each attribute is evaluated by consumers vary based on demographic characteristics?	Group comparison	Cross tab with chi-square
EQ1c: How will the importance ascribed by consumers to each attribute vary based on consumer demographic characteristics?	Group comparison	ANOVA
EQ2a: How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine knowledge?	Group comparison	Cross tab with chi-square
EQ2b: How will the importance ascribed by consumers to each attribute vary based on their level of wine knowledge?	Group comparison	ANOVA
H2: As the consumer's knowledge of wine increases, the total number of attributes evaluated during the purchase decision process also increases.	Relational	Spearman's correlation and linear regression
EQ3a: How will the frequency with which each attribute is evaluated by consumers vary based on their level of wine involvement?	Group comparison	Cross tab with chi-square
EQ3b: How will the importance ascribed by consumers to each attribute vary based on their level of wine involvement?	Group comparison	ANOVA
H3: As the consumer's involvement with wine increases, the total number of attributes evaluated during the purchase decision process increases.	Relational	Spearman's correlation and linear regression
H4: During the decision making process, consumers will acquire country of origin information about the wine that they purchase.	Descriptive	Frequency distribution
EQ4: How will consumer perceptions regarding the (a) price/value, (b) workmanship/quality, (c) prestige, and (d) market presence of a wine vary based upon its' country of origin?	Relational	ANOVA of calculated factors

Hypothesis / Exploratory Question	Question Type	Statistical Analysis
H5: Consumers will evaluate their domestically produced wines more favourably than wines originating from other nations in terms of (a) price/value, (b) quality/prestige, and (c) market presence.	Group comparison	ANOVA
EQ5a: How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by consumer demographic characteristics?	Group comparison	ANOVA and post-hoc LSD tests
EQ5b: How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by the consumer's level of wine knowledge?	Group comparison	ANOVA
EQ5c: How will consumer perceptions regarding the (a) price/value, (b) quality/prestige, and (c) market presence of wine be moderated by the consumer's level of wine involvement?	Group comparison	ANOVA
EQ6: What are the usage situations, both private and public, for which consumers will purchase wine?	Descriptive	Frequency distribution
EQ7a: How will the usage situations for which consumers purchase wine vary based on consumer demographic characteristics?	Group comparison	Cross tab with chi-square
EQ7b: How will the usage situations for which consumers purchase wine vary based on their level of wine knowledge?	Group comparison	Cross tab with chi-square
EQ7c: How will the usage situations for which consumers purchase wine vary based on their level of wine involvement?	Group comparison	Cross tab with chi-square
EQ8a: How will the total number of attributes used by consumers to evaluate wine vary based on the wine usage situation?	Group comparison	Cross tab with chi-square
EQ8b: How will the frequency with which each attribute is evaluated by consumers vary based on the wine usage situation?	Group comparison	Cross tab with chi-square
EQ8c: How will the importance ascribed to each attribute by consumers vary based on the wine usage situation?	Group comparison	ANOVA
EQ9: What is the relationship between wine origin and the frequency with which it is purchased in order to satisfy specific usage situations?	Group comparison	Cross-tab with chi-square

Appendix F: Factor Analysis Scree Plot

Scree Plot

