THE COUNTRY OF ORIGIN INFLUENCE ON THE DECISION TO BUY WINE.
A RESEARCH FRAMEWORK PROPOSAL

Anca-Maria MILOVAN-CIUTA  
West University of Timișoara, 300223, Romania  
anca.milovan@e-uvt.ro

Vasilica-Marinela ARDELEAN  
West University of Timișoara, 300223, Romania  
aminela@marinelaardelean.com

Sid Ahmed SAHOUR  
West University of Timișoara, 300223, Romania  
sahoursidahmed@hotmail.com

Florin Cristian JURCA  
West University of Timișoara, 300223, Romania  
cristianjurca@yahoo.com

Abstract  
In this article we intend to review the literature on the influence of the country of origin on the quality assessment and decision to buy wine. Based on literature review, we formulated the research model and the hypotheses we want to test. The research framework proposed in this paper is part of a wider research that addresses the influence of the image of the country brand on the image of Romanian wines. The model takes into account the influence of several moderator factors of the relationship intensity between the country of origin and the quality assessment, namely the choice of the purchased wines: the purpose of the purchase, the place of purchase/consumption, the personality of the consumer, the inclination towards ethnocentrism, the consumer’s gender and wine consumption expertise. The scale proposed to measure the influence of the country of origin on the perception of quality and choice of wine is the “Best-Worst” scale. The results of these studies may be useful to managers of wine producing/distributing companies in identifying market segments sensitive to various intrinsic and extrinsic attributes of wines and in promoting wine appropriately.

Key words: country of origin, extrinsic cues, perceived quality, wine consumption, wine purchase

JEL Classification: M30, M31

1. INTRODUCTION

The increasing internationalization of eating habits, such as including menus from different countries, with premium drinks (conferences, congresses, fairs), made wine become a part of the culture of many countries (Bisson, 2002, in Behrens et al., 2012). In particular, in countries from Asia, Central and Eastern Europe, wine consumption has acquired a cultural and hedonistic significance (Li et al., 2006, in Behrens et al., 2012).

Despite the increasing interest in wine, consumers have a low level of knowledge about wine, which can be explained partly by the existence of about 10,000 varieties or assortments of wine (This et al., 2006, in Behrens et al., 2012). It can be appreciated, using the terms of Ackerlof (1979, in Behrens et al. 2012) that there is an asymmetric distribution of the information concerning wine.

As the global wine industry becomes more competitive, marketers continue to try to differentiate their brands to ensure their success. The consumer’s perception of the quality of wine is an important factor in adopting the purchase decision, but the existence of thousands of options on the wine market makes their choice very difficult.

A subject that is extensively treated in literature is that of the place occupied by the country of origin among other variables that consumers take into account when deciding to buy (Wall & Heslop, 1986; Keown & Casey, 1995; Halstead, 2002; Orth et al., 2005; Felzensztein & Dinnie, 2006; Balestrini & Gamble, 2006; Hamlin & Leith, 2006; Goodman et al., 2008; Forbes, 2014).
II. LITERATURE REVIEW

Consumers use the country of origin as cue for heuristic evaluations so that other attributes of products make sense (Goldberg & Baumgartner, 2002). Moreover, consumers use the country of origin as a cue to reduce the perceived risk of buying and to obtain the approval of others for the products they buy (Papadopoulos & Heslop, 2002).

In the marketing literature there is considerable interest in the research concerning the country of origin effect on the perceived quality of products (Solomon et al., 2010).

Previous research showed that stereotypes and attitudes about the people of a country tend to influence the evaluation of the products originating from that country (Gurhan-Canli & Maheswaran, 2000; Wang & Yang, 2008).

There are also empirical studies suggesting that most consumers cannot identify the country of origin of famous brands correctly (Samiee et al., 2005; Balabanis & Diamantopoulos, 2008).

Several authors (Johansson & Nebenzahl, 1985; Samiee et al., 2005; Usunier, 2006) consider that the impact of globalization has brought changes, the country of origin effect is no longer a major issue in the practice of international marketing and in the academic research. Still, Cocalia (2015) points out that the reaction to the phenomenon of globalization is significant, as national communities go back to their irreducible traditions.

Some previous research found evidence for consumers’ preference for foreign brands to the detriment of domestic brands as a result of their favorable experience or their affinity for certain foreign countries (Oberecker & Diamantopoulos, 2011, in Sun et al., 2017). Other research shows that stereotypes formed regarding countries favor domestic brands due to economic and socio-psychological reasons (Verlegh, 2007; Zeugner-Roth et al., 2015; Feurer et al., 2016 in Sun et al., 2017).

Despite the inconsistency of the results, it is estimated that in emerging countries such as China, India, Tunisia, Romania etc. consumers prefer foreign brands, especially those from developed countries to the detriment of native countries (Essoussi & Merunka, 2007). Consumers in emerging countries prefer brands from developed countries, associating their technological development with high-quality products. They also associate developed countries with products that incorporate a strong symbolic value and signs of the Western lifestyle they aspire to (Guo, 2013, in Sun et al., 2017). The preferences for foreign brands in emerging markets and the favorable associations of the country of origin were also found by Melnyk et al. (2012). When a country has a favorable image or is known to have a specific product expertise, the brands in that country benefit from the favorable image and perceived expertise of the country (Lee et al., 2016). Consequently, the positive image of the country may give the product a competitive advantage, as the negative image of the country may constitute a strong barrier to the penetration of products on foreign markets, even if consumers’ perceptions are erroneous (Balabanis & Diamantopoulos, 2011; Magnusson et al., 2014).

Research shows that the country of origin influences product beliefs only when products are perceived to be congruent with the country's image (e.g. France for Luxury and Wine, Japan for Electronic Products), otherwise the relationship between the country of origin image and product perception is poor (Josiassen, 2010).

Both agricultural and food products are ideal to study the effect of the country of origin because they are historically associated with a particular country and / or region (Beverland & Lindgreen, 2002). Numerous countries such as France, Italy, Spain, Australia, Bulgaria conduct integrated marketing campaigns to communicate the image of reputable wine producers.

Wine is a combination of intrinsic attributes such as taste, type, variety or blend, alcohol content, age, etc. and extrinsic attributes which are not incorporated into the tangible product, such as brand or mark, price, label and packaging (Hall, 2001; Chaney, 2002; Szybillo & Jacoby 1974; Olson, 1977; Dodds & Monroe, 1985; Holbrook & Corfman, 1985; Monroe & Krishnan, 1985; Zeithaml, 1988; Gabbot, 1991, in Lockshin & Hall, 2003).

Lockshin & Halstead (2005) point out that in many cases, consumers are unable to base their purchasing decision on intrinsic attributes, so they use extrinsic attributes in selecting the wines they consume. The most common extrinsic attributes considered when deciding the purchase and consumption of wine are brand, region and country of origin, grape variety and price (Jarvis et al., 2003; Lockshin et al., 2004; Olsen & Thach, 2001, in Lockshin & Halstead, 2005). According to the authors, wine is a more complex product, by number and variety of attributes, than other food products in stores.

There are strong associations between the decision to purchase wine and the country of origin, with previous research finding that the country of origin is an important variable in wine choosing (Keown & Casey, 1995; Halstead, 2002).

A moderator variable taken into account by various authors to explain the impact of the country of origin
on the decision to buy wine is consumer expertise in buying and drinking wine. Thus, the consumer's knowledge influences the cues used to assess the quality of products (Viot, 2012, in Crouch et al., 2016), and preferences are formed on the basis of these inferences. Novices use the country of origin to assess quality more than buyers who rely on their own knowledge and experience (D’Alessandro & Pecotich, 2013, in Crouch et al., 2016).

For many consumers, buying wine is associated with insecurity, research suggesting that risk perception is an important factor in buying wine (Lockshin et al., 2006; Mueller et al., 2008, in Atkin & Tach, 2012).

Batt et al. (2000), in a research on buying and drinking wine in Australia, found that the origin of wine is the third most important variable in the decision to purchase. They also found that wine origin is more important for variety-oriented buyers and is more important for males than for women. There are two other moderator variables for the relationship between the country of origin and wine selection behavior: personality and the sex of the consumers. Studies in Spain have found that the wine production area and the production year are the determinants for market prices (Angulo et al., 2000; Skuras & Vakrou, 2002; Wade, 1999, in Lockshin & Hall, 2003).

Articles on wine consumption in several countries focus on examining the way consumers use extrinsic cues or attributes when deciding which wine to buy. Starting from the literature review, Tămăș (2016) identifies two major research directions: i) the general effects of the country of origin on the perception and decision to buy wine; ii) the specific effect of the country of origin on the behavior of wine consumers. According to the author, the overall effects of the country of origin can be seen in quality assessment, consumer perception, information processing, preferences, buying decisions, price perception. The specific effect refers to the use of the country of origin as an extrinsic cue, the label, the selection of wines, the comparison between domestic and foreign wines. Intrinsic cues, such as taste and flavor can not usually be evaluated by consumers in stores, during the decision making process. This phenomenon occurs because consumers do not make great efforts for external search, in order to get informed from various external sources of information before entering stores (Chaney, 2002). Internal search involves calling the information stored in memory, while the external search involves using other information sources that are not in memory.

Even though intrinsic information is available to consumers, consumers establish a relationship between the country of origin and the quality of the wine before deciding to buy (Goodman et al., 2007), and extrinsic cues such as the country and region of origin are the most important for consumers (Samiee, 1994; Nebenzahl et al., 1997).

In a study by Forbes (2014) on a sample of 399 wine consumers who bought wine from New Zealand, Australia, UK and US stores, 83.2% of respondents were able to accurately identify the country of origin of the wine they bought, while 16.8% of respondents could not identify the origin of the wine bought. Moreover, the results show that the perception of the wine bought varies depending on the country of origin. The results obtained by the author show that the origin of products that consumers physically consume (food, beverages) is more important than other product categories. For example, in its study on non-food products, Liefeld (2004) found that 93.5% of respondents did not precisely identify the country of origin of purchased products in stores (clothing, footwear, home appliances). To explain the differences, Forbes notes that it is possible that the results of the study on wine are influenced by the fact that in some stores (for example the UK) wines are displayed according to the country of origin.

In another study, conducted on a sample of consumers from Northern Ireland, it turned out that the country of origin is the most important factor in choosing wine (Keown & Casey, 1995), and in the research carried out for a sample of Scottish wine consumers it emerged that the country of origin is the second most important criterion in choosing wine (Felzensztein & Dinnie, 2005). Chinese consumers also find the country of origin as the second most important criterion when deciding to buy wine (Balestrini & Gamble, 2006). Origin is more important when wine is bought for special occasions than when bought for private consumption. Chinese consumers also consider the country of origin in order to form a perception about the quality of the wine.

Wall & Heslop (1986) studied the perception of Canadian consumers about domestic and foreign wines and found that domestic wines are perceived as being inferior in quality to wines from France, Italy, Germany and Spain. In their study on a sample of American wine consumers, Ort et al. (2005) highlight a strong relationship between the country of origin and the perception of the quality of the wines consumed. The authors have found that wines from California are the most preferred wines, followed by those from France, Italy, Australia, Oregon, Chile, Spain, Washington, New Zealand’s wines being least favourite.

Hamlin & Leith (2006) used experimental methods to determine the country of origin effect on consumer ratings from four countries, and the results suggested that the origin has a significant impact on the perception of wine quality both in the UK and New Zealand.

In his study, Forbes (2104) wanted to determine if consumers use the country of origin as a cue when deciding to buy wine, resulting in a share of 14% of respondents using the country of origin alongside seven other variables to decide which wine they are going to buy. Also, the study found that the country of origin was
the fourth most important factor in the choice of wine, being the only major criterion for 9% of respondents. Although only 9% of respondents considered the country of origin to be the only important criterion, most respondents accurately identify the wine’s country of origin. As Forbes also points out, the study’s conclusion leads to the hypothesis that the country of origin is a criterion used at the consumer's subconscious level.

In our opinion, the attributes used in Forbes’ research intervene, in most cases, in different phases of the decision-making process. Thus, we appreciate that the variety and the type of wine are attributes taken into consideration before visiting the store according to consumers' sensory preferences, consumer situation and other factors. Also, the importance of the attributes varies depending on the wine quality class, the reason for purchase (own consumption, offering a gift or completing the collection). Attributes are associated with different product value dimensions: functional or utilitarian, social, psychological, hedonic, epistemic. These value dimensions are associated to purchasing and consumption motivations. Thus, some attributes are taken into account to simplify the decision, some attributes are more important when the wine is bought for its social value (interaction, prestige), others are important when consumers are motivated to boost their ego or by the desire for variety and knowledge. Some attributes are used to reduce the perceived buying risk (other people's recommendation, consumption), others are used to discriminate two or more comparable options - medals, prizes, promotional presentations). Goodman et al. (2008) uses the Best-Worst Scale, "Best" - "Worst" (also known as Max-Diffs or "Most-Least") to identify which criterion explains the "Best" and what are the criteria that explain the worst ("Worst") or the least ("Least") the decision to choose wine in the store. Data were processed and analyzed by the authors, the number of mentions for each attribute as "worst" is derived from the number of references to "the best". This resulted in a score that was standardized to allow comparisons to be made between samples of various sizes. The authors of the study, and other authors as well (Marley & Louviere, 2005) consider that the proposed method ensures a higher reliability of the results compared with the use of the seven-point Likert scale.

| Table 1. Example of use of the scale „Worst/Least-Best/ Most” |
|---------------------------------|-----------------|-----------------|
| Worst/Least | Attribute | Best/Most |
| Variety | * |
| Brand Name | * |
| Medal/Award | Origin |

(Source: Goodman et al., 2008)

The authors also believe that the method can be used to discriminate between different market segments and can help focus marketing efforts on certain identified segments. The results refer to the "level of importance," each attribute is assigned a coefficient, which is a ratio type representation of its value for the consumers. The nature of the method and the analysis of the results show that the numerical score does not only express an order in the ranking but also shows the degree of preference and allows comparisons between countries and market segments to indicate similarities and differences.

| Table 2. The variables influencing the decision to buy wine in the store (results obtained in three countries) |
|---------------------------------|-----------------|-----------------|-----------------|
| Attribute | Country | Austria (n=305) | France (n=154) | USA (n=196) |
| Locul | BW std. | Locul | BW std. | Locul | BW st. |
| Variety | 1 | 36 | 4 | 18 | 3 | 18 |
| Tasted the wine previously | 2 | 34 | 3 | 36 | 1 | 54 |
| **Origin of the wine** | 3 | 25 | 2 | **40** | 4 | 9 |
| Matching food | 4 | 24 | 1 | 44 | 6 | 7 |
| An attractive front label | 5 | 6 | 11 | -40 | 9 | -7 |
| Information on back label | 6 | 5 | 10 | -23 | 11 | -18 |
| Someone recommended | 7 | 1 | 5 | 13 | 2 | 33 |
| **Brand name** | 8 | -7 | 7 | 6 | 5 | 9 |
| Medal / award | 9 | -7 | 6 | 12 | 7 | 3 |
| I read about it | 10 | -17 | 8 | 10 | 8 | 1 |
| Information on the shelf | 11 | -18 | 12 | -43 | 10 | -11 |
| Alcohol level below 13% | 12 | -31 | 13 | -44 | 13 | -25 |
| Promotional display in-store | 13 | -50 | 9 | -19 | 12 | -74 |

(Source: Goodman et al., 2008)
(Note: Negative scores do not reflect a negative relationship between the purchase and the variable, but the fact that it is of little importance in explaining the decision).

From the data presented in the article published by Goodman et al. (2008) some conclusions are relevant to the present research:

i) the origin of the wine occupies one of the first 4 places (however it is not ranked first in any analyzed country), except for the consumers in Israel for which the origin of the wine occupies the tenth place;

ii) there is much greater variability in the name of the brand in terms of its importance in the purchasing decision, from the 1st place in China to 11th place in Germany;

iii) In France and Germany, matching wine with food occupies the first place among the attributes on the basis of which consumers choose the wines consumed, and in Italy it occupies the second place, showing the consumers' refinement, education and a superior wine expertise;

iv) In some countries, extrinsic attributes are important, origin, brand name, medals, and prizes (China's case) are important, and in others, the intrinsic attributes and social influences (other people's recommendations) are important for consumers (UK, US and China).

III. RESEARCH FRAMEWORK PROPOSAL

Based on the literature review on this subject we developed the future empirical research framework. Through the research framework, we aim to determine the extent to which the country of origin influences the behavior of wine consumers expressed through the perceived quality of wines and the decision to choose the purchased wine. We chose the purchase purpose (own consumption, offering gifts, completing the collection), the place of purchase and consumption (buying from shops, restaurants and bars), the consumer’s expertise in wine evaluation and consumption, the consumer’s gender, ethnocentrism and the consumer’s personality as moderator variables. We have used these moderator variables because, as seen above, they can also be identified in other articles published in journals. The sample consists of Romanian and foreign wine consumers, the questionnaire administration will be carried both online and offline starting from the databases established for this purpose. In order to determine the country of origin’s place among the criteria used for choosing the purchased wine, we will use the BW (Best-Worst) scale, and for data analysis we will use the SPSS 23 program.

Based on literature review, we propose testing the following hypotheses.
H1 : The country of origin has a significant influence on the perceived quality of purchased wines;
H2 : The perceived quality of wine has a significant influence on the purchase decision;
H3 : The country of origin has a direct and significant influence on the decision to buy wine;
H4 : The influence of the country of origin on the perception of wine quality differs significantly depending on the purpose of the purchase (own consumption, offering gifts or completing the collection);
H5 : The influence of the country of origin on the decision to buy wine differs significantly depending on the place of purchase / consumption (shops, restaurants, bars);
H6 : The influence of the country of origin on the perception of wine quality differs significantly depending on the place of purchase / consumption (shops, restaurants, bars);
H7 : The influence of the country of origin on the purchase decision varies significantly depending on the perceived consumer expertise in wine purchasing and consumption;
H8 : The country of origin influence on the decision to buy wine differs significantly depending on the buyers’ personality;
H9 : The country of origin influence on the decision to buy wine differs significantly depending on the buyers’ gender (men, women);
H10 : The country of origin influence on the decision to buy wine differs significantly depending on the degree of consumer ethnocentrism.

IV. Conclusion

Consumers use the country of origin as cue for heuristic evaluations in order to assign meaning to other attributes of products. Moreover, consumers use the country of origin as a cue to reduce the perceived risk of buying and to assess the social acceptability of purchased products. Previous research showed that stereotypes and attitudes about the people of a country tend to influence the evaluation of the products originating from that country. Wine is a combination of intrinsic attributes such as taste, type, variety or blend, alcohol content, age, etc. and extrinsic attributes that are not part of the physical product, such as brand, price, label and packaging.

According to the authors, wine is a more complex product, by number and variety of attributes, than other food products in stores. There are strong associations between the decision to purchase wine and the country of origin, with previous research finding that the country of origin is an important variable in wine choosing. Even though intrinsic information is available to consumers, consumers establish a relationship between the country of origin and the quality of the wine before deciding to buy.

We appreciate that the variety and the type of wine are attributes taken into consideration before visiting the store according to consumers’ sensory preferences, consumer situation and other factors. Also, the importance of the attributes varies depending on the wine quality class, the reason for purchase (own consumption, offering a gift or completing the collection). Attributes are associated with different product value dimensions: functional or utilitarian, social, psychological, hedonic, and epistemic. These value dimensions are associated to purchasing and consumption motivations. Thus, some attributes are taken into account to simplify the decision, some attributes are more important when the wine is bought for its social value (interaction, prestige), others are important when consumers are motivated to boost their ego or by the desire for variety and knowledge. Some attributes are used to reduce the perceived buying risk (other people’s recommendation, consumption), others are used to discriminate two or more comparable options - medals, prizes, promotional presentations).

V. References