How Country of Origins Compete and Grow

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Abstract

Purpose: This paper applies a well-known approach for understanding consumer buying patterns for brands into the area of Country of Origin (COO) research.

Methodology: The Dirichlet model is applied for the first time to predict buying patterns of the COO of wine brands sold in the UK using a sample of 9,316 households from the Kantar panel from 2006-2007.

Findings: The study shows that the double jeopardy pattern holds for COOs; that countries with more wine sales have more buyers with slightly higher loyalty than countries with less wine sales. Year one data successfully predict year two data.

Implications: Wine trade buyers, wine producing countries and retailers can use these purchase patterns to understand the base rates for consumer wine purchases. These can inform stocking and promotion decisions. The effect of marketing interventions, such as promotions and communications, can be more accurately measured. Only one market was tested, so further research in multiple markets would add strength to these results and implications.

Key words: Country-of-origin; Competition; Consumer preference; Dirichlet model