



Portuguese Quality Wine and the Region-of-Origin Effect: Consumer's and Retailer's Perceptions

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Research questions on region of origin effects are important, particularly in the context of lagged and rural regions, as long as they can take profit of opportunities available in the markets. Those economic opportunities are often associated to the fact that, for a few products, information on region of origin seems to lead to higher consumer preferences and a more positive attitude towards goods produced in such territories.

Portugal is known worldwide for its Port wine, produced in the northern part of the country and bottled in the city of Porto. However, other quality wines are produced all over the country. Its importance in the domestic economy is undeniable both in consumption and exports.

This study examines: first, the relative importance of extrinsic (price, brand, promotion) and intrinsic (grape, type of wine, colour, age, special reference) cues in the decision of final and intermediate consumers to buy Portuguese quality wine and; next, to identify the influence of specific Portuguese regions of origin on the customer's perception of the overall quality or superiority of a wine (perceived quality). Given the importance of region of origin as a valuable asset and source of competitive advantage for a firm, our results might be useful for producer's investment decisions, retailers purchasing and selling strategies and for the design of wine marketing campaigns.

The investigation was conducted in Portugal using a supermarket/wholesaler-intercept survey. The data were collected from two random sample, retailers (n= 96) and consumers (n=160), from Minho region.

The results show that the dominant factor of influence in the acquisition of wine is the region of origin, both for final consumers and small retailers. Despite its importance, brand was not the principal variable that influences the consumer wine choice, while price has been regarded as a less important extrinsic quality cue. One interesting result is the type of wine ("maduro" or "verde") which seems to be the most preferred intrinsic cue for final consumers and small retailers. The findings also indicate that regions of Alentejo, Douro and Verde are far and away the leaders in terms of customer acceptance.