The demand for wine, beer or other alcohols has been widely examined in the literature. Fogarty (2010) presents a survey of this literature and found more than 100 papers estimating demand elasticities. The oldest approach to estimating price and income elasticities for alcoholic beverages is the utility-free approach, where typically, but not always, a single equation double-log demand equation is estimated.

In nearly all theoretical and empirical work, demand is considered within the context of the consumer’s lifetime allocation process who maximizes a utility function depending on wealth, the income stream, prices and interest rates and the assumed subjective discount rate for current over future consumption. Consumer’s subjective apprehension and risk behavior is related to many factors that could be regrouped under demographic or geographic (family, location), institutional (political and legal) and social and cultural variables (education, religion, cultural distance). In other words, the level of national income can explain peoples’ ability to afford products while cultural traits and the sociopolitical environment influence peoples’ attitudes and behavior. Thus, the main objective of this paper is to investigate how national culture influence consumption behavior.

Culture has been defined in hundreds of ways depending on the dominant theoretical perspective and methodological approach taken (Kirkman et al., 2006; Guiso et al., 2007; Beugelsdijk et al., 2017). As documented in Reuter (2011), Dimensionalist approaches can be traced back to Hofstede (1980, 1984, 2001) and Schwartz (1992, 1994). They are based on value-statements caordered from individuals, in a large-scale survey. These value-statements are averaged by country, and a factorial analysis provides four principal components, which characterize four quantitative, and time-invariant, cultural characteristics, for each country. Other approaches, generally use the concept of “culture” in combination with a number of institutional characteristics by country. These non-dimensionalist approaches assimilate culture with other concepts, such as the institutional environment (Knack and Keefer, 1995 and 1997), the quality of the legal and regulatory environment (La Porta et al., 1997, 1998), the quality of corporate governance (Kaufmann et al., 2000) but also the influence of religions, language and education (Henderson and Milhouse, 1987; Hill, 2005).

**Hypothesis 1:** The growth of wine consumption for any period of time is expected to be positively related to the income level for the same period of time.

**Hypothesis 2:** The growth of wine consumption for any period of time is likely to be significantly related by dimensional and non-dimensional cultural variables measured during the same period of time.

From a macro-economic perspective, the level of wine consumption is equal to:

\[ \text{Log (consumption year } t) = \text{log (GDP year } t) + \text{country specific variables.} \]

Where country specific variables are related to either cultural, institutional or governance factors.