The Effect of Country-of-Origin of Georgian Wine on German Wine Consumers

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Wine is a most significant agricultural product for Georgia and the second most important export commodity. The Wine industry is considered to be a sector with enormous potential on market prospects. After the Russian Embargo in 2006, the penetration of the West European market particularly the German one is of increasing relevance.

The German Wine market, as 3rd largest consumer market and world’s leading wine importing country, is characterized by an above-average purchasing power, a relatively high per-capita-wine-consumption as well as a wide international product range on offer.

Today’s wine market offers more high quality wines than ever before. Consequently, wines become interchangeable. Contrasting this is the fact that most of wine’s mystique revolves around its origin or terroir mostly perceived by consumers in form of country of origin (COO). Especially, in international marketing contexts COO’s role has been widely acknowledged by practitioners as well as academics. Linking this dimension to region equity will help the Georgian wine industry to place the Georgian wine on the German market with developing a strategy by correlating “Wine and Country”.

A country’s image strongly impacts on consumers’ thoughts related to products stemming from a particular country. With the relevance of terroir, the perception of origin has the great influence on wine sales. It can influence both the international marketing strategies and consumer purchasing decisions. It is therefore important to examine German consumer’s attitudes towards Georgian wine and the country-of-origin effects in their Georgian wine evaluation. Thus, the objectives of this research are:

i. By literature review, understand the strength of a region (country) of wine on the product evaluation and to reveal the correlation between the country of origin and the price and Quality of wine.

ii. To explore the COO of Georgian wine on German wine consumers. Furthermore here will be investigated the importance of COO of Georgian wine on German consumers wine evaluation in relation to other factors such as price and quality of Georgian wine.

iii. To determine potential target groups of Georgian wines on the German market.

In order to fulfil these objectives the project will conduct two stages of fieldwork following a mixed methods approach.

i. Quantitative analysis will enable us to estimate an ideal wine favoured by German consumers. Critical intrinsic and extrinsic cues identified from the literature will be taken in to account for this analysis. This survey will explore, if the Georgian wine holds up to the favoured features. This will allow us to establish the true effect of COO in the case of Georgian wine and determine influential segmentation variables of German wine consumers.

ii. A sensory study (blind vs. full information) will enable us to measure the particular effects of extrinsic and intrinsic cues amongst which the Georgian origin features.
With this knowledge, we will be able to make practical recommendations to Georgian wine producers who want to engage in exporting their wines to Germany. Consequently, this project advances practical knowledge rather than theory. Nonetheless, it applies aims to combine established methods in a new way applying them to a so far unknown particularly interesting case especially in relation to Georgia’s country image that has recently been shaped strongly by the war with Russia.