The Market Structure-Performance Relationship
Applied to the Canadian Wine Industry
J. François OUTREVILLE
HEC Montréal, CA
j-francois.outreville@hec.ca

Abstract

The purpose of this research is to examine the relationship between market structure and performance in the wine sector using data from two Canadian provinces. Investigation is conducted on the Structure-Conduct-Performance (SCP) hypothesis and the Relative-Market-Power (RMP) hypothesis. The number of awards gained by wineries rather than the usual financial performance measures performance. Using regression analysis, we find support to the RMP hypothesis. The empirical findings suggest that more research should be done on the efficiency structure of wineries in their respective markets.

Keywords: Wine industry, market structure, performance

JEL Code: L11, L66, D40

Preliminary version; Comments are very welcome