**Empirical analysis of consumer purchase behavior: interaction between state dependence and sensitivity to marketing-mix variables**

**Abstract**

People are intent to make similar choices especially in consumer goods markets. To address both explanations of this persistence, i.e. state dependence and heterogeneity in preferences, we use random coefficient logit model based on scanner panel data on juice purchases. The product differentiation of the chosen category allows us to model three dimensions of state dependence on brand, size and taste choices. We provide evidence that these types of state dependence are inter-related and connected with sensitivity to marketing-mix variables. The persistence in brand choices is positively correlated with persistence in size and taste choices, thus the consumer pattern is prone to be inertial or variety seeking in every product characteristics. The results of our research show that the more sensitive to promotional activities consumers are, the less inertial their behavior is.