



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

Papers downloaded from AgEcon Search may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.



Confidence and reputation on the wine market

Geneviève Teil¹ and Egizio Valceschini¹

¹ INRA - SAD Ile de France, Paris

genevieve.teil@agroparistech.fr, egizio.valceschini@paris.inra.fr

Contribution appeared in Sylvander, B., Barjolle, D. and Arfini, F. (1999) (Eds.) “The Socio-Economics of Origin Labelled Products: Spatial, Institutional and Co-ordination Aspects”, proceedings of the 67th EAAE Seminar, pp. 156 - 160

October 28-30, 1999

Le Mans, France



UNIVERSITA' DEGLI
STUDI DI PARMA

Copyright 1997 by Teil and Valceschini. All rights reserved. Readers may make verbatim copies of this document for non-commercial purposes by any means, provided that this copyright notice appears on all such copies.

Confidence and reputation on the wine market

Geneviève TEIL and Egizio VALCESCHINI

INRA - SAD Ile de France, Paris, France

Abstract

This communication focuses on the production of the agreement between the quality wine drinker and the wine. Various studies of sensorial analysis or cognitive science, the ordinary knowledge of any wine seller claim that the "usual" wine drinker is not expert to discriminate the taste of the different wines. Thus, why does he buy expensive wines ? The anthropological study of the concrete organisation of the quality wine market shows that the assessment of quality of the wines is done by the wine critics. A first effect of the work of the critic is to publish information on the quality of wine and to raise up vocations of wines lovers, enhancing the place of taste in their buying behaviour. A second effect is to generate reputation and confidence in the quality labels for the "usual" wine drinker ; for him, quality wine is a trust characteristic product. The satisfaction of the drinker relies on the confidence the wine is able to generate, and not on his own perception of the quality of the wine.

Keywords : critic markets, quality markets, anthropology of markets, production of quality

1. THE "USUAL" DRINKER : RELYING ON REPUTATION

Asking a drinker how he chooses the wines he buys, he usually puts forward a long list of the signals on which he bases his confidence. In Spain, where this study of anthropology of the wine market took place, the official quality signals are mainly constituted by the PDO and the ageing of the wine. They are complemented by the interpretation of the design of the label, of the general style of the bottle, by the price... Therefore, the "usual" drinker appears to choose his wine according to trust.

However, wine is not a life insurance contract. It is - more or less - immediately tasted and tested. How does the taste influence his confidence in the quality signals ?

It does not.

Cognitive science experiments seem to show that if a drinker relies on the signalled quality of the wine, he may like it. The confidence on reputation strongly influences his satisfaction.

However, this fact may be particular to the wine. Two reasons may be suggested to explain it :

- First, the taste of the wine is very difficult to evaluate. Wine is a kind of narrow taste foodstuff that necessitates a strong training to become able to discriminate the different shades it can show. Think for instance of the so-called cork default. Although it is the main and most known wine default, quite a few wine drinkers are able to detect it.
- Second, the evaluation of the taste of the wine is very sensible to the conditions of tasting, what make difficult the attribution of the perceived characteristics to the wine itself.

So, for the "usual" drinker, wine is not a product with *experience* characteristics, but *confidence* characteristics. But, if experience is unable to generate confidence, where does it come from ?

2. THE WORK OF THE WINE CRITIC

The answer to this question leads us to the whole wine critic¹. What is the whole wine critic ? It is the set of all the persons that give evaluations of the taste of the wine. As not all persons have the same weight in giving their opinion and generating confidence in their

judgement, it can be restricted to the wine experts. Although the limits of the whole wine critic are not strictly defined, it can be said that it is the set of the experts whose aim is to evaluate and *publish* their evaluations of the quality of the wines.

2.1. A general disagreement about the quality of wines

The evaluation of quality is debated. If you ask experts whether this wine is good, they often will not agree. Gil Morrot (Morrot, G., 1999) made an experiment with famous wine waiters. He asked them to classify in a blind test a set of wines according to their general quality. One wine, that had a very bad reputation, was ranked second by one and last by another one.

One would say this expert was a bad one. So, taking the wine guides and trying to correlate their results, it appears that they also do not agree at all. We tried it with the three main Spanish wine guides and did not obtain any correlation between the guides². Ginsburgh tried it correlating *Bordeaux crus*, and obtained the same results (Ginsburgh, 1995).

A more detailed study of the guides and the ways the quality judgements are made, shows that the authors do neither agree about the tasting methods for producing the quality judgements, nor on the criteria to use to evaluate the quality.

What makes a wine good is not consensual, nor the way to measure it.

2.2. Discussing what quality is and what is the quality of the wines

The assessment of the quality of wines by all the wine experts that compose the wine critic does not rely on the use of a strictly defined and rigid norm. On the contrary, the evaluation of the quality of the wines does not stop to be revisited, questioned. A tasting is not only the way to know what a wine tastes, but a process for questioning the taste criteria to be used to judge the wine. So the quality of the wines influences the criteria of quality which reversibly influence the assessment of their quality.

This couple, quality and criteria to assess it, never stabilises, being constantly questioned by the creation of new wines and their claims of quality : in fact, every

vintage, all wines try to impose their own view of what should be THE quality. This constant evaluation and demonstration of what quality is, impedes any process of definition of quality to ever crystallise in any general norm or standard. It is the function and purpose of the whole wine critic experts to work out always what quality is.

The changing and debated characteristic of the quality on the wine markets is neither an accident nor a failure, but a constitutive characteristic.

The wine critic asserts the quality of the wines and publishes judgements on the wines and wineries and all quality signal such as the PDO, aimed at evaluating if they are reliable quality signals. At the same time, it produces the confidence into her judgement by various means such as the reputation of the wine experts or by the exposition of the rigor of the method : completeness (Hachette Guide, Peñín Guide ...), full respect of the taste of the wine (Peñín Guide).

So, in the case of wine, it seems that it is the reputation that causes the repetition of purchases, but only while the taste of the wine keeps a small place in the satisfaction of the drinker.

2.3. Raising up vocations of wine lovers

Another result of the work of the wine critic is to raise up vocations of wine lovers. This is mainly done through the wine reviews which intent to make his lector love the products, **enhancing his perception of the taste of the wines**, raising up his curiosity and desire to test always more new, expensive, diverse and unknown products.

2.4. Independence between the critic and the wine lover

One would think that the effect of this training occurring during the wine loving practice is to transform the usual drinker into a new wine expert belonging to the whole wine critic. It does sometimes occur. However, most of the time, the wine-lover does not become such a wine expert. His preferences and the evolutions of his taste occurring with his wine loving practice, are driven by his own experiences, as well as his own and *personal* interrogation about the quality. As they do not require the properties of generality and comparability required by the production of the judgement by the wine experts

of the critic, the taste of the wine-lover differentiates from their tastes.

As in the following example from the wine review *Decanter*, the critic himself makes the difference between their critic and their wine-lover evaluation of a wine :

"The show wines impressed me very much, but if you gave them to me to drink with a meal, I think, I would struggle a bit" (*Decanter*, June 1995, p. 85).

So, the relation between the wine-lover and the wine critic does not lead to the fusion of the both ways of evaluating quality. For the wine-lover, the wine becomes strictly an experience good, rejecting any kind of confidence in the quality signals and, as such, in the information on quality produced by the wine critic.

The so-called "great" wine lover is a particular drinker for whom the only criterion is the quality he perceived in a past experience. He is very curious, tries anything, any novelty. He does not only buy or drink expensive wines ; on the contrary, he has become able to enjoy quite any kind of wine, whatever its price, origin, fame may be and... whatever it may taste as well... but, not because the taste would not matter, because he has learned how to enjoy - quite - any kind of taste. Any wine may have a taste interest, even if it may be for its defects.

3. THE ASSORTMENTS OF DIFFERENT PURCHASE PLACES

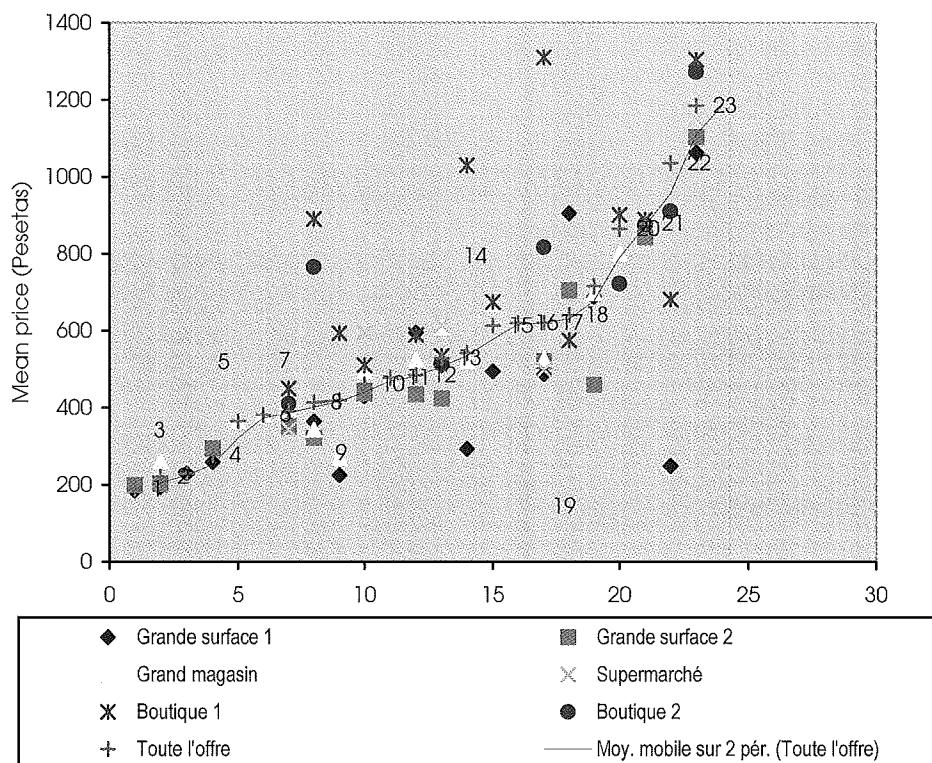
These two properties of the wine to be both a trust and an experience product depending on the drinker are made visible by the assortments of the different purchase places. As being the main quality signal, we can focus on the PDOs. A PDO is a category of different products. Its general reputation – that is the trusted information on its quality - and mean price cover some times great differences of prices and reputation among the wines claiming the same origin. So, the assortment of a purchase place can be seen as set of specific choices accorded to its the established general preferences of its clients.

Whether you are a specialised shop for wine-lovers or a general store or supermarket for "usual" drinkers, you may have opposite assortment strategies. The three following cases : the white wines, considered in the

Spanish market – where this study was done - to be low quality wines ; and the *gran reserva* and *reserva* red wines case considered to be of the greatest quality show this strategy inversion.

The PDOs have been displayed according to their increasing mean price calculated on the basis of the entire offer present in the city (see Figure 1).

Figure 1 : Assortments of various purchase places in a Spanish town
Mean price for Thite wines in each PDO



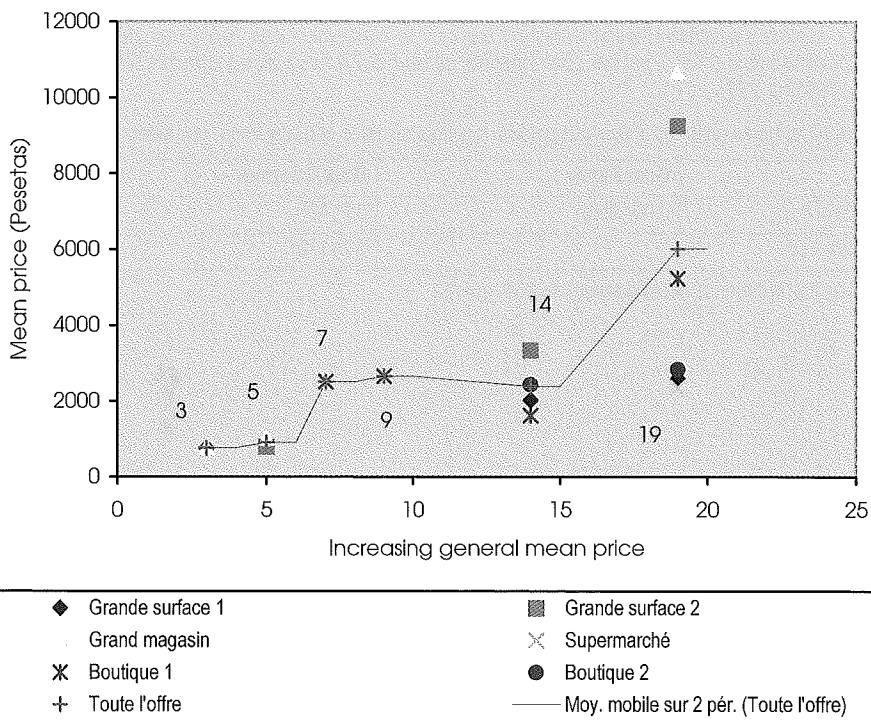
In a great supermarket, the general strategy is in agreement to their low price reputation, a great choice in the lower categories, with low prices in each category. In a store, we observe quite the same strategy of assortment. However, as this store has a fame of being a high quality store, there is less pressure on the prices and more wines in the higher prices and greater fame. On the contrary, the specialised shop shows high prices in the low reputation categories.

In the high quality case (see Figure 1 and 2), it is just the opposite. Whereas the supermarket cumulates

signals of confidence as high reputation and high prices in order to help the choice of his client, the shop shows the bests prices in each category.

The specialised shop disrupts with the "usual" concordance between prices and reputation. "Do not trust the usual signals of confidence and established reputations" to tell you the quality of the wines. The shop, the favourite purchase place of the wine lover, accompanies his interrogation on the reliability of the quality signals and categories and the enhancement of the place of taste in his judgement.

Figure 2 : Assortments of various purchase places in a Spanish town
Mean price for read reserva wines in each PDO



4. CONCLUSION

We tried to understand the construction of the agreement between the wine and the drinker ; the empirical observation seems to agree with the general claim that the "usual" drinker is not very good at discriminating the taste of different wines. In addition, taste does not seem to take a great part in the production of the satisfaction of a wine purchase. But, it does not involve that the buyer of expensive wines would be a snob only interested in the distinctive power of spending a lot of money. The usual wine drinker buys the wines he relies on.

Secondly, the whole wine critic, through its activity of tasting and publishing its judgements and the generation of the confidence into them, is the main origin of the reputation in the different quality signals among the "usual" drinkers. However, the production of reputation is not the only result of the activity of the critic. It raises up vocations of wine lovers that from

glass of wine to glass of wine, allow little by little more place to taste in the evaluation of their satisfaction. If we insist on the progressiveness of the transformation of the wine lover, it is to preclude the idea of a two-faced market with, on one side the non-lovers and on the other the wine-lovers.

Thirdly, there is no general convergence of taste between the wine lovers and the critics, so the critics remain fairly independent from the buyers.

Finally, when the wine is a confidence product, the concordance process between the prices and quality is done by the whole critic which generates information and confidence towards the "usual" drinkers. When on the contrary wine is no more a confidence but an experience product, the information published by the whole critic is discarded and the taste may become the most important dimension of the evaluation of the quality of the product.

NOTES

(1) In this communication, the word "critic" is used in the French sense of the community of all the wine critics. In addition, in order to avoid difficulties of comprehension, we will use "wine expert" instead of wine critic.

(2) Ginsburgh compared the ranking of two internationally renowned experts, Broadbent and Parker.

"Si les deux experts s'accordent raisonnablement bien sur le classement des millésimes (le coefficient de corrélation des rangs de Spearman vaut 0,86), il est par contre négatif (et vaut -0,22) lorsque l'on compare les 14 crus retenus dans l'étude" (Ginsburgh, 1995) p. 233

We compared the marks given by 3 Spanish guides. It is impossible to find any linear correlation :

r2	Guía Penín	Guía Gourmet
Guía de Oro	0,09 (236)	0,2 (48)
Guía Penín		0,2 (175)

In parentheses the number of wines common to both guides.

BIBLIOGRAPHY

GINSBURGH V. (1995). Techniques de production, réputation et qualité des vins - Essais économétriques sur les vins rouges du Haut Médoc. *Les arts du vin*, Le Crédit Communal, Bruxelles.

MORROT G. (1999). Peut-on améliorer les performances du dégustateur ? *Journal International de la Vigne et du Vin*, pp. 31-38.

La dégustation. *Journal International de la Vigne et du Vin*, n° spécial.