Wine experts rating: A matter of taste?

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Abstract:

Wine experts have a significant influence on wine prices. But what do they rate? Ashenfelter et al. (2011) ask a similar question for restaurant wine lists awarded by the Wine Spectator magazine. They conclude that any restaurant or even non-restaurant (i.e. a fake restaurant invented for the experiment) can get an award if it makes a payment…

Theoretically, experts or critics aim to assess quality and to help consumers choosing an experience good, making easier the meeting of supply and demand and as such the smooth running of the market. Their economic role is then essential and they are key actors that partly ensure the long lasting of the market. Some of them, like Robert Parker, have become very famous and their impact was identified in the economic literature for years. Jones and Storchmann (2001), Hadj Ali and Nauges (2007) and Ashenfelter and Jones (2011), among others, assess the impact of expert ratings on wine prices, especially for fine Bordeaux wines. This literature highlights two things: (1) Robert Parker's impact on prices is small and (2) experts ratings do not contain private information and can be predicted by weather data.

Another strand of literature question reliability, "which concerns the similarity of repeat judgments of the same wine by an individual judge", and consensus "which concerns the similarity of the judgments of a particular wine between/among two or more independent judges" (Ashton, 2012, p. 70). This empirical literature blames them pretty much and shows that expert rankings are mostly random (see for instance Hodgson, 2008, 2009) and are biased and sometimes even entirely made-up (Goldstein, 2008), concluding that there isn't any consensus among wine judges. A surprising result if we consider that the legitimacy of experts comes from their training and supposed ability to assess true quality and to signal it to market participants. Two explanations can be given: either experts make systematic mistakes (i.e. grades are randomly distributed), or they rate their own preferences (i.e. their rankings exhibit systematic bias: for example appellation preferences, vine preferences, etc.). In this paper we aim to empirically test this last assertion.

In a first part we expose the puzzle of wine quality. According to the phenological literature, wine quality has several dimensions and cannot be summarized by chemical considerations of the wine (Charters et al., 2007). The subjective perception of quality is a major recognized dimension. Therefore, assessing wine's quality is subjective: it is a matter of taste, even for experts. Their assessment is the result of perception and cultivated tastes (McCain, 2003). Expert are then defined by Lévy-Garboua (1979, p. 117): "individuals who have acquired the power to influence others are [...] those who have trained themselves in perception (at least with regard to certain decision area) and who have invested in a reputation of being ‘good

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1 Quandt (2006), on the opposite, considers that agreement exists among wine judges more than half the time, highlighting a consensus among wine judges. His experiment shows consensus from 92 tastings conducted by the eight members of the Liquid Assets Wine Group who exhibit a specific profile: wine amateurs and wine economists.
decision-makers’” (Lévy-Garboua, 1979, p. 117). That point raises a strategic question in the expertise field. An expert could be seen as an agent who knows what the taste of a given population is, i.e. as someone who has discovered what wine features people like in a given region of the world or in a given country. To go further in this line, we can consider Robert Parker as an expert who has perfectly felt the American taste for wooded wines and very ripe grapes, for example. An expert would be in this line a prescriber of what people like. Then, the expert will rate the presence of wine characteristics which are expected by the population he is addressed to. We make the hypothesis at this stage that there exist national preferences for wine features and that expert grades reflect these preferences. Our empirical work allows for testing this assumption.

In a second part of this paper, we analyze empirically the ratings provided by 5 experts for 63 fine Bordeaux wines: Robert Parker (The Wine Advocate), The Wine Spectator, and Stephen Tanzer (International Wine Cellar) from the USA, Jancis Robinson from UK and Jean-Marc Quarin from France. We estimate the following model for every expert:

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GR_{ij} = \alpha APP_j + \beta RANK_j + \gamma CLIM_j + \delta U_j
\]

With \(GR_{ij}\) the grade given by expert \(i\) to wine \(j\), \(APP_j\) the vector relating to the area of origin (or appellation) of wine \(j\) (1 if the wine estate is located in the appellation, 0 otherwise), \(RANK_j\) the ranking of wine \(j\), \(CLIM_j\) a vector of climatic variables for wine \(j\), including Huglin index and Cold night index (two temperature indexes) as well as data on rainfall, and \(U_j\) an i.i.d. error term. The aim is to test if the area of origin has a significant impact on the grade after controlling for essential variables highlighted by the literature like 1855 ranking and climate.

The preliminary results clearly indicate the prominence of the appellation in the grade explanation. We show that the determinants of ratings vary among experts and that some of them over-grade some wines produced in specific areas, revealing their own tastes. Following a series of coefficient equality tests we conclude that:

- The all 3 US experts exhibit an obvious preference for right bank wines and Pessac-Léognan.
- At the opposite, Jancis Robinson (UK) prefers the left bank wines (Médoc area).
- J.-M. Quarin (France) doesn’t reveal any clear preferences for a given area in the Bordeaux vineyard.

This first correlation analysis has to be extended with a ranking analysis as proposed by Quandt (2012). This part of the work is still in progress at this time. But the previous conclusion is in accordance with the classic statement of Parker impact on the right bank. The growing phenomena of “garage” wine in Saint-Emilion and Pomerol in the last decade is seen has a consequence of the Parker taste influence on the winemaking process (see http://en.wikipedia.org/wiki/Garagistes).

**Key words:** Quality, experts, wine

2 Like Cardebat and Figuet (2013) we use here weather data (rainfall and temperature) for the 3 main areas of the Bordeaux vineyard (Saint-Emilion, Médoc and Pessac-Léognan). These 3 areas are those relevant in our work to disentangle the 5 experts taste.
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