Introduction to the Issue

This issue of the Journal of Wine Economics opens with “Wine Industry Campaign Contributions and Wine Excise Taxes: Evidence from U.S. States” by Shree B. Pokharel (Pokharel, 2018). Against the background of significant increases in campaign contributions from the wine industry to officials running for state offices, the author hypothesizes that wine-industry special interests influence state wine excise taxes. Drawing on state-level campaign contributions data, she finds statistical evidence that campaign contributions affect wine excise taxes and that wine excise taxes exhibit some degree of spatial dependence. “On average, the increases in campaign contributions from the wine industry in a state results in a decrease in wine excise taxes in the given state and its neighboring states.”

Building on a prior paper on the hedonics of fine water prices published in this Journal (Capehart, 2015), Kevin W. Capehart and Elena C. Berg analyze whether consumers can distinguish among different bottled waters in blind tastings in “Fine Water: A Blind Taste Test” (Capehart and Berg, 2018). They run various blind tasting experiments with about 100 subjects. One of their main findings is that subjects are not better than random at distinguishing various waters including tap water. When rating bottled waters and tap water, some subjects preferred the inexpensive tap water to the highly priced bottled waters. On average, more expensive waters were not rated higher than less expensive ones. In fact, the authors found the correlation between water rating and pricing to be slightly negative.

In the third paper of this issue, Olivier Bargain, Jean-Marie Cardebat, and Alexandra Vignolles draw on original survey data to analyze the determinants of “Crowdfunding in the Wine Industry” (Bargain, Cardebat, and Vignolles, 2018). Among others, their findings suggest that subjects that regularly use the internet and have a general interest in crowdfunding are more likely to invest in wine projects than people that only have an interest in wine. They also find that potential funders prefer equity over in-kind rewards.

The fourth paper, by Geir Waehler Gustavsen and Kyrre Rickertsen, is entitled “Wine Consumption in Norway: An Age-Period-Cohort Analysis” (Gustavsen and Rickertsen, 2018). The authors estimate age-period-cohort (APC) logit models using data from a large repeated cross-sectional survey over the period 1991–2015 to model the rapid increase in Norwegian per capita wine consumption. The estimation results indicate substantial effects of the APC variables as well as income, availability, and attitudes. The simulation results indicate that wine
consumption frequency increases by age, especially for younger cohorts. As a result, wine consumption in Norway is expected to increase.

This issue closes with two short papers or comments, respectively. Marc F. Luxen (Luxen, 2018) updates and expands Ashton’s paper published in the Journal of Wine Economics (Ashton, 2013). He finds that “critics agree more about what they do not like. … In wines more than 100 euro there is no correlation between ratings and price.”

Terence C. Mills (Mills, 2018) refers to a paper by Holmes, A. J., and Anderson, K.’s Journal of Wine Economics article on “Convergence in national alcohol consumption patterns: New global indicators” (Holmes and Anderson, 2017). He re-analyses the data using techniques appropriate for a composition and “introduces a statistic that can validly track the variation in national shares around the global mean through time. This variability statistic shows that such convergence of national alcohol patterns has clearly taken place over the period 1961 to 2014 and thus confirms Holmes and Anderson’s findings using a valid statistical approach.”

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References