

The buyer's dilemma – Whose rating should a wine drinker pay attention to?

Omer Gokcekus^{*} (Seton Hall University) & **Dennis Nottebaum**[†] (University of Münster)

ABSTRACT

Wine is an experiential good; until you buy and open a bottle you don't know what is in that bottle and whether your choice was a good one. Since most wine drinkers are risk-averse people, they often count on experts' ratings when making their choice. There are a handful of experts to whose reviews and ratings regular wine drinkers pay attention, some of the most well-known being Robert Parker, various experts at the *Wine Spectator*, and Stephen Tanzer. Yet, despite having access to experts' ratings wine drinkers face the second choice of picking one expert whose ratings they follow. This is because experts are not always agreeing with each other. In fact, both their ratings and descriptions of the same bottle of wine often show rather profound variations.

Let's say a wine drinker has decided to buy a certain type of wine from a particular region. Although this narrows down his range of options he is still left with further decision-making to do: Not only are there hundreds of wines to choose from within a wide price range, for each one of these wines there are several – often diverging – ratings and reviews as well.

For instance, let's look at three 2005 Bordeaux wines. The first one is a 2005 Château La Confession, a \$60 Bordeaux-St. Émilion Grand Cru. It is rated by both Robert Parker and *Wine Spectator*, with Parker's score being 95 and the *Wine Spectator's* 89. The second wine is a 2005 Château Rauzan-Ségla, a \$110 Bordeaux-Margaux which is rated 97 by *Wine Spectator*, 94 by Robert Parker, and 92 by Stephen Tanzer. The third wine, a 2005 Château La Vieille Cure is a \$30 Bordeaux-Fronsac. Robert Parker rates it with 93 points, while *Wine Spectator* awards 90 and Stephen Tanzer 87-89. These ratings not only differ quite strongly from one another, the reviews and evaluations are also rather varied. For instance, Robert Parker describes the 2005 Château La Vieille Cure as follows: "La Vieille Cure's amazing 2005 is even better than their terrific 2003 and 2000. The 2005 boasts an inky/ruby color as well as a gorgeously sweet perfume of charcoal, black cherries, black currants, and spring flowers as well as an underlying

^{*} omer.gokcekus@shu.edu

[†] nottebaum@wwu.de

mineral component. Superb concentration, full-bodied power, wonderful symmetry, purity, and texture, and a multidimensional mouthfeel are all found in this fabulous sleeper of the vintage.” Less enthusiastic, Stephen Tanzer - who rated this wine 87-89 - has the following evaluation: “Full ruby. Kirsch and licorice on the nose. Fat, dense and sweet, if a bit youthfully monolithic. At once plump and primary, with lively flavors of black fruits and bitter chocolate. Finishes with nicely buffered tannins and a rich chocolatey nuance.”

Given these profound variations in experts’ ratings and descriptions, which rating should a regular risk-averse wine drinker pay attention to? This is a question that we can’t address directly, but what we can do is to infer an evaluation from an analysis of differences between experts’ and consumer ratings. Accordingly, this paper poses the following research question: Which expert’s rating is more closely correlated with regular drinkers’ evaluations?

To answer this question, we compare experts’ and consumer evaluations from the web page www.cellartracker.com. CellarTracker is a wine cellar management software started by former Microsoft executive Eric LeVine. It is now the world’s largest wine social networking site, in both number of catalogued bottles and number of listed tasting notes. Currently, its database contains more than 1.8 million “community tasting notes” in addition to 300,000 professional reviews.

For our sample we randomly select 120 wines out of 4,212 (2005 vintage) Bordeaux listed at www.cellartracker.com. There are community tasting notes and ratings for all wines in our sample: the average score is 91.4, median is 91, and the average number of ratings is 35. In our analysis we compare these community ratings with the scores of three experts, namely *Wine Spectator* (WS), Robert Parker (RP) and Stephen Tanzer (ST). Out of 120 wines in our sample, RP evaluates 107, WS 104, and ST 61.

Our preliminary analyses indicate that (1) both the average and median community scores are lower than these three experts’ scores; (2) the correlation between the experts’ ratings is higher than the correlation between the community’s and the experts’ ratings; (3) among the experts, Stephen Tanzer’s scores are most highly correlated with the community’s ratings; and (4) perhaps more interestingly, compared to experts’ ratings, average price paid for a bottle of wine is more highly correlated with median community score.