

Modeling Perceptions of New York Wine Among Restaurateurs in New York City

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ABSTRACT

The purpose of this study is to describe the wine perceptions and purchasing decisions of leaders in the New York City (NYC) fine dining industry with respect to wines produced in New York State. Despite aggressive marketing efforts by nearly 250 independent farm wineries, New York wines have not achieved broad acceptance in NYC.

Theories for this problem include poor perceived product quality, inadequate sales force, and intense competition from wines produced elsewhere. A group of 300 NYC restaurant owners, sommeliers, and chefs is surveyed about their opinions of local wine using the tailored design method to maximize survey effectiveness. Factor analysis is applied to examine the structure of interrelationships among key indicators of product perception, and to reduce the data to a smaller set of underlying patterns. A tailored ordinal cumulative logistic regression model is also applied to isolate the variable characteristics of those restaurants which have shown a strong propensity to adopt local wines. The models consistently account for sample-selection bias and unobserved or missing data, and the likelihood ratio statistic testing the null hypothesis illustrates the significant explanatory power of the independent variables. The results indicate that a NYC restaurant's type of cuisine does not affect its propensity to adopt local wine, nor does a restaurant's desire to offer a large, geographically diverse wine list. Perceived collective reputation for a wine region's excellence in one particular grape varietal was found to be the most significant factor in the probability of conditional adoption of local wines in NYC. One implication of these results is that New York winery stakeholders could establish a more prominent presence in NYC by emphasizing their collective reputation for particular grape varietals, such as Riesling from the Finger Lakes or Merlot from Long Island.