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Title

The Relationship between Wine Labels and Wine Taste - Evidence from a Tasting-Experiment

I want to submit an abstract for:

Conference Presentation

Corresponding Author

Marcus Klemm

E-Mail

marcus.klemm@fhws.de

Affiliation

University of Applied Sciences Würzburg-Schweinfurt

Keywords

wine, tasting, label, packaging, ratings

Research Question

Does the label of a wine affect its taste?

Methods

Tasting-experiment with two groups

Results

see Abstract

Abstract

The Relationship between Wine Labels and Wine Taste
Evidence from a Tasting-Experiment

Marcus Klemm*

Faculty of Business and Economic Sciences

University of Applied Science Würzburg-Schweinfurt

Extended Abstract

Wine is typically regarded as an experience good, i.e., individual consumers subjectively assess its quality primarily based on the taste of a wine. However, a larger number of other factors exist which can influence the perceived quality of a wine and thus potentially the (subjective) taste to consumers. Almenberg and Dreber (2011), e.g., find that revealing the price of a wine affects how individual consumers rate wines. In particular, revealing a high price is associated with higher ratings. In addition to the price, other factors that might influence the way a wine is experienced comprise the (reputation) of a manufacturer, the environment (e.g., other people around or the weather), the image of a wine and marketing activities, or the packaging (bottle, label design) among others.

We designed a tasting-experiment to investigate the potential effect of the packaging – in particular the labels on the wine bottles – on the taste of a wine as rated by the participants. Wine labels influence the perception consumers have about products: E.g., Celhay and Remaud (2018) show this for Bordeaux wines. Primarily, wine

labels can be expected to influence initial purchase decisions (e.g., Boudreaux and Palmer, 2007; Laeng et al., 2016). In contrast, we target the question if labels might also influence the product experience (after the purchase decision has been made) – and thus re-purchase decisions. The labels can influence wine ratings either directly because the visual experience is part of the overall product experience, or indirectly by affecting the perceptions that the consumers form about a wine.

For our tasting-experiment, we chose seven quite similar Franconian white wines (mostly Silvaner, one Cuvee). We designed the experiment as follows: Participation in our experiment was voluntary. The participants were (randomly) assigned to one of two settings. The first (treatment) group were presented with two (out of the seven) wines. They saw the bottles and labels, tasted the two wines and provided ratings for both the taste and the label along with some additional personal information (which serves to control for potential age, gender or experience effects). The second (control) group also tasted two wines, but blind, i.e., without any information about the wines (manufacturer, labels, etc.), and provided ratings for the taste of these two wines. In addition, the control group also provided ratings for the labels of all seven wines, not knowing which wines they tasted. For each group, we ensured an even distribution of the wine pairs so that each wine competed against any other wine an equal number of times.

We conducted the tastings in Würzburg: a pilot study with 84 participants on a very sunny Saturday in the pedestrian zone and a main study with 207 participants at an evening wine event. In total, we collected about 580 wine ratings. Overall, the individual ratings display a great heterogeneity reflecting that preferences over taste and labels differ largely across individuals (to a small degree related to observable personal characteristics, e.g., gender). The differences between wine ratings are a little bit larger in the blind than in the treatment group. While we find a significant correlation between the label and taste ratings, there emerges no strong evidence for a causal effect of labels on taste when we contrast the results of the treatment and control groups. We do not find that wines with good label ratings got better taste ratings. Rather, good taste and label ratings go hand in hand for particular wines. However, it appears that the labels rated worst by the blind group in the overall comparison of all seven wines were judged less harsh by those participants who knew which wines they tasted. Therefore, our analysis suggests that good taste rather influences slightly the perception of the wine labels than vice versa.

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