

## **Attribution Error: Assuming a Correlation Between Wine Business Performance and the Mainstream Media's Reporting on the Macroeconomic Environment**

*Dixie L. (Gill) Huey, Proprietor, Trellis Wine Consulting, LLC, [dixie@trelliswineconsulting.com](mailto:dixie@trelliswineconsulting.com), and Patrick Huey, Partner and Registered Investment Advisor, [patrick@trelliswineconsulting.com](mailto:patrick@trelliswineconsulting.com)*

### *Abstract:*

Given recent economic developments and media coverage of recessionary pressures in the U.S. economy, wine companies must be careful not to incorrectly attribute sales performance to macroeconomic environment at the expense of addressing internal challenges. We find that economic reporting and mass media coverage are not acceptable forms of research for even the smallest of wineries to determine consumer demand disruptions. Some cursory investigation of primary source materials will give winery owners a "big picture" view of the spending habits of their consumers. We recommend easily accessible, primary source materials to guide a top down approach to determining changes in consumer behavior.

The research methodology consists of two parts:

1. The first is a compilation of findings from academic research regarding the comparison of mass media reporting, actual macroeconomic conditions and effects on consumer spending.
2. The second is a survey of wine businesses to measure their perceptions of the current economic environment, the effects of these perceptions on their business forecasting and planning, and the effects (perceived or measured/actual) on their sales and performance.