An Identification Problem: Economists at a Wine-Tasting Experiment

Matteo M Galizzi (University of Brescia and Queen Mary University of London)
David Reiley (Yahoo! Research and University of Arizona)

We conducted an experimental investigation of a very simple wine-tasting task. We invited a hundred economists attending the last World ESA Congress in Rome on Experimental Economics to participate at a two-stage wine-tasting experiment. Subjects were asked to sit in front of three glasses of white wines and were told that the aim of the experiment was to undertake a simple task and that they were going to be randomly selected in order to be rewarded a bottle of their preferred wine (chosen from a sample of prestigious Italian wines) in case they would perform correctly. At the first stage of the experiment, subjects were asked to taste the three glasses of wines, containing three renowned Sauvignon from the Sud Tirol region between Italy and Austria, to describe their perceived aromas, to evaluate each of them within a 0-100 scale, and to express their willingness to pay (in euro) for a bottle of the wine in each glass. At the beginning of the second stage, they were announced that two out of three glasses in front of them were actually containing exactly the same wine. This was indeed the case. In fact, the wines were three Sauvignon from exactly the same area surrounding Bozen that were awarded good evaluations by the most prestigious professional guides and showed similar, but not identical, aromatic profiles and very different prices: wine G, the one with highest experts’ evaluation, was sold for about 23 euro, wine M and B, with almost the same evaluations, were sold for 15 and 8 euro, respectively. The three wines were poured into glasses in such a way to alternate only two wines for each subject, covering, in 18 different treatments, all the possible combinations of wines and rotating all the relative positions, so that no two subjects in the lab had the same combination of wines of his neighbours: for instance subjects in a row were tasting glasses of wine according to the order (left to right) GGB, GMG, MMB etc. At the second stage, subjects were asked to perform the task for which they could win the bottle of wine, if selected to be rewarded. Clearly, the task was to identify the two glasses actually containing the same wine. After the task, subjects were again asked to carry on the same exercises as in the first stage, namely the description of the aromas, the evaluations, and the expression of their willingness to pay. After the second stage, the true glasses containing the same wine were announced for each treatment, selected subjects were awarded the preferred bottle from the sample, and the experiment ended.

Results are striking. Only less than one every two subjects manages to correctly identify the glasses with the same wine, and the proportion was close to one-third in many treatments, even when differences in perceived aromas and experts’ evaluations were rather relevant. Moreover, most subjects did not rank the wines consistently with the quality evaluations by professional wine-tasters and did not perceive differences in prices and quality from the top (G) to the bottom price (B) wines as great as the actual ones. The fact to have been selected to be rewarded in case of a correct performance shows ambiguous effects and seems to be a significant incentive for a correct identification only in treatments were aromatic differences are relatively small. Finally, probit estimations show that, if the glasses containing the same wine are close each other (like in GGB or MMB treatments, for instance), the identification task is significantly more difficult.