Bordeaux wines classifications: scope and limits

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The main goal of the study is to evaluate the performance of the five famous Grands Crus classifications of Bordeaux wines: Bordeaux Grand Cru Classification of Medoc of 1855. Sauternes and Barsac Classification dated also 1855; St Emilion Grand Crus classification established in 1955 and Graves Classification created in 1959. The first classifications of 1855 were created upon the request of Napoleon III, to be presented at the 1st Exposition Universelle de Paris of agricultural products, industry and fine arts, which lasted six months from May to November in 1855. France's best Bordeaux wines were to be on display for visitors from around the world. The wines were divided into five categories, which are known today as "Growths". Originally these classifications have been created to provide consumers with information on wine quality. They served as an indication of the potential for the quality of the wine, most of them had been initially based on the price evaluation.

Indeed, in a situation with asymmetries of information on wine quality, the existence of best wines classification can help the consumer to easily choose wine that they expect to serve. A classification can also benefit a producer to create awareness of the quality of his wine-making and then help to sell his wines at a higher price. It can also be a source of inspiration for maintaining and/or improving production quality. We are interested here in qualitative aspects by testing on one hand if different classifications ensure the role of informing consumers and on the other hand if they contribute in sustaining and perhaps enhancing quality.

The studied sample is drawn on just under two hundred wine companies located in one of the cited above Bordeaux regions and is based on the sixteen vintages (from 1995 to 2010). Our research is grounded on the application of the DEA methodology for estimating performance quality excellence measured using multiple input and output data, complex by their nature.

To assess performance of each classification, we restrict ourselves to the three evaluation criteria by first assessing wine quality of each considered chateau against two yardsticks on price. The folding of these multiple criteria is explained by the fact that in reality each one might have limitations on the evaluation of the actual quality of selected wines. For the first criterion related to the estimated quality we have identified and retained the scores of the three worldly recognized wine experts Franck Dubourdieu, Robert Parker et Jean-Marc Quarin. For the criteria related to prices, we consider the 2012 wine auction prices and the adjusted prices given the relative scarcity of each wine; it is done to obtain a better indicator of quality.

Using these three proposed criteria the performance of each classification is assessed at three levels. At first, we examine the endogenous performance. It allows us to test if the different categories within the wine classifications of Medoc, Sauternes Barsac and Saint-Emilion are clearly prioritized in table positions and that the number of clusters or categories is respected. For the Graves classification which does not establish hierarchy among its members, the endogenous performance assessment is undertaken to check the pertinence of putting all classified growths on the same level.
Further on we consider the exogenous performance and verify for each classification that non-classified wines do not interfere with the supposed hierarchy basing on the retained criteria. To do this we include the non-classified wines which have been auctioned and rated by experts. Finally we evaluate global performance as an average of aggregated endogenous and exogenous performances referring to the chosen criteria of assessed quality, auction price and adjusted price.

On the basis of these results it will be possible to evaluate the performance of the famous Bordeaux classifications and therefore determine whether or not wine classifications are portrayed as a useful tool and source of information for consumers and producers. Moreover it show a way to examine a recent revision of Saint Emilion classification and verify whether it could serve as an evidence of better performance, when other classifications are not revisable. Lastly, this will allow bringing to a close the discussion on the appropriateness of using categories within the classifications of Medoc, Sauternes Barsac and Saint-Emilion compared to a single-rank classification of Graves.

Bibliographie


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