

Padua 2017 Abstract Submission

I want to submit an abstract for:

Conference Presentation

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Keywords

Expert opinion; wine competitions

Research Question

1. Do competitions vary in their propensity to award gold medals?
2. Have competitions become more generous in their medal awards over time?

Methods

Descriptive statistics; Logit model.

Results

Results provide evidence to suggest that competitions vary substantially in their level of generosity and that most have become more generous in recent years.

Abstract

Wine is known as an experience good, meaning its quality can't be assessed prior to its consumption. When purchasing experience goods consumers are left to rely on external clues such as price, reputation, or the opinions of others whom have already tried the product. In the case of wine, the opinion of experts plays a prominent role in consumers' purchasing decisions. Because consumers rely heavily on ratings, they also play a crucial role in the wine trade as they provide a tool with which to signal quality. Given the importance of expert opinion to both consumers and the wine trade, it is important to understand the extent to which it represents an accurate and unbiased representation of wine quality.

In a technical sense accuracy refers to the degree to which a given measurement corresponds to an objectively measured external criterion. It is not possible to directly measure accuracy in the case of competition medal awards because such an external criterion does not exist, which is why they exist in the first place. But, if the opinions of experts were accurate and objective measures of wine quality did exist, one would expect to find agreement, or "consensus" in awards across competitions, and that if a wine is entered more than once in a given competition, that the award would be the same each time, a concept known as "consistency."

Much has been written about the inadequacy and lack of relevance of expert opinion, particularly when it comes to the medals awarded by the so-called "experts" who judge wine competitions. Prior research has shown that competition judges are lacking when it comes to both consistency and consensus. Hodgson (2008) provides a poignant example of spotty judge reliability in a study focused on the California State Fair wine competition where each judge was served four identical wines three times within a flight of 30 wines. The judges were only able to assign the replicate wines to the same medal category 18% of the time and this was predominantly for wines of the lowest quality that were not awarded a medal at all. Only 10% of judges were able to assign all four replicate wines to the same medal category, while another 10% awarded at least one of the four replicate wines a gold medal designation in one trial and a bronze medal or no award in another.

The lack of consensus and reliability translates to some arbitrariness in medal awards as demonstrated by Hodgson (2009). He examined the medals awarded to wines entered in multiple competitions and found that 47%

of those entered in at least three won at least one gold medal, but 84% of these same wines failed to medal at all in at least one other competition. Overall, there was little correlation (0.11) between the awards received across competitions. The medal awards were generally most consistent for wines that were rated as average or below average, which leads Hodgson (2009, p. 5) to conclude that “wine judges concur in what they do not like but are uncertain about what they do.” This suggests that judges are at least capable of detecting wines with obvious flaws.

Despite the wide-spread dissemination of these findings, competitions have continued to proliferate. My cursory attempt at a census finds nearly 100 competitions in the United States alone, with new entrants popping up almost every year. Anecdotal reports suggest there is increasing competition among competitions for entries, which is creating incentives to be more generous in the rewards bestowed, as wineries may be more likely to enter competitions where they believe they have better odds of receiving a Gold or better medal. Indeed, Double Gold or Platinum appears to have become the new standard of excellence in many competitions. If this is simply due to “grade inflation,” it could further tarnish the reputation of wine competitions.

The present paper investigates the extent to which competitions differ in terms of their generosity in awarding gold medals, the only awards that really make a difference to wineries, as well as the extent to which competition awards have become more generous through times, or in other words have been subject to “grade inflation.” The first phase of the analysis looks at differences in the overall medal distribution across major competitions for which it was possible to obtain the annual number of entries. These data suggest that competitions vary widely in terms of their propensity to award gold or better medals – and that most are handing out more than they used to.

However, it is not possible to draw definitive conclusions regarding generosity from this analysis alone because differences in the proportion of gold medals awarded may simply be due to the fact that a different set of wines is entered in each competition, and some may attract higher quality wines than others. I address this issue in the second phase of the analysis by estimating a logit model to quantify the difference in odds of an award winning wine receiving a gold medal across competitions, controlling for differences in the attributes of the wines including varietal, vintage, winery, price, and appellation.

The results confirm that substantial differences exist between competitions in terms of their generosity. Moreover, most competitions have become more lavish over the last several years, although this result could also potentially be attributable to a systematic improvement in wine quality.