



How do consumers use signals to assess wine quality ?

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In this paper, we analyse econometrically the intensity with which consumers use a series of signals at their disposal to assess wine quality. More precisely, we regress the intensity with which consumers use the price as a quality signal in function of several factors: consumer's knowledge in wine (connoisseur versus non-connoisseur), country of origin (a proxy for cultural differences) and the other available signals (collective brand name or umbrella, goodwill, past consumption).

We use for this application an original dataset generated from a former econometric study by Gergaud and Livat (2004) on the interactions between individual and collective reputations in the case of Bordeaux wines. Technically, all these intensities are parameters estimated in the empirical part of this previous study.

The results show that (i) one uses all the more the price as a quality signal that our knowledge of wine is low and (ii) price and umbrella are not substitutes but complementary signals of quality.

Key Words: Signals of quality, Consumers, Bordeaux wines.