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An Arbitrary Coherence Problem: Novices and Experts at a Wine-Tasting Experiment

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We conducted a three-step laboratory experiment with novices and experts in wine tasting, in January 2009, involving 60 wine consumers. Participants were informed they will take part in several independent phases and will be monetarily rewarded, in addition to the initial endowment, according to their performance. In the first phase of the experiment, they took part in a commented wine-tasting, in presence of prestigious oenologists. Detailed comments on a *Pays de l'Aude* wine were provided, following all categorization axes, with the exception of the name. In the second phase, they had to submit bids following a second price auction mechanism for 3 prestigious Burgundy wines that they were willing to buy. In the third phase, they had to answer several questions, among which questions related to a suggestion for identifying the wine tested in the first phase, self confidence reports, wine grading, reasons they could have to recommend the wine, wine description, percentage of "changing mind" perceived participants, within a beliefs-elicitation procedure (answers were confronted to majority, and the lower the gap, the higher the reward).

We obtained a 84% arbitrary coherence rate in the novices group, and a 51% rate in the expert group, based on an average of 40% self-confidence reports, homogeneous among novices and experts. Meanwhile, there is a negative correlation between the self-confidence and the final grade for the tasted wine. Moreover, the higher the number of reasons the novice participants were able to find with regard to the number of reasons they had to find (low versus high) to recommend the wine, the better was the grade, but the reverse situation occurred for the expert group. Submitted prices in the auction were higher in the expert group, but still remained below the real value of the 3 Burgundy wines. An anticipation of 20% to 40% "changing mind people" was obtained, whereas only 10% to 0% actually changed their mind.

Our experiment has marketing implications related to the induced preferences techniques, advertising techniques, and group perceptions, and is moreover among the first to test the impact of deeper thinking requirements on price offers.

Keywords: experimental economics, induced preferences, second price auctions