

ABSTRACT

Regional Reputation, Varietal Reputation and Industry Restructuring in Bulgarian Wine Market: A Hedonic Approach

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In this paper we analyse wine industry restructuring in Bulgaria and we develop a hedonic pricing model for estimation of regional and varietal reputation in Bulgarian wine market. We show that red wines of local varieties are with diminishing significance and importance, while white wines from local varieties increase their image in consumers tastes and preferences.

Our results reveal that different factors have impact on the regional reputation and lead to appearance of significant price discounts. However, with time, price discounts are slowly diminishing, but together with regional reputation. This is positively related with wine industry restructuring and is a major result from the completed privatisation in the sector.