Analysis of Reserve and Regular Bottlings:
Why Pay for a Difference Only the Critics Claim to Notice?

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Abstract

I report my tests of the hypothesis that wine consumers cannot distinguish the difference between regular and reserve bottlings of otherwise-similar wines. My results suggest that only about one purchaser in five should even consider buying the reserve bottling of a wine, rather than the regular. But since I cannot tell you how to distinguish that one person out of five, we can all aspire to drinking the reserve. I have more than 800 observations of wine drinkers' who engaged in the following experiment. The drinker faces 3 glasses of wine, two of which contain identical wines [either the regular or the reserve] and the third contains a different wine [the other one]. I record whether the drinker can distinguish wines whether he can tell the singleton from the doubleton and, if the drinker can distinguish, which wine he prefers. I find that just over 40 per cent of the drinkers distinguish correctly, whereas one-third could if the process were random. Of those 40 percent who can distinguish, 52 percent prefer the more expensive, reserve wine, where as half would if the process were random. For this data set, 52 percent does not differ significantly from the expected-if-random half. I have recorded the sex of the testers and I can find that men can distinguish the wines better than random, but women cannot. The differences are so small, even though significant, however, that the Exact F test detects no significant difference between the ability of men and women in these tests. The results span tests of wines from Bordeaux, Burgundy, the Rhone, Spain, New Zealand, Italy, California [both red and white], Oregon, and Australia; the tests include still and sparkling wines.

[1] Also, V. Duane Rath Professor of Accounting, Graduate School of Business, University of Chicago, 1101 East 58th Street, Chicago IL 60637; 773.702.7261; fax 206.202.2114; roman.weil@gsb.uchicago.edu. I prepared this paper for the 9th Oenometrics Meeting of the Vineyard Data Quantification Society, Budapest, May 22-24, 2003, whose attendees provide my final data set. Some past attendees asked why is an accountant doing such work. I respond as follows. First, note that accounting is an intellectual discipline even though you probably think of it as bookkeeping and tax reporting. Accounting records in aggregating numbers information about complex transactions. Then, it attempts to enable users of that information to deduce from the numbers the underlying reality and how to use the data in decision making. Similarly, wine ratings record in aggregating numbers useful information about complex sensory experience. This paper attempts to help the user decide how to use the reported data in making decisions. Shannon Harwick assisted in the compilation of the data for this research and in the writing of this paper. Neither he nor I can distinguish better than random. M.L. Marais helped us with choosing suitable tests for the sex test. He can.