

Introduction to the Issue

This issue of the *Journal of Wine Economics* opens with “The Hedonic Approach to Vineyard Site Selection: Adaptation to Climate Change and Grape Growing in Emerging Markets” by Orley Ashenfelter (Ashenfelter, 2017). In this paper, Ashenfelter applies the hedonic approach to vineyard site selection. Generally, if the relation between weather and grape quality is known for each grape type in existing growing areas, it is possible to predict the quality of grapes in other locations, or in the same location with a changed climate. This permits the optimization of grape type selection for a given vineyard. The relation of grape quality to the weather is provided for several well-known viticultural areas, including Burgundy, Bordeaux, Rioja, and the Piedmont. An application of the method to vineyard areas in the Czech Republic and in Greece is used to demonstrate the method.

In the second paper of this issue, Albert Ugochukwu, Jill Hobbs, and Joel Bruneau analyze the “Determinants of Wineries’ Decisions to Seek VQA Certification in the Canadian Wine Industry” (Ugochukwu, Hobbs, and Bruneau, 2017). Drawing on data on Canadian wines sold in Ontario between 2007–2012, they find that large wineries, and those producing ice wine from certain regions are more likely to be VQA certified. In addition, they also examine the cause-effect relationship and find “that VQA certification leads to higher wine prices and not the other way around” (Ugochukwu, Hobbs, and Bruneau, 2017).

Antoine Bouët, Charlotte Emlinger, and Viola Lamani investigate “What Determines Exports of Luxury Products? The Case of Cognac” (Bouët, Emlinger, and Lamani, 2017). Merging data on Cognac shipments to more than 140 destinations for the time from 1996 to 2013 and Cognac-relevant national protectionist policies, they analyze the determinants of Cognac exports. The authors also control for the possibility of an endogeneity bias on the probability of trade. Their results suggest that “the elasticity of Cognac exports to distance is negative, significant, and relatively small, while the elasticity to gross domestic product (GDP) is positive, significant, and relatively large; and [...] average customs duties do not have a significant impact on the intensive margin but significantly and positively affect the probability of trade.” (Bouët, Emlinger, and Lamani, 2017).

Robert Ashton provides a detailed literature survey on the “Dimensions of Expertise in Wine Evaluation” (Ashton, 2017). His article explores the question of what distinguishes novices from experts in wine evaluation and addresses these issues by considering what has been learned in the past 30+ years from research

concerning the sensory and cognitive dimensions of expertise in wine evaluation. The research examines expert/novice differences at both the chemical component level (detecting, discriminating among, and describing wine-relevant chemical components) and the holistic level (hedonic evaluation of wine as an integrated manifestation of its components).

In “Do Good Things Come in Small Packages? Bottle Size Effects on Willingness to Pay for Pomegranate Wine and Grape Wine,” Andreas Drichoutis, Stathis Klonaris, and Georgia Papoutsis analyze the bottle size effect on willingness to pay (WTP). In a laboratory experiment, they auction off two different sweet wines, one based on pomegranate and the other on grapes; both are offered in 0.5 liter and 0.75 liter bottles, respectively. The authors find a relative price premium, i.e., higher WTP per liter, for smaller format bottles for both wines. For grape wine, the premium effect did not offset the quantity effect, i.e., the absolute WTP for 0.75 liter still exceeded WTP for 0.5 liter. However, for pomegranate wine, the small quantity premium more than offset the quantity effect, i.e., WTP for 0.5 liter was above WTP for 0.75 liter.

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