Introduction to the Issue

This issue of the *Journal of Wine Economics* opens with two COVID-related papers.

First, Glyn Wittwer and Kym Anderson analyze “COVID-19 and Global Beverage Markets: Implications for Wine” (Wittwer and Anderson, 2021). The authors employ a model of global beverage markets to simulate the respective effects of the COVID-19 pandemic (Wittwer and Anderson, 2020). They find that both international trade and domestic sales have been adversely affected by temporary shifts away from on-premise sales. These losses have partially been offset by gains in off-premise and direct e-commerce sales. “Further recent disruption to the global wine trade has been the imposition by China in late 2020 of prohibitive tariffs on its imports of bottled wine from Australia. Its diversionary and trade-reducing effects are compared with those due to COVID-19” (Wittwer and Anderson, 2021, p. 117).

Magalie Dubois and collaborators shed light on the question, “Did Wine Consumption Change during the COVID-19 Lockdown in France, Italy, Spain, and Portugal?” (Dubois et al. 2021). Drawing on an online survey of more than 7,300 individuals conducted during the first lockdown phase, the authors analyze purchasing and consumption patterns. They find that more people reduced their wine consumption frequency than maintained or increased it. Further analyses highlight various aspects of heterogeneity among countries and individuals and their determinants.

In “Reputation and Advertising of Collective Brand Members in the Wine Industry: The Moderating Role of Market Share,” Ricardo Sellers-Rubio, Francisco Mas-Ruiz, and Franco Sancho-Esper analyze the nonlinear relationship between advertising investments and reputation of collective brand members (Sellers-Rubio, Mas-Ruiz, and Sancho-Esper, 2021). They draw on a sample of 176 Spanish wineries and show that the quality reputation of collective brand members has a positive effect on their advertising investment until a reputation threshold is reached. In addition, scale economies of advertising mean that the market share of collective brand members negatively moderates the curvilinear relationship between quality reputation and advertising investments.

In their paper entitled “On Fine Wine Pricing across Different Trading Venues,” Paweł Oleksy, Marcin Czupryna, and Michał Jakubczyk shed light on how selected attributes of fine Bordeaux wines affect prices in three types of trading venues:

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auctions, electronic exchanges, and over-the-counter markets (Oleksy, Czupryna, and Jakubczyk, 2021). Their findings suggest that the price-impact of various characteristics varies across trading venues. For instance, while auctions pay a substantial premium for a wine’s age, the marginal price effects of age are lower at electronic exchanges and over-the-counter markets. Similarly, the (positive) bottle size effect is strongest in electronic exchange markets and weakest at auctions.

The last paper of this issue, entitled “Consumer Stigma and the Reputation Trap Hypothesis: An In-Store Experiment with Colorado Wines,” is by Marco Costanigro and Becca B.R. Jablonski. The authors conduct an in-store experiment to test the hypothesis that Colorado wines may be in a “bad reputation trap.” Based on a 2×2 design where they varied the production region (Colorado vs. California) and grape variety (familiar vs. unfamiliar), they revealed the origin of production to only half of the participants (Costanigro and Jablonski, 2021). The authors measure taste perceptions on Likert scales and elicit valuations via a multiple price listing. “Our results are consistent with the presence of stigma against wines produced in Colorado. In the discussion, we draw from the literature on stigmatized markets to suggest plausible strategies to remove or avoid stigma” (p. 210).

Karl Storchmann
New York University
karl.storchmann@nyu.edu

References


