**Title**  
Does Specialization in the World of Wine Equate to Better Ratings?

**I want to submit an abstract for:**  
Conference Presentation

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**Keywords**  
wine, wine rating, vineyard, specialization, Wine Spectator

**Research Question**  
Do wineries who specialize in one or two wines produce higher quality wine as measured by wine ratings?

**Methods**  
Utilizing a comprehensive dataset of international wine ratings from 2022, appended with vineyard-specific details, we assess the impact of specialization on quality using OLS regression.

**Results**  
Preliminary results illustrate that there is a significant advantage to specialization, though previous ratings are also impactful.

**Abstract**  
Utilizing a comprehensive dataset of international wine ratings over a three-year period, appended with vineyard-specific details, we assess the impact of winery specialization on quality of the wine produced, as measured by Wine Spectator ratings. Though theories abound and are well-established, this is the first statistical analysis to investigate whether the belief that specialization yields expertise and higher quality wine is supported by data. This analysis has tangible business implications as wineries make decisions regarding production with limited resources. Additionally, this work expands on existing literature aiming to identify factors that are important in predicting wine ratings and wine rating impact on price (e.g. Reuter, 2012). Existing work has found a number of characteristics to be influential in wine prices: country of origin, quality, varietal, and even the impact of terroir on wine price (Arias-Bolzmann 2003, Cross 2011). Consumer perception of value, drawn from expert opinion and name familiarity (i.e. ‘Bourdeaux’) also play a significant role (Cardebat 2014). Interestingly, researchers find conflicting evidence regarding the impact of wine price on wine ratings as consumers seem to consider both objective and subjective
quality signals in their opinions of wine quality (for example, Delmas 2016 and Oczkowski 2015). This project is ongoing, though near completion of the data collection phase. Due to the expansiveness of the dataset being compiled, the most significant time costs are upfront. We are in the process of appending our list of wines and ratings with extensive vineyard-level statistics and expect the process to be completed within the next two months. At that time, we will be able to estimate the following regression model:

\[
\text{WineRating}_{(i,t)} = \beta_0 + \beta_1 \text{Specialize} + \beta_2 \text{Vineyard}_v + \beta_3 \text{Varietal} \ (i,t)
\]

where \( i \) represents the specific wine being considered, \( v \) the vineyard, and \( t \) the time period of interest (year). WineRating is defined using that wine’s Wine Spectator rating in the relevant year. Previous studies have found substantial support for consistency across ratings thus we only consider Wine Spectator ratings (Stuen et al., 2015). Vineyard is a subset of vineyard-specific variables that likely matter in ratings or how price is impacted by ratings and other factors (e.g. location, production quantity, time in operation, etc. as in Arias-Bolzmann et al. 2003, for example). \( \beta_1 \) is our coefficient of interest, where Specialize is an indicator variable to identify wineries which focus production (in the given year) to one or two varietals. Preliminary results suggest that specialization does correspond to higher wine ratings, estimated using OLS regression (with additional models including year and/or location fixed effects). Ultimately, we believe the final results will be of interest regardless of whether we find support for the impact of specialization on quality, as either outcome is relevant for business strategy decisions. We will also be considering whether other commonly considered factors show a statistically significant relationship with Wine Spectator scores. As a robustness check we consider whether specialization impacts the likelihood of a wine’s score reaching a threshold (ie. probit model where the dependent variable is an indicator whether a wine is rated at 98 or higher =1 and 0 otherwise).

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