Journal of Wine Economics, Volume 15, Number 1, 2020, Pages 1–2
doi:10.1017/jwe.2020.13

https://doi.org/10.1017/jwe.2020.13 Published online by Cambridge University Press

Introduction to the Issue

This issue of the *Journal of Wine Economics* opens with "Evolving Consumption Patterns in the U.S. Alcohol Market: Disaggregated Spatial Analysis" by Jarrett Hart and Julian M. Alston. The authors explore regional patterns of alcoholic beverage consumption, beer, wine, and spirits, within the United States by drawing on prices, incomes, and various demographic population characteristics. They analyze annual U.S. national and state-level data over four decades and, more recently, supermarket scanner data at finer geopolitical aggregation levels. Overall, socioeconomic and other demographic variables appear to play a significant role in explaining the spatial differences in consumption patterns. In particular, the authors find "strong and compelling evidence that ancestral alcohol consumption patterns, urbanization, and political affiliations are associated with differing consumer preferences for types of beer and wine. Considering beer and wine together, areas with populations having stronger ancestral links to beer-drinking nations demand relatively more macro and craft beer compared to other beverages, and less imported beer and low- and high-priced wine. Areas with populations with high ancestral wine consumption demand relatively more craft and imported beer and low-priced wine, and less macro beer and high-priced wine. An increase in the Hispanic share of the population is associated with an increase in demand for imported beer and low-priced wine relative to all other beverages. Areas with more Trump supporters demand more macro beer, but less craft and imported beer and less low- and high-priced wine. We do not claim causality in any of these findings (Hart and Alston, 2020, pp. 38–39)."

In "Consumer Taxes on Alcohol: An International Comparison over Time," Kym Anderson computes consumer tax equivalents in U.S. dollars per liter of alcohol and as percentages of wholesale prices for still wine, sparkling wine, beer, and spirits in 42 high- and middle-income countries (Anderson, 2020). The wide dispersion of rates among countries and beverages, and differences in tax instruments suggests differing strengths of health and welfare lobbyists and industry groups in influencing government decision-making. Anderson discusses the effects of ad valorem taxes on wine, as imposed by Australia, Chile, Korea, and Mexico, compared to those of specific taxes on the volume of alcohol, against the background of policy goals such as health, welfare, income redistribution, and revenue generation.

In the following paper, entitled "Wine Descriptions Provide Information: A Text Analysis," Bryan C. McCannon employs a computational linguistic Dirichlet algorithm to measure the topics covered in textual descriptions of wine (McCannon, 2020). Drawing on three U.S. wine samples, 121 New York State wines, 237 Oregon

© American Association of Wine Economists, 2020

https://doi.org/10.1017/jwe.2020.13 Published online by Cambridge University Press

Pinot Noirs, and 259 California Cabernet Sauvignons, he employs hedonic price regressions to analyze whether wine descriptions contain valuable information. After controlling for varietal, region, and numerical ratings, McCannon finds that there is price explaining information in wine descriptions. "I find that the text correlates with the prices charged. The effect cannot be explained away by the other information consumers may know at the time of sale. Thus, wine descriptions do indeed convey some information to consumers that affect their demand and, ultimately, price (p. 91)."

The last paper in this issue, entitled "Willingness-to-Pay for Reshuffling Geographical Indications," is by Monia Saïdi, Jean-Sauveur Ay, Stéphan Marette, and Christophe Martin. Exploiting the fact that the classifications of certain vineyards within a geographical indication (GI) sometimes change, the authors present an experimental protocol for estimating consumers' willingness-to-pay (WTP) for wine. While producers within an IG generally benefit from the promotion of a mid-level vineyard to a higher-level, consumers may look at this differently. On the one hand, the promotion of the best wines from the medium level to a higher level facilitates the identification of high-quality wines from this area. This may, in turn, increase WTP. On the other hand, the removal of these high-quality wines from the medium level lowers the average quality at this level, and thus reduce the WTP for it. The question arises whether reshuffling a GI's designation scheme may increase the WTP without any overall change in product quality. At an experimental setting involving 125 participants, five scenarios, and three levels of GI for each scenario, for the vineyards of Marsannay and Burgundy, the authors gathered 1,825 declared WTP values. They found "a significant increase in WTP for the current distribution of products' quality (Säidi et al., 2020, p. 95)."

Karl Storchmann
New York University

References

Anderson, K. (2020). Consumer taxes on alcohol: An international comparison over time. *Journal of Wine Economics*, 15(1), 42–70.

McCannon, B. C. (2020). Wine descriptions provide information: A text analysis. *Journal of Wine Economics*, 15(1), 71–94.

Hart, J., and Alston, J. (2020). Evolving consumption patterns in the U.S. alcohol market: Disaggregated spatial analysis. *Journal of Wine Economics*, 15(1), 5–41.

Saïdi, M., Ay, J.-S., Marette, S., and Martin, C. (2020). Willingness-to-pay for reshuffling geographical indications. *Journal of Wine Economics*, 15(1), 95–111.