

Do Expert Ratings Measure Quality?: The Case of Restaurant Wine Lists

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American Association of Wine Economists
Reims, France
June 20, 2009

Expert opinion plays a major role in many areas

- Court cases
- Literary awards
- Film and theatre reviews
- Health and medical decisions

Project asks: What does expert opinion mean in the world of food and wine?

- The case of the *Wine Spectator* Awards of Excellence
 - Supposedly awarded to the world's best wine restaurants
 - Magazine collects \$250 fee from each of 4,000+ applicants
 - Vast majority of 4,000+ applicants receive awards
 - Gross revenues of more than \$1M from application fees
 - Millions more in advertisement fees
 - This raises questions about the purpose and information content of these ratings

How to test validity of Wine Spectator awards?

- Process is oblique
- Stated standards are untrustworthy
- An empirical approach is necessary

Osteria L'Intrepido di Milano - Mozilla Firefox

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Osteria L'Intrepido di Milano

Buone feste! L'osteria rimane aperto a natale 2007 e capodanno 2008

12 Dicembre 2007 at 12:21 am (Uncategorized) · Modifica

L'Intrepido rimane aperto a natale per un pranzo speciale di 7 pasti alle 15h00 a (125,00 € a persona), e una festa per capodanno 2008 alle 21h30 (150,00 € a persona cena + Champagne).

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Esce menù d'inverno 2007/2008

25 Ottobre 2007 at 11:15 pm (Uncategorized) · Modifica

È uscito il menù d'inverno 2007/2008, [clicca qui](#) per visualizzarlo.

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10 Marzo 2007 at 4:23 pm (Uncategorized) · Modifica

Benvenuti sul nuovo sito WWW dell'Osteria L'Intrepido! Qui si trova i nostri menù e contatti...

[Permalink](#) Nessun Commento

Pages

- Prenotazioni: Tel./Fax
+39 02 4074 6174
e-mail lintrepido@gmail.com
- Via Filippetti 33, 20122 Milano
- Come trovarci (piantina)
- Menù Inverno 2007/2008

Archivi

- Dicembre 2007
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Cerca

NEW 2008 WINE SPECTATOR 2008 RESTAURANT AWARDS PROGRAM LISTING FORM 10769

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Wine Spectator Restaurant Awards Program

PH: (212) 684-4224 ext. 781 FAX: (212) 481-0724 EMAIL: restaurantawards@mshanken.com

Please Note: We **DO NOT HAVE** your LISTING FORM for 2008. We **HAVE** your MENU for 2008. We **HAVE** your WINE LIST for 2008. We **HAVE** your ENTRY FEE for 2008.

**** DATA CURRENTLY ON FILE ****

- 1. Restaurant: **Osteria L'Intrepido**
- 2. Hotel / resort:
- 3. Contact / Title: **Stiglitz G.S., Owner**
- 4. Mailing Address: **Viale Filippetti 33**
- 5. **Milan, 20122**
- 6. **ITALY**
- 7.
- 8. Street Address: **Viale Filippetti 33**
- 9. **Milan, 20122**
- 10. **ITALY**
- 11.
- 12. Sommelier:

- 13. Wine Director:
- 14. General Manager:
- 15. Owner(s): **Stiglitz G.S.**

- 16. Contact Email (to receive confirmation of receipt of materials and other information from Wine Spectator):
lintrepido@gmail.com
- 17. Reservations **(39) 0-24-074-6174**
- 18. Business **(39) 0-24-074-6174**
- 19. FAX **(39) 0-24-074-6174**
- 20. Website:
http://www.

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- 2. _____
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- 6. _____
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- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. Augusto CRAZIA

- 13. Augusto CRAZIA
- 14. Luca GAMBERINI
- 15. GS STIGLITZ
Please send correspondences to GS Stiglitz
But not publish name of owner in magazine
- 16. _____

- 17. _____
- 18. _____
- 19. _____
- 20. http://www. osterialintrepido.wordpress.com

I rossi italiani “riserva” della nostra cantina

AMARONE CLASSICO 1998 (Veneto) 65 points. “Not clean. Stale black licorice and slightly frothy on the palate. –JS”	Tedeschi	80,00 €
AMARONE CLASSICO “LA FABRISERIA” 1998 (Veneto) 60 points. “Unacceptable. Sweet and cloying. Smells like bug spray. –JS”	Tedeschi	185,00 €
AMARONE CLASSICO “GIOÉ” 1993 69 points. “Just too much paint thinner and nail varnish character in this. –JS”	S. Sofia	110,00 €
BARBARESCO ASIJ 1985 (Piemonte) 64 points. “Earthy, swampy, gamy, harsh and tannic. Tasted three times.”	Ceretto	135,00 €
BAROLO 1990 (Piemonte) 64 points. “Earthy, musty, lacking in charm or much fruit character.”	Az. Agr. GD Vajra	140,00 €
BAROLO RISERVA 1982 (Piemonte) 72 points. “Mature and earthy, with aggressive [<i>sic</i>] tannins that are sharp and harsh.”	Bruno Giacosa	250,00 €
BAROLO “ZONCHERA” 1994 (Piemonte) 74 points. “Quite disjointed, a bit green and herbal in flavor, with a coarse, chewy texture and an astringent finish. Hard to tell if it will ever come around. –PM”	Ceretto	120,00 €
BRUNELLO DI MONTALCINO RISERVA 1996 (Toscana) 74 points. “Smells of ripe fruit, with turpentine. Medium-bodied, with hard, acidic character. Disappointing. –JS”	Gianfranco Soldera	235,00 €
BRUNELLO DI MONTALCINO “LA CASA” 1982 (Toscana) 67 points. “Smells barnyardy and tastes decayed. Not what you’d hope for with Brunello.”	Tenuta Caparzo	200,00 €
BRUNELLO DI MONTALCINO 1993 (Toscana) 80 points. “Pleasant and easy to drink, but with a bit too much new wood. A bit lacking in concentration, but with pretty, round tannins and a soft finish. Drink now. –JS”	Tenuta Caparzo	180,00 €
BRUNELLO DI MONTALCINO RISERVA 1995 (Toscana) 81 points. “Pleasant berry and cherry character, but the palate is light-bodied with a slightly diluted finish. Light for the vintage. Rather disappointing for this producer. Drink now. –JS”	Tenuta Caparzo	135,00 €
CABERNET SAUVIGNON “I FOSSARETTI” 1995 (Piemonte) 58 points. “Something wrong here. Of four samples provided, two were dark in color, but tasted metallic and odd. The other two were corky. –PM”	Poderi Bertelli	120,00 €
SASSICAIA 1976 (Toscana) 65 points. “Even Sassicaia could not apparently escape the wet weather of this memorably bad vintage in Tuscany. It lacks harmony, having oxidized and developed a bitter orange character. Lean finish. –PM”	Tenuta San Guido	250,00 €

Wine Spectator



AWARD
OF
EXCELLENCE

2008

HONORING

Osteria L'Intrepido

*This restaurant is honored by Wine Spectator
for having one of the most outstanding restaurant wine lists in the world.*

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Wine Spectator's response

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Thomas Matthews

Executive Editor
Wine Spectator



Posted Aug 20, 2008 05:11 PM

Wine Spectator learned yesterday that, for the first time in the 27-year history of our Restaurant Awards program, a fictitious restaurant has entered its wine list for judging.

To orchestrate his publicity-seeking scam, Robin Goldstein created a fictitious restaurant in Milan, Italy, called Osteria L'Intrepido, then submitted a menu and wine list to Wine Spectator's Restaurant Awards as a new entry in 2008. The wine list earned an Award of Excellence, the most basic of our three award levels.

Goldstein revealed his elaborate hoax at a meeting in Oregon last week. He is now crowing about the fraud on his own Web site. The story has been picked up in the blogosphere, and now Wine Spectator would like to set forth the actual facts of the matter.

1. Wine Spectator's Restaurant Awards

Our Awards program was founded in 1981 to encourage restaurants to improve their wine programs, and to aid readers in finding restaurants that take wine seriously. The program evaluates the content, accuracy and presentation of restaurant wine lists. It does not purport to review the restaurant as a whole.

In the program's 27 years, we have evaluated more than 45,000 wine lists. There is no doubt that more restaurants offer good wine lists today than back in 1981. We would like to think that this program has contributed to that development. Further, our Dining Guide is a widely used resource by our subscribers. ([View more information on the program here.](#))

2. How could a restaurant that doesn't exist earn an award for its wine list?

We do not claim to visit every restaurant in our Awards program. We do promise to evaluate their wine lists fairly. (Nearly one-third of new entries each year do not win awards.) We assume that if we receive a wine list, the restaurant that created it does in fact exist. In the application, the restaurant owner warrants that all statements and information provided are truthful and accurate. Of course, we make significant efforts to verify the facts.

In the case of Osteria L'Intrepido:

“Significant efforts to verify the facts”:
Significant efforts to upsell additional ads?



Wine Spectator's spin control



'Wine Spectator' Forum a Hotbed of Non-Controversy [Updated]

As we related earlier, *Wine Spectator* yesterday attempted to explain away giving its "Award of Excellence" to an imaginary restaurant with notably bad wines on the list. And in response, readers posting to the magazine's online forums have been *nothing* but positive. You'll find post after post of suspiciously supportive statements affirming the uprightness of the award and the wickedness of scammer and author Robin Goldstein. It's almost as if *Wine Spectator* controlled what was said there! Notably non-outraged statements from this echo chamber include:

- "Very nice to hear the other side of the story, sounds like Robin is a liar."
- "Thank you for this post. You have given quite a few additional details that Mr. Goldstein failed to mention. It appears on the surface that he is a dishonest person."
- "An applause of appreciation for your endeavors... to handle this situation appropriately. And respect/kudos to laying out the facts in a very clear and concise manner. Well done."
- "Wow, another person with to [sic] much time on their hands. To go to all that trouble, and for what?"

Perhaps, like Voltaire's God, Robin Goldstein is a comedian playing to an audience that is afraid to laugh.



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Wine Spectator

From Wikipedia, the free encyclopedia

Wine Spectator is a [magazine](#) that focuses on [wine](#). Founded as a newsprint tabloid by Bob Morrisey in 1976, it was purchased three years later by publisher Marvin R. Shanken. That year, its panel of experts blind tasted and reviewed over 12,400 wines. Each of the 16 issues per year contains a large section devoted to wine reviews and wine ratings.

The magazine's consumer orientation is reflected in stories such as family conflicts among producers, the identification of producers whose wines suffered from systematic [cork taint](#), and alerting collectors to the proliferation of counterfeit wines. Among the critics in the magazine's tasting panel are [James Suckling](#), James Molesworth and [James Laube](#).

The magazine organized and sponsored the *Wine Spectator* Wine Tasting of 1986 on the tenth anniversary of the "[Judgment of Paris](#)".

Criticism

[\[edit\]](#)

Having started a restaurant awards program in 1981, the accolade has since come under some criticism.^{[1][2]} At the August 2008 conference of the American Association of Wine Economists in [Portland, Oregon](#), a [hoax exposé](#) submission of the fictitious restaurant Osteria L'Intrepido was revealed by the author and [Fearless Critic](#) founder [Robin Goldstein](#): he had won an Award of Excellence for a restaurant that didn't exist and whose "reserve wine list" was full of the lowest-rated Italian wines in history. He stated the exposé to be part of research for an academic paper^[3], whose aim was to discover what it takes for a restaurant's wine list to receive an award from the magazine.^{[4][2][5][6][7]} With nearly 4,500 restaurant applications, the magazine earns over \$1 million each year from submission fees.^{[8][9]} Editor Thomas Matthews published an official response on the magazine's forum site.^{[10][4][5][2][11]}

References

[\[edit\]](#)

- ↑ Hesser, Amanda, *The New York Times* (July 9, 2003). "A Wine Award That Seems Easy To Come By" [↗](#).
- ↑ abc Bonné, Jon, *San Francisco Chronicle: The Sipping News* (August 21, 2008). "Awards: 'Hoax' on the Wine Spectator" [↗](#).
- ↑ blindtaste.com [What does it take to get a Wine Spectator Award of Excellence?](#) [↗](#)
- ↑ ab Mitham, Peter, *Wines & Vines* (August 19, 2008). "Economists Question Real Value of Wine" [↗](#).
- ↑ ab Hirsch, Jerry, *Los Angeles Times* (August 22, 2008). "Wine Spectator drinks a hearty glass of blush" [↗](#).
- ↑ Yarrow, Alder, *Vinography.com* (August 19, 2008). "Wine Spectator Restaurant Awards Exposed as a Total Farce" [↗](#).
- ↑ Coleman, Tyler, *Dr. Vino* (August 19, 2008). "Fictitious restaurant wins Wine Spectator Award of Excellence" [↗](#).

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- (cur) (prev) [12:51, 27 September 2008](#) [156.34.89.233](#) (talk) (5,592 bytes) (undo)

Conclusion of Osteria L'Intrepido experiment

- *Wine Spectator* Award of Excellence does not measure or signal a good wine list
- *Wine Spectator* Award of Excellence does not measure or signal a good restaurant
- *Wine Spectator* Award of Excellence does not signal a restaurant at all
- So what does it measure or signal?

- We study the relation between Wine Spectator wine list ratings and independent ratings from Zagat Survey in New York City
- Zagat Survey relays consumer survey results on three dimensions: food quality, décor quality, and service quality
- Zagat also provides consumer survey results on cost of an average meal for one person
- We compiled data on more than 1,700 restaurant ratings
- Goal is to examine alternative theories of what the wine list ratings reflect in consumer preferences and restaurant pricing

Breaking down the Zagat data

- Table 1 shows average scores for food, décor and service
- Maximum score on each scale is 30
- Average cost is \$40.87 with standard deviation of \$24.23

Table 1

feature	Obs	Mean	Std. Dev.	Min	Max
food	1716	20.85	2.64	11	28
decor	1715	16.59	4.38	3	28
service	1716	18.33	3.04	7	28
cost	1713	\$40.87	\$24.23	\$5	\$485

The analysis

- Tables 2 and 3 show average scores and meal costs separately for restaurants with and without a WS Award of Excellence
- Average meal costs \$38.84 in restaurants without WS Award, and \$63.34 in those with WS Award
- Food, décor and service scores are modestly higher in restaurants with WS awards

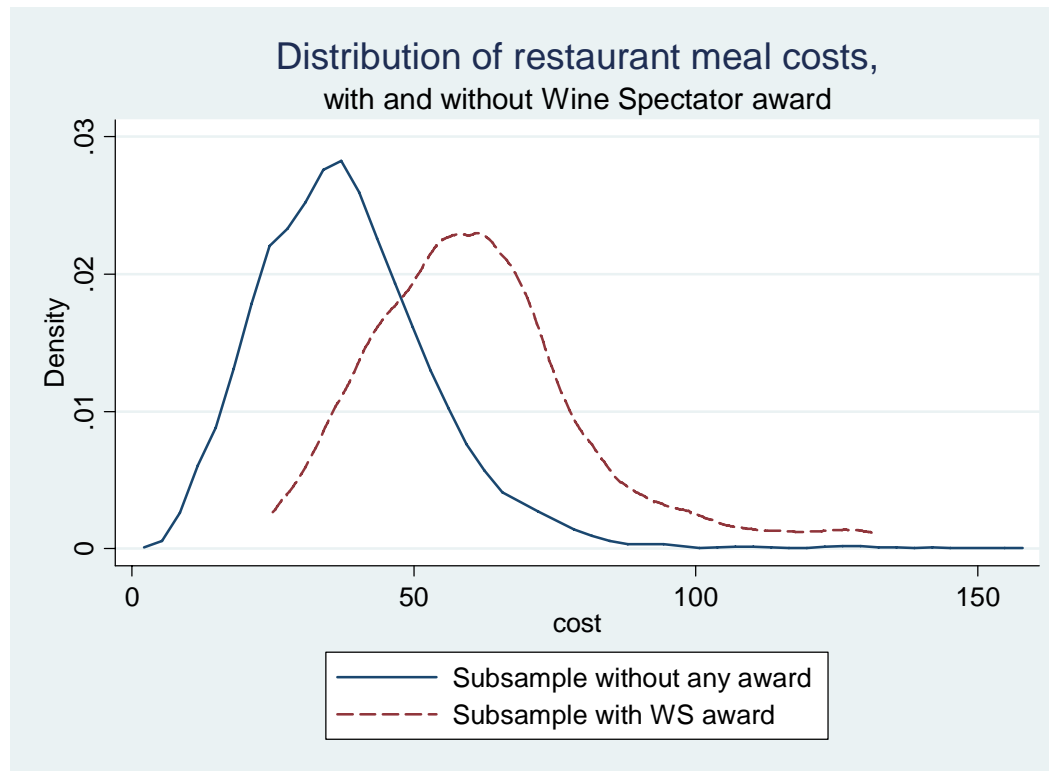
Table 2: No Award

Feature	Obs	Mean	Std. Dev.	Min	Max
food	1573	20.70	2.58	11	28
decor	1572	16.23	4.28	3	28
service	1573	18.07	2.93	7	27
cost	1571	\$38.84	\$22.77	\$5	\$485

Table 3: WS Award

Feature	Obs	Mean	Std. Dev.	Min	Max
food	143	22.46	2.74	14	28
decor	143	20.56	3.36	13	28
service	143	21.15	2.87	13	28
cost	142	\$63.34	\$28.24	\$25	\$301

- Figure 1 plots the distributions of meal costs in restaurants with and without WS Awards
- Meal cost distribution of restaurants with a WS Award is substantially to the right of those without



Regression analysis

- Table 4 reports regressions of meal costs on Zagat scores for food, décor, and service
- Column 1 also includes a dummy for receipt of WS Award of Excellence
- Presence of WS Award raises meal costs by \$ 8.52 (21% of \$40.90), holding constant quality of food, décor and service
- Column 2 includes indicators for three levels of WS Award of Excellence
- Controlling for quality of food, décor, service, presence of Award of Excellence predicts additional meal cost of \$4.29 (11%), “Best Award” by \$16.32 (40%), and “Grand Award” by \$19.73 (48%).

Table 4

Variable	cost	cost
food	0.8597 (0.2181)***	0.8036 (0.2177)***
decor	1.4822 (0.1484)***	1.4718 (0.1479)***
service	2.6337 (0.2525)***	2.5936 (0.2518)***
Any award	8.5158 (1.7126)***	-
Award of Excellence	-	4.2920 (2.0363)**
Best award of excellence	-	16.3244 (2.9382)***
Grand award	-	19.7278 (7.1131)***
Constant	-50.5794 (3.7324)***	-48.5250 (3.7576)***
Obs	1712	1712
R-squared	0.41	0.42
F-test: the coefficients on the 3 dummies are equal	-	7.34 Prob>F = 0.0007

Sensitivity to outliers

- Sample contains some very expensive restaurants
- Table 5 reports regression results excluding restaurants with meal cost > \$200
- Results are similar to those using full sample
- Presence of WS Award raises meal cost by \$9.37 (23% increase) holding constant food, décor and service quality (column 1)
- Additional cost increases monotonically with level of award (column 2):
 - ❖ Basic Award of excellence + 15%
 - ❖ Best Award of excellence + 37%
 - ❖ Grand Award + 60%

Table 5

Variable	Cost (Drop obs with cost>200)	Cost (Drop obs with cost>200)
food	0.5503 (0.1306)***	0.5050 (0.1298)***
decor	1.4252 (0.0888)***	1.4172 (0.0881)***
service	2.3016 (0.1512)***	2.2638 (0.1501)***
Any award	9.3688 (1.0274)***	-
Award of Excellence	-	5.9516 (1.2131)***
Best award of excellence	-	14.9352 (1.7660)***
Grand award	-	24.1550 (4.2370)***
Constant	-37.7778 (2.2464)***	-36.0263 (2.2493)***
Obs	1709	1709
R-squared	0.62	0.62
F-test: the coefficients on the 3 dummies are equal	-	15.69 Prob>F = 0.0000

Interaction effects

- Relationship between meal cost and food, décor and service quality may differ between restaurants with and without WS Awards
- Table 6 reports regression results allowing impacts of restaurant quality to differ by two types of restaurants
- Interaction effects with food quality and décor are insignificant
- Interaction between WS Award and service is positive and marginally significant

Table 6

Variable	Cost (Full sample)	Cost (Drop obs with cost>200)
food	0.7385 (0.2223)***	0.4509 (0.1326)***
decor	1.4571 (0.1510)***	1.4171 (0.0900)***
service	2.5123 (0.2564)***	2.2027 (0.1530)***
Any award	-46.0458 (13.6955)***	-33.9653 (8.2825)***
Food*Any award	-0.2723 (1.2328)	0.0611 (0.7350)
Décor*Any award	0.6189 (0.7116)	0.2486 (0.4249)
Service*Any award	2.3020 (1.3940)*	1.7726 (0.8325)**
Constant	-45.4709 (3.9106)***	-33.8016 (2.3420)***
Obs	1712	1709
R-squared	0.42	0.62

A Simple Model of Award Choice

- Virtually any restaurant that wants an award can receive one by making a payment.
- Which restaurants would choose to make the payment?
- Assuming that the restaurants that apply for an Award are those who would most benefit permits us to use the interaction effects model to predict applicants.
- Only the restaurants with very good service will choose an award, because only then does it pay off

Who Wants Awards?

- If P =price the restaurant can achieve, A =award, S =service, and C =cost of the award, the interaction results show:
- $P = \alpha (A) + \beta * (S) + \gamma * (S * A)$
- Then, a restaurant will choose(award) if $\alpha + \gamma * \text{service} \geq \text{cost}$

Implications for Award Choice

- Since we find that $\gamma \geq 0$, we predict that Award winners have better service, but no better food or décor than non-winners
- Since $\alpha \leq 0$, the negative signal sent by the award adds to the cost of obtaining it
- Only the restaurants with very good service will choose an award, because only then does it pay off

Conclusions

- Wine Spectator Awards are available to virtually any restaurant (or non-restaurant)
- Restaurants with an Award cost more than others with the same Zagat rating for food, service, and décor.
 - It could be that Award applicants are self-selected
 - It could be that the Award allows those restaurants to charge more
 - It could be that the Award simply signals overpriced restaurants

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