

Wine Production in Québec: an investigation into the price-quality relationship

*J. François Outreville*¹

HEC Montréal Université de Montréal, Québec, Canada.

(May 2011, Final Version: July 2011)

Abstract

Wine production in Québec over this period has also grown rapidly with an increased interest for diversified products in terms of quality and price. The growth of supply is related not only to the number of producers but also to the increased varieties of wines proposed. An index of relative firm position in the market based on relative prices has been calculated and we demonstrate that a high price strategy is inversely related to the number of wines produced and the age of the firm. The analysis also demonstrates a positive and significant relation between price and the variable related to the perceived quality of wines (the jury grades or medals).

JEL classification: L11, L15, L66, D21.

Keywords: Wine production, Price index, Price-quality relation.

¹Corresponding author: J-francois.outrevillehec.ca, HEC Montréal Université de Montréal, Québec, Canada. The author acknowledges gratefully the help of the Association des Vignerons du Québec (A.V.Q.) and its president Charles-Henri de Coussergues. Statistical information on wine production in Québec is available at www.vignerons-du-quebec.com/.