

Do Expert Ratings Measure Quality? The Case of Restaurant Wine List Awards

Orley Ashenfelter
Princeton University

Robin Goldstein
Fearless Critic Media

Craig Riddell
University of British Columbia

Abstract

In a scandal reminiscent of that which has rocked financial markets, one of us recently showed that the nationally recognized Wine Spectator magazine provided its coveted Award of Excellence to a restaurant that did not even exist! Similar to financial rating institutions, the Wine Spectator collects fees from the restaurants it rates, raising questions about just what the purpose and information content of these ratings is.

In this paper we study the relation between Wine Spectator wine list ratings and independent ratings from Zagats of the quality and price of restaurant services. Our goal is to examine alternative theories of what the wine list ratings reflect in consumer preferences and restaurant proprietor behavior. Results indicate that higher wine list ratings signal higher meal costs and greater comfort, but not higher food quality or service. This suggests that value oriented consumers avoid restaurants with a Wine Spectator Award of Excellence, while others select them.