Wine Production in Québec and the Price-Quality Relationship
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Are they wine producers in Québec? This question is not a joke. The number of producers increased from five in 1985 to ten times more in 2008. The wine consumption in Québec over this period has also grown rapidly with an increased interest for quality wines. Although the Québec wine sector remains small and practically does not generate any income outside the province, the growth in the number of producers and wines proposed may continue as a part of this quest for diversified products in terms of quality and price.

It is only in 1985 that the first wine growers obtained the right to sell their production. In this paper we will describe wine production in Quebec in terms of geographical conditions and types of vines produced. We will also examine the growth of the sector over the past 15 years. The growth of supply is related not only to the number of producers but also to the increased varieties and quality of wines proposed.

The purpose of the paper is also to analyze one aspect of the competition among wine producers, i.e., the relationship between firm’s price strategies (positioning) and factors explaining this position in the market. 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. An analysis of the price-quality relationship is developed and the last section discusses the limits and possible extensions of the analysis.

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