Cin Cin!

Competing for the Leadership in the Italian Sparkling Wine Market: Franciacorta versus Trento

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We estimate a hedonic price function for the “classical method” sparkling wines from Franciacorta, a hilly area close to Brescia, and from Trento, a mountain area at the border with Austria, the two mostly renowned Italian “Champagne-like” regions. We use data from an original panel data of about 400 wines, based on seven yearly editions (2006-2012) of the three most known and influential professional wine guides: Associazione Italiana Sommelier, Seminario Veronelli and Gambero Rosso-Slow Food (Gambero Rosso only from 2011).

Wines differ concerning typologies (Brut, Extra Brut, Satin, Rosè, Pas Dosè), wine-makers styles, grapes mixtures, cuvée, vintage years, fermentation and production processes. On the top of the latter explanatory variables, in some specifications we also control for tradition, prestige and supply characteristics of the wine-maker’s brand, cultivated hectares, number of the produced bottles, and, finally, for scores and prizes awarded by each Italian wine-tasting guide.

Finally, we test whether, for each wine typology and region, there is any price premium from previous year’s awards.