Characterization of Chilean Bottled Wine Market
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Abstract

Chile is the seventh largest wine producer in the world with 1,285 million of liters, and the second largest producer of the producers called of the "New World". Also ranks fifth in wine exporting countries with 662.3 million of liters, positioning Chile as a market of great interest to analyze. This important prominence acquired by Chile in the wine production is mainly due to two factors: i) the reputation reached by Chilean wines in the international market and ii) good relationship from quality and price that has wine, reaching compete on equal terms with wines from the world's leading producers such as France, Spain and Italy.

Domestic production of wines in Chile is divided into three categories: i) wines with denomination of origin, ii) without denomination of origin and iii) table wines, only the wines with denomination of origin can adopt mentions of quality accepted by the Chilean legislation (e.g. Reserve, Special Reserve, Private Reserve, Grand Reserve). Wines with denomination of origin are those most commonly occur in the country with 1,078 million of liters, with the 83.9 % of the total production of the country. There is also an internationally accepted quality rating given by the Dutch Rabobank in 1999 and ranks the wines into five categories: i) icon ii) ultra premium iii) super premium iv) premium and, v) basic. However, it notes that the domestic production of wine duality exists when a classification by the different vineyards. Some vineyards classified a wine with a quality mention if they consider that the most relevant market in which the wine is positioned domestically. If the target market is international, some companies choose to use a complementary quality mention that better position of the product.

In Chile there are several studies on wine, which are mostly focused on the productive. The studies focused on analyzing the wine market in Chile are rather scarce in the literature, and there made an analysis from the perspective of the consumer. Given this, the objective of this study, at this first stage, is to characterize the wines produced in Chile considering some variables that are considered relevant in the market. To perform this study was compiled a database of wines produced in Chile, for which the wines produced by vineyards belonging to the main trade associations in the country (e.g. Viñas de Chile A.G., Corporación Chilena del Vino A.G. and Viñas de Colchagua A.G.), identifying each wine producing by vineyard and the attributes that are indicated on their labels. Within the latter having variety, vintage, appellation of origin, complementary quality mention and alcohol content. And subsequently searched each of the wines in the major wine magazine in Chile, Revista La CAV, recording in each case ranking tasting score for freshness, body, sweetness and astringency, besides the price tag.

In relation to the results obtained, a total of 1,661 wines were found, which are mainly wine red wines 1,239 (74.6 %) and 422 white wine (25.4 %). Among the most strains have produced Cabernet Sauvignon with 288 wines (17.3 %), red blend with 242 wines (14.6 %), Carmenere with 225 wines (13.5%), Sauvignon Blanc with 182 wines (11.0 %) and Chardonnay with 175 wines (10.5 %). Respect to appellation origin, a total of 1,521 wines with denomination of origin (91.6 %) and 140 wines without appellation of origin (8.4 %), where designations of origin are frequently Colchagua (34 ° 15' - 34 ° 50' LS) with 310 wines (18.7 %), Maipo (32 ° 55' - 34 ° 19' LS) 264 wines (15.9 %), Casablanca (33 ° 31' LS) 210 wines (12.6 %) and Maule (34 ° 41' - 36 ° 33' LS) 173 wines (10.4 %). On the use of quality mentions accepted under Chilean law, it was found that a total of 820 wines (49.9 %) will make mention of some of them on their labels, while 75 wines (4.5 %) used the term given by Dutch Rabobank international in 1999 , and 766 wines do not use
complementary quality mention on their labels (46.1 %). As the ranking is related tasting 658 wines (39.6 %) have a ranking between 87 - 88 points considered by the CAV as "very good wines", wines followed by 606 (36.5%) with ranking between 89 - 90 points identified as "amazing wines". When performing an analysis of the prices of wines, it is observed that red wines average about CLP $11,824 or € 15.5 (standard deviation of CLP $16,006 or € 21), while white CLP $6,538 (standard deviation of CLP $3,334 or € 4.4). The relationship between price and the appellation of origin, it is seen that wines with denomination of origin reaching a higher price are Aconcagua with CLP $17,572 or € 23.1 (standard deviation of CLP $23,702 or € 31.2), Maipo CLP $12,085 or € 15.9 (standard deviation of CLP $16,472 or € 21.7), Colchagua CLP $11,862 or € 15.6 (standard deviation of CLP $ 18,722 or € 24.6) and Cachapoal CLP $11,056 or € 14.5 (standard deviation of CLP $12,405 or € 16.3). In the relationship of price with quality mention that wine was observed with complementary quality mention internationally accepted reach an average price higher than the reference accepted by the Chilean mention, with an average in the first case of CLP $6,061 or € 8.7 (standard deviation of CLP $3,214 or € 4.2) and CLP $35,678 or € 46.9 (standard deviation of CLP $35,513 or € 46.7) in the second case. Regarding the ranking and prices of wines, it is observed that with increasing the ranking of a wine tasting its the average price increases, starting in the lowest category with an average price of CLP $2,840 or € 3.7 (standard deviation of CLP $1,012 or 1.3 €) and the highest with an average of CLP $116,604 or 153 € (standard deviation of CLP $60,914 or € 80.1).

Statistically significant differences were observed in the relationship between different strains of the wines found in appellation of origin, quality complementary tasting and ranking in relation to the final price of the wine. For membership or an association of producers there is no difference between belonging or not an association and its relationship to the price of wine. While the results presented are of descriptive nature, can be considered a first approach in the characterization of the wine market bottled in Chile to the absence of studies to characterize, and are the basis of the second part of the study includes the study attributes that affect the price of bottled wine in the Chilean market.

Keywords: Bottled wine, average price, Chile

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