



## **WEBINAR**

# **Does Excellence Pay Off? Theory and Evidence from the Wine Market**

***Prof. Alessandro Fedele,***  
*Libera Università di Bolzano*

***Chair: Prof. Raffaele Miniaci***  
*University of Brescia*

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**14.00 hrs CET (UTC+1)**  
**Live presentation on: Google Meet**  
**[Registration form here >>](#)**

### **ABSTRACT**

We investigate the effect of product excellence on firm profitability in a competitive market with horizontal and vertical differentiation. We develop a theoretical model and derive conditions under which the effect of excellence on profitability, defined as the ratio of equilibrium profits to the invested capital, can be either positive, zero, or negative. We test our theoretical predictions by examining a sample of 1,052 Italian wineries over the period 2006-2015. Using different econometric methodologies, we find that excellence, proxied by firm reputation for quality, has no significant impact on profitability, measured by the return on invested capital (ROIC)