

Chapter 7

Development of a Regional Digital Strategy: Case of the wine.alsace Domain Name

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ABSTRACT

Wine regions constantly question their visibility on the internet to fully be able to embrace the 3.0 digitalization. Recent controversy of the geographic domain name “.vin” and “.wine” has raised awareness of the need to be proactive in Internet naming. The objective of the chapter is to understand how wine regions could develop a digital territory strategy to increase their competitive advantage by using specific geographic domain name. The chapter provides an overview of origin, role, and functioning of stakeholders involved in the internet naming industry. The specific case of Alsace wine region has been investigated with a specific focus on the digital wine territory strategy based on the development of the “wine.alsace.”

INTRODUCTION

The global wine sector is changing with the emergence of mass marketing and changes in consumption practices linked to the development of the Internet. Relationship to wine consumption has become more informed, intelligent, community-based and connected. Information and communication technologies (ICT) open up tremendous opportunities for wine companies in the promotion and marketing of their products and services and in the development of their distribution channels. According to the World Internet Stats, there is an estimated 4,5 billion Internet users worldwide. The Internet has gone from a few networked computers to a network accessed by billion people, from Western phenomenon to a global one, and from research roots to an engine of commerce accounting for trillions of dollars in commerce

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(World Internet Stats, 2020). The trend is towards disintermediation, i.e. shortening of wine distribution channels, which leads to an increase in online sales via virtual stores (ProWine, 2019). The total volume of wine sold through electronic commerce in Western Europe increased by 66% between 2010 and 2017. More than 360 million liters of wine were sold online in 2017, which represents around 4% of the total volumes of wine outside trade in Western Europe (RaboResearch, 2019). In France, online wine sales experienced an average annual growth of more than 30% between 2008 and 2015, to stabilize at 6.9% in 2020 (France Agrimer, 2020). And even if it seems to have entered a phase of maturity, the market value is estimated at 500 million euros.

In this perspective, wine regions have to question their visibility on the Internet to fully be able to embrace the 3.0 digitalization. In this context, there are approximately 362 million domain names registered worldwide .Com, managed by the American multinational Verisign, is the first extension with around 145 million domains registered (Verisign Domain Name Industry, 2019). However, a study shows that one in two companies in France have no visibility on the web compared with other European companies (McKinsey, 2014). The question is to understand how wine regions could develop a digital territory strategy to increase their competitive advantage by using specific geographic domain name. More specifically, the objective of the chapter is to know how to make « wines.alsace » a competitive advantage for the Alsace wine industry.

BACKGROUND

The Internet Naming Industry

1. ICANN, Internet Corporation for Assigned Names and Numbers

The Internet Corporation for Assigned Names and Numbers (ICANN), founded in 1998 as a not-for-profit, multi-stakeholder organization is dedicated to manage and coordinate the Domain Name System (DNS): domain names and IP addresses. Originally, the management of DNS was privatized by the American administration to develop competition and contribute to the Internet extension. IANA (Internet Assigned Numbers Authority), ISOC (Internet Society Association) and the National Science Foundation of the United States signed contracts with the company Network Solutions to sell domain names. After much debate and multiple proposals, a different solution, based on a multi-stakeholder model, emanating from Jon Postel of the IANA has been published for public consultation. This will lead to the creation in California of ICANN as a non-profit utility company. ICANN has progressively taken over responsibility for the IANA functions (previously responsibility for the University of Southern California) (ICANN, 2020a).

ICANN foundational principles are to organize the Internet's unique identifiers around the world and to promote competition in the domain name marketplace while ensuring Internet security and stability. In other words, its role is to ensure that every address is unique, that all users of the Internet can find all valid addresses and that each domain name maps to the correct IP address. Without that coordination, it would not be possible to have a global Internet. However, ICANN has no control over content posted on the Internet, nor it cannot stop spam. ICANN is also responsible for accrediting the domain name registrars. It is a public-benefit corporation with participants from all over the world dedicated to keeping the Internet secure, stable and interoperable. ICANN is therefore the global forum to which

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