The Marketing Potential of the Region as a Driver of Its Economic Development

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Abstract. The article presents a methodological approach to measuring the marketing potential of territories. A summarised theoretical analysis based on existing ideas regarding marketing of the territories and marketing potential of the region was carried out, followed by a comparative analysis of components of the marketing of territories. The authors justified the composition of target groups of consumers of the territory's resources. It was concluded that the marketing potential reflects the degree of attractiveness of the territories for residents, businesses and tourists. A list of indicators assessing regional marketing potential was developed and the assessment tools were based on data from the Russian Federal State Statistics Service. The method is based on the formation of each indicator of the rating and consolidation of private ratings based on their averaging. The methodology was tested on the example of the constituent entity of the Russian Federation. The results acknowledge the state of the regions and the changes in the rating regarding the period under review. The proposed method allows for the positions of the regions in the coordinates of attractiveness for residents, businesses and tourists to be determined separately, as well as comprehensively on their marketing potential as a whole.

1. Introduction
Scientific and practical interest in the study of competitiveness and effective positioning of the territory determines the need for the development of tools to identify and create regional competitive advantages in the system of tasks of marketing the territory. If initially the marketing of territories appeared only as an activity based on advertising to promote places [1], then over time it begins to be interpreted as a strategy based on the interests of the residents of the economic development of countries, regions, cities [2, 3]. The territory is presented in the works of modern scientists as a non-traditional product [4], the involvement of consumers should be carried out by leaders at the level of municipal, regional and public administration [5]. The main task of marketing in relation to places is to attract interested audiences [6].

2. Theoretical aspects of the study of the marketing potential of territories
At present, there is no doubt that the territory can be presented as an object of image, cost and value development, as an object of promotion, as an object of concentration of tangible and intangible resources. Territorial marketing is designed to build a place on the criterion of satisfaction of the needs...
of target markets. The composition of the target markets varies in the studies of different authors (Table 1).

**Table 1.** Audiences and objects of the target impact of marketing of territories.

| Author                        | Attitude to the marketing of the territory | Elements                                                                 |
|-------------------------------|--------------------------------------------|--------------------------------------------------------------------------|
| Kotler Ph [7]                 | Target audiences                           | Producers of goods and services, corporate headquarters, external investors and exporters, tourists, new residents |
| Gaponenko A L [8]             | Submarkets                                  | Land, housing, economic development zones, investments                   |
| Dinis A. [9]                  | Target Markets                              | Residents, non-residents, "onerous" (migrants, emigrants), "undesirable" (ex- and active) |
| Amajid G, Souaf M, El Wazani Y [10] | Territory consumers                        | Residents, tourists and investors                                         |
| Meyronin B [11]               | Components of the territory, sources of its attractiveness | Geographical, natural and human resources; history, culture and organisation; economical components and infrastructures; equipment for public leisure |

The main target audiences of marketing territories can be combined into three groups: 1) residents (a territory has a high potential of attractiveness for the population, if the percentage of immigration and birth rate is high); 2) business (the territory is of interest if the business in it is developing through internal and external investments, using the potential of internal and external markets); 3) tourism (an attractive territory "sells" its resources to tourists, including those arriving to do business).

On the one hand, the objects of impact (target audiences) are related to the consumption of the territory's resources. And in this sense, marketing is necessary to enhance the impact of production factors with which the territory is endowed. For example, the impact of innovation in the region, which increases its investment attractiveness, is unimaginable without efforts to commercialise innovation [12]. On the other hand, even a resource-poor region can succeed in positioning itself and, as a consequence, in structural and economic development [13]. That is, one of the leading tools to improve the competitiveness of the territory is marketing, which allows for the creation of a positive image of the place.

The presence of marketing potential in the territory determines its potential for economic development. It should be noted that in the Western tradition the analogue of the territory's marketing potential is the attractiveness of the place. Despite the fact that currently there is no unified understanding of the categories of "marketing potential of the territory" and "attractiveness of the territory", there is an understanding of the importance of regional assessments in terms of marketing concepts.

N. A. Danilov [14], considering the marketing potential as an integral function that unites the resources and abilities of the constituent entity of the Russian Federation, justifies the need to assess the regional marketing potential in order to establish the strategic directions of the territory's development, taking into account the key needs of various consumer groups. According to E. S. Kulikova, O. A. Durandina [15], F. Hatem [16] marketing potential is manifested through the competitive advantages of the region and is based on the maintenance of its welfare. Other authors consider the territory's marketing potential as the aggregate ability of the socio-economic system to develop by fully meeting the needs of priority groups of consumers of the territory at the expense of available and possible resources in the future [17].
The attractiveness of the territory is regarded as the ability to offer favourable conditions for all target consumers with the help of tools such as public space transformation projects [18], attracting new investments [19], creating a stable, outstanding local identity, promoting the uniqueness of the territory and guaranteeing safety [20].

Summarising the above definitions, it can be noted that the marketing potential of the territory is its potential (available resources and conditions) to create attractiveness for potential consumers of resources. From the point of view of quantitative measurements, it is difficult to assess all the territory's resources, so the methodological tools in this article will be focused on the attractiveness of the region for the main target audiences, which we have identified above.

3. Methodology for assessment of the territory's marketing potential
Marketing potential of the territory, interpreted by us as a measure of the ability to attract and retain the population, businesses, tourists, shall be assessed using three components: attractiveness of the region for the population; attractiveness of the region for businesses; attractiveness of the region for tourists.

Private indicators should be formed as specific values to compensate for differences in the territory's economic and geographical size. Restrictions imposed by the impossibility to expand the list of data collected by Rosstat (Russian Federal State Statistics Service) allow us to treat each feature of the marketing potential of the region as shown in Table 2.

| Ministry of Natural Resources Feature | Indicator | Indicators according to Rosstat data | Explanation |
|--------------------------------------|-----------|-------------------------------------|-------------|
| Migration growth                     | Migration growth rates (absolute value of the difference between the number of arrivals in a given territory and the number of departures from that territory over a certain period of time) per 10,000 people | The more people that arrive in the area, the more attractive it is to live in |
| Attractiveness of the region for the population | Birth rate | Total fertility rates (number of births per 1,000 population) | The higher the birth rate, the higher the estimates of the stability and prospects of the region for its inhabitants |
| Volume of housing input              | Commissioning of residential buildings per 1,000 inhabitants (m2 of total living space) | The more people invest in expanding and renovating their living space, the more confident they are in choosing the right place to live |
| Number of students                   | Number of students per 10,000 people, at the beginning of the | The higher the number of students enrolled, the more |
| Attractiveness of the region for businesses | Attractiveness of the region for tourists |
|------------------------------------------|-----------------------------------------|
| **Size of investments**                  | **Gross Regional Product (GRP)**         |
| Investments in fixed capital per capita (in actual prices in RUB.) | GRP per capita (in RUB.) |
| **Level of fixed assets renewal**        | **Number of tourists**                   |
| Commissioning of fixed assets in the value of fixed assets (percentage) | Number of tourists in the population (percentage) |

As an assessment tool, it is advisable to use the rating method due to the differences in the units of measurement of the particular indicators that make up each component. The Regional Marketing Potential Rating (MPR) is proposed to be determined according to the following formula:

\[
MPR = (RA_{LA} + RA_{B} + RA_{T})/3
\]

\(RA_{LA}\) – attractiveness rating of the region for the population (local authorities);

\(RA_{B}\) – attractiveness rating of the region for business;

\(RA_{T}\) – attractiveness rating of the region for tourists.

In turn, the ratings of the region's attractiveness for the population (local authorities), business and tourists can be determined on the basis of averaging the ratings according to the private indicators stipulated in Table 2.
4. Results of using the method
As a result of the assessment, a rating of Russian regions in terms of their marketing potential was built on the basis of available data for 2016 and 2017 (Table 3).

| Region of the Russian Federation | Federal district                  | 2016 | 2017 |
|----------------------------------|-----------------------------------|------|------|
| Saint Petersburg                 | Northwestern Federal District     | 1    | 1    |
| The Republic of Tatarstan        | Volga Federal District            | 2    | 2    |
| Tyumen Oblast                    | Ural Federal District             | 3    | 3    |
| Kaliningrad Oblast               | Northwestern Federal District     | 4    | 4    |
| Sakhalin Oblast                  | Far Eastern Federal District      | 10   | 5    |
| Moscow                           | Central Federal District          | 9    | 6    |
| Krasnoyarsk Krai                 | Siberian Federal District         | 6    | 7    |
| The Sakha Republic (Yakutia)     | Far Eastern Federal District      | 5    | 8    |
| Astrakhan Oblast                 | Southern Federal District         | 12   | 9    |
| Voronezh Oblast                  | Central Federal District          | 14   | 10   |
| Novosibirsk Oblast              | Siberian Federal District         | 7    | 11   |
| Moscow Oblast                    | Central Federal District          | 11   | 12   |
| Irkutsk Oblast                   | Siberian Federal District         | 22   | 13   |
| Krasnodar Krai                   | Southern Federal District         | 12   | 14   |
| Belgorod Oblast                  | Central Federal District          | 17   | 15   |
| Tomsk Oblast                     | Siberian Federal District         | 24   | 16   |
| Samara Oblast                    | Volga Federal District            | 17   | 17   |
| Kaluga Oblast                    | Central Federal District          | 16   | 17   |
| Kamchatka Krai                   | Far Eastern Federal District      | 38   | 19   |
| Sverdlovsk Oblast                | Ural Federal District             | 19   | 20   |
| Leningrad Oblast                 | Northwestern Federal District     | 25   | 21   |
| The Altai Republic               | Siberian Federal District         | 28   | 22   |
| Rostov Oblast                    | Southern Federal District         | 30   | 23   |
| Magadan Oblast                   | Far Eastern Federal District      | 20   | 24   |
| Lipetsk Oblast                   | Central Federal District          | 23   | 25   |
| Chukotka Autonomous Okrug        | Far Eastern Federal District      | 36   | 26   |
| The Republic of Bashkortostan    | Volga Federal District            | 27   | 26   |
| Yaroslavl Oblast                 | Central Federal District          | 8    | 28   |
| Khabarovsk Krai                  | Far Eastern Federal District      | 21   | 29   |
| Vologda Oblast                   | Northwestern Federal District     | 32   | 30   |
| Perm Krai                        | Volga Federal District            | 35   | 31   |
| Kursk Oblast                     | Central Federal District          | 26   | 32   |
| Amur Oblast                      | Far Eastern Federal District      | 34   | 33   |
| Ulyanovsk Oblast                 | Volga Federal District            | 48   | 34   |
| Chelyabinsk Oblast               | Ural Federal District             | 31   | 35   |
| Nizhny Novgorod Oblast           | Volga Federal District            | 33   | 36   |
| Sevastopol                       | Southern Federal District         | 45   | 37   |
| Tambov Oblast                    | Central Federal District          | 43   | 38   |
| Orenburg Oblast                  | Volga Federal District            | 40   | 39   |
| Ryazan Oblast                    | Central Federal District          | 46   | 40   |
| The Udmurt Republic              | Volga Federal District            | 42   | 41   |
| Tula Oblast                      | Central Federal District          | 44   | 41   |
| Arkhangelsk Oblast               | Northwestern Federal District     | 39   | 43   |
| The Republic of Crimea           | Southern Federal District         | 75   | 44   |
| Kemerovo Oblast                  | Siberian Federal District         | 64   | 45   |
The constituent territories of the Russian Federation that are leaders in the attractiveness coordinates for each group of consumers of territorial resources were identified within the process of assessment (Tables 4-6).

| Territory                               | Federal District                  | Coordinate1 | Coordinate2 |
|-----------------------------------------|-----------------------------------|-------------|-------------|
| The Komi Republic                       | Northwestern Federal District     | 28          | 46          |
| Primorsky Krai                          | Far Eastern Federal District      | 37          | 47          |
| The Republic of Khakassia               | Siberian Federal District         | 68          | 48          |
| The Republic of Buryatia                | Siberian Federal District         | 65          | 49          |
| Novgorod Oblast                         | Northwestern Federal District     | 15          | 50          |
| The Republic of Ingushetia              | North Caucasian Federal District  | 60          | 51          |
| Zabaykalsky Krai                        | Siberian Federal District         | 68          | 52          |
| Omsk Oblast                             | Siberian Federal District         | 50          | 53          |
| Vladimir Oblast                         | Central Federal District          | 47          | 54          |
| The Republic of Adygea                 | Southern Federal District         | 58          | 55          |
| Stavropol Krai                          | North Caucasian Federal District  | 51          | 56          |
| Murmansk Oblast                         | Northwestern Federal District     | 63          | 57          |
| The Chechen Republic                    | North Caucasian Federal District  | 70          | 58          |
| Saratov Oblast                          | Volga Federal District            | 62          | 58          |
| Smolensk Oblast                         | Central Federal District          | 49          | 60          |
| The Chuvash Republic                   | Volga Federal District            | 59          | 61          |
| The Republic of Karelia                 | Northwestern Federal District     | 53          | 62          |
| Pskov Oblast                            | Northwestern Federal District     | 71          | 62          |
| Jewish Autonomous Oblast               | Far Eastern Federal District      | 73          | 62          |
| The Republic of Mordovia                | Volga Federal District            | 55          | 65          |
| The Republic of Dagestan                | North Caucasian Federal District  | 66          | 65          |
| Volgograd Oblast                        | Southern Federal District         | 52          | 67          |
| The Mari El Republic                   | Volga Federal District            | 53          | 68          |
| The Tyva Republic                       | Siberian Federal District         | 78          | 69          |
| Tver region                             | Central Federal District          | 40          | 70          |
| The Kabardino-Balkarian Republic       | North Caucasian Federal District  | 74          | 71          |
| Penza Oblast                            | Volga Federal District            | 57          | 72          |
| Kirov Oblast                            | Volga Federal District            | 61          | 72          |
| Altai Krai                              | Siberian Federal District         | 80          | 74          |
| Oryol Oblast                            | Central Federal District          | 67          | 75          |
| The Karachay-Cherkessia Republic        | North Caucasian Federal District  | 76          | 76          |
| Kostroma Oblast                         | Central Federal District          | 72          | 77          |
| Bryansk Oblast                          | Central Federal District          | 55          | 78          |
| The Republic of North Ossetia – Alania  | North Caucasian Federal District  | 76          | 79          |
| The Republic of Kalmykia                | Southern Federal District         | 79          | 80          |
| Ivanovo Oblast                          | Central Federal District          | 82          | 81          |
| Kurgan Oblast                           | Ural Federal District             | 81          | 82          |
### Table 4. Top 15 Russian regions in terms of attractiveness for the population.

| Region of the Russian Federation | 2016 | 2017 |
|---------------------------------|------|------|
| Saint Petersburg                | 1    | 1    |
| Novosibirsk Oblast             | 7    | 2    |
| The Republic of Tatarstan       | 2    | 3    |
| Tyumen Oblast                   | 3    | 4    |
| Sverdlovsk Oblast              | 19   | 5    |
| Sakhalin Oblast                 | 10   | 5    |
| Krasnodar Krai                  | 12   | 7    |
| Tomsk Oblast                    | 24   | 8    |
| Kaliningrad Oblast              | 4    | 9    |
| The Chechen Republic            | 70   | 10   |
| The Sakha Republic (Yakutia)    | 5    | 11   |
| Voronezh Oblast                 | 14   | 12   |
| Moscow                          | 9    | 12   |
| Samara Oblast                   | 17   | 14   |
| Krasnoyarsk Krai                | 6    | 15   |

### Table 5. Top 15 Russian regions in terms of attractiveness for business.

| Region of the Russian Federation | 2016 | 2017 |
|---------------------------------|------|------|
| Chukotka Autonomous Okrug       | 10   | 1    |
| Tyumen Oblast                   | 5    | 2    |
| Krasnoyarsk Krai                | 4    | 3    |
| Magadan Oblast                  | 1    | 4    |
| The Republic of Tatarstan       | 9    | 5    |
| The Sakha Republic (Yakutia)    | 2    | 6    |
| Leningrad Oblast                | 12   | 7    |
| Arkhangelsk Oblast              | 8    | 8    |
| Astrakhan Oblast                | 15   | 9    |
| Kaliningrad Oblast              | 11   | 10   |
| Kamchatka Krai                  | 22   | 11   |
| Belgorod Oblast                 | 13   | 12   |
| Lipetsk Oblast                  | 16   | 13   |
| Vologda Oblast                  | 40   | 14   |
| Voronezh Oblast                 | 17   | 15   |
Table 6. Top 15 Russian regions in terms of attractiveness for tourists.

| Region of the Russian Federation | 2016 | 2017 |
|----------------------------------|------|------|
| Krasnodar Krai                   | 1    | 1    |
| Saint Petersburg                 | 5    | 2    |
| Moscow                           | 4    | 3    |
| The Republic of Crimea           | 3    | 4    |
| The Altai Republic               | 2    | 5    |
| The Republic of Karelia          | 6    | 6    |
| Pskov Oblast                     | 8    | 7    |
| Yaroslavl Oblast                 | 10   | 8    |
| Novgorod Oblast                  | 7    | 9    |
| Primorsky Krai                   | 15   | 10   |
| Kaliningrad Oblast               | 9    | 11   |
| The Republic of Tatarstan        | 12   | 12   |
| Sakhalin Oblast                  | 19   | 13   |
| Kaluga Oblast                    | 16   | 14   |
| Kamchatka Krai                   | 21   | 15   |

5. Conclusions
The proposed methodology allows for the position of the region in the structure of demand in the territory, presented by the population, businesses, tourism to be tracked. The assessment can be conducted over time to complement existing measures in order to promote regional values and to adjust regional strategies. The limitations of its application are related to the difficulty of comparing estimates of the marketing potential of Russian regions and regions of other countries due to existing differences in the collected statistical data. At the same time, it proposes a methodological approach and tools that can be adapted to the conditions of another country or group of countries.

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