The role of the name of agricultural products origin place in creating competitive advantages of the region

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Abstract. The definitions of the concepts of brand, trademark, name of the product origin place, products with a geographical indicator are examined, as well as their comparative analysis is conducted in the article. The analysis results of the status, prospects and issues of the development of products with name of production place in Russia and the Krasnoyarsk territory are presented. The elements of the brand platform with the name of the agricultural products origin place on the example of oilseeds processing, as well as the basic components of the concept of regional brand promotion are proposed. The main hypothesis of the research is that large territorial entities, in particular the Krasnoyarsk territory, with significant agro-climatic potential, can be considered as regions – producers of agro-industrial complex products, able to meet not only domestic needs, but also to be competitive in foreign markets through regional branding technologies and mechanisms of the products legal protection.

1. Introduction

In the current conditions, the differentiation in the development level of the Russian Federation regions can be observed. As the economy develops, this differentiation tends not only to decrease but most often to increase the gap in their level of development. The latter determines the strategic course to apply modern approaches to managing the region’s economy, where the dominant role should be given not only to traditional material resources of territorial development, but also to intangible assets. The latter are an integral part of the potential of economic entities that provide economic benefits over a long period.

Intangible assets create competitive advantages of territories and can be divided into internal and external ones. Internal competitive advantages are formed by individual economic entities located on the territory of the region. External competitive advantages are formed as a result of the activities of various stakeholders: public authorities, commercial and public organizations, scientific and educational spheres, as well as cultural and historical heritage.

In modern conditions, regions where there are strong regional brands and a high level of inventive activity of economic entities are competitive [1]. The development of regional branding is one of the priorities of the state projects and programs, an effective tool for implementing the territory’s development strategy, aimed at stimulating the demand for domestic products and improving their quality.
Competent development and positioning of the regional brand will allow to unite the interests of the business community, authorities and the population of the region as a whole. The regional brand helps to increase the significance and the recognition level of domestic products produced in the subject of the Russian Federation and should correspond to the strategic objectives of the territory’s development.

Russia consists of 85 regions that have different histories and traditions, resources and folk crafts. One of the regions of the Russian Federation is the Krasnoyarsk territory which has unique natural resources. The Krasnoyarsk territory is considered to be the largest agricultural region in Central and Eastern Siberia, which fully meets the needs of the population in basic foodstuffs.

The established stereotype that has been formed over several decades about the specialization of Siberian regions continues to exist today, affecting both business and regional management structures, which, with certain efforts, are able to change the current situation [2]. These entities are usually associated with such areas of economic activity as mining and processing, electric power, logging and woodworking. Meanwhile, large territorial entities, such as the Krasnoyarsk territory, with significant agro-climatic potential, can be considered as regions – producers of agro-industrial complex products, able to meet not only domestic needs, but also to be competitive in interregional and international markets [2].

There are no regional food brands among the international brands of the Krasnoyarsk territory that are well-known on the domestic and foreign markets. For the successful development of the Krasnoyarsk territory economy and the formation of the territory’s positive image it is necessary to produce competitive goods, import substitution and increase the export potential of the region.

The purpose of the research is to substantiate the use of a regional food brand and its legal protection mechanisms as tools for strengthening the image component of the competitive position of food products in the region and the territory as a whole.

The object of research is the food market of the Krasnoyarsk territory, considered at the meso-level.

2. Literature review

Regions where local natural and human resources are concentrated, including terroir, as well as production traditions, motivation and ability to participate in the process of creating collective value and preserving the traditional way of life, have a strong potential to produce unique products, and therefore have unique intangible assets – the name of the product origin place and/or the geographical indicator.

2.1. Definitions of the concepts “brand”, “trademark”, “name of the product origin place”, products with geographical indication

Currently, there are a large number of definitions of the “brand” concept. In modern perception, the concept of brand, as a rule, has an abstract form and is used to refer to a service, product, manufacturer, and is a component of a trademark.

According to the free encyclopedia, “a trademark (or a trade mark) is a designation (verbal, pictorial, combined or otherwise), that serves to individualize the goods of legal entities or individual entrepreneurs”.

The product with the name of the product origin place is a Russian legal form of intellectual property protection related to products manufactured in a specific place by a specific manufacturer [3].

NPOP (the name of the product origin place) is a verbal designation that represents the name of a geographical object. A geographical indication allows to identify a product as originating from a certain territory [4]. Regardless of the country of origin, successful products with geographical indication are based on the characteristics of the region (terroir) and local production traditions [5].

Products with the geographical indications (GI), or indicators (GI), are products made in a particular region with unique characteristics introduced by their place of origin, local traditions, and skills of the population. And it is this set of characteristics that distinguishes them from a huge variety of analogues [3].

Theoretically, any food and drinks associated with a particular area can be products with geographical indications [3].
2.2. *The comparative analysis of trademark, NPOP and GI*

The introduction of the protection of geographical indications along with the protection of NPOP is in line with current global trends. Based on the future version of the Civil Code of the Russian Federation, we can distinguish the following features of this new type of means of individualization (GI) and NPOP (table 1).

| Criteria                      | Trademark (TM)                                                                 | Name of the product origin place (NPOP)                                                                 | Geographical indicator (GI)                                                                 |
|-------------------------------|--------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|
| Production place              | It is not linked to the place of production; it can be changed by the copyright holder. TM is largely arbitrary and is the result of the “flight of fancy” of its creator – the manufacturing company. | It is always associated with the place of production and is inseparable from a specific geographical object. The special properties of a product are exclusively determined by the natural conditions and (or) human factors characteristic of a particular geographical object. | A certain quality, reputation, or other characteristic of a product is largely related to its geographical origin. |
| Production stages             | Production of goods marked with a trademark can be set up anywhere and, if desired, moved from one location to another. | All stages of production that have a significant impact on the formation of the product special properties must be carried out on the territory of the corresponding geographical object. | At least one of the stages of production that has a significant impact on the formation of the product characteristics must be carried out on the territory of the corresponding geographical object. |
| Confirmation of production requirements | Individualization of goods or services using a trademark does not confirm their properties and qualities. | The conclusion of the authorized body (organization) confirming compliance with the requirements for the production of goods, etc. is required. | A special conclusion of the authorized body (organization) confirming compliance with the requirements for the production of goods, etc. is not required. |
| Use                           | It is available only to the copyright holder, no use allowed by other people, without the permission of the copyright holder. | It is available to all manufacturers in the relevant geographical area who produce or manufacture the same products in the same territory, and the products have the same set of special properties. | Securing the right to submit an application for registration of a designation for one or more citizens, legal entities, as well as an Association (Union) or other Association of people. The number of people is not limited. |

Thus, the key differences between geographical indications (GI) and NPOP are the removal of the requirement for the uniqueness of the product based on its place of origin, and the abolition of the requirement that all stages of production must be performed in a certain area. NPOP performs the same function as trademarks – it advertises products, promotes sales and marketing. However, unlike a trademark that needs to be “promoted”, NPOP is often already known and has a good reputation.
3. Data and analysis

3.1. The state and prospects of development of products with NPOP
According to the annual report of Rospatent, in 2019, the number of registered trademarks increased compared to the previous reporting period, and amounted to 66,707 (+10%), while trademarks account for approximately 98% of all designations used for marking goods, while NPOP accounts only for about 1.5% [6]. According to the annual report of Rospatent, in 2019, the number of registered new designations as NPOP was only 67, which is almost 2 times more than in 2018 (+31) [6] (table 2).

Table 2. Dynamics of applications and issuance of certificates for NPOP in the Russian Federation for 2015-2019 [6].

| Indicators                                      | 2015 | 2016 | 2017 | 2018 | 2019 |
|------------------------------------------------|------|------|------|------|------|
| Submitted applications for the state registration of NPOP, total, among them: |      |      |      |      |      |
| from Russian applicants                        | 44   | 44   | 56   | 99   | 100  |
| from foreign applicants                        | 1    | 2    | 0    | 2    | 8    |
| issued certificates on the exclusive rights for NPOP, total | 25   | 24   | 30   | 36   | 67   |
| for Russian applicants                         | 25   | 16   | 27   | 36   | 66   |
| for foreign applicants                         | 0    | 8    | 3    | 0    | 1    |

According to Rospatent, the top four products for which legal protection of NPOP was requested in 2019 were mineral water, folk arts and crafts, alcoholic beverages and agricultural products.

As of 2018, 27 regions have not submitted any applications for registration of such a means of individualization [6].

During the analyzed period (2015-2019), enterprises of the Krasnoyarsk territory registered only 1 (one) NPOP (in 2019, “Taimyr whitefish” [6]), despite the fact that the territory has a huge natural resource potential. In the Krasnoyarsk territory there are about twenty major local manufacturers, whose brands are recognizable, mainly among the residents of the region. These include brands that offer products in such areas as: dairy products, meat products, confectionery, ice cream, snack products, tea and medicinal herbs, honey, wild plants, fish products, bakery products, etc.

3.2. Problems of development of products with NPOP and GI in Russia
Among the main problems hindering the spread of new designations as NPOP are as follows. According to the annual report of Rospatent, in 2019, applications continued to be received for goods for which the Federal Executive authority authorized to issue an opinion is not defined. Another problem is the lack of strict standards by which unique products should be evaluated [3]. Quality can be ensured by meeting specially developed technological requirements and regional industry standards.

Products with geographical indication in Russia are more expensive than similar products without indication, but the mark-up for geographical indication is lower in comparison with EU countries [5]. The latter indicates to a low level of development of the market for products with the name of the origin place [5]. This market in the Russian Federation is at the stage of formation.

The main problem is that the Institute of NPOP is often used as a factor of competition, rather than a tool for the development of regional producers [7].

4. Research results
The main elements of the brand platform with the name of the production place and the basic components of the regional brand promotion concept are considered on the example of oilseeds processing products in the Krasnoyarsk territory (table 3). Research has shown that the following
markets are promising for the production of vegetable oils and fats: products of oilseeds processing of increased nutritional value, functional, special and preventive food, non-traditional food, high-quality food (premium class products) [8].

Table 3. Elements of the brand platform and the concept of regional brand promotion (on the example of oilseeds processing products).

| Brand Product | NPOP “Krasnoyarsk vegetable oils” |
|---------------|-----------------------------------|
| ADVANTAGES OF THE LINE | The brand in this format will have the following strengths: |
| | - natural product; |
| | - vegetable oils are widely used in the dietary nutrition, they are included into the diet of consumers who care about their health; |
| | - design that emphasizes the emotional benefits of the brand. |
| POSITIONING | The line of vegetable oils “Krasnoyarsk vegetable oils” is created on the basis of high-quality raw materials. The buyer does not pursue cheapness. Concern for the well-being and health of his family is the main factor in choosing “non-traditional” vegetable oils. |
| MARKETING STATEMENT | “Krasnoyarsk vegetable oils” are useful, natural oilseed products. In a modern metropolis – this is a godsend for the urban resident. |
| TONE OF MARKETING COMMUNICATIONS | Integrity, naturalness, evidence – all marketing communications should have these characteristics. |
| Attributes, benefits, and values | Attributes: |
| | “Non-traditional” for our time, but native Russian Siberian vegetable oils obtained using modern technologies. |
| | The consumer value of vegetable oil is determined by its high energy value, the content of unsaturated fatty acids, vitamins A, E and other valuable components for human nutrition. |
| | Rational benefits: |
| | Common emotional benefits – concern for the well-being and health of the family. |
| | Values: |
| | 1st variant – the motive of naturalness and utility; |
| | 2nd variant – the motive of youth and freshness; |
| | 3rd variant – the motive of native Russian, native Siberian history. |
| ASSOCIATIVE ARRAY | Youth, tenderness, softness, naturalness, health, usefulness. |
| What we would like the consumer to think about the brand | When buying “Krasnoyarsk vegetable oils” products, customers should be sure that by purchasing products of this brand, they provide healthy nutrition to their households. |
| DISTRIBUTORS | Companies in major cities that specialize in quality food, health products (including pharmacies), specialty stores (vegetarian, proper nutrition). |

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5. Conclusion
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regional and foreign markets, which will strengthen the competitiveness of local enterprises positions. The developed brand platform and a set of measures to attract attention to issues of ensuring legal protection of products through NPOP, GI in the strategic perspective will optimize the structure of the region’s economy and create a recognizable system of unique features of the region through the development of its product specialization.

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