

Tools for Effective Brand Formation a Factor of Socio-Economic Development of the Region (For Example, the Belgorod Region)

E.N. Kamyshanchenko, M.V. Selyukov, N.P. Shalygina and I.A. Shok
Belgorod State National Research University, Pobedy St. 85, 308015 Belgorod, Russia

Abstract: Now a days, branding is an effective tool enabling the region to determine not only its uniqueness, originality, “flavor” or being memorable consumer but also it enables to have a positive impact on the development of investment attractiveness of the territory, increase reputational capital of the region as a whole to improve its competitiveness in the domestic and global markets. Under these conditions, the development of the brand in the region is not only a fashionable trend of Russian regional policy but also the need to re-create an attractive image of the region, enhancing its competitiveness. Approaches to the development of tools brand development of the region in the Russian Federation (on the example of the Belgorod region) are presented in this study. These tools should enhance region’s competitiveness, create the conditions for sustainable socio-economic development of the territory.

Key words: Region’s brand, competitive region’s brand, a model of effective regional brand formation, fashionable, global markets

INTRODUCTION

It should be recognized that the evolution in the development of the Russian economy has led to the strengthening of the economic independence of regions. However in order to enable, the region to take a firm position in the future, you need a vision arising out of the current situation. Currently, domestic regions have to compete for everything: for the investment, information, transport and tourist flows, environmental, economic, social and cultural projects, creative ideas and professionals able to manage it all. All of this requires, a review of the management tools used to achieve the desired socio-economic benefits not only at the microeconomic but also at the regional level. Private business and organizations have been able to adapt to current market conditions, however, large number of heads of regional entities are only at the beginning of this path. Therefore, the issues of regional development management and issues of practical methodology applications should be given high attention.

Consequently, constant improvement of managerial arsenal, especially marketing techniques used by the heads of regions and cities is an important condition for socio-economic development of territories. This technology allows marketing to orient the region’s economy to the needs of the population to attract new economic agents, contributing to the prosperity of the region as a whole. Having a great creativity and variability

component, marketing as a science and activity makes it possible to design adaptive marketing techniques to solve any socio-economic problems of the region.

Now a days branding is becoming an important part of the process of formation of the national development strategy of each region as a tool for managing relationships with various target audiences, support the objectives of socio-economic development and reflects all the elements of the unique identity of the region. Thus, the formation of the brand in the region contributes to its competitiveness and hence the overall development, improvement of the quality and level of well-being.

Literature review: Research of issues related to the process of developing the brand at the regional level has recently been given a lot of attention. In our view, a special place among them are studies of Kotler *et al.* (2005) which are based on the assertion that the territory as well as companies that sell goods and services which may include facilities for investment, tourism, local products, etc. which essentially justifies the use of marketing technologies as a mechanism to promote all-round territories. As a consequence for the creation of an attractive brand, you must continuously improve special complexes of measures with the help of territory marketing (Kotler and Gertner, 2002).

According to Anholt (2004), this requires the formation and targeted and focused innovation, development of an integrated, diversified approach to

branding specific areas as opposed to specialized, focused in any one aspect (e.g., tourism).

Research of Clark (2000), Caldwell and Freire (2004), Keller and Sichel (2014) and Sinclair and Keller (2014), devoted to the study of intensive development of branding the region as a technology of regional marketing, systemization of factors influencing this process. In particular, these researches carried out the connection between the development of branding territories and the increased mobility of people and businesses, the growth of the tourism industry, strengthening of communication exchange, the need to create and maintain a positive image of the region that could inspire and encourage them to visit the “hyped” region and places long-term investment.

The researches of Aaker (1995) and Aaker and Joachimsthaler (2009) focus on the study of the formation of associations evoked by the brand in the region, values of the brand in the public eye. Social and behavioral aspects of the formation of the brand in the region studied in the research Vukasovic (2013), Soto and Orozco (2014) and Obermiller (2015). Research of influence of marketing communication on the effectiveness of building a strong brand in the region are studied in the researches of Schultz and Barnes (2003), Sood and Keller (2012) and Acosta-Prado *et al.* (2014).

Results of the analysis features of formation of brands in the macro and meso-economic levels in Russia are reflected in studies Moiseyeva and Baranova (2010), Selyukov *et al.* (2011), Gurina (2011) and Shalygina *et al.* (2011).

MATERIALS AND METHODS

Brand of the region has its own distinctive feature, any territory originally designed to achieve a decent standard of living and meet their interests. The more resources a modern area is able to attract from the outside, recycle and give the more effective its vital functions. Therefore, any territory is forced to define its external function, niche, re-build its purpose and mission where generated resources to provide for itself is not the only principal mission. That's where, a need to develop effective regional brands appears.

Effective and therefore, a competitive brand in the region is a strong brand, the strength of which depends on many components: ability to maintain contact with the target audience; the power of the impact on stakeholders with the tools of branding; brand recognition; informative branding and brand awareness; brand loyalty; the number of associations related to specific brand; availability to understanding the broad mass of consumers of the brand;

the ability to transform the brand based on changes in the needs of stakeholders; compliance with the expectations of consumers declared set of characteristics of the brand in the region.

The core of the formation of a competitive brand in the region should be following the principles of the system:

- Identity of the brand in the region
- Creating brand loyalty in the territory
- Compliance with the brand preferences of the target audience
- Evaluation and monitoring of the development of the brand in the region
- Ensuring the long-term effect due to the development of the brand (Moiseyeva and Baranova, 2010)

We must recognize, the fact that a competitive advantage in the region in market conditions should take fundamental and central place in the process of its development because first, its formation and development is possible only in an environment of competition and secondly, it is the goal of competitive strategy and it is a key determinant of the competitiveness of the region.

Considering the competitive advantages of the brand in the region which determine the degree of competitiveness in the external environment, we can talk about the benefits of several groups such as:

- The long-term competitiveness of the brand in the region (characteristics competitiveness and their perception of stakeholders)
- Short-term competitiveness of the brand which is determined by the components of the brand

The process of branding has to be strategic and holistic, focusing on the creation of an image of the region as a brand for which all marketing efforts should be combined into one unit, a complex event. In a long term, well-constructed brand image of a region will strengthen region's perception which in turn will provide in the future not only a reliable and stable economic but also social and cultural component of the brand. At the same time, special attention should be given to the process of formation of associations evoked by the brand within the region's population (Aaker and Joachimsthaler, 2009).

The classical approach to the process of the formation of the brand at the regional level implies a logical sequence of the following steps. Firstly, the search and selection of a number of differences. In this context, the category of “contrast” is a combination of many parts, each of which can be very individual and are usually very

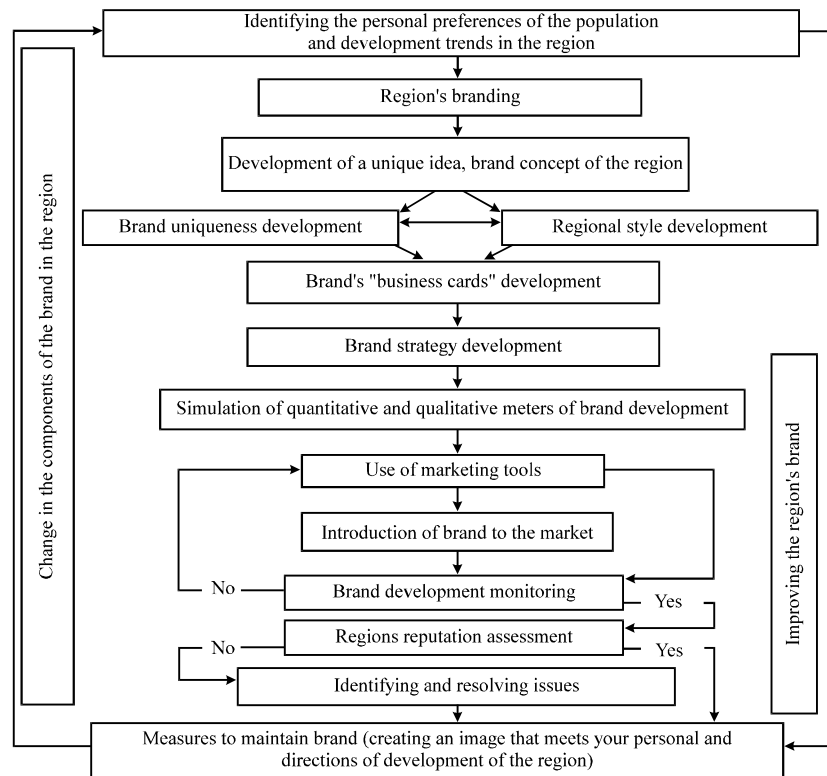


Fig. 1: The model of building an effective brand in the region

small. The best result of this step is to create your own themes, ideas missions, objectives. Secondly, the development of measures to enhance the differences. It consists of glorifying the smallest distinctive features until they become important enough to make an impression on the minds of other people. The above steps are typical for the brand development of any region (Selyukov *et al.*, 2011).

Thus, based on the studied and proposed by the researchers aspects of developing effective brand in the region, a model of a competitive brand in the region can be built (Fig. 1).

RESULTS AND DISCUSSION

Crucial moment for the development of effective tools to build the brand at the regional level in Russia is a thorough analysis of the development trends of branding areas, assessment of the socio-economic status, marketing analysis of the macro region and case studies of perception of the brand in the region. An important aspect of the formation of the region's brand becomes the interaction of all the subjects of the local community, especially the local authorities, regional media, the general public.

For the study of the domestic macro environment in the region for example of the Belgorod region, we will include the following information. Belgorod region is located in the South-West of Russia and is one of the smallest regions of the Russian Federation. Its area is 27,000 km², the population >1.5 million (1,547,936 people), out of which urban population is of 1,020,378 people. (66.43%). In its economic and geographic characteristics are well balanced. On its territory there are the world's largest iron ore deposits, its agricultural land located in the center of the vast Russian-Ukrainian chernozems. The investigated region is among the successfully developing industrial and agricultural regions of Russia. Favorable economic and geographical location, the availability of various natural resources, infrastructure make our region attractive for investment projects and the promotion of innovative technologies.

Talking about the social and economic preconditions for the formation of an effective brand in the region, it should be noted that over the past 5 years, there is a clear upward trend in all the main economic and social indicators for the region. However, we must recognize the fact that the 2014-2015 years are characterized by a slowdown in the regional economy, this is mostly due to the crisis in Ukraine, the decline in the number of business

contacts with representatives of the European business community. However, even in such circumstances, the Belgorod region managed to maintain positive dynamics of industrial and agricultural production, develop the service sector, implement social projects.

As a result of sociological survey which was carried out in the form of a questionnaire survey of 200 respondents ($N = 200$), we determined the specificity of the perception of the image of the region under study, the effectiveness of approaches to the development of the brand of the Belgorod region. Moreover that attempts to develop, the brand in the region as well as brands Belgorod region made so far. The composition of the sample group included 100 people living in the study area and the other half (100) visit the region.

Analysis of the results of the questionnaire as a whole led to positive conclusions on the perception of the image of the investigated region. Thus, the greatest proportion of respondents are positive about what is happening in the region, about developments of Belgorod region. In terms of tourist appeal of the study region, it is competitive and has unique tourism products that are positioned well enough.

In the course of the survey a lot of the images that are associated with Belgorod region were determined. These include natural resources, namely chalk mountains; products "White City" that are manufactured at Belgorod Dairy Plant, Prokhorovka field which as a tourist facility that has a high memorability for guests of the region; cleanness of the capital of the Belgorod region the city of Belgorod. In addition to these brands the respondents also called objects such as: Belgorod State University, a monument to Prince Vladimir, the memorial "Kursk Arch", an ancient Russian Village Kholki. In addition, the Belgorod region of respondents associate primarily with white and with well-established expression "Belgorod City a city of first salute" and volleyball club "Belogorye". On the one hand, this fact characterizes the fairly stable positive image characteristics of the region. However on the other, it blurs the holistic perception of the brand in the region and needs to be improved by the branding policy carried out on the territory of the Belgorod region.

CONCLUSION

Any area should be regarded as a specific product useful properties of which are consumed by the residents, investors, entrepreneurs, tourists, etc. and region positioning is the reconstruction of an attractive image of the region, enhancing its competitiveness. The purpose of the brand in the region is to ensure its presence in the

global information space to make the region a force of influence on stakeholders (public authorities, the population of the region, investors, tourists, etc.), both internal and external as well as ensure a flow of financial resources of the territory in order to create and maintain brand, strengthen the competitive position and create additional competitive advantages of the territory of both the federal and the global economic space.

It is important to note that along with such classic components of an effective brand in the region as an economic, socio-political and cultural-ideological, recently a priority role is given to environmental components that includes climate, natural, recreational and other factors. Thus in example of the Belgorod region, we believe a rational approach, based on the environmental component will occupy a central place which will be built around social and environmental part of this brand.

There are several factors that benefit his design of the brand in the Belgorod region. In particular, the Belgorod region has repeatedly been recognized as a leader among Russian regions on environmental indicators. According to the rating of the NGO "Green Patrol" region has repeatedly been marked as a territory with the most favorable state of the environment for human life. On the territory Belgorod region has a network of protected areas and monuments of history and archeology. They currently occupy 47,637 ha, accounting for 1.76% of the Belgorod region. The region has a reserve "Belogorye" and 2 natural arboretum, botanical garden, 210 nature reserves (complex, botanical, zoological and hydrological) and 138 natural monuments. Their main part is concentrated in the valleys of the river systems of the Seversky Donets, Oskol and Vorskla. In addition to the elements of natural and recreational potential, there are a lot of ecological projects in the region. However, it should be noted that efforts to establish the brand in the region should be based on an integrated approach and taking into account all the components that can be used in branding as a strategic tool for the region.

In determining, the brand identity of the Belgorod region, which is developed by public authorities in our opinion, the greatest attention should be paid to the environmental component of the brand "Green Capital" and on its basis to build social and economic part of the brand.

One of the most important ways to improve management of the formation of a competitive brand of the Belgorod region is the effective use of the media channels. The effectiveness of the brand of the Belgorod region is directly related to what information about the region media gets. And so today, we need to constantly highlight the different, especially the most attractive side

of the region through an active and well-supplied information work. The region should not to be presented in the information flow of completely random events which are controversial in nature while there are a lot of positive developments happening throughout the day. In today's economic conditions effective brand in the region can only be create through an integrated approach of broadcasting positive characteristics of the territory to the society.

REFERENCES

- Aaker, D.A. and E. Joahimsthaler, 2009. *Brand Leadership*. The Free Press, 368.
- Aaker, D.A., 1995. *Building Strong Brands*. The Free Press, 400.
- Acosta-Prado, J.C., F.J. Mojica and J.O. Espinoza, 2014. Regional development and vision of future of boyaca's industrial corridor towards 2019. *Revista Dimension Empresarial*, 12 (2): 11-28.
- Anholt, S., 2004. *Branding Places and Nations*. Bloomberg Press, pp: 213.
- Caldwell, N. and J.R. Freire, 2004. The differences between branding a country, a region and a city: Applying the Brand Box Model. *J. Brand Manage.*, pp: 50-61.
- Clark, J., 2000. Tourism brands: An exploratory study of the Brand Box Model. *J. Vacation Marketing*, 6 (4): 329-345.
- Gurina, D., 2011. Brending kak factor korporativnykh konkurentnykh preymuschestv v mezhdunarodnom biznese. *J. Intl. Business*, pp: 5-12. (In Russian).
- Keller, K.L. and L. Sichel, 2014. *Best Practice Cases in Branding* (4th Edn.), Upper Saddle River, NJ: Pearson Prentice-Hall.
- Kotler, P. and D. Gertner, 2002. Country as a brand, product and beyond: A place marketing and brand management perspective. *J. Brand Manage.*, 9 (4-5): 249-261.
- Kotler, Ph., D. Haider and I. Rein, 2005. *Marketing Places. Attraction of Investments, Businesses, Residents and Tourists in the City, Municipality, Regions and Countries in Europe*. St. Petersburg, pp: 220.
- Moiseyeva, N. and I. Baranova, 2010. Marketingovaya podderzhka brenda. *J. Marketing*, pp: 39-50 (In Russian).
- Obermiller, C., 2015. Brand loyalty measurement made easy: A preference-behavior model. *J. Small Business Strategy*, pp: 32-44.
- Schultz, D.E. and B.E. Barnes, 2003. *Strategic Brand Communication Campaigns*, pp: 512.
- Selyukov, M.V., N.P. Shalygina, R.A. Skachkov and E.V. Kurach, 2011. Formirovanie konkurentosposobnogo brenda regiona. *Fundamental Res.*, 8: 701-705. (In Russian).
- Shalygina, N.P., M.V. Selyukov and L.V. Usatova, 2011. O roli brendinga v naraschivanii sotsialno-ekonomicheskogo potentsiala regiona. *Bulletin of the Rostov State Economic University*, pp: 39-44 (In Russian).
- Sinclair, R. and K.L. Keller, 2014. A Case for Brands as Assets: Acquired and Internally Developed. *J. Brand Manage.*, 21: 286-302.
- Sood, S. and K.L. Keller, 2012. The effects of brand name structure on brand extension evaluations and parent brand dilution. *J. Marketing Res.*, pp: 373-382.
- Soto, C. and J. Orozco, 2014. Strategic Process to Be Undertaken by Companies in the City of Armenia, Based on Corporate Social Responsibility to Achieve Humanize Brand in the Region. *Revista e-ikon*, No. 1, pp: 62-67.
- Vukasovic, T., 2013. Building successful brand by using social networking media. *J. Media and Communication Studies*, pp: 56-63.