

Role and Significance of Territorial Branding as an Important Factor in the Development of Regional Tourism

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Abstract: In the study, the problems of formation of territorial brands in the Russian Federation and their solutions in modern conditions. It is noted that the creation of local brands is a long creative process, requiring considerable investment but giving an appropriate return in the form of increased financial revenues from tourism development in the region. Much attention is paid to the processes of formation brands in the Republic of Tatarstan, is not only associated with major sporting and public events but in the long term.

Key words: Territorial brand, brand value, the concept of territorial brand, the development of tourism in the region, Russia

INTRODUCTION

Under current conditions one of the principal social and economic objectives in Russian Federation is changeable and effective regional policy consisting of complex, proportional and balanced growth of the regions (Andrews and Withey, 1976; Gabdrakhmanov *et al.*, 2014). Otherwise our country could meet with irresolvable political, national, economical and social problems and be inconsistent with modern realities.

One of such directions is the development of domestic travel which is of prime importance in the context of crisis that evolves in Russian economy (Mingaleva and Bunakov, 2014). With this object in mind it is necessary to increase tourist and recreational appeal both of the region itself and its separate parts.

MATERIALS AND METHODS

Quite an important factor of establishment of tourist and recreational appeal in the region undoubtedly is the creation of territorial brands. In recent scientific literature there is a large number of definitions of concepts “brand” that could be divided in two groups. First group define brand as “name, term, mark, symbol or design or combination of all this which is designed to identify goods or services from one vendor or group of vendors, and also to differentiate goods or services from goods or services of competitors” (this definition of brand was invented by American Marketing Association).

According to the second group of definitions brand is perceived as the character, image or goodwill of the company, product or service in the eyes of clients, partners, community and administration. From now forward when considering definition of brand we will proceed from second approach to the formulation of brand (Chrysochou and Grunert, 2014; Lu *et al.*, 2014).

Establishment of territorial brands became one of the priority missions in relation of necessity of domestic travel development in Russian Federation. In this case territorial brand should be regarded as the character, image or impression that this region develops in the minds of real or potential clients (Mansur *et al.*, 2015).

Also it should be remembered that while establishing effective territorial brand new real or constructed unique treasure should be found which distinguish considerably “branding” region from similar regions.

Unfortunately, it is possible to stay that at the moment in Russian Federation there are not many regions, in which such work is carried out. Among them are, primarily, Moscow and Moscow Region, St. Petersburg, Krasnodar Krai and Sochi, Tatarstan Republic and Kazan.

It is important to note cost escalation for the creation of regional brands over the last years. In St. Petersburg alone cumulative expenditures for the development and promotion of brand increased from 79.5 mln. rub. in 2005 to 437.5 mln. rub. in 2010. Altogether for the creation of St. Petersburg’s brand was spent more than \$20 mln. USD (in the prices of September 1, 2014) (Mackala *et al.*, 2014).

Among the indexes of effectiveness of territorial brand, most crucial are indexes of social performance (Table 1) (Mackala *et al.*, 2014).

Table 1: Performance framework of territory branding

Types of effectiveness	Indexes of effectiveness
Social performance of city branding	Quality of life Cost of living Number of manpower in tourism Population movement Dynamics of population change
Communicative effectiveness of brand	Number of newborn Number of tourists Recognizability of the city Rating of the territory (The Anholt City Brands Index) Territorial behavior on the part of its consumers (enquiries)
Economic effectiveness of city branding	Total wages of people involved in tourism Cumulative taxes from tourism Average savings per household on taxes due to the tourism development Value of city brand-earnings from brand (from trade of licenses-transmission of rights to use city brand)

For the last years in Republic of Tatarstan much attention was given to the development of territorial brands. This is due to a number of circumstances among which are organization of festivities on the occasion of celebration of the 1000th anniversary of Kazan and Yelabuga and also organization of international sporting competitions such as Universiade in 2013 and preparation for the FINA World Championships and FIFA World Cup in 2015 and 2018 accordingly. Furthermore in Tatarstan grows rapidly free trade zone “Alabuga” and not far away from Kazan are building Innopolis and first in Russia Federal IT-university that will specialize on training of specialists in the field of IT and Innovations.

Work on development of territorial brands is carried out in Republic of Tatarstan since the early 2000's. In 2014 in Tatarstan was created a brand “Heritage of Tatarstan” which is designed to further improve the investment climate in republic, to enhance the business activity in the region and further shape the positive image of Tatarstan not only in our country but also far beyond its borders.

In the concept of brand “Heritage of Tatarstan” was used 10 fundamental components:

- Speed
- Endurance
- Dignity
- Inquisitiveness
- Instinct
- Tradition
- Skill
- Unity
- Perseverance
- Purpose

At the moment high-priority task became the development of brands of municipal unit situated on the territory of Republic of Tatarstan. In the first place it is subject to the biggest cities, such as Kazan, Naberezhnye Chelny, Nizhnekamsk, Yelabuga and some others. Brand of city or city brand, it is what unite citizens of a city and its guests, source of its recognizability and

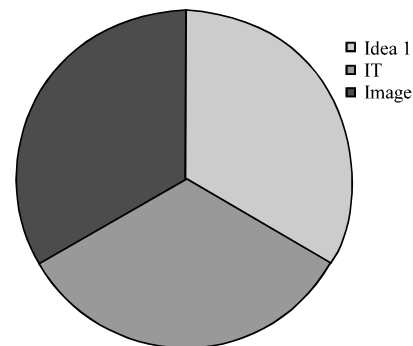


Fig. 1: Nature of city brand

maintenance of a constant interest in it. In other words, city brand is its brand identity, symbol. It must reflect, from one side, cultural and historical traditions of this territory and from other side modern tendencies and perspectives of further progressive development of city.

The essence of territorial brand on a city level could be specified with the help of Three “I” conception:

- Idea
- Image
- “IT” (Fig. 1)

Let us, closely examine all three components of city brand:

Idea of city brand: It is what corresponding urban unit is like at the present, main tendencies and directions of its development, both today and for the short-term.

Image of city brand: It is a perception that formed among the citizens, tourists, public members and administration about corresponding urban unit on the ground of full-time residence or short period staying in it.

“IT”: Of city brand, it is what distinguish corresponding urban unit from other similar cities, outstanding highlights

of this region, something which cannot be met, see or capture while visiting other cities and rural communities.

RESULTS AND DISCUSSION

While developing and promoting city brands it is necessary to remember that its conception in no case must contradict brand of the region, where this urban unit is located. The point is that in a perspective it could lead to the negative reputational consequences and as a result, to loss of trust and to decrease of interest to the tourist scenes presented as throughout the region and in particular city.

Therefore inference should be drawn that developing of territorial brand is a laborious creative process that have goal to enhance the visibility of the region, to improve its reputation and to attract numerous tourists. Furthermore, essential strengthening of tourist and recreational attraction of corresponding region and considerable increase of tourist flow as a consequence could appear to be a self-contained independent mission of territorial branding.

CONCLUSION

As a result of these steps may be positive results for the particular region which include increase of investment flow, acceleration of socio-economic development of this territory and, eventually, improvement of the quality of life and standard of living of population living there.

Besides that substantial replenishment of local authority budgets on all levels is expected which is caused by the sale of a variety of related products and services directly connected to the brand of corresponding region. That's why, it is necessary to carry out an appropriate advertizing campaign of the brand itself and of its attributes in all regional mass media.

In such a case, formula of impact of advertising of goods and services, connected to a brand, on its potential clients will be as follows:

$$\text{VIPS} = \text{Visibility} + \text{Identity} + \text{Promise} + \text{Simple Mindedness} \quad (1)$$

Where:

- Visibility = A clear visibility of advertisement message
- Identity = Identification of an advertisement with a territorial brand
- Promise simple = Reading of advertisement's promise
- Mindedness = Purposefulness and desire to make a purchase

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