Research of competitive advantages of coastal regions in the context of formation of favorable image of the territory

Estudio de las ventajas competitivas de las regiones costeras en el contexto de la creación de una imagen favorable del territorio

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Contents
1. Introduction
2. Methodology
3. Results
4. Conclusions
Bibliographic references

ABSTRACT:
The individuality and recognition of a territory become components of regional capital having a great impact on the development of sub-federal socio-economic systems. At the same time, the formation of territories' competitive characteristics is often associated with strategic development priorities of the country (region) and required a comprehensive promotion, but they fail to have a practical application in the framework of their incorporation into the targeted regional development programmes.

Keywords: geomarketing of territories, competitive advantages, brand, cluster

RESUMEN:
La individualidad y el reconocimiento del territorio se convierten en componentes del capital regional y tienen un gran impacto en el desarrollo de sistemas socioeconómicos subfederales. Al mismo tiempo, el establecimiento de las características competitivas de los territorios a menudo está vinculado a las prioridades estratégicas del desarrollo de un país (región) y necesita un avance integral, pero no es práctico incorporarlas en los programas de desarrollo específicos de las regiones.

Palabras clave: Geomarketing territorios, ventajas competitivas, marca, clúster

1. Introduction

Regarding the current regional economy, trends in differentiation of territories and entire regions are clearly identified in terms of the level and essence of socio-economic development that in turn contributes to the formation of the dominant territories from the expansion standpoint for all kinds of technologies and resources, on one hand, and an appearance of deprived territories with low levels of economic and social development despite the available natural-resource potential, on the other hand (Jeuring, 2016; Anholt, 2007; Novenkova & Kalenskaya, 2015).

It is apparent from experiences worldwide that consolidation of business entities in the so-called "growth points" of the regional economy built on the territorial basis leads to their competitiveness’ increase and beneficial effect on the regional development in terms of broadening the range of goods and services produced (Malachovsky & Királová, 2015; Saulidi, 2015).
In this regard, setting a new paradigm of the regional economy is closely associated by the majority of experts and scientists with the consistent formation of zonal and polar forms of entrepreneurial activity (Aronczyk, 2008; Khatukay, Khutyz, Pshizova, & Babalyan, 2018). Corresponding economic modernization of the territories linked to the need for developing and implementing cluster initiatives, which expansively permeating capacity can spread to other territorial formations involving them in zones of business activity and technological intensification resulting in the economic growth (Kulikova, 2018; Mohsin, 2005; Chen, Dwyer, & Firth, 2014).

Southern Russia, and particularly the Black Sea coastal zone, is characterized by an accelerated pace of socio-economic development in many ways determined by the operation of large, easily identifiable subregional systems such as “Big Sochi”, “Big Rostov”, Anapa resort, KMV (Kavkazskie Mineralnye Vody) subregion, and Taman. In terms of the functional load, these formations vary, but the factors of their development are united by the commonality of the aetiology and the essential nature.

Among the factors determining the processes of accelerated subregional development in southern Russia, these are to be identified as follows:

- Implementation of large-scale investment projects at the national and global level;
- A significant change in the market value of the resources available to the subregions;
- An inversion of the structure and essence regarding the needs of the population;
- Giving special institutional status to individual subregional systems (Sochi, Kavkazskie Mineralnye Vody);
- Unique communication configurations of economic, social and socio-political nature.

The geographic location particularities of southern Russian subregions imply the uniqueness of the natural eco-landscape systems of the Ciscaucasia and the Transcaucasia. The proximity of subtropical and tropical areas, their connectivity with the passes of the Greater Caucasus, and the influence of the Black Sea create a macro-region of unique balneological and tourist-recreational properties. The market value of resources will be approaching the global parameters making their development almost inaccessible for small local investors, but opening the expansion possibility for large federal business structures (Khartanovich, Milenkiy, & Dmitriev, 2018).

The inflow of large capital into the relevant subregions of southern Russia also leads to changes in the quality of life for the local population as well as the inversion of socio-economic needs and demands. The transformation of social attitudes also implies a change in the economic behaviour of households. Hence the entrepreneurial activity strengthening, expanding the range of services, and the development of non-traditional activities. As a result, southern Russian regions and, accordingly, subregions are traditionally and consistently among the leaders in terms of socio-economic development rates and living standards of the population (Stanislavchik, 2016; Kulikova, 2018).

2. Methodology

Intending to achieve a favourable reputation and increase the recognition of the territory, it is necessary to carry out a set of corresponding measures in the framework of the development strategy implementation for separate regions. In this context, the development of local markets with the greatest potential and the capacity to ensure forming the brand of the territory becomes crucial (Kanapukhin & Gorte, 2015; Markova & Slinkova, 2016).

Considering the "recognition" of the Black Sea coastal zone, we note that it is formed as a result of acquiring new opportunities and resources due to the interaction of economic actors. In our opinion, the concepts of "territorial individuality" and "recognition" are complementary. At the same time, we consider it necessary to state that there is actually an array of characteristics suggesting the heterogeneity of these concepts (Figure 1).
A combination of particularities and resources of the territory is formed objectively regardless of each individual. It represents the fundamental base for its image and reputation establishment. Territorial individuality is the basis for forming competitive (distinctive) advantages of the territory and its competitive immunity (Archer, 1978).

Evolutionary processes within subregional systems necessitate the selection of the most effective instrumental forms of the territorial development promotion. Moreover, in determining the most effective tools one should consider that not all of them have to apply to the federal scale, but rather a significant part to have the regional and local etiology, i.e. being implemented by local governments due to a better understanding of local circumstances (Korobkova, 2017; Soria & Coit, 2013).

In this regard, the main objectives of the regional policy in strengthening territorial individuality and recognition include:

1. The concentration of all regional resources;
2. Neutralizing organizational, economic and social contradictions;
3. Creating and implementing a unified inter-industry strategy to maintain reputational characterizations;
4. Institutionalization of innovative technologies in priority sectors of the economy;
5. Development of infrastructure and improvement of investment attractiveness;
6. Increasing efficiency of organizational and economic regulators in the management of the regional socio-economic system;
7. Building a portfolio of cluster initiatives in the region;
8. Maximum utilization of the territory's geographical and resource advantages;
9. Investing in education and science;
10. Surveying the population, consumers of goods and services, shaping "the image of a typical consumer of services in the territory";
11. Improving the transport availability of the main territorial hubs in the subregions;
12. Designing and implementing large-scale service and infrastructure projects;

3. Results

3.1. Analysis of the competitive advantages of the resort and recreational complex of coastal areas of the region

The evolutionary process within regional socio-economic systems involves convergent interaction of various elements, structural formations and spheres resulting in strengthening the sustainability enhancement processes for subregional systems. The implementation of these processes leads regional socio-economic systems to get a more complex, flexible structure and a specific functional substance.

In this regard, we need to analyze the state of leading subregional systems in the Krasnodar territory in recreational sphere prevailing in its coastal zone as well as to conduct a comparative analysis of competitive advantages present in the region with the ones of the subregional systems of the territory under study.

In general, it should be noted that there are several subregional systems localized within the Krasnodar territory in recent years having a tourist-entertainment and resort-recreational functional orientation that determine their development vector in the system of spatial relationships. In the current conditions, the subregional system of Sochi is the most important for the development of the region. It has undeniable actual advantages:
- Unique natural climatic conditions;
- Availability of distinct therapeutic factors;
- Accumulated experience in treatment and recreation of consumers in the territory.

Another territory being the "engine of growth" for the regional economy is the subregional system of Anapa resort that localized in the Krasnodar territory in the mid-1990s. It has the status of a federal resort of Russia.

It should be noted that the analyzed subregional systems of the Krasnodar territory have a distinct specialization profile:
- Anapa: recreational nautical, wine-making;
- Gelendzhik: recreational nautical;
- Yeysk: agricultural, infrastructural, recreational;
- Tuapse: infrastructure, recreational;
- Sochi: recreational nautical, mountain.

Considering the context of the research, it would be important for us to identify the level of existing asymmetry in the development of these subregional systems and to assess the competitiveness of the territories among the regions of southern Russia according to socio-economic parameters.

Across the municipalities of the Krasnodar territory, there is a distinct array of areas with tourist-resort specialization: Goryachy Klyuch, Tuapse district, Gelendzhik, Sochi, Yeysk district, and Anapa.
In general, Tuapse district has the top position being the most dynamic among the analyzed regions in 2017 according to the aggregate growth rate rating regarding the main indicators of economic development for indicated municipalities in the Krasnodar territory.

According to the indicator "turnover of large and medium-sized organizations", the city of Sochi has the leading position among the analyzed territories in terms of growth in the reporting year with the indicator increase by 32.4% to 123847 million rubles comparing to the previous year.

It is important to note that in the ratings of all municipalities Sochi ranked 6th on this indicator in 2015 and 4th in 2016. Furthermore, we note the deterioration in the performance of Gelendzhik that was ranked 7th in 2016 in terms of the growth rates for the total turnover of large and medium-sized organizations while having 20th place in 2017.

In all analyzed regions, industrial production takes place only in Anapa and Novorossiysk, while the amount of shipped self-produced goods is higher in Anapa accounting for 83.1 million rubles being 21.9% higher than of the previous year. In turn, the indicator of Novorossiysk decreased by 89.4% amounting to 0.2 million rubles at the end of 2017.

For its part, manufacturing is common for all the analyzed territories. There is the largest growth rate for this indicator in Novorossiysk (16.2%). In terms of the absolute value of shipped self-produced goods, Novorossiysk is also in the lead with 23698 million rubles. According to this indicator, other territories lag well behind that.

In terms of shipped gross agricultural products, the largest increase is recorded in Tuapse district (93.1%), while Yeysky district is leading according to the absolute value of shipped self-produced agricultural goods with 2197 million rubles in the reporting year.

On the pace of construction, Tuapse district has the leading position with the rate of 69.1%, which total volume amounted to 6329 million rubles in the reporting year, while the maximum level is recorded in Sochi accounting for 53114 million rubles. At the same time, Sochi also leads in the deployment of the total area of residential buildings with the indicator of 402.9 thsd. sq.m.

The "transport and communication" economic activity is one of the most dynamically developing in the Krasnodar territory being among its undoubted competitive advantages. In Novorossiysk, there are executed works in the total amount of 74174 million rubles for this economic activity. In turn, it is the "communication" sector in Sochi, where the total volume of work amounts to 4081 million rubles in the reporting year.

Retail trade also belongs to the specialization industries of the Krasnodar territory and dominates among other regions of southern Russia by the total turnover of organizations. In this, among the regions studied, the city of Sochi is highlighted with its total turnover indicator amounting to 16838 million rubles. Novorossiysk with a figure of 11888 million rubles is in second place.

In the catering sector, among the territories with tourist-resort specialization the first one is Sochi with the indicator of 994.4 million rubles, while almost all territories reduced business performance for this type of economic activity except Anapa with the increase of 3.6%.

In general, it should be noted that according to the growth rate of the tourist-resort complex of the Krasnodar territory in the group of areas with a multi-industry economy Novorossiysk stands out as in 2017 the volume of its services was 16.6% higher than of the previous year amounting to 173.3 million rubles. At the same time, it should be noted that in terms of the absolute value of the tourist-resort service volume this urban district outpaces the majority of the territories that are not specializing in this economic activity, except for Krasnodar, where the volume of these services amounted to 339.1 million rubles in the reporting year.

**Figure 2**
Territories with largest volume of services provided by tourist-resort complex of Krasnodar territory
The leading municipality in value added of the tourist-resort complex of the Krasnodar territory is Sochi, which total value added of the tourist-resort complex amounted to 11741 million rubles in 2017 or 49.4% of the aggregative index of all municipalities in the region (table 1).

### Table 1
Characteristics of tourist-resort complex of Krasnodar territory in terms of leading municipalities

<table>
<thead>
<tr>
<th>Municipality</th>
<th>Volume of services, mil. rub.</th>
<th>Place (by volume of services)</th>
<th>Growth per annum, %</th>
<th>Share in total regional indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sochi</td>
<td>11741</td>
<td>1</td>
<td>2.5</td>
<td>49.4</td>
</tr>
<tr>
<td>Anapa.</td>
<td>3875</td>
<td>2</td>
<td>5.5</td>
<td>16.3</td>
</tr>
<tr>
<td>Tuapse district</td>
<td>3517</td>
<td>3</td>
<td>41.6</td>
<td>14.8</td>
</tr>
<tr>
<td>Gelendzhik</td>
<td>3263</td>
<td>4</td>
<td>6.7</td>
<td>13.7</td>
</tr>
<tr>
<td>Yeysk district</td>
<td>198,7</td>
<td>6</td>
<td>0.0</td>
<td>0.8</td>
</tr>
<tr>
<td>Novorossiysk</td>
<td>173,3</td>
<td>7</td>
<td>16.6</td>
<td>0.7</td>
</tr>
<tr>
<td>Goryachy Klyuch</td>
<td>354,4</td>
<td>5</td>
<td>9.4</td>
<td>1.5</td>
</tr>
</tbody>
</table>

Anapa is in second place with 16.3%, while the indicator of this municipality increases at a slightly higher rate of 5.5% versus 2.5% in Sochi. The maximum increase was recorded in Tuapse district (41.6%) as well as the absolute value of the production volume for the tourist-resort complex amounting to 3517 million rubles or 14.8% of the regional level that is the third indicator for the Krasnodar territory. Also of note is the high level of the indicator in Gelendzhik amounting to 3263 million rubles or 13.7% of the regional level. In turn, Yeysk district, Novorossiysk and Goryachy Klyuch lag far behind the leading municipalities of the Krasnodar territories failing to reach the 2% mark of the specific indicator.
3.2. Assessing prospects for clustering of regional coastal areas

In general, it should be noted that the development of coastal areas is uneven due to the different capacities of municipalities. Based on the results of the research conducted at this stage, the following conclusions have been formulated: the leading territory of TRC (tourist-resort complex) in the region is the city of Sochi, which total volume of services amounted to 11741 million rubles in the reported year, while Anapa is in second place with 3875 million rubles.

Table 2
Comparative analysis of tourist-resort complex with other economic activities in Krasnodar territory, 2017

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Municipality</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Sochi</td>
</tr>
<tr>
<td>Volume of services of tourist-resort complex, mil. rub.</td>
<td>11741</td>
</tr>
<tr>
<td>Best industries of economy (industry, mil. rub.) exception for TRC</td>
<td>Construction 53114</td>
</tr>
<tr>
<td></td>
<td>Trade 16838</td>
</tr>
<tr>
<td></td>
<td>Manufacturing 7455</td>
</tr>
<tr>
<td>TRC rank in structure of economic activities</td>
<td>4</td>
</tr>
<tr>
<td>Difference between best industry and TRC, mil. rub.</td>
<td>-41373</td>
</tr>
<tr>
<td>TRC share in volume of best industry, %</td>
<td>22.1</td>
</tr>
<tr>
<td>Turnover of large and medium-sized organizations, mil. rub.</td>
<td>123847</td>
</tr>
<tr>
<td>TRC share in turnover of large and medium-sized organizations, %</td>
<td>9.5</td>
</tr>
</tbody>
</table>
In general, it should be noted that the territories of the Black Sea coastal zone are developing mostly within the tourist-resort complex. At the same time, other sectors of the regional economy have a weak influence on the level of its development, while the impact from the tourist-resort complex momentum on other complexes of the economy is much stronger.

Under these conditions, the development of coastal areas appears to be mostly within the diversification of services provided, i.e. by combining the regional industry with other territories that provide potentially compatible services. Such a cluster can be created by merging the analyzed territories and the Kavkazskie Mineralnye Vody subregion (KMV is the neighbouring border region) enabling to increase the current level of diversification of the tourist-resort complex by combining recreation of various and complementary aetiology and, as a result, increase an influx of tourists. To confirm this hypothesis, we applied a SWOT analysis.

In conducting the research, we assumed that not all the territories have capabilities and real prerequisites for forming territorial clusters, and even less for their merging into a single cluster. In this regard, we carried out the SWOT analysis of the Krasnodar territory and the KMV subregion for their merging into a single cluster to use the spatial features of two regions in the context of strengths and weaknesses, opportunities and potential threats.

<table>
<thead>
<tr>
<th>Strength (S)</th>
<th>Weakness (W)</th>
<th>Opportunities (O)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SO (how to use strengths for cluster creation)</strong></td>
<td><strong>WO (which weaknesses prevent cluster creation)</strong></td>
<td></td>
</tr>
<tr>
<td>1. Setting up joint ventures to deliver key services</td>
<td>1. Geographical fragmentation of Krasnodar territory and KMV subregion</td>
<td></td>
</tr>
<tr>
<td>2. Combining capabilities of largest research centres</td>
<td>2. Sovereignty tendency for regional political and business elites</td>
<td></td>
</tr>
<tr>
<td>4. Formation and development of joint image while maintaining territorial identity</td>
<td>4. Strong brand fragmentation limiting customer base</td>
<td></td>
</tr>
<tr>
<td>5. Reducing transaction, transport and logistics costs</td>
<td>5. High levels of corruption and administrative barriers to market entry</td>
<td></td>
</tr>
<tr>
<td>6. Improving effectiveness of inter-municipal cooperation</td>
<td>6. Infrastructural limitations</td>
<td></td>
</tr>
<tr>
<td>7. Implementation of polyprofile rest concept</td>
<td>7. Lack of effective monitoring system to identify propulsive areas and &quot;economic growth points&quot;</td>
<td></td>
</tr>
<tr>
<td>8. Development of transport links between territories</td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Creating joint infrastructural facilities</td>
<td></td>
<td></td>
</tr>
<tr>
<td>10. Intensification of barter relations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11. Creating unique wellness programs based on</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
It should be noted that the integration process of subregional systems is largely driven by the evolutionary sequences taking place in the regional economy that necessitates the establishment of regional socio-economic systems. Regional systems are formed through long-term interaction with each other under conditions of the obvious synergistic effect from implementing the concept of partnership in a particular economic sphere. Such large-scale projects as the Sochi 2014 Olympic Games only contributes to integration processes and strengthens interregional cooperation within cluster formations.

4. Conclusions
Implementing cluster initiatives within the geomarketing strategy of the territory should consider the following specific characteristics of tourist-recreational subregional systems:
- Such systems are implemented due to the need for developing a set of economic processes using recreational and natural climatic conditions unique to these territories;
- a necessity to localize existing capacity including natural climatic within strictly defined areas to derive recreational rents;
- the dominance of health, hotel, service, transport activity areas in the structure of the gross regional product;
- a need to establish a service infrastructure matching the types and profiles of core activities following the principles of integrity and complexity;
- the seasonality factor impact significantly affecting the intensity of business entities’ activity in this sector of the economy.
Within the scope of a scientific discussion at the level of conferences, reports and results’ publications, we took into consideration the expert opinion of the scientific community on the research subject(!!!). In the course of the discussion, we concluded that the development of

<table>
<thead>
<tr>
<th>ST (which strengths to preserve for preventing threats to cluster creation)</th>
<th>WT (which weaknesses prevent cluster creation)</th>
<th>Threats (T)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Maintaining high starting economic diversification to prevent threats of under-funding cluster projects</td>
<td>1. Introducing energy and environmental conservation system, improving energy efficiency</td>
<td></td>
</tr>
<tr>
<td>2. Conservation of hotel and sanatorium facilities</td>
<td>2. Eliminating brand uncertainty of territories</td>
<td></td>
</tr>
<tr>
<td>3. Preservation of territorial unity and identity under manifesting threats to border space</td>
<td>3. Attracting external investors for infrastructural development</td>
<td></td>
</tr>
<tr>
<td>4. Maintaining hub position in transregional interaction system</td>
<td>4. Enhancing interaction between big business and small-scale entrepreneurship</td>
<td></td>
</tr>
<tr>
<td>5. Ensuring continuity of interterritorial diffusion processes</td>
<td>5. Improving tourist-recreational and service attractiveness of territory</td>
<td></td>
</tr>
<tr>
<td>6. Combining integration under manifesting threats of interindustry fragmentation</td>
<td>6. Reducing bureaucracy of management structures</td>
<td></td>
</tr>
<tr>
<td>7. Accelerating R&amp;D activities progress in propulsive industries</td>
<td>7. Creating interregional legislation</td>
<td></td>
</tr>
<tr>
<td>8. Improving effectiveness of regional management system</td>
<td>8. Reducing marine eutrophication</td>
<td></td>
</tr>
</tbody>
</table>
individual competitive advantages of thematic localities should be aimed at creating a recognizable brand of territories, attaining effective marketing policies, which would eventually create a sustainable socio-economic environment for the regions.

Bibliographic references


