

# WAYS OF FORMATION OF REGIONAL BRANDS IN MODERN CONDITIONS

**B.M. Eidelman, Kazan federal university**  
**L.R. Fakhrutdinova, Kazan federal university**  
**N.K. Gabdrakhmanov, Kazan federal university**  
**A.M. Nayda, University of management "TISBI"**

## ABSTRACT

*This article shows the features of a territorial brand in the Russian Federation in the case of the Republic of Tatarstan. The basic rules for creating regional brands. Much attention is paid to the processes of formation of regional brands and co-branding. Co-branding is one of the most effective methods used in the development and promotion of territorial brands under current conditions. The idea of co-branding is that applying simultaneously of several territorial brands could give significantly greater efficiency and lead to the achievement of desired goals much earlier than their use on a stand-alone basis. The content of the brand "Heritage of Tatarstan", as an important factor to improve the investment climate in the region and listed its main components. Finally, it was concluded that the creation of various urban brands in the Republic of Tatarstan, on the one hand, should highlight the specifics of the respective urban education, and on the other hand, to complement existing regional brands, and in any event not to weaken or destroy them. Brand is an instrument of marketing activity that act to raise marketability of product, services, person, region, organization or idea. However territorial brand describes as a complex of developed images about corresponded region in people's minds, confirmed by personal characteristics of this region in different areas. The basic formula reflecting the identity of the brand, the attractiveness of the region's image, as well as the structure of performance branding areas. Enumerated constituents of necessary for an effective territorial brand. Outlines the main stages of the development of the creation of the territorial brands. It is shown that in order to create regional brands serves a steady increase in investment, as well as tourist and recreational attractiveness of the relevant territorial unit. Finally, it was concluded that the formation of regional brands is becoming an important factor in regional development, contributing to the growth of both economic and social performance of their operations, improve the quality of life of the population living in them.*

**Key words:** territorial brand, performance branding, the rules for creating territorial brands, brand identity, co-branding, stages of development of territorial brands.

## INTRODUCTION

When developing territorial brands, you should be guided by a set of rules the implementation of which will enhance the efficiency of the process. In our opinion there are three main principles of territorial brands creation (Shabalina S.A., Rubtzov V.A., Pratchenko O.V., 2014, P.398).

1. Big attention, discussion and involvement in the creation of a territorial brand the general public. In such a case in his process must participate not only residents of this region, but also other people, no matter where they lived at this moment and

- who are not indifferent to the fate of this region (10. Mingaleva, Z., Bunakov, O., 2014, P. 315).
2. Territorial brand could not be created without the active participation of the relevant regional education administration. Furthermore, it is very often when it is an order from the regional administration that gives incentive impulse to the regional brand creation.
  3. Developing territorial brand must be from one side patriotic, and from the other side stay out of politics and bring interethnic and interchurch peace and reconciliation in this territory.

Under current conditions creation and development of territorial brands or regional brands is an indispensable element of accelerated development of subnational entities. This process is typical for the majority of Industrialized Countries. As for Russia, the necessity of domestic travel development as an important integral factor of social and economic development of the communities induce to place special emphasis on the development of regional brands.

At the moment any brand is an instrument of marketing activity that act to raise marketability of product, services, person, region, organization or idea ( Rubtzov, V. A., Rozhko, M. V., Gabdrakhmanov, N. K., & Gilmanova, A. A., 2015, p.761). However territorial brand describes as a complex of developed images about corresponded region in people's minds, confirmed by personal characteristics of this region in different areas: executive, recreational, sports, innovative or any other (Gabdrakhmanov N.K., Rubtzov V.A., Shabalina S.A., Rozhko M.V., Kucheryavenko D.Z, 2014, P. 451).

## **MATERIALS AND METHODS**

However, when working on the creation of territorial brand, you should always remember that its development is not goal in and of itself, but only one of the marketing tools for the promotion of corresponding region, increase of its investment and tourist and recreational appeal among its citizens, public and administration at all levels (including especially Federal level) (Rubtzov, V.A., Gabdrakhmanov N.K., Delabarr, O.A., Pratchenko, O.V., 2015, p. 681; Rubtzov, V.A., Gabdrakhmanov N.K., Delabarr, O.A., Tyabina, D.V., 2015, p.669).

## **CO-BRANDING**

Co-branding is one of the most effective methods used in the development and promotion of territorial brands under current conditions. The idea of co-branding is that applying simultaneously of several territorial brands could give significantly greater efficiency and lead to the achievement of desired goals much earlier than their use on a stand-alone basis (Zhang J., Wedel M., Pieters R., 2009, p.669).

In such a case, could be obtained so-called synergetic effect, in other words summing effect from cooperation of two or more factors, characterized in that their effect is much greater than the effect of each individual component in the form of a simple sum. Let us consider in more detail co-branding through the example of development and promotion of territorial brands of Kazan and Republic of Tatarstan (Gabdrakhmanov N.K. and M.V. Rozhko, 2014, p.792; Gabdrakhmanov, N.K. and V.A. Rubtsov, 2014, p. 202).

Work on development of territorial brands is carried out in Republic of Tatarstan since the early 2000's.

In the beginning in 2009 was created territorial brand of Kazan. (Pic.1)

**Figure 1**  
**KAZAN-RUSSIA'S THIRD CAPITAL**



Price:	Is confidential
Logo:	word KAZAN
Slogan:	Kazan-Russia's Third Capital

Tourist brand of Kazan was created immediately after the events dedicated to the 1000-th anniversary of Kazan. Its logo represented word KAZAN made with The Renaissance era font, which was completed with “eastern ornament and a stylized image of a dragon Zilant”. The slogan read: “Kazan – where Europe Meets Asia”.

However at that it was decided to keep on going, and in 2009 the capital of Tatarstan take out a patent for title “Third Capital of Russia”. Was created a new territorial brand with slogan “Kazan-Russia's Third Capital”.

Famous British branding agency The Beautiful Meme developed a formula for successful branding, which may well be used also while creating territorial brands:

Brand's Identity = (Magic + Obsession) x (Desire + Zeitgeist).

Therefore, several components must be used to create an effective territorial brand

1. will and desire of administration to promote and increase the attractiveness of corresponding region;
2. broad support in the development of the tourism and recreational potential of the region by the local population
3. timeliness of effort on territorial brand creation and it's consonance to main trends of modern life

Whereas in the most common way brand represents strong trade name, that have high image component, regional brand development contributes in a varying degree the increase of the value potential of corresponding geographical unit by strengthening the tourist and recreational attractiveness of the region.

One of the most important and challenging tasks facing regional brands is the development of attractive image of the relevant territory. This attractiveness could be, in particular, described by the following formula:

Attractiveness ( $\Pi - \max$ ) + Risk ( $P - \min$ ) = Confidence ( $\Delta - \max$ ).

Among the indexes of effectiveness of territorial brand, most crucial are indexes of social performance (Table 1)

**Table 1**  
**PERFORMANCE FRAMEWORK OF TERRITORY BRANDING**

Types of Effectiveness	Indexes of Effectiveness
Social performance of city branding	<ul style="list-style-type: none"> <li>- quality of life;</li> <li>- cost of living;</li> <li>- number of manpower in tourism;</li> <li>- population movement;</li> <li>- dynamics of population change;</li> <li>- number of newborn</li> </ul>
Communicative effectiveness of brand	<ul style="list-style-type: none"> <li>- number of tourists;</li> <li>- recognizability of the city;</li> </ul>

	<ul style="list-style-type: none"> <li>- rating of the territory (The Anholt City Brands Index);</li> <li>- territorial behavior on the part of its consumers (enquiries)</li> </ul>
Economic effectiveness of city branding	<ul style="list-style-type: none"> <li>- total wages of people involved in tourism;</li> <li>- cumulative taxes from tourism;</li> <li>- average savings per household on taxes due to the tourism development;</li> <li>- value of city brand - earnings from brand (from trade of licenses - transmission of rights to use city brand)</li> </ul>

Therefore, the purpose of regional brands creation is a steady increase of investment and tourist and recreational appeal of relevant geographical unit. And also as a result of this process, the acceleration of socio-economic development in this region.

## RESULTS

New logo of Kazan now appeared on advertisements and on all manners of souvenirs. New Kazan's symbols will "work" also in international touristic expositions (Rosenholz R., Li Y., Nakano L., 2007, p. 1; Wedel M., Pieters R., 2008, p. 301).

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 (Andrews F., Whitney S., 1976, p.455).

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

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

Considering that Kazan is the capital of Tatarstan, it is necessary to use advantages of both brands in the best way, and in this context develop regional brands for other cities and communities, located on the territory of Tatarstan (Yelabuga, Naberezhnye Chelny, Nizhnekamsk, Bugulma, Almet'yevsk and other). Each of these brands must, from one side, underline specific character of corresponded community, and from the other side complete already existed regional brands, and in any event not to weaken or destroy them (Denmukhametov, R.R. and O.V. Zjablova, 2014, p.1684; L.R. Fakhrutdinova, D.V. Syradoev, T.A. Terehova, N.V. Antonova, 2015, p.727).

Stages of development and creation of territorial brands.

Process of development and creation of regional brands could be divided into several stages, which as we go forward will be discussed in further detail.

1. Research of basics of brand formation in the corresponding territory. When performing the relevant work could be used different methods of strategic

management that will help to carry out into practice comprehensive study of external and internal context. Here, in particular, could be attributed such frequently used in marketing researches methods as SWOT-analysis, PEST-analysis, benchmarking; BCG Matrix and other.

2. Development of the conception of territorial brand and specification of marketing tools for its creation.
3. Front-line creation of corresponding territory brand, which includes development of such attributes as description of a brand, it's slogan, logo, sound image, video production, promotional merchandise, etc.
4. Appraisal of newly created territorial brand in the course of major political, cultural or sports events, such as Olympic games, Universiade, World championships in various sports, International political forums, The World Youth and Students Festivals, different international cultural events, etc.
5. Further development, promotion and extension of territorial brand, creation of sustainable tourist flows in this region both by domestic and foreign tourists. Realization of co-branding (the process of cooperation and collaboration with other territorial brands).

## CONCLUSION

All of this will strengthen reliance and sympathy to the Republic of Tatarstan, both from the local community, and from people who live outside of this community, and, ultimately, will act to raise the tourist flow to this region (Bagautdinova, N., I. Gafurov, N., Kalenskaya and A. Novenkova, 2012, p.179; Fakhrutdinova L.R., Eidelman B.M., Rozhko M.V., Pratchenko O.V., 2014, p. 251; Gabdrakhmanov, N.K. and V.A. Rubtsov, 2014, p.1317). The consequence of this will be performance improvement of social and economic development of Republic of Tatarstan in the near future and for many years to come, also substantial increase of investment and tourist and recreational attractiveness of the region, it's gradual transformation it into one of the largest tourist centers not only in Russian Federation, but all over the world (Shabalina S.A., Fakhrutdinova L.R., Mustafin M.R., Shakirova A.R., 2015, p.613).

Therefore, currently the formation of regional brands is becoming an important factor in regional development, contributing to the growth of both economic and social performance of their operations, improve the quality of life of the population living in them.

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