

**TERRITORIAL BRANDING AS AN IMPORTANT FACTOR OF THE STEADY INCREASE OF
INVESTMENT AND TOURIST-RECREATIONAL APPEAL OF THE REGION**

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Abstract. The article discusses the steps and rules of creation of territorial brands in modern conditions. The author shows the peculiarities of formation of urban brands and their main components. It is noted that the creation of territorial brands is a long creative process, requiring considerable investment, but giving the appropriate returns in the form of increased fiscal revenues from the development of tourism in the region. Much attention is paid to the formation processes of territorial brands and co-branding on example of Republic Tatarstan and of Kazan. The role of territorial branding in the development of various types of tourism on the territory of the Republic of Tatarstan. Thus, the article concludes that the formation of the modern territorial brands can give, ultimately, a greater return in the form of the creation of an effective tourist destination in the region. Moreover, this positive experience in the near future can be successfully used not only in Tatarstan, but also in other regions of the Russian Federation.

Key words: territorial brand, stages of development of territorial brands, urban brand, co-branding.

1. INTRODUCTION

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 (Shabalina, Rubtsov & Pratchenko, 2014).

At the moment, any brand is an instrument of marketing activity that act to raise marketability of product, services, person, region, organization or idea. However territorial brand describes 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 (Mingaleva, & Bunakov, 2014).

2. METHOD

Territorial brands on the territory of Russia in subject matter could be divided or classified into several groups:

- 1) Political and administrative or federal: Moscow and Saint-Petersburg;
- 2) Recreational – Sochi;
- 3) Mythological or fantasy – Veliky Ustyug (the birthplace of the Russian Santa Claus);
- 4) Sports – Kazan;
- 5) Innovative – Skolkovo (close to Moscow), Innopolis (in Republic of Tatarstan) etc.

Basic concepts and categories of territorial branding could be graphically showed in the following scheme (Figure 1).

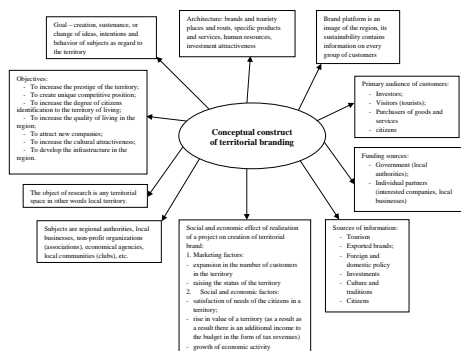


Figure 1. Concepts and categories of territorial branding

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 (Zhang, Wedel, & Pieters, 2009).

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:

$$\text{Attractiveness (} \Pi - \text{max)} + \text{Risk (} P - \text{min)} = \text{Confidence (} D - \text{max)}. \quad (1)$$

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	- quality of life;
	- cost of living;
	- number of manpower in tourism;
	- population movement;
	- dynamics of population change;
Communicative effectiveness of brand	- 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)

3. RESULT

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.

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).

Principles of territorial brands creation.

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 (Wedel & Pieters, 2008).

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.

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 (Rosenholz, Li, & Nakano, 2007).

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 (Gabdrakhmanov, Rubtsov, Shabalina, Rozhko, & Kucheryavenko, 2014).

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).

The Development of City Brand.

Another variety of territorial brand is City Brand, which is developed for the purpose of creation of distinguishable competitive information for the corresponding city (Andrews & Whitney, 1976).

Brand of city or City Brand – it is what unite citizens of a city and its guests, source of its recognizability and maintenance of a constant interest in it. In other words, City Brand is its brand identity, symbol (Denmukhametov & Zjablova, 2014). 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» (Figure 2).

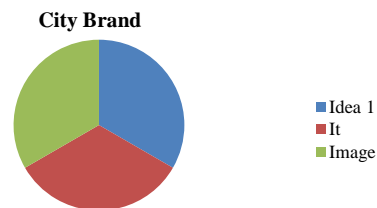


Figure 2. Nature of City Brand

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.

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 (Gabbrakhmanov & Rozhko, 2014). 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 (Gabbrakhmanov & Rubtsov, 2014).

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.

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. 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 (Fakhrutdinova, Eidelman, Rozhko

& Pratchenko, 2014). Let us consider in more detail co-branding through the example of development and promotion of territorial brands of Kazan and Republic of Tatarstan.

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. (Figure 3)



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

Figure 3. 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”.

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 (Gabbrakhmanov & Rubtsov, 2014).

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 (Bagautdinova, Gafurov, Kalenskaya, & Novenkova, 2012).

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

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

4. CONCLUSION

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, NaberezhnyeChelny, 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 (Chrysochou, & Grunert, 2014).

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 (Fakhrudinova, Syradoev, Terehova, & Antonova, 2015). 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, its gradual transformation it into one of the largest tourist centers not only in Russian Federation, but all over the world.

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