

Ilonka NADENKO

Cherkassy state technological university

ilonka06@ukr.net

Regional Marketing: Essence, Content and Ways of Development

ABSTRACT

Essence of the concept «regional marketing», its content, purposes and conditions of realization are investigated. The ways and perspectives of regional marketing as a mechanism to increase the region's competitiveness are identified.

Key words: *marketing approach, regional marketing, competitiveness of region, image of region, interregional economic relations, concept of an integrated regional marketing.*

Introduction. Due to the centrifugal tendencies the Ukraine regions faced the problem of conscious inclusion of the regional economy in a single reproductive process of the country. Expansion of the regional systems economic independence, increased competition between regions and their desire for self-assertion identified the need to review the grouping of regions in the national economy, as well as mechanisms of territorial organization and management. Under these conditions change and principles for establishing economic ties and relations between the regions.

Potentials of the regions are different, but the problems hindering their effective socio-economic development are of a general nature. These include low investment attractiveness of the territories and competitiveness of producers, the lack of effective communication and clear mechanism of interaction between the different branches, the instability of the market situation and the gradual decline in the purchasing power of the population. In such circumstances, the administrative management practices of territorial development are ineffective and do not require a mechanical approach and a more flexible, market. Principles of the market economy to stimulate regions to arrange strategic orientations towards improving their competitiveness and integration in the system of market relations at different levels, taking into account the national interest. In order to achieve competitive advantage, the role of marketing as a basis for sustainable socio-economic growth of the region, the areas attractiveness to enhance their image. All this calls for a marketing approach to the territories management, to develop an effective marketing strategy for their development.

Each region in the strategy development should use its specific capacity, look for its historical features, resource capabilities, material and financial development and specialization resources, as well as the interests of the people and organizations in the region. A regional marketing should become a mechanism for improving the region competitiveness, to determine its core competencies with the specialization in the territorial labor division.

Currently, regional marketing is becoming one of the most attractive areas of theoretical and applied research, and as a mechanism for improving the competitiveness of the region deserves special attention.

Review of recent research and publications. Theoretical and practical aspects of the regional marketing formation and development are lightened in the scientific works of foreign scholars: F. Kotler, A. Shromnika, T. Domanski, T. Zabinskoy; ukrainian: V.N. Amitai, V.I. Dubnitskiy, R.N. Lepy, S.E. Martov, A. Oklandera, A.O. Starostin, O.V. Finagin et al; as well as in the scientific works of russian scientists: I.V. Arzhenovskiy, A.O. Blinov, A.M. Lavrov, A.P. Pankrukhin, V.S. Surnina and others. However, many methodological problems in the theory and practice of formation and development of regional marketing require further investigation.

Purpose. The aim of this work is to explore different approaches to the definition of “regional marketing”, to highlight its contents and implementation conditions, as well as to identify ways and perspectives of regional marketing as a mechanism for improving the region competitiveness.

Marketing approach to the territory management in the Soviet literature reflects a number of concepts such as “regional marketing”, “marketing the city”, “territorial marketing”, “marketing in the territory.” These interpretations of regional marketing are likely to reflect economy-geographical approach.

You can select a set of regional marketing definitions. However, the complexity of the study, we believe it is necessary to consider some of them, producing differentiation in higher education institutions, which belong to the concepts authors, as shown in Table 1.

Table 1
Theoretical concepts of regional marketing.

<i>Authors</i>	<i>Definition</i>
F. Kotler	Places marketing — it is an activity undertaken for the intact building, maintaining or changing relative-making and/or behavior related to specific locations. Place marketing can be determined by four aspects of the vision areas: marketing of property, marketing and business development areas, marketing of holiday marketing investment in land. [5]
Vidyapina V.I., Stepanova M.V.	Regional marketing is a system to attract to the region new economic agents that promote the region prosperity. [1]

Gaponenko A.L.	Regional marketing is a system consisting of the marketing of land, housing, areas of outbuildings, investment, tourism marketing. Its purpose is to convey to the target consumers of information about the region as a place to do business. [2]
Golubkov E.P.	Territorial marketing – marketing in the territory interests, its internal and external actors, in which the attention of the territory concerned; [4]. Regional marketing is the same as a territorial marketing.
A.M. Lavrov, B.C. Surmin	Regional marketing – it is an element of the market relations system, not projected on the micro level (enterprises and firms), but on the meso-level (regions, territories and republics). [6]
A.O. Starostina, S.E. Martov	Regional marketing – is the theory and practice of managerial decision-making with respect to the formation of a market-product strategy in the region based on a study of factors of the marketing environment to implement the economic interests of consumers and its territory. [7]

So, there isn't only answer to the question, what is regional marketing, just as there is no single agreed definition of the marketing concept in general.

Regional marketing, on the one hand, can be regarded as an element of local economic policy, in the course of which the formation of the external image of the territory and to attract investment; regeneration and socio-economic development of the region as a business and shopping center; advertising production, trade, cultural service organizations, as well as the solution of transport problems; improve the lives of people in the region through targeted measures.

On the other hand, regional marketing can be seen as the economic policy of the region, which includes all of its previous direction and supplemented by such elements and characteristics of the market, as the creation of advertising and the image of the territory, both inside and outside; consistent focus on the interests of specific groups and activities that are involved in it; address environmental and social issues; the interaction of government and private business; tool interregional interactions.

There are two areas of regional marketing activity: internal and external marketing of the region. By internal we mean “sell” area residents and organizations. External – is the promotion of the region on the international market, the active search for investors, the integration processes at the regional, national, and integration into the global marketplace.

Thus, we can say that the regional marketing – is specified, verified and substantiated local economic policies, the need for which is due to increasing competition between the territories of the new investment.

Content of regional marketing is to create a marketing type of regional management, in which the identified needs and the needs of the region and beyond; region is positioned in relation to other regions for effective inter-regional interactions; formed regional program to create properties in the region, inter-regional integration programs that meet the needs of consumers in the region and beyond; aimed at addressing the current is not so much how the strategic objectives of the economy reform.

Regional marketing identifies and partially creates the unique properties of the region, which may be useful for the “consumer”. Linking the general resources of the region with the requirements and opportunities of the market, development of marketing strategy and indicative planning of regional dynamics using a tool of regional marketing is often referred to the main direction of sustainable growth and self-development of the area. On such an approach should be based the formation of regional and inter-regional integration of development programs.

However, in practice the implementation of marketing at the mesolevel is complicated by many problems. Firstly, one of the major problems is the lack of specialized institutions for regional marketing. This is a new direction for our society, is just beginning its emergence. The need to implement such a mechanism is not yet clearly perceived by all regions. Accordingly, there are no legal acts that would regulate the activities in the field of regional marketing. Second, the regions, as well as any other territorial units are poorly structured. Since the territory inhabited by different social strata and are farming different economic actors, their interests are opposite. That is what is the cause of the bitter struggle for regional resources. That's why it is difficult to talk about some common territory development priorities. There is a problem of consolidation “heterogeneous” territorial community. Thirdly, there is the urgent need in information providing region marketing. Standard conventional statistical materials are not able to create the knowledge base that is needed. Therefore, to adequately assess the marketing situation required unconventional sources of statistical information and other search criteria for assessing the territories development. Fourth, the development of strategies for the territorial units development do not participate in the public and business. Sometimes they have the ability to realistically assess the needs and priorities of the future development of the region.

Since the theoretical aspects of regional marketing are insufficiently developed and even less its main provisions are implemented in practice, it is necessary to compile and build a model of regional marketing, to reveal its effective management tools of socio-economic development of the region at the interregional level.

The formation of effective inter-regional economic relations associated with the implementation of the economic interests of the regions to achieve maximum commercial benefits of their participation in these relationships, as well as the optimal combination of these interests together through a mutually agreed economic, social and environmental policies. The region should take an economic niche, competitive position, which would have brought him the greatest economic benefit, it would provide a stable position in the market space.

The main goal of regional marketing at the interregional level is to build an optimal model of region development, focused on the promotion of its unique features, taking into account all potential and existing resources, increase its competitive advantage in the territorial division of labor in order to improve the quality of life of the population.

A concept of regional marketing seems to be very promising in the organization and management of social and economic processes in the inter-regional level, as it provides the basis for effective coordination, integration and network analysis needs of the population of the region, taking into account the partners interests and the state in the process of their interaction.

Such a concept of regional development management allows regional governments to respond flexibly to changes in the environment through the development of new strategies for integrating or adapting to the new conditions of the existing integration structures. all businesses should be involved in the marketing of the region, as well as the residents themselves, the interest of which will make the regional development policy of a broader, comprehensive and flexible. Thus, focusing on the interests of all social groups and businesses, as well as to changes in the external environment, regional marketing becomes integrated approach to the development and implementation of targeted socio-economic development programs in the region at the regional and interregional levels.

With the introduction of the regional marketing concept at the interregional level in determining the strategic socio-economic development of the region is necessary to observe the following key provisions:

1. The strategic objective of the organization marketing activities is to create an economic base for sustainable socio-economic growth of the region. Thus there is an active assistance to business entities included in the objectives of its operation in the market conditions and the uncertainty and the risk of changes in the country.
2. Tactical objectives must be identified in the form of a pyramid, starting with the realization of their objectives lower order to higher-order goals. Tactical goals may be, for example, the establishment of stable relations with other regions, Russian and foreign partners; active promotion of the region on the international market; attracting investment; improving the competitiveness of products in the region; support competitive industries and others.
3. The strategic objectives of the regional marketing is the progressive integration of the region in the system of market relations at the regional, federal, and global levels by increasing the competitiveness of the organizations and the region as a whole in the domestic and foreign markets. When choosing tactical tasks they must also be indicated in the form of a pyramid. The most important tasks are: the emergence of the business environment with the appropriate infrastructure; support promising sectors — multipliers of economic growth; development of production specific to certain regions; development of services and, as a result, employment growth and rising living standards.
4. The most important task of marketing in this case is to study the characteristics and patterns of domestic and foreign markets in order to maximize the impact on them, i.e., the level, timing and composition of demand.
5. In addition to the traditional analysis of the region's economy, it is necessary to carry out deep enough regional marketing research. Such studies can be used:
 - to determine: the possible extent of potential prospects and development of existing industries, create new ones; problems associated with inter-regional asymmetries;
 - to establish the natural (with respect to the region) monopoly on products and services for the formation of the economic interests of the region in terms of economic security;
 - to evaluate the export potential of the region, the possibility of its development, and on this basis to identify possible additional volumes of attracting credit resources;
 - to determine the range of potential cargo- and service providers, whose presence in the area will fill in the appropriate commodity areas, set up regional markets for food and industrial goods;
 - to form the region economic interests in the exporting countries and importing products in the region, to identify the main areas of international investment cooperation and strategic partners.

Results of a comprehensive analysis will make it possible in advance to work out measures aimed at promoting positive processes, elimination of existing and prevention of possible distortions in the economy of the region.

Conclusions and prospects for further research. Strengthening the role of the regions at the present stage of market relations in the country requires the development and implementation of an effective mechanism for improving their competitiveness, as is the regional marketing. The concept of integrated regional marketing, in which the region is regarded as a single market entity, a number of key factors influencing the competitiveness and sustainability of socio-economic development of the region are: the integration of various industries and target groups; most efficient use of internal resources, production and employment potential of the area; use of information research tools of economic and social development issues in the region, as well as their use in the creation of a positive image of the region, information about resources and opportunities offered by the territory; account of the special distribution of the complex regional branches and intra-regional differences. Development of a comprehensive, detailed market research at various levels and implementation of the results will provide the interests of individual economic entities, regions of the country as a whole, will serve as a prerequisite for the development of effective economic ties between the regions, will create a more effective integrated regional economy and more linked together national economy.

References

1. Vidyapina V.I., Stepanova, M.V. (2008). *Regionalnaya ekonomika: Uchebnik [Regional economy: a textbook]*. Moscow: INFRA-M.
2. Gaponenko A.L. (2001). *Strategiya sotsialno-ekonomicheskogo razvitiya: strana, region, gorod. Uchebnoe posobie [Strategy for Socio-Economic Development: country, region, city. Tutorial]*. Moscow: RAGS.
3. Gaponenko, A. L. (1997). *Upravlenie zkonomicheskim razvitiem [Management of Economic Development]*. Moscow: RAGS.
4. Golubkov, E.P. (2001). *Marketing: Slovar-spravochnik [Marketing: Dictionary]*. Mjscow: Delo.
5. Kotler, F. (2005). *Marketing mest. Privlechenie investitsiy, predpriyatiy, zhiteley i turistov v goroda, kommunyi, regionyi i strany Evropy [Marketing Places Europe: How to attract investments, industries, residents and visitors to cities, communities, regions and nations in Europe]*. — SPb.: Stokgolmskaya shkola ekonomiki.
6. Lavrov, A.M., Surnin, V.S. (1994). *Reformirovanie ekonomiki: regionalnyie aspektyi. Regionalnyiy marketing i tendentsii ego razvitiya [Economic Reforms: regional aspects. Regional marketing and development trends]*. Kemerovo: Gos. Universitet.
7. Starostina A.O. (2004). *Regionalny marketing: sut ta osoblivostI stanovlennya v Ukrayini [Regional Marketing: the nature and characteristics of its development in Ukraine]*. *Marketing v UkraYinI*, 3, pp.55–57.
8. Teletov O. (2001). *Marketing v ekonomichnih sistemah [Marketing in Economic Systems]*. *Ekonomika Ukrayini*, 7., pp.44–47.
9. Fedonyuk S. (1999). *Zmist, struktura ta funktsiyi regionalnogo marketingu v teritorialnyy sotsialno-ekonomichniy sistemi [Location, structure and functions of regional marketing in territorial socio-economic system]*. *Naukoviy visnik VDU*, 9, pp.46–48.