

Theoretical Analysis of The Essence of Regional Marketing

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Abstract

The article studies the essence, role and significance of regional marketing in the socio-economic development of the region. The results of the theoretical analysis of the essence of the concept of "regional marketing" are given. Based on the results of the analysis, a model of the mechanism for the implementation of regional marketing has been developed.

Keywords- *region, regional marketing, mechanism, sustainability, marketing complex and program, marketing research, marketing goals and strategy, assessment of regional marketing effectiveness.*

INTRODUCTION

It is well recognized that a territory's resource potential determines the socioeconomic growth and structural specialization of the economy of that region. It follows that there is a lever of resources that can be used to build a national economy with useful socioeconomic development parameters in a particular region, and that using these resources, it is necessary to decide the directions of complex and proportionate socioeconomic development of regions. In setting the production rates appropriate for the territorial resources available and in accordance with customer requirements, territorial marketing is particularly crucial.

In order to create the region's attractiveness and its economic, social, labor, and similar resources, it is required to produce a thorough analysis of the development prospects of the region. Regional marketing is crucial in this situation since it helps identify the region's potential and develop distinctive advantages over other regions. The context impacts the applicability of the chosen study topic and the significance of the field.

Literature Review

We may discover a variety of ideas that, to varying degrees, represent the problems with employing a marketing strategy in the administration of the territory under the conditions of the market economy in both local and international economic literature. For instance, terms like «regional

marketing,» «place marketing,» «city marketing» «territorial marketing» and «intra-regional marketing» might be used. Although each of the aforementioned groups has unique characteristics, they are all related in some ways. Territorial marketing is one of these categories that is most frequently employed (place marketing). The regional marketing category's essence is frequently shown using the economic-geographic and marketing strategy. Researchers like A.M. Lavrov, V.S. Surinin, V.I. Butov, V.G. Ignatov, N.P. Keretova, and T.V. Sachuk recommended utilizing the economic-geographical technique to analyze the regional marketing category. A.M. Lavrov and V.S. Surnin were among the pioneers in the field of regional economy to introduce the idea of «territorial marketing» into scholarly discourse in 1994. They claim that rather than studying market interactions at the micro-level, «territorial marketing» tries to research them at the meso-level (district, city, and region level) [1].

The marketing strategy is the second method for defining the key elements of modern management of a city or particular area under the circumstances of a market economy. A.L. Gaponenko, G.V. Gutman, and E.P. Golubkov might be cited as examples of this method. Regional marketing, in this perspective, «represents a set of measures to attract new economic agents to the area, city,» In this instance, concentrating on both local inhabitants and visitors can be fairly successful.

Scientists from Russia who have discussed the use of a marketing strategy in the creation of substantial regional structures include I.V. Arzhenovsky, G.L. Bagieva, V.P. Barancheeva, S.V. Besfamilnaya, V.I. Butova, D.V. Vizgalova, L. Gaponenko, O.N. Jiltsova, V.G. Ignatova, N.P. Ketova, Particularly intriguing are the works of Surnina, O.A. Tretyak, A.V. Shiskina, and O.U. Yuldasheva.

Analysis and results

It is fascinating in every aspect to examine the collected foreign expertise in effective territory administration. Although the term «territorial marketing» does not appear in the works of Western scientists, it is frequently used in conjunction with the term «place marketing,» which refers to marketing of administrative-territorial structures at the national level. F. Kotler and his coworkers give regional marketing particular focus in their writings. They frequently employ the idea of «place marketing» and think that marketing offers a whole strategy for resolving local issues. According to F. Kotler, marketing strategy planning should be done in collaboration with regional businesses, government organizations, and residents of the area. It highlights that marketing is essential for enhancing the regional community's capacity to adjust to market changes and to improve the community's viability in a cutthroat business climate. The development of a community framework that enables satisfying the demands of all the major institutions of society is what regional strategic marketing aims to achieve. The following, according to F. Kotler, are the primary responsibilities of regional marketing: defining and diagnosing the current state of the community, its primary issues, and their root causes; identifying potential solutions to current issues based on the resources and capabilities of the community, the values formed in the community; enacting systemic changes in society; and creating a step-by-step long-term investment plan [2]. Such a strategy is thought to be particularly pertinent as it specifies the marketing cycle's components and displays the essence of the idea of regional marketing as a tool of the local economy.

He highlights the importance of regional marketing (including city marketing) in bolstering the position and reputation of the region, luring representatives of industrial production there, and promoting the region itself, which is in line with the opinions of A. Dayan F. Kotler. In other words, it is obvious that the goal of regional marketing is to promote a positive image of the area.

In his scholarly writings, A.P. Pankrukhin gave the idea of «territorial marketing» careful consideration. In his first definition of «territorial marketing,» he claims that the area as a whole is its object and that marketing may be done both inside and outside of it. Later, A.P. Pankrukhin characterizes it as follows after somewhat changing his mind on the subject:

1) territorial marketing, also known as area-oriented marketing or territorial marketing, is marketing that is done based on the interests of areas, internal and external businesses;

2) «Creating, developing, and successfully promoting the region's competitive advantages within the interests of this region, both inside and outside of it, as well as internal and external entities, is the goal of territorial marketing, which is marketing that treats the region as an object of attention and promotion in a holistic manner»;

3) «Area-oriented marketing is a particular meaning of the term «territorial marketing» that reflects the details of the area's marketing relationships and their stage of development for certain goods and services» [3].

Territorial marketing is thus described by T.V. Sachuk as «a new philosophy of territory management based on a new understanding of the responsibilities and tasks of local government bodies» [4]. As a result, it is necessary to establish the state's involvement in assuring the execution of regional marketing and to focus its interventional efforts on promoting regional development.

Different interpretations of «territorial marketing» are possible. It should, on the one hand, be in line with the structures and procedures of state regulation, and, on the other hand, be able to accurately represent the status of the local economy and help the area become more competitive. It should go without saying that regional marketing is a very difficult topic to understand. The goal of regional marketing is to ensure and promote the region's competitiveness at the regional level in the outside world.

Theorists and practicing scientists expanded the scope of research to clarify the competitive advantages of the region and further strengthen them using «territorial marketing,» which is thought of as a comprehensive concept, in order to increase scientific and practical interest in studies of regional competitiveness and strengthen its position.

Regional marketing is not a fundamentally new idea, but like most marketing theories and studies, its roots are American. For instance, the selling of lands in the 1850s in the «Wild West» was of particular importance in luring people to transfer to new regions, according to Finnish scientist Seppo K. Rainisto's dissertation study work. In the meanwhile, tourism to British and French coastal destinations is widely promoted [5]. Based on numerous promotional mediums, territory marketing was seen as the primary method of promoting the territory as a desirable travel destination.

Later, scholarly monographs started to appear in which territorial marketing is emphasized as a key component of a region's economic growth plan. The opinions of American academics D. Ashworth, D. Bailey, and H. Wood (Ashworth G. J., Voogd H., 1989), which explain sales procedures, are fairly intriguing in this regard [6]. The core of this strategy is the requirement to take into account the local heterogeneity of the national markets of the majority of countries, even though these particular aspects are widely used in the development of marketing programs for these markets. Later, F. Kotler used this strategy extensively in the development of marketing programs for a number of large American companies to operate successfully in national markets.

Later, in 1993, D. Haider, F. Kotler, and I. Reins published the findings of their combined study in the area of «territorial marketing.» It also amply illustrates the modern world's mentality of consumerism [7]. As the key growth directions in the promotion of the region, investment, tourism, image, and social attractiveness are significant. The first examples of branding and marketing strategies for focused promotion of areas in the development of advertising campaigns for cities,

regions, and nations are shown below based on the opportunities and conditions that existed at the time.

Professor S. Ward of Oxford Brookes University released his article titled «Marketing Territories: The Marketing and Promotion of Cities and Megapolises in 1850-2000» in September 1998 (Ward S.W., 1998) [8]. In contrast to F. Kotler and his colleagues, who saw regional marketing as a byproduct of the latter half of the 20th century, he attempted to explain the history of the birth of the practice in it. S. Ward describes in detail the experience of industrial and touristic cities in Great Britain and the United States from the 18th century and draws the necessary conclusions about the viability of artificially managing the competitiveness and attractiveness of the regions through purpose-oriented information and advertising activities.

The introduction of the idea of «internal marketing of locations» into scientific communication is S. Ward's contribution to the growth of the notion of regional marketing. The core idea behind this strategy is that it heavily relies on promotional techniques and resources meant to attract outsiders or tourists rather than current locals. To put it another way, it compares internal marketing with marketing that is uniformly targeted at local residents. The author views the connection between external and internal marketing in the fact that the territory's primary internal marketing objectives are constrained in comparison to external marketing's primary objective of attraction. Additionally, he makes the comparison between internal territorial marketing and demarketing, a strategy that is currently very popular in Europe. Investors, visitors, and new residents are drawn to the area as a result of improved communication, population growth, and capital mobility.

The demands of particular groups of people are given particular emphasis in the interpretations of the majority of authors to disclose the substance of the notion of regional marketing, and it is highlighted that this is the foundation of the regional development management system. Additionally, we can draw the conclusion that regional marketing is one of the levels of regional marketing, which investigates the potential uses of natural, production, and social resources in order to develop the region socio-economically and boost its competitiveness, and includes the idea of managing the region in accordance with market principles.

In 1994, A.M. Lavrov and V.S. Surnin introduced the term «territorial marketing» to economic literature for the first time [9]. Regional marketing, which is heavily focused on the application of the economic and geographical approach rather than marketing theory and practice and is targeted to the mesolevel, is highly regarded by the authors for its contribution to assuring the growth of regions.

In summarizing the opinions of scientists like V.S. Surnin, the Russian researcher A.P. Pankrukhin and a number of foreign scientists, in particular A. Dayan and F. Kotler, as well as Russians - I.V. Arzhenovsky, A.M. Lavrov, A.L. Mnachkian, and K.B. Norkin - define regional marketing as a marketing activity based on the interests of the territory, its internal and external [10]. The author makes a distinction between «territory marketing» and «intra-territory marketing» while analyzing the notion of «territorial marketing». Regional marketing, for instance, focuses on territorial offices of the state government that serve the local community. Although «intra-regional marketing» and «territorial marketing» are both defined in the same way, they differ in the specifics and stage of development of marketing connections between regional bodies about certain commodities and services [11].

Regional marketing, as defined by V.I. Butov, V.G. Ignatov, and N.P. Ketova, is based on the distinctive way of thinking of leaders at the regional level (operating in selected markets) of individual population groups, enterprises, and businesses situated both within and outside of that region. They see it as a type of activity intended to meet their needs for information, technology, and the like. A.L. Gaponenko claims that the primary types of regional marketing are the sale of land, houses,

agricultural structures, and investments. According to the aforementioned author, territorial and municipal (administrative-territorial structures) marketing is a collection of actions intended to entice economic agents to the territory who substantially contribute to its growth utilizing marketing methods to the territory's development [12].

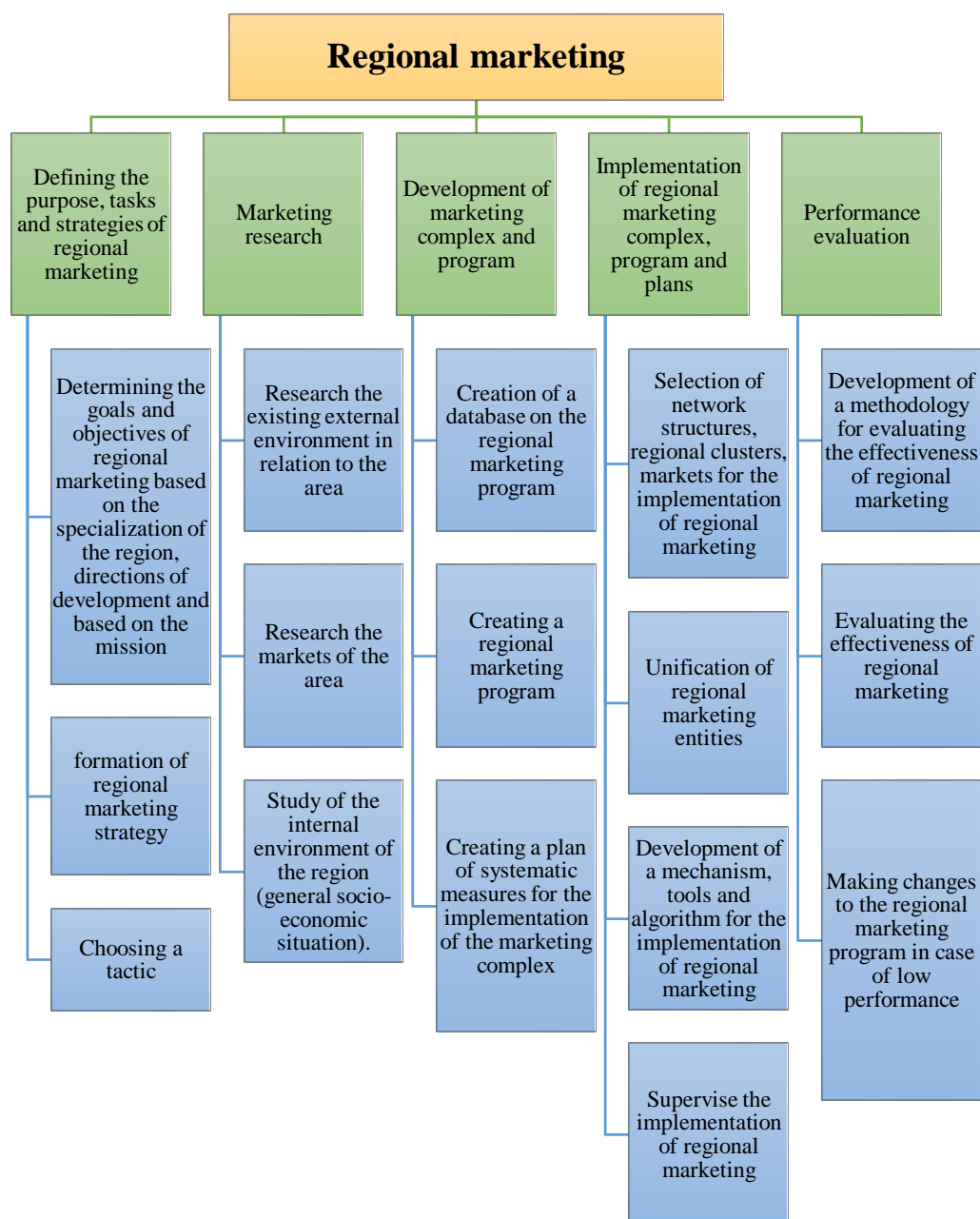
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The core of any area is a city, hence it stands to reason that urban marketing is the lowest level or subsystem of regional marketing. One of the key areas of research and study in this field at the moment is various facets of city marketing. Researchers like P.V. Kuchtin and A.A. Levov, for instance, differentiate between urban real estate and urban address marketing as a way of development to suit human requirements in quest of the most pleasant living environment inside the urban marketing environment [13]. T.V. Usakova in the narrow interpretation of the concept of «city marketing» refers to the consideration of business interests as an important element of the development of the city's economy and its social sphere [14]. The most important task of city marketing was emphasized in the scientific research of T.M. Orlova as a collection of systematic measures to develop new competencies and utilize those that already exist to draw economic agents to the city, which allows to increase the well-being of the local population [15].

In a variety of scholarly literatures, the notion of municipal marketing is defined. These academic sources define municipal marketing as a management strategy that considers and analyzes market requirements, demand, and supply in order to direct government agencies' attention toward the creation of certain goods and services in the industrial and non-industrial sectors. Municipal marketing, in a nutshell, is the promotion of both urban and rural places.

Some academics favor studying «place» marketing over studying areas in terms of their administrative-territorial systems. For instance, S.N. Andreev describes location marketing as a collection of tactics intended to sustain or alter customers' relationships to a particular «place» in his scientific research, which divides two significant categories of interests: commercial and non-commercial interests. While the non-commercial area of activities contains items of cultural and historical significance, the commercial field of activities is directly tied to the interests of producing firms [16]. The definition provided by S.V. Alekseev is based on the developer's viewpoint and is comparable to that of O.V. Jerdeva. In a limited sense, it implies placing real estate and land into economic circulation; in a wide sense, it involves enhancing the area's attractiveness.

Having studied the existing research, we developed a model of the implementation mechanism of regional marketing (Figure 1).



Picture-1. The mechanism of implementation of regional marketing: methods, tools and elements

Conclusion and Recommendations

The fundamental objective of regional marketing is to plan and model marketing operations in the region in order to fulfill consumer wants while utilizing the resources of the region, according to a summary of the views and opinions of scientists. The socio-economic indicators of the region will show good dynamics if the locals are content with the circumstances established for the area of their habitation and economic activity, if the tourists' and investors' expectations are reasonable. The economic indicators of the regional system represent the author's opinions on the usage of regional marketing techniques.

According to our definition, «Territorial marketing is the coordination of the economic and management activities of the entities of the territorial management system through regulation and coordination of their development in order to coordinate the needs and production capabilities of consumers of territorial resources.

According to the author's methodology, each region differs from others by having a specific ratio of its competitive advantages in terms of the production of natural resources and social resources, which have an impact on regional development and the strengthening of the region's position as well as being required to meet consumer demands. In order to create, reshape, and satisfy customer demand for products and services made in the area or imported there, a collection of consumer-oriented marketing tactics, tools, philosophies, and technology are known as territorial marketing. management of regional socioeconomic processes to promote the entrance and sale of labor, services, and goods in the current markets, to boost the competitiveness of regional goods and services, to support production's mobility, and to quicken the fund return of regional production funds. According to us, the economic core of regional marketing may be seen in the ways it affects several facets of the regional economy's conventional economic life. A steady flow of money is required for the region's overall development, and this flow is dependent on the direct and indirect levers of control over the marketing and socioeconomic processes. In this regard, it's important to provide beneficial circumstances for the execution of economic operations in the area and to tell investors of the favorable environment that has been established.

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