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Economic Identity of Regions of the South of Russia in the System of the Regional Brand Management

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Abstract

The article presents a synthesis of the experience of three interdisciplinary comprehensive studies conducted in 2015-2017 in the South of Russia. The article deals with the manifestations of the economic identity of the region in the socio-economic behaviour of individuals in the regions of the South of Russia. The paper also analyses, firstly, the practices of formation of regional brands and their successful management. Secondly, the place of regional brands in the regional space of the Russian economy is considered. Particular attention is paid to the formation of the design of regional brand management systems in the emerging digital society. The main purpose of the conducted studies was to identify manifestations of the region's economic identity in the socio-economic behaviour of individuals in the regions of southern Russia. As a result, we clarified the concept of economic identity of the region. We also identified intercultural differences in the models of economic behaviour of ethnic and cultural groups. We have convincingly shown that the phenomena of economic consciousness and models of economic conduct are interconnected with socio-cultural factors. We have specified approaches to the construction of theoretical parametric models of regional brand management in order to identify best practices. We have also developed criteria for evaluating their performance and the effectiveness of these models, and developed follow-up recommendations for improving regional brand management. We have formed approaches to the development of directions and guidelines in the form of a road map for the adjustment of brands of South Russian/North Caucasian territories.

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Keywords

The economic identity of the region, regional management, regional socio-economic system, brand management of territories, South of Russia.

Introduction

The article presents the summarized results of three main interdisciplinary comprehensive studies conducted in 2015-2017 in South of Russia (South and North Caucasus Federal Districts) in the framework of the RFBR project No. 15-02-00441/15 "Economic Identity of Russian Regions: Conceptualization of the Concept, Development of Measurement and Comparison Tools, Inclusion in the System of Regional Brand Management".

The first study "The Phenomenon of Regional Economic Identity: Definition of the Concept, Structure, Formation Mechanisms" (N = 14) was devoted to the conceptualization and operationalization of the concept of "economic identity of the region» [Bazhenov et al. 2015; Bazhenov, Bazhenova, 2015, 2016].

In the second study "Bottom-Up: How the Region's Economic Identity Manifests Itself in the Socio-Economic Behaviour of the Individual" (N = 118), we have studied empirical evaluation and comparison of the economic identity of regions and conducted a search of the relationship between economic identity and brands of the Russian regions [Bazhenov, Bazhenov, 2017a].

The third study "Regional Brands: The Practice of Creation, Management, Parameterization of the Economic Model" (N = 115) was devoted to the study of brands and brand management through the prism of the economic identity of the region [Bazhenov, Bazhenova, 2017b, 2017a].

The main purpose of the conducted studies was to identify manifestations of the region's economic identity in the socio-economic behaviour of individuals in the regions of southern Russia, in particular, in the regions of the North Caucasus. Another goal was the manifestation of the practice of forming regional brands and their successful management, as well as determining the place of regional brands in the regional space of the Russian economy and further theoretical (cognitive) modelling of regional brand management designs.

The economic identity of a region (EIR) was understood as the result of the aggregation of mutually imposed fields created by the economic and regional identities of individuals. EIR is formed at the cognitive level of the socio-economic system of the region as part of the socium of the national social system and manifests itself in the economic behaviour of regional actors and their social well-being [Bazhenov, 2015; Bazhenov, Bazhenova, 2015].

Before starting the research, we developed the following working hypotheses: (1) The economic identity of a region is interdisciplinary and multidimensional. It is formed simultaneously in two directions. First of all, "bottom-up", from the nano - and micro-social level to the level of the region by aggregation. As well as "from top to bottom", from mega-and macro-social level to the level of the region by certain positioning of the identified region in different socio-economic spaces; (2) The Image of the regional brand determines that the communication of the regional brand has a positive impact on attracting both residents (local residents) and visitors (tourists); (3) Regional brand communications have a different impact on the regional brand image; (4) The influence of regional brand communications mediated by the image is different when attracting residents and visitors; (5) From the intangible attributes of the brand, the region's investment attractiveness is significantly influenced primarily by the region's prestige and communicative practices of its promotion. At the same time, foreign and domestic investments are influenced by different practices.

Theoretical basis

All regions in advanced economies face stiff international competition for business and investment, which is caused by the weakening of trade barriers, more efficient and integrated global transport and communication systems, the emergence of new competitive markets, and the inevitable invasion of new technologies. Over the past 20 years, branding has been increasingly used at both the local and regional levels to attract business and investment, improve local or regional competitiveness in the global market.

We define regional branding as "the creation of a recognisable place identity and the subsequent use of that identity for other further desirable processes, be it financial investments, changes in user behaviour or the creation of political capital" [Kavaratzis, 2005, 334]. It is a widespread strategic tool used to establish meaningful sets of relationships between things, people, images, texts and the environment, usually with the aim of increasing their market appeal. Similar methods are used for branding consumer products or companies [Govers, Go, 2016].

Formed regional brands are developing throughout their life cycle. Initially, they begin as a set of identifying elements of identity, gradually transforming into a clearly perceived value by consumers as "a set of functional and emotional elements, one with the region and the way it is presented" [Tanveer, Lodhi, 2016].

To test the main hypotheses, we used point (one-time) studies, which according to the methodology of conducting qualitative sociological research, in this case, are most adequate [Dobrenkov, Kravchenko, 2009; Yadov, 2007]. According to the depth of analysis of the subject, these were analytical studies that revealed underlying causal relationships [Bhattacharjee, 2012; Fetters, Curry, Creswell, 2013]. All studies were conducted in the framework of four disciplinary scientific traditions: economic, sociological, psychological and cultural. We took into account that these scientific traditions have a largely incomparable theoretical and methodological apparatus and different ideas about the object of research. By a generalized methodological basis, we chose G. Kleiner's systemic economic theory [Kleiner, 2008].

Results

The overall results show that (1) the Russian/Orthodox and Caucasian/Muslim groups have different value priorities. At the same time, the first group is prone to "openness to change" and "self-assertion", and the second one is prone to "preservation" and "self-overcoming"; (2) individual values and the expression of religious identity differ significantly between Orthodox and Muslims. The expression of religious identity is much higher among Muslims than among Orthodox Christians; (3) the motivating reason for irrational spending of money for Russians is the desire to get a momentary pleasure, to make an impression. For Caucasians, the motive is the lack of commitment to the rational economy; (4) at the macro level (society level) there are no significant differences between "Russians" and "Caucasians" in terms of social capital. All the revealed differences lie in the field of stereotypes about the typical behaviour of representatives of their ethnic group. Indicators of social capital at the macro level are interrelated with attitudes to different types of economic behaviour; (5) significant intercultural and interfaith differences were identified in the individual values of the "Russians" and "Caucasians". So, "saving" more significant for "Caucasians", "openness to change" for "Russians", because more traditional Caucasian cultures compared to the more

modernized Russian. Orthodox Christians have a higher importance of values that contribute to individual goals, and Muslims-values that contribute to the preservation of group stability; (6) regional brands use market research to create and test their product descriptions, which can lead to more targeted and effective connections. It also means that messages transmitted by brands can be tailored to meet the tastes of individual stakeholders at the expense of other possible target audiences [Arvidsson, 2005].

We have found that (7) regional brands are based on projecting uniqueness, that is, in identifying or building a difference with the intention of making one place different from others. This is relevant for the kinds of descriptions and meanings that are conveyed through brands. Since place branding "provides the basis for identifying and combining a wide range of images [...] in one marketing message" [Kavaratzis, Warnaby, Ashworth, 2015], in today's information society, these messages must be must simplified and continuously self-reinforcing to be most effective.

We have established that (8) regional brands should Express internally agreed values and images, for which they are reduced to different degrees. This reinforces their key messages. In doing so, the brand must "act as a convenient, everyday shorthand" to become "a convenient shorthand for more complex and controversial realities" [Kavaratzis, 2004, 29].

We noted that (9) the brand discourse confirms the fact that the identity of the place that is created by the brand is directly related to the qualities of this place. At the same time, the process of interpreting the existing characteristics of a place defines them as the task of revealing the interpretation of an expression and accentuating the existing identity or entity. However, only certain characteristics of the place are used to achieve a consistent identity, and all others are excluded [Anholt, 2007; Morgan, Pritchard, & Pride, 2004].

The results confirm that (10) brands are always emotional and expressive, attractive to both the heart and the minds of consumers. This reflects "the increased attention of marketers to differentiation through relationships and emotional appeals, rather than through visible, tangible benefits" [Morgan et al., 2004, 61]. Brands emphasize quality aspects by defining and then constantly attributing certain value descriptive characteristics such as "wild", "animating", "exotic", "pure", "bright", "authentic" and others.

The results show that (11) brands emphasize their interactivity, their ability to be part of something [Lindström, 2005]. In the process of branding, this is manifested in the emphasis on feelings, actions and movement. It is noteworthy that the emphasis on emotions, values and experience makes regional brands are attractive to consumers because they are easy to interpret as the locations of specific qualities (e.g., "naturalness" or "purity"), but they are directly represented in space and time [Kavaratzis, 2005, 338].

In analysing regional branding strategies, we found that most (12) of them are based on the concept of "holistic messages" that go beyond conventional advertising, in order to cover a variety of agreed communication acts, while brand narratives are transmitted through a number of "surfaces, screens and sites" [Lury, 2004, 50]: for example, through print media surfaces created by photographers and graphic designers; television and computer screens created by web designers, filmmakers, and others, as well as through physical objects created by architects and landscape designers.

Finally, we emphasized that (13) the digitalization of society is structurally changing its cultural and communicative practices by making the transition to digital brand marketing irreversible also for regional brands [Andriole, 2017; Bonfante, 2016; Shabal, 2016; Singh & Hess, 2017].

Conclusion

The main purpose of the conducted studies was to identify manifestations of the region's economic identity in the socio-economic behaviour of individuals in the regions of southern Russia, in particular, in the regions of the North Caucasus.

As a result, we clarified (1) the concept of "economic identity of the region". We have identified its structure, certain patterns of its manifestation in economic behaviour at the individual level in the regions of the South of Russia. We also identified (2) intercultural differences in the models (attitudes) of economic behaviour of ethnic and cultural groups. In particular, we have identified differences between "Russians" and "Caucasians" (representatives of the peoples of the North Caucasus). We have convincingly shown that (3) the phenomena of economic consciousness (attitudes and economic representations) and models of economic conduct are interconnected with socio-cultural factors (values, religious identity, social capital). The nature of these relationships varies among different cultural (ethnic, religious) groups. We have specified (4) approaches to the construction of theoretical (cognitive) parametric models of regional brand management in order to identify best practices.

We have also developed (5) criteria for evaluating their performance and the effectiveness of these models, and (6) developed follow-up recommendations for improving regional brand management. We have formed (7) approaches to the development of directions and guidelines in the form of a "road map" for the adjustment of brands of South Russian/North Caucasian territories (regions), taking into account the assessment of their economic identities at the present stage. A more detailed analysis of the results can be the basis for further publications in this area of research.

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Экономическая идентичность регионов Юга России в системе регионального бренд-менеджмента

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Аннотация

Статья представляет обобщение опыта трех междисциплинарных комплексных исследований, проведенных в 2015-2017 годах на Юге России (ЮФО и СКФО). Рассматриваются вопросы проявлений экономической идентичности региона в социально-экономическом поведении индивидуумов в регионах Юга России. Также в работе анализируются, во-первых, практики формирования региональных брендов и успешного управления ими. Во-вторых, рассматривается место региональных брендов в региональном пространстве российской экономики. Особое внимание уделяется вопросам формирования дизайна региональных систем бренд-менеджмента в формирующемся цифровом обществе. Основной целью работы было выявление проявлений экономической идентичности региона в социально-экономическом поведении людей в регионах юга России. В результате авторы прояснили понятие экономической идентичности региона. Выявлены также межкультурные различия в моделях экономического поведения этнокультурных групп. Показано, что явления экономического сознания и модели экономического поведения взаимосвязаны с социокультурными факторами. Определены подходы к построению теоретических параметрических моделей управления региональными брендами с целью выявления лучших практик. Описаны критерии для оценки их эффективности и эффективности этих моделей. Представлены подходы к разработке направлений и ориентиров в виде дорожной карты по корректировке брендов южно-российских и северокавказских территорий.

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Ключевые слова

Экономическая идентичность региона, региональное управление, региональная социально-экономическая система, бренд менеджмент территорий, Юг России.

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