

ICEST 2021**II International Conference on Economic and Social Trends for Sustainability of Modern Society****THE INVESTMENT COMPONENT OF TERRITORIAL
MARKETING IN THE SUSTAINABLE DEVELOPMENT**

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romanishina-t@rambler.ru**Abstract**

The authors study the evolution of conceptual foundations of territorial development, starting from the pre-market period up to the current situation at the present stage of economic management. As part of the ideological and conceptual research idea, the authors substantiate the role and importance of territorial marketing in regional development in the context of its overlap with the well-established central-peripheral model, which largely justifies the priorities of megalopolis growth and scaling their experience to the emerging urban agglomerations. The article provides the basis for understanding the main metrics for assessing socio-economic development of regions in the framework of marketing planning of their positive evolution. The article substantiates the approach, according to which it seems to be a priority to assess the indices of human capital, innovation development and investment attractiveness and emphasize that the investment component of territory marketing, based on image strategies and the promoted brand of the region, is crucial for the needs of territorial development. The most significant area of investment for the region appears to be personal and infrastructural, connected to the projects which provide possibilities for increasing the region's capacity within the framework of marketing priorities. The ideological significance of sustainable development marketing in the planning of projects involving internal and external investors is substantiated. The authors determine the importance of social, ecological and economic effects for the territory and its local community as an important criterion of activating the investment component in the marketing planning of territorial development and building relations with potential investors.

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Keywords: Territorial marketing, investment component, spatial interaction marketing concept, image strategies, marketing of sustainable development



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1. Introduction

Marketing planning, research of consumer preferences, possible trajectories of positive evolution of the regional socio-economic system are of great importance in the development of territories at the present stage. The success of the regional socio-economic policy, focused on the welfare of the population and businesses in the region, is based on the marketing analysis of the interests of internal and external consumers of the territorial product. All this actualizes the interest in territorial marketing as an effective philosophy of client-oriented management of regional development. The classical models of spatial development planning may have been based on the internal potential available and its mediated competitiveness in external markets, but in the current economy, based on a continuous surge of demand, both inside and outside the territory, it is necessary to focus on the interests of target groups, which allows for a different implementation of regional economic development plans.

In the framework of territorial marketing various approaches are presented, associated with finding adequate metrics, systems of assessments that allow us to draw conclusions about the level of socio-economic development of a particular region and the possibilities of its positive evolution in the interests of target groups of consumers of the territorial product. Such metrics usually include, for example, infrastructure development indices, the size of gross regional product, the share of innovative products in the total volume of shipped products, the attractiveness of the region for young people, and so on. In our opinion, the most justified, reflecting the targets within the innovation orientation of economic development, can be the assessment of the human capital index (demonstrating the readiness of personnel for innovative growth), the readiness of the economy and society for innovation (innovative development index) and the investment attractiveness of a particular territory (investment attractiveness index).

It should also be understood that the investment component in territorial marketing, in many respects, is predominant, determining the possibilities of human capital development and innovative growth of the economy, although, at the same time, the attractiveness for investors itself depends on the factors of qualitative state of the territory. In this aspect, it is relevant to study the issues of attracting investment in regional development in the framework of territorial marketing.

However, it should be understood that the investment marketing decisions taken at the present stage are based on an established and rooted model oriented towards progress and innovation. For this reason, it seems necessary to trace the evolution from the established model of spatial development to the manifestation in its structure of such an element as investment marketing of the territory.

2. Problem Statement

At the present stage the marketing transformations within the territorial marketing associated with investment attraction to the region are implemented on the ideological platform of spatial development marketing, manifested within the general orientation of society and business towards the adoption of sustainable development goals and, accordingly, sustainable marketing. This circumstance suggests the relevance of tracing the prevailing model of investment attraction in the spatial plan, and in this context to investigate the role and importance of the investment component of territorial marketing in the area of sustainable development values and marketing concept of spatial interaction.

3. Research Questions

Within the framework of the main issues of the research, the problems of evolution of planning of territorial development to the market period and at the present stage are subject to analytical consideration; clarification of relevant approaches to comparing territorial development in the ideological substantiation of territorial marketing; identification of the priority role of the investment component and models of attracting investments in the ideological concept of territorial marketing within the framework of the marketing concept of spatial interaction with an emphasis on adherence by society and business to the goals of sustainable development.

4. Purpose of the Study

The aim of the research is to identify priorities that characterize the value orientations of Russian regions when working with potential domestic and foreign investors in the framework of territorial marketing, based on the model of spatial interaction, taking into account the importance of social, environmental and economic effects in the implementation of investment projects.

5. Research Methods

It is important to emphasise that planning of territorial development and conditionally "pre-marketing period" was part of the range of scientific problems analyzed by scientists and practitioners. For the regions their potential, possibilities of increasing competitiveness were evaluated, validation of possible perspectives was given the decisions taken within the framework of the potential and perspectives study, which in turn were evaluated based on the adopted pattern, scientific and technological progress and peculiarities of the socio-economic structure (Leksin, 2010; Pavlenko, et al., 1989; Shekochikhin, 2016). Current opportunities and prospects for the development of the territories have been generally defined based on the administrative-territorial division, resource base, availability of infrastructure, production consolidation, formation of production-economic relations, and human resources potential and positive migration to the region.

In the period of the planned economy, the emphasis was on the planning and rationing of production and consumption. The development of production centres, the enlargement of urban agglomerations and the predominance of production needs over the personal needs of individual consumers were significant. In those conditions, regions could not raise funds from private investors because there were none available. Only public funding was possible, within the framework of an approved plan, defining and regulating the needs of territorial development (Olifir, 2014).

Further, during the period of active market reforms, Russia's regional development and regional policy became dominated by the concept of uneven territorial development, associated with the justification and practical interpretation of the centre-periphery model of spatial development and the concept of "spatial concentration of the economy" (Zubarevich, 2014). The issues of inequality in spatial development have not been fully resolved at the present stage of economic development either.

In the case of the center-peripheral model, it has been argued that various resources (e. g. natural, financial, human) move away from the periphery and gravitate towards concentration in the emerging centers, where decisive steps towards innovative development take place (Krugman, 1991). Further, there is a diffusion of innovation from development centers through adjacent areas to peripheral areas from large cities to small settlements within the country. It is this theoretical rationale and its practical interpretation that forms the basis for the design of megacities and the urban agglomerations that emerge from them.

The theoretical constructs also justify the role of competitive advantages of territories of the "first 'second' nature" ('first nature' and 'second nature') (Krugman, 1991). The first are factors related to the climatic and geographical characteristics of the area, and the second are those associated with anthropogenic changes in the surrounding landscape, i. e. agglomerations, the concentration of human capital and certain institutions in the territory.

The model of interaction between center and periphery was already explored by Thünen (1826) with the example of the involvement of land areas adjacent to cities in development. An ideological continuation of this trend can be seen in the work of Marshall (1919) who investigated the build-up of urban agglomerations and economies of scale. Another researcher, Henderson (1974) on similar grounds, viewed the economy as a system of urban agglomerations.

We believe that an important idea substantiated by researchers based on the works of P. Krugman in relation to territorial development was related to the fact that "when reaching a large size, the economy of a particular region at some point begins to grow already on its own, i. e. non-linearly, cumulatively (as cited in Nosonov, 2011). That is, when a territory reaches a certain size and position, it begins an independent and self-determined development according to a favourable evolutionary script.

Within this movement, new centers emerge with their peripheries, such as formerly successful coal mining areas or old industrial areas in need of reorientation and a 'new path' due to a changed concept of development and well-being (Bondarenko & Guzenko, 2020). Attracting human resources, developing human capital, attracting investment and having a sound marketing plan can help modernise the design of the region's socio-economic system and ensure a new cycle of successful territorial development.

This approach predetermines the demand for the following directions: focus on increasing human capital of territories, building infrastructure capacity, introducing new technologies in the processes of extraction and processing of natural resources, maintaining a focus on forming large urban agglomerations that facilitate the diffusion of innovation to peripheral areas (Zubarevich, 2014).

Scientists substantiate a model of spatial self-organisation of the territory, which is characterised by multilevel and asymmetric (taking into account economic and geographical position); aimed at endogenous determination of the structure of the region's space; appropriate to the geographical scale and stage of development; focused on accounting for structural shifts; and also takes into account theoretical constructs of evolutionary geography (Kurichev, 2011).

These ideological foundations are, to a large extent, organically included in the problems of marketing support for territorial development, as the centers are oriented towards producing an advanced territorial product demanded by their target audiences. This activity implies the necessity of conducting appropriate marketing complex research, which would contribute to attracting investors. Further, the

produced innovations and demanded solutions are moved within the framework of diffusion to the peripheral areas, which should also be accompanied by investment activity.

For example, Zherdeva (2006) focuses on practical solutions that contribute to the commercialisation of the territorial product, namely creating an attractive business climate for investors, creating jobs, including in new innovative sectors, and improving the quality of life by making the urban environment more comfortable.

Other researchers point to the need to create a unique offer for investors (external and internal) as the main focus of successful spatial development, as well as the role of the authorities in the region to align the interests of business and the local community to ensure conditions for a comfortable urban environment, business climate and human capital growth opportunities as a guarantee of innovative transformation (Bondarenko, 2007).

The most important decisions implemented within the investment component of territorial marketing in this case are analytical measures to find a pool of potential internal and external investors, identify the needs of consumers of a territorial product in terms of the directions of desired investments, create partner networks that provide an opportunity for mutually beneficial interaction on a long-term basis, assistance to business partners in obtaining loans, finding profitable counterparties, clients, encouraging innovative projects and modernizing the infrastructure base, training and motivating personnel.

These targets can be adjusted depending on the specifics of the current state and the desired vector of positive evolution of a particular area.

It should also be understood that at present, the basis of economic activity in the regions is the emphasis of the dominance of sustainable development goals, among which are dominated by attitudes towards achieving, at the same time, social, environmental and economic benefits (Bondarenko, et al., 2019, 2020), which imposes restrictions and predetermines the requirements for investment initiatives in the framework of territorial marketing. In this approach, in spatial development planning, business is guided by the idea of sustainable marketing which takes into account the interests of the community, in this case the internal community of the area, the plans and opportunities for its future livelihood and the quality of life, the profitability of the investment projects implemented without damaging the surrounding landscape (Bagiev & Cherenkov, 2018). It is a kind of combination of a consumer economy with an economy of rational self-restraint. Such parameters are becoming demanded in investment projects.

No less important is the ideological component of spatial interaction marketing, which determines the possibility of aligning the interests of all parties interested in the territorial product, including investors. Let us specify that under the marketing of spatial interaction we understand, based on the opinion of other scientists, as they do, a complex persistent process consisting in the creation (formation), evolution and rationalization (optimization) of the functioning of the hierarchy of socio-economic relations between the stakeholders in a particular region/regions by finding, production, distribution / distribution, as well as consumption of created values (Bagiev et al., 2012).

It can be stated that the image strategies currently used by the Russian regions to attract the interest of investors are largely based on their real socio-economic situation, declared ambitions, assessment of the strengths and positions of the regional leadership, the desire to find regions - with partners, etc., which can be visualized as follows (Figure 1).

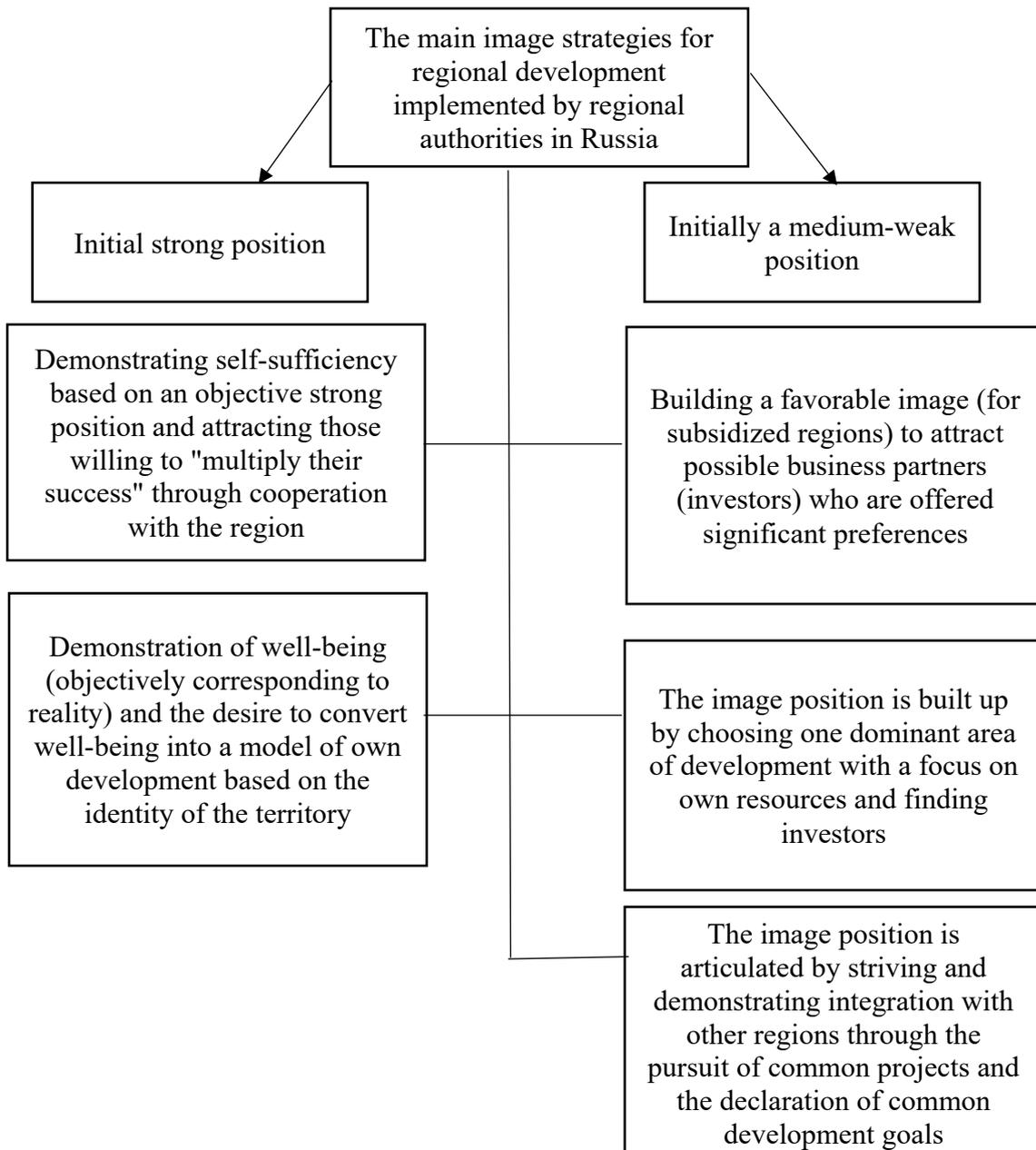


Figure 1. The main image strategies for regional development implemented by regional authorities in Russia (Bodrova & Loginov, 2017)

It should also be noted that strong regions can also show integration initiatives, but in this case, they are those with whom weaker regions wish to integrate, within the framework of classical attitudes of the central-peripheral model of spatial development.

It seems to us that in the updated conditions of the ideological substantiation and practical implementation of the concept of marketing of spatial interaction, combined with the marketing of sustainable development of territories, regional authorities and businesses localized in the region need to make a visible emphasis on economic, social and environmental goals, attract partners willing to participate in such investment projects approved by the population, aimed at increasing the quality of life and the development opportunities for future generations, linking their fate and professional activities with a certain territory.

6. Findings

In the current situation, in the marketing planning of territorial development, the central-peripheral model continues to dominate in the distribution of concentrated efforts, based on the flagship value of megalopolises and the scaling of their experience to the involved periphery, which forms an urban agglomeration.

In assessments of territorial development in marketing planning, the most appropriate metrics for modern realities are comparisons and assessments of the regional human capital index, the innovation development index and the investment attractiveness index.

It is the attraction of investments that contributes to the provision of opportunities for the growth of human capital and innovative activities in territorial development. For this reason, image strategies modelled by the regions are in demand, determining options for cooperation with successful innovation, industrial, competence and other centers, finding promising internal and external investors.

In this context, solutions aimed at attracting investments in the infrastructure of territories, attracting desirable migrants (young people and innovation-oriented professionals with the necessary competences) appear to be the key solutions in territorial marketing. In this approach it is necessary to take into account the conceptual provisions of spatial interaction marketing in combination with the model of sustainable development.

7. Conclusion

In the solution from the pool of opportunities of the investment component of territorial marketing at the present stage, in our opinion, the emphasis on marketing of sustainable development, reflecting the priorities of local communities and socially-oriented business should also prevail. Following such practices is reasonable and contributes to the achievement of strategic objectives facing the Russian regions within the concept of spatial development marketing in the direction of attracting investment in the regions in those projects that reflect the social, environmental and economic priorities of the consumers of the territorial product.

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