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## Routines in Promoting Characteristics of the Region

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### ABSTRACT

The study reflects the scientific idea of use of achievement of the evolutionary theory of economic changes for the solution of problems of development of regional economy. It is offered to consider routines as abilities to make a unique product or to provide unique service. Identification of routines can become a basis for a choice of activities of marketing of territories, strategic development and increase of image of the region. It is claimed that the combination of multidirectional projects of economic entities of the region in a unique complex product has to become a necessary condition for increase of efficiency of actions in the field of regional marketing. The present study was conducted on the materials concerning regions of Russia, however conclusions are universal and can be used when forming programs of regional development of other countries.

**Key words:** Routines, marketing of areas, regional development

### INTRODUCTION

The correct research position in economic science is the reinforcement of abstract reasonings practical supervision. Then the theoretical design is filled with obvious sense which allows to explain an essence of the phenomenon and to predict tendencies of its change, or, on the contrary, to show that the logic of research has no value. The practical importance is the most important criterion of an assessment of usefulness of scientific theories, methodological approaches and models of knowledge.

From this point of view good prospects open before the evolutionary theory of economic changes of Nelson and Winter (2002) in response to imperfection of the static description of rational functioning of firm in “the orthodox theory”. It allows to approach consciously formation of strategy of development of economic system through deep understanding of the mechanisms of natural selection providing accumulation of competitive advantages. It is represented that for modern economic life in the conditions of

high dynamics of changes of an external environment, postulates of the evolutionary theory get special value. Especially, in part, adaptation and transformation of regional economic processes.

### ABOUT A ROLE OF ROUTINES IN MODERN ECONOMIC RESEARCHES

The evolutionary theory studies not the rational subject who in the actions compares expenses and benefits, but the institutionalized person. His behavior is carried out according to a set of the rules created by means of conscious and unconscious mechanisms.

The basic term of the evolutionary theory are the “routines” treated as the normal predictable examples of behavior checked and fixed in actions (Nelson and Winter, 2002). Their inclusion in reality model, along with immanent property of adaptation open for systems to dynamic changes of the environment, allows to consider behavior of people as a combination of stable and changeable activity. The developed

institutes (as norms and rules of conduct), administrative structures and mechanisms is necessary to consider as a product of mutual coordination and adaptation of actions, motives of a lot of individuals which underwent testing for expediency and reliability in receiving stable results throughout a long time. When people were convinced of usefulness of routine actions and fixed them in daily habits, they try to repeat them even when because of change of a situation they already lost the initial efficiency. Property of a lag effect of routines is so shown.

From here the important conclusion follows. Administrative activity can't be considered as the linear process subordinated to will of the subject of management. It is necessary to consider temporary "delay" of the operated system in case of need of modification of behavior model and also conservatism of workers and their resistance to changes owing to the settled habits. The innovative organizations and creative managers by means of modern technologies and introduction of organizational innovations are capable to fight against routines, substituting them new. Then it is possible to modify quickly and successfully organizational culture and behavior models of workers through creation of design groups, quality circles, etc. However, with increase in the sizes of the organization it is more difficult to overcome the developed behavior stamps. Because the many people-carriers of various outdated and irrelevant routines fight against changes. Therefore, in relation to regional government complexity of a problem of purposeful transformation and development of economic processes increases repeatedly.

Each subject actually represents a set of the routines. Besides, it is in circulation of a set of external foreign norms and routines. Therefore, it is compelled to correlate constantly the behavior to organizational actions and processes of different level and an orientation for the purpose of confirmation or a denial of the actions.

If he seems a dissonance between the received result and expectations, there is a conflict which can bear positive or destructive character. The conflict acts as the trigger mechanism of change of routines owing to which, getting to a new situation, the person starts modifying the behavior. He adapts under the changed norms and fixes the actions in the form of the settled practice until the new internal or external conflict is provoked. So there is an evolution of economic systems.

Respectively, for purposeful and forecast development of regional economy it is always necessary to set tasks of formation of new innovative routines which would be replaced by outdated economic practitioners. It is a complex challenge which can't be solved simple declaring without the thought-over actions. The coordinated efforts, the functioning institutes of regional economy and resources are necessary. Formation of successful examples of business, advance of new strategy of behavior at businessmen and awakening of spirit of the competition has to become the key direction of actions. Especially it is important at promotion of the services and goods made in the region for increase of its image. All this causes need of development of regional marketing (marketing of territories).

## MARKETING APPROACHES TO THE DEVELOPMENT OF THE REGION

Marketing of territories is the actual direction of researches that is confirmed by a large number of works. A. Dayan's works, F. Kotlera, etc. are widely known. They open the methodological principles and concrete techniques of analytical support of marketing decisions in the following areas of development of territories:

- Development of the objects of infrastructure causing positive emotions and directed on increase of attractiveness and recognition of the territory from local population and tourists
- Creation and promotion of new characteristics of the territories stimulating attraction of external investments for development of rest and tourism
- Improvement of methods and technologies of promotion of characteristics of territories for drawing attention
- Ensuring favorable investment climate and conditions for development of programs of a capital investment, extension of tourist projects, plans of settling of territories (increase in number of inhabitants), etc.

In Russia marketing of territories started developing in the 1990th. Among areas of research it is possible to call definition of an essence and the mission of territorial marketing, its purposes and tasks focused on improvement of quality of life in the concrete territory (Lavrov and Surin, 1994); justification of conceptual model of marketing of the city (Vizgalov, 2008); analysis of practice of application of marketing and formulation of the methodological scheme of marketing of territories (Pankrukhin, 2006); functioning of the local markets in the region (Belyaev, 2012), etc.

Generalization of their views allowed to allocate the following directions of marketing of territories:

- Work on formation and development of image of the territory, increase of level of its prestige
- Involvement of the territory and its subjects in implementation of comprehensive interregional and international programs of development
- Attraction on the enterprises of industrial orders from subjects from other regions
- Improvement of investment climate and development of productions
- Stimulation of consumption and use of regional resources in interests of the territory

Traditional marketing elements in relation to marketing of territories look as follows:

- **Product:** In a broad sense it is production made on territories, tourist and excursion and historical content and also the resource potential including classical factors of production, a geographical position, climate, infrastructure, a level of business, programs of support of business, etc.

- **Pricing in the relation a territorial product and size of expenses:** It can be treated differently depending on the considered subject. For the population is the level of the income, existence of social guarantees, the average level of goods prices and service. For tourists it is the cost of tourist rest, costs of excursion programs, etc. For business it is important to consider transportation costs, restrictions on construction, existence of tax privileges, production expenses and level of a salary
- **Location and placement of a territorial product:** It characterizes transport availability of material resources, benefits and tourist objects, quantity and distribution of objects of the serving infrastructure and existence of specialized shots
- **Promotion of the territory:** It characterizes the PR companies and advertizing campaigns on promotion of production made in the region, a region involvement into domestic and international programs of development transport power, etc. infrastructures. It is also necessary to describe support from authorities and the level of self-organization of enterprise community

Depending on the placed accents in development the following marketing strategies of the territory are allocated. They differ from each other at the cost of programs and a target orientation (Pankrukhin, 2006).

Image marketing is creation and maintenance of a positive image of the territory. As the main tool communication actions in means of mass media or social networks act here.

Magnetism marketing is the shows search and development of unique competitive advantages of the territory through historical and architectural, ecological, cultural and event clusters and is guided by tourist streams.

Marketing of infrastructure is more focused on improving the attractiveness in the opinion of businessmen through development of transport and telecommunication networks, the power sphere, ensuring access to mining, etc.

Marketing of the population is directed on stimulation of interest in the region from the population. It is focused on proportional development of demographic processes, improvement of structure of employment and professional specialization, creation of objects of education, social infrastructure, ecology, etc.

Obviously, all strategies are closely connected among themselves. Therefore, complex regional strategy of development of the territory has to consider all listed directions of marketing support.

**Influence of routines on marketing of territories:** In the concept of routines for marketing of territories we allocate their such treatment as ability is good to make something (regarding skills and the settled effective technologies). Because routines owing to an evidence practice guarantee receiving the predictable results.

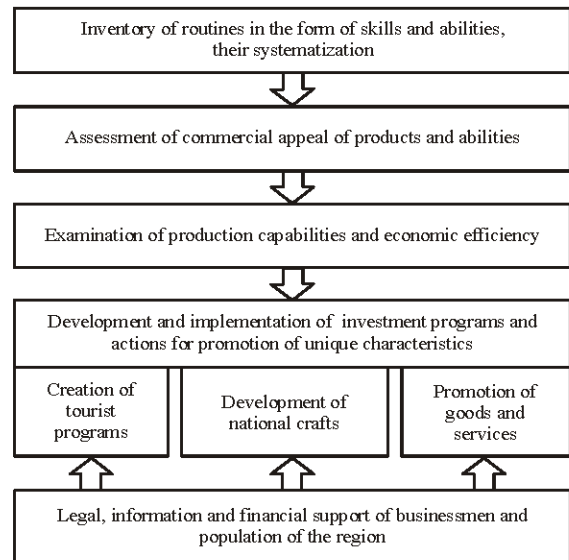


Fig. 1: Scheme of identification and promotion of unique characteristics of the region

It is an essential advantage before high-risk innovative activity. However, research of activity of the population and economic entities of different territories allows to note such fact. Many specific abilities and goods have unique and attractive characteristics. However their sales didn't become mass. In other words, they have a commercial potential, but it isn't realized.

Therefore marketing is faced by an important problem of promotion of services and goods from the seller to the buyer through identification and informing. Independent search for many producers turns into process with casual result as for purposeful marketing work there is no knowledge and resources. Authorities could give them some support. As they have an interest in increase of welfare of the population and filling of the regional budgets.

The scheme of promotion of unique products and skills is presented in Fig. 1.

According to the scheme it is necessary to carry out regularly inventory of routines and systematization of skills for formation of regional programs of support and promotion. It means obtaining answers to questions:

- What services are rendered better than in other regions?
- What products are the best in comparison with other regions?
- What products and services are unique and are made only in this territory?

It is possible to expect that similar support will get a wide response from businessmen and the population. Producers are interested as in intensive promotion of the goods and services and are ready to inform about them.

However, detection of potential commercially attractive abilities of the population requires active monitoring. Some of them were never considered from the point of view of commercial appeal. In what specifically they can be shown? In different aspects of private and cultural life: Someone are the good fisherman or the hunters, someone is the good conductor in natural places. Or there are experts in the field of national crafts as smiths or joiners who can make hand-made articles with high art value.

Also many settlements gain wide popularity thanks to the culinary achievements. For example, in Russia there are villages in which bake tasty pies and pancakes. They attract a big flow of tourists motorists. Similar inventory and the state support will help to plan points of development and to solve many social problems through creation of new workplaces and development of conditions for self-employment.

After monitoring each initiative (ability or a product) requires examination for determination of its potential economic efficiency and expediency of the state support. During it all important parameters of the investment project are estimated. It should be noted such positive moment: evolutionary development of traditional routines and skills in the form of commercial activity excludes unreasoned daydreaming and considers resource restrictions. It provides the most low-cost and economically effective schemes of business.

The combination of several commercially attractive skills and products for complex advance of the territory is represented important. It can be presented, for example, in the form of a tourist route on architectural and historical objects, with visit of craft workshops, sale of souvenirs and environmentally friendly food. The centralized advance and advertizing of such complex services with use of modern information technologies can become competitive advantage of the territory.

It is necessary to create the corresponding organizational and administrative mechanism of implementation of all marketing programs. It has to provide coordination of the enterprises, the population, financial institutions, supervisory authorities, etc. Also it has to provide legal support to all interested subjects of economic activity.

It is necessary to understand that the key role in territorial marketing is played by an administrative resource and the identity of the head of the region. Its efforts are defined by success of implementation of programs for advance of regional products and investment appeal of the territory.

Administrative activity of the head of the region also represents result of the correct use of routines. Ability to be built in a bureaucratic vertical, to agree with key figures in the imperious device, to develop the mechanism of successful

realization of an initiative through higher instances is result of use of the long-term traditions of the bureaucracy, based on the history and success of the mistakes.

## CONCLUSION

Conclusion of the study can be presented the following:

- The concept of evolution of economic systems through development of routines is the useful tool for research of regional processes
- For regional economic processes of routine are considered as ability to make a unique product or service with the minimum expenses. Important feature of routines is their evidence practice and predictability of result
- Marketing of territories is a useful tool to improve the image of the region, improving the quality of life and a necessary prerequisite for its strategic development
- Marketing of territories solves important problems of identification and advance of unique abilities and goods from the seller to the buyer
- Promotion of goods and services of the region requires efforts from authorities on identification, a combination and further support of businessmen. The purpose of this activity should be the ordering of the chaotic market forces of economic entities of the region in a unique complex product

It is represented that the offered recommendations will allow to increase efficiency of actions for advance of image of the territory and to make an important part of a strategy of the development of the subjects of regional economy.

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