

MARKETING AS THE CITY ECONOMIC SECURITY IMPROVEMENT TOOL

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ABSTRACT

Maintaining In article the problem of the city economic safety is considered. The city marketing is provided as the tool on attracting necessary economic resources for the current and strategic (innovative) city development. The problem resolution of innovative development is provided through application of cluster approach.

Methods In article general scientific research methods such as dialectic knowledge method, analysis and synthesis of the historic and empirical facts, search of causes and effect relationships, factorial analysis were used.

Results Recommendations about forming strategy of increasing the city economic safety by applying marketing technologies are formulated. Recommendations about promoting innovative activities using cluster approach are formulated. It is offered to strengthen development of city innovative and production clusters by a vigorous marketing activity. The basic principles of increasing the city economic safety, such as the successful marketing concept, balanced development of the market and public benefits (sectors) in the territory, promoting activities of local community through effective strategic management, development and program implementation of public and private partnership in the field of traditional and innovative business are revealed activity.

Discussion Currently optimum marketing strategy for the city is not revealed. The system of factors ensuring high the city economic safety is unique for each territory. Well-known positive influence of strategic management on a city economy, including using marketing technologies. It is proved that cluster approach, active support of innovative activities and effective marketing will allow to increase the city economic safety.

Closing statement Commercialization of innovative activities results and promoting interests of the city provides a marketing strategy. Combining various instruments of innovative and strategic planning is a basis of the modern city economic safety. Cluster approach to the organization of innovative social and economic system of the city will be most effectively realized by means of marketing technologies. The high the city economic safety as result is determined by such factor as successful implementation of the city marketing concept.

Key terms: innovation, marketing, economic safety, strategy

INTRODUCTION

Now relevance of the city economic safety research where economic activity of the population in modern conditions is generally realized increases. The the city economic safety is recently in many respects determined by efficiency of developing innovative processes, clusters and new points of growth, both in occupational sectors, and in service trade. On the other hand it is important to provide information support of these processes and to effectively attract the capital (investors) and other economic resources necessary for innovative development of the territory to the city. In external environment the concept The city

marketing is popular now – it is engaged in promoting interests of the city. Combination of innovative policy of the city and its marketing strategy is a first-priority and relevant task.

Many issues connected with forming the city marketing concept are already lit in literature. There is a successful experience of developing short-term and medium-term programs of social and economic development of the cities. General recommendations about forming of city innovative infrastructure are also known. The considerable section of researches is devoted to forming and developing territorial and production clusters in case of the cities and municipalities. Within these directions also problems of the balanced development of an urban environment are solved: providing conditions of rest for the population, its cultural, educational and intellectual development, construction of housing and other city infrastructure, promoting trade, financial and entertaining institutions, work of public authorities.

However, it is required to research a possibility of combining these theories. It is necessary to formulate practical recommendations for this purpose at the level of an urban environment. Research opens possibilities of application for the concept of marketing in strategy of increasing the city economic safety in the conditions of innovative economy and cluster development requirements.

METHODS

According to the dialectic method of knowledge all phenomena and events shall be considered in their development and interrelation. We understand The city marketing as a complex of the city community actions directed to identification and promotion of the interests for accomplishing specific social and economic development objectives of the city. In a broad sense this is interests promotion of the city.

For the first time the city marketing began to be mentioned in the American and British publications on town planning and municipal economic development in the 1970th. Specialists have for the first time paid attention to it as to one of the possible, potentially effective instruments of city development.

There are some monographs in which marketing of the territory became central theme. The first of them have appeared at the very end of the 1980th. The book by J. Bailey in which he describes marketing efforts of the cities (Bailey, 1990, p.164) is most interesting. J. Ashworth and H. Voogd's book in which they have used in sales terminology in relation to the city (Ashworth & Voogd, 1990, p.278) is also interesting. The world famous marketing specialist F.Kotler also conducted researches in the field of the city marketing (Kotler et al., 2002, p.232). C. Ward (Ward, 2004, p.197) generalized practice of the American and European cities marketing promotion in his works.

The most famous Russian city marketing specialist is Vizgalov D.V. who in the book "The city marketing" has developed classification of the Russian cities depending on specifics and format of the applied social and economic development strategy (Vizgalov, 2008, p.110).

The method of the factorial analysis consists in identification of influence degree (force) of factors on resulting activities effect. We will consider as the major factors providing the high level of the city economic safety in modern conditions innovative activities, cluster structure and the marketing concept. In literature systems of factors, their change in historical process, influence on general condition of an urban environment and economy structure (Gapsalamov, 2013, p. 1487) are rather fully described.

We understand such condition of an urban environment (set of private and government budgets) which is characterized by high welfare of inhabitants and accounting

entities and a possibility of the balanced development without prejudice to future generations as the city economic safety.

The method of statistical handling of the empirical data allows to determine dynamics, structure and ratio of the city economic safety indicators. Systems of indicators, various on classification, both at the level of national economy, and at the level of the region or the city (Ustyuzhna & Khusainova, 2013, p.101) are described. The structure of economic safety indicators can include gross city product, budget revenues and the populations', cost of the fixed business assets, the number of entrepreneurs, manpower structure, financial resources amount.

Now the city economic safety is determined not only by production or economic basis, but by system of management decisions implementation, its efficiency in promoting interests of the city. Innovative solutions and organization of the marketing efforts positioning the city as the special territory (cluster) favorable for accommodation and business can increase the city economic safety. It will provide inflow of investments and talented youth to the territory as a factor of innovative and social-and-economic development of the city. That is why it is important to consider interrelation of innovations, cluster approach and The city marketing in the context of its economic safety increase resolution problem.

Cluster – is consolidation of several uniform elements which can be considered as the independent unit possessing certain properties. The cluster basis – are subsystems, key of which is innovative, obtaining problem solving and reasons for competitive advantages. However, without effective information and communication mechanism between subsystems and a cluster and external environment in general stable functioning will be almost impossible to reach, the city will have no high competitiveness.

Clusters include firms and organizations connected by release of end products and geographical position. Such geographical proximity is considered as the place of accumulating "critical mass" of human capital, scientific, innovative and production potentials. Clusterization means need of finding methods and reasons for effective options of vertical and horizontal integration of the interconnected productions, transactions and products within a regional complex (Gambu, 1988, p.342).

A cluster approach founder to increasing regional competitiveness is Michael Porter. He has developed the system describing creation and maintenance of competitive advantage of the country in a certain industry or an industry cluster - a cluster. The scientist understands by an "industry cluster" a group of competitors who are making goods or services and directly competing among themselves (Porter & Kramer, 2006, p.78). The system of clusters will allow to concentrate efforts of the city management on the breakthrough directions of innovative development, and marketing strategy will allow to attract necessary resources to developing clusters.

RESULTS

For project implementation of the city cluster development it is necessary to carry out the analysis of all its inhabitants and organizations interests on the basis of long-term development strategy. One of such analysis tools is the choice of priorities for development and their implementation in the city marketing. The city marketing allows to build information and communication relations in a cluster and in external environment, subordinated to tasks of innovative process, allowing to reduce innovative risk, to provide sale of innovative product, to attract venture capital, to provide the state support, to create necessary subject structure of a cluster.

In our research it is necessary to consider general interaction of the territory clusterization process and carrying out The city marketing for ensuring efficiency of this process. The city marketing in itself cannot create material wealth which is created on the basis of the traditional production factors use realized in a cluster: land, work, equity, knowledge and entrepreneurial capabilities (Solvell et al., 2003, p.11). In our opinion, promoting the marketing concept of the city development without binding to potential (cluster) production is pointless.

Of course in the presence of an attractive niche (tourism, unique sights, environmentally friendly accommodation conditions, developed financial and business image) certain cities can be engaged in marketing without emphasis on goods production. However, you should not forget that in the conditions of wealth creation sources lack in the country, The city marketing will not allow to attract sufficient resources to developing economy, especially its innovative component.

Combination of the city marketing concept and cluster approach can take place on the basis of the general target group choice: investors, tourists, potential inhabitants, third-party influence groups. If to understand as a main objective of cluster profit the earning and growth in prosperity of the population by performing competitive production and social conditions of accommodation, training and work, then The city marketing is urged to help the solution of production, investment, cultural, social and political tasks of a cluster functioning (Anholt, 2005, p.94).

The city marketing as the instrument of attraction and deduction of the best inhabitants and qualified personnel is also capable to solve the staffing problem of an innovative cluster subsystem. In modern conditions of fast innovative changes the marketing activity also shall be adjusted to adequate enhancement of the city image, support of those interests which will be able to provide competitive development of a cluster.

In the conditions of increase in information flows, the city marketing as the information management tool allows to increase efficiency of work use and the equity. Moreover, it allows to unite local community for achieving single purpose, and respectively there is a certain social capital which seldom can be measured financially, but provides the high cost of image of the created cluster.

In this regard, as well as the management activity in general, the city marketing, differs from production of goods in the mechanism of capitalization which can be property of all the cluster participants unlike material benefits, the property rights to which can be only at the specific economic actor.

In this context scientific activities and creativity constitute the intrinsic characteristic and the city marketing and modern production within the created cluster. The city marketing shall provide investment attraction for developing science and production by creative and unique method allowing to allocate the city and to make it popular for attraction of information and financial flows (Ashworth & Kavaratzis, 2010, p.25).

Task of each cluster, along with ensuring innovative, highly profitable production, is ensuring resource base for implementation of effective marketing strategy allowing to fill up cluster resources for accomplishment of its main objectives. The information and communication system of the city marketing shall promote the decision above the described tasks. Implementation of a state policy in the field of fundamental science and national production support is also important for successful development of clusters in Russia.

DISCUSSION

Nowadays specifics of the existing stage of the world economy development shows that new knowledge becomes practically directly available to each person. Moreover,

economic actors deeply exchange knowledge, and economic system efficiency directly depends on that knowledge. New information technologies repeatedly accelerate processes of knowledge sharing and as a result allow to provide a leading role of innovative processes in activities of the modern entities. An important role is played by qualification of modern personnel, its capability to use modern information technologies (Vasilev & Tuktarova, 2014, p.1849). The state policy on providing the effective competitive information environment allowing to cooperate and exchange knowledge and experience (Vasilyev, 2015, p.888) is also important.

These tasks most fully and with the minimum expenses decide within cluster approach to the organization of an economic system where all stages of innovative process from generation of ideas, before their mass production of goods and sale, including the solution of social and communicative problems are provided. The Indian city of Bangalore can be the most popular example where the cluster on information technologies and the American "Silicon Valley" which is the center of breakthrough innovations commercialization in the sphere of high technologies is created.

The special attention shall be paid to conditions under which growth of economy on the basis of innovations, as well as to the factors promoting activity of innovative processes is possible. Developed countries have understood that in this century innovations become a basis of not just economy progress, but the fundamental science as one of strategic components of the whole society development at all levels and capability to commercialize results of scientific developments (Osadchy & Akhmetshin, 2015, p.1013). The problem of the Russian economy is that proportions of innovative development factors implementation and scientific component get no due attention.

There is a number of conditions under which growth of economy on the basis of innovations is possible. Analyzing the numerous points of view of the economists, it is possible to allocate the following conditions of innovative economy growth:

- Excess to qualified personnel.
- Fixed expenses on education.
- Availability of the private (venture) equity.
- Internal demand.
- International backgrounds.
- Openness of economy.
- Development of clusters and creation of competitive advantages.

In modern conditions of economies globalization the competition between separate companies, regions and countries amplifies. However, as the world practice shows, the independent and isolated use of industry and regional competitive advantages by the separate entity for gaining commodity markets and equities is represented impossible. Therefore participants of the market aim at cooperation among themselves and cooperation with the state, science and public.

Such consolidation various on functions and subordination of structures, naturally or artificially created, allows to achieve high competitiveness on the basis of joint implementation of innovations, performance improvement of work and reaching a synergy effect within an economic cluster. The city marketing will allow to increase overall performance of a cluster by attracting necessary resources and developing cooperation (sales) network.

CONCLUSIONS AND RECOMMENDATIONS

Thus, for improvement of economic safety of the cities it is necessary to concentrate activities of authorities on such directions as:

- development of fundamental science and innovative infrastructure;
- state financial support of innovative projects;
- forming stable regulatory framework in the field of innovative and investing activities;
- implementation of insurance system and investments protection;
- development of investment cooperation with financial institutions;
- development of information system servicing the investing programs.

The effect gained from application of marketing approach can be expressed in the following

- increase of competitiveness,
- development of the new types of products,
- growth of products volume sales in the domestic and foreign market,
- increase in profit and average monthly salary,
- increase of comfort and life quality in the territory.

For acceleration of innovative processes in the city it is necessary to take the following actions:

- improvement of financial condition of the entities;
- development of holdings or concerns;
- strengthening of small and medium scale enterprises interaction;
- creation of equal conditions and opportunities for economic actors;
- increase in a role and increase of the status of associations and public organizations.
- As tasks for each city within implementation of marketing approach serves the following:
 - development of the city competitiveness assessment technique;
 - development of the city innovative development assessment technique;
 - identification of innovative activity points in the city;
 - development of the entrepreneurs and innovators support mechanism.

SUMMARY

Public dialogue between the state, business and the population is necessary. It will allow to provide the persons making decisions with reliable information about the processes happening in economy to estimate productivity of the made decisions and implementable measures, as well as to create the effective communication policy reducing social tension. In this regard application of scientific concepts such as marketing or cluster approach is a necessary condition of the city high economic safety. More specific practical recommendations about promoting interests of the city, developing innovative activities, creating territorial and production clusters, enhancing general social and economic structure shall be formulated after in-depth and careful study of the territory features.

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