Implementation of content analysis in assessment of business attractiveness of regions of Volga Federal district.

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Abstract –**This paper contains the description of a method which assesses business attractiveness of a region based on the content analysis of the analytical publications. The analysis resulted in the qualitative assessment of the business environment and revealed issues that impede further development of small and middle-sized businesses in certain regions.**

Keywords – attractiveness, content analysis, business environment, qualitative assessment, business, entrepreneurship, small and middle size businesses (SMB).

I. INTRODUCTION

Business attractiveness is a set of necessary conditions to attract small and middle size businesses and facilitate their development in a region affecting its economic and social development. Proper support of SMB has an influence on the majority of key indicators of regional social and economic development such as the employment rate, gross regional product, the income level of the population, tax revenues of the region, retail trade turnover etc. Objective realities of well-functioning economies of developed countries identify the need for accurate and timely assessments of the indicators listed above. One of the realities is a structural refocusing towards the private sector, in particular, creation of favorable environment for development of SMB. Rising competition among regions for investment flows to the sector of SMB created high demand in the leverage power for regions in enhancing its business attractiveness. Thus, assessment and creation of favorable business climate becomes a relevant issue in both theoretical and practical aspects.

II. THE STATUS OF THE ISSUE

According to the data from the Federal Statistics Service (Rosstat), as of 2016, the share of small and middle size businesses in the GDP is 20%. However, this share is significantly larger in developed countries. Thus, the creation of supportive investment climate and substantial improvements in conditions of business attractiveness in order to increase the flow of businesses become the strategic goals of all regions of the Russian Federation.

That is why, various conditions and perspectives of business attractiveness are offered by regions enabling them to compete for it. The main goal is to attract the maximum number of influential businesses. They exploit resources and potential of the region as well as take advantages of instruments in the economy and politics. Regions have to reap their full potential effectively to attract and retain businesses.

III. LITERATURE REVIEW

Business attractiveness is a key element of building the market economy. That is why, so many authors (C. Jean-Pierre [1], N. Marzieh, V. Thierry [2], S. Samik [3]) refer to this definition in their papers. However, proper study of business attractiveness should cover a number of aspects. I. Lock, P. Seele [4], E. Khan, M. Quaddus [5] consider business attractiveness through the assessment of business environment by the mean of content analysis. Conducted research in the field of theoretical aspects of content analysis for the assessment of business attractiveness can be found in the studies of L. Hadas, A. Stachowiak, P. Cyplik [6].

The main issue is the lack of consensus with respect to assessment methodology of business attractiveness due to the

sharp differences in institutional conditions of regions. However, it is generally agreed that the results of assessments can serve as a key indicator of regional development, provided it was applied in accordance with the proper assessment methodology. Limited awareness in the field of business attractiveness research can hinder possibilities of intensive development of SMB due to the research of J. Belas, P. Bartos, J. Habanik [7] and R. Sadyrtdinov, M. Korablev, S. Vladimirova [8].

IV. RESEARCH METHODOLOGY

Business attractiveness of the Republic of Tatarstan, Samara region and Saratov region were analyzed as research subjects.

The following research implements content analysis for the authoritative analysis of the federal business magazines, which consider issues of business attractiveness of the above listed regions.

The content analysis was conducted on the basis of 4 publications on the business attractiveness of the Republic of Tatarstan, Samara region and Saratov region from 2014 to 2016. The number of characters is issued as a unit of count. The following publications act as sources of content analysis:

1. "Kommersant Daily Newspaper" – Russian daily newspaper covering social and political fields with the focus on the business sector. The newspaper is the key source of business and political news in the Russian information space.

2. "Forbes Russia" – the news portal on economics and business.

3. "RBK daily" – the leading internet source of daily analytical information on business issues with the target audience of business people.

4. Business newspaper "Vzglyad" – the news portal aimed at timely publication of newsworthy events in business.

The following characteristics of the Republic of Tatarstan were issued as semantic units:

- Business support
- Barriers for business
- Business problems
- Business ranking
- Labor market
- Business competition
- Tax burden
- Business loans
- Technology parks/ Business incubators
- Solvency of the population
- Protection of entrepreneurs' rights

V. EMPIRICAL RESEARCH: KEY RESULTS

Results of the conducted content analysis of the regions based on the 4 publications are set out in the summary tables. The summary table of the results of content analysis of business attractiveness of the Republic of Tatarstan is provided below as an example.

TABLE I. SUMMARY TABLE OF THE RESULTS OF CONTENT ANALYSIS OF BUSINESS ATTRACTIVENESS OF THE REPUBLIC OF TATARSTAN (THE RT) IN 2016.

Characteristic	Positive	Neutral	Negative	In total	%
Business attractiveness of the RT	38264	3683	11687	53634	9.4087
Business support in the RT	71333	17080	16910	105323	**18.48**
Barriers for business in the RT	12679	4527	43313	60519	10.617
Business problems in the RT	53936	3241	38394	95571	**16.766**
Business ranking of the RT	35928	3269	18253	57450	**10.08**
Labor market of the RT	13924	5150	11823	30897	5.42
Business competition in the RT	12169	6226	8202	26597	4.6658
Tax burden in the RT	2531	1085	9155	12771	2.2404
Business loans in the RT	43655	9026	37176	89857	**15.76**
Technology Parks/ Business incubators of the RT	34856	2569	0	37425	6.5653
Solvency of the population of the RT	11376	8083	13755	33214	5.8266
Protection of entrepreneurs' rights in the RT	0	2589	18642	21231	3.7244
In total	**319275**	**55856**	**194913**	**570044**	100

The results of the content analysis in 2016 are the following: the number of positive rating has risen from 49% to 56% as evidenced by results of table 2. Characteristics such as barriers for business, tax burden, solvency of the population and protection of entrepreneurs' rights obtained the highest number of adverse assessments.

TABLE II. THE COEFFICIENT FACTOR OF POSITIVE ASSESSMENTS FROM 2014 TO 2016 IN THE REPUBLIC OF TATARSTAN.

	2014	2015	2016	In total
Number of characters	264144	279369	319275	862788
%	**30.614647**	**32.379848**	**37.005505**	100

The adverse assessment of perception of business environment development on the Republic of Tatarstan in 2013 and 2014 constituted 39% and 44% of the studied publications correspondingly. In 2016, the result was at the level of 34%.

A relatively small upcoming trend in the business environment development was observed due to the similar analysis conducted for Samara region.

TABLE III.   SUMMARY TABLE OF THE RESULTS OF CONTENT ANALYSIS OF BUSINESS ATTRACTIVENESS OF SAMARA REGION (SMRR) IN 2016.

Characteristic	Positive	Neutral	Negative	In total	%
Business attractiveness of SMRr	28402	5008	33218	66628	**10.69**
Business support in SMRr	57621	11485	25419	94525	**15.17**
Barriers for business in SMRr	0	13451	24569	38020	6.102
Business problems in SMRr	45326	9715	99541	154582	**24.81**
Business ranking of SMRr	24569	0	49562	74131	**11.89**
Labor market of SMRr	4523	10251	15497	30271	4.85
Business competition in SMRr	4341	6254	11225	21820	3.50
Tax burden in SMRr	7164	5124	18426	30714	4.93
Business loans in SMRr	34765	5875	17657	58297	**9.35**
Technology Parks/ Business incubators of SMRr	31231	5203	4532	40966	6.57
Solvency of the population of SMRr	456	4580	5643	10679	1.71
Protection of entrepreneurs' rights in SMRr	2354	0	0	2354	0.37
In total	**240752**	**76946**	**305289**	**622987**	100

In comparison with 2015, the number of adverse assessments in Samara region decreased in 2016. However, key issues, such as barriers for business, high business competition, tax burden of the region, remain influential.

TABLE IV.   THE COEFFICIENT FACTOR OF POSITIVE ASSESSMENTS FROM 2014 TO 2016 IN SAMARA REGION.

	2014	2015	2016	In total
Number of characters	280463	19510	240752	716323
%	**39.153159**	**27.237422**	**33.609419**	100

Business attractiveness in Samara region in 2014 constituted 36%, in 2015 – 28% and in 2016 – 38%. Adverse assessments in 2014 constituted 53% in 2014, 60% in 2015 and 49% in 2016.

The rise of positive assessments of the development of business environment of Samara region is noticeable. The trend demonstrates the rise in the level of business attractiveness of the region (Table 4).

TABLE V.   SUMMARY TABLE OF THE RESULTS OF CONTENT ANALYSIS OF BUSINESS ATTRACTIVENESS OF THE SARATOV REGION (SRTR) IN 2016.

Characteristic	Positive	Neutral	Negative	In total	%
Business attractiveness of SRTr	9834	0	41234	51068	**12.25**
Business support in SRTr	1930	5498	18651	26079	**6.25**
Barriers for business in SRTr	897	0	0	897	0.21
Business problems in SRTr	0	9659	129848	139507	**33.46**
Business ranking of SRTr	10371	0	39836	50207	**12.04**
Labor market of SRTr	2765	7937	19681	30383	7.28
Business competition in SRTr	1034	871	3811	5716	1.37
Tax burden in SRTr	5410	7413	13082	25905	6.21
Business loans in SRTr	9540	11606	17999	39145	**9.39**
Technology Parks/ Business incubators of SRTr	15320	6432	4519	26271	6.30
Solvency of the population of SRTr	873	2276	6983	10132	2.43
Protection of entrepreneurs' rights in SRtr	1030	3095	7439	11564	2.77
In total	**59004**	**54787**	**303083**	**416874**	100

The analysis of Saratov region demonstrates existing adverse assessment towards the development of business environment of the region and is proven by the following results: 60% - in 2014, 72% - in 2015 and 68% - in 2016.

TABLE VI.   THE COEFFICIENT FACTOR OF POSITIVE ASSESSMENTS FROM 2014 TO 2016 IN SARATOV REGION.

	2014	2015	2016	In total
Number of characters	47340	53331	59004	159676
%	**29.648561**	**33.399322**	**36.952117**	100

On the other hand, the percent of positive assessments has risen in Saratov region from 14% in 2014 to 16% in 2015 and to 18% - in 2016.

According to the conducted content analysis, business attractiveness of the Republic of Tatarstan, Samara region and Saratov region demonstrated an upcoming trend in 2016 in comparison with 2014 and 2015. The following factors have an effect on the results: stabilization of the economic and political situation, improvement in the major macroeconomic indicators, decline in volatility of national currencies, the enlarged volume of subsidies for small and middle-sized businesses and developed infrastructure. At the same time, 2014 and 2015 were considered crisis years for the whole economy and small and middle-sized businesses in particular. However, the share of positive assessments is relatively larger in the studied publications.

VI.   CONCLUSION

The conducted analysis of the content identified the rise of positive perception of the developments in the business environment in the studied regions.

External support from the regional governments is essential for the further development of SMB and as a result the economy in general. Governmental support can be provided by means of consultancy and methodological assistance as well as financial support and support in the forms of property. Moreover, the support should be objectively considered and aimed at stimulation rather than regulation. For further support of SMB sustainable development, constant monitoring of business attractiveness is essential. The monitoring should be based on the analysis of quantitative indicators, as well as qualitative indicators such as perception

of business climate of SMB, which was analyzed in this article.

The conducted analysis demonstrates only one third of the possible level of positive assessments in the regions, which indicates the absence of any rise of effectiveness of business attractiveness developments. The statement is supported by the absence of the solutions for the long-standing issues such as:

• excessive preferences towards large businesses in the frames of conducting regional economic policy;

• substantial administrative barriers

• high tax burden on SMB

• limited access to financial resources

• limited number of highly qualified personnel in the sector

The assessment of the solutions effectiveness should be complex and comprise quantitative and qualitative aspects. Proper assessment of business attractiveness will help to reveal major structural drawbacks of regional economies and build a competent governmental policy towards their reduction.

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