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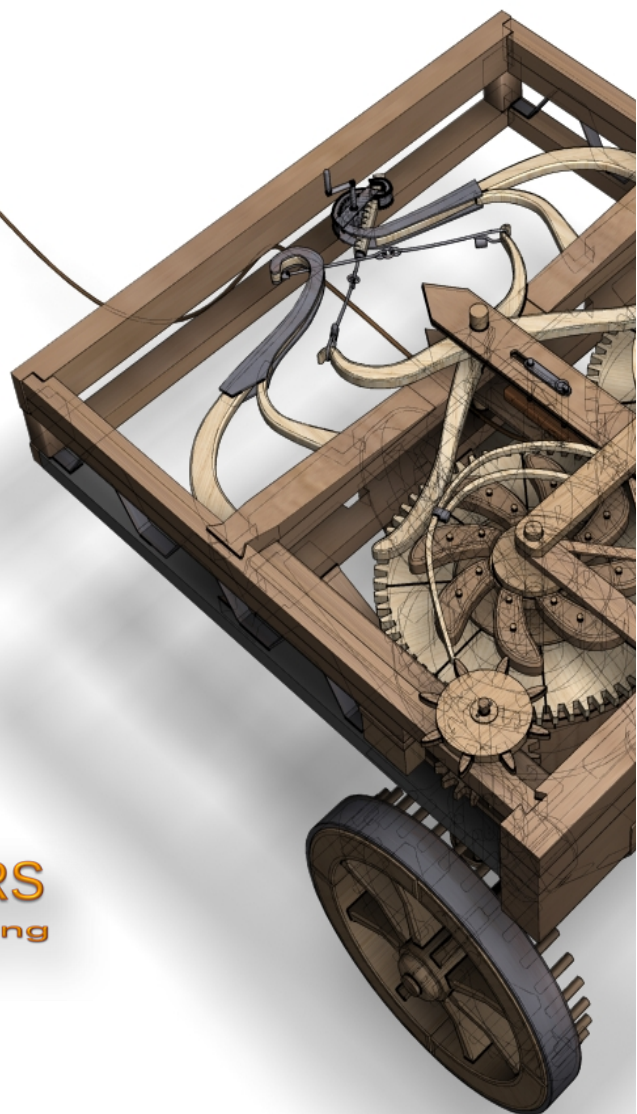
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Call for Papers Fall Issues 2017

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Applications of the Concept of Territorial Marketing in Forming and Implementing Competitive Advantages for Tourist Areas

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Abstract:

This paper analyzes the use of territorial marketing in forming and implementing competitive advantages of tourist areas in the Republic of Altai. It provides the definition of a tourist area as well as its general and specific features. It also considers the directions of implementing competitive advantages of a tourist area.

The influence of the natural potential of the Altai Republic on the development of different kinds of tourism is shown. The structure of a territorial tourist product of the Altai Republic is offered; the emphasis is placed on the development of active kinds of tourism (sports and hunting, mountain-skiing, recreation). The mechanism of brand formation and building of an area and a territorial tourist brand in six directions is specified.

Keywords: tourist, territorial marketing, competitive advantages, product, territorial tourist brand

JEL Classification: L83; M31

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Introduction

Nowadays, developing a competitive economy is one of the key objectives not only at the federal level, but at a regional level as well. Modern economic theory states that an economy's competitiveness is determined by growth across its respective sectors, separate economic entities or a set of entities. Therefore, the regions of the Russian Federation actively search for points of growth, ways, and mechanisms facilitating competitiveness of regional economies including revision of industry specialization.

For the Russian economy at large, and for its regions, tourism is one of new priorities for economic development. Currently there are a number of regions specializing in tourism in the Russian Federation, which means that these regions specialize in the organization of domestic and international tourism. The Republic of Altai is one such region. The region represents an area with high recreational potential, which determines the need for tourist specialization as a basis for regional economic growth. At the same time, tourist specialization necessitates a highly developed tourist and recreational complex in the region. At present, the Republic of Altai is not particularly competitive on a large scale; it competes in the tourist market only with other similar tourist areas (Altai Territory, Khakassiya, Buryatiya, and some other regions). To increase the region's level of competitiveness, it is necessary to hasten the process of developing a tourist and recreational complex in this area.

At the same time, the issue of making the region competitive in tourist specialization has thus far received insufficient research and procedural foundation (Sotiriadis 2017). Therefore, the Russian regions specializing in granting tourist services face a problem of defining the competitive advantages that promote the development of a competitive regional economy, building an effective system of growth which would enable strengthening of market positions of each regional organization of tourist industries separately and promote further development of a tourist territory as a whole. These circumstances have defined the choice of a research theme and its rationale.

1. Methods

The purpose of this research is working out theoretical and methodological provisions of developing a region's competitiveness in tourist specialization and mapping out proposals on improving competitiveness. The subject of the research is administrative relations arising over the course of formatting and developing the region's competitiveness in tourist specialization. The object of the research is to determine the best strategy to leverage the Republic of Altai's natural economic resources to increase the region's competitiveness in the tourist industry, and to apply the example of the Republic of Altai as a model for the development of other regional economic systems across Russia.

A comprehensive approach to studying the problems of regulating the economic development of the region, a complex economic analysis, and mathematic modeling make up the methodological and methodical framework of the research. The authors of the research draw on Russian and international theoretical and methodological insights in the fields of organization and management, marketing, regional economics, as well as on tourism management organizations and materials and recommendations of scientific conferences, symposiums and seminars. This paper utilizes the official standard-legal documentation on management of a regional economy and tourism as a branch of the economy, the data and materials from international organizations and the Federal State Statistic Service; publications and the analytical data given by the Ministry of Economic Development and Tourism of the Altai Republic; surveys, observations, and the conclusions of the authors received from marketing research of a tourist sphere of the Altai Republic.

2. Results

In this work the authors received the following scientific results:

1. According to the offered theoretical and methodological approach of creating competitiveness of the region with tourist specialization, competitiveness of the tourist region is defined not by sector-specific factors but by the condition of a tourist and recreational complex (TRC) which acts as a source of competitiveness, and also by the factors of its development, a demand for its services, and a presence of related and supporting branches in the region.

2. The stage of development of a TRC defines the level of competitiveness of a region with tourist specialization and, accordingly, the forms and methods of state regulation of its increase by means of using the factors of economic, organizational, and informational character.

3. The Republic of Altai as a region with tourist specialization at the present stage of its development has sufficient sources of competitiveness for forming the competitive advantages meeting a high competitive status. However, the existing condition of factors of competitiveness does not promote a process of transformation of resources into competitive advantages.

4. Competitiveness of the Altai Republic as a tourist region can be provided on the basis of the following competitive advantages: variety of tourist products; recognition of a tourist brand – the Altai Republic; the price of a regional tourist product; and safety of rest and tourist travel. The TRC of the Altai Republic at the present time is at the transition stage - from conception to growth. For further successful development of the region as an area with tourist specialization it is necessary to have an active influence of the state on the TRC for the formation of competitive advantages.

5. The regulation mechanism assumes interconnected actions of authorities of the Altai Republic on tourism infrastructure development, attraction of investors, carrying out active information work in the tourist market, solution of personnel problems of enterprises of the tourist industry of the region which will increase competitiveness of the Altai Republic as a region with tourist specialization and will foster the transition of its TRC to a maturity stage.

3. Discussion

In modern economic conditions, maintaining competitiveness in any national territorial subdivision requires an effective system of measures for developing the territory, increasing the appeal of territorial products and services based on market demand, and pursuing possibilities for selling regional products and services, *i.e.* in territorial marketing (Felicetti 2017). At the present time, the concept of territorial marketing has gained widespread currency in the sphere of tourism. In this case, the tourist territory becomes an object of marketing research (Castilhos, Dolbec and Veresiu 2017, Jamhawi and Hajahjah 2017).

A territory (from the Latin *territorium*) is broadly “a space of the earth, internal and coastal waters with certain borders, for example, a city territory, a state territory” (the Dictionary of Foreign Words, 1964). In the Explanatory Dictionary of the Russian Language, V. Dahl defines a territory as “an extent and a vast space of the state” (Dahl, n. d.)

It is necessary to notice that the economic essence of the category “territory” is considered through frameworks such as social and economic geography, regional and municipal economy, world economics and territorial marketing.

A tourist territory is a kind of complex tourist resource – a geographically defined area with a cluster of the most valuable tourist resources, and also the objects of tourist interest that are allocated to a tourist region in cadastres and in other kinds of documentation, including a mode of priority target functioning and tourism development (Glossary of Tourismology).

In the above-given definition, a tourist territory is considered to be a part of a tourist region. However, in our opinion, it is not absolutely true, as a tourist region can be itself considered as a tourist territory. In this sense, Chudnovsky (2007) notes that “a tourist region is understood as an area with clear-cut borders, possessing objects of tourist interest and offering a set of services that satisfies the requirements of tourists, which promotes the growth of social and economic processes supporting the livelihoods of a population defined by how it is regionally situated in the system of a territorial and public division of labor.

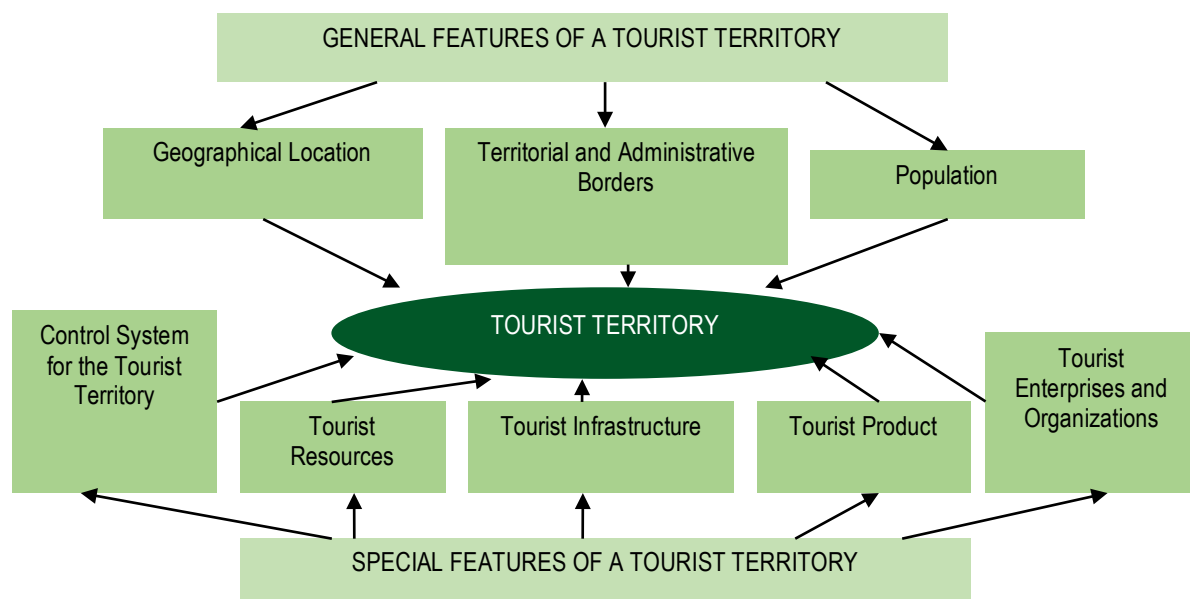
In the authors' opinion, a tourist territory is endowed with certain features:

- *first*, a tourist territory is a product (a territorial tourist product) which it is necessary to form, while taking into account the needs/desires of consumers in the area, and to advance in the markets of tourist services;
- *second*, a tourist territory can be considered as an administrative unit, which functions within the limits of the national, regional and local laws and has a corresponding structure of governing bodies;

- *third*, a tourist territory represents a geographical space possessing a certain potential resource (natural, cultural and historic, labor, informational, financial, etc.);
- *fourth*, a tourist territory is a place both where tourists rest and where a local population constantly resides.

Therefore, based on the aforementioned characteristics, according to the authors of this article, it is possible to isolate special features of a tourist territory: availability of tourist resources, tourist infrastructure, tourist enterprises and the organizations providing tourist services, availability of a tourist product, and a control system for a tourist area (Figure 1).

Figure 1. General and special features of a tourist territory (Kuttubaeva 2015)

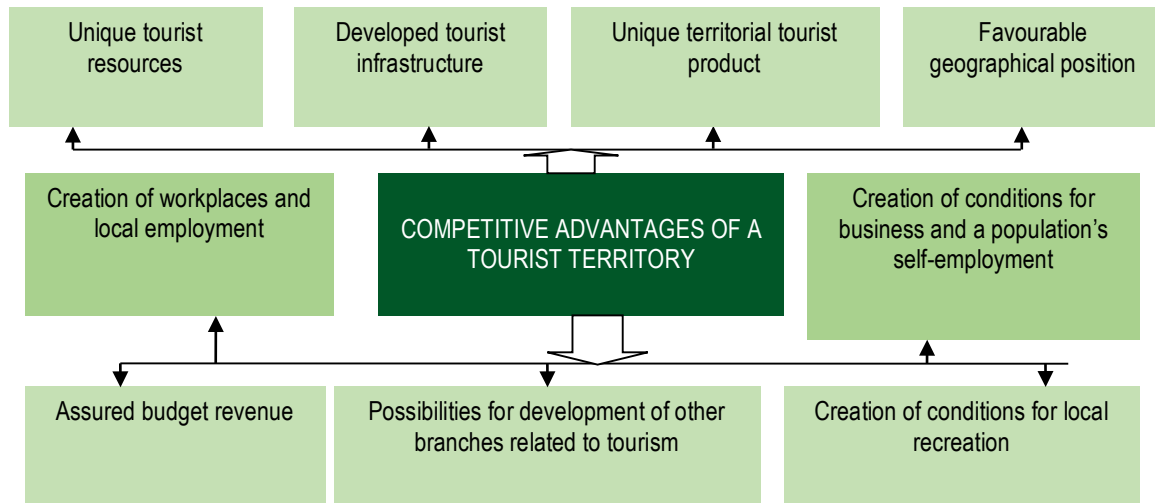


Today, such territories are often analyzed from the point of view of territorial marketing. Sachuk (2009) notes that “territorial marketing is a number of technical methods, skills, and actions, the implementation of which will allow one to successfully “sell” to prospective customers, such as the concrete characteristics of a territory (an area’s convenience, special resources, objects with cultural heritage that make the area more attractive for visiting, and other characteristics of the territory)”.

Vazhenina (2013) suggests approaching territory analysis from the standpoint of relationship marketing and considers that “a territory as a commodity is, first of all, a special, complex, multifaceted value due to its many different uses for consumers of the territory. The territory’s consumers interact in various ways, and the territory in this case appears to be a unique object of consumption characterized by a general totality of material and non-material qualities which, once apprehended by the consumers, form a basis for the satisfaction of their needs”.

From the standpoint of territorial marketing, in the authors’ opinion, any area including a tourist area can be considered as a market product purposefully formed by a community and can therefore be placed in the tourist market. Crucial here is the successful development of a territory’s competitive advantages through the effective utilization of unique tourist resources (Bull 1991). The basic directions of the formation and implementation of competitive territorial advantages for tourism are presented in Figure 2.

Figure 2. Formation and implementation of competitive advantages in a tourist territory



As illustrated in Figure 2, the major competitive advantages of a tourist territory can take the form of unique tourist resources, a developed system of tourist infrastructure, a favorable economic and geographic position, and/or a unique territorial tourist product.

In turn, the implementation of competitive advantages can lead to positive consequences for the territory's development, for several reasons. First, the development of tourism, the creation of tourist enterprises in the area, and an increase in the number of tourists can boost the area revenue. Second, the development of tourist business will lead to the creation of new workplaces, which provide more employment for the population of the area. Third, creating conditions for developing tourism in the area can motivate the population towards self-employment and the promotion of entrepreneurship. Fourth, tourism development promotes the development of other economic sectors which are necessary for the tourist sphere. And finally, the sites created for tourism's infrastructure (tourist attractions, hotels, camps) can be used for local recreation (Bryson 1995, Ezeala-Harrison 1999, Fagerberg 1996).

At the present time tourism is one of the few major sectors in the Altai Republic on the rise, even turning into one of the leading strategic branches of the economy. Tourist potential becomes an important precondition for the development of a tourism sphere in the region (Shvakov and Dutova 2014).

One main component of tourist potential for the area, which defines the possibilities of developing various kinds of tourism, is the region's natural resources, including: the specific geographic location, orographic and environmental conditions, and the medicinal, biological, and water resources of the area.

The features of the territory's geographic position are defined by the size of the territory, its distance from the centre, the number of transport highways, etc. The Republic of Altai is located in the southeast of Western Siberia, in the centre of Eurasia. The southern edge of the Republic borders Kazakhstan, China, and Mongolia. In the east it borders the Republics of Khakassia and Tyva, in the west – the Altai Territory, in the north – the Kemerovo region. Its total area comprises 92,6 thousand sq. km. (1,8% of the territory of the Siberian Federal District; 0,5% of the Russian Federation). The length of the region from north to south is more than 350 km, and its width from west to east is 400 km. Its remoteness from the central regions of the country, the low availability of transportation, and the region's near-border position influence the cost of the territory's tourist product, the composition of incoming tourist groups, and the conditions for visiting separate tourist objects.

The availability and characteristics of natural resources in the Republic provide a chance to develop various kinds of tourism capable of meeting the demands of a considerable quantity of consumers. The existence of balneal and mud resources, combined with local environmental conditions, creates a basis for developing tourism aimed at the improvement of health. The Republic of Altai, due to its geographic characteristics, is a region where it is possible to pursue any kind of sport tourism, from the first to the sixth category of difficulty. Orographic and

environmental conditions in the region are favorable for developing opportunities for mountain skiing, which can mitigate the effects of decrease in tourism outside the high season. Natural resources also provide potential for developing ecological tourism, water tourism, mountaineering, *etc.* (Gazukina 2016).

The positive and negative influences of the Altai Republic's natural strengths and weaknesses on the development of different kinds of tourism are presented in Table 1.

Table 1. Influence of Strengths and Weaknesses of Natural Resources on the Development of Different Kinds of Tourism in the Altai Republic (Shvakov 2010)

STRENGTHS	WEAKNESSES
Influence of natural resources useful for tourism in the territory	
<ul style="list-style-type: none"> a variety of landscapes, along with the climatic and alpine climatic zones, enable the development of different kinds of tourism; the availability of unique natural objects (Teletskoye Lake, Mount Belukha, Ukok Plateau, <i>etc.</i>) provides high tourist appeal; the variety of biological resources - plant and animal life, especially in the areas with rare and endemic kinds of plants and animals, and especially valuable herbs – create new possibilities for developing certain kinds of tourism; the availability of balneal, mud, and climatic resources forms a basis for developing health-improving tourism; the status of some areas in the Altai Republic as a site included in the World Heritage list of UNESCO, "Altai – Golden Mountains," as well as specially protected areas and natural complexes promotes these areas' recreational and ecological appeal; the availability of various water resources (rivers, lakes, glaciers) creates possibilities for development of water and sport tourism and organization of sport competitions at the Russian and international levels. 	<ul style="list-style-type: none"> the decrease in ecological safety of the most popular tourist sites of the Republic and, as a consequence, the loss of their recreational appeal (the banks of the Katun River, Karakolsky and Shavlinsky lakes, <i>etc.</i>); the unregulated and uncontrolled use of the natural sites, which are under protection of the state, for commercial purposes reduces recreational appeal of these sites; climate change (periodically cold summer months, winters with little snow) leads to a stronger seasonal factor and a subsequent decrease in the flow of tourists; the remoteness of the Altai Republic from the country's major economic centers and the difficulty of accessing transportation in the region, especially with respect to some attractive tourist sites, increase the cost of any tourist product and reduce the level of tourist interest.

The development of tourism is directly defined by a number of enterprises providing tourist services. Shifts in quantity of the enterprises providing tourist services in the Altai Republic are presented in Table 2.

Table 2. Shifts in Quantity of Enterprises Providing Tourist Services in the Altai Republic

Factor	2008	2009	2010	2011	2012	2013	2014	2015
Total number of enterprises providing tourist services	558	570	585	615	680	714	793	800
Number of places for visitors' accommodation at tourist sites	8,150	8,500	8,800	9,350	11,450	11,705	16,960*	18,804*
Number of places for year-round accommodation of guests	3,100	3,200	3,500	3,800	4,450	-	-	10,073*

Note: * taking into account rural "green" houses. At the time of writing data for 2016-2017 is not available.

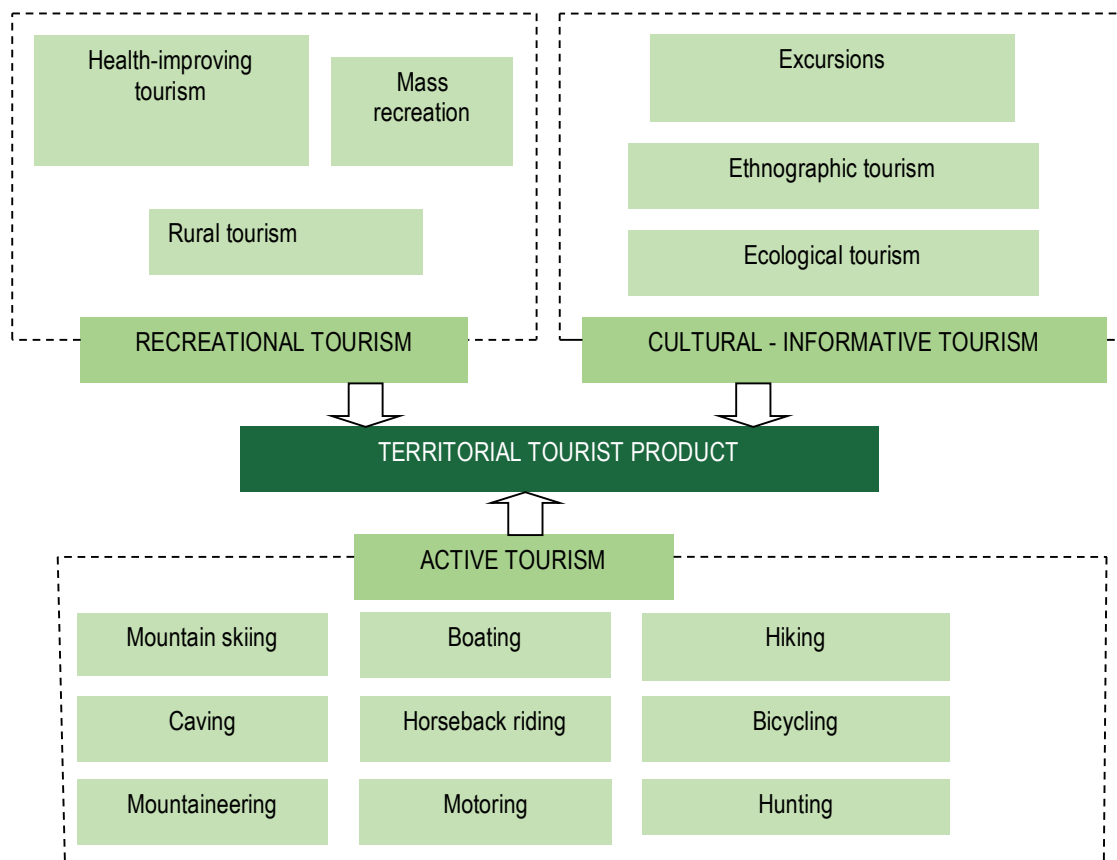
The total number of functional tourist sites in the region grows every year. Thus, according to Table 2, it is seen that between 2008 - 2015 the number of tourist sites increased by 242 units. At the present time the Republic has about 280 enterprises providing accommodation services, which host about 1.3 million planned tourists for a season. Furthermore, the enterprises have considerably expanded guestroom stock at the expense of comfortable accommodation areas.

Areas of leisure and entertainment are also included when quantifying tourist infrastructure. Establishments for culture and art can be considered examples of these objects. The region is represented by 379 such institutions, among which there are 163 libraries, 190 various types of clubs, 13 educational art institutions, and 12 republican culture and art establishments. Moreover, constructions and establishments for sport are also referred to as objects of leisure.

As has been noted at the beginning of the paper, the main objective of a marketing strategy for advancing the Altai Republic as a tourist area is the development of competitive advantages. The major directions of marketing strategy for this advancement should take forms such as the development of a territorial tourist product; the enhancement of the economic, organizational and informational mechanisms of regulating the development of a tourist territory; the formation and advancement of a territorial tourist brand; the creation of a communication policy of advancement of the Altai Republic as a tourist area.

We offer the following structure of a territorial tourist product for the Altai Republic (Figure 3).

Figure 3. Functional structure of a territorial tourist product for the Altai Republic



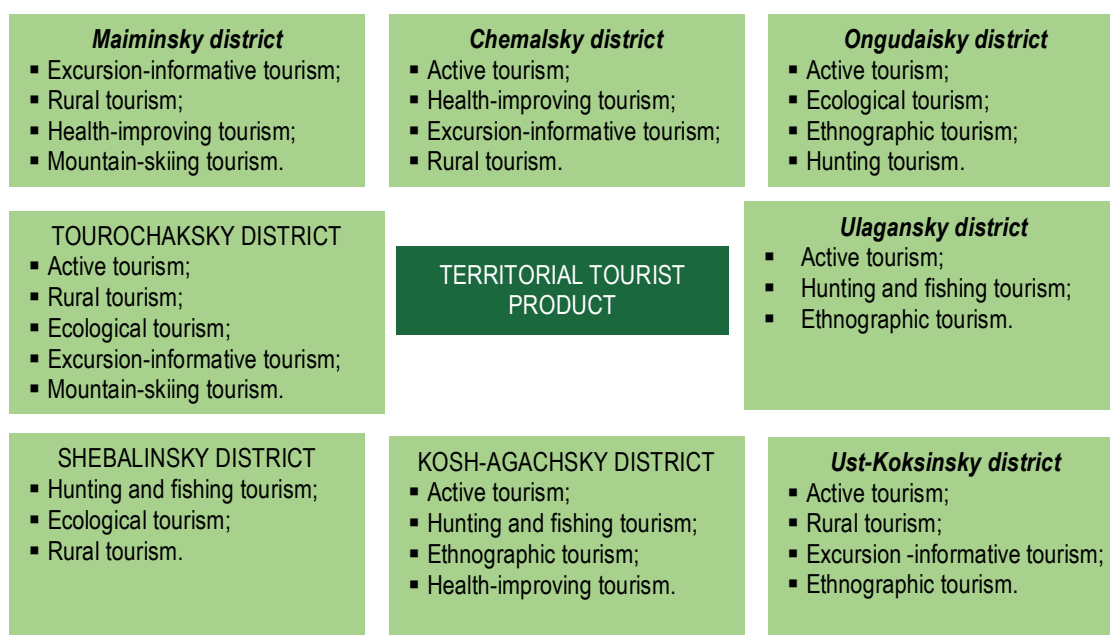
As is seen from Figure 3, in the Altai Republic the functional structure of a territorial tourist product would include the following kinds of tourism:

- cultural-informative tourism with the following tracks: informative excursions, ethnographic tourism, and ecological tourism;
- active tourism with the following tracks: boating, hiking, horseback riding, bicycling, motoring, mountaineering, caving, mountain skiing, and hunting;
- recreational tourism with the following tracks: mass recreation, rural tourism, and health-improving tourism.

The functional structure of a territorial tourist product is determined by such kinds of tourism that develop or can develop in the natural environmental and climatic conditions of the Altai Republic. Thus a tourist interest can be built through a combination in the tourist products of different kinds of tourism offered by tour operators, for example: rural tourism when coupled with ethno-informative tourism and health-improving tourism combined with excursion-informative programs.

The geographic structure of a territorial tourist product (Figure 4) depends on the following factors: accessibility and affinity of a site to transportation and electricity, availability of well-known and attractive tourist sites, availability and development of objects of a tourist infrastructure etc. Thus, some kinds of tourism have become more popular in the following municipal areas of the Republic with a highly-developed infrastructure: in Maiminsky, Chemalsky, and Tourochaksky districts. In a southern part of the Republic, in Ust-Koksinsky, Ongudaisky, and Kosh-Agachsky districts, availability of a unique natural environment attracts certain groups of tourists, despite the lack of comfortable tourist destinations and absence of a developed infrastructure.

Figure 4. Geographic structure of a territorial tourist product of the Altai Republic



The existing conditions for the development of culturally-informative tourism in the region are a considerable number of natural, historical, and archaeological monuments, a folklore heritage, national fests, traditions, customs, etc.

The preconditions for the development of excursion-informative tourism, the first track of cultural-informative tourism, are availability of unique natural objects, the objects of cultural-historical and archaeological value, etc. In modern conditions the basic problems of development of excursion-informative tourism in the Altai Republic are the following:

- identical excursion programs offered by the tourist enterprises;
- lack of highly qualified tour guides having knowledge and skills of methodical development of excursions;
- poor quality of excursion service.

The second track of culturally-informative tourism is ethnographic tourism. The primary forms of this kind of tourism can be named the following: religious-pilgrimage, ethno-eventful, and ethno-informative. The potential of an ethnographic kind of tourism is rather considerable. Thus, a considerable number of archaeological monuments, historical and cultural monuments, sites of the natural boundaries of Pazyryk and the Ukok Plateau (the burial place of the "Altai princess"), Ulala ancient encampment, petroglyphs of "Kalbak-Tash," and various traditions, customs,

and ceremonies of the peoples make up only some of the potential for developing ethno-informative tourism. The backbone for developing ethno-eventful tourism serves a rich folklore heritage of the peoples residing in the Republic, such as national festivals, for example, El-Oiyn (Folk Games), Chaga-Bairam (New Year), Tylgayak (Farewell to Winter) and others. Growth prospects of religious-pilgrim tourism are high, considering the influx of tourism focused on Altai shamanism has considerably increased.

The second kind of tourism included into the functional structure of a territorial tourist product is active tourism - tourism using active kinds of travel on foot, on skis, by bicycle, on horseback, etc.

The key districts of the Altai Republic where it is possible to develop almost all kinds of active tourism are the following: Kosh-Agachsky, Ulagansky, Ongudaisky, Chemsalsky, Ust-Koksinsky, and Tourochaksky districts.

Republic of Altai, unlike other regions of Russia, possesses the greatest conditions for developing active tourism of all varieties; therefore, active tourism should become one of the essential components of the Altai Republic's tourist brand.

Maiminsky, Tourochaksky, Choisky, and Chemsalsky districts are characterized by the greatest recreational potential. The territory of these areas is rich with potential for recreational development. These areas are known for a considerable number of tourist camps and a high level of development of tourist infrastructure. Other areas of the Republic possess a recreational potential, however they suffer from less convenient transport accessibility and extremely poor development of tourist infrastructure.

One of the possible methods for creating a more appealing, competitive, and qualitative tourist product could be the system of territorial tourist routes which can go between different territories but can also stay within one territory.

The creation of routes that would provide a greater flow of tourists to the major tourist sites would really promote more comprehensive and rational use of tourist resources and national assets as well as natural and cultural heritage. It is necessary to draw up the guidelines and specifications stating:

- The creation initiative;
- The procedure of detailed development and tourist project expertise in the areas and districts adjoining tourist routes;
- The level and approval process;
- The status and priorities including the possibilities of getting real preferences in the form of financial grants, attraction of investments, a favorable investment climate, crediting the work on reconstructing and building the tourist, sports, and cultural objects providing passage of such routes;
- Regulatory methods and quality control techniques (certification, technical approval, reporting).
- Promotion of a regional tourist product in domestic and international markets including support from outside regional authorities;
- Reliability index system for estimating the efficiency of such routes from a position of profitability and population employment.

The routes of the areas should be worked out on the initiative of the enterprises in the sphere of tourism or public organizations according to the principles of rational use of tourist resources and objects of natural and cultural heritage of the national level. The route should pass the stages of the tourist expertise and certification at a competition stage in accordance with the established procedure.

A regional status is conferred to a tourist route by the governmental order and gives the right to receive financial aid, investment and tax privileges, credits under target programs of development of tourism, and state support of advancement of a tourist product in the domestic and international markets. The inclusion of tourist routes in the Tourist Services Registry guarantees the quality and reliability of services.

In our opinion, the creation of such a functional structure of a territorial tourist product is not sufficient for advancement of the Altai Republic as a tourist area. It is necessary to actively promote the created territorial tourist product in the Russian, as well as the international market. Formation and advancement of a brand of the area is a basis for brand positioning in the territorial marketing.

A territory brand is a set of unique qualities, eternal universal human values reflecting individuality, unique original consumer characteristics of the given territory, and widely known communities which received a social recognition and have a stable demand of consumers of the given territory (Vazhenina 2013).

It is possible to single out the following characteristics of a territorial brand:

- *First*, a territorial brand is an image of the area caused by natural, historical, social, and cultural features of the area;
- *Second*, a territorial brand is a level of a consumer's subjective assessment of a value of this area on the basis of positive associations;
- *Third*, a territorial brand is a guarantee to provide consumers with certain territorial goods and services according to their demands and wishes;
- *Fourth*, a territorial brand is a major factor for competitive advantages of the area. (Ghimire 1997).

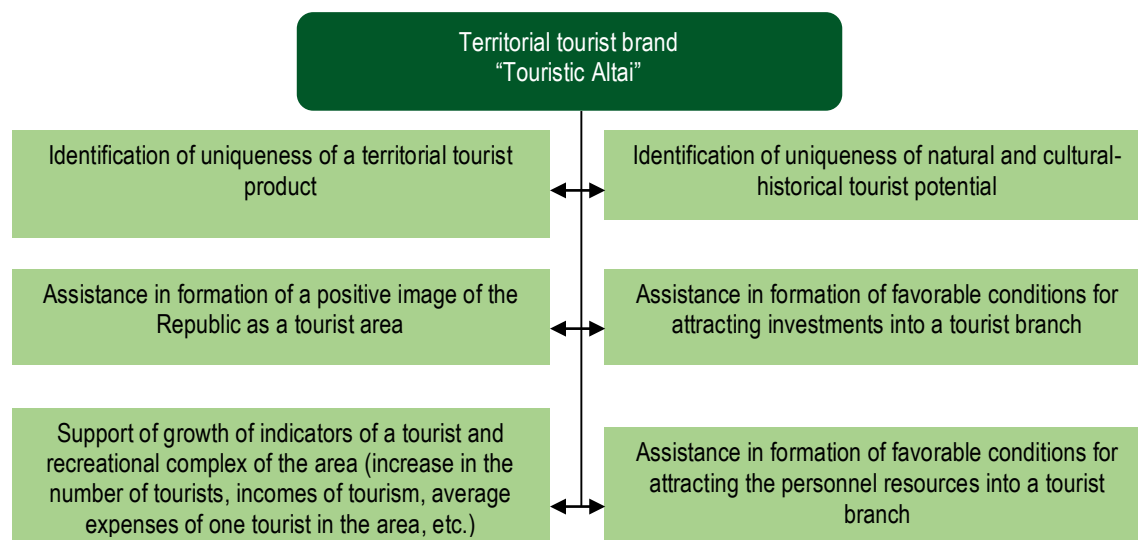
Thus, a territorial brand can be defined as a symbolic or figurative representation of the information connected with the given area in consumers' minds. On the basis of such perceived information, a brand identity of an area is formed which allows one to distinguish this area from other areas. Uniqueness and originality should be at the heart of the programs on formation and advancement of a territorial brand, as they will form in a potential consumer a belief that there is no other similar area or its objects and characteristics.

Brands of a tourist area can be the territory name, architectural, natural, and archaeological sites and monuments; unique animals, birds, and plants; national, sports, and cultural events; indigenous cultures from the past and the present; traditional arts and crafts; ethnic cuisine and national dishes; national suits and their elements, etc. (Savchenko 2015).

As previously noted, the Republic of Altai has its own brand (a trademark of "Gorny Altai" which means "Mountainous Altai"); however, it doesn't fully reveal the Republic as a tourist area. Therefore, there remains the question of creating a tourist brand of the Republic of Altai. Creation, advancement, and development of a territorial brand "Touristic Gorny Altai" can become one of such brandings.

The primary goals of creating a territorial tourist brand of the Altai Republic are presented in Figure 5.

Figure 5. Primary goals of creating a territorial tourist brand of the Altai Republic



The concept of brands is the most effective marketing tool which allows one to provide the maximum appeal and popularity of an area and demonstrate its rich tourist potential (Goodstein 1993, Gordon 1993, Van Lier and Taylor 1993). In the framework of the umbrella approach (Krajnović, Bosna and Jašić 2013), a parent brand "Touristic Gorny Altai" should be supplemented and supported by other brands which can reflect the types of tourism, large-scale projects of a tourist and recreational type, and the brands on the basis of a natural, cultural,

and historic potential of the Republic, etc. Figure 6 and Table 3 show the examples of brands on whose basis, according to the authors, it is possible to generate an umbrella brand of the Altai Republic.

Figure 6. Structure of an umbrella brand “Touristic Gorny Altai”

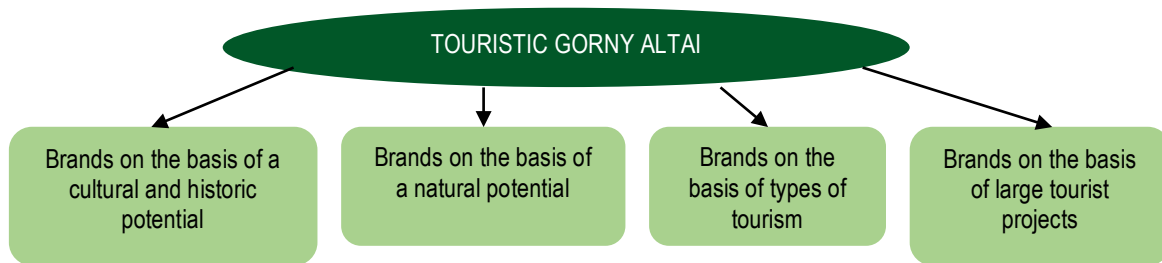
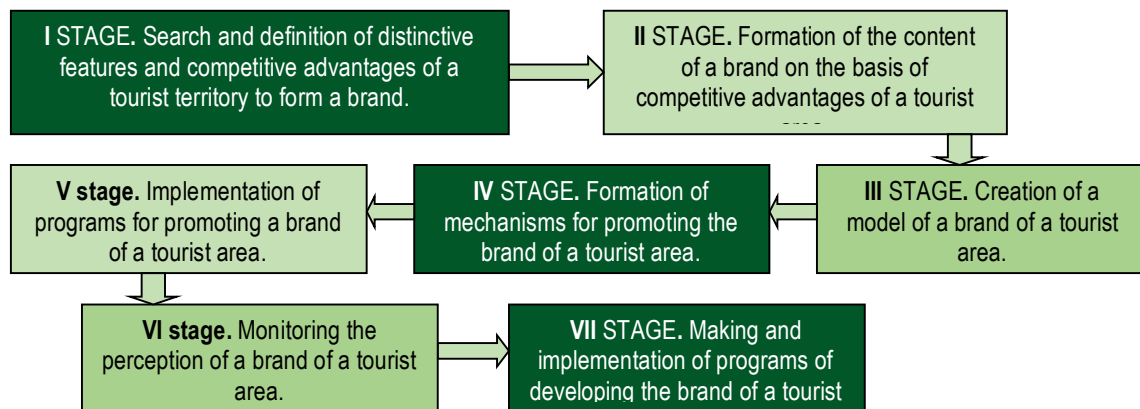


Table 3. Umbrella Brand “Touristic Gorny Altai”

Brands on the basis of types of tourism	Brands on the basis of large-scale tourist and recreational projects	Brands on the basis of natural and cultural-historic potential of the Republic
<ul style="list-style-type: none"> ▪ “Educational Gorny Altai” - educational tourism; ▪ “Active Gorny Altai” - active tourism; ▪ “El-Ojyn” - event tourism; ▪ “Winter Gorny Altai” – winter tourism. 	<ul style="list-style-type: none"> ▪ Special economic zone of a tourist and recreational type “Altai Valley”; ▪ Mountain-skiing complex “Manzherok”; ▪ Mountain-skiing complex “Kukuya”. 	<ul style="list-style-type: none"> ▪ Petroglyphs of Kalbak-Tash; ▪ The “Maaday-Kara” epic; ▪ Barrows of “Pazyryk”; ▪ The princess of “Ukok”; ▪ “Golden Lake” - Teletskoye Lake; ▪ Mount Belukha – a gem of Altai.

The mechanism of formation and promotion of a territorial tourist brand is presented in Figure 7.

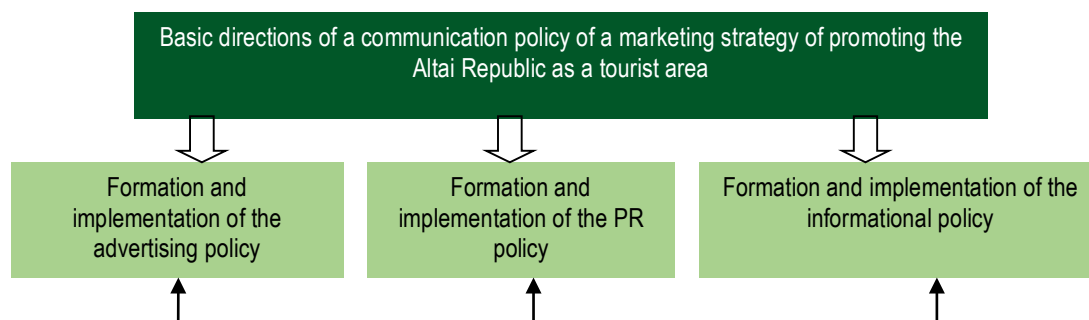
Figure 7. Mechanism of Formation and Advancement of a Territorial Tourist Brand



The important element of a marketing strategy in promoting the Altai Republic as a tourist area is formation of a communication policy as a mechanism of a strategic marketing of the area. The basic directions of a communication policy assume working out the actions for the following directions (Figure 8):

- Formation and implementation of the advertising policy;
- Formation and implementation of the PR-policy;
- Formation and implementation of the informational policy.

Figure 8. Basic directions of the communication policy of a marketing strategy in promoting the Altai Republic as a tourist region



According to Figure 8, all three directions of the communication policy of promoting a tourist area are closely interconnected with each other, and the results of implementation of one direction can be used when carrying out the actions of other directions. Thus, a basis for all three directions of the communication policy of promoting a tourist area is the informational policy, which creates the informational foundation necessary for working out the advertising and PR policies.

Conclusion

Competitiveness of a tourist region is defined not by sector-specific factors, but by a condition of a tourist and recreational complex (TRC), that acts as a competitiveness source, as well as by the factors of its development, a demand for its services, and availability of related and supporting branches in the region. In the development of the suggested theoretical and methodological approach the sources of competitiveness of the Altai Republic as a region with a tourist specialization could be uncovered for the first time. These sources include the following parameters of a tourist and recreational complex of the region: availability of attractive natural historic and cultural sites, favorable natural climatic conditions, and the possibility to develop more than ten kinds of tourism. The factors of competitiveness of the Altai Republic are defined and grouped in the study. Competitive advantages of the Altai Republic as a region with a tourist specialization are established on the basis of the SWOT-analysis of the parameters of a TRC of the region and the factors of its development. The following aspects are suggested to be accepted as the parameters of a TRC: a variety of a tourist products; availability of unique tourist attractions appealing to tourists; the price of a regional tourist product; and the safety of traveling within the Republic of Altai.

Based on the analysis of the development of tourism in the Altai Republic a developmental stage of a tourist and recreational complex of the Altai Republic and the level of competitiveness of the region's economy are defined for the first time. A range of problems of the Altai Republic as a tourist region is outlined in the study. Their solution is a condition for providing competitiveness of the region and increase of its level.

The measures for improving the mechanism of increasing the level of competitiveness of the Altai Republic as a region with a tourist specialization are offered above. At the heart of these measures is a methodological approach, which interconnects the TRC parameters as a competitiveness source and competitiveness factors influencing them and forming competitive advantages of the region with a tourist specialization. The directions for using the factors of competitiveness are explained, and a list of economic, organizational, and informational actions are given. These actions will promote the transformation of the sources of competitiveness into competitive advantages and consequently will increase the competitiveness of the economy of the Altai Republic.

On the whole, the implementation of these actions using the framework of the major directions of a marketing strategy to promote the Republic of Altai as a tourist area will lead to a higher level of competitiveness for the Altai Republic. In particular, these activities will allow optimization of tourist flow to the Republic in order to increase the overall economy within the republic; to use available resources (material, labor, financial, and investment) rationally; and to form a territorial tourist product based on recognition of a brand and a positive image of the Altai Republic in the market of tourist services. This will finally lead to the positioning of the Republic of Altai as a tourist destination.

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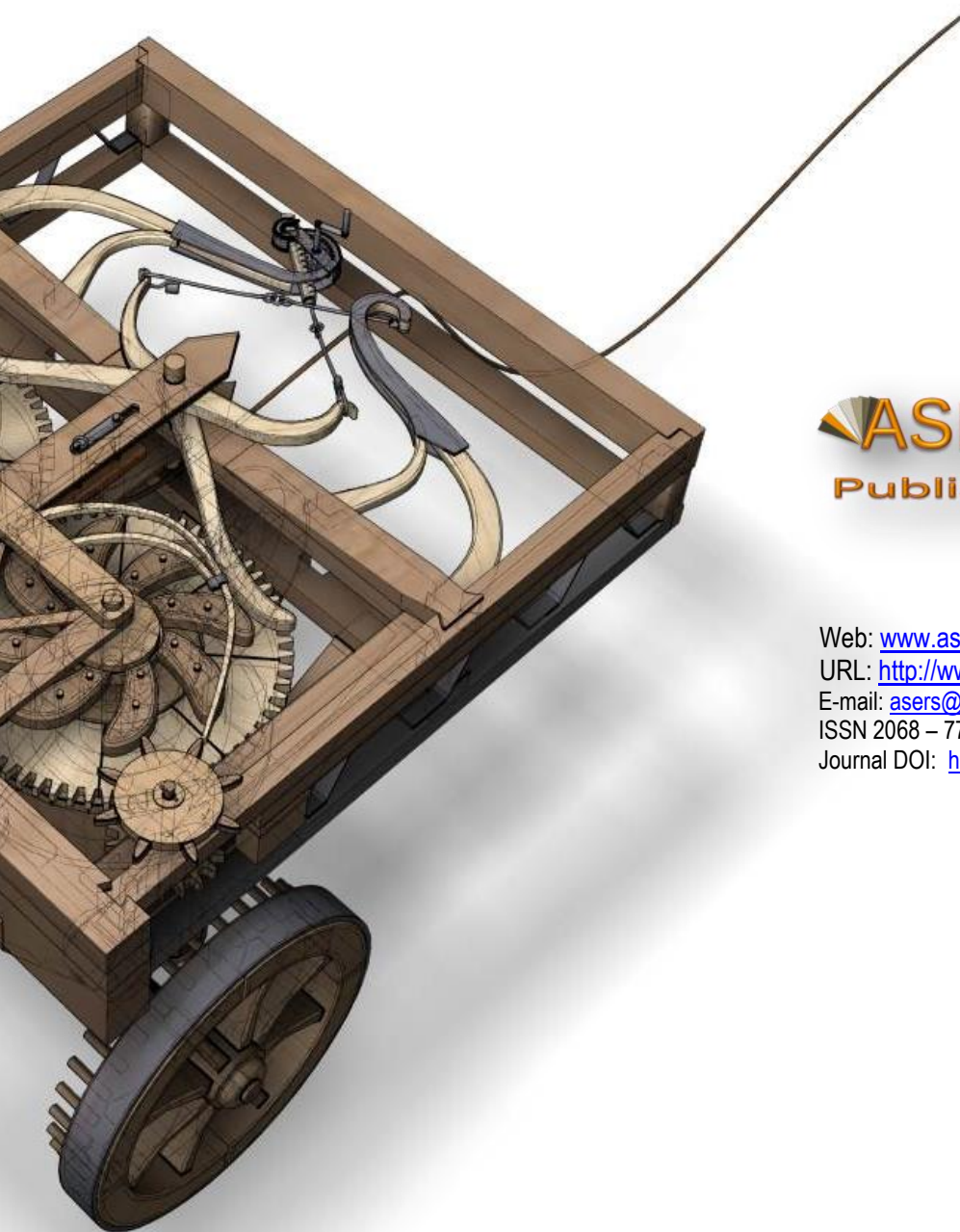
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