

Ensuring the Competitiveness of the Tourist Product of the Kaliningrad Region as Part of the Strategy Cross-Border Cooperation

Lyudmila V. Semenova ^{1*}, Natalia A. Zaitseva ², Valentin S. Korneevets ¹, Irina I. Dragileva ¹

¹ Immanuel Kant Baltic Federal University, RUSSIA

² Plekhanov Russian University of Economics, RUSSIA

Received 7 July 2017 • Revised 5 September 2017 • Accepted 4 October 2017

ABSTRACT

The relevance of the research topic consists in the high dynamics and unpredictability of the factors that influence the development of tourism within cross-border cooperation. Because of the sanctions implementation against the Russian Federation, the number of cross-border cooperation projects has decreased, which has led to a decrease in the integrated tourist product competitiveness of neighboring territories. Thanks to the package implementation of state support measures for domestic tourism, this sector of the economy is developing steadily towards the Kaliningrad region due to the attraction of Russian tourists. However, the international potential of the region is practically not involved. Therefore, the study of the prospects for cross-border cooperation of the region with the countries of Europe is extremely important. To study these issues, the authors of the article used methods of economic-statistical and factor analysis, economic and mathematical modeling. As a result of the research, scientific and theoretical approaches to the definition of the essence of the notion of "competitiveness" were summarized and its features were substantiated in relation to the regional tourist product. The modern indicators of the competitiveness of the regional tourist product of the Kaliningrad region are determined; problems with ensuring its competitiveness are justified. A model is designed to ensure the competitiveness of the tourism product in the strategy of cross-border cooperation, which can be applied not only in relation to such projects in the Kaliningrad region, but also in other areas of the Russian Federation or other countries.

Keywords: competitiveness, tourism product, Kaliningrad region, cross-border cooperation, strategy

INTRODUCTION

Cross-border cooperation projects are relevant in all countries that have developed economic relations with neighboring territories. The implementation of such projects allows to co-operate the resources of border areas, increasing their competitiveness [1, 2]. At the same time, there are many different approaches to what is considered a product competitiveness, services, both at the regional level and at the level of individual enterprises [3, 4, 5].

The study of competitiveness issues allows to analyze and assess the market condition of any objects; it is an information base for participants in market relations (sellers, buyers, competitors, public authorities, investors, etc.), about the current situation in the market, in the region, in the country). When defining the notion of "competitiveness", as an economic category, the following questions need to be considered: which components of the economic system possess a property of competitiveness? How does this property relate to other, already known

© **Authors.** Terms and conditions of Creative Commons Attribution 4.0 International (CC BY 4.0) apply.

* **Correspondence:** Lyudmila V. Semenova, *Department of Social and Cultural Service and Tourism, Immanuel Kant Baltic Federal University, Russia.*

✉ lsemenova@mail.ru

Table 1. Approaches to the definition of the term “competitiveness”

Author	The interpretation of the concept
Safiullin, N. Z., Safiullin L. N. (2008) [6]	Competitiveness is the possession of properties that create advantages for the subject of economic competition, and these properties can pertain to different subjects of competition - to types of products, to enterprises (commodity producers), to industries, and, finally, to countries
Svetunkov, S. G. (1997) [18]	Competitiveness is the property of an object that has a certain share of the corresponding market, which characterizes the conformity degree of technical, functional, economic, organizational and other object characteristics to the requirements of consumers, determines the market share belonging to this object and hindersexists redistribute this market in favor of other projects.
Vasilyeva, Z. A. (2006) [7]	Competitiveness is understood as the ability to outstrip others by using their advantages in achieving their goals.
Dulisova, I. L. (2017) [19]	Competitiveness is a property of an object, which characterizes the degree of satisfaction of a specific need, compared with the best similar objects presented in a given market or competitiveness - the ability to withstand competition in comparison with similar objects in a particular market.

properties of economic objects? In which situations is it advisable to take into account competitiveness? What is the range of tasks that need to be addressed in the process of analyzing the competitiveness of economic entities? What are the methods and means of solving problems related to the competitiveness of economic entities?

N. Z. Safiullin and L. N. Safiullin [6] regard competitiveness as a combination of certain properties that create advantages for the subject of economic competition. According to Z.A. Vasilyeva [7], competitiveness is related to the ability to outstrip others by using their advantages in achieving the goals set.

The authors of this article have made it their aim to study the factors influencing the competitiveness of the tourism product in relation to the Kaliningrad region. At the same time, they considered the projects implemented within the framework of the cross-border cooperation strategy. All this became the basis for developing a model for ensuring the competitiveness of the tourist product of the Kaliningrad region within the strategy of cross-border cooperation [8].

Unfortunately, negative changes in world politics, the introduction of sanctions against the Russian Federation could not but affect the development of cross-border cooperation projects between the regions of the Russian Federation and neighboring countries. The negative consequences of these events have already been reflected in a number of scientific publications.

At the same time, the development of tourism is a process that is difficult to stop. With the socio-economic efficiency of cross-border cooperation projects, border areas have forms of collaboration and cooperation that contribute to the influx of tourists in the cross-border region, increase its competitiveness [9, 10]. Therefore, it is so important to develop a scientific justification and define measures to ensure the competitiveness of the tourist product of the Kaliningrad region within the cross-border cooperation strategy.

RESEARCH METHODOLOGY

The methodological basis of this study is the works of scientists who studied the essence of cross-border cooperation, including its features in the Russian Federation, such as A. P. Klemeshev, G. M. Fedorov & A. G. Manakov [11], N. F. Ogneva [12], A. A. Savosina [13], K. V. Verkholtantseva [14], E. G. Kropinova [15], T. Studzieniecki & T. Palmowski [16], L. Vardomsky [17], et al. For the analysis of existing cross-border cooperation projects and trends of their further development, the authors of the article have used methods of economic-statistical and factor analysis, economic and mathematical modeling. Application of these methods allowed to develop a model to ensure the competitiveness of the tourism product of cross-border cooperation strategy and justify the conclusion on the issues and trends of Kaliningrad region cross-border cooperation the neighboring countries.

LITERATURE REVIEW

Scientists researching the issues of competitiveness note in their works that there is no universal definition of the term “competitiveness”, since everything depends on the object to which it relates, the properties of the economic entity that ensure the gain in competition. Theoretical study of the concept of “competitiveness” uses approaches based on its commodity component, internal and external activities of the enterprise, etc. **Table 1** lists the main interpretations of the concept of “competitiveness” (**Table 1**).

It should be noted that the analysis of publications related to competitiveness issues revealed that, despite its significance and universality, this concept has a rather contradictory interpretation. As a rule, the authors focus on the subject of research connected with the term of competitiveness.

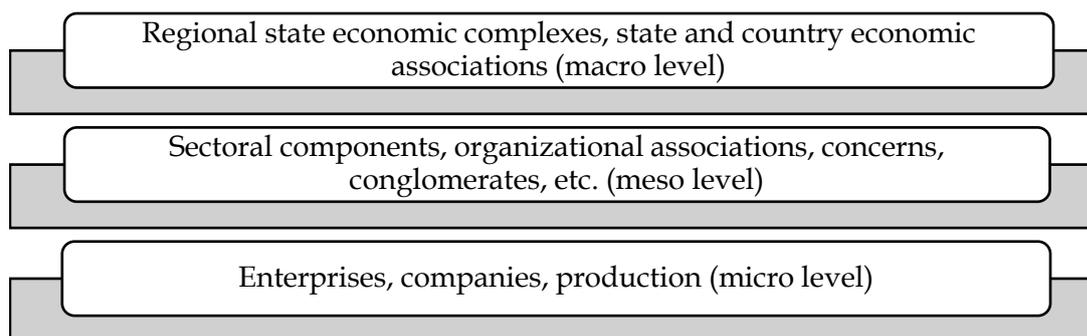


Figure 1. Grouping objects competitiveness assessment of managing levels

The subject of study in this article is the regional tourist product - tourist product of the Kaliningrad region, which is formed as part of the cross-border cooperation strategy.

According to E.G. Kropinova [15] border tourist regions of different countries often act competitors in the international market of tourist services. This is due to geographical proximity, have similar natural conditions, there are situations when they have similar historical and cultural attractions. Thus the border areas can have common objects (bays, lakes, rivers, islands and peninsulas), which increases the competitiveness in cases forming conjoint travel products – sea and river cruises, cycling route etc. Thus, a transboundary region as a whole has competitive advantages over similar regions that do not participate in cooperation with foreign neighbors. However, the effectiveness of the competitive advantages use in many ways depends on how the strategy is implemented in these areas of cross-border cooperation.

RESULTS

The Generalization of Scientific and Methodological Approaches to Defining the Concept Essence of “The Tourism Product Competitiveness, Implemented within Cross-Border Cooperation Strategy”

According to the results of the scientific contemporary work study connected to the issues of competitiveness it can be noted that the most common is the following enlarged grouping competitiveness evaluation of objects, depending on the nature of the object (**Figure 1**).

Thus, under the competitiveness of the industry (the region) we can understand their ability to produce goods and services to meet the requirements of international and domestic markets, and create conditions for the growth potential of the industry competitiveness (region) based on the basic macro-technologies (organization of production with high added value, with a high level of processing depth, with high scientific and technical potentials). Many factors influence the competitiveness of regional product, including producers of similar goods and services or substitute products. These factors are of particular relevance when enterprises located on the border territories of neighboring countries act as competitors.

From the above mentioned we can give the following definition of “competitiveness of tourism product, implemented within cross-border cooperation strategy” - the ability of the regional tourist product of border areas to compete with other regional tourist products having similar basic consumer characteristics to meet current and future tourists needs.

Assessment of the Status and Problems of the Tourist Product Development in the Kaliningrad Region

The development of tourism in the Kaliningrad region is one of the priority areas of the regional economic development strategy. After the abolition in 2016 in accordance with the WTO requirements of a number of economic preferences, which the region had previously enjoyed, the Kaliningrad region became the second Russian region in terms of the volume of federal subsidies [20]. At the same time in 2017, they are used for co-financing of priority national projects - in the amount of 255.8 million rubles [21]. These funds will go to support projects in the field of waste management and elimination of accumulated environmental damage in the amount of 155.3 million rubles, to support state and municipal programs for the formation of a modern urban environment - 98 million rubles, to support the arrangement of places for mass recreation of the population (city parks) [22]. Improving the infrastructure of Kaliningrad and the Kaliningrad region will enhance the attractiveness of the region as a tourist

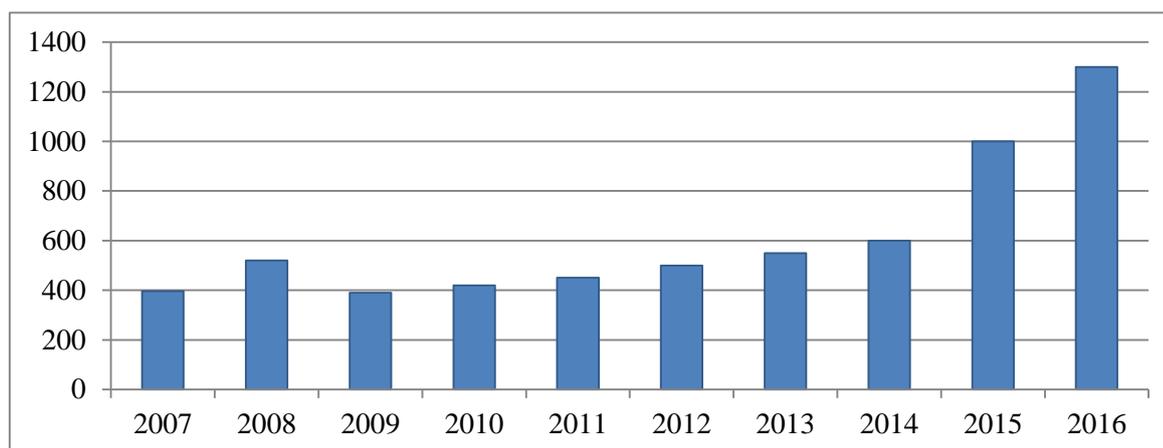


Figure 2. The dynamics of tourist arrivals in the Kaliningrad region for the period 2007 to 2016 (thousand persons) (Compiled by the authors from data on official website of Kaliningrad Region Government [23])

Table 2. Russian Federation in terms of tourist attraction (2016)

Name	Total Score
The federal city of Moscow	80
The federal city of St. Petersburg,	79.7
The Krasnodar Territory	77.3
The Republic of Crimea	75.2
Moscow region	74.8
Nizhny Novgorod region	73.1
The Altai Territory	70.6
The Republic of Tatarstan	66.7
The Kaliningrad region	65.7
The Primorsky Territory	65

area. As can be seen from the data in **Figure 2**, the number of tourists arriving in the region has been steadily increasing since 2009.

As a percentage, the increase in the number of tourist arrivals to the territory of the Kaliningrad region in the period from 2010 to 2016 was 210%. Annual growth is rapidly gaining momentum: if from 2010 to 2014 the number of arrivals has steadily increased by an average of 9.3%, then from 2015, a sharp increase was observed at once by 66.7%.

The Kaliningrad region is becoming increasingly attractive region for the Russian and foreign tourists. So in tourist attractiveness ratings of regions in Russia, compiled by the Russian Association of Travel Agencies in 2016 [24], the Kaliningrad region is among the top ten (see **Table 2**). At the same time, all regions were evaluated according to many criteria. Among them - the level of development of hotel business and infrastructure (the total number of places in hotels), the percentage of residents engaged in tourism, turnover of tourist services. And also the popularity of the region among Russians and foreigners (by the number of overnight stays in hotels), the number of attractions, the level of crime, the promotion of the region [25].

The program of a marketing strategy to promote the tourism product is working and yielding results. This is reflected in the positions occupied by the Kaliningrad Region in the international rankings:

- rating Trivago Global Reputation: Ranking top - 100 - 1st place among Russian cities and 24th place in the world ranking of the world's best hotels and inns on a parity "price / quality." The rankings are based on more than 200 million travelers' reviews with more than 250 booking channels. When selecting, cities with at least 130 hotels were assessed, for each of which tourists wrote at least 60 reviews.). It should be noted that in 2015, Kaliningrad was not in the rankings;
- ratings Tripadvisor top - 10 - 5th place among the top tourist destinations in Russia. In 2015, the ranking of the portal also did not include Kaliningrad in the list of most attractive holiday destinations;
- rating Travel.ru top - 10 - 7th place in the number of independent tourists' trips - according to Hotel reservations. On May holidays in 2016 Kaliningrad took 6th place.

As part of the tasks related to improving the competitiveness of the regional tourist product and its promotion at national and international level for the period from 2015 employees of the regional information center of tourism

it was provided 9624 consultations. They also conducted an online consultation on the registration of visa documents, as well as transport links with Kaliningrad region. Monthly visits «visit-kaliningrad.ru» site has more than 10 000 sessions [26]. The Chinese version of the site has been launched. Also the exchange system of tourism information has been improved with a unified all-Russian base of events and activities - now a site «visit-kaliningrad.ru» offers a module, displaying event management of Russian cities, of Kaliningrad region. Events are also displayed on the websites of regional information centers of Russia.

Despite the positive aspects of the program's effectiveness branding in Kaliningrad region, there are a number of issues related to ensuring the competitiveness of the regional tourist product and its promotion on the domestic and international tourism market:

- insufficient attraction of investments in the tourist infrastructure of the region. Information, in the presentation video of the Government determines the volume of declared investments for 2016 - 900.3 million rubles. It is necessary to clarify that the amount of 980.1 million rubles was actually invested. Undoubtedly, the number of investments and projects in the region increases as the volume of investments in 2014 amounted to only 6.5 million rubles;
- the absence of an effective regional strategy of the federal, regional and municipal support business development in the tourism and recreation;
- poor positioning of the region on the international tourist market. Despite the rapid pace of development of tourism in the region, the area has not been active in the international market. The share of foreign tourists visiting the Kaliningrad region is still unstable and varies from 8% to 14%.

Development of a Model to Ensure the Tourism Product Competitiveness in the Kaliningrad Region within Cross-Border Cooperation Strategy

According to the results of the study, the authors developed a model to ensure the competitiveness of the tourism product, which can be applied to the Kaliningrad region and the neighboring countries, the Kaliningrad region within cross-border cooperation strategy (Figure 3).

In this model, we highlighted three main activities directions consistently implemented within a cross-border cooperation strategy in the field of tourism: identification of factors affecting the regional tourist products of border areas, prioritizing the development of cross-border cooperation in the field of tourism, the implementation of measures to promote an integrated tourist product of border areas.

In addition, the model provides a number of parallel processes connected on the one hand, assessing the effects of national and international factors on the state and prospects of cross-border cooperation, and on the other hand - with constant monitoring and prompt an adjustment in the set of policy measures to ensure the competitiveness of the tourism product within cross-border cooperation strategy.

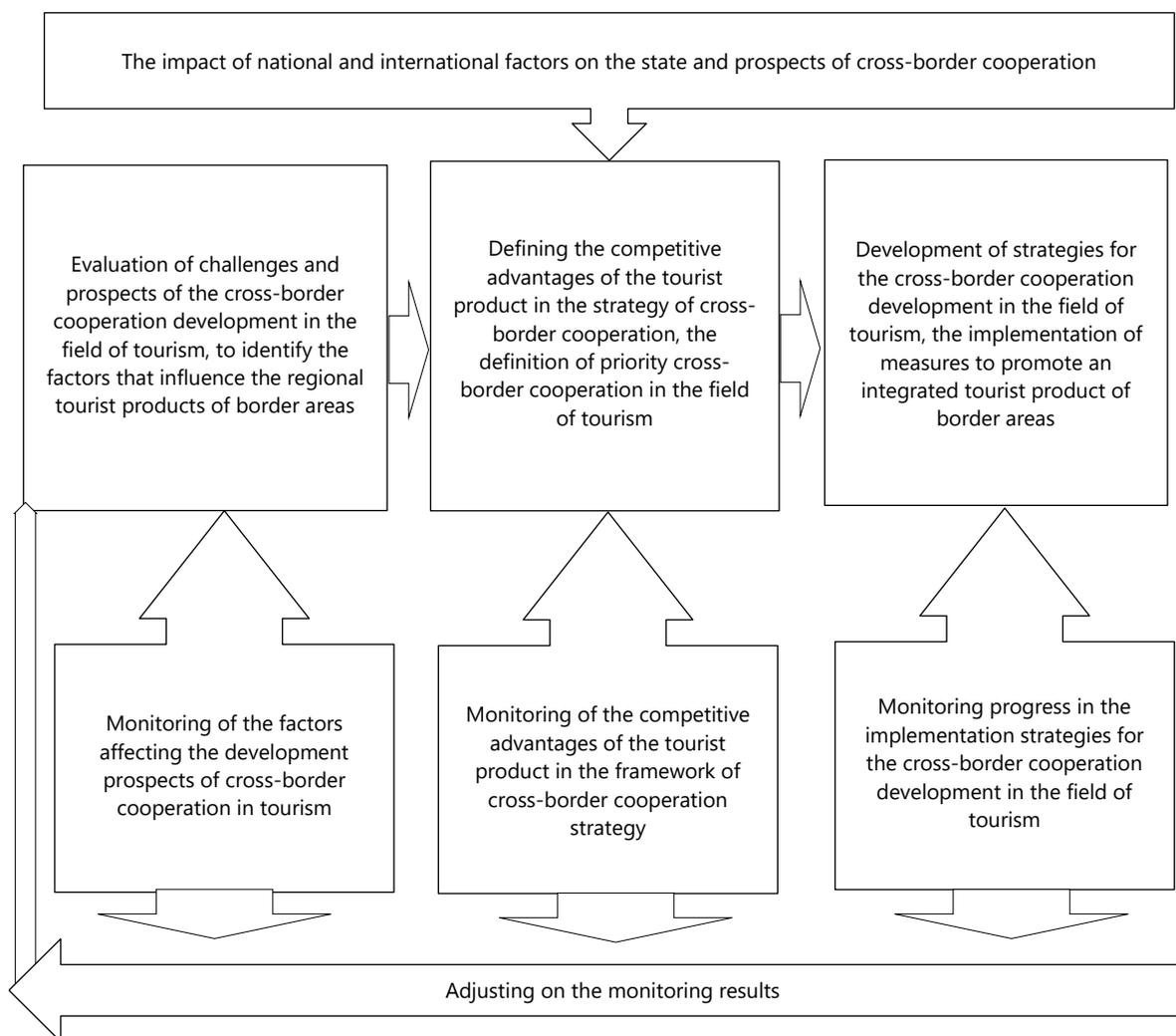


Figure 3. Model of ensuring the competitiveness of the tourism product within cross-border cooperation strategy

DISCUSSION

The authors have repeatedly published the results of research status and prospects of cross-border cooperation on the example of the Kaliningrad Region [27, 28]. However, previous publications concerned mostly questions of scientific-theoretical substantiation of the conceptual apparatus and scientific and methodological support of cross-border cooperation processes. This article presents the results of research on factors that ensure the tourism product competitiveness in the cross-border strategy cooperation, the development of strategic activities to improve the competitiveness of the tourism product, taking into account national and international factors.

Unlike the research by A.P. Klemeshev, G.M. Fedorov, A.G. Manakov [11], who paid attention to the cooperation development with the Kaliningrad region to the European territories on all spheres of economic activity, in this article the emphasis is on the development of tourism projects.

The authors of the article, in contrast to previously published research by a specialist in the field of cross-border cooperation E.G. Kropinova [15], focuses on the marketing aspects of the formation and promotion of tourist product of the Kaliningrad region within the cross-border cooperation strategy.

CONCLUSION

According to the results of the study, it can be concluded that the development of tourism in the world affects a large number of factors which impact on tourism prospects difficult to predict. The same can be said about the development of cross-border cooperation projects that after the introduction of sanctions against the Russian Federation in 2014 and subsequent years were a big question.

Nevertheless, analysis of the world experience shows that the development of tourism in the border areas can be sustainably developed only within the cross-border cooperation strategy. Such tourism projects allow to increase the competitiveness of the integrated tourist product in neighboring countries, attracting new tourists to the region, increasing the duration of their stay and, therefore, the contribution of the tourism industry in the regional economy. However, evidence-based strategies must be developed to ensure the competitiveness of the tourism product of the Kaliningrad region in the framework of cross-border cooperation strategy, methodical bases that are justified by the authors and presented in this article.

The work was carried out within the framework of the R & D "Diversification of economic activities of the constituent entities of the Russian Federation on the basis of cross-border cooperation in the use of the tourist and recreational potential of the territories" No. AAAA-A16-116021210138-0.

REFERENCES

1. Stater Adam "The Certification of Sustainable Tourism" (2017). Retrieved from <http://www.turismo-sostenible.co.cr/en/>
2. UNWTO. (2015). Ministry of Industry, Energy and Tourism of Spain from 27-28 November.
3. Kaurova O. V., Saak A. A., & Revyakina T. U. (2015). Small Business in Tourism Industry as a Functional Element Region's Tax Capacity. *Contemporary Problems of Social Work*, 1(1), 61-66
4. Maloletko A. N. (2015). The Influence of Retailers Behavior on the Economic Security of Regional Manufactures of Socially Significant Products. *Contemporary Problems of Social Work*, 1(1), 96-101
5. Vinogradova, M. V., Kulyamina, O. S., Larionova, A. A., Maloletko, A. N., & Kaurova, O. V. (2016). Digital Technology in the Field of Educational Services. *International Review of Management and Marketing*, 6(S2), 281-287.
6. Safiullin, N. Z., & Safiullin L. N. (2008). *Management of competitiveness of enterprises*. Kazan: Publishing House of Kazan State University.
7. Vasilyeva, Z. A. (2006). The hierarchy of competitiveness concept in market entities. *Marketing in Russia and abroad*, 4, 83-90.
8. Kropinova, E. G., Zaitseva, N. A., & Moroz, M. (2015). Approaches to the assessment of the contribution of tourism into the regional surplus product. *Mediterranean Journal of Social Sciences*, 6(3), 75-282.
9. Kulgachev, I. P., Zaitseva, N. A., Larionova, A. A., Yumatov, K. V., & Kiriyanova, L. G. (2017). Methodical approaches to analysis and evaluation of domestic tourism development in Russia. *Modern Journal of Language Teaching Methods*, 7(3), 419-428.
10. Veretkhina, S. V., Shinkareva, O. V., Kozhaev, J. P., Telepchenkova, N. V., Kuznetsova, E. A., & Zaitseva, N. A. (2017). Evaluation methodology of the multiplier effect for the region as the result of the cluster formation. *Eurasian Journal of Analytical Chemistry*, 12(5b), 533-547.
11. Klemeshev A. P., Fedorov G. M., & Manakov A. G. (2015). Baltic Sea Region Programme 2007 - 2013. Programme under European Territorial. Baltic subjects of the Russian Federation among border regions of Russia. *International journal of economics and financial issues*, 5, 41-48.
12. Ogneva, N. F. (2014). *Organizational aspects of the development of cross-border cooperation* (Abstract of dissertation for the degree of candidate of economic sciences). Kaliningrad.
13. Savosina, A. A. (2014). The use of instruments of regional marketing in cross-border cooperation. *Materials of reports international scientific and technical conference*. Vitebsk, 397-340.
14. Verkholtantseva, K. V. (2009). *The development of modern cross-border cooperation of Russia and European countries: a comparative analysis* (PhD Abstract). Moscow.
15. Kropinova, E. G. (2013). Cooperation between Russia and the EU in the field of innovative development of tourism by the example of cross-border cooperation program "Lithuania - Poland - Russia". *Baltic region*, 4(18), 67-80.
16. Studzieniecki, T., Palmowski, T., & Korneevets, V. (2016). The system of cross-border tourism in the polish-russian borderland. *Procedia Economics and Finance*, 39, 545.
17. Vardomsky, L. (2017). Cross-border cooperation in the EU cooperation programs and the CIS countries. Retrieved from <http://analyticmsz.ru/?p=706>
18. Svetunkov, S. G. (1997). *Forecasting economic conditions in the market research*. St. Petersburg: Peter.

19. Dulisova, I. L. (2017). *Competitiveness of firms and the competitiveness of the product*. Retrieved from <http://www.marketing.spb.ru/read/essai/6.htm>
20. Kaliningrad News - Amber Island (2017). Retrieved from <https://yaostrov.ru/social/item/50152>
21. Rosstat. website of «Federal state statistics service» (2017). Retrieved from <http://www.gks.ru/dbscripts/cbsd/DBlnet.cgi>
22. Russia in numbers (2017). Retrieved from http://www.gks.ru/free_doc/doc_2016/rusfig/rus16.pdf
23. Official website of the government of the Kaliningrad region (2017). Retrieved from <https://gov39.ru/>
24. Second ranking tourist attractiveness of regions of Russia. RATA-news - daily electronic newspaper of the Russian Union of Travel Industry (2017). Retrieved from http://www.ratanews.travel/news/news_9122016_4.stm
25. Section “Register” on the website of the Federal tourism Agency (2017). Retrieved from <http://www.russiatourism.ru>
26. Information Center Kaliningrad tourism (2017). Retrieved from <http://visit-kaliningrad.ru/>
27. Zaitseva, N. A., Korneevets, V. S., Kropinova, E. G., Kuznetsova, T. Y., & Semenova, L. V. (2016) Cross-border movement of people between Russia and Poland and their influence on the economy of border regions. *International Journal of Economics and Financial Issues*, 6(4), 1690-1695
28. Zaitseva, N. A., Kropinova, E. G., Korneevets, V. S., Dragileva, I. I., & Chudnovskiy, A. D. (2016). The long-term forecast of the Russian tourism development. *International Review of Management and Marketing*, 6(5S), 103-110.

<http://www.eurasianjournals.com>