

Green marketing and territorial branding as a regional identity economy element

Evgeniy Bikmetov^{1}, Marina Bogatyreva¹, Elena Kuznetsova¹, Igor Ruvenny¹, and Sergey Golikov¹*

¹Ufa University of Science and Technology, 450076 Ufa, Russia

Abstract. The aim of the study is to substantiate the idea of developing the identity economy of the socio-economic territorial system on the basis of adapting the classical marketing concept “4P” to territorial marketing taking into account the principles of green marketing. The study is based on the following methodological approaches: institutional and behavioral approaches to the identity economy, the integrated approach and the principle of complementarity, which involves the analysis of the organizational structure of the object, accounting for internal and external interactions, the practice-oriented approach, which involves solving the problems of improving the investment attractiveness, image of territories, the formation of their identity as socio-ecological economic systems. The authors propose to consider territorial marketing as a strategic tool for managing socio-economic and environmental components of the territorial system. Territory identity economy acts as a relationship of market agents who identify their needs and interests with the consumer properties of the given territory. The stages of territorial green marketing strategy are developed. An important direction of marketing activity is branding, which includes the development of communication strategy for forming the image of the territory. The authors substantiate the algorithm of territorial brand formation, which consists of four stages: socio-economic analysis of the territory, development of the brand concept, visual representation of the brand, creation of the brand management structure.

1 Introduction

In modern society, the problem of social identification and identity at different levels of social structure, including socio-territorial communities, is a very real and pressing issue. Identity is a relation of identity, formed and transformed in interaction. A person's economic thinking and behavior are shaped by their interactions with others and the world around them. These interactions give rise to representations that reflect their current state. People define their social identity based on these representations. Identity is comprised of cognitive, emotional, and behavioral components. A person's awareness of belonging to a territory is shaped by their identification with its cultural values and norms of behavior, including in economic relations. The attitude of market agents is the basis of the economy

* Corresponding author: bicprof@mail.ru

of identity of the territory or region. These agents identify their needs and interests with the consumer properties of the territorial socio-economic system.

From a behavioral perspective, territorial and green marketing, as well as branding related to consumption, value creation, and reference, are the key means for forming and transforming identity economies.

Territorial marketing is an integrated technology that strengthens the links of the territorial socio-economic system with its external environment, establishes a balance of economic and social interests, and stimulates socially oriented competition. The economy of identity of the territorial socio-economic system must emphasize ecological identity, given the significance of modern environmental problems. The region's residents must adopt an ecological identity to contribute to resolving the environmental crisis. Social entrepreneurship and the green economy, or green marketing, are the key to forming an environmental identity.

The research will prove that the identity economy of the socio-economic territorial system can be developed on the basis of adapting the marketing concept of the "marketing mix" to territorial marketing, taking into account the principles of green marketing.

2 Literature Review and Methods

Identity economics is based on the fact that people make economic choices based not only on monetary incentives but also on their identity. The foundations of identity economics were formulated by G. Akerlof and R. Kranton. They substantiated the necessity of including social identities in economic models by adding the utility of identity to the standard material utility [1]. Later, the concept of identity economics was used for studying various economic processes. M. Shayo used this concept to explain significantly different levels of redistribution in countries with similar economic characteristics [2]. D.J. Benjamin, J.J. Choi and A.J. Strickland studied the influence of ethnic identity on economic behavior [3]. Review research on the problems of identity economics was carried out by C. Hill and J. Davis [4, 5]. M. Olson believed that identity promotes the development of collective action, increasing the motivation of economic agents to participate in the affairs of the community [6].

Operationalization of the concept of "place marketing", disclosure of its content was carried out by Ph. Kotler [7]. Modern research analyzes various directions of territorial marketing [8, 9, 10]. F. Go and K. Dinnie consider territorial branding as the definition of the most valuable assets of the territory [11, 12, 13].

M. Caroli, M. Cavallo and A. Valentino believe it is necessary to integrate green and territorial marketing to improve the competitiveness of territories [14]. Valentino believe it is necessary to integrate green and territorial marketing to improve the competitiveness of territories [14]. Research has shown that municipal government is actively involved in planning the transition to green technologies. Partnership between government and business tends to improve the situation, especially at the municipal level [15]. Some researchers have noted that interdisciplinary developments can lead to truly green marketing with sustainable development and holistic thinking [16]. Green marketing is understood as a set of strategic efforts to provide consumers with environmentally friendly goods and services [17]. Researching and positioning relationships in the management of "green" technology projects should be seen as an important condition for their successful market launch [18]. Given that companies use green marketing principles to attract consumers, they should have competitive strategies to improve the environmental safety of their products [19]. The consumer decision-making model starts with the emergence of a need for a product, and then the consumer seeks information, including environmental information, which will make it possible to realize knowledge about the product [20].

In conducting this research, the authors applied a number of scientific approaches:

- institutional and behavioral approaches to identity economics, suggesting that when considering economic relations and behavior, institutional influence should be taken into account, as well as not only rational aspects of behavior;
- integrated approach and the principle of complementarity, which involves research into the organizational structure of the object, taking into account internal and external interactions. This makes it possible for the authors to synthesize the tools of territorial, green marketing, branding, as well as to adapt the classic marketing mix model in relation to the development of territorial identity;
- practice-oriented approach, assuming that the research results should contribute to solving the problems of increasing investment attractiveness, strengthening the image of territories and regions, and forming their identity as socio-ecological economic systems.

3 Results and Discussion

Despite the fact that there is a significant body of scientific research on the problem under study, according to the authors, specific aspects of territorial marketing need to be developed for the following reasons:

1) due to the lack of a specialized service, regional management bodies apply tools of territorial and green marketing situationally and episodically, without a comprehensive analysis of the internal and external marketing environment of the socio-economic territorial system;

2) there is a weak elaboration of theoretical and methodological provisions and insufficient practical testing of the integrated strategy of “regional identity economy” as a relationship between green marketing and territorial marketing;

3) eclecticism of the terms “territorial marketing”, “territory marketing”, “marketing on the territory” leads to the need to clarify the term “territorial marketing” and to adapt the concept of “Marketing mix” to territorial marketing taking into account “green” eco-principles.

4) there is fragmentation with regard to the use of institutional, behavioral, integrated, practice-oriented approaches in studying the economy and ecology of territory identity.

Therefore, there is a theoretical and practical need for a comprehensive consideration of the economy of identity of socio-economic territorial system on the basis of adaptation of the classical marketing concept “Marketing mix” to territorial marketing taking into account the principles of green marketing.

The authors understand territorial marketing as strategic marketing management of the socio-economic system of the territory with the help of marketing instruments.

The development of a territorial green marketing strategy implies:

- collecting information on the socio-economic, environmental, technological and cultural condition of the territory;
- setting goals and objectives by the authorities together with stakeholders, taking into account the principles of the ESG concept;
- segmentation of internal and external target groups;
- formulating the idea of a value-based USP;
- selection of criteria and positioning of territory properties;
- justification, selection and implementation of a specific marketing green territorial strategy using marketing mix tools;
- evaluation and adjustment of the chosen strategy based on feedback.

The results of the authors' proposed adaptation of the marketing concept “Marketing mix” to territorial marketing taking into account the principles of green marketing are presented in the order of priority in Table 1.

Table 1. Recommended Marketing mix model for green marketing of the territory

Component	Typical features of the component	Green component features
Promotion	Information and communication processes at the territory level (territory brand; PR-activities; interaction between business and authorities; image advertising). Attracting attention to the territory can, on the one hand, contribute to the distribution of goods and services, and, on the other hand, demonstrate the successes of society or overcome existing social problems.	Green promotion is to form a sustainable link between green initiatives in the region and the personal benefits of residents. Green promotion is about building trust in the environment using communication tools. The success factor of green marketing is trust.
Place	The geographical location of the territory covers its natural and climatic features such as forests, mountainous areas, water resources and plains. It is also important to pay attention to the region's accessibility in terms of transportation and logistics, as well as the possibilities it offers for tourism.	Green location is the peculiarities of natural resources of a given territory. The agents of the territorial market can, taking into account the natural features, build in the exchange of goods and services, as well as develop eco-tourism. But it is necessary to maintain this unique ecological natural potential.
Product	Territorial product - creation of products that meet the needs of a certain territorial unit and have commercial or social value. The component includes industrial goods; commercial and residential real estate; tourism and other services; cultural and educational products; software platforms that make it possible for local authorities to communicate with people and organizations.	Green territorial product - a product that minimizes damage to the environment (use of recycling technologies; energy saving to preserve natural resources; reduction in the use of toxic substances; modern waste management technologies).
Price	The territorial price represents the investment rating of the region, as well as the parameters of its socio-economic progress. This component includes: tax conditions in the region; price index for consumers; tariffs for various services; rates for energy resources; the cost of residential and commercial real estate.	The green price represents the opinion of the local population about the significance of life in a particular territory. Improved indicators of socio-economic development of the region and, as a consequence, high quality of life of residents means that they “pay a fair price for life”. This element contributes to the development of human ecology [21].

In the territorial marketing complex “Marketing mix” the component “promotion” has a significant difference from the other three. It is the only component that requires specific specialized activity. The other components have been created over a considerable period of time in the course of natural evolution and conscious economic change of the territory, independent of territorial marketing. These elements are included in the marketing strategy of the region. The element “promotion” does not appear suddenly and requires hard work. It should be approached as an independent and specific professional challenge. In this context, the key function is to create and maintain the brand of the territory.

Territory branding is a direction of territorial marketing, the purpose of which is to form the uniqueness of the territory in both value and emotional aspects through recognition, involvement and usefulness. The brand of the territory is formed on the basis of value-based interactions between stakeholders, which makes it possible to identify a particular territory.

The sequence of stages of territorial branding proposed by the authors is presented in Table 2.

Table 2. Stages of creating a territorial brand

Stage	Stage properties
1. Socio-economic analysis of the territory	Analysis of the region using the SWOT method; conducting a survey among local residents; research into the lexical semantics of the name of the territory; unstructured interviews with representatives of local communities; modeling of territorial identity. The main purpose of the voluntary survey is to identify the foundation of the territory's identity, namely, to establish the emotional attitude of residents to their place of residence. Research into the semantics of a territory's name makes it possible to understand how it is perceived by people at first contact. Communicating with local community leaders helps to gain a deeper understanding of the unique features of the region and gather valuable insights from respected citizens. Based on the data collected, a territorial identity model is formed. The identity of a region encompasses all aspects of its existence, helping to strengthen the self-identity of the local population. It is also important to identify the key factors of local identity in order to build on them to create an attractive territorial brand that takes into account elements such as history, natural features, sports and culture.
2. Brand concept development	Identification and argumentation of the choice of positioning of the territory with a focus on target audiences, significant competitive advantages and unique characteristics of the region. Territory branding strategies may include: marketing of the region's image; promotion of regional infrastructure development; HR-marketing. The process of brand creation does not lend itself to a one-size-fits-all approach, as it requires analyzing extensive and diverse information about the territory, as well as numerous creative solutions in its processing. It is reasonable to avoid mentioning the authors of the works within the framework of competitions for the development of brand concepts.
3. Visual representation of the brand	Creating a visual representation of the territory includes developing a brand book, selecting a corporate identity and creating a visual identity. This includes the logo, color schemes, fonts, and characters and avatars. It is important to visualize the idea taking into account the character traits and other features of the territory identified during the identity research. The territorial identity should be diverse and innovative. Important points in the style creation process should be emphasized. It is not advisable to put the issue of choosing the final design to a vote. It is better to limit yourself to evaluating the opinions of those residents who have managed to establish themselves as brand inspirers. It is desirable to finalize the chosen variant taking into account the opinion of famous designers who were not initially involved in the project.
4. Creating a brand management structure	It is reasonable to create a brand support service in state and local authorities and organize its interaction with marketing digital-agencies, including systematic monitoring and management of the territory's brand, taking into account the opinion of the general public. This is necessary for the formation and development of the image and promotion of the brand of the territory. The brand belongs not to any person or political force, but to the whole territory and each resident. The brand is fully open to the outside world and purposefully creates possibilities for the promotion of the territory.

4 Conclusions

Territorial marketing has many interpretations, and its studying is not yet systematic. There is no clearly formulated strategy of territorial marketing. The actions of subjects involved in marketing management of the territory, region are fragmented and not coordinated. Specific subjects of marketing activity seek to solve narrowly focused, situational, corporate objectives, which often goes against the strategic objectives of the development of the economy of the territory's identity. Territorial marketing is a strategic tool for managing socio-economic and environmental components of the territorial system.

In order to ensure sustainable development of the territory, formation of its identity economy, it is necessary to adapt the classical theory of marketing mix to territorial marketing taking into account the principles of green marketing.

An important direction of marketing activity is branding, which provides the development of communication strategy for the formation of the image of the territory.

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