**RURAL TOURISM CLUSTERS IN RUSSIA: MARKETING ISSUES**

**Cherenkov Vitally**

Graduate School of Management,

Saint-Petersburg State University, Russia

199004 Saint-Petewrsburg

3, Volkhovskiy Per.

*cherenkov@gsom.pu.ru*

\*Corresponding author:

**Sheresheva Marina**

Lomonosov Moscow State University, Russia

119991 Moscow

46-1 Leninskie Gory, of.326

*m.sheresheva@gmail.com*

**Abstract**

*In 2008, the Russian government adopted the Concept of cluster policy in the Russian Federation, laying the cluster approach at the heart of the regional development strategy. Since then, there have been significant changes in the Russian local tourism market, including the development of rural tourism clusters across the country, some of them being quite successful. Still, the formation of clusters of rural tourism in Russia is facing a number of problems. The purpose of the paper is to discuss the problems and prospects of rural tourism development in Russia. The case of Bogdarnya rural tourism cluster in the Vladimir region is presented, with the focus on marketing issues facing rural tourism in Russia. In addition, the logical-graphic model of a rural tourism place in canvas of users/investors attraction is proposed for the purposes of conceptualizing and rationalizing further studies in the field of the rural tourism development.*

***Keywords****: logical-graphic model, marketing, approach, rural tourism, tourism clusters, Russian tourism industry*

**1. INTRODUCTION**

Underdevelopment of Russian tourism industry is a common place of many home and overseas papers and researches (e.g., Barentz Tourism…, 2013; Karmanova et al., 2015). However, the Russian tourism market has huge potential. There are 35 national parks and 84 forest reserves in Russia situated in different climatic zones, extremely diverse flora and fauna offers unique opportunities for ecological tours and rural tourism. Many Russian regions offer outstanding experiences for ecotourism and adventure tourism (Balaeva et al., 2012; Aleksandrova et al., 2014). Besides, there are dozens of so-called museum-reserves situated in picturesque places linked with famous and worldwide known names of Russian writers, poets, artists, etc. e.g., Alexander Pushkin Reserve Trigorskoye (See: <http://pushkin.ellink.ru/reserve/res3.asp>)

Russian Government recently initiated a Federal target program called “The Development of Internal and Incoming Tourism in the Russian Federation (2011 - 2016)”. The Program aims to attract additional investments into the Russian tourism business, and to improve the quality of tourism services assuming a public-private partnership. Strategies for the development of sustainable tourism are now subject of attention of many local authorities (Aleksandrova et al., 2014).

Rural tourism is in focus of local authorities due to involvement of public goods, such as local landscape or climate, as well as historical memory and cultural values. Still, lack of awareness is a brake for development of rural tourism clusters in Russia. To prevent a chaotic development of rural tourism development it is important to analyze the role of cluster theory and its applications, taking into account the relevant overseas experience.

The paper is structured in the following way. It starts with a literature review on clustering and marketing issues in rural tourism. In the next section, we present the case study of *Bogdarnya* tourism cluster in the Vladimir region (*Small* *Golden Ring*). In the last section, the logical-graphic model of a rural tourism place in canvas of users/investors attraction is proposed.Finally, ways for future research are discussed.

**2. LITERATURE REVIEW**

**2.1. Clustering in rural tourism**

Nowadays, clusters play an important role in regional development all over the world. There is a growing number of publications investigating networks and clusters development in different sectors of the world economy, including tourism clusters (Porter, 1998, 2000; Jackson, Murphy, 2006; Novelli et al., 2006; Bode et al., 2010; Bergenholtz, Waldstrøm, 2011; Grimstad, 2011; Hsieh, Lee, 2012; Bek et al., 2013; Aleksandrova et al., 2014).

A growing number of managers, policymakers and scholars all over the world tend to grasp the significant economic contributions from the. In recent literature, different aspects of clustering in tourism sector are discussed, including policy to promote tourism clusters (Jackson, 2006; Bernini, 2009; Benner, 2013). Development of a cluster looks as a self-reinforcing process supported by elaborating corresponding intra-cluster norms, regulations, and routines (Sheresheva, 2014).

Thus, an important direction of academic research is examining tourism cluster as a kind of complex system which consists of many components of different size and functions (the stakeholders) connected in many possible ways which are typically dynamic and of nonlinear nature (Capone, 2006; Baggio, Cooper, 2010; Baggio et al., 2010; Sheresheva, Baggio, 2014).

From our point of view, the “network as a complex system” approach applies to rural tourism destinations. It helps to understand better how to develop and to manage a sophisticated constellation of relevant local stakeholders and their interests and relationships. At the same time, marketing approach as a helpful instrument in rural tourism cluster development is gaining more interest of managers and policymakers (Progress…, p. 242), and becomes another important field of research.

**2.2. Marketing issues**

Clearly defined marketing strategy is crucial for sustainable development of contemporary tourism destination. There is a need to adjust marketing strategic decisions and marketing toolkit, taking in account the rural tourism peculiarities, as well as the network nature of clusters as geographically concentrated value-creating ecologies of organizations (Hearn, Pace, 2006).

In the mainstream of marketing approach, the concept of marketing ecology (Majaro, 1998. p.41; Cherenkov, 2002) and comparative-analytical approach (Gale, 1987, p.54; Cherenkov, 2003, Ch. 9) are of great interest.

Place marketing is of high importance, since competition between places for economic development is becoming increasingly fierce in the global economy (Bramwell, 1998; Morgan et al., 2011; Ashworth, Goodall, 2012). Tourism destination should offer a set of quality products and services in order to attract and retain residents, tourists, inward investment and government grants (Bramwell, 1998; Kwon, Vogt, 2010; Lichrou et al., 2010; Gertner, 2011).

Relationship marketing is another paradigm crucial for rural tourism cluster development. There are clear incentives for cluster members to collaborate in different ways including joint marketing research, co-branding, exchanging experiences, taking part in exhibitions, developing and marketing complementary products in order to gain consolidated image, to approach new customers looking for specific whole product, and to strengthen relationships with loyal clients (Baggio, Sheresheva, 2014).

Relational assets built by tourism cluster stakeholders help them to strengthen their consolidated position and to co-create new value (Sheresheva, 2011). Thus, there is a need in marketing strategy alignment. Local authorities, economic development agencies, tour operators and agencies, and many other structures, as well as local communities in the destination need to be actively engaged in joint marketing activities.

**3. RURAL TOURISM CLUSTERS IN RUSSIA**

**3.1 The current situation in Russia**

In 2008, the Russian Government adopted the Concept of cluster policy in the Russian Federation. In accordance with the Concept, the cluster approach is regarded as a pillar for sustainable development of industries and territories and as a tool to enhance their competitiveness. Five types of clusters are identified, including tourism clusters.

Federal target program "Development of domestic and inbound tourism in the Russian Federation in 2011-2018" and the Russian Federation State program "Development of culture and tourism" define *tourism and recreation clusters* as *a set of interrelated organizations with recreational and cultural orientation* (means of accommodation, catering and related services, equipped with the necessary providing infrastructure). More than 40 investment projects, ready for implementation, are supported by the Program, e.g. *Golden Gate* in Altai; the North Caucasian tourism cluster, *Big Volga* cluster; tourism and automobile tourism cluster in Buryatia; *the Silver Ring of Russia;* the *Golden Ring of Russia*; *Baikal region* (the famous Lake Baikal is listed in the world heritage List of UNESCO), etc.

Today, when the “hunger” for foreign voyages is rather stilled and the exchange rate is drastically jumped up, there is a favorable situation in Russia to develop different forms of the domestic rural tourism.

In this paper, the first stage of our empirical study is presented. The first stage of the study draws on the case method, which is the most appropriate if the main target of research is understanding and explanation. To understand marketing issues in rural tourism in Russia, additional data was obtained by means of observation and analysis of documents. Some findings gained in the case study of *Bogdarnya* tourism cluster in the Vladimir region (Golden Ring) are presented herein.

**3.2 *Bogdarnya* rural tourism cluster: marketing issues**

Bogdarnya is a small rural tourism cluster in the Vladimir region (the *Small Golden Ring of Russia* brand). It is a popular place to relax for people from Moscow, St. Petersburg and other big cities, but also a socio-economic development project for the region. Bogdarnya offers outdoor recreation, educational experience, entertainment, hospitality services, on-farm direct sales, etc. There is wide range of interrelated services: hospitality services (together with organization of conferences, seminars, etc.), ‘cultural tourism” department (family vacation, museums, eco-lessons, hiking), “agro cultural” department (farming, husbandry), meat and cheese production (creamery, animal husbandry), etc.

All *Bogdarnya* services can be divided into two main parts: *ecoproducts* part and *touristic* part, which form together rural tourism cluster. Still, target audiences are different. Potential consumers of ecological products are restaurants, milk production companies, premium retailers and private persons with rather high earnings. The main consumers of touristic services may be foreign tourists visiting famous *Golden Ring* route, foreign expats living in Moscow and St. Petersburg, as well as local tourists attracted by Russian nature, horse riding, paintball activities, and Russian cultural traditions.

*Bogdarnya* is relevant to current state programs for developing tourism and agriculture in Russia, so there are possibilities to use government support and promotion, including special mass media and exhibitions. It’s necessary to include *Bogdarnya* into *Golden Ring* tourist guides.

As meat and cheese production volumes in *Bogdarnya* are modest, online shop is the most suitable channel, with special discounts for those guests who has used *Bogdarnya*’s hospitality services and has attended one of its cultural programs.

Weekly outside classrooms are relevant to make children interested in environmental and cultural issues, as well as entertainment projects for students, including hiking, cultural workshops, etc. Thus, loyalty programs for schools and universities can be a good decision.

The main instruments of communication mix should be as follows:

* Internet: international and Russian tourism sites and forums devoted to active holidays, *Golden Ring* route, and eco products, including relevant groups in social networks.
* Tourism exhibitions in Russia and abroad, eco food exhibitions in Russia.
* Advertisement on the railroad and highway *Moscow-Petushki-Vladimir*.

The *Bogdarnya* site ( [http://bogdarnya.ru/#](http://bogdarnya.ru/) ) is very informative, both in Russian and in English, with the online booking service. The main message of the site is to transfer the philosophy of country life. To make this feeling more imaginable, the central part of each page of site takes photos of nature, Russian traditions, horses, folk festivals, etc.

Despite the fact that all services are available on site, more attention on the site should be paid to location of possible discounts and loyalty programs. The link to the *Bogdarnya* site should be placed on sites of travel agencies specializing on local tourism, or museum sites where the history of Vladimir city and Vladimir region is presented.

Still, our analysis has shown that the major problem facing *Bogdarnya* is lack of awareness how to establish relationships with relevant local stakeholders.

**4. LOGICAL-GRAPHIC MODEL OF A RURAL TOURISM SPACE**

Rural standard of living was much lower in the USSR and post-Soviet Russia than the urban life standard. As a result, rural tourism with its focus on the active participation in rural life is not yet very popular in Russia. Nevertheless, in recent years a large flow appeared of publications focused on rural tourism prospects. Online request "rural tourism in the world" gives almost the same response as the online request "rural tourism in Russia" made in Cyrillic (551.000 and 364.000 in FEB 28, 2015, respectively). However, such an explosive growth of interest resulted in quite modest quality of many publications on rural tourism in Russia. We had no opportunity to make any panel analysis but it seems that the suggestion above has the right to exist. That is why we have centered our model (see Appendix) on the axis “physical or geographical place” – its “virtual image” in Internet and in brains (so-called “public opinion”) and “place brand”.

We have decided to offer herein the logical-graphic model of a rural tourism cluster in canvas of users/investors attractions. In fact, main tools of strategic marketing analysis were extensively used in researches on the rural tourism (e.g., Mahmoudi et al., 2011; Zhang, 2012; Dobrivojević, 2013). The same could be said about different theoretical models (e.g., Dragulanescu and Drutu (Ivan), 2012; Vázquez de la Torre et al., 2013; Raffai, 2013). However, we would like to consider that the model proposed herein has a distinct feature of so-called low-tech innovation (Antal, 2009; Cherenkov et al., 2014) from the viewpoint of the proper depressive region having hopes to use the rural tourism as a booster for regional development. Next feature of our model is the principal role of integrated marketing communication (Stancioiu, 2013). The matter of fact is, that the rural tourism prospects are not rather well-informed about attractions of such kind of tourism.

Local authorities supported by the state programs mentioned above and relevant local social groups (Lashchenko) have received now good opportunities to develop the places governed by them. The axis of the model under consideration has to show that the main concentration of efforts produced by rural tourism protagonists should be done in the field of creating the “Virtual Image of Rural Place”. In the Digital Era this suggestion does not demand any extensive arguments due to the cheapest as well as the most informative and adaptive nature of web-sites. The countryside resources, denominated in the model as attraction poles (landscape/climate and historical/cultural ones) are factually free and it is quite sufficient tell *urbi et orbi* about them. Such branding process should convert the *Bogdarnya* toponym in *Bogdarnya* place brand. However, for many rural places major impediment for the said conversion is in logistics and accommodation items. Significant investments (Fleischer, Felsenstein, 2000) are necessary to overcome such barriers could be sometimes by-passed for a time using “neighbor places of high tourism attraction” (e.g., Paris in the case of *Eurodisney*; *Golden Ring of Russia* in the case of *Bogdarnya*).

Factually, we consider this model as a skeleton for arranging complex researches on such rural tourism places like *Bogdarnya* with further using this model as a tool to be applied to studying other similar tourism places.

**4. CONCLUSIONS AND FUTURE RESEARCH**

Our main conclusions are as follows.

The literature review and the interviews confirmed that the combination of theories can give useful insights into marketing issues in rural tourism clustering. Relational assets built by cluster stakeholders help them to strengthen their consolidated position and to co-create new value, but the prerequisite for success is marketing strategy alignment. At the same time, there are impediments to rural tourism cluster development. One of the main problems is lack of awareness how to establish relationships with relevant local stakeholders.

The model presented in brief herein is important to understand better the contemporary state and development perspectives of *Bogdarnya*, and to elaborate research tools for future researches.

The next step in applied using of this model is creating the pattern for systemizing relevant data and designing a set of enquires devoted to study interests and attitudes of relevant stakeholders to the rural tourism place under consideration. For this purpose we are planning to use a multidimensional version of the lead-lag analysis (Hollensen, 2007) where one of successful Italian projects (Porcaro, 2009) should serve as a benchmarking instrument. Then, we would like to highlight that under conditions of super-urbanization, threatening pressure of food preservatives and GM food, and environmental pollution rural tourism places could play a role of beacons on the way “back to village”. Therefore, there are reasons for detailed studying of rural tourism clusters.

**APPENDIX**

**Logical-graphic model of a rural tourism place in canvas of users/investors attraction**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  |  |  | **Federal Government** |  |  |  |
|  |  |  | **Budget** | **Fiscal System** |  |  |  |
| **overseas** | **Investors** | **PLACE****BRAND****Virtual Image of Rural Place****Local** **Stakeholders****Infrastructure Proximity** | **Rural Tourism Users** | **overseas** |
| **home** | **home** |
|  |  |  | **Budget** | **Fiscal System** |  |  |  |
|  |  |  | **Local (Regional) Government** |  |  |  |
|  |
| **LEGEND:** |
|  **→** Landscape/climate attraction pole  |
|  **→** Historical/cultural attraction pole |
|  **→** Neighbor place of high tourism attraction  |

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