



Development of Marketing Tools in Tourism as a Factor for Cooperation Enhancing between the Primorye Territory and the Republic of Korea

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ABSTRACT

Tourism is a dynamically developing sector of the world economy which provides strong support to the foreign economic cooperation extension between different countries. Tourism development in the Primorye Territory is one of the strategic priorities of the regional policy. It is considered as a factor for accelerating the region integration into the Asian-Pacific economic cooperation. One of the most dynamically developing tourism functions in the Primorye Territory is the cooperation with the Republic of Korea (RK). The analysis of the tourist traffic between the Russian Federation and the RK as well as factors effecting on the tourist's exchanges showed the necessity to improve marketing tools in the international tourism. The need to improve the tourism state regulations has been justified. Arranging of the regional tourism marketing as one of the significant factors determining the tourism activity effectiveness has been recommended.

Keywords: Foreign Economic Cooperation, Marketing, Tourism, Primorye Territory, Republic of Korea

JEL Classifications: F5, L9, Z3

1. INTRODUCTION

Asian-Pacific region (APR) is one of the dynamically developing regions of the world. The improvement of the efficiency of the Russia's integration into the APR social and economic field is in conformity with the national foreign and political task to establish "corridors" for Russia's entry into the world markets of goods, services and technologies. Favorable trans-border location, Vladivostok city positioning as a center of Russian business cooperation in APR, the level of the border infrastructure, transport and logistics hub development determine the Primorye Territory role as an outpost for forming the "Eurasian corridor" of Russia in the APR. Tourism has a substantial potential for the Russia's foreign economic cooperation.

Tourist contacts of the Primorye Territory with the Republic of Korea (RK) are dynamically developing. The effectiveness of the tourist activities largely depends on the marketing quality. This quality is provided by implementing some measures developed on the basis of the regularly realized factors, such as:

1. Client's requirements marketing and their satisfaction level;
2. Marketing of the goals achievement level;
3. Marketing of the ecosystem maintaining (Sharpley and Pearce, 2007).

Marketing application allows the managerial bodies develop tourism sustainably (Kotler and Andreasen, 1996). Using the example of national parks, the ecosystem marketing of a region can be considered as a significant factor to realize the ecological tourism natural potential and development (Stevens, 2002).

2. METHODOLOGY

2.1. Fundamental Principles of the Concept

The investigation concept is based on the following assumptions:

- H1: Marketing is the key factor for the dynamic and sustainable development of tourism;
- H2: Tourism between Russia and the RK is developing dynamically, the Primorye Territory being the leading force in this cooperation;

H3: Improvement of marketing tools in tourism will enhance the development of international tourism and foreign economic cooperation of the Primorye Territory and the RK.

Tourism is a rather young forming field of the Russian science. Definitions, forms and methods of investigations in the international and national tourism are not perfect. Non-availability of conventional methodical approaches to the tourism analyzing restricted the methodological procedures of the conducted investigations. So the authors used general scientific methods (analysis and synthesis, induction and deduction, generalizing and abstracting, comparison and analogy, etc.) Analysis of the legal and regulatory basis and publications on the issues of the tourism development was based on the critical and descriptive research of the key tourist definitions in the Russian tourism theory.

Tourism development indicators study was based on the analytical and statistical investigations of changes in the volume of the international tourist flow in the Russian-Korean course. Factor analysis was applied to find out the reasons greatly influencing on the tourism development in the Primorye Territory.

3. RESULTS

H1: Since 1996 tourism in the Russian Federation has been considered as the priority sector of the economy and is one of the most important trends of the state regulations. However, the methodological support of this activity is poor:

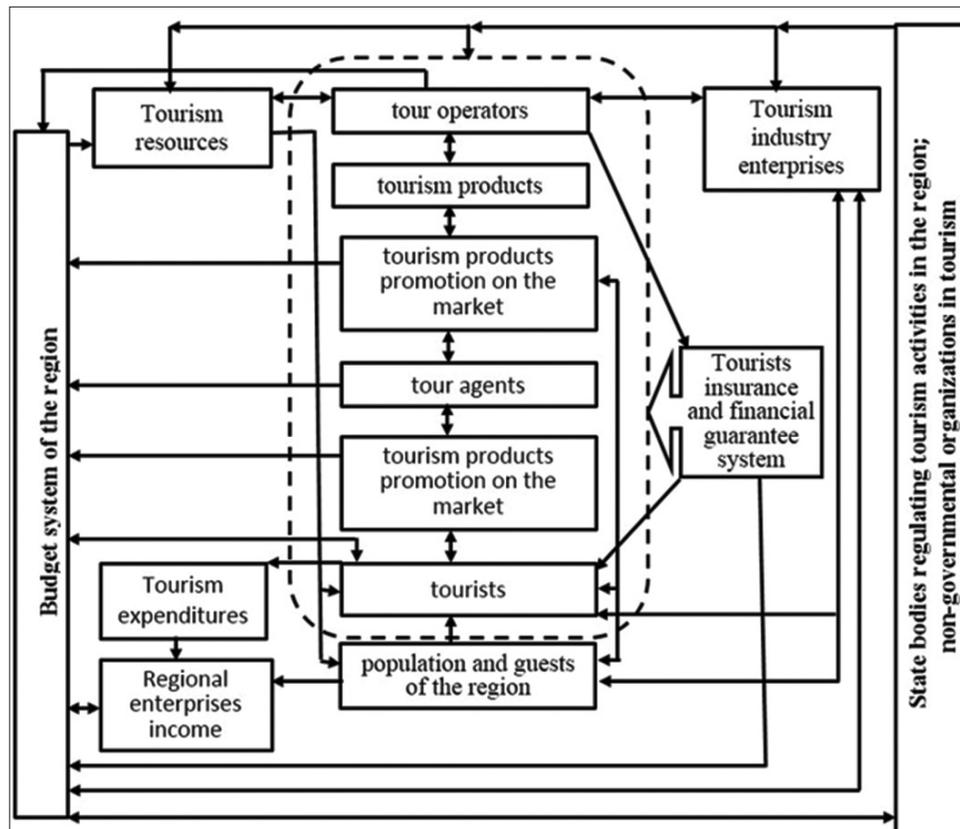
- Tourism identification as an aspect of entrepreneurship has not been determined, definitions in the field of tourism applied in Russia don't comply with the "UNWTO Recommendations on Tourism Statistics" (International, 2008);
- The applied indicators to measure tourism effect on the region or country economy are poor;
- The technique for estimating the tourism multiplicative effect on the national and regional level is poor;
- The organization of the regional statistical investigations in tourism is poor (Gataullina, 2012).

Current tourism is a complicated social and economic system; its model is demonstrated in Figure 1 (Gataullina and Dolgaleva, 2015).

High dynamism of tourism development creates the necessity to apply adequate scientific and methodical tool to conduct investigations in this field.

Publications of foreign and national authors describe marketing as a basic technique for investigations in tourism (Gataullina et al., 2014). However the approaches to its arranging are quite different. Marketing is considered as a "management process to determine and satisfy the customers' requirements to the benefit" (Wilson and Gilligan, 2004). Crucial role of marketing management in the tourism sustainable development is settled by the examples of national parks operations (Dewhurst and Thomas, 2003). Marketing is considered to be the system, covering all interrelated components of hospitality industry: Customers, service providers, and organizations directly servicing the clients (Simon, 2014).

Figure 1: Model of tourism activity organization



Within the previous twenty years the approach to marketing as the basic investigation method in tourism was formed, while its functions understanding changed from investigating tourism as a field of “service trade” up to investigating tourism activities as a system of elements interrelated and interacting between themselves and with the external environment (Dincă and Gheorghila, 2013).

H2: Cooperation in the field of tourism between Russia and the RK is developing rather sustainably in spite of the volume decrease in business trips and contacts due to the EC sanctions against Russia (Table 1).

Analysis of the data described in Table 1 allows for the following conclusion:

- Inbound tourist flow from the RK to the RF is characterized by the sustainable dynamics in spite of the sanctions against the RF;
- The Primorye Territory holds the leading position in the RF for the RK tourists’ reception. Average growth rate of the inbound tourist flow from the RK to the RF was 119.2%, and as for the Primorye Territory it was 127.7% within the period being analyzed. The proportion of tours from the RK to the Primorye Territory was 19.7% on average out of all tours of South Korean tourists to the RF within the period being analyzed;
- More than 54% of Russian tourists from the Primorye Territory visited the RK. The outbound tourist flow from the Primorye Territory to the RK is characterized by the positive sustainable dynamics; tourism cooperation is developing more dynamically than in any other RF regions.

Diagram of international tourist flow volume of the Primorye Territory and the RK is shown in Figure 2.

The possibility of the tourism dynamic development between the Primorye Territory and the RK is due to the following factors:

- Territories neighborhood and availability of developed transport corridors;
- Respectful relations and mutual interest of Russian and Korean people to know national cultures (Bong, 2009);
- Elimination of visas since January 01, 2014;
- Program “Years of reciprocal Russia and the RK visits in 2014-2015;”
- Active promotion of new tourist routes. The RK delegations are active participants of annual Pacific International Tourist Exhibition (Vladivostok). The Primorye Territory delegation regularly participates in the KOTFA Exhibition (Seoul);
- Intense efforts of Vladivostok representatives of the Korean Tourism Organization;
- Highly topical program of newsworthy events in the Primorye Territory and active participation of tourists from the RK in these events;
- Intense development of relations in the field of culture;
- Dynamic development of educational tourism;
- Extension of joint scientific research programs.

According to tourist organizations data the Primorye Territory citizens travel to the RK with the purposes of medical treatment,

Figure 2: Volumes of international inbound and outbound tourist flows of the Primorye Territory on the Russian Korean route, persons

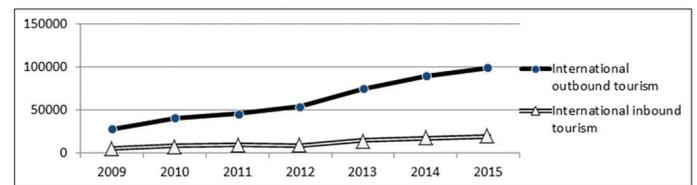
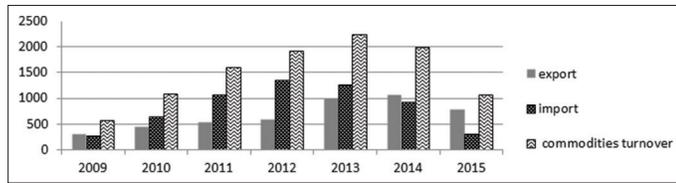


Table 1: Mutual trips of the RF and the RK citizens

Indicators	Years						
	2009	2010	2011	2012	2013	2014	2015 (preliminary data)
RK citizens entry to the RF, persons							
Total number of entries, persons	84,166	90,622	91,335	94,922	1,07,942	1,35,676	1,25,230
Including:	35,200	42,573	46,991	48,425	52,114	82,494	95,000
For tourism purpose, persons							
For business purposes, persons	12,796	14,072	15,842	21,190	22,681	12,035	10,000
RK tourists’ entries to the Primorye Territory out of the total volume of tourist flow, persons	4935	8123	9021	8583	14,331	16,641	19,500
The proportion of the RK tourists, coming to visit the Primorye Territory out of the total flow of Korean tourists in the RF, persons, %	14.0	19.1	19.2	17.7	27.5	20.2	20.5
Exit of RF citizens to the RK, persons							
Total number of exits, persons	1,33,742	1,51,433	1,61,893	1,87,536	2,11,258	2,35,332	2,00,000
Including:	58,704	74,233	74,960	92,417	1,07,055	1,26,239	94,200
For tourism purpose, persons							
For business purposes, persons	18,432	19,735	22,825	25,122	28,930	30,755	22,800
Russian tourists exit from the Primorye Territory to RK out of the total volume of the outbound tourist flow, persons	22,618	32,614	37,117	45,604	60,379	72,609	80,000
The proportion of the Primorye Territory tourists in the outbound tourist flow of RF tourists to RK, %	38.5	43.9	49.5	49.3	56.4	57.5	84.9

RF: Russian Federation, RK: Republic of Korea

Figure 3: The volume of the Primorye Territory foreign trade turnover with the Republic of Korea, million USD



health improvement, rest, entertainments, shopping, cultural and educational tours.

H3: The RK is one of the three main countries - partners of the Primorye Territory, which account for 80% of the foreign trade turnover annually.

The Primorye Territory trade turnover with the RK had been developing dynamically and steadily before the EC sanctions were imposed. But since 2014 the cooperation extent has been decreasing. In 2015 the Primorye Territory and the RK foreign trade turnover decreased by as much as 46% in comparison to that of 2014. The import turnover decreased by as much as 68%.

The Primorye Territory foreign trade turnover dynamics with the RK is demonstrated in Figure 3.

Improvement of the international tourism development between the Primorye Territory and the RK, considering high multiplicative tourist activity effect, can become the catalyst for developing new forms of foreign economic cooperation. However statistical investigations conducted by the territory body of the state statistics in the Primorye Territory would not allow define a Korean tourist “portrait” and his/her anticipation of a tour to realize a tourist trip program adequate to those expectations; to estimate tourist attractors in the region and to determine the optimal durability of tour programs; to assess the sum of tourist expenditures in the region and to calculate some other indicators which are necessary to analyze cost effectiveness of tourism development between the Primorye Territory and the RK. Imperfection of the arranged investigations of the tourist services market impedes the rating of factors effecting on the international tourism development and dictates the need of marketing tools development in tourism.

4. CONCLUSION

The necessity to improve the international tourism state regulation has been identified and explained. The need to improve the development of the regional tourism marketing as one of the key factors specifying the tourism activities effectiveness has been demonstrated by the example of analyzing the cooperation between the Primorye Territory and the RK.

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