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16. Marketing of the region as a tool for attracting investment

Currently, most regions of Ukraine face the problem of improving their image and investment attractiveness, identifying priority areas of development, and creating effective interregional integration programs.

The marketing approach to managing regional development from the perspective of increasing the investment attractiveness of the region is rarely used in practice. So far, no marketing programs for the development of the region and methodology for managing regional marketing have been developed. However, it should be noted that the development of regional marketing programs is an urgent task for the economic development of regions. After all, marketing creates a basis for the economic activity of regional enterprises, allows the implementation of effective market mechanisms at the macro- and microeconomic levels, and provides answers to a large number of questions related to the allocation of priority goals and tasks for the development of the region [280].

Regional marketing management implements the economic function of increasing business activity, attracting investments, and solving social and economic problems. In this regard, marketing ensures the formation and promotion of a positive image of the region, capable of attracting investments and most advantageously presenting and realizing the advantages of the economic potential of the region, is of scientific and practical interest.

Theoretical and applied aspects of marketing in investment activities were studied by V. Gerasymchuk, B. Gunsky, S. Ilyashenko, E. Krykavskyi, I. Mazur, N. Mykytyuk, O. Pisotska, T. Priymak, S. Kharichkov, N. Chukhray, V. Shapiro et al. The list of scientists researching the issues of investment and marketing, marketing strategies is not limited to the mentioned ones, however, this subject has not yet been fully disclosed. Issues regarding the role of marketing and marketing tools in the process of investment attraction, formation and development of the market of investment resources have not been sufficiently covered yet.

The socio-economic development of the region largely depends on its ability to attract investments. Currently, the investment attractiveness of the region determines the degree of its competitiveness. The influx of investments into the region creates prerequisites for the growth of labor productivity and the quality of life of its population. At the same time, the stability of favorable investment conditions is an important factor of investment attractiveness.

The investment activity of the region represents the intensity of attraction of investments in fixed capital. The investment attractiveness of the region is the objective prerequisites for investment and is quantitatively expressed in the amount of capital investments that can be attracted to the region, based on its inherent investment potential and the level of non-commercial investment risks [278]. The investment attractiveness of the region is based on the investment policy implemented in one or another region.

At present, Ukraine is witnessing an intensification of regional competition for investment resources. Mechanisms are constantly being improved, new approaches are being created to activate investment processes. Each region is trying to develop its effective investment policy. In this regard, it is reasonable to develop the concept of investment attraction at the territorial level. To do this, it is necessary to choose priorities for the development of the region, taking into account the structure of the economy. The influx of investments should, first of all, be directed to the strengthening and diversification of export potential, the promotion of competitive goods and technologies on the market external to the territory, the development of import-substituting industries, the introduction of advanced technologies and the modernization of industry.

In our opinion, the concept of regional marketing is the most promising and implements marketing management actions that contribute to the inflow of investments into the region. At the same time, this concept forms a new type of thinking of regional managers and entrepreneurs, contributes to the maximum satisfaction of the needs of the residents of the region and participants in the investment process identified in the course of marketing research. In the conditions of an innovative or information-creative economy, the image and brand of the region, as well as the marketing strategies of its development, are a necessary factor in realizing the regional potential to the greatest extent [278].

Marketing of the region is a system of attracting new economic agents to the region, contributing to the prosperity of the region as a whole. The investment attractiveness of the region largely determines the level and quality of life of its population. Investments are both a cause and a consequence of economic growth, representing the relationship and interaction of the main economic categories.

It is necessary to understand that the marketing of the region is aimed at the promotion of products, services, goods, enterprises, industries that are characteristic of the territory and, of course, to attract investment in these industries. And in order to achieve this goal, it is necessary to develop a competitive policy of the regions. And the competitive orientation will be expressed in the creation of better, compared to other regions, conditions for doing business, education, tourism, living and conditions for investment.

In order for the region to become more attractive for investors, it is necessary to develop a development strategy, a marketing strategy, develop infrastructure, demonstrate competitive qualities, and develop informational materials.

To date, in the management of the development of the region, only separate marketing tools are used, a systematic approach to the organization of regional marketing has not been formed. At the same time, only the creation and implementation of a system of marketing activities at the level of the region, and not individual marketing measures, will contribute to increasing the level of its competitiveness, and, therefore, investment attractiveness.

The system of marketing activities of the region, aimed at increasing investment attractiveness, should include analysis and forecasting foreign markets; clear formulation of priority goals and strategies for the development of the region; development of a marketing complex.

Analysis and forecasting of foreign markets, in turn, involves assessing their potential, identifying strengths and weaknesses using SWOT and clear formulation of strategies and goals based on the general strategic goals of the region's development. In many ways, the strategic goals of the region's development and its investment attractiveness are determined by a set of marketing tools for the distribution of products produced at the region's enterprises with investments. Therefore, the formation of priority strategies and goals for the development of the region from the point of view of a set of marketing measures should be based on:

- product strategy positioning and regional market segmentation, as well as portfolio analysis of products produced in the region;
- experience of successful regions with a more favorable investment climate;
- choosing a growth strategy for sustainable regional development;
- creation of an optimal sales network;
- formation of the communication policy of the region.

As you know, the main product in regional marketing is the territory of the region, which necessarily has its competitive advantages and disadvantages[281].

The relationship between the marketing system and the investment attractiveness of the region is shown in Fig. 1.

Thus, it is necessary to understand that the marketing of the region becomes an important tool for increasing investment attractiveness, aimed at the constant promotion of positive information about the region in order to create a favorable attitude towards it, towards products and services and local business conditions.

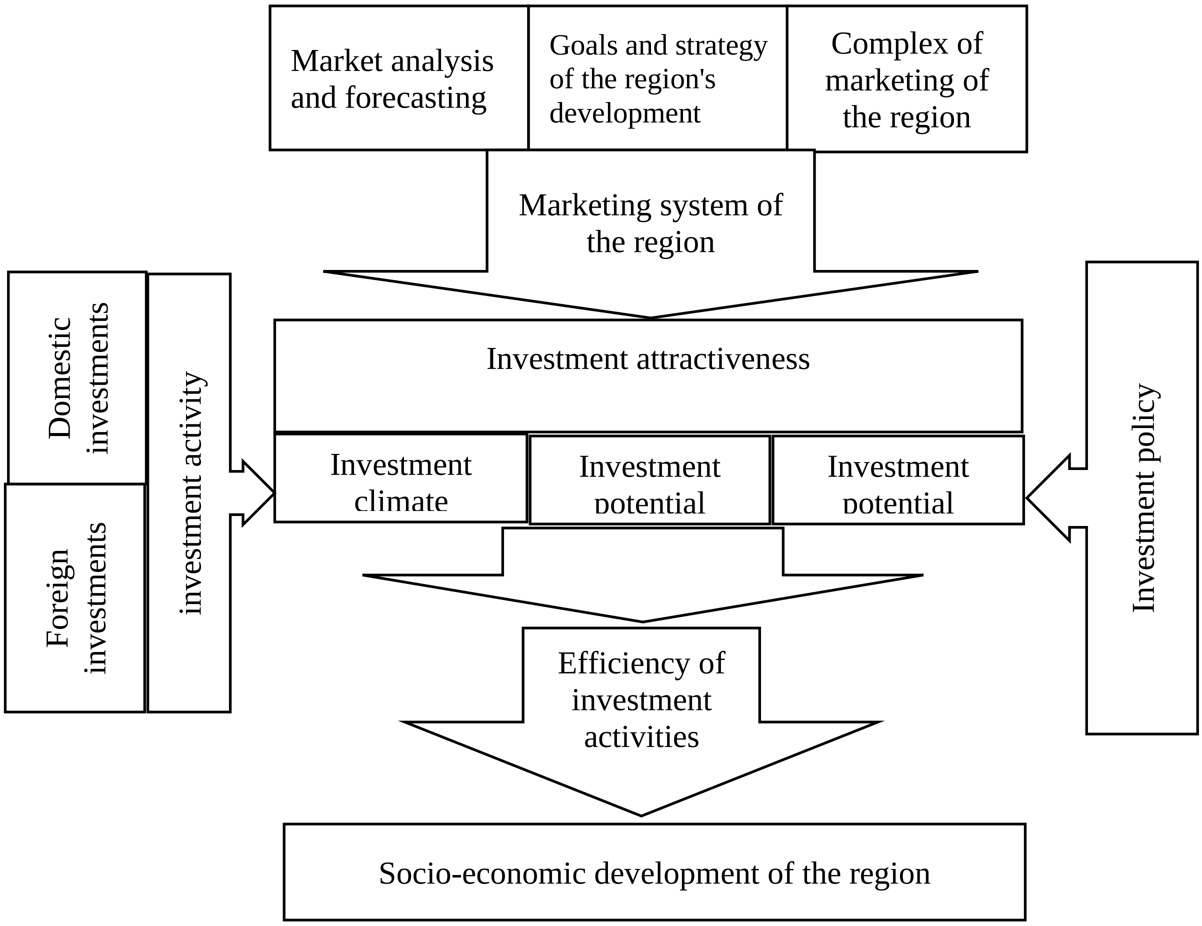

Fig. 1. The relationship between the marketing system and the investment attractiveness of the region

In recent years, foreign investments in Ukraine have been growing at an impressive pace. Statistical data over the past few years indicate a steady increase in the volume of direct foreign investment in the economy of our country, although, according to specialists, the volume and pace of foreign capital investment have decreased somewhat.

During 2021, 45 investment projects with a total cost of UAH 900 million were implemented in the region, 725 new jobs were created, including 23 projects were implemented in agriculture (with a total cost of UAH 235 million, 215 new jobs) and 22 investment projects were implemented in the industrial sector of the economy (with a total cost of UAH 665 million, 510 new jobs were created), of which, by industry:

• food and processing - 11 projects worth UAH 200 million, 170 jobs;

• alternative energy - 7 projects worth UAH 415 million, 20 jobs;

• pharmaceutical industry - 1 project worth UAH 22 million, 250 jobs;

• mining industry - 1 project worth UAH 0.3 million, 10 jobs;

• others - 2 projects worth UAH 28 million, 60 jobs;

In the region, private investors are implementing 135 investment projects for a total amount of UAH 10.32 billion, which will allow the creation of an additional 6,490 new jobs, of which 61 projects are implemented in the agricultural sector (worth UAH 860 million, it is planned to create 810 new jobs). In the industry, 74 long-term investment projects are being implemented (the period of their implementation is 2017-2020 p.p.) for a total amount of UAH 9.47 billion, which will allow the creation of an additional 5,680 new jobs.

In 2016, the measures envisaged by the Program for the Development of International and Cross-Border Cooperation of the Vinnytsia Region for 2016-2020 and aimed at increasing the level of innovation and investment capacity of the regions, as well as the development of cross-border cooperation, were successfully implemented.

In particular, in order to improve the image of the region abroad, to present its economic, agro-industrial, natural, scientific, cultural and industrial potential, to increase the level of awareness of the Vinnytsia region in the world, the participation of delegations of the Vinnytsia region in international exhibitions, business forums, and visits were organized representatives of international organizations and the diplomatic corps of various countries of the world to the Vinnytsia region, an international conference was held on the territory of the region, the IV International Investment Forum "Vinnytsia – Business in the Center of Ukraine", the III Swedish-Ukrainian Forum on Energy Efficiency and Clean Technologies.

While in Ukraine, the marketing approach to managing regional development from the standpoint of increasing the investment attractiveness of the region is used very rarely. Regional development marketing programs and regional marketing management methodology have not been developed. When applying marketing technologies to promote the region as a product, it is important to correctly define the target group of consumers – these are domestic and foreign investors who meet the needs of economic development to the greatest extent.

Thus, it is necessary to understand that the marketing of the region becomes an important tool for increasing investment attractiveness, aimed at the constant promotion of positive information about the region in order to create a favorable environment for attracting investments.