

## **INDUSTRIAL HERITAGE AS A COMPONENT OF THE URALS' ATTRACTIVE IMAGE**

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### **Abstract**

The article conducts the idea of the necessity to form a positive image of the Urals region, which is usually associated with a faraway region of dense forests, rich in natural resources, harsh part of the country. Any kind of fame is positive to advertise the region. It is necessary for an increase in the tourists flow to the studied area i.e. the touristic appearance of the region and the city must be easily recognizable and "sold". Sociological study in February 2017 was conducted by the authors to evaluate what the present image of the Ural region is associated with, and the data given in the article is compared with the data of another research, conducted in 2015. The data reveals that in modern conditions industrial heritage of the Urals can be made into the main content of the region's image. There is a lot in the past of the studied area to form a positive image of the region. To solve the problems of the Urals region's positive image formation on the basis of industrial heritage we should unite all the participants of this process: state structures, public non-commercial organizations and funds, individuals and local communities, business people and businesses.

**Key words:** management of the territory, attractive image, industrial heritage

**JEL Code:** N94, Z32, M30

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### **Introduction**

Most regions are now involved in the global market, which creates vigorous competition between territories with similar characteristics and makes branding crucial for their successful development. Nowadays in most regions brand image has become an important tool of their economic development. The region's attractiveness for inhabitants, tourists and investors has a massive impact on the municipal budget's revenues, export, inflow of investments, and the dynamics of the gross regional product.

The image of Russia as a multi-cultural state on the domestic and international arena relies on the diversity of its territorial images, each of them interesting and unique in its own way. Region branding requires research and the development of special social and marketing

technologies. Social, political, cultural, historical, and investment attractiveness of a region is the result of a thoroughly planned and executed brand strategy. The public consciousness associates each region with its own unique characteristics that need to be studied and developed.

## **1 Literature overview and methodology**

Kevin Lynch, an American urban planner, published 'The Image of the City', which soon became a classic in the sphere of image studies. I.S. Vazhenina, and others contributed to this field (Lynch, 1962; Vazhenina, 2011; Yessimova, 2015). Philip Kotler, Michael Porter, and Donald Haider as well as D.V. Vizgalov and A.P. Pankrukhin specifically focused territorial marketing (Kotler, Armstrong, 2007; Porter, Haider, 1994; Vizgalov, Pankrukhin, 2011). American economist Kenneth Boulding introduced the term 'image' in the 1950s into the scientific and business discourse. He defined it as 'a generalized human perception and further processing of this perception' (Boulding, 1956). Russian scholar V.M. Shepel published a number of works on image development, which gave rise to image studies as a separate area of applied science. (Shepel, 2002). At present there are numerous approaches to the definition of image accentuating its economic, psychological, social, political, communicative, and other aspects (Lin, Zins, 2016; Buh, Le, 2015; Huang, 2016; Bruwer, Gross, Lee, 2016).

Regional image is based on certain perceptions and associations, which comprise three key components: official information about the region; stereotypical ideas of this region; and real-life knowledge about the situation in this region. Therefore, the process of region branding usually involves the following: the local government acting on behalf of the region – at this stage they combine the functions of the customer and service provider; mass media; specialists; international economic and diplomatic services; state and public organizations; sport and cultural organizations and events; educational system; science, personnel policy; and individual citizens (Vasilkonova, 2014). Branding as an instrument of regional management influences the strategy of regional development, the choice of priorities in the economic sphere, and the development of business environment. The efficiency of a regional brand image can be assessed by analyzing the population's awareness of the region's competitive advantages. Region branding is primarily aimed at creating a positive reputation of this area, which is a part of its socio-economic development strategy necessary to create favourable conditions for all agents of territorial interaction.

Philip Kotler, defined the image as a public perception of the company and its products (Kotler, Armstrong, 2007). Nowadays branding starts to be seen as an instrument for giving the

region a competitive edge. According to Kotler, a 'place image' is the sum of people's beliefs, ideas and impressions (Kotler, Haider, Rein, 1993). In other words, images represent an associative network of knowledge: they are a product of the mind trying to process and select essential information from huge amounts of data. Thus, we can make a conclusion that a city image is the sum of perceptions of this city held by its citizens. A positive image of the region is created through marketing programs that make it attractive for target groups as a place to live, work, visit and do business. This increases the investment in the region, budget revenues, and export growth. G. Pocheptsov sees a regional image as a complex of individual perceptions that exist in the public consciousness about a specific area or region. These individual perceptions can refer to the region's geographic location, climatic and national characteristics, culture, and physical environment (Pocheptsov, 2006). It can be supposed that if two competing regions have practically similar economic and geographic indicators, they will be compared on the basis of people's impressions, memories, associations and experiences. Therefore, reinforcement of a city image will have a significant impact on its investment attractiveness as well as on its social, cultural, and political life, thus becoming not only an aesthetic but also an economic category.

Region branding can help the government accomplish the following objectives:

- boost the region's investment attractiveness both for domestic and international businesses; attract new residents (workforce, students, and scientists);
- prevent the outflow of talented students and qualified workforce to other regions and countries; make the region more attractive for tourism and develop its cultural, recreational, and business tourism;
- receive funding from the federal budget and participate in federal programs; help local industrial enterprises win more government contracts; improve the interregional and international export of local products (scientific technologies, food and non-food products, educational, hotel, entertainment and other services);
- expand the taxable base of the budget with the resulting growth of the gross regional product.

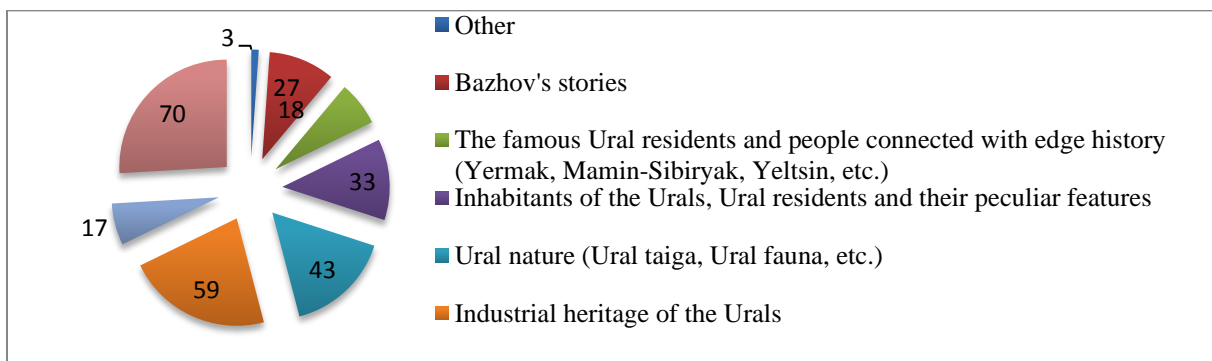
## **2 Research results and discussion**

Experts constructing the theoretical underpinnings of the regional brand more and more frequently turn to the history of the place, which can hide a lot of forgotten or little-known facts

that city dwellers can be proud of. A lack of knowledge about the historical past of the region can lead to biased perceptions and undervaluation of its potential.

The Ural region (Urals) is an old industrial region of Russia, so it would be reasonable to place its industrial heritage at the core of its brand image. To test this hypothesis, we conducted a survey in February and March 2017. To collect the data we used the method of questionnaire survey (N=127). 48% of the sample were male and 52% female. Young people under 20 accounted for 7.9%; young people aged 20 to 29, 30.7%; people aged 30 to 39, 21.8%; 40 to 49, 12.9%; people aged 50 to 59, 16.8%; and people over 60, 9.9%. As for the level of education, 2.9% of respondents had an incomplete secondary education; 12%, secondary education; 13.9%, secondary vocational education; 14.7%, incomplete higher education; 46.9%, higher education; and 9.6% held a post-graduate degree.

**Fig. 1: What do you associate the Ural region first of all with?**



Source: compiled by the authors

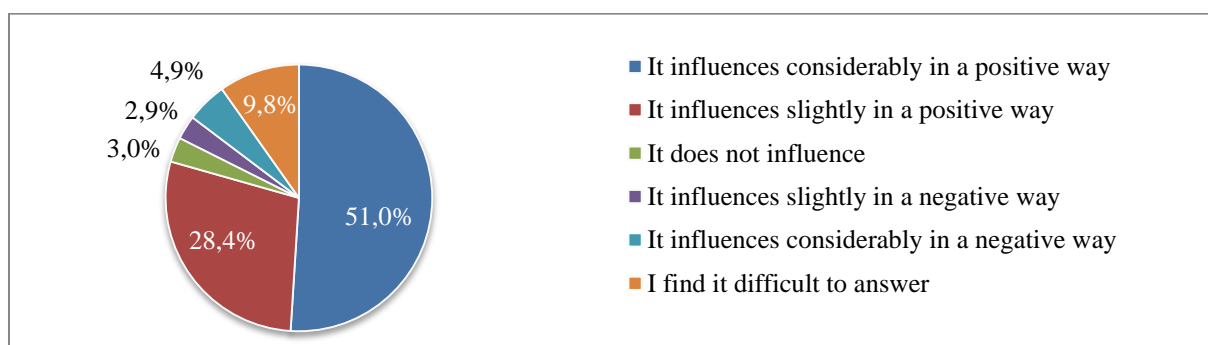
Since we cannot present all the results in detail, we will try to focus on the most interesting aspects. For example, to the question 'What are your first associations with the Ural region?', 67.3% of the answers were 'mountains, precious and semi-precious stones and minerals'; 56.7%, 'industrial power'; and 41.3%, 'the nature of the Urals'. These answers show that most of the respondents do not associate their region with the people, their characteristic traits, or historical and cultural figures such as Ermak, Mamin-Sibiryak, Yeltsin, and others. A significantly smaller number of respondents chose the answers 'people of the Urals' (31.7%); 'Bazhov's fairy tales' (26%); 'famous people from the Urals' (17.3%); and 'the region's unique history and culture' (16.3%). This trend is connected to the widely spread opinion that the region primarily relies on its mining industry and mineral resources.

When we asked our respondents whether they can characterize the modern Urals in one phrase, we received the following responses: 'The Urals is the cornerstone of the Russian state', 29.4%; 'industrial region', 24.5%; 'the mining and metallurgical civilization', 12.7%. Thus, the

majority (66.6%) associate the region with its industry and its industrial potential. Each territory has its own unique character, which should be emphasized in order to develop its brand image. Our respondents believe that the region's location – between Europe and Asia – gives it a competitive edge (28.4%). We asked our respondents to evaluate the public awareness of the events and period of the Ural history on a five-point scale: 'Ural as the land of factories' scored the highest – 4.8 points; Ural factories as the giants of Soviet industrialization got 3.9; the region's contribution to the victory in the Second World War, 3.5; an important role of the region in the country's contemporary history, 3.5; and the murder of the Romanov royal family, 4.0. Among the most famous figures in the history of the region, respondents named Bazhov and Yeltsin, 4.2 points each; the Demidov dynasty of industrialists and landowners, 3.3; and the Stroganovs, only 2.3 points.

It is also interesting how respondents answered the key question in the survey: 'How does the industrial heritage affect the regional image?' The majority believe that it has a significant positive impact (51%); 28.4% said that its influence is positive but negligible. This means that almost 80% of respondents evaluated the impact of the Ural industrial heritage on the regional image as positive. Only 7.8% of respondents held the opposite opinion. 9.8%, which is a quite large share, found it hard to answer, which means that almost 10% have never given a proper thought to this question.

**Fig. 2: Does the industrial heritage influence the region image?**

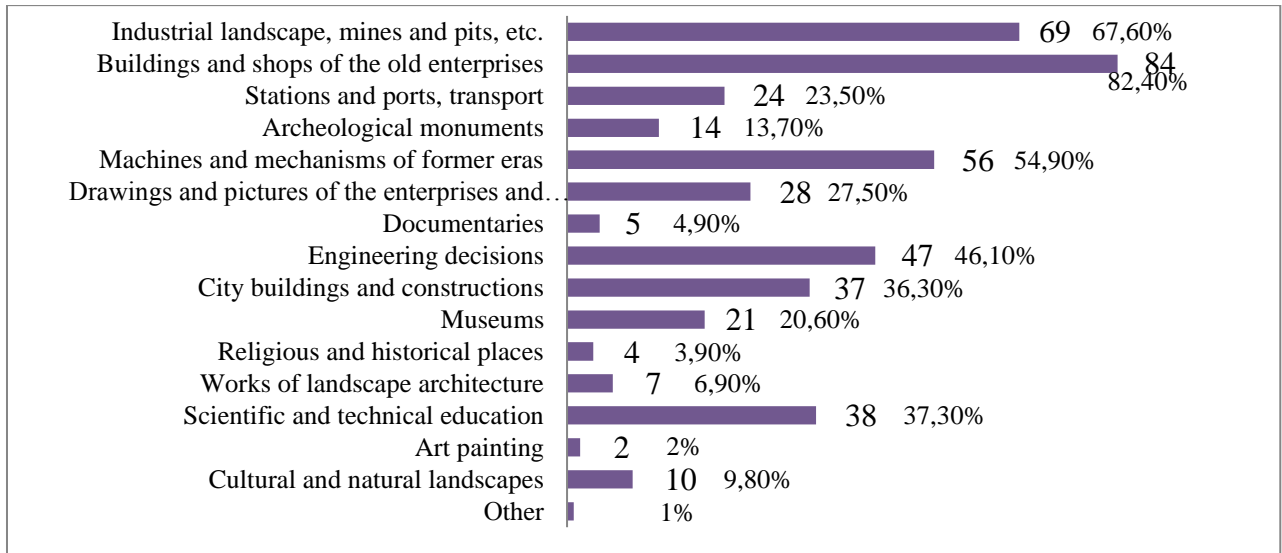


Source: compiled by the authors

Another remarkable aspect of the survey was connected with people's understanding of the concept 'industrial heritage'. The vast majority (82.4% of answers) associated it with the buildings and workshops of old factories; industrial landscape (mines, quarries, and so on), 67.6%; derelict machinery and devices, 54.9%; city buildings and constructions, 36.3%; technical drawings and photos of factories and machinery, 27.5%; railway stations and ports,

transport, 23.5%. Some respondents mistakenly fitted engineering solutions (46.1%) and technical education (37.3%) into the category of industrial heritage.

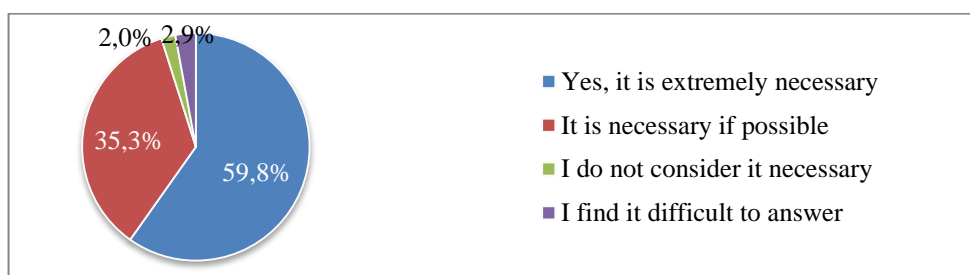
**Fig. 3: What do you understand under the term “the industrial heritage”?**



Source: compiled by the authors

The next important question was whether it is necessary to preserve the industrial heritage. 59.8% answered that it is vitally important and 35.3%, that it is necessary if possible, that is, over 95% subscribe to the view about the importance of industrial heritage. Only 2% of respondents think that it is unnecessary while about 3% said they did not know.

**Fig. 4: Do you find necessary a safekeeping of the industrial heritage?**



Source: compiled by the authors

We got unexpected results from the question about what groups and social institutions have the biggest influence on the development of the Ural's positive image. Local inhabitants occupied the top of this list (47%); they were followed by the mass media, 21%; the city administration, 15%; the regional governor and mayors of local towns, 9%; while city and regional councils, accounted for only 3%.

The historical past of the Urals holds a great potential for enhancing its brand image: for example, the famous 'Siberian stable' stamp that marked the superb quality of the Ural steel. Another historical symbol of the Urals is the malachite, which was used to craft the most beautiful things for members of the royal family such as vases and tables for palaces in Russia and abroad. The list goes on and on and includes gold mining, which in the second half of the nineteenth century gave rise to the 'gold fever', one of the first in the world; precious and semi-precious stones, which were widely used in jewellery production and building. Another remarkable aspect of the region's past is its industrial heritage: in Ekaterinburg there are remnants of production facilities of the iron works and copper-smelting plant, which was later transformed into a mint and lapidary works. There are also eighteenth-century buildings of the Mining Administration and College.

We believe that it is the industrial history of the Urals that must become the core of its brand image, making this region attractive both for local residents and tourists. Famous figures of the Ural industrial history, such as Popov, the inventor of the radio; the Cherepanovs father and son; Kulibin, could become the focus of large-scale international projects. Therefore, it is necessary to coordinate the efforts of the government and the public to create a positive image of the city and the region.

The regional authorities and economic institutions must ensure the city's attractiveness for businesses and investments while professional historians, ethnographers and museum workers must take care of its positive historical image. Special attention should be paid to the great historical and cultural significance of the monuments and their condition, which should be carefully monitored and controlled. The ex-Governor of Sverdlovsk region Alexander Misharin put forward an idea of creating a museum and exhibition centre of the history of science and technology in the Urals, but, unfortunately, this idea was forgotten and never fully realized. Such museum, however, was established in Verkhnyaya Pyshma by the Ural Mining and Metallurgical Company. In Nizhny Tagil there is a museum of 'Uralvagonzavod', a famous railway carriage factory. In Ekaterinburg there is also a railway museum, located next to the city's old railway station. It is also crucial to design and develop tourist routes in other Ural towns and in their vicinity. Courses on local history that used to be a part of school curriculum must be returned and actively taught to children. Each inhabitant of the region should be encouraged to learn more about the history and culture of their home area, which will solve the problems with protection and preservation of local cultural and historical monuments.

The government and its agencies are responsible for conservation of cultural heritage, which means maintaining and expanding the conservation register of cultural heritage objects;

development of policies and regulations for organizations and individual persons, coordination and control. The government finances maintenance and reconstruction of monuments as well as awareness raising and educational campaigns. It should also cooperate with public organizations in the matters concerning public access to heritage sites.

There is a great amount of international experience accumulated, by national trusts in the UK, USA, Ireland, public non-profit organizations and foundations. There are also specialized organizations and associations devoted to specific types of heritage, for instance, historical monuments located in a certain area or industrial heritage. Non-profit public organizations have a wide range of functions, starting from monitoring and finding endangered monuments; fundraising; conservation and reconstruction; ensuring access to these sites; research and promotion. In this context American, British and Irish heritage funds are of particular interest.

## **Conclusion**

Recently, Russia has seen a great upsurge of public interest in its cultural heritage but there is still a number of factors preventing further progress in this sphere: firstly, the institutional scarcity in this sector and the lack of clear allocation of power; secondly, low organizational potential of public organizations and, as a result, narrow professional focus (even though these organizations are making a significant contribution to preservation of cultural and historical heritage). The main reason, however, lies in the lack of efficient communication between governmental agencies and public organizations, sometimes verging on open conflict; the lack of purposeful and systematic education and awareness raising among the population and cooperation of all the parties concerned; and, finally, the lack of large-scale projects (similar to the Heritage Salon in France).

At the moment cultural heritage sites tend to be perceived separately from their 'human dimension' – the real stories of people's lives, traditions, connections to the local community, and so on, which means that their reconstruction focuses only on the material side of the question. Another impediment is that independent entrepreneurs are often unaware of the possible use of historical buildings and of the technologies of their adjustment. This means that individual entrepreneurs should be informed about the following: firstly, the mining and metallurgical past of the Urals. It is known that the Urals used to be the land of factories and mines, which to a great extent determined the unique character of this region. This mining civilization had a rich history and culture and produced multiple images, which can be turned into successful brands. Secondly, information should be provided about the military glory of



the Urals: this region has never seen any military action but many local people participated in the war while the local factories produced military equipment and weapons. Thirdly, there is the Soviet industrial heritage. Even though the majority of Soviet industrial enterprises deteriorated during the Perestroika period, including such legends of industrialization as 'Uralmash' factory, they can be used as symbols of the region's history.

In the case of the Urals, region branding can be based on its industrial heritage, unique history and culture, which will make the region more attractive for local residents as well as for business and investment; improve the climate for innovation; positively affect the reputation of the regional authorities; and enhance social responsibility.

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