



Actual versus Suitable City Position: Case Study of the City of Magadan

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ABSTRACT

The achievement and preservation of the stable socioeconomic status of the city aims at increasing its competitiveness and living standards, which is the general goal of urban development. Within this framework, the marketing of the territory is the part and parcel in the public authorities' activity. In addition to the above, the development of the promotion program, its positioning (as a tool of the city marketing), its transmission to domestic and international economic, sociocultural city policy requires system analysis of pros and cons of the municipal district, threats to its development, its possibilities in the market competition. The study uses the method of strengths, weaknesses opportunities, threats-analysis for elucidation of the critical factors regarding the international and domestic urban development. Research results are presented to the city authorities as the key recommendations in the direction of branding activities of the city of Magadan.

Keywords: Urban Development, Far North-East of Russia, Territorial Marketing

JEL Classifications: M31, M38, R58

1. INTRODUCTION

The research topic is determined by the recent projects on territorial development launched by the government of Magadan region. The governor of Magadan region Pechyonyi remarks that "Magadan is in top-ten major cities of Russia at the stock of possible raw material resources [...]. Thus, the development and diversification of raw-material sector is one of the priorities of the Magadan region..." (Pechyonyi, 2016). Notwithstanding the role of raw resources available, the efficient governance of the socioeconomic development of the region considerably depends on the usage of its market mechanisms, including the application of marketing procedures, foremost on the municipal level of governing. In reliance on aforesaid, the analysis of the ambient marketing situation, factors affecting the horizons of Magadan city developments, and the choice of crucial points are forehanded and topical.

The development of the promotional programs and transmission into the domestic and international economic and sociocultural policy of the Magadan city, as a administrative centre of

Magadan region, requires the system evaluation of city's pros and cons, threats to its development, the possibilities of marketing competitive success. Thus, offer development for effective usage of possibilities and benefits. The method of strengths, weaknesses opportunities, threats (SWOT)-analysis will be used for elucidation of the critical factors, with the main units being the elements and aspects of city functioning (Giffinger and Haindl, 2010).

2. A CONCEPTUAL APPROACH TOWARDS TERRITORIAL MARKETING

The strategic goal of development of any city is its sustainable socio-economic development aimed at increasing the competitiveness and improving the quality of life of the population. In this regard, there is a need to involve the marketing tools to enhance the attractiveness of the territory, what is called "area marketing" or "location marketing" (Romanova, 2015b; Deinekin, 2012).

In a general sense it is a promotion of the municipal interests to the market, which includes a complex set of actions for

self-promotion, establishment and maintenance of the image, organization and communication processes and relationships needed to create sustainable interest in the city as an area for life, work, tourism, recreation and investments (Giffinger and Haindl, 2010; Kuznetsov, 2011).

From these positions, the city can be regarded as a set of “goods” with unique properties such as: Sights of cultural and historical significance; nodes of scientific potential; places of arrival and departure (e.g., airports, stations) (Schnaith, 2011); natural, logistical, financial, labor, organizational, social and other resources as well as opportunities for the implementation and reproduction of such resources (Kotler et al., 1993). In its turn the marketing constituent positioning of the city is the instrument of making domestic territory advantages, drawing investments and factors of economic development, improving its image as a whole. From this point of view, positioning is one of the preliminary and determinant functions of territorial marketing, that enables to identify the most challenging ways of urban development (Kompaniets and Rauhut, 2013).

Thus, the opportunity of existing and additional resources deployment depends on what kind of image of the city appears in the minds of various financial and economic entities in political, administrative and cultural elite of the country, region or city and how positive the inhabitants and visitors apprehend the city. From this perspective, city positioning is one of the original and defining tools of territorial marketing, which identifies the most promising areas of the city development (Dolnikar and Grabler, 2004; Kirilina, 2012).

Marketing approach enables to clearly understand what is required for successful socio-economic development of the city, to re-evaluate what constitutes of a given territory, as well as the contextual environment in which it exists. In this regard, the analysis of internal and external urban environment reveals the factors for the subsequent positioning and promotion of the municipality. The analysis of the existent situation of Magadan municipality is going to be put into the effect in the following way.

A brief introduction, city status, and symbolics. Once Aleksander Solzhenitsyn named the city as “a pole of fierceness” where “fierceness” of political system in 30-50ss of the XX century surpassed the nature asperity of the Far North, the lethal cold pierced the souls of the flocked people from all the corners of the country. Today the municipality of the “city of Magadan” is the youngest regional centre of the Far Eastern Federal district of the Russian Federation, originated in 1930s, with the beginning of the industrial reclamation of natural resources located at the of Far North East (there has not been stable location till this moment) (Romanova, 2015a). Thus, the youth of the Magadan city recoils the deficit of cultural and historic traditions, which reduces its tourist attractiveness.

The status of regional capital provides the city with the constant international and interregional bonds of economic and social character. Magadan is a part of Russian cities, small towns, towns of Arctic Circle and Far North. It is the member of the Association

of Siberian and Far East towns of Russian Federation. Magadan Twin-city relations have been opened with cities of America, China, Japan, as well as the cities of South Korea. However, remote location from important centers of Russia, Europe and the whole world reduces the abilities of the city development. As a result, it has been made worse by aggravation of competition for mobile resources (Romanova, 2014).

The name, coat of arms, flag belong to the official symbolic of the city (Balencourt and Zafra, 2012). There are a lot of versions about the origin of the regional center name: They were offered by ethnographers, linguists, geographers, geologists, historians, journalists, and locals, natives of Okhotsk shore themselves, but the one thing united all of them: They all agreed that “Magadan” is the distorted word of “Mongodan,” that is interpret into Russian as the “sea drift,” “flipper,” “the house of flipper” (Vazhenin, 2016).

The cardinal form of the city coat of arms is traditionally heraldic. The base of it is the armor divided into 2 parts. The flag of the city is red linen, giving the image of the city coat of arms figures - on the red background the golden deer in the rushing leap is depicted, accompanied by two golden stars. The red color is the symbol of courage, self-sacrificing, heroism, faithful struggle and life. Golden color is the symbol of endurance, greatness, intelligence, generosity. The deer presents simultaneously two main trades of the Magadan region - the golden crop and deer-farming. The bottom of the coat of arm and flag is presented in the image of waved blue field, symbolizing Magadan city as the sea gates of Kolyma. The blue color is the symbol of high aspirations, mind, sincerity, virtue; the silver is the symbol of purity, wisdom, nobility, peace and mutual help (Romanova, 2015b). This important identification element of the city image is difficult to define because of the great galore.

2.1. The Sightseeing

There are historic and architectural monuments, among which it is worth to mention the Holy Trinity Cathedral - the biggest in the Far East orthodox church, that has become beauty of the city and one of the highest buildings in Russia, the valley and memorial stela, the first stone house of the city (1936), where the writer Kuvaev lived, the former building “Dalstroj” (1941), the geologist house of Boldyreva, the memorial flat of the one of the founders of the local celebrities Kozin and others. In the memory of mass repressions victims, who suffered a punishment in Kolyma, the city of Magadan has 15 m monument - “the Mask of Sorrow.” The centre of the city features the monument “The Node memory monument” for locals - war heroes and heroes of The Great Patriotic War. Another sightseeing of Magadan is the Lenin avenue - historic area of the city, build up with beautiful buildings. This street is the longest street in the world, which transfers into the Kolyma highway, build up on the places of gold mine, villages; former Kolyma camps stretches to the Yakutsk itself. The architectural monument “The Kind Angel of Peace” should be mentioned, set in the entrance to the city, the sculptural composition “Deer”, the church of Nicolas Saint and the temple of The Saint George on the memory valley. Sightseeing of the Magadan involves is not only historic-cultural monuments, but the beautiful nature as well. The city is situated on the seashores of

the picturesque Nagaev bay, where the sea trade port is located, and Gertner bays, where one can admire the beauty of the nature, and also go fishing. On the Staritskiy peninsula, the Stone wreath is located, that is situated to the South of Magadan, there valuable ornamental stones and historic rock scripts from the beginning of the X century can be seen.

2.2. Science and Education

The share of locals with the high education is about 24%, and the majority of graduates live exactly in Magadan. The region's center has approximately 300 PhD and 65 Full doctorates living and working. The base of the scientific potential of the city is the Far East Division of the Russian Academy of Sciences, the institute of the Biological problems of the North, zonal institute of agriculture, International center "Arctic," the Department of Pacific Fish Industry and Oceanography, Northeastern science center of Russian Academy, Northeastern State University. Thanks to the high intelligent sphere, talented and mature personnel are organized in Magadan. However the penury of the perspectives and insufficient level of life forms low interest of young scientist to work in Magadan. It threatens further outflow of talented youth and respected scientists in other cities of the country as well as abroad. Technical diplomas became more popular, so that the percentage of persons with secondary professional education is 30.8%. At the same time those who are finishing college and receiving initial vocational training is much less - 5%, despite being well presented in Magadan. With the increase in the number of vacancies in the city there is an acute shortage of a wide range of specialists of working professions. Increased migration from China and Central Asian countries partly compensates for the shortage of staff, but this inflow of high-quality workforce is not enough, as it does not cover the entire spectrum of deficit professions.

2.3. Geographical Position

The modern city of Magadan is located "on the coast of Tauisk, the Sea of Okhotsk, on the isthmus, connecting the peninsula Staritskogo with the mainland - with an access to the bay Nagaeva and Gertner [...] River Magadanka, which flows from west to east and flows into the bay Gertner, as though it divides the city into two parts. "On its right bank the main part of the city buildings is located..." (Evsykova, 2016). The structure of the Magadan municipality, apart from the city of Magadan, includes such settlements as Dukcha (11 km from the city center), Snow (20 km from the city), the proportion of Snow, Snow (20 km from the city), Snow Valley (23 km from the city center), Uptar (47 km from the city center), Sokol (54 km from the city center).

Magadan is a strong transport hub measuring by regional standards, which covers marine, aviation, and highways. It is the largest hub in the North East coast of the Sea of Okhotsk, which disposes gateway to the Pacific basin and has an international status. The hub performs services for foreign ships on a year-round basis, which provides the city transport relations with the countries of the Asia-Pacific region and the regions of Russia. The federal highway P504 "Kolyma" over a 1000 km, passing through the areas of gold mining, linking the city with the internal parts of the region to the Republic of Sakha (Yakutia), with which the Magadan area are sided by economic and cultural ties. The highway was

built from the bay Nagaeva in the early thirties of the last century. The distance from Magadan to Moscow by road is 9709 km. In the city there is an airport that can receive all types of aircrafts; Magadan dispatchers are able to carry out maintenance of aircraft almost a third over the airspace of the world.

However, transport infrastructure is characterized by substantial spending, due to the absence, in particular of rail link, which undoubtedly affect the low investment attractiveness of the city, a low export potential of industrial enterprises not only in domestic but also foreign markets.

2.4. Road Transport System

The total urban area is about 30 thousand hectares, with the Magadan occupying 18 thousand hectares. At the same time the road transport system of the city is underdeveloped, the capacity of streets for the increased flow of vehicles is limited, especially by the number of places for temporary and long-term parking of cars in the center and several districts of the city, which inhibit the growth of the municipality and impede traffic. It seems appropriate to use the scope of the city for the expansion and modernization of the road transport system, ensuring maximum demand of car ownership, freight and passenger traffic; improve the quality of road surfaces and increase the number of road junctions.

2.5. Trade and Business

Nowadays there are more than 600 effective enterprises of retail trade in administrative centre of the Magadan. They contribute to the increasing appeal for economy registration of different levels and influence Magadan positioning as a status of special economic zones (SEZ) where special economic conditions for enterprises, working in SEZ, are created: Exemptions on the federal tax, preferential treatment.

Annually dozens of new modern enterprises are set up, partly due to reconstruction and building of temporary trade tents, places of shoes and key repair, pavilions of public canteen. Comfortable business conditions for entrepreneurs are created on the city consumer market. More and more enterprises are opening using mobile trade, especially during the summer. According to this tendency, trade development is characterized by displacement of small trailers and the reduction of citizen's purchasing power. Because of northern remoteness the costs are rising; charges of any business are extremely high in the city, living standards are high, so as the price of the main components of the food hamper. Thus, according to the social welfare the city of Magadan is at the top of the most expensive cities of the Russian Federation, and northern extra charges and indexes do not cover the size on northern rising costs.

2.6. The Construction Sector

At present Magadan has no apparent deficit of space that gives an opportunity for building on huge territories. In previous year 10219 m² of housing were distributed, that comprised 168% to the level of 2014 year. Moreover, 13 individual houses with 1620 m² were built, that is 68% more than in the previous year. However, the building complex of the city is the so-called "barometer" of the social economic development, thus, current economic

difficulties in 2015 could influence this trade. The majority of the citizens need the improvement of housing, as old and failing housing stock deepens each year. The problem of willful house and garage building regulation as well as storage business stands in front of city.

2.7. Industrial Sector

Industrial production of the city is an important contribution to economy of the Magadan district. There are 519 industry enterprises registered, including 255 enterprises of economic activity "Extraction of minerals," 24 organizations "Energy and water distribution;" more than 70 organizations are registered in the "Fishing trade," including 4 big and medium-sized businesses.

The products of energetic band predominate in the structure of total industry embarked goods volume and comprise 85.5% of total production volume. 13.6% of total volume production is on the enterprises of processing sector, 0.9% is on the mining enterprises. The main enterprises of these trades are JSC "Magadanenergo," MUE of Magadan city "Magadan heating system," JSC "Magadan electricity supply," MUE of Magadan city "Vodokanal." The city has stable economic base, positive tendencies in the sector of manufacturing and individual entrepreneurship, in the development of imports and exports. The index of industrial production is 102.5%. Thus, Magadan has high potential of industrial development that is related with development of region's mineral resources if the deficit of energy and transport infrastructure is eliminated. Besides the shortage of qualified professionals affects the pace of work of industrial enterprises in the city, which can lead the loss in competition.

2.8. Environmental and Climatic Factor

Magadan is located on the same latitude as the city of St. Petersburg, but it is much colder. A serious negative point about Magadan is that it is built on permafrost and in the zone of high seismic activity. In addition to this, regional center is located in an area with severe climatic conditions, characterized by cold and snowy winter, short and often rainy summers. Magadan spring begins in April, and winter comes in October. The average temperature in January to -17.1°C and $+11.2^{\circ}\text{C}$ in July. Precipitation is 526 mm a year. The duration of the short daylight hours is 6 h, of the longest - up to 19 h. During the period of white nights, coming in June, total darkness does not happen. Autumn activates cyclones that bring wind and rain. However, the capital of the Kolyma region has a relatively favorable environment and significant recreational resources within most city limits. Indicators of Magadan living standards are the best in the area.

2.9. The Energy Complex and Natural Resources

Magadan is the center of a territory that is rich in natural resources, especially precious metals stocks. The share of Magadan gold mining companies in the total volume of metal produced by the country of just over 20%, and in the Far East region - more than 30%. Besides already developed deposits of gold, silver, stocks, there are platinum group metals, zeolites, limestone, gypsum, fluorspar, barium, peat, reserves of coal, oil and gas resources of the Okhotsk Sea shelf, etc. Speaking of the energy sector of the city, it should be noted that due to the harsh climatic conditions, the

heating season in the region begins in early September and ends in mid-June. The duration of an average is of 285 days. The first major power plant of 672 kW was built in Magadan in 1933. Production of thermal energy provides Magadan CHP. Power supply is carried out by "Magadan Energo," "South Eloktricheskie Network," "Magadanelektroset." The main features of the regional center of the energy system are: Isolation, lack of technological ties with the Unified Energy System of Russia; the excess of installed power generation; a high degree of deterioration of heating systems and boiler and turbine equipment Magadan HPP, which entails the risk of man-caused accidents and disasters. In addition to Magadan is the administrative center of the northern region of the Far East are high risks associated with the so-called "northern delivery" of the fuel due to navigation, ice conditions in the Sea of Okhotsk, and others.

Anthropogenic landscape, which is a visual image of the city, includes town planning, architecture and appearance of the buildings, the interior of the premises (Mahmoudzadeh et al., 2014). The appearance of the city was formed from 1928 to 1956, and included the following steps: "Cotton-tent," barracks, a two-story wood-and-stone multi-storey (Smith, 2008). It is the last step when metropolitan "dalstroev" style is built, the main features of which were: Ensemble, splendor, hierarchy. Magadan polar architecture is "Stalinist Hellenism" industry. This integrated development of the city construction and development of a new type began in the 60-80-ies of XX century: The city receives annually more than 100 thousand m^2 of housing, several schools, kindergartens and other social and cultural facilities and production purposes; its historic center, designed by Leningrad architects, organically complemented the modern neighborhoods. Streets, squares and parks became outfitted. Magadan has numerous architectural monuments, among which the most interesting is the regional drama theater, cinema "Gornyak." Now, the central avenue of the city is a street lined with Stalinists houses and pleasant walkways. At the same time, with the exception of the historical center, the entire city is built the same type of five- and nine-storey houses. The perception of the external appearance of our city facilitates viewing it from a height of landscaped hills and specific points, such as the bell tower of Holy Trinity Cathedral. Visiting such places and structures may be included in the tourist route through the city tours.

In recent years, the authorities of Magadan pay more attention to design of urban streets: The main new elements and decoration of the city, such as light design of facades, flag design on poles, decoration lighting poles on highways, floral arrangements over fences, ornamental trees with flower boxes, streamers, light garlands. Green plants are a valuable asset of the city, and have a positive impact on the habitat of citizens (Shuvladze and Kirvalidze, 2011). Greening of the city is represented by parks, squares.

Urban landfill placement and disposal of municipal solid waste covers 4-5 hazard class, coincides to all hygienic and environmental requirements. But there was a dangerous situation with the placement, disposal and recycling of industrial wastes of 1-3 hazard class. Industrial waste is stored on the territory

of enterprises, as well as illegally placed in a green suburban area of the city. The absence of the landfill for the installation of processing and recycling of industrial waste of 1-3 hazard class poses a serious threat to the natural environment of Magadan. In addition, the low level of landscape and cleanliness is one of the Magadan problems, since a high percentage of dilapidated and damaged houses, derelict buildings unauthorized dumps and garbage along the roads of the city; insufficient number of garbage cans and refuse bins. Furthermore, analysis of the purity of sidewalks, driveways, lawns, recreation areas and playgrounds does not show compliance with statutory requirements.

2.10. Culture and Entertainment

There is the chain of functioning municipal cultural institutions, comprising cultural centers, centralized system of libraries, institutions of extended education for children, Kozin's memorial flat, a city park, the cinema "Gorniyak," such municipal performance groups as the orchestra of wind and popular music, the choir in honor of Evgeny Alkhimov, the ensemble of folk instruments "Meteliza," the circus "Voyage." Moreover, famous theatre companies and music ensembles play in the city; performances of circus, pop stars and others visit Magadan.

2.11. Social and Health Services

The system of municipal health service is the 13 health care centers, including three health centers for adults, paedodontics and adult dentistry, maternity home for 200 beds with welfare center, children's hospital for 150 beds with four health centers, children's infectious diseases hospital for 95 beds and adult infectious diseases hospital for 90 beds, children's health camps - tuberculous and pulmonary, advanced baby home, emergency medical setting for 14 mobile teams (10 doctor's and 4 feldsher's). There are 286 highly skilled doctors and 825 medical workers. Municipal health institutions render a service of medical ambulance, extended care, ambulatory care (day patient department, home care), child support service that are left without parents, children's sanatorium service for prophylactic and treatment of somatic diseases and others.

Thus, the analysis of Magadan medical institutions' potential shows the stable level of their equipment. However, the comparison of medical institutions' potential and the number of citizens at one bed does not coincide with medical institutions' potential to the number of patients who need treatment. According to this a high occupation of beds can be determined by insufficient development of sanatorium-resort treatment and rehabilitation. Disease diagnostics is inaccessible and insufficiently qualitative; there is no unified diagnostic and treatment center in the city.

Furthermore, the key issue that has not been identified with solution is insufficient equipment of the sector with highly skilled personnel: In comparison with other cities in the Far East Magadan lags in doctors' experience and amount of average medical personnel per capita. Thus, there is one of the lowest indexes in the area of the health manpower supply to the population, insufficient provision with doctors in medical institutions (43.5%) that can be caused by low level of salary in city's health department. According to the age aspect more than 50% of medical personnel are doctors of a pensionable age and approaching pensionable

age. Provision with pediatricians is 30%. This situation can be resolved by abolition of planned distribution of graduates from medical schools, unsatisfactorily tackling of housing problems, low prestige value in public sector and in Extreme North East of Russian Federation, limited financial capacity of city's budget to the chargeable intentional training in medical institutes of the country, low material and technical resources of municipal public health service.

2.12. Demographic Situation

Nowadays, Magadan belongs to the number of small towns which population gradually is running down. It can be specified by the fact that aggravation of social economic situation in the Extreme North East of Russia in the late 1990s of the last century led to a sharply deterioration of demographic situation on the territory that developed in the process of natural population decline and its migration outflow beyond the borders of the region. In comparison with others regions of the Far East Federal District, the highest concentration of population can be seen in the capital of Kolyma - 65% of all Magadan area citizens (Table 1).

According to this data, the negative tendencies are the decreasing number of population, lasting over a period of years on the background of socio-economic aggravation of the situation in Extreme North East of Russia, instability of demographic situation, expressed in the process of the population's natural decrease and its migration outflow. The balance of migration has been zero for the long time, and at the end of 2015 it is "minus" 962 people. The migration flow course of the leaving citizens (almost 100%) comprises west regions of Russia, and <1% of Magadan citizens leave the country. However, as for positive moments, the birth rate has neutralized the mortality rate for the last few years.

The average age of population is 37.2 years. However, there is the decrease of working-age population both in administrative center and in Far East Federal District as the whole, and, on the contrary, the decrease of citizens that are older than the working age. Thus, the average woman lives till 71 ages, man - 60. The life expectancy depends on the following reasons: The absence of healthy routine motivation, the culture of vital activity to the considerable part of the population, insufficient finance outlay for the development of the material and technique basis of the public health institution, pollution of the environment and etc. This may have a bad influence on the following development of the sophisticated structure of labor resources, and the quality of labor force.

Conducted analyses of the city development factors enabled to make SWOT-analyses of the Magadan city. Therewith weak

Table 1: Indexes, characterizing the demographic situation in the city of Magadan

Index	2011	2012	2013	2014	2015
The number of standard population at the end of the year, thousand	102.5	101.9	101.5	99.8	99.1
The birth rate	1203	1299	1273	1254	1154
The mortality rate	1144	1166	1118	1093	1008
The natural increase, decrease (-)	+59	133	155	161	146
The migratory increase, (decrease)	-508	-515	-865	-1295	-962

and strong aspects of the city will be explored, as the possible perspectives and threats to its development (Table 2). Braun et al. (2010) suggest that the results of such analyses will enable to investigate the reserves of the additional profit provision and benefits to its consumers and define the most effective strategies of the city positioning as well.

3. DISCUSSION AND CONCLUSION

Research results suggest that Magadan has resources for socio-economic development, based on urban and joint territories. However, the economy of the region has an “island” character that negatively influences all sides of socio-economic development of the whole Magadan region and Magadan city especially. The charges of any economic activity in the city, the cost of living and basic components of food hamper are very high because of the remoteness reasons and northern rises in price. The city is on the top of the most expensive cities of Russian Federation according to all necessary service for citizens, and extra charges do not cover the northern rise in price.

Crisis tendencies mostly influence the investment fields, in this regard the significant slump of production volume can be seen, and, accordingly, the fall of gross city product. The energy sector needs renovation and modernization that is due to the equipment exhaustion and the increase of energy consumption.

The stagnation in the social sphere is caused by the low level of citizens’ initiative in the field of solving important city problems.

That is why the significant way of the municipal work is the integration of city community with the help of creation and development of effective civil society institutions.

The complicated demographic situation is still the most insuperable problem not only for Magadan city but the whole country as well. The city faces with a problem of stable pensioners’ coverage increase (almost a quarter of all citizens) and the unemployed. The reason of it is the obligation growth to the working people by dependents and idle pensioners (55% of all pensioners in the city), the necessary spending of budgetary funds for the purpose of social assistance and additional medical service that goes increasingly. Meanwhile, the city provision with high skilled medical staff is utterly low, medical institutions are insufficiently supplied with modern equipment and diagnostic aids. Furthermore, the problem of staff competence is aggravated in Magadan in the due to the mass outflow of high skilled workers, especially engineering staff.

The present Magadan symbols need renovating and dressing with the modern style. It is necessary to apply the mechanism of the city promotion with a view to strengthen position of Magadan and elevate its investment appeal. Thus, local authority should indulge in the policy of communication, start working with information space, intentionally form an auspicious image of the city in the external environment, positioning Magadan as a city-forum, the center of inter-municipal partnership, the big transport communication and intermediary point, the significant cultural and educational center of the Far East, gold mining center of Russia, the center of traditions in the field of sport and tourism, the center of high skilled workers.

Table 2: SWOT-analysis of the Magadan city

Strength	Opportunities
The administrative center status	The development of the municipal public-private partnership mechanism
The availability of the modern transport infrastructures (seaport, airport and federal highway)	The development of innovative processes and manufactures on the base of available science potential and through the realization of the science works of the city scientists
The city has comparatively favorable ecological situation and significant recreational resources in the city limits	The extended abilities of international collaboration, conditioned by the seaport city
Free lands for the development in the city limits	Big investments projects, planned for the realization in the area of the city economic influence
Dynamically developing sphere of the service and trade	The growth of the manufacture volumes due to the innovative technologies adopting
Resource base for the manpower development of high skill and as well as high experienced workers	The existence of the considerable supply of the mineral resources in the sphere of the city economic influence that is relevant in the international markets
The existence of infrastructural support for small businesses	The increase in the competitiveness of the local producers
Weaknesses	Threats
The tightness of city production market and food dependence of the city	Demographic problems: Ageing of the population and illegal migration
Lagging educational system of the labor market demands	The decrease in numbers of the qualified workers
Non-diversifying structure of the economy	The conception of the city marketing is not worked out properly in terms of globalization that becomes the brake for international recognition, tourism, FDI
The low investment attractiveness	The increase of misbalance in the economic spheres
The low density and historical tradition among the population	The threat of the technogenic accidents as the reason of exhaustion and high concentration of manufacture enterprises
The high exhaustion of energetic infrastructures	The deepness of social inequality and poverty
The lasting decrease of the population numbers	The existence of economically powerful competitors from other regions and towns
The charges of any economic activity are very high, living standards are high, the cost of the main constituents of the food hamper	Difficulties in the policy of the business entity ownership that is located in the city in terms of business development perspectives
Difficult climate conditions in comparison with central regions of the country	The high degree of the equivocality in taking important economic and political decisions for the city on the federal and interregional level

SWOT: Strengths, weaknesses opportunities, threats

As long as people plan their trips with the help of the Internet, local authority should practice location of short information about city position according to popular servers, distribute the news in the North, and register the information about realizing strategy of city positioning in the search engine and catalogues. Moreover, it would be necessary to create a website about city of Magadan that would comprise valuable information for city guests and differ by its easy navigation and winning interface. It should contain the following sections: Sights (history and attractions); Reference (hotels, restaurants, tickets, transportation, shopping, entertainment, etc.); Unexpected cases (where to go in case of theft, loss of passport, tickets, etc.); Store (sale of goods with symbols of Magadan and other sections).

The bodies of municipal government should coordinate efforts to strengthen the position of Magadan through a strategy that will be based on the principle of joint activities of various professional associations, bodies of state and municipal management, domestic economic entities, companies, political parties and movements, NGOs, trade unions, religions.

Implementation of the management of local government should be based on the target complex programs and sound plans, designed for the future (Schnaith, 2011). The city administration should use the principles of program-oriented management, featuring the city strength and a strategy to increase the competitiveness of enterprises, investment in urban economy and social sphere. Expected results of the implementation of these measures are:

- A positive image of the city of Magadan in line with the basic idea of territorial marketing;
- An increase in direct the volume of foreign investments;
- Intensified external relations of the city of Magadan, including participation in inter-municipal cooperation;
- Boosted tourism;
- Increase in the number of students from other cities and states in the Magadan universities;
- Increase in the inflow of highly skilled workers from other regions;
- Well known and recognizable symbols of Magadan.

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