

**UNIVERSITY OF ECONOMICS - VARNA**  
**FACULTY OF MANAGEMENT**  
**MARKETING DEPARTMENT**

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**Yana Georgieva Balashova-Stefanova**

**MARKETING DEVELOPMENT OF THE  
COMPARATIVE ADVANTAGES OF THE  
TERRITORY**

**R E S U M E**

of a dissertation for awarding the educational and scientific degree  
"doctor" in direction 3.8. Economics, scientific specialty "Marketing"

**Research Supervisor:**

Assoc. Prof. Evgenia Tonkova, PhD

Varna

2024

The dissertation has a total volume of 339 pages and is structured in an introduction (6 pages), three chapters (214 pages), a conclusion (4 pages), a list of the literature used (16 pages) and appendices (99 pages. ). The dissertation contains 16 tables, 29 figures and 18 appendices. The bibliography includes 277 sources (19 of which are on the Internet) - in Bulgarian, English, French and Russian.

The defense of the dissertation will take place on .... at ..... in hall .... of the University of Economics - Varna at a meeting of a scientific jury appointed by Order No. РД-06-20/02.02.2024 of the Rector of the University of Economics - Varna.

Defense materials are available at the University of Economics - Varna and on the university's website [www.ue-varna.bg](http://www.ue-varna.bg).

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**Scientific jury:**

1. Assoc. Prof. Svilen Venkov Ivanov, PhD – UE-Varna
2. Assoc. Prof. Evgenia Georgieva Tonkova, PhD – UE-Varna
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The dissertation was discussed by the Marketing department at the University of Economics - Varna. The author is a doctoral student at the Marketing Department at the University of Economics - Varna. Research and development were carried out at the same university.

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# **I. GENERAL CHARACTERISTICS OF THE DISSERTATION**

## **1. Relevance and significance of the research**

Every territory, regardless of its territorial level - region, municipality, city, district, district or specific place, is unique in its essence. This uniqueness is formed by the different characteristics that the territory possesses, such as natural resources; historical landmarks; cultural landmarks; places of special interest to certain target groups; products specially produced on the territory or hand-made goods on it; certain traditional rituals, specific foods, etc. These specific features can be seen as comparative advantages.

According to the "theory of comparative advantages", the comparative advantages of each country are contained in the production of that product, which they can produce at a lower relative opportunity cost, and the source of comparative advantages is the so-called factor collateral – resources, such as natural resources, physical capital, labor. The theory of comparative advantages finds a number of applications and can be adapted to the territories, by identifying their comparative advantages and their appropriate marketing development to achieve competitive advantages, develop the territory and increase its attractiveness for different target groups.

Territories today face a number of challenges. On the one hand, they are placed in the conditions of strong competition for resources at the local, national and global level. Territories try to attract not only visitors, tourists and funding (such as investment and local and national budgets), but also compete to be an attractive place to live, visit and set up and develop a business. Territories therefore compete by the way they use the resources they have for the benefit of target groups. In terms of residents, territories (Shen and Li, 2022, Correia and Brito, 2020, Rybka-Iwanska and Lopez, 2019, Schade, et al., 2018, Musterd and Murie, 2011) typically compete for the levels of quality of life provided. , security, medical services, educational services, job opportunities, labor pay rates, purchasing power of wages, entrepreneurship opportunities, cultural and social events, etc. When attracting tourists (Remoaldo et al., 2022, Bassa, et al., 2022, Mulec and Wise, 2013), territories compete for the development and maintenance in good condition of local cultural and historical landmarks, improving the quality of natural resources, used by tourists, offering complete solutions for tourists, etc. Competition in relation to attracting visitors (Fytoglou, et al., 2021, Hassib and Ibtissem, 2018) is expressed in helping to prepare and offer special events, various festivals, conferences, round tables, etc.

On the other hand, globalization poses new challenges to the territories. It is supported by the development of technology, especially information, which leads to a rapid exchange of information about any event in the world in real time; the development of transport, which reduces the value of exchange of materials and goods between countries; the facilitated movement of persons and capital to the countries where there are the most favorable conditions for them, etc.

The impact of globalization on territories is not one-way. Although globalization increases the competitive pressure on territories on the one hand, it actually creates conditions and prerequisites for their development on the other. Globalization leads to an increase in the accessibility of the territories and their greater "visibility" and fame in the world market and makes them more recognizable for the different target groups: residents; the business operating on them and investing there; visitors; local administration, etc.

Territories also face new opportunities and challenges related to rapid advances in telecommunications, transportation, information processing, and information technology. All these changes, on the one hand, allow more flexible forms of territory management organization and faster and easier processing of information, but on the other hand, they require speed of adaptation, constant learning and flexibility of the local administration.

In relation to these fundamental problems, it is becoming increasingly relevant to ask how the processes and activities of local and regional development should be organized so that municipalities and regions can maintain the positions they have already achieved (Döring, Knappitsch, Aigner, 2010), and continue to develop.

Issues related to the problems of the territories and their development nowadays are recognized and considered at the EU level as well. The EU Regional Development Program 2021-2027 envisages that it will be aimed at "Bringing Europe closer to citizens by promoting sustainable and integrated development of all types of territories and local initiatives", according to Regulation (EU) 2021/1060 of the European Parliament.

The EU's Territorial Agenda 2030 has 6 main priorities: balanced territorial development, functional areas with fewer inequalities, integration and cooperation across administrative-territorial and national borders, a healthy environment, circular economy and sustainable digital and physical connectivity. It will be implemented through targeted actions to support multi-level governance, implementation of policies based on specific local needs, coordinated implementation and impact of sectoral policies, cooperation between territories and territorial cohesion.

For the implementation of these policies and the development of the territory, its

comparative advantages can be used. According to the Interim Evaluation of the Development Strategy of the Varna Region, the formulated priorities must be based on the key comparative advantages of the Varna Region, as well as reflect the most urgent and critical moments for its development. The comparative advantages of territories are found in various specific characteristics of the territory, such as specific climate, available natural resources, cultural and historical attractions, certain local culture, customs and traditions, traditional foods and drinks, etc. When determining the comparative advantages of the territory, the attitude of the different target groups to them is considered, since not all comparative advantages are important for all target groups.

The use of the comparative advantages of the territory to support its development is carried out by applying marketing principles and strategies related to territorial development within the framework of territory marketing. Although the topic of territory marketing as a response to the challenges that territories face today has been considered in marketing theory and practice for more than 30 years, research on the use of comparative advantages in this direction is insufficient. Studies on the topic show that there is a need for a more detailed and systematic study of the approaches to identify the comparative advantages of the territories and the opportunities for their marketing development.

The topicality of the topic of the dissertation work is determined by the need for the territories to develop successfully in the conditions of a strong competitive environment and the possibility for this development to use the specific characteristics of the territory, considered as its comparative advantages. Examining the complex topic of the essence of the comparative advantages of the territory and the process of their identification and marketing development covers a wide range of specific information that should be analyzed through various perspectives. This leads to the identification of the unique characteristics of the territory for different target groups and the development of guidelines for their use for the development of the territory. The urgency of the problem is also determined by the fact that the comparative advantages of the territory are defined in the strategic documents of the municipality of Varna as important for it from the point of view of regional development and possible changes in the geostrategic situation of the area, without, however, carrying out research on the identification and their use for the benefit of the various target groups of subjects.

## **2. Object and subject of the research**

**The object of research** in the dissertation is the comparative advantages of the territory of the Varna municipality from the standpoint of their marketing development.

**The subject of research** in the dissertation is the possibilities for marketing development of the comparative advantages of the territory (Municipality of Varna) in the interest of the researched target groups - residents, visitors and local businesses, in conditions of territorial sharing by identifying them based on official information of the Municipality of Varna and the opinions of the research subjects.

### **3. Main research thesis**

**The main thesis of the research** is that the identification of the comparative advantages of the territory and their evaluation from the point of view of different target groups can be used as a basis for their marketing development, which will lead to their appropriate use.

### **4. Aim and tasks of the dissertation**

**The aim** of the dissertation is, based on the studied literary sources, to model a process for marketing development of the comparative advantages of the territory (of the municipality of Varna), through which to identify the comparative advantages of the territory, to assess their condition from the point of view of the researched target groups, to determine guidelines for their marketing development and their use.

In order to achieve the aim, the following more important **tasks** can be highlighted: 1) to review literary sources regarding the theories of territory marketing and the theories of comparative advantages, in particular of the territory and deriving their specifics; 2) to model a process of marketing development of the comparative advantages of the territory; 3) from the obtained results to derive guidelines for marketing development of the comparative advantages of the territory.

### **5. Research methods**

The analytical approaches, methods and techniques used in this dissertation are: induction, deduction, content analysis, dynamic series analysis, comparative analysis, descriptive statistics, analysis of mean values. The software products used within the development for processing empirical data are SPSS, Microsoft Excel.

### **6. Limitations of the study**

Within the framework of the dissertation, the following restrictive conditions are set:

1) The municipality of Varna was selected for research and determination of guidelines for marketing development of the comparative advantages of the territory.

2) The scope of research of the dissertation work does not include the influence of different types of target groups on the comparative advantages of the territory, but their assessment of the state of the comparative advantages of the territory and the way of their use



is taken into account.

3) Although comparative advantages by kind are covered in the thesis, the causal relationships between them are not explored.

4) In the practical-applied part of the dissertation, emphasis is placed on deriving guidelines for marketing development of the comparative advantages of the municipality of Varna without going into details regarding the marketing tools. This limitation is imposed from the point of view of carrying out the research as an independent researcher who is not authorized to develop them in detail.

## **7. Sources of Information**

The information necessary for the realization of the aims and objectives of the research is provided through:

- Cabinet study of various publications by Bulgarian and foreign authors from various scientific fields.
- Cabinet study of official strategic documents of the municipality of Varna.
- Primary data is provided through a combination of qualitative and quantitative methods included in the study design – interviews, a pilot study and surveys.

## **8. Approbation**

The dissertation was discussed at meetings of the Marketing Department. Parts of it have been presented and discussed at international scientific conferences and published as articles and reports in specialized scientific publications.

# **II. STRUCTURE AND CONTENT OF THE DISSERTATION**

The dissertation is structured in an introduction, three chapters, a conclusion and appendices with a total volume of 339 pages, of which 6 pages of introduction, 214 pages of exposition, 4 pages of conclusion, 16 pages of references and 99 pages of appendices.

The structure of the exhibition is as follows:

Introduction

Chapter I. Theoretical aspects of the marketing development of the comparative advantages of the territory.

1. Theoretical overview of territory marketing
2. Theories of comparative advantage and their application to territory.
3. Prerequisites for marketing development of the territories.

4. Main positions and role of marketing development of the comparative advantages of the territory.

5. Forms of marketing development of the comparative advantages of the territory.

Chapter II. Methodology of marketing development of comparative advantages of the territory

1. Process of marketing development of comparative advantages of the territory

2. Research project on the comparative advantages of the territory

3. Concept model of the study of the comparative advantages of the territory

4. Argumentation for the choice of the municipality of Varna as a territorial unit for conducting the research

5. Main characteristics of the municipality of Varna, which can be defined as prerequisites for comparative advantages

Chapter III. Applied aspects of marketing development of comparative advantages of the territory.

1. Approbation of the research hypotheses.

2. Comparative advantages in primary research results.

2.1. Results of the survey among residents of Varna municipality.

2.2. Results of the survey among visitors to the municipality of Varna

2.3. Results of the survey among the local businesses of the municipality of Varna

3. Comparison of the importance of comparative advantages by user groups.

4. Starting point for developing comparative advantages of the territory.

5. Marketing directions for developing the comparative advantages of the territory.

Conclusion

References:

Appendices

### **III. MAIN CONTENTS OF THE DISSERTATION**

#### **Introduction**

The introduction briefly presents the topicality of the problem and its significance, the main practical-applied problems related to the identification and use of the comparative advantages of the territory in its marketing development, the subject and object of the research, the research thesis, the main goals and tasks of the dissertation work, as well as perceived limitations.

## Chapter one

The first chapter consists of five paragraphs, in which the conceptual foundations of territory marketing, the theories of comparative advantages and their application to territories, the prerequisites for marketing development of territories, the role of marketing development of comparative advantages of the territory and forms of marketing development are discussed. of the comparative advantages of the territories.

**Paragraph 1** of the first chapter provides a historical overview of the terms "territory" and "territory marketing", summarizing the different main emphases of territory marketing that stand out in defining it, according to different authors. Information on understandings of territory marketing is summarized in a table.

Within the framework of the dissertation, it is assumed that the **territory is a separate place, characterized by certain resources and specific features (natural, historical, cultural, etc.)**. They should be used in such a way as to satisfy the needs of the internal target groups, thereby supporting their retention in the territory, attracting external target groups to the territory and providing an opportunity for the territory to develop. These resources or specific features may be natural resources; historical landmarks; cultural landmarks; places of special interest to certain groups of persons; products specially produced on the territory or hand-made goods on it; certain traditional rituals, specific foods, etc.

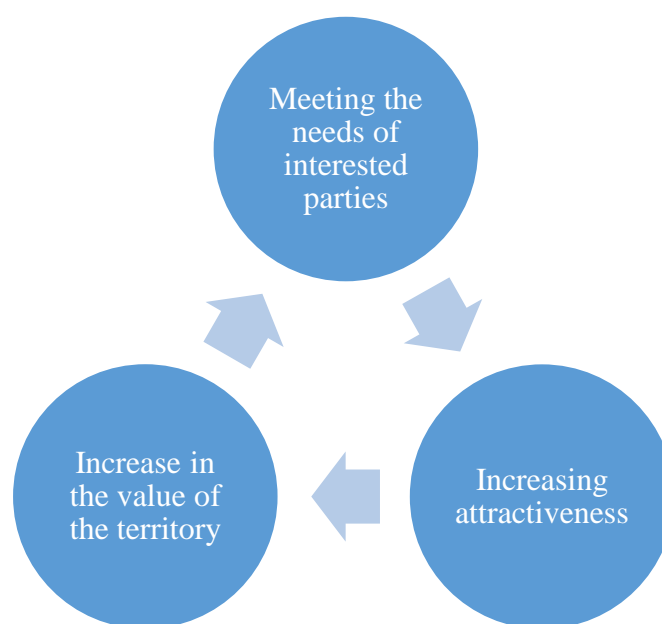
It is summarized that the essence of the marketing of territories develops and changes over time, the focus of the marketing of the territory also changes - from meeting the needs of the target groups, through building a brand and promoting products in the territory to developing joint policies with the residents on the territory. But regardless of whether it is defined as a management tool, a set of activities, or a system of relations between different target groups, the development of the territory itself stands out as the main emphasis when considering the different points of view on the marketing of the territory.

Within the paragraph, **territory marketing is defined as an approach to support the development of territories by developing the resources available in the territory and creating appropriate territorial products for the different target groups of the territory - local residents, visitors, tourists, businesses and investors, with the aim of increasing the attractiveness of the territory and improvement of the quality of life in it.**

Territory marketing aims to manage the relationship with the target groups in such a way that the territory creates value for the people who live or work in it and the businesses operating in it, and attracts those who do not live, work or do business there . In this way, the territory

can be financially independent from its neighboring territories or the territories to which it belongs administratively. Thus, it strives to ensure long-term sustainability in its development, and for the state and local self-government bodies to be able to attract the various target groups for support and active participation in the future development of the territory.

In conclusion, based on the content analysis of 72 scientific publications made in the paragraph, a development process of the territory has been deduced. It includes an analysis of the needs of target groups (customers or markets); satisfying these needs by developing, maintaining and strengthening mutually beneficial exchange relations with the target groups (internal and external to the territory). This should lead to an increase in the attractiveness of the territory and, therefore, to an increase in its value. The process is presented in Fig. 1:



***Fig. 1 Development process of the territory***

**Paragraph 2** of the first chapter provides a historical overview of the "theories of comparative advantage". The various types of advantages that exist and their use for the development of a particular subject are analyzed. The approaches for turning the respective advantages into advantages over competitors and their application to the territories are summarized.

The source of comparative advantages in classical macroeconomic theory is the so-called factor collateral (resources are taken as factors, such as natural resources, physical capital, labor force). Initially, Swedish economists E. Heckscher and B. Olin connected Ricardo's theory of comparative advantages with factor security. Their theory, developed in the first half of the 20th century, is based on two premises<sup>1</sup>: 1) the production of each good requires a different

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<sup>1</sup> Kovachev, Z. (1996) General economic theory. Varna: STENO

combination of factors (e.g. there are so-called labor-intensive goods, where the relative share of labor costs is largest, and capital-intensive goods where the relative share of capital expenditure is the largest); 2) each country has different resources in terms of quantity and quality.

Therefore, each country would have to specialize and export products for the production of which factors are required that are abundant in it.

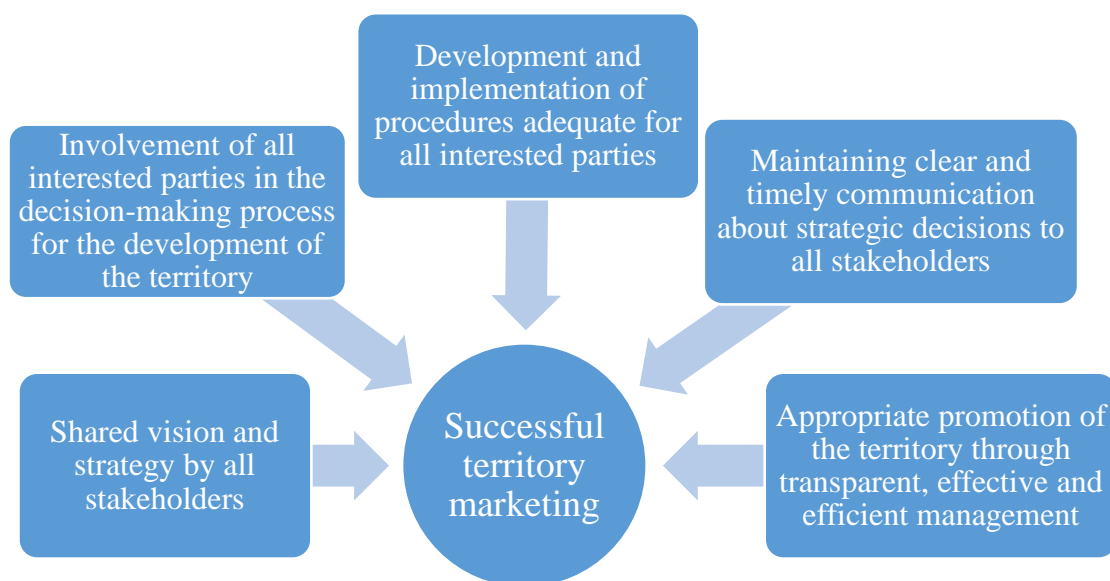
The following is a classification of the factors or comparative advantages possessed by a particular people. Porter (1990) offers the following classification<sup>2</sup>: 1) human resources - information is taken into account, such as: the amount, qualification and skills, cost of labor, etc.; 2) physical resources – abundance, quality, availability, price of land, water, minerals, available timber, climatic conditions, location, etc.; 3) knowledge – scientific, technical knowledge and knowledge of the market; 4) capital resources – amount and price of available capital that could finance the industry; 5) infrastructure - type, quality, value for the user, types of transport systems, communications, postal services, healthcare, etc. To this indicator, Porter also includes the infrastructure related to cultural activities and housing, i.e. impacting the quality of life and attractiveness of the country as a place to live and work.

The analogy is made that comparative advantages are the specific factors that enable a location to build a competitive advantage over its competitors. It can be summarized that comparative advantages are found in certain resources and specific features that characterize each territory, and should be used in such a way as to satisfy the needs of internal target groups, thereby supporting their retention, and external ones are attracted.

This paragraph systematizes the types of competition: direct and indirect, the resource approach in developing territory marketing and the key factors that make territory marketing successful (fig. 2).

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<sup>2</sup> Porter, M. E. (1990) *Competitive Advantage of Nations*. New York: Free Press.



***Fig. 2 Territory Marketing Success Factors***

In **paragraph 3** of the first chapter, the prerequisites for marketing development of the territories are presented. The conditions in which the territories function today and the difficulties they face are summarized.

Within the framework of the analysis, it is stated that the significant problems affecting the various entities at the local, regional, national and global level can be (adapted from Tonkova et al.<sup>3</sup>): 1) globalization of business and lifestyle; 2) increased access to information, increased presence in social media and importance of digital life for different target groups; 3) change in the demand and supply of goods and services in a quantitative and structural aspect, based on the increased access to information and influence of social media; 4) facilitated and enhanced migration of the population around the world; 5) increased production capacities, without taking into account the distribution capacities; 6) consideration of the imbalance in the use of the territories' resources; 7) loss of the positions of traditionally strong local production structures; 8) politicization of business; 9) large differences in living conditions in different places; 10) endangering nature from unreasonable human activity, etc.

The conclusion is drawn, the prerequisites for the marketing development of the territories are conditioned by the need for the territory to offer a solution to certain problems faced by its target groups at a given moment, while at the same time providing suitable conditions for their development in the long term.

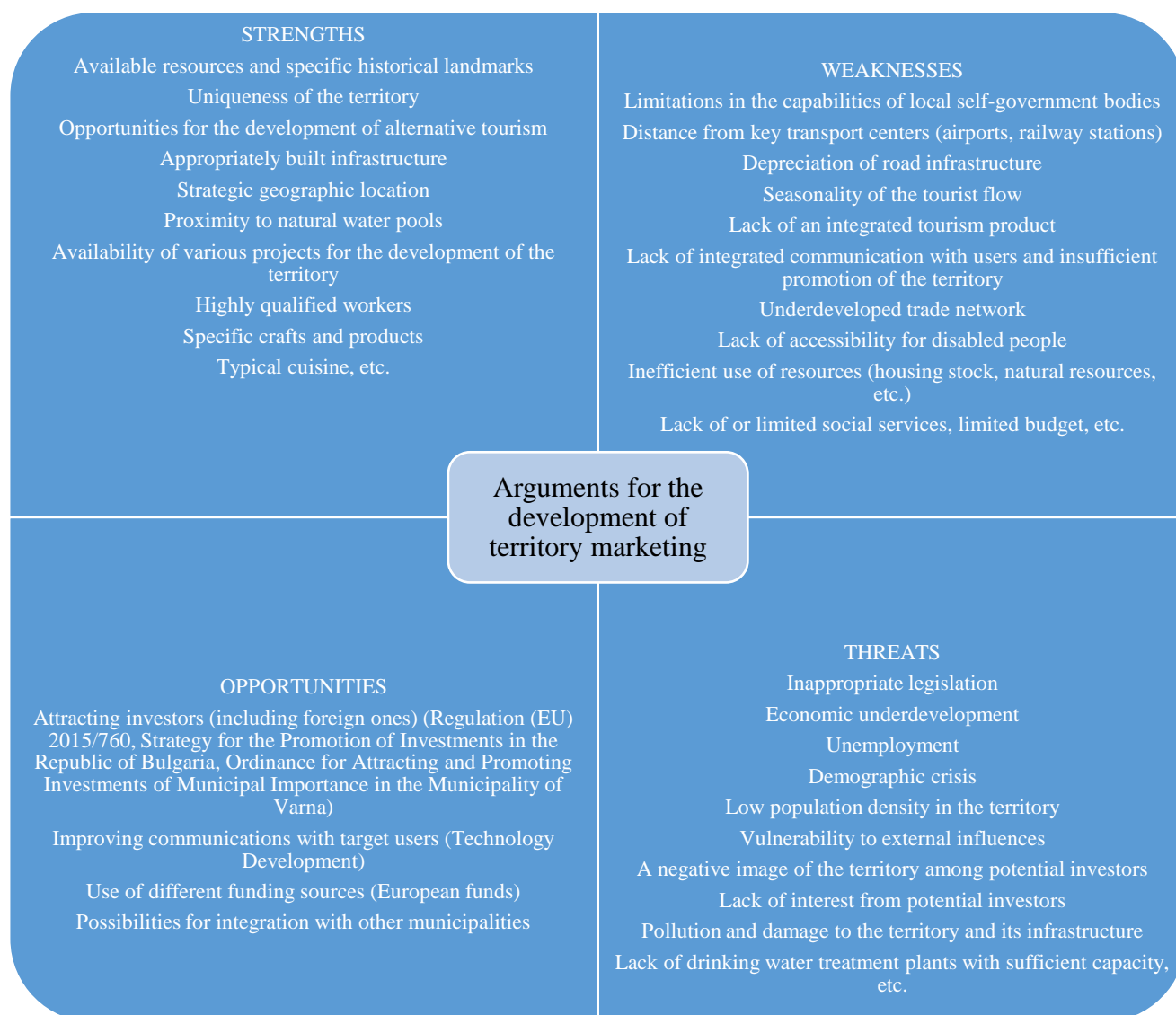
These problems can be of different nature like economic, demographic, social, environmental etc. The specific problems of the respective territory are brought out by

<sup>3</sup> Tonkova, E., Hristova, S., Petrov, D. (2015) Development of local potential for socio-economic development of regions. Varna: STENO

analyzing its situation at a given moment.

The problems may be some of the following: economic backwardness; inefficient use of the resources available to the territory; limited budget; depopulation; poor infrastructure quality; inappropriate legislation; limitations in the capabilities of local self-government bodies, etc., as well as any combination of some of the above.

At the end of the paragraph, the various arguments for developing the marketing of the territories are presented (fig. 3).



**Fig. 3 SWOT arguments for marketing developing territory marketing**

**Paragraph 4** examines the main assumptions and the role of marketing development of the comparative advantages of the territory and the approaches to the analysis of its environment. Taking into account the points of view of various authors such as Kotler, Bagautdinova, Chamard, Sguenfle, Anastasova, etc., it is determined that the role of the marketing development of the comparative advantages of the territory is related to it being the

basis for the development of marketing of the territory, so as: 1) leads to the promotion of the territory's resources and stimulation of the loyalty of its target groups; 2) it is related to the creation and development of the value of the territory, through the promotion of products, services and activities of its target groups; 3) supports decision-making for the development of the territory; 4) leads to effective and efficient marketing of the territory and therefore stimulates its development; 5) identifies the specific characteristics for differentiating the territory from other similar territories.

The methods for analyzing the environment and the ways to adapt them to the territory are summarized.

The possible approaches for the development of the territory and the types of target groups are summarized. The types of target groups in the territory are identified.

At the end of the paragraph, it is concluded that the Summary of key aspects in the marketing development of the comparative advantages of the territory highlights several important elements that play a key role in the successful marketing of the territory: Identification of the comparative advantages: is a fundamental step that allows the local administration to understand what makes the territory unique and attractive. Assessing the importance of comparative advantages for target groups: helps to adapt marketing activities to specific needs and interests. Assessment by target groups of the status and ways of using comparative advantages: provides valuable information about their reactions and preferences. Formulation of guidelines for marketing development of the comparative advantages of the territory: based on the analysis and interpretation of the research results in order to attract support from the target groups.

Such a marketing approach plays a key role in supporting the development of the territory by promoting a sustainable and innovative society. Identifying and exploiting the unique advantages of the territory creates a basis for successfully attracting attention and interest from the target groups.

In **paragraph 5** of the first chapter, different forms of marketing development of the comparative advantages of the territory are considered, paying attention that the focus of marketing programs may be different according to the specifics of the territories and cover one or more of the following elements: product, brand , image, management, etc.

It presents views of the territory as a product in the marketing of territories. Territory as a product in territory marketing is a multidimensional category and depends on the purpose and focus of marketing for the specific territory concerned. When the goal is to develop tourism and/or attract visitors according to Rovira et al. (2022) product can be the territory itself, such



as a small region (eg Cinque Terre, Italy); specific roads, paths, organized journeys and/or routes (eg Camino de Santiago, Spain); local foodstuffs such as wine (eg wine tourism); festivals and fairs (e.g. Clam Festival in Løgstør, Denmark); even specific local population groups, such as artists, who can also play an important role in the context of building a place's identity and become a tourism product (eg old rural Finnish iron villages). These products can be linked to, for example, local culture, art and the environment. Currently, landscape and natural resources play an important role in attracting tourists to rural areas (Rovira et al., 2022).

When the goal is to attract and retain local residents, the territory as a product includes its way of life, the presence and condition of local infrastructure, the characteristics of life related to the conditions of work and rest. These are housing, workplaces, places of work and recreation, methods of waste treatment, working conditions, etc., and the various services that are offered such as: educational infrastructure, healthcare infrastructure, safe living conditions, access to recreational infrastructure etc.

When the goal is to attract local business, the territory is considered from the point of view of the conditions for starting and developing a business that are offered to it. Here, the product can be: specific local policies to stimulate business, local taxes, the local population as a highly specialized workforce, available local business infrastructure, logistics centers, connectivity with a transport network, the built infrastructure, etc.

The various specific forms of marketing development that have been found in recent years, presented in the scientific publications of various authors such as Tonkova, Gayet, Chamard, Braun, Stanimirov, Amidou, Rochette, Garcia, Hollensen, Alaoui, Zbучea, Fedrici, Mitrofanova and etc.: 1) Holistic or integrated marketing - which covers all aspects of the marketing of territories - strategy, functioning, positioning, brand, etc. 2) Shared marketing, which is based on the idea of synergy between different target groups and joint use of the resources of the territory. 3) Resident-oriented marketing, which should satisfy the needs mainly of the residents of the territory. 4) Marketing through communities, which is focused on satisfying the specific needs and preferences of small communities whose members have shared interests. 5) Marketing with the motto: excellence - development of competences with the aim of differentiation, leading to an increase in the attractiveness of the territory. 6) Creative marketing - aims to create a favorable environment for innovation and participation, while developing the competences and effectiveness of the territorial community in order to improve the capacity to create new and adapted ideas. 7) Digital marketing which refers to internet based marketing tools and methods allowing easy access to target groups. 8) Marketing based on personalization of the offer, by adapting to the profile of each user. 9) Viral marketing, which

aims to spread certain information from person to person in the form of entertaining messages or informative messages. 10) Marketing based on the customer experience - target groups are attracted by using the emotion that the use of the product creates in them. 11) Identity marketing - emphasizes the authenticity of the territory and therefore leads to the creation of a sustainable relationship with the target groups. 12) Marketing based on large events - organizing large events that have the potential to attract a large amount of target groups to the territory for a certain time. 13) Marketing based on unique territorial products – products produced in a traditional way are used, reflecting the characteristics of the places where they were created and are rare, their production method is very specific, etc., i.e. carry symbolism for the territory. 14) Territorial marketing based on cultural heritage, so culture becomes an important part of the territorial marketing strategy and can lead to attractive and effective branding of the territory.

The marketing mix is described in historical terms and it is noted that for the purposes of the dissertation work, the classic marketing mix with 4Rs will be considered, but tailored to the specifics of the marketing of territories. A marketing mix adapted from Pankruhin is presented, which includes the following elements<sup>4</sup>:

- Both public goods and services such as airplanes, railways, roads, water treatment plants, landscaping, etc. are considered as a product. (public services also include tourism, education, medicine, housing stock, cultural events; products and services from regional programs for the domestic and foreign markets), as well as geographical location, population, quality of life, level of business activity, level of development of business services, etc. The product also includes specific products created in the territory, characteristic crafts, tourist services offered in the territory of various types - accommodation, additional services such as bicycle rental, boat trips, visits to typical local historical or natural attractions, opportunities for practicing different types of sports – for example rock climbing, canoeing, eco-trails, etc., i.e. users are offered a complex product, including both the public products and services provided in the territory, as well as the entire range of products and services offered by its residents and the businesses operating on it.

- The price can be considered from two points of view - for domestic consumers it includes the cost of living in the territory (income received, pensions, social assistance compared to the necessary costs of living in the territory), for tourists the price is the value of additional personal expenses, for businesses these are transport costs, time, effort, amount of taxes, tax preferences, fines and penalties. The evaluation of the work of the institutions and

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<sup>4</sup> Pankruhin, A. (2006). Marketing territory, Moscow, PETER

the bureaucracy in them is also important. The better and faster the institutions work, the more valuable it is for the stakeholders. Thus, the complex value of what a consumer should pay to obtain a given product offered in the territory is included here.

□ Distribution includes the distribution channels, the logistics of goods and services, as well as the public transport system, the ways of delivering a product to end customers (for example, the possibilities of ordering and booking a hotel online), i.e. the complex distribution of goods and services.

□ The promotional policy includes, on the one hand, the regional system for access to public information, the region's system for access to telecommunications services and statistical databases, stimulation of the sale of goods and services, advertising. On the other hand - the approaches of communicating the products to the target users.

A review of the scientific literature on the subject shows that numerous studies are available on the nature of territory marketing, the ways in which various forms of territory marketing can be used to support territory development, and various theories of territorial comparative advantage, but no specific process has been developed to identify them. , an assessment of their importance and status from the point of view of different target groups in the territory. No research was found on the possibilities of using this information to identify guidelines for marketing development of the comparative advantages of the territory, adapted to its specifics.

## Chapter two

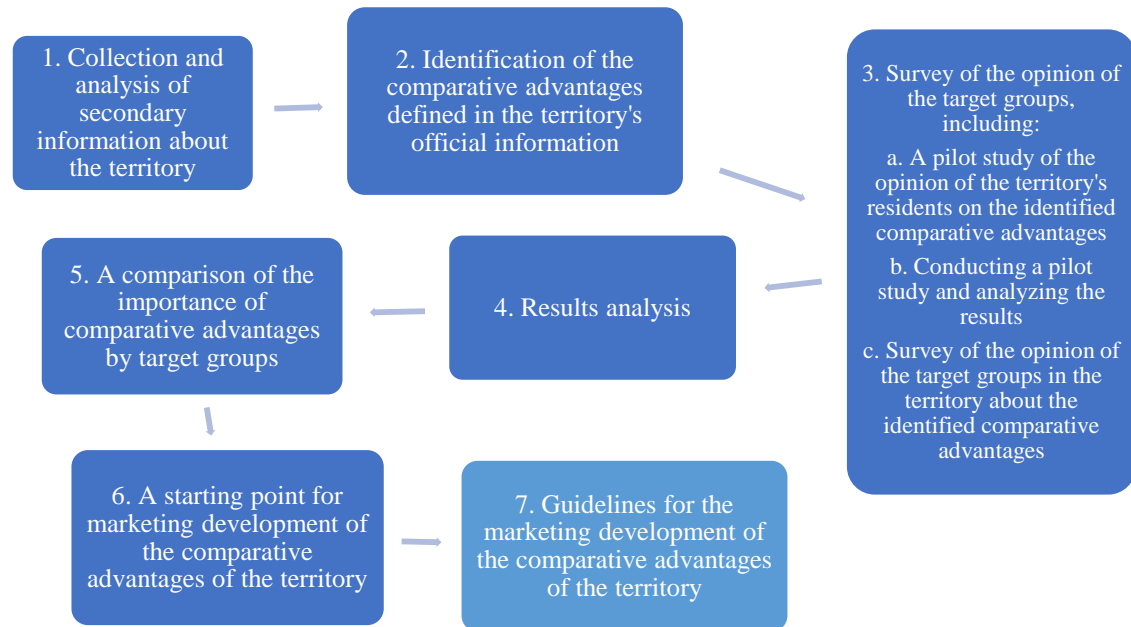
The second chapter consists of five paragraphs, in which the process of marketing development of the comparative advantages of the territory is modulated, a project is developed for the study of the comparative advantages of the territory, a conceptual model of their study is drawn up, an argument is presented for the choice of the municipality of Varna as territorial unit for conducting the research and defining the main characteristics of the municipality of Varna, which can be defined as prerequisites for comparative advantages.

**Paragraph 1** of the second chapter presents the concept of attractiveness of the territory and methods for its assessment.

**The process of marketing development of the comparative advantages of the territory is defined as a sequence of steps that contain systematized activities aimed at identifying the comparative advantages of the territory, comparing the comparative advantages of the territory within different target groups and deriving marketing directions for their assimilation for the benefit of individual target groups and society as**

**a whole.**

Based on a study of the scientific literature and the presented models of marketing development of the territory, a process for developing the comparative advantages of the territory is proposed, presented in fig. 4.



**Fig. 4. Process of marketing developing the comparative advantages of the territory.**

It is concluded that the presented process of developing the comparative advantages of territories covers the key steps that are used to identify and analyze the comparative advantages of a given territory. It helps local authorities or governing organizations to assess whether relevant comparative advantages can be developed and developed into and used as competitive advantages. This process can be of great importance for the development of the territory or community.

In **paragraph 2** of the second chapter, literature sources are examined in detail in order to identify possible comparative advantages, their sources and how they can influence the development of the territory. It is emphasized that the easiest and most comprehensive approach for this is to compile a list of the advantages of the territory, to determine their importance for the target groups and the territory as a whole, to determine the stage of development and the ways of their use - whether they are used efficient and effective, to determine the potential of the resources and whether it is fully utilized, etc.

Once all the resources of the territory have been identified, prioritized and evaluated, the management organizations of the territory can use marketing techniques to promote them to the target groups and build the overall image of the territory.

A detailed classification of the comparative advantages of the territories, derived on the basis of the review of the scientific literature on the subject, is presented in Table 1.

Table 1

**Types of comparative advantage based on a literature review**

<b>Type of comparative advantage</b>	<b>Possible manifestations</b>
Natural resources (Mulec and Wise, 2013)	Geographical position and size of the territory Geological resources Climate Water resources (rivers, lakes, sea) Landscape Specific flora and fauna Balneological resources
Infrastructure (Tonkova, 2015)	Transport – public transport, good condition of highways and local roads, availability of rail and air transport Public services such as health care, safety, education infrastructure, sports and entertainment infrastructure Utilities available - gasification, electricity supply, water supply, waste management
Quality of life of local residents (Nuvolati, 2003; Shafranskaya and Potapov, 2012)	Amount of wages at local employers A fair balance between pay and workload Purchasing power of local wages The residents' ease of access to the local infrastructure - playgrounds, libraries, etc. Safety and security of life in local communities Public transport and transport infrastructure Safe and reliable educational services - kindergartens, schools, universities, etc. High quality of opportunities for social life - events, festivals. Reliable medical services Opportunities for local residents to participate in local government decision-making
Socio-economic resources (Birnlleitner, 2014)	Structure of the economy (available productions) Socio-demographic structure - characteristics of the population, migration, professional training, specialized training Political and administrative structure - local government, way of making decisions about it
Opportunities to start and develop a business (Tonkova, 2014)	Local business taxes and fees Bureaucracy and conditions for starting and running a business Ease of access to local government and financing by entrepreneurs Openness of local government to cooperation with business Availability of qualified labor
Cultural and historical resources (Zbучea, 2014)	Historical landmarks Traditions, local crafts and productions (Pustyl'nick, 2011) Placement of sights Monuments and places of interest Events Entertainment Organized excursions and tours Specific cuisine Festivals.
Sports facilities (Zimmer and Grassmann, 1996)	Water sports and swimming Aviation Horseback riding Pedestrian and bicycle lanes and paths

	Winter sports Golf Other sports facilities
Accommodation available for tourists and visitors (Zimmer and Grassmann, 1996)	Total capacity of the territory Distribution of accommodation on the territory Distribution of accommodation by type and size Quality and prices of overnight stays Availability of camping sites and caravan parks Opportunities for agricultural tourism or village holidays Availability of conference centers Exhibition halls Possibilities for holding conferences and availability of technical means Variety of restaurants offering different types of dishes/cuisine Food quality and price Distribution of restaurants on the territory

Source: Author's previous studies of the scientific literature<sup>5</sup>.

The choice of target groups for research is based on the classification proposed by Florek (2003) and the mission, vision and goals of Varna municipality, which are aimed at improving the living conditions of the city's residents, attracting visitors with different goals to the municipality and building close cooperation with local business<sup>6</sup>. The importance of these target groups for the Municipality of Varna can be seen from the adopted budget for 2024<sup>7</sup>.

In order to identify the comparative advantages of a certain territory and assess their importance for the different target groups of the territory, it is proposed to use the following sequence of research stages: 1) Identification and analysis of available research in the field of territorial development of the territories in order to operationalize the concepts and bringing out comprehensive lists of possible manifestations of comparative advantages of the territories; 2) Study of official documents presented by the organization managing the development of the territory in order to identify the comparative advantages of the respective territory; 3) Conducting in-depth interviews with specialists in the field of territorial development in order to discover differences in the possibilities and potential of the identified comparative advantages; 4) Preparing a survey and conducting a pilot study of the opinion of the local residents on the comparative advantages of the territory determined in this way; 5) Preparing a survey and conducting a real survey of the opinion of the local residents about the comparative advantages of the territory determined in this way; 6) Preparing a survey and conducting a study of the opinion of visitors about the comparative advantages of the territory thus determined; 7) Conducting interviews to study the opinion of the local business about the comparative advantages of the territory determined in this way; 8) Analysis of information and determination

<sup>5</sup> Balashova-Kostadinova, Y. (2018) Comparative Advantages of Territories—the Residents' View. // Journal of Emerging Trends in Marketing and Management, 1(1), pp. 55-68.

<sup>6</sup> <https://www.varna.bg/bg/1255> Accessed: 27.01.2024 r.

<sup>7</sup> <https://varnacouncil.bg/wp-content/uploads/2024/01/1> Accessed: 27.01.2024 r.

of the most important advantages that are mentioned by the most target groups; 9) Defining the priorities when developing the marketing of the territory.

It is concluded that the stages identified in this way ensure systematicity in the process of identifying the comparative advantages of the territory and comprehensiveness of the determined comparative advantages, specific to the given territory and adapted to its needs.

The paragraph follows information on the research methods used for each stage of the process of identifying the comparative advantages of the territory: 1) Analysis of secondary information from a literature review; 2) Analysis of secondary information from official documents; 3) Collection of primary information by conducting interviews with specialists in the field of territorial development from the region; 4) Collection of primary information by preparing a survey for conducting a pilot study; 5) Collecting primary information by preparing a survey, conducting a survey among local residents; 6) Collecting primary information by preparing a survey and questioning visitors to the territory; 7) Collecting primary information by conducting interviews with local business representatives; 8) Analysis of collected information.

The sources for collecting information for the purposes of identifying the comparative advantages of the territory are systematized: 1) Cabinet study of literary sources, databases and publications on the subject; 2) Cabinet study of official documents; 3) Interviews with specialists and experts; 4) Survey among residents of Varna municipality (pilot survey); 5) Survey among residents of Varna municipality; 6) Survey among the visitors of Varna Municipality; 7) Interviews with business representatives; 8) Collected primary and secondary information from the previous seven stages.

In conclusion, attention is paid to the fact that when developing the comparative advantages of the territory, it is very important to approach holistically and to examine the interests of all target groups, since the target groups of the territory are both those living in it, as well as local business organizations and visitors.

In **paragraph 3** of the second chapter, the conceptual model of the study of the comparative advantages of the territory is presented. The conceptual model outlines the framework of the dissertation research and follows a specific research structure. It is emphasized that the study was carried out in two phases: 1) in Phase I of the study, all possible comparative advantages of the territory are identified through a study of the theoretical foundation and analysis of secondary information about the territory of the municipality of Varna. Phase I also includes conducting a pilot survey of local residents' opinion (through a survey) about the importance of the identified comparative advantages of the territory of the

Varna municipality, their condition and way of use. 2) in Phase II of the research, primary information is gathered about the opinion of residents, visitors and local businesses in the territory of the municipality of Varna about the importance of the identified comparative advantages for the territory of the municipality, assessment of their condition and the ways of their use. Surveys and interviews are used to collect the primary information.

It is summarized that the following elements are the basis of the conceptual model: 1) identified comparative advantages of the territory of the municipality of Varna, divided into two groups: first group - affecting all target groups - natural resources and infrastructure; second group - affecting different target groups - socio-economic structure; local conditions for starting and doing business; cultural and historical resources; sports infrastructure; quality of life and available accommodation; 2) the different target groups are presented with the relevant individual characteristics studied for each of them; 3) the possibilities for interaction or influence of the various target groups with the local government are presented, as well as for the influence of these target groups on the comparative advantages of the territory.

The conceptual model of the study of the comparative advantages of the territory is presented in figure 6.



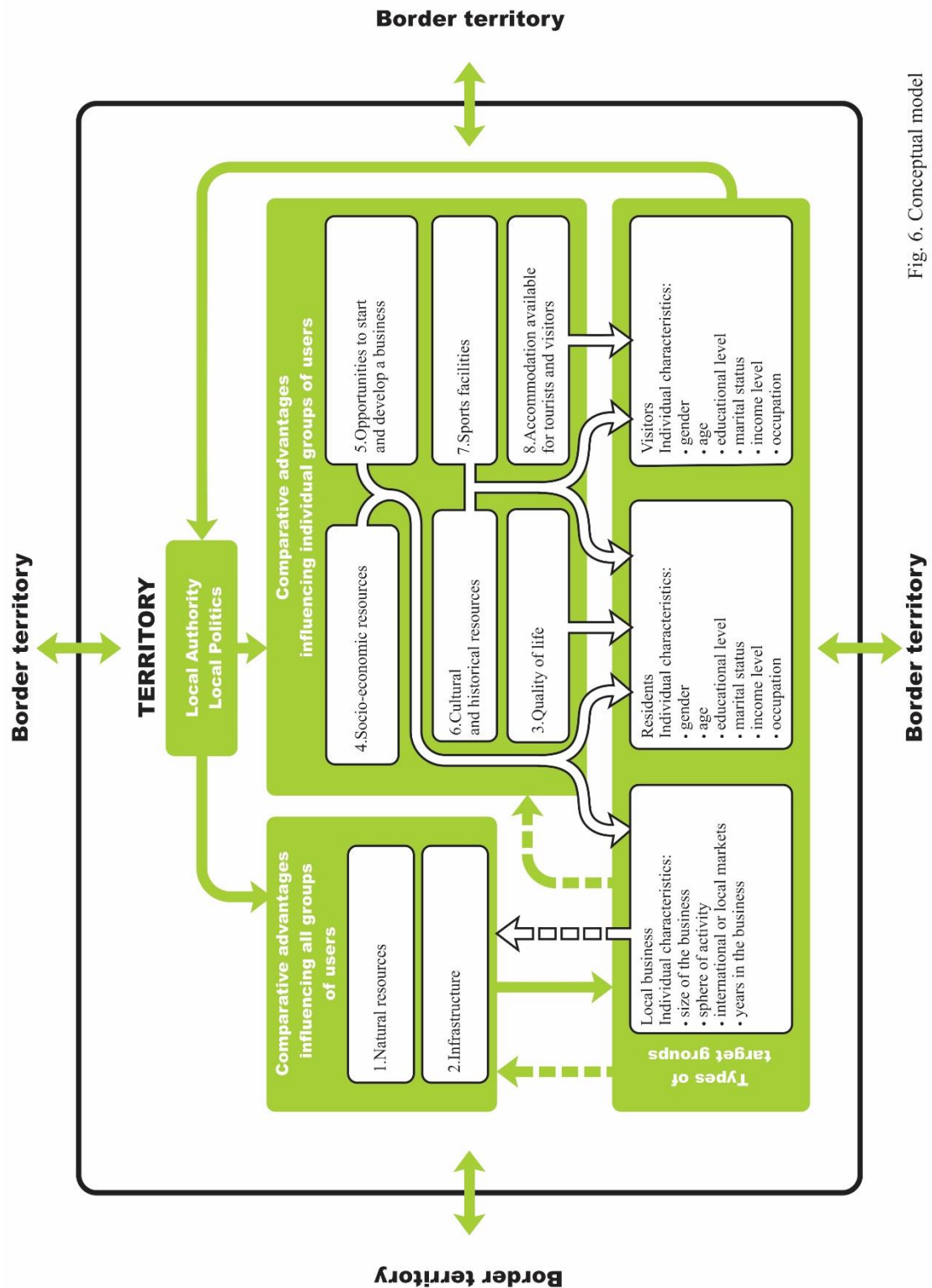


Fig. 6. Conceptual model

Attention is drawn to the fact that when considering the conceptual model of the study, the following limitations should be taken into account when developing it: 1) The municipality of Varna was chosen for the study and development of the comparative advantages of the territory, as the process could be adapted to any other territory. 2) The scope of research in the

dissertation work does not include the influence of different types of target groups on the comparative advantages of the territory, but their assessment of the state of the comparative advantages of the territory and the way of their use is taken into account. 3) Although comparative advantages by species are covered in the thesis, the causal relationships between them are not explored.

When developing the conceptual research model, the following is taken into account:

- The comparative advantages of the territories in themselves are only a prerequisite for developing certain characteristics of the territory and obtaining a competitive advantage over other territories of a similar type. Comparative advantages have value only when they are valuable to target groups in the territory. Therefore, when examining comparative advantages, it is paramount to examine them in terms of their value to residents, visitors, local businesses and all other target groups in the territory.

- In the Republic of Bulgaria, the management of the territories is entrusted to local government bodies (municipal government), therefore information on the development of the territories and previous studies are described in strategic and other similar official documents, created, distributed and shared by the local government bodies and follows to be accessed by them.

- The comparative advantages and the assessment of their status by the different target groups are systematized, taking into account the review of theoretical models and the empirical results of the pilot study.

- The formulated research problem is the starting point for starting the empirical study. It is derived on the basis of the theoretical propositions discussed in the first chapter of the dissertation presentation and can generally be reduced to identifying the comparative advantages of the territory of the municipality of Varna and assessing their condition from the point of view of different target groups in the territory with purpose of using this information for marketing development of its comparative advantages..

- It is specific to the dissertation research that the search for an answer to the posed scientific research question occurs from three perspectives at the same time - from the point of view of the inhabitants of the territory, from the point of view of visitors to the territory and from the point of view of the local business developing its activity on the territory. This makes it possible to compare the positions and gain a more comprehensive idea of the possibilities to identify the most important comparative advantages of the territory.

It is concluded that the conceptual model of the study of the comparative advantages of the territory discussed above (Fig. 6) is based on the theoretical and methodological statements

and researches in the field of comparative advantages to date, combining and adapting some of their elements according to the characteristics of a municipality Varna.

The following is a presentation of the stages of conducting Phase II of the research, collecting primary information about the opinion of the three considered target groups of the territory - residents, visitors and local businesses in the territory of the municipality of Varna about the importance of the identified comparative advantages for the territory of the municipality and the assessment of the state them

When constructing the surveys, the results of the research and analysis of secondary information carried out so far, the interviews with experts and the results of the conducted pilot study were taken into account.

To provide the necessary information, 3 surveys have been developed, each of which covers the comparative advantages for each of the target groups studied: residents of the territory, visitors and local businesses.

Through the main research questions in the surveys, information is collected about the opinion of the residents of the municipality of Varna, the opinion of the visitors of the municipality of Varna and the opinion of the local business operating on the territory of the municipality of Varna, about the comparative advantages of the territory, determining those advantages that are important for them, as well as assessing the status of comparative advantages according to each target group. The structure of each of the compiled surveys is presented.

In **paragraph 4** of the second chapter, it is summarized that the positions of the municipality of Varna and its categorization in the group of the most significant municipalities are among the main arguments for choosing it as a "territory" for conducting research and marketing development of comparative and advantages.

It is explained that the argumentation of the choice is based on the current values for specific indicators for all 265 municipalities in Bulgaria (for which there are official data) and taking into account the positions of the municipality in relation to the other municipalities.

Table 2

**Comparative advantages of the municipality of Varna compared to other municipalities on the territory of the Republic of Bulgaria**

	Comparative advantage	Value as of 31.12.2023	Trend in the last 5 years	Place compared to other municipalities
1	Population	319900	decrease	3 <sup>rd</sup> out of 265
2	Coefficient of natural increase	-1573	no clear trend	5 <sup>th</sup> out of 265
3	Migration (mechanical movement)	2430	decrease	3 <sup>rd</sup> out of 265
4	Population below working age	68462	decrease	3 <sup>rd</sup> out of 265

5	Population of working age	259803	decrease	3 <sup>rd</sup> out of 265
6	Population over working age	102582	increase	3 <sup>rd</sup> out of 265
7	Size of the territory	238,49 km <sup>2</sup>	no change	200 <sup>th</sup> out of 265
8	Population density	1340 p./km <sup>2</sup>	decrease	2 <sup>nd</sup> out of 265
9	Average annual salary of employees (BGN)	19448	increase	17 <sup>th</sup> out of 265
10	Poverty line in BGN	7211	no clear trend	2 <sup>nd</sup> out of 265
11	Number of schools	104	no clear trend	4 <sup>th</sup> out of 265
12	Number of higher education institutions	6	no change	3 <sup>rd</sup> out of 265
13	Number of students	22226	no clear trend	3 <sup>rd</sup> out of 265
14	Number of community centers	29	no change	17 <sup>th</sup> out of 265
15	Number of museums	14	no change	3 <sup>rd</sup> out of 265
16	Crimes resulting in a conviction	886 from 1236	no clear trend	3 <sup>rd</sup> out of 265

Source: data from NSI<sup>8</sup>

On other indicators, there is no official information available for the municipalities, presented by the NSI. It can be seen from table 5 that the municipality of Varna ranks up to fifth in 13 out of a total of 16 indicators, which can be considered as comparative advantages. Up to twentieth place in two of the comparative advantages and is ranked 200 out of 265 in territory size alone. A positive impression is made by the comparative advantage "Poverty Line", whose value is 2 out of 265, which is explained by the fact that the incomes of the persons who live on the territory of the municipality are relatively high.

The following is a description of the municipality of Varna with information on the main parameters related to the state of the municipality. The presented information is extracted from official documents published on the website of the Municipality of Varna.

The following documents were reviewed and analyzed: Plan for Integrated Development of the Municipality of Varna 2021-2027, Final report-report of the Integrated Plan for Urban Reconstruction and Development of the City of Varna 2014-2020, study "Varna - City of Knowledge", conducted by the Institute for Market Economy, and other publications on the website of the Municipality of Varna. For up-to-date data from the statistics of some parameters of the characteristics of the municipality of Varna, information published on the NSI website was used.

It is summarized that an important argument for choosing the municipality of Varna is the fact that it is a regional center and as the administrative and economic center of the North-East region, Varna has the opportunity to manage decision-making and the implementation of programs for the development of the entire region. Therefore, developing the comparative

<sup>8</sup> <https://www.nsi.bg/bg/>. Accessed: 28.01.2024

advantages of Varna Municipality will provide good practices for smaller municipalities in the region.

Economic resources: the municipality of Varna is one of the largest economic and industrial centers in Bulgaria. And with the supporting logistics centers in the surrounding villages, it becomes attractive for investment and provides diverse economic opportunities. We are interested in whether local businesses identify these opportunities and how they assess their status.

Demographic resources: the municipality of Varna is the third most populous in the country after Sofia and Plovdiv, this is an important argument for choosing it for the study of its comparative advantages, since the residents are the main target group of the territory. The level of social diversification in the municipality of Varna is high. Various social and ethnic groups coexist on its territory - according to NSI data, 12% of the population of the municipality of Varna defines itself as having a mother tongue other than Bulgarian. This provides an opportunity to explore a variety of perspectives when considering the opinion on the comparative advantages of the territory of the inhabitants of the territory.

Infrastructural resources - transport infrastructure: a well-developed and very diverse transport infrastructure is available on the territory of the municipality. This includes seaports, airport and road and rail network. Although the condition of some parts of the infrastructure related to transport is not good, the presence of diverse transport infrastructure provides development opportunities for different target groups - residents, visitors, tourists, businesses, and it is of interest to us to investigate their assessment of its importance and status.

Infrastructure resources - health services. Since the Municipality of Varna is defined as a health center for the entire Northeast region of the country, it is important to examine how the target groups evaluate the health services provided on the territory of the municipality.

Infrastructure resources - education. The Municipality of Varna has a variety of universities and research centers that provide high-quality education and research opportunities. Important from a research point of view is how residents value educational infrastructure as part of the conditions for a good quality of life.

Tourist resources: the municipality of Varna is known for its rich tourist resources. The presence of beaches with built and developed seaside resorts, cultural and historical attractions and many organized events attract thousands of visitors and tourists to the region. The variety of advantages related to tourism that the municipality of Varna has at its disposal is a strong argument for its choice when examining the comparative advantages from the point of view of visitors.

**In paragraph 5** of the second chapter, the main characteristics of the municipality of Varna are discussed, which can be defined as prerequisites for comparative advantages.

It is noted that the first step in identifying the advantages of the municipality of Varna is the study of secondary documents, which contain official data about it. After their research, a list was drawn up, which was provided to experts from the local offices of the Ministry of Regional Development and Public Works, as well as regional development experts from a consulting firm, in order to evaluate and compare their opinion and the data from the official documents for the comparative advantages of the municipality of Varna.

Based on the studies of official documents and interviews with experts in the territorial development of the municipality of Varna, the main comparative advantages of the municipality of Varna have been identified. The classification of comparative advantages, compiled on the basis of the literature review on the topic, was used (Table 1).

In the conclusion of the second chapter, a summary is made that the municipality of Varna has diverse resources, numerous factors and characteristics that make it an attractive region for Bulgaria. They can be seen as comparative advantages of the territory.

Although they are recognized as advantages in official strategic documents provided by the municipality and by territorial development experts, the general opinion is that comparative advantages are not used to their full potential.

The fact that the comparative advantages of the territory are not fully used determines the need for their marketing development, as well as the topicality of the problem on the territory of the municipality of Varna.

### **Chapter three**

The third chapter of the dissertation is divided into five paragraphs, in which the applied aspects of the marketing development of the comparative advantages of the territory are considered, first presenting the approbation of the research hypotheses, then the results of the studies conducted, then a comparison of the obtained results is made, a starting point for the development of the comparative advantages of the territories is derived and guidelines for the marketing development of the comparative advantages of the territory, adapted to the specifics of the municipality of Varna, are determined.

The surveys were conducted in the months of June-September 2023.

Data in the studies were collected through online surveys of respondents. The results of the responses collected (749 residents; 431 visitors and 27 local business representatives) are

described.

The survey questions are described in Appendices 11, 12 and 13 to the dissertation.

In **paragraph 1** of the third chapter, a test of the research hypotheses is presented. It is noted that the Chronbach's Alpha criterion is applied to assess the reliability of the research instrument of the dissertation study.

The scales of the constructs from the surveys used were tested, and the results show that the scales used to evaluate the constructs in question have a high degree of reliability (Chronbach's Alpha between 0.877 and 0.884).

The profiles of the respondents who answered the questions of the three surveys are presented. For each of the studies among the target groups of the municipality of Varna, research hypotheses were formulated to check for the presence of a relationship between key variables. A level of significance was determined:  $\alpha = 0.05$ . A  $\chi^2$  (Pearson Chi-Square Value) test was chosen, which is considered appropriate in the presence of a nominal scale.

A check was made against each bivariate distribution for compliance with the conditions for applying the test. An empirical  $\chi^2$  value was calculated to test each of the research hypotheses. The obtained empirical value is compared with the critical value at the corresponding degrees of freedom and  $\alpha = 0.05$ . This is how it is determined which hypothesis is accepted and which is rejected.

When examining the respondents' opinion on whether the comparative advantages of the territory are used effectively, it is observed that two indicators defining their socio-demographic profile have an impact, namely: age and income.

When examining the respondents' opinion on whether the comparative advantages of the territory are used for the benefit of society, four indicators determining their socio-demographic profile have an influence, namely: gender, degree of completed education, age and number of children in the family.

The following conclusions can be drawn from the presented information about the investigated relationships between variables from the socio-demographic profile of the residents and important issues related to the evaluation of the municipality of Varna: the most common indicator that has an impact is the level of education, which corresponds to of the information from the strategic documents of the municipality of Varna for a high level of education in the municipality.

The assessment of whether the comparative advantages of the municipality are used effectively and for the benefit of the society is related to the level of education and the age of the respondents. This shows that in order to evaluate these variables, it is necessary for the

respondents to have experience and long-term observations of the way of life in the municipality.

From the information presented, it is clear that there are no connections between the socio-demographic profiles of the visitors to the territory and the opinion on whether the comparative advantages of the municipality are used effectively and for the benefit of society.

In **paragraph 2** of the third chapter, the comparative advantages in the primary research results are presented in detail. The summary of the results shows that the local government and territorial development experts identify a wide range of comparative advantages for the municipality of Varna compared to other similar territories, but only certain advantages are important for the inhabitants of the territory, its visitors and the businesses developing activities there. There are a large number of comparative advantages that different respondents indicate as important to them, these comparative advantages are also recognized by the experts, but are currently identified by the target groups as being in 'Poor' or 'Very Poor' status. It is concluded that it is good to pay attention to the comparative advantages that are assessed in the "Poor" state by the target groups, because they may influence their choice to stay living and work in the territory, to continue to visit the territory or to develop their business on it.

The following conclusions and generalizations are made from the studies described above:

➤ In relation to "Natural resources", the comparative advantages "Geographical position", "Available water resources" and "Climate" were rated very highly by all target groups and the opportunities to offer them as a product in the territory should be more widely used by the local authority, as they were considered very important to improve the attractiveness of the territory among visitors and tourists, to attract labor and investment.

➤ Regarding "Socio-Economic Resources", local residents rated "Accessibility to educational services", "Opportunities for professional development", "Opportunities for specialized training", "Quality of academic education" and "Quality of vocational education". Residents rate these advantages as being in "Very good" or "Good" condition for the municipality of Varna. While for local business, the most important comparative advantages related to "Socio-economic resources" of Varna municipality are "Structure of the economy", "Available productions on the territory of the municipality", "Opportunities for professional development". They are rated "Very good" or "Good" by a large proportion of local business representatives.

➤ Research in Phase II confirms the results of Phase I on available knowledge and skills of the local population, suggested by the huge number of micro-enterprises created in the



territory of the municipality and the high level of education of the population. This is something that needs to be carefully researched and considered by local authorities as it creates opportunities for development in the area.

➤ The results of the survey of the opinion of local residents show that for them the presence of an airport and a port are very important comparative advantages, and their condition is assessed as "Good" or "Very good". These comparative advantages are among the most important for both visitors to the territory and local businesses. This also coincides with the opinion of the experts, as well as with the proposed development plan of the municipality of Varna. According to the author, attention should be paid and opportunities to use the suggestions of local residents for further development of maritime transport and related services should be explored.

➤ Special attention should be paid to local roads, as their condition negatively affects the opinion of the residents of the municipality, as well as the perception of visitors about the territory and makes it difficult for local businesses to operate.

➤ The importance of local historical landmarks, organized events and annual festivals, emphasized by the experts, was also confirmed by the results of the conducted survey among local residents and visitors to the territory. Local authorities can support the implementation of similar initiatives in different areas of the municipality, as they are currently concentrated in the city center.

➤ Experts suggest that different types of sports are important and a priority for local government. The importance of sports infrastructure for local residents and visitors is also confirmed by the results of the survey. This comparative advantage requires the attention of local authorities, as it is important to maintain the built infrastructure in good condition, and also to develop and promote these resources to other target groups that would be interested. For example, climbing walls could open up a new niche of visitors or tourists for the area.

➤ The importance of local historical landmarks, organized events and annual festivals, emphasized by the experts, was also confirmed by the results of the conducted survey among local residents and visitors to the territory. Local authorities can support such initiatives more widely in different parts of the municipality, as they are currently concentrated in the city centre.

➤ Experts suggest that different types of sports are important and a priority for local government. The importance of sports infrastructure for local residents and visitors is also confirmed by the results of the survey. This comparative advantage requires the attention of local authorities, as it is very important to maintain the built infrastructure in good condition, and also to develop and promote these resources to other target groups that would be interested.

For example, the climbing walls could open up a new niche of visitors for the grounds.

➤ The results of the survey confirm the experts' opinion that the conditions for creating and conducting business on the territory of the municipality are unsatisfactory. The local authorities should pay attention to this fact, since the possibilities for development of the territory are enormous, taking into account the qualified workforce, the high level of education of the population and the large number of micro-enterprises, proving the presence of an entrepreneurial spirit.

➤ In general, the quality of life is rated as satisfactory by local residents, which also confirms the experts' opinion on this. The local authority should pay attention to the quality of services that are indicated as important by local residents, and also to the willingness of local residents to participate in the decision-making process of the territory.

A summary was made that the results of the conducted survey among local residents, visitors and local businesses in the municipality of Varna and the conducted interviews with experts in territorial development bring out the comparative advantages of the territory of the municipality of Varna and outline the opportunities for their marketing development. These results show that the territory is rich in resources and specific features and has opportunities to improve the quality of life of local residents and attract visitors and business.

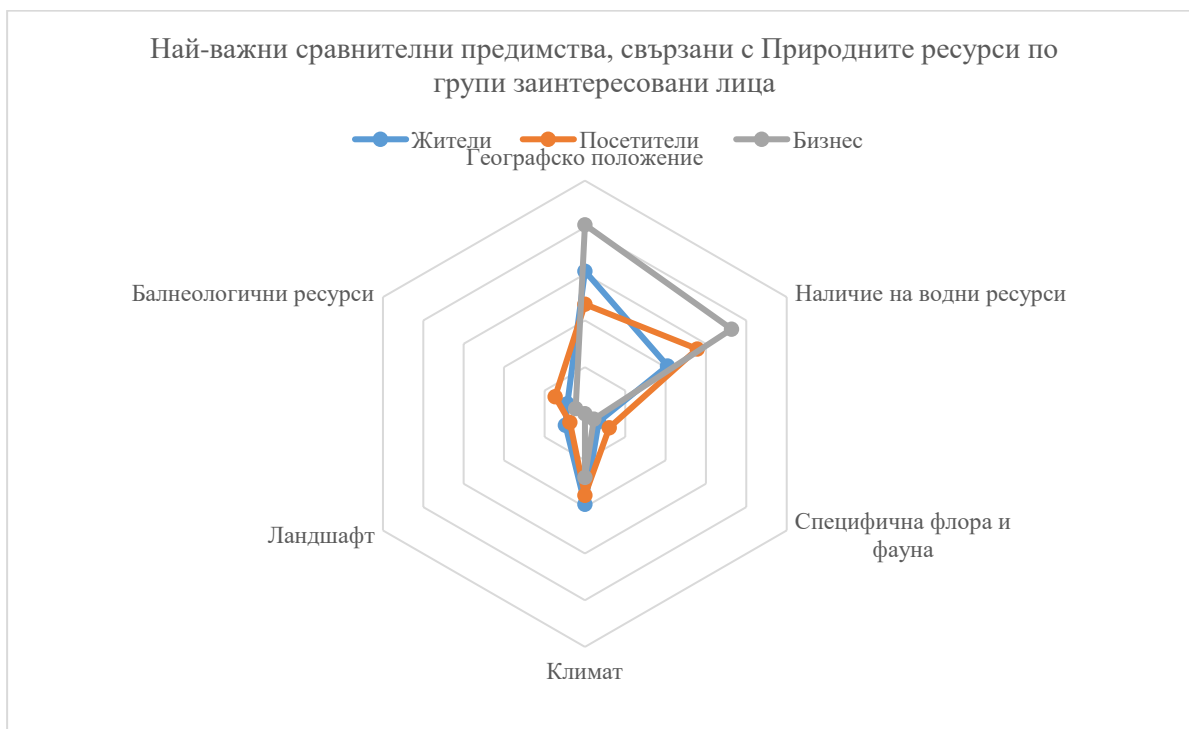
**Paragraph 3** Paragraph 3 of the third chapter comments on the comparison of the importance of comparative advantages among the different groups of surveyed respondents (residents, visitors, business).

It is noted that when tracking the responses for the most important group of comparative advantages for individual target groups, it is noted that for residents these are "Natural Resources", "Quality of Life" and "Socio-Economic Resources". For visitors, "Natural Resources" and "Cultural and Historical Resources" are most important. For local businesses, the most important are: "Socio-economic resources" and "Opportunities to create and develop a business" (fig. 7).



**Fig. 7 Assessment of the importance of comparative advantages by target groups.**

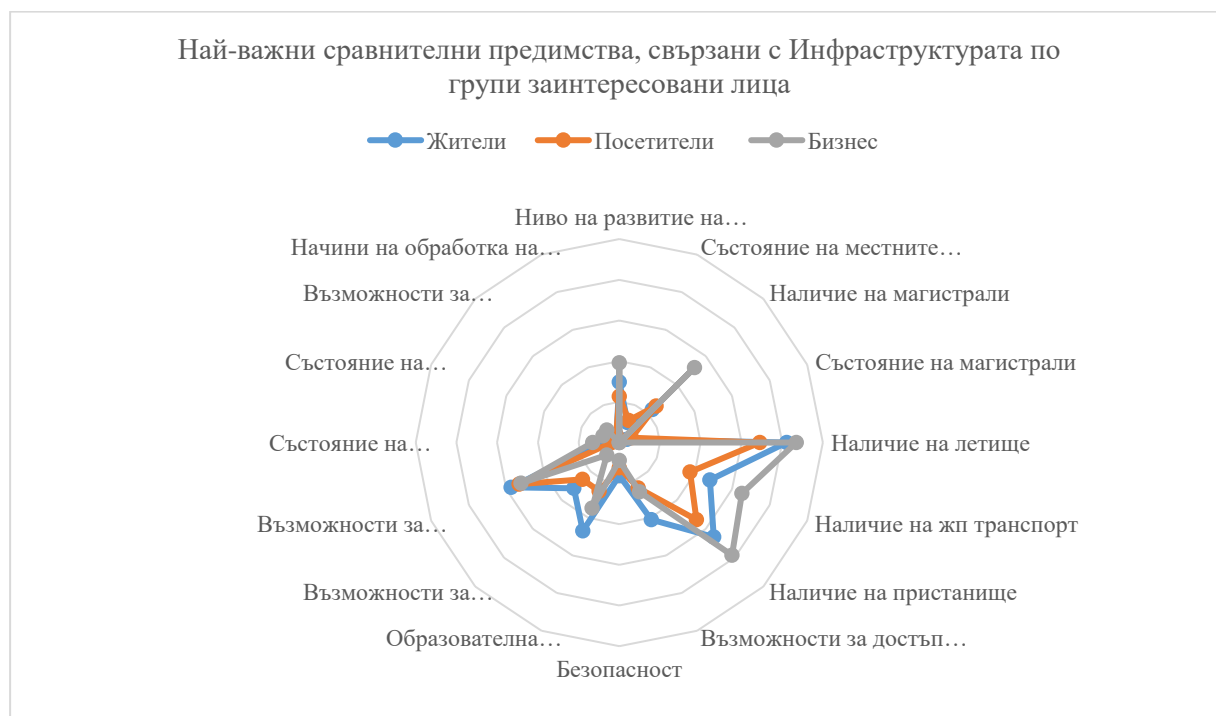
A comparison of the answers was made according to the individual comparative advantages of the above-mentioned groups. First, the comparative advantages associated with "Natural Resources" are discussed. It is noted that the three comparative advantages related to natural resources that are most important for all target groups considered are: "Geographical location", "Availability of water resources" and "Climate" (fig. 8).



**Fig. 8 Assessment of the importance of comparative advantages related to "Natural Resources" by target groups.**

It is noted that in terms of comparative advantages related to "Infrastructure", the most important comparative advantages are - "Availability of an airport", "Availability of a port", "Entertainment facilities (theatre, cinema, exhibition halls, etc.)", "Availability of rail transport"

and "Educational infrastructure", are important for all considered target groups - residents, local businesses and visitors to the territory (fig. 9).



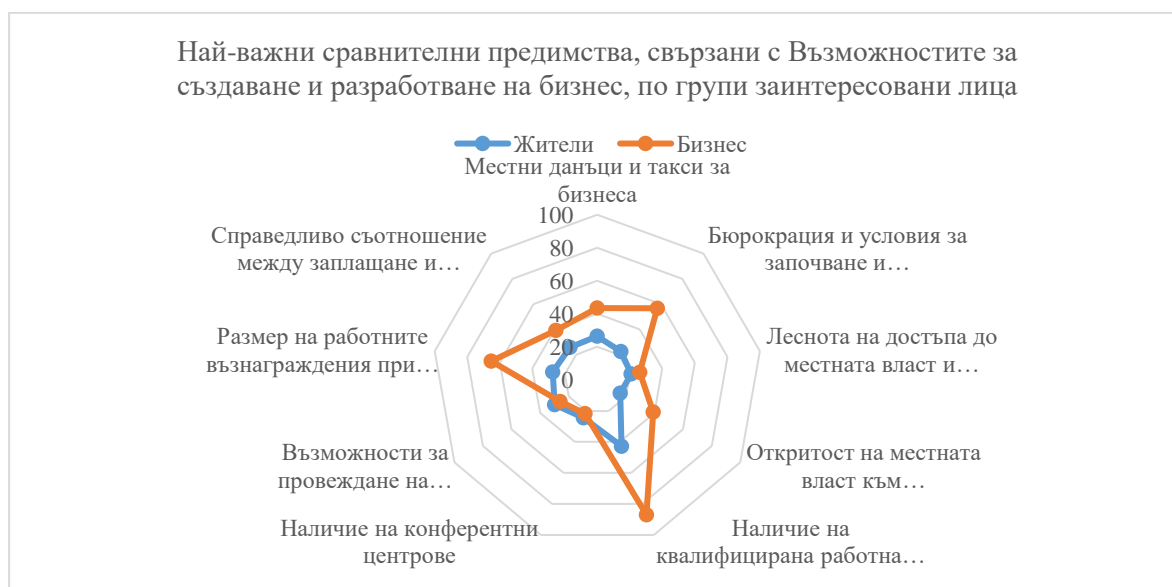
**Fig. 9 Assessment of comparative advantages related to "Infrastructure" by target groups.**

Next, the group of comparative advantages related to "Socio-Economic" resources is considered. The comparative advantages mentioned in the first places, which are important for all considered target groups - residents and local businesses, are "Opportunities for professional development", "Opportunities for specialized training", "Access to educational services", "Structure of the municipality's economy" and "Available productions on the territory of the municipality" (fig. 10).



**Fig. 10 Assessment of the importance of comparative advantages related to "Socio-economic resources" by target groups.**

The next group of advantages that is considered is "Opportunities to create and develop a business in the municipality of Varna". It is noted that the most important comparative advantages are: "Availability of skilled labor", "Wage rate at local employers" and "Local taxes and fees for business" (fig. 11).



**Fig. 11 Assessment of the importance of comparative advantages related to "Opportunities to create and develop a business" by target groups.**

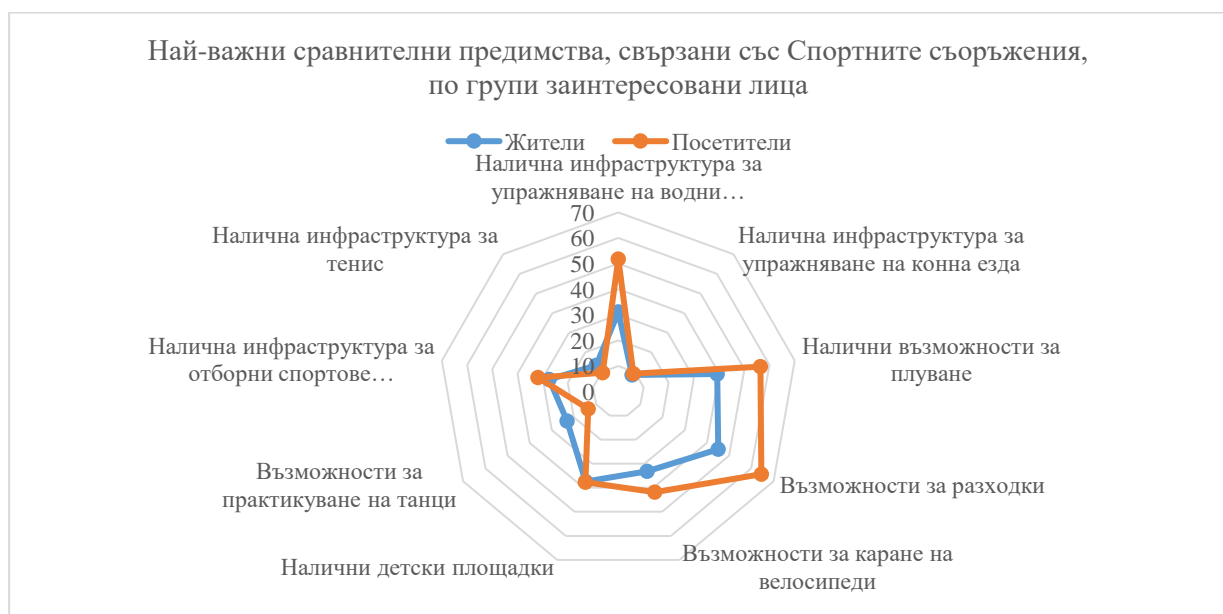
Within the comparative advantages related to "Cultural and Historical Resources", as the most important, "Historic Landmarks" was determined for both residents and visitors of the

territory. For both target groups, the benefits "Entertainment (Cultural)" and "Organized Festivals" follow. It is noteworthy that the comparative advantages related to "Cultural and historical resources" are ranked equally in order of importance by residents and visitors (Fig. 12).



**Fig. 12 Assessment of the importance of comparative advantages related to "Cultural and historical resources" by target groups.**

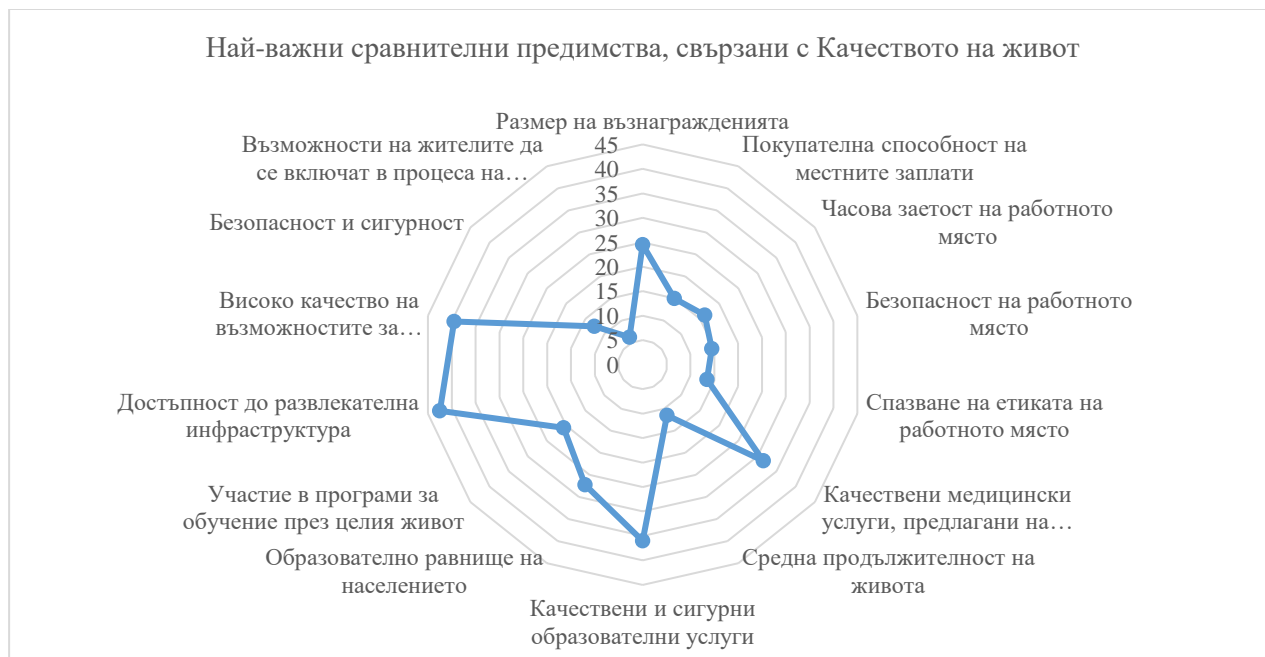
The comparative advantage group related to "Sports facilities" was examined. It is observed that there are three comparative advantages that are brought out as the most important - 'Walking opportunities', 'Swimming opportunities available' and 'Cycling opportunities' - for both target groups (Fig. 13).



**Fig. 13 Assessment of the importance of comparative advantages related to "Sports facilities" by target groups.**

In relation to the comparative advantages related to "Quality of life", it is noted that these are of utmost importance to the inhabitants of the territory. The most important comparative advantage according to the residents of the municipality is "Accessibility to entertainment

infrastructure", followed by "High quality of opportunities for social life and entertainment". Only in third place are "Quality and safe educational services", followed by "Quality medical services offered on the territory of the municipality" and "Educational level of the population" (fig. 14).



**Fig. 14 Assessment of the importance of comparative advantages related to "Quality of life".**

The comparative advantage group related to "Accommodations Available" is last examined. The most important comparative advantage according to visitors of the municipality is "Variety of restaurants offering different types of meals/cuisine", followed by "Quality and prices of overnight stays", "Atmosphere", "Quality and price of food" and "Total capacity of the territory " (fig. 15).



**Fig. 15 Assessment of the importance of comparative advantages related to "Accommodation Available".**

In conclusion, it is summarized that the comparative advantages of the territory, which are determined to be important for as many target groups as possible, are brought out. In this way, the territory can focus on those advantages that are most attractive and can bring the greatest benefit to the area.

**Paragraph 4** of the third chapter provides guidelines for developing the comparative advantages of the territory. The most important results for the target groups studied will determine the assignment of the respective comparative advantage as: strength, weakness, opportunity or threat for the respective subjects. The comparative advantages thus distributed in the corresponding quadrants of the SWOT matrix will serve to derive the guidelines for developing the comparative advantages of the territory.

The main indicators of the SWOT analysis are summarized in the following four tables. The tables are sized with rating values ranging from 1 to 5, with 1 being the least important and 5 being the most important for the territory. The total value of the weights is 1.

Table 3

**Comparative advantages assigned to the "strengths" quadrant from the point of view of the target groups studied**

№	Strengths	Weight	Rating	Weighted value
1	Geographical location	0.09	5	0.45
2	Availability of water resources	0.07	4	0.28
3	Climate	0.05	3	0.15



4	Availability of an airport	0.09	5	0.45
5	Port availability	0.07	4	0.28
6	Historical landmarks	0.09	5	0.45
7	Entertainment (cultural)	0.07	4	0.28
8	Organized festivals	0.05	3	0.15
9	Organized events	0.02	2	0.04
10	Swimming facilities available	0.07	4	0.28
11	Opportunities for walks	0.09	5	0.45
12	Accessibility to entertainment infrastructure	0.09	5	0.45
13	High quality of opportunities for social life and entertainment	0.07	4	0.28
14	Variety of restaurants offering different types of dishes/cuisine	0.08	5	0.4
	Total	1		4,39

Source: primary data analyzes and author's calculations.

Note: the rating values indicate the assessment of the studied target groups for the state of the respective comparative advantage. The weight value reflects the importance of the respective comparative advantage for the studied target groups.

It is noted that the thus obtained sum of the weighted values for the comparative advantages that fall into the "strengths" quadrant from the perspective of the subjects under study will be used to size the results of the SWOT analysis on a coordinate system.

Table 4

**Comparative advantages assigned to the "weaknesses" quadrant from the point of view of the target groups studied**

№	Weaknesses	Weight	Rating	Weighted value
1	Lack of interest on the part of the local government to cooperate with the business	0.1	5	0.5
2	Lack of incentives to create new enterprises	0.09	4	0.36
3	Deteriorating demographics	0.1	5	0.5
4	Absence or insufficient development of high-tech and innovative industries with high added value	0.07	5	0.35
5	Poor infrastructure in populated areas /streets, sidewalks, water supply network, etc./	0.09	5	0.45
6	Underdeveloped non-governmental sector and civil initiatives	0.05	4	0.2
7	Absence or poor condition of logistics business infrastructure	0.07	4	0.28
8	Obsolete and depreciated production base of the enterprises	0.03	3	0.09
9	Administrative structure (local government)	0.03	3	0.09
10	Transparency of public procurement	0.03	3	0.09

11	Cleanliness	0.07	3	0.21
12	Ineffective integration of disadvantaged groups, including minority and isolated groups	0.07	4	0.28
13	A fair balance between pay and workload	0.09	4	0.36
14	Opportunities for the residents of the municipality to get involved in the decision-making process of the local authorities	0.11	5	0.55
Total		1		4.31

Source: primary data analyzes and author's calculations.

Note: the rating values indicate the assessment of the studied target groups for the state of the respective comparative advantage. The weight value reflects the importance of the respective comparative advantage for the studied target groups.

The sum of the weighted values for the comparative advantages that fall into the 'weaknesses' quadrant for the subjects will be used to size the results of the SWOT analysis on a coordinate system.

Table 5

**Comparative advantages assigned to the "opportunities" quadrant from the point of view of the target groups studied**

№	Opportunities	Weight	Rating	Weighted value
1	Availability of rail transport	0.07	2	0.14
2	Entertainment options (theatre, cinema, exhibition halls, etc.)	0.09	3	0.27
3	Educational infrastructure	0.05	1	0.05
4	Access to educational services	0.13	5	0.65
5	Opportunities for professional development	0.09	3	0.27
6	Opportunities for specialized training	0.11	2	0.22
7	Availability of qualified labor	0.14	5	0.7
8	Cycling opportunities	0.07	2	0.14
9	Quality and secure educational services	0.05	3	0.15
10	Quality and prices of overnight stays	0.11	4	0.44
11	Atmosphere	0.09	3	0.27
Total		1		3.3

Source: primary data analyzes and author's calculations.

Note: the rating values indicate the assessment of the studied target groups for the state of the respective comparative advantage. The weight value reflects the importance of the respective comparative advantage for the studied target groups.

The resulting sum of the weighted values for the comparative advantages that fall into the "opportunities" quadrant from the perspective of the subjects under study will be used to size the results of the SWOT analysis according to the different values of the coordinate system.

Table 6

**Comparative advantages assigned to the "threats" quadrant from the point of view of the target groups studied.**

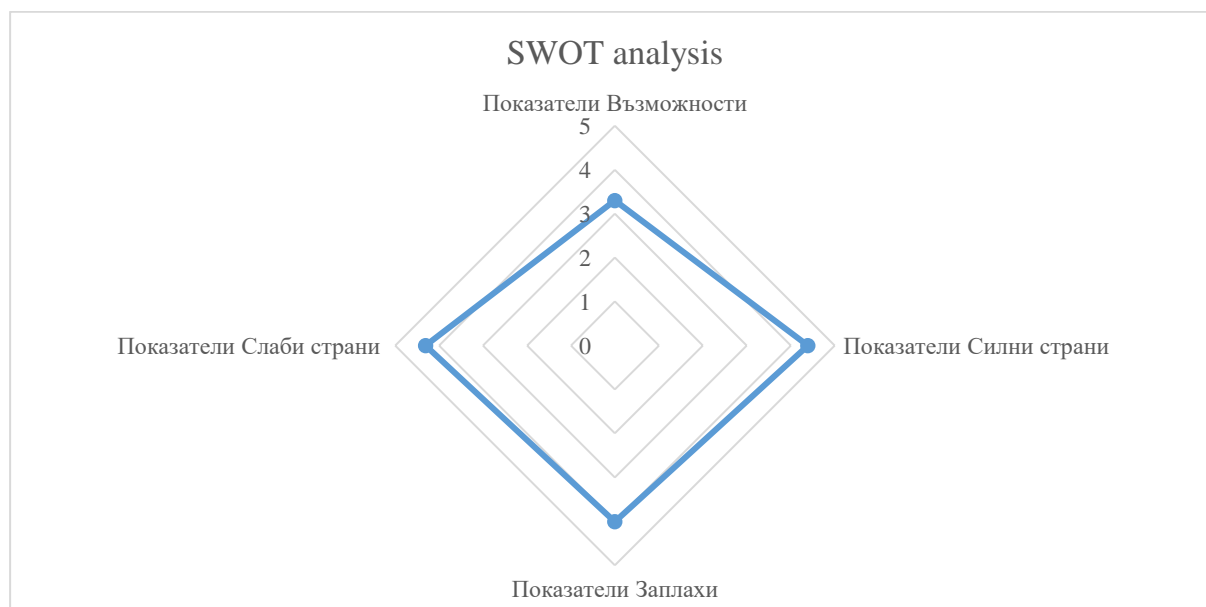
№	Threats	Weight	Rating	Weighted value
1	Local business taxes and fees	0.15	5	0.75
2	Amount of wages at local employers	0.1	2	0.2
3	Red tape and regulatory burden	0.15	5	0.75
4	Lack of predictability	0.11	4	0.44
5	Corruption	0.09	3	0.27
6	Ineffective partnership of local government with business	0.15	5	0.75
7	Migration of young and educated persons	0.15	5	0.75
8	Purchasing power of local remuneration	0.05	1	0.05
9	Waste treatment methods	0.05	1	0.05
	Total	1		4.01

Source: primary data analyzes and author's calculations.

Note: the rating values indicate the assessment of the studied target groups for the state of the respective comparative advantage. The weight value reflects the importance of the respective comparative advantage for the studied target groups.

The total sum of the weighted values of the comparative advantages that fall into the 'threats' quadrant for the subjects will be used to size the results of the SWOT analysis by the different values of the coordinate system.

Based on the calculated sums of the weighted values for the comparative advantages falling into the quadrants "strengths", "weaknesses", "opportunities" and "threats", the graph with the results of the SWOT analysis was made (fig. 16).



**Fig. 16 Graphic presentation of the results of the SWOT analysis of the territory of the municipality of Varna**

Next, calculate the faces of the resulting triangles to determine the one with the largest area. The following results are obtained, presented in Table 7.

Table 7

**Summative assessment of the SWOT analysis**

Indicator	Value	Strategy	Value
Strengths	4,39	SO	7,24
Weaknesses	4.31	ST	8.80
Opportunities	3.3	WO	7.11
Threats	4.01	WT	8.64

Source: primary data analyzes and author's calculations.

It was concluded that according to the summarizing assessment from the SWOT analysis, the strategy that should be chosen for the development of the municipality of Varna is the so-called ST (Strengths Threats) - Strengths Threats, i.e. focusing on using the municipality's strengths to limit the impact of potential threats on the municipality's development.

It is summarized that through the eyes of the considered entities, the territory of the Varna municipality has comparative advantages that provide opportunities for favorable socio-economic development. The strengths of the territory, such as natural resources, infrastructure and cultural and historical resources, should be developed and ways should be sought to improve the assessment of their condition by the target groups. Emphasis in the upcoming activities should be placed on the full use of the positions represented in the "strengths" quadrant and efforts to overcome the threats to the studied target groups represented in the "threats" quadrant.

The analyzes show that a large part of the "weaknesses" and "threats" for the territory are mainly due to the local policies and the lack of good practices for the work of the local authority with the businesses developing activities in the territory, as well as with the inhabitants of the territory. This is entirely within the control of the local authority and coordinated action by the local authority should be planned to resolve the identified issues relating to its relationship with residents and businesses operating within its territory.

The last paragraph of the third chapter comments on the guidelines for marketing development of comparative advantages of the territory. In **paragraph 5** of the third chapter, taking into account the studies carried out for the municipality of Varna and the analyzed results of the studies conducted among different target groups in the territory, the following guidelines adapted to the territory of the municipality of Varna for marketing development of its comparative advantages can be proposed. Guidelines are presented on the basic elements of the

marketing mix.

**Directions: Product/Services/Ideas.**

Taking into account the results of the research conducted after the target groups of the municipality of Varna, a general guideline is given for updating the products and services offered by the municipality in order to meet the expected conditions of life and business.

One of the main problems that the residents of the territory pose is that they cannot give ideas for new products and services and proposals for changes and improvements in the offered products and services on the territory of the municipality. The question arises of creating opportunities for local residents, interested in the development of the territory and improving the quality of life there, to have the opportunity to share their ideas for improving the way of life and the conditions provided on the territory of the municipality in accordance with their needs for groups of comparative advantages. It is proposed to implement an integrated platform for gathering ideas from the target groups. It is advisable for the platform to provide communication in several languages, so that visitors, as well as foreigners living on the territory of the municipality, can give suggestions and ideas.

With regard to the various types of comparative advantages of the territory, the following reasonable proposals can be made for the target groups:

The analysis of the results shows that of the comparative advantages related to "Natural resources", the most important for all the target groups considered are the geographical location, the available water resources and the climate, with attention being paid to the fact that the available water resources are not fully used.

For residents, the development of complex products using currently available resources is proposed, such as the organization of various specialized summer camps for children/teenagers. The camps would coordinate the use of the already built infrastructure and available resources such as Wake Park Varna, Varna Party Boats, opportunities offered by Children's Corner Varna for riding a water bike, etc. This integrated approach not only harmonizes the use of the already available infrastructure, but also supports activities that meet the interests of the target group, contributing to the diversification of entertainment and learning opportunities during the summer months.

For visitors, it is proposed to develop a "municipal attraction map" for a variety of services offered on the territory at various sites. The benefit of the card for visitors is that they will have the opportunity to use a discount on the use of services, since the use of many attractions and other similar services will be purchased at once. The offering of such type of cards will lead to an increase in the intensity of consumption of the offered products/services and achieve a

balanced demand for them on the territory of the municipality.

In the comparative advantages related to "Infrastructure", "Entertainment opportunities (theatre, cinema, exhibition halls, etc.)" is among the most important advantages for all target groups considered, noting the seasonality of cultural events held in the city .

The development of the so-called "cultural municipal card", which offers access to various cultural events - exhibitions, theater productions, cinema screenings, etc., based on a monthly subscription. Through a "cultural municipal map" a balance will be achieved in the demand for various cultural products and services and the capacity utilization at the level of the organization that offers them will be improved.

In relation to the comparative advantages related to "Quality of life", the most important comparative advantage according to the residents of the municipality is "Accessibility to recreational infrastructure". It is observed that the recreational infrastructure of the municipality is concentrated in the central parts of the city of Varna. It is proposed to build and develop entertainment infrastructure in the neighborhoods of the city of Varna and in smaller settlements in the municipality.

Regarding the comparative advantages related to "Socio-economic structure", "Opportunities for professional development" is among the most important advantages for all target groups considered. In this regard, it is recommended for the residents of the municipality to develop a complex product linked to the activity of the existing "Career Guidance Center - Varna", oriented towards students from the second high school stage and offering career guidance with a subsequent 3-week internship during the summer vacation in a company from the branch recommended to the respective participant. The proposed initiative represents an innovative and educational approach to supporting the career development of students. Its development will have a positive effect both on residents and in particular students by developing knowledge, skills and competences in a working environment, and on local businesses through the opportunity to select individuals who have the necessary knowledge and skills to occupy a specific job position.

In the comparative advantages related to "Opportunities to create and develop a business" in the municipality of Varna, the most important for all target groups considered is "Availability of qualified labor". In this case, the most important thing is the coordination of the needs of the business in the territory with the training opportunities in the vocational high schools and higher education institutions in the territory of the municipality. Therefore, it is proposed to develop an online platform for collecting information from businesses about the necessary workers and employees to carry out their activities at the moment in scientific directions and centralized

coordination of this information with vocational high schools and higher education institutions on the territory of the municipality. It is proposed to coordinate the various platforms in a single integrated online platform covering the various target groups of the municipality.

In relation to the comparative advantages related to "Cultural and historical resources", the most important comparative advantage for all target groups considered is "Historical landmarks". It is proposed to develop coordinated programs aimed at familiarizing the teenagers of the municipality with historical landmarks. This approach involves the use of various incentives for target groups, such as games with prizes. The aim is to overcome seasonality when visiting the historical sights. At the same time, incentives can serve to gather ideas for a more attractive presentation of historical landmarks. They can also be used to raise awareness of these landmarks on social media using social media channels targeting different target groups. This approach focuses on efficiency and attractiveness by providing clear and structured information.

In connection with overcoming the seasonality of consumption, the possibility of developing the so-called "Museum municipal card" for residents and visitors following the example of Barcelona Card, Istanbul Epas, etc. As mentioned above, by offering such type of cards, an increase in the intensity of consumption of the offered products/services is achieved and a balance is achieved in their demand over time and on the territory of the municipality.

There is a great interest of visitors to the festivals held on the territory of Varna municipality. It is proposed to create a complex product - holding several daily festivals related to important events in the history of the city and the municipality. Due to the expected high interest in such festivals (following the example of the "Medieval Festival" held at the beginning of the month of September), it is proposed that these festivals be organized annually. As an additional service to the held festivals, a specially created card (for example in the form of a symbol of the historical event of the festival) can be used for a series of services or with the accumulation of points for the use of a free service for each festival. This increases the commitment of the target groups to the service and turns them into ambassadors of the event, which will lead to increased interest in the products/services offered and improved relations with the target groups.

In the comparative advantages related to "Sports facilities", the most important comparative advantage for the two target groups considered is "Walking opportunities". It is proposed to develop a mobile application for smart phones with walking routes in the municipality, classified according to accessibility by different types of transport (car, public transport), difficulty of the route (beginners, advanced, etc.), duration of the route, opportunities

for additional services (picnic areas, sights, special views, etc.). Given the large number of foreigners living in the territory of Varna municipality and foreign tourists visiting it, it is recommended that the application be developed in several languages.

In the comparative advantages related to "Accommodation available", the most important comparative advantage according to the visitors of the municipality is "Variety of restaurants offering different types of meals/cuisine". It is proposed to organize a culinary festival, presenting the various restaurants and giving the opportunity to try the various cuisines offered on the territory of the municipality. Thus, visitors will be able to get to know the different cuisines that they can try during their stay, and in addition, restaurateurs will also have the opportunity to advertise themselves in a new way among their potential consumers.

#### **Directions: Prices/costs/value**

As a result of the research carried out after the target groups of Varna municipality, "Local taxes and fees for business" emerges as one of the most serious problems in the territory of Varna municipality. It is perceived as a threat by both considered target groups – residents and local businesses, and local taxes and fees should be analyzed in detail and updated.

From the point of view of the Municipality of Varna, the following local taxes are collected from the local residents and businesses, defined in the Ordinance of the Varna Municipal Council on determining the amount of local taxes on the territory of the Municipality of Varna<sup>9</sup>: Tax on real estate; Inheritance tax; Donation tax; Tax on acquisition of property for consideration; Vehicle tax; Patent tax; Tourist tax; Tax on taxi carriage of passengers; Other local taxes determined by law.

In the Ordinance of the Varna Municipal Council on the determination and administration of local fees and service prices on the territory of the municipality of Varna<sup>10</sup>, the following fees are defined for local residents and businesses developing activities on the territory of the municipality: for household waste; for use in markets, fairs, sidewalks, squares and street lanes; for the use of specialized institutions for the provision of social services, camps, dormitories and other municipal social services; for technical services; for administrative services; for buying burial sites; for owning a dog; other local fees determined by law.

In Appendix 2 of the Ordinance of the Varna Municipal Council on the determination and administration of local fees and service prices on the territory of the Varna Municipality, the prices of the services provided by the Varna Municipality are determined. This includes services

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<sup>9</sup> <https://varna.obshtini.bg/doc/345772>. Accessed: 28.01.2024

<sup>10</sup> <https://varna.obshtini.bg/doc/372899>. Accessed: 28.01.2024



such as: prices for visits to museums, prices for administrative services provided by the municipality, price for the right to set up booths, kiosks, etc. sites on municipally owned land, prices for public catering establishments (breakfast bars, pastry shops, snack bars, restaurants, bars, discotheques, etc.) and many others<sup>11</sup>.

The studies show that within the district, local taxes are the highest in the municipality of Varna<sup>12</sup>. According to the results published in Regional Profiles<sup>13</sup>, the municipal expenses in the municipality of Varna are almost completely covered by local revenues. Although this brings positives for the municipality, because in this way it can purposefully and rationally use these revenues, it is necessary to update local taxes and fees, because if they are too high (for example, in conditions of economic crisis), it acts oppressive and demotivating for the subjects of the territory and can be an obstacle to its development.

It is recommended that when making a decision to increase local taxes and fees, it should be well-argued with indisputable evidence regarding the rational principle of their expenditure. The target groups should be informed about the arguments for the increase of local taxes and fees and the expected positive changes in their service in the future.

It should be borne in mind that the increase in spending on social activities, infrastructure development, etc. can be implemented both at the expense of the municipality's budget and by attracting additional funds. These funds can be attracted by applying for funding under various EU projects and programs.

Activities of this type can also be financed by attracting funds from external sources for the development of the municipality, such as resources from the financial market, bank loans, issuance of municipal bonds, joint ventures and revolving financial instruments (Petrov, 2015).

With regard to the results of the survey of the opinion of residents and local businesses on the comparative advantages of Varna municipality and the evaluation in "Poor" condition of "Political structure (way of decision-making in the municipality)" and "Administrative structure (local self-government)" follows to bear in mind that it is advisable for the Varna municipality to create conditions for the implementation of comprehensive and targeted internal and civil control over the spent funds. Such a control system ensures transparency in decision-making and spending of funds, which leads to increased trust on the part of target groups. Citizen control increases the participation of target groups in decision-making and in the process of planning and implementation of projects. Transparent management and civil control contribute to the

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<sup>11</sup> <https://varna.obshtini.bg/doc/372899>. Accessed: 28.01.2024

<sup>12</sup> <https://www.regionalprofiles.bg/var/docs/2023/03-Varna-2023-BG.pdf>. Accessed: 28.01.2024

<sup>13</sup> <https://www.regionalprofiles.bg/bg/regions/varna/>. Accessed: 28.01.2024

positive public image of the territory and increase the legitimacy of activities implemented with public funds.

In connection with the results of the analyzes of the collected information from the survey conducted among the visitors of the territory, the comparative advantages "Quality and prices of overnight stays" and "Quality and price of food" are evaluated in good condition by the respondents. It is recommended to keep the control of the Varna municipality over the determination of prices, taking into account the quality of the offered products and services.

For the studied target groups - local residents, businesses and visitors, it should be taken into account that, depending on the type of users, it is possible to charge additional values for the use of some services (such as the use of parking lots in the "Blue Zone"). This increases the total cost of other services used by the target groups (for example, administrative services in the municipality of Varna, products and services of catering establishments, commercial establishments, etc.). It is proposed to develop an option to include the value of parking around museums, historical sites, attractions, etc. in the value of the card/ticket for visiting the object. It is necessary to develop different forms of payment of parking fees for the convenience of users. This approach can improve the overall impression of the visit and contribute to a better experience for visitors.

#### **Directions: Distribution of products, services and ideas/channels/intermediaries**

Given the results of the surveys conducted among target groups of the municipality of Varna, a general guideline for updating the proposed distribution channels of the municipality is proposed. The goal is to make full use of the opportunities offered by new technologies and the Internet. The integration of capabilities such as e-commerce, e-money and e-signature is recommended, which would improve the efficiency and accessibility of municipal services and activities for the target groups.

It is recommended to improve the integration between the different distribution channels used by the Municipality of Varna.

The delivery of the various products and services to users depends on their specifics. Varna Municipality is recommended to expand the range of products and services to be offered through the existing online channels. Currently, only local taxes and fees can be paid through PIN access<sup>14</sup>. It is recommended to expand the scope of online services provided by the Municipality of Varna to cover other aspects of public life and administration.

The selected intermediaries that the municipality of Varna uses in providing its services

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<sup>14</sup> <https://www.varna.bg/bg/217>. Accessed: 28.01.2024

should also be considered. Reasoned selection should be made with them and the commissions they receive should be monitored in order to be within the scope of covering the value of the functions they perform and ensuring a reasonable profit. In this context, it is important to note that the development of direct distribution channels for the products and services provided by the municipality would be beneficial. This means that the municipality has an interest in creating conditions through which it can offer its products and services directly to the various target groups, without being excessively dependent on intermediaries.

In order to develop the channels for the reverse distribution, the channels for collecting and processing waste should be considered. Studies show that the comparative advantage "Waste processing methods" is defined as a threat from the point of view of the studied target groups. Therefore, it is important for local authorities to pay attention and organize it in a more efficient way. A prerequisite for a better organization of waste collection and processing should be the high level of taxes and fees in the municipality, which should be used purposefully. This approach will help not only to deal with the reverse distribution of waste, but also to achieve greater efficiency of the activities of the municipality of Varna and satisfaction on the part of the target groups.

In relation to public transport, it is necessary to continue its integration and to develop opportunities to reach important places for the target groups. This process can be done by updating public transport routes. Due to the fact that the current routes have remained unchanged for more than 30 years, and the attraction centers for the target groups of the territory have undergone significant changes, it is necessary to revise them in order to adapt to the modern needs and preferences of residents and businesses.

Surveys among local residents show that, according to them, the opportunities for using sea transport and related services to improve public transport in the municipality have not been utilized. In-depth research among residents in this direction is proposed in order to identify opportunities to develop new routes and lines that better meet the transportation needs of the community. This could include direct links to key areas or improvements to existing lines. Another aspect is the proposal of ideas for improving the quality of service and increasing the frequency of maritime transport, for example optimizing schedules and providing more flexible travel options. According to residents' suggestions, themed trips or maritime transport events can be organized. This can create unique and engaging experiences for locals and visitors alike.

An application for smart phones should be developed, specializing in offering integrated transport and routing for visitors to the territory of the municipality. The application should provide information on access to the hotels in the resorts on the territory of the municipality

from various transport hubs (airports, train stations and bus stations on the territory of the country). This is a practical approach to facilitating the stay of visitors and will increase the attractiveness of the municipality. The language diversity of the application, including English, Russian, German and Romanian, is of key importance due to the fact that the main visitors to the territory of the municipality are from Ukraine, Romania and Germany<sup>15</sup>. English is recommended as it is one of the most widely spoken languages in the world and is widely used as an "international" language.

Local business guidelines include solutions related to the delivery of various products and services created by local businesses to consumers and the supply of raw materials to businesses. Although the business considers the various transport services offered in the territory as a comparative advantage of the municipality, the representatives of the business define the condition of the local roads and highways as a threat to their development. In this context, marketing can play an important role in building awareness and support for infrastructure changes and improvements in transport services that affect local businesses. The marketing development of transport infrastructure includes activities aimed at creating awareness, support and engagement on the part of target groups. This approach leads to the creation of partnerships with local businesses that can get involved in infrastructure projects and help mobilize funding and support on a wider basis.

#### **Directions: Communications and Incentives/Channels/Integration**

It is necessary to update the communication channels of the municipality of Varna with the various target groups in order to take advantage of the new opportunities offered by the development of technologies. Conditions should be created for providing relevant and quick information to the various target groups of subjects by using modern communication channels. In this way, greater efficiency will be achieved by improving the speed and accessibility of information.

Specialization in communication channels is recommended according to the specifics of the different target groups and the ways of using the different channels. It is good to make internal functional specialization of the channels according to the different target groups. There should be internal integration between the different channels or elements of the channels, as it is currently not observed and each channel is used either in a certain circumstance or partially to share specific information.

In order to use the new opportunities provided by the development of technologies, it is

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<sup>15</sup> <https://www.varna.bg/bg/164>. Accessed: 28.01.2024

proposed to create specialized profiles of the municipality in social networks popular among the target groups. Such profiles would support the sharing of constant information about the events happening in the municipality on the one hand, and receiving feedback from the target groups on the other. Such profiles provide an opportunity to answer the questions of the target groups if additional information is needed. (a kind of online version of the Tourist Information Center). It is very important to offer "24/7 service", twenty four hours a day, seven days a week. This is possible by using the capabilities offered by the various Artificial Intelligence (AI) applications in the development of the relevant profiles.

To increase the popularity of such profiles, the incentive game format is recommended as an effective method. This approach is based on the principles of engagement and motivation, aiming to attract and retain the attention of potential followers. The introduced game elements provide a stimulating experience for users who are interested in the respective profile.

It is additionally recommended to use creative and exciting mechanisms, such as contests, challenges or thematic events, which not only attract attention, but also stimulate the active participation of the target groups. The integration of incentive elements, such as prizes, surprises or special offers, emphasizes the attractiveness of the profile, stimulating target groups to become active followers.

The expectation is that through this approach to growing popularity through the application of game mechanics not only contributes to rapid and noticeable growth, but also establishes longer-term relationships with target groups, emphasizing the importance of interaction and participation in the community.

Through the game elements, it is proposed to use the opportunities to spread information and increase awareness of what is happening in the municipality using the social networks of its residents and visitors (for example, the use of hashtags in social networks).

The local business reports that the opportunities for communication with the local government are insufficient. Local business representatives are not satisfied with their relationship with the local government. 95.65% of respondents claim that "Local authorities do not make efforts for effective partnerships with businesses". This is a serious problem and it is recommended to pay attention to it, since in this way problems from the point of view of funding from local businesses of common campaigns, partnerships between local government and business, etc. According to the representatives of the local business, the most suitable mechanisms for interaction between the business and the local government are: "Opportunity to participate in the meetings of the committees of the municipal council", "Official websites of the municipal administration and municipal council with the possibility of feedback" and

"Formation of joint working and/or thematic groups'. It is proposed to develop channels for closer cooperation with local business, using the ideas proposed by local business.

For local residents, it is recommended to gather information from adolescents through the currently existing communication channels (for example, the "Preventions" club of the Varna municipality communicates with students from most schools in the municipality and can use the opportunity to collect information about the communication channels used by the representatives of this age group) for the social networks and channels in them that local residents use most often. This information can serve to develop modern channels providing timely information to local residents in the online space, where the residents of the municipality are looking for it. In this way, the development of technologies and new communication channels will be utilized and the effectiveness of the municipality's communication with its target groups will increase.

If necessary, adequate incentives can be used for the different target groups (for example, when it is necessary to attract volunteers for the implementation of project activities, gathering ideas, etc.) by using the appropriate communication channels tailored to their interests.

A serious problem in the municipality's communication with the various target groups at the moment is the sending of letters containing personal data, on paper, unaddressed and without delivery notification. This is a serious threat to the personal data of the target groups. The question arises to consider more secure channels and means of informing individuals about their obligations. Priority use of online information channels, registered letters, etc. is recommended.

According to the author, the correct branding of the territory is extremely important. The attempts made to brand the city (For example, "Knowledge City") are not characterized by consistency over time and do not bring the expected results. It is recommended to be systematic in building a strong brand of the municipality, taking into account the diverse interests and capabilities of the target groups. This approach can contribute to longer-term and sustainable success in forming an attractive and recognizable image of the territory.

Improving the efficiency of the work of the local administration and shortening the terms of implementation of the offered services can refer to both the element of communication and the elements of the marketing mix related to the services. In the specific case, these efforts can be primarily related to "Processes" - improving the processes for offering services. Also with "People" - staff training and promotion of a culture of innovation for the successful implementation of changes. "Physical evidence" - the introduction of electronic systems and process improvements can be considered as "physical evidence" of the more efficient operation

of local administration.

The following sequence of activities is proposed: a detailed assessment of current work processes in order to identify possible delays and inefficiencies. Introduction of electronic document management systems and electronic forms to speed up communication and application processing. Implementation of standardized processes and procedures to facilitate the work of employees and speed up the execution of services. Integrating innovations aimed at optimizing work and deadlines for tasks. Establish a system to collect feedback from residents and local businesses regarding the quality of services provided and turnaround time.

The implementation of these activities can contribute to improving the efficiency of the work of the local administration and shortening the terms for the implementation of the offered services.

It is summarized that integrated distribution and communication systems should be designed as part of integrated marketing in the territory. It is essential to develop effective communication and coordination strategies, with a view to informing the different target groups and aligning their interests in the context of territory marketing.

The development of the marketing of territories is an essential aspect in the modern management of municipalities and regions.

Looking at recent trends in territory management, driven by advances in technology and societal expectations, it proposes linking all aspects of territory management through integrated territory marketing. For this purpose, it is recommended to design and organize platforms for the implementation of integrated marketing of territories, through which, in accordance with the interests of the various target groups, marketing goals can be set, oriented towards improving the socio-economic conditions, increasing marketing efficiency and communication positioning of the brand, updating and publicizing the marketing strategies for the development of the territory, promoting significant partner programs and events (Tonkova, 2012).

In this context, it is proposed to create a new website equipped with various modules to provide a complex integrated information platform for collecting data on the territory and providing the necessary information and service to the target groups.

This website should be integrated with specialized software that allows automated collection of information and data and provides functionality for automating the process of information processing and analysis (MIS) and generating reasoned decisions through the use of artificial intelligence capabilities.

Through the use of modern technologies and innovative solutions, management efficiency can be improved, and better communication with the target groups in the territory

can be ensured. It is recommended that the marketing of territories includes the use of high technologies and innovations through the implementation of intelligent systems and devices in the urban environment such as smart infrastructure, eco-technologies, waste management systems, traffic management systems, automation of citizen services through virtual assistants and chatbots that can answer questions, provide information about services and process applications for various administrative procedures and others to improve the quality of life and make the territory more competitive and sustainable.

Considering the territory as an ecosystem, by balancing the social, economic and ecological aspects, emphasizes the importance of synergy and territorial sharing and envisages interaction and cooperation between all participants in the territorial system, with the aim of achieving sustainable and harmonious development. It will therefore be based on building long-term and mutually beneficial partnerships, both between different target groups and between the territory and its target groups. In this regard, the marketing of the territory should be oriented towards all target groups (residents, local businesses, visitors, etc.).

The marketing of territories requires the application of an integrated and systematic approach, including the use of modern technologies and innovations, in order to ensure adequate management of the territory through appropriate marketing development of its comparative advantages. The modern expectations for the marketing of territories suggest its placement on a professional basis in the organizations responsible for the management of the territory, and adequate use of the potential of universities for conducting appropriate and adequate research and analysis for its needs.

## **Conclusion**

In the conclusion, the fulfillment of the set goals and objectives of the dissertation work is reported. It is indicated that the topic can be continued and further developed in future research. It is agreed that the proposed sequence of actions for identifying the comparative advantages of the territory and determining their importance for different groups of target groups is applicable to any territory with minimal adjustments and shows how the interests of different target groups can be coordinated, resulting in to increasing the competitiveness of the entire territory, increasing its quality of life and increasing its attractiveness for external target groups.



#### **IV. DISSERTATION CONTRIBUTIONS REFERENCE**

The contributions of the dissertation research can be summarized as follows:

1. Systematization, critical analysis and summary of the theoretical aspects of the categories "territory marketing" and "comparative advantage" and the possibilities of applying the "theory of comparative advantages" to the territory.
2. Modeling of a process for marketing development of the comparative advantages of the territory and a conceptual model of their research.
3. Identification of the comparative advantages of the territory of the municipality of Varna and deriving guidelines for their marketing development.

#### **V. DISSERTATION PUBLICATIONS**

##### **Scientific articles:**

1. Balashova-Kostadinova, Y. (2016) Identifying Competitive Advantages for Territories, Bucharest: Bucharest Univ. of Economic Studies Publ. House, pp. 111 - 118, ISSN 2537-5865; ISBN 978-606-34-01108-4.
2. Balashova-Kostadinova, Y. (2017) Comparative Advantages Related to a Municipality - the Experts View, Bucharest: Bucharest Univ. of Economic Studies Publ. House, pp. 41 - 52, ISSN/ISSN-L 2344-5130.
3. Balashova-Kostadinova, Y. (2018) Comparative Advantages of Territories - the Residents' View, Bucharest: Bucharest Univ. of Economic Studies Publ. House, pp. 55-68, ISBN 978-606-34-01108-4; ISSN/ISSN-L 2537-5865.

##### **Scientific reports:**

1. Balashova-Kostadinova, Y. (2019). Innovative Approaches for Disseminating Territory Information. The Journal of Management and Sustainable Development, 75 (2), pp. 53-59

#### **VI. DECLARATION OF ORIGINALITY**

I declare that this dissertation is a completely author's product and during its development no foreign publications and developments were used in violation of their copyrights.