



## **SWOT analysis of the potential of Silk Road brand development in the Russian Federation**

### ***INTRODUCTION***

Russia's potential in terms of the historical heritage of the Silk Road and contemporary opportunities for tourist regions, through which the route once ran, is big enough. It refers both to the land and to the offshore segments of this route.

Involvement in a project of this scale contributes to expanding onto new market segments, increasing the length of guests' stay in the destinations, attracting new partners and investors, and creating a synergistic effect of collective branding of all its constituent territories.

At the same time, a number of features of the Russian segment of the path is defined by its specifics associated with considerable length and variety of operating conditions at the historical and contemporary stages. The specificity is also largely determined by the changes in the international socio-political environment that should be taken into account.

### ***SWOT ANALYSIS AND CONCLUSIONS***

The data and results of SWOT analysis are distributed irregularly. It is clear that the project's strengths can be detected in much more comprehensive and detailed way than the issues related to weaknesses, threats and opportunities.

Strengths are essentially based on the existing tourist potential of the territory in question. The Great Silk Road is great not only because of the flows of goods, but generated by these flows intercultural exchange that led to advances in technology and spiritual values. One of the most important factors is the support of the Russian government aimed at the development of international and domestic tourism.

Weaknesses are obviously related to infrastructure, attracting investments, and personnel training. Realization of the project is directly linked to the local people, their engaging and understanding the importance of this project in terms of further territory development.

On the other hand, the opportunities and risks of the project are largely determined by external conditions. Since we are talking about a business project, the issues of economic

cooperation, Western sanctions and interactions are closely dependent on the international political situation as a whole.

This section provides a SWOT analysis of the strongest destinations on the Great Silk Road and their tourist potential.

### SWOT- analysis of Dagestan site of Silk Road

Strengths	Weaknesses
There is a rich and diverse cultural heritage (about 100 communities with their authentic cultures)	Poor road conditions
There is a great amount of natural heritage, including mountain region.	Weak promotion of local cultural sights and handicrafts.
Mild climate.	Experiencing periodic terrorists' attacks
The site provides a marine coast.	
There are resources to develop cultural tourism, sports tourism, ethnic tourism, eco - tourism and health tourism.	
A unique multilingual folklore, highly artistic handicrafts, including an authentic Kubachinskaya silver repousse´ work and tapestry.	
A huge amount of geothermal hot water reservoirs.	
The highway Rostov-Baku - the main overland road, connecting Russian Federation with Azerbaijan and Iran. Makhachkala sea track port is the only one ice-free port on the Caspian Sea.	

Opportunities	Threatens
There is an opportunity to attract tourists from adjoining regions.	Terrorism
There is an opportunity to create a tourist route on Silk Road route.	Competition with the neighboring Caucasus regions.
To focus on the uniqueness of multinational region; popularization of local handicrafts.	Deterioration of the image of the destination.

To use the facilities of the region by climbers, rafting and kayaking lovers for trainings.	
Merging with neighboring destinations for working out a complex tour product connected to Silk Road.	
To use the Caspian site of the marina area of Silk Road.	

### **SWOT- analysis of Ingushetia site of Silk Road**

<b>Strengths</b>	<b>Weaknesses</b>
There are 92 federal, regional and local historical, cultural, architectural and town-planning monuments in the Republic of Ingushetia. It has a wide variety of cultural heritage presented in the form of ritual dances, folklore and crafts.	Weak investment attractiveness of the region. Difficulties with foreign and domestic investments into the development of tourist sights and service facilities. Competition with the neighboring Caucasus regions.
Beneficial geographical position, good transport accessibility: an airport, rail links and a developed road network.	A lack of international and Russian airlines; shortage of comfortable vehicles to provide tourists with good services on their routes, roads and driveways to the most sights are in poor conditions.
The territory allows to allocate approximately 28,000 tourists simultaneously.	Relatively high price and poor level of catering. Acute shortage of collective accommodation that meets modern requirements and service level.
There are about 100 catering enterprises on the territory of the Republic of Ingushetia. 55 % of them can provide seats up to 50 people; whereas 30 % of the same facilities can provide from 50 to 100 seats.	Poor information promotion of the Republic of Ingushetia on the domestic and international markets of tourist service. Persistent public opinion about the Republic of Ingushetia as a troubled region with increased investment and tourist risks.
Stable political, socio-economic situation in comparison with neighboring North Caucasian republics.	A lack of local initial investment sources. A lack of economic conditions that could encourage entrepreneurship in tourism. A low level of qualified personnel.

Sufficiency of workplace and highly motivated local population in tourism entrepreneurship.	Deteriorated infrastructure in sanatoria.
There are several deposits of natural mineral waters with medical effectiveness. The most famous is Achalukskoe	Architectural monuments are in a poor state (there is no road access to sights, car parking, observation decks, a security system).
The availability of resources for the development of types of tourism: cultural, educational, medical and health, environmental, ethnic, rural, sports, conceptual (photographic, cinematographic, gastronomic, etc.)	There are no equipped ecological camps, hiking trails, overnight accommodation. Additionally, there is no system to control anthropogenic pressure. Unsolved security issues, primarily evacuation of tourists; also, providing tourists with other services on the routes.
There is a range of unique natural and historical complexes, such as Agical, Targim, Vovnushki, Hamki, Tsori and so on.	Not enough information about local accommodation and food service, handicraft products and souvenir points of sell.
	Insufficient knowledge of foreign languages by service providers.

<b>Opportunities</b>	<b>Threatens</b>
The availability of resources for the development of types of tourism: cultural, educational, medical and health, environmental, ethnic, rural, sports, conceptual (photographic, cinematographic, gastronomic, etc.)	Violation of political stability, including in adjacent territories
Training local people work in the hospitality industry, and bringing them to activities, thereby providing a direct, indirect employment and employment in the construction of new accommodation facilities and the renovation of the old ones	The deterioration of the infrastructure, including the condition of access roads
Improving foreign language knowledge level of the contact zone workers	Deterioration of destination image

Creating marketplaces for the sale of products of handicrafts, teaching the younger generation traditional crafts	Increased competition from neighboring destinations
Further research and study of the Ingush dances, reconstruction of suits, hats, jewelry, ornaments, weapons.	
Development of an integrated tourist product of cultural tourism in collaboration with partners from the Republic of North Ossetia	
Active promotion of the region in social networks, including English and Chinese. Creation of modern information portal	
The use of containers of natural healing mineral waters for advertising promotion of the area	

#### **SWOT- analysis of Pryazovskyi section of the Silk Road**

<b>Strengths</b>	<b>Weaknesses</b>
The rich historical and cultural heritage	The low level of use of innovation
Favorable climatic conditions	Insufficient opportunities of tourist and recreational potential of the region
Financial support in the framework of the State program of the Rostov region, "Culture and Tourism Development" until 2020	Low level of professionalism among the participants of the tourism industry
Holding the World Cup in 2018 in the region	Weak information support involvement in the Rostov region in the history of Silk Road (the need for R & D)
The favorable geographical position, favoring the development of interregional and international economic relations	
Developed transport infrastructure provided by railways and highways of federal importance, sea and river ports, international airport in the city of	

Rostov-on-Don	
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<b>Opportunities</b>	<b>Threatens</b>
The information field around the territory, a growing interest in the Rostov region because of the world championship - 2018	Competition from the North Caucasus
Creating a single route through the Rostov region, Krasnodar region, the Caucasus	The probability to lose time and do not receive benefits from the historical connection with Silk Road
Inclusion of the Azov region in already implemented tours of Silk Road in the North Caucasus region	Difficulties of a political nature because of its proximity to Ukraine
Development of sea cruise tours along the route Silk Road	
Development of the Azov region, as well as areas with a yield of mineral underground waters as a tourist and recreational areas of international fame	

### **SWOT- analysis of the Silk Road's Stavropol section**

<b>Strengths</b>	<b>Weaknesses</b>
The presence of rich cultural and historical potential	The lack of high-quality service
The presence of unique therapeutic factors in the region	Lack of development of tourism infrastructure in the cultural and historical centers of Silk Road
State's investing in the development of the region	Lack of awareness of potential tourists
The creation of international transport corridors with Silk Road's countries	The discrepancy of price and quality
Organization of research work in the Silk Road's tourist centers	Uncertain position in competition with neighboring regions along the Silk Road
Favorable geographical location, diversity of natural and climate resources	Unclarified legal status of the land within the boundaries of the CMS
The presence of the international airport, railway, well-developed road network	

Proximity to a large number of Silk Road regions	
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<b>Opportunities</b>	<b>Threatens</b>
Attracting foreign investors for the development of the region	The absence of generally accepted rules to maintain the quality of service
Using the existing cultural and historical centers of the Silk Road potential for tourism development	Difficulties of mutual relations in the world politics of countries
Creating a cultural dialogue between regions and countries of the Silk Road	
Using Silk Road brand to attract tourist flow	

Later in the study, the focus can be extended to the North Ossetia, the Caucasus, the lower Don region, Kalmykia and other areas.

Thus, the historical, geographical and cultural diversity of the surveyed areas creates opportunities for designing and launching a wide range of tourist products under the "Silk Road" (SR) umbrella brand. Realization of these products can be based on the following principles:

- identifying and displaying cultural heritage associated with the SR history and the movement of goods;
- identifying and displaying the settlements, set up and developed along the Silk Route;
- highlighting the processes and outcomes of mutual cultural influence of SR countries;
- identifying the ancient cultural symbols and cultural archetypes through semiotic analysis of ethnic and cultural artifacts in SR countries;
- ethno-cultural and gastronomic tours, featuring the ethnic characteristics and traditional cuisine of the SR countries;
- event tours connected with national and religious holidays of the SR countries;
- theme tours based on the interest to intercultural communication associated with the movement of specific goods, technologies, spiritual and artistic values and scientific knowledge along the Silk Route;
- combination of traditional tours in the form of radial itinerary from one center with the longer tours along the Silk Route.

Implementation of one of the variants of SR revival in terms of modern rail, road, sea or combination of transport roads will no doubt contribute to the development of tourism infrastructure.

Russia's involvement in such a considerable international project suggests a fundamentally new kind of tourist activities in terms of scale and, consequently, demands new

ideas and approaches to planning tourist facilities. This can be an important factor in mobilizing resources and strengths of the Russian tourism industry.

In many cases, it is possible to combine the tourist potential of several destinations to excite tourists' interest and extend their stay in the area. For example, joint visits to North Ossetia and Dagestan can enrich and vary the tourist product as well as expand the opportunities to better explore the vast region.

Broad understanding of the objectives of the Silk Road allows designing a new tourist product based on both known and still not involved objects of material and immaterial inheritance.

Harnessing the power of the SR brand and serious study of all existing potential provide good prospects for attracting tourists, gaining tourist receipts and improving economic situation on the territories in question. In this regard, there is an urgent need to promote the brand, advertise the sites, attract investors and boost the initiatives of all organizations engaged in the project.

### ***DISCUSSION AND RECOMMENDATIONS***

During the development of tourism in Russia in accordance with the project of the Western Silk Road there are number of interrelated objectives. The choice of the objectives is influenced by:

a) the international political situation, including the attitude of Russia to the EC countries,  
b) the economic opportunities associated with the financial and economic crisis and the sanctions of the West

c) Russia's policy in relation to cultural property

d) plans for the development of domestic tourism

These circumstances in its scale go beyond the considered analysis of SWOT, although having a direct impact on it.

They are largely determined by the effectiveness of the achieved goals set in the project.

The first two points a, b) are essential due to the fact that the project is international, and its implementation requires appropriate agreements between countries.

The last two points c, d) require the approval of the relevant ministries and agencies

These comments are obvious, but they indicate the boundaries of the university features in the conduct of the National SWOT-analysis in 2016 (RUSSIA) on the draft Western Silk Road.

### ***FUTURE FIELDS OF RESEARCH***

Known as "the greatest route in the history of mankind", the ancient Silk Road was the first bridge between East and West. As the route of integration, exchange and dialogue Silk Road made a great contribution to the common prosperity and development of humanity for nearly two millennia.

Given the importance of this phenomenon, it is necessary to direct research activities in-depth study of a comprehensive drill and scientific evidence relating to the aforesaid territories. The efforts of archaeologists, historians and culturologists should be combined to do this.

A modern tourist potential of both the destinations and the "entrance gate" - border-crossing areas should be also include in the program of development activities. Typically, these are large cities with extensive range of valuable artifacts. It seems relevant to include in the showing objects museums of Moscow, St. Petersburg, Kazan, Makhachkala, et al., having a rich collection of exhibits related to the study subject.

The possibilities of the western section of the Silk Road in Russia are quite incomplete without the potential of the Crimea, which requires a special study. It can be regarded as a significant addition to the program of the UNWTO Silk Road West.

In the context of the maritime areas of the Silk Road, it is necessary to emphasize the need for relevant research in Russia, which will be based on the specific conditions of the functioning of markets, participants and territories in general.

The proposed research scheme can be naturally extended to the western section of the Silk Road in Russia until its entire territory, including the Asian part. As a result the full picture, showing the Great Silk Road will be restored, through which can be disclosed the historical, natural and cultural resources of Russia in terms of the tourism project and its possibilities. Most of the schemes and methods developed for the project can be adapted to other situations related to tourism development and research of the target markets in different countries and regions. Therefore, it is necessary to study, organize and disseminate the transnational tourist experience of the Western Silk Road, in the process of setting goals and objectives and their implementation. In particular, this could contribute to special materials UNWTO / EC, seminars, working groups, etc.

Development of specific routes, designing all kinds of themed tours tied to the tourist brand "Silk Road" is the subject of the subsequent design and research work.