

DEPARTMENT OF TOURISM ALTA

CROSS-BORDER COOPERATION AS A TOOL FOR ENHANCING THE  
INTERNATIONAL COMPETITIVENESS OF TOURISM DESTINATIONS

*A CASE STUDY OF THE MURMANSK REGION IN NORTHWEST RUSSIA AS  
A PART OF THE BARENTS TOURISM CLUSTER*

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**ABSTRACT**

Establishing the multinational tourism cluster in the Barents region should be aimed at achieving sustainable and mutual profits for all participants through their cooperation across the borders. One of the main benefits for each destination involved in this process would be improving the overall competitiveness of each on the global tourism arena. This would be accomplished through access to the effects of economies of scale as well as the common instruments for marketing, product development and distribution.

In the case of the Murmansk region, the analysis of its competitive profile based on secondary sources and a qualitative research among its important stakeholders confirms that instead of competing it would be more profitable for this destination to cooperate with its neighbors given existing and potential tourist flows to the European Arctic. Benchmarking of the nature-based tourist resources in all of the Barents destinations reveals that they are similar enough to be marketed under a joint tourism brand. Moreover, the differences in cultural and historical heritage between the Northwest Russia and the neighbor destinations would add extra value to the joint interregional tourism product portfolio and could be perceived by the international visitors as its unique selling points.

Coopetition in tourism between the Murmansk region and other parts of the Barents region could be built around joint destination marketing, co-branding, transfer of knowledge and expertise, and cross-border product development. Joint actions of the Murmansk region and its neighbors in the European Arctic in these target areas could result in enhancing the international competitiveness of this destination through increasing awareness about it among the tourists from within and outside the Barents region, as well as through improving its overall performance in general. In addition, it could facilitate realization of the potential of the Barents region as a sustainable international destination by developing new products that consist of the tourist experiences produced and consumed in four different countries along the borders.

Though there are many barriers to activating this cooperation, the tourism stakeholders in the Murmansk region as well as their counterparts in the European Arctic have in general positive attitudes to the collaboration on marketing and sales of the regional products to the international markets as well as on the development of new cross-border packages. The practical implementation of these ambitions and the incorporation of the Murmansk region into a future tourism cluster in the European Arctic requires networking; a complete audit of the destination, and applied research on tourists needs and products; as well as the design of a

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long-term strategy and development of the optimal cross-border cooperation model suited to all stakeholders involved in the formation of the future Barents tourism cluster.

## **ACKNOWLEDGEMENTS**

Performing this study has taken more time than expected, but it has been an exciting learning process for me. As the problem area is vast and under theorized it has been a rather demanding task to choose the relevant model and the angle from which the specifics of cross-border cooperation on Barents tourism can be addressed and studied.

I would like to thank my supervisor, professor of Northern Studies, Urban Wråkberg, for his help in writing this thesis, and especially for his patience, feedbacks and good advice for how to structure this work in the best way.

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## 1 INTRODUCTION

This chapter commences with a brief overview of the background for this Master thesis, as well as the reasons why the studied problem area has become so important today. Next the chapter presents the objectives of the study and then concludes with an outline of how the thesis is structured.

### 1.1 BACKGROUND OF THIS STUDY

The northernmost parts of Norway, Finland, Sweden and Russia form a geographical conglomerate that dating from the early nineties has frequently been defined as the Barents Euro-Arctic area. Originally invented by politicians, this definition has not lost its meaning and relevance today. On the contrary, it remains one of the most demanded and popular constructs that reflects both the controversial specifics as well as the uniqueness of this multinational area in the European Arctic.

One of the crucial factors that explains why the concept of the Barents region has become so essential today is that these territories, which belong to four different nations, are situated as closely to each other as they are far away from the “rest of the world”. Their geographical closeness is best illustrated by how similar their landscapes, climatic conditions and natural resources actually are, while their remoteness from the “Mainland” is a legitimate argument for treating all these places as the *frontier destinations* in the European Arctic. At the same time, the likeliness of these regions and common border sharing is combined with a range of the vital differences between each including languages, traditions, people and the way life in these regions is organized.

Altogether, the dramatic variety of these regions’ cultural and historical heritages in conjunction with the unique natural sceneries stretched over the vast polar territories turns these frontier destinations into a very special place that attracts tourists from within and outside the Barents region. In the context of interregional tourism development, here is a brilliant hidden opportunity for these *frontier destinations* in the European Arctic to succeed. Their sharing of borders and commonalities makes it more natural and profitable for these regions to collaborate with each other within one strategic alliance, rather than to compete for the same tourist flows using similar marketing “weapons”.

The rhetoric associates with the belief that in the future these regions can be incorporated into a joint tourism cluster, which will be more sustainable and internationally competitive than

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these regions by themselves. This vision has become one of the main drivers behind the ongoing process of state and public support for the cross-border cooperation in the Barents region.

This collaboration process was historically initiated and is still coordinated by, among other organizations, the Barents Euro-Arctic Council (BEAC) and the Barents Regional Council (BRC). One of the most important recent agreements achieved in this field was acceptance of the Barents Tourism Action Plan in 2013 by the Joint Working Group in Tourism (JWGT). This plan is the only strategic document for the development of tourism in the Barents region based on cross-border cooperation. In general, there is a true eagerness among the regional authorities, politicians, researchers, practitioners and other involved organizations in all four countries that the Barents tourism cluster model could become a reality. There are many, who share high optimism that this process will shift from dreaming and planning into practical realization.

However, bringing these Nordic regions together as a joint tourism entity is a very complicated challenge that is threatened by numerous obstacles. According to the Barents Tourism Action Plan and other relevant research, these obstacles lie within very different inter- and intraregional levels. Some of the most obvious obstacles to this process are noted here. First, there is an unclear vision of how a future tourism cluster in the Barents region could function effectively, especially in relation to organization, governance and finance. Second, there is a general lack of understanding with regard to how an effective cooperation model could be organized. Third, there is no existing building platform of cooperation links and networks between actors across borders. Fourth, potential co-partners in the border regions know very little about each other, or what they could interchange with each other for the mutual profit. Fifth, there is no harmonized legislation between the countries; the particular regions in the Barents are known for abundant bureaucracy and corruption. Sixth, there are problems with infrastructure and transport capacities. Seventh, regional tourism products are mostly undeveloped and undefined. Although this list could be expanded further, finally here, the brand identities in the regions are unclarified and undeveloped.

What makes clustering in the Barents even more challenging is that building of a sustainable interregional tourism conglomerate will most probably require considerable financial and human resources, and this will demand strong political willingness and agreement among the partners across the borders to “hold on” through the continuous process of negotiations. Additionally, tourism clustering could result in a series of mergers and competitive

compilations between actors and reorganization in travel industries. This may cause inter-regional rivalry between companies across borders instead of their cooperation. Alternately other unwanted consequences may arise that are hard to predict. In other words, after all efforts are invested, there will never be a guarantee that joining the future Barents tourism cluster, or intensifying one's role in this construct, will be a success for each and every part involved.

This is the reason why although politicians in the European Arctic in general have accepted the strategy for a future tourism clustering in the Barents region, it still remains an individual strategic choice option made by each potential cluster member. Another important matter is that all destinations have their own strengths and weaknesses concerning their particular market and economic positions, and all of them have their own visions for the region's future. Altogether, historical, cultural, political and economic prerequisites in each of the parts within the Barents region make it a very demanding task for each destination to become an equally competitive member in a future tourism alliance, especially when it concerns Northwest Russia.

This brief overview of the focus of this thesis reveals how vast and exciting the problematics of an interregional tourism clustering in the Barents region actually is. Relatedly, such a clustering has recently become even more complicated due to many macro-political and economic consequences. Subsequently, finding ways to address the problematics and the consequences will yield important managerial implications, and recommendations for further research.

## **1.2 OBJECTIVES OF THIS STUDY**

Many tourism researchers agree that there is a gap in theory regarding conceptualization of cross-border cooperation between tourism actors, and its meaning for enhancing overall competitiveness of destination's tourism products as well as a tourism destination in general, especially in international contexts.

Therefore, the main objective of this thesis is to contribute to addressing this gap by analyzing and discussing how cooperation across borders can be implemented by frontier destinations as a tool for improving their international performance, as well as what situational factors influence cooperation.

A range of theoretical concepts in destination development and competitiveness, cross-border branding, and tourism clustering can be used for this analysis and discussion. In this thesis,

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the starting point is an assumption that to become a success, cross-border cooperation between the regions in a future tourism cluster should be aimed at bringing mutual profits to its participants. Altogether, these profits will mean for each of the collaborating destinations an increase in their international competitiveness in the tourism arena. However, a destination, as a cluster participant, should fulfill certain criteria for joining a cross-border coalition in order to be able to exploit the cooperation's profits.

Based on analysis of the various cases of cross-border cooperation between tourism destinations that is referred to in Chapter 2.2, there are two essential prerequisites that decide if a destination will profit or not from cooperation within a cluster. First, a region has to initially possess the unrealized potential of an internationally competitive border destination; otherwise, there can be a little meaning if any for this region to be involved in a cluster at all. Then, second, certain facilitators for successful cross-border cooperation should already be available in a destination before being involved in the cluster. Otherwise, there will be no effective catalyst for realization of its tourism potential through the cluster's mechanisms.

The positive meaning of the first factor is that a destination will most probably realize its international potential better through *co-opetition* rather than through the competition with its neighbors, while the meaning of the second factor is that the main stakeholders of a destination are already interested, willing and able to efficiently cooperate efficiently on achieving mutual goals across borders.

The analysis and discussion of these two factors in this thesis will be performed through the prism of one particular destination in the Barents future tourism conglomerate, the Murmansk region in Northwest Russia. This destination borders with Northern Norway and Northern Finland, and has been historically involved in cross-border interactions in tourism within the Barents region.

In order to achieve the main objective of this thesis as stated at the beginning of this chapter, the following research subtasks were undertaken:

- Description and analysis of the current position of the Murmansk region as a tourism destination with an unrealized international potential, with a focus on its tourist resources, organization and marketing
- Description and analysis of what are the main competitive strengths and weaknesses of the Murmansk region as an international tourism destination compared with its neighbors in the Barents region

- Formulation of what may be the main benefits that Murmansk region can gain from working closer within the Barents tourism cluster, and what are the main factors that can hinder the process of incorporating Murmansk region into the future Barents tourism alliance
- Description and analysis of what attitudes and experiences the important destination's stakeholders have about cross-border cooperation of the region in tourism with neighbors within the Barents region
- Description of what joint actions and what forms of cooperation should be prioritized in the Murmansk region to enhance its international competitiveness and to leverage its regional potential to its maximum.

## **1.2 THE STRUCTURE OF THE MASTER THESIS**

This thesis consists of 6 chapters.

In this chapter, Chapter 1, an introduction of the background and objectives of this thesis, what new knowledge would be acquired through this study, and how the thesis is structured was provided.

Chapter 2 gives a brief overview of what definitions, theoretical models and practical cases in the research on destination competitiveness and cross-border tourism relate to the objectives of this study.

Chapter 3 describes what research methods were used in this study; how the data was collected and analyzed, and the limitations of the methodological framework.

Chapter 4 presents a situational analysis of the Murmansk region as a tourist destination in the European Arctic that has an unrealized potential to attract international tourists. The analysis is based on secondary open sources and in-depth interviews with the destination's stakeholders. The region is benchmarked with its Barents counterparts, and the chapter concludes by considering what are the competitive advantages and weaknesses of this destination today compared to its potential partners in the future tourism cluster. The main consideration of this chapter is if the Murmansk region is a tourist destination with a potential to attract more international tourists and what is its competitive profile in the Barents area.

Chapter 5 discusses if the Murmansk region is ready to be involved in the future Barents tourism cluster by studying what experiences, expectations and needs do the tourism actors in the Murmansk region have about cooperating with their neighbors regarding visitors to the

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European Arctic. The conclusion of this chapter relates to whether if the cross-border cooperation of the Murmansk region associated with tourism within the Barents area can increase the overall competitiveness of the region as an international destination, and bring it more benefits than competing on tourist flows with its northwestern neighbors.

Chapter 6 sums up the discussions and findings of Chapters 4 and 5, concludes with managerial implications for tourism development in the Barents region and provides recommendations for further work and research.



## 2 THE THEORETICAL FRAMEWORK OF DESTINATION COMPETITIVENESS AND CROSS-BORDER COOPERATION BETWEEN TOURIST DESTINATIONS

As stated in Chapter 1, some of the possible dimensions relevant to discussing the potential and performance of a tourist destination within an international tourism cluster are the destination's overall competitiveness and the factors that facilitate or hinder the mechanisms of cross-border cooperation. This chapter will theorize some of the main definitions, concepts and models relevant to the analysis performed in Chapters 4 and 5.

### 2.1 DESTINATION COMPETITIVENESS

#### *Concepts of tourist destination and destination competitiveness*

*The concept of destination competitiveness* is commonly used by academics and practitioners when discussing tourism development at both micro- or macro-levels. This concept is, however, not unique to only tourism research as it has its historical origins in other academic disciplines, which study the effectiveness of complicated systems, such as management and marketing.

What makes this concept special in a tourism context is that its central study category is not a company, or an industry, but a conglomerate of companies and industries, that is, *a tourist destination* which is “... a fundamental unit on which all the many complex dimensions of tourism are based” (Crouch and Richie, 2003, p.10).

Before commencing the discussion on how destination competitiveness can be assessed, measured and compared, it is important to understand what lies in the construct of *a tourist destination*. There is no shortage in literature for the different ways this phenomenon can be interpreted and described; in fact, it is one of the essential components in tourism studies.

One popular definition depicts *a tourist destination* in the following way:

*"A local tourism destination is a physical space in which a visitor spends at least one overnight. It includes tourism products such as support services and attractions, and tourism resources within one day's return travel time. It has physical and administrative boundaries defining its management, images and perceptions defining its market competitiveness. Local tourism destinations incorporate various stakeholders often including a host community, and can nest and network to form larger destinations"*(retrieved from UNWTO Think Tank, 2002).

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Tourist destinations are also described as conglomerates of interconnected companies and institutions (Porter, 1998; Cook, 2001) or clusters or as “*competitive tourism unities caught between markets and the needs of guests, local factors and companies or products*” (Bieger 2000; Laws 1995 quoted in Vodeb, 2012, p. 56).

However, it is not enough just to be a whatsoever geographical place that is sporadically visited by non-residents. The place has to fulfill certain criteria to be qualified as a *tourist destination*, and these parameters can vary depending on to what researcher is referred. A place, as proposed by some of them, has to be perceived by tourists as a *destination*; it should be able to supply the visitors with a certain type (or types) of travel experiences and, the last, this place has to be managed and promoted on the market as a *tourist destination* with a particular market profile. According to Howie (2003), the following criteria can for example qualify a place as a *tourist destination*:

1. There are certain resources in this place that can attract visitors (this place has attraction potential)
2. The place can offer the fundamental things for the travellers like tourist accommodation, transportation and infrastructure
3. The place is involved in providing long-term tourism-related development that will be sustainable both for the locals and the visitors.

The list of such criteria can be continued, and better specified, however, one of the common points shared by the most of today’s tourism researchers when defining the tourist destination refers to the general *system theory* and it is about the interdependency of all destinations’ elements as an important characteristic of it. The degree of efficiency to which all these elements inter-function and correlate together influences how sustainable and successful the destination is. When all the factors that make a place into a tourist destination are present, but working together poorly, a tourist destination can soon meet many problems and, in the worst case scenario, will not be able to survive under increasing competitive conditions.

Just as the definition of *destination* is quite vague and complicated, the concept of *destination competitiveness* is also in a constant process of academic development. There is no standard method or agreement amongst researchers with regard to how it should be defined. “*Tourism destination competitiveness can be defined as a general concept that encompasses price differentials coupled with exchange rate movements, productivity levels of various components of the tourist industry and qualitative factors affecting the attractiveness or otherwise of destinations*” (Forsyth, 2009, p.78).

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It can be referred to by at least seven conceptual models of destination competitiveness that take into account and focus on different factors. According to the overview made in the conceptual proposal for regional competitiveness of tourism clusters by Ferreira, J. (2009), these models include Porter; Poon; Bordas; Keyser-Vanhove; Ritchie and Crouch; and Dwyer and Kim.

Admittedly, the classic Porter's Diamond model (1996) has become the cornerstone for the other constructs that have been developed. Porter's concept originally focused on competition at the micro-level between the companies and introduced generic competitive strategies based on that analysis. Later competition models have extrapolated this methodology to more complicated systems, such as, tourist destinations. Porter's common theoretical platform explains why although the later models differ to a certain extent, they have much more in common. More recent models are becoming more concerned with the visitor's perspective than the earlier ones, and researchers today agree that "*destination's competitiveness depends on the perspective of potential guest, and not on result-oriented indicators that provide only a view of the situation and offer very poor support of a destination's development*" (Vodeb, 2012, p. 57).

One of the most advanced destination competitiveness models in modern tourism research is the framework developed by Crouch and Ritchie (2003). According to this model, a tourist destination and its competitiveness cannot be analyzed without putting a visitor's place into the complex, dynamic and constantly changing contexts of macro- and micro-environments. A *macro-environment* consists of all possible global affects that influence all our activities. These global factors can be categorized into six main groups: economy, technology, ecology, political and legal developments, socio-cultural issues and demographic situation (Crouch and Ritchie, 2003). A *micro-environment* is "*made up of organizations, influences, and forces that lie within the destination's immediate arena of tourism activities and competition*" (Crouch and Ritchie, 2003, p. 66). This environment includes categories, such as:

- *Suppliers*, that is all available resources that are crucial for a visitor's place to succeed as a tourist destination. These factors include all goods that are required by the tourism industry, i.e. human resources (labour), food and beverage producers, oil and gas industry, local crafts, et cetera
- *Intermediaries and facilitators*, these work as the meeting point between suppliers and tourists. These factors facilitate (or hinder) effective functioning of the tourism

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system. Relevant examples are travel intermediaries, such as, tour packagers, retail travel agents, tour operators; financial organizations, for instance, banks and insurance companies; embassies; et cetera

- *Customers, or tourists* are the principal driver behind the competitive micro-environment that shapes the tourist destination and affect its performance
- *Competitors* include other destinations or organizations, which this particular destination competes with for tourists
- *Internal environment in a destination* relates to the system of hierarchies, relationships, networks and ties that link a destination's stakeholders and actors together and make a tourist destination into one functioning entity
- *Publics* include very different actors and arenas, such as, media, government departments, labour, action groups, et cetera (Crouch and Ritchie, 2003).

After setting a tourist destination in this macro- and micro-environmental context, this model goes on to the analysis of *comparative* and *competitive* advantages of a destination.

According to Crouch and Ritchie, 2003, *comparative advantages* are those factors that depend directly on what resources are available for developing tourism in the destination. These conditions include climate, scenery, flora; human and financial capital; and infrastructure. The *competitive advantages* depict how effectively these available resources (comparative advantages) are exploited by a destination in order to make it more attractive to visitors. The Crouch and Ritchie's model identifies five main areas associated with advantages (strengths or weaknesses) that influence the potential competitiveness of a tourist destination. These are:

- *Core resources and attractors*, that consist of such components as physiography and climate; culture and history; mix of activities; special events; entertainment; superstructure; market ties
- *Supporting factors and resources*, including such components as infrastructure; accessibility; facilitating resources; hospitality; enterprise; political will
- *Destination policy, planning and development*
- *Destination management*, that includes such components as organization; marketing; quality of service and experience; information and research; human resources development, and others

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- *Qualifying and amplifying determinants* that includes such components as location; safety and security; cost and value; interdependencies; awareness and image; carrying capacity (Crouch and Ritchie, 2003).

Practically any tourist destination can be described within the framework of this model, and this descriptive analysis can result in identification of the destination’s competitive strengths and weaknesses. This mapping of destination’s competitive profile can be further developed into the relevant competitive strategy for a region.

The overall scheme of *destination competitiveness model by Crouch and Ritchie* is presented in Figure 1 (Crouch and Ritchie, 2003).



Figure 1. *Model of destination competitiveness by Crouch and Ritchie (2003)*

In summary, Crouch and Ritchie (2003) define destinations’ competitiveness in the following way: “*what makes a tourism destination truly competitive is its ability to increase tourism expenditure, to increasingly attract visitors while providing them with satisfying, memorable experiences, and to do so in a profitable way, while enhancing the well-being of destination residents and preserving the natural capital of the destination for future generations*” (Crouch and Ritchie, 2003, p.2).

***Practical approaches to assess destination’s competitiveness***

Despite the fact that destination’s competitiveness is a relatively abstract and sophisticated theoretical concept that takes numerous factors and components into account, tourism practitioners have learned to employ several empirical methods to evaluate this phenomenon for their practical aims. Some of these approaches that are especially relevant for this study

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are the *destination audit process*, *model of export-ready tourist destinations* and *destination strategic benchmarking*.

The *destination audit process* based on the destination competitiveness model by Crouch and Ritchie (2003) is a systematic approach to examine the macro- and microenvironment of a destination; identification of its strengths and weaknesses and working out recommendations for a strategy to improve the destination's performance. It is illustrated by the following model presented in Figure 2 (Crouch, 2003, p.254).

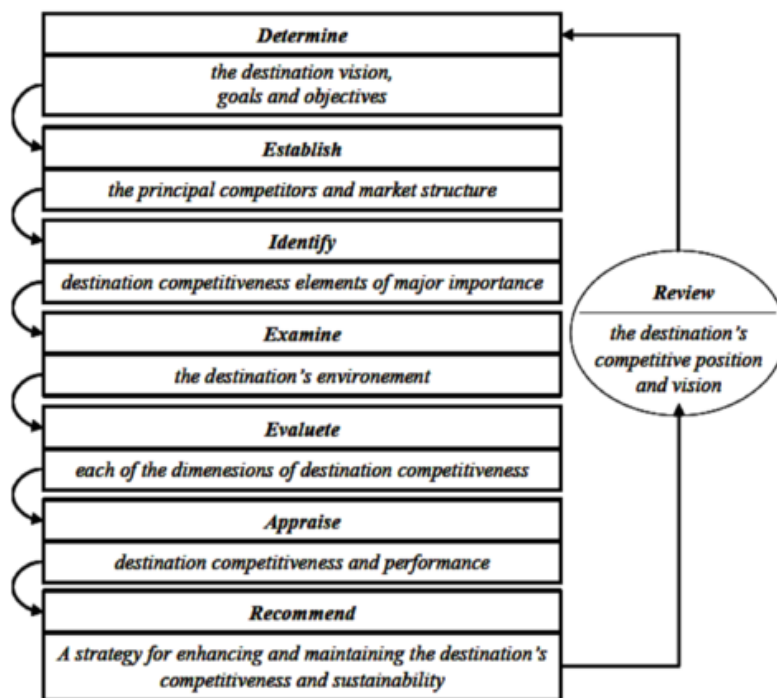


Figure 2. Model of destination competitiveness audit by Crouch and Ritchie (2003)

The model of export-ready tourist destinations that helps in assessing a destination's competitiveness on the international market was originally developed in Sweden and owned by Visit Sweden (retrieved from <http://exportmognad.se>). It is one of the instruments used in the National Strategy for Tourism Development in Sweden to determine if a tourist destination is an internationally competitive unit (literally, *ready for export*). This model qualifies a *destination* as competitive on the international tourism arena using a number of factors. Amongst others, a destination has to fulfil the following characteristics (Mimir, 2013):

- (1) The tourist destination consists of functioning and developed cluster(s) of tourism companies that work together to deliver the whole regional tourism product to visitors,

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and as a result of these joint efforts, a destination is transformed into an attractive place to visit

- (2) The tourism products of such a destination, as well as the regional tourism policy in general, are built around the actual motivations and needs of the target tourists; the visitors are put in the focus of destination's strategy
- (3) The destination's tourism products are developed and constantly revised so that the actual tourists' needs are met and satisfied in the best possible way.

These important parameters that make a visitor's place into a ready-to-export destination can be further categorized as following (Mimir, 2013; <http://exportmognad.se>):

- a) the destination is able to offer the whole tourism experience (including components, such as, accomodation, eating-out, attractions, sightseeing, etc.) for a length of 2-5 days
- b) tourists are provided with a range of ready-made tourism packages at the destination that can be easily booked and purchased; in other words, the destination has a tourist product portfolio at its disposal
- c) the destination aims to enable communication, and there are minimized or no language barriers
- d) there is good accessibility, and transportation possibilities for the tourists to reach the destination
- e) there is a local organization, a tourism board, that is responsible for working out the destination's tourism policy
- f) there is a strategic plan for marketing activities and tourism development for the destination
- g) the destination is managed by a business model for how local tourism companies can cooperate together to deliver a competitive tourism product to tourists (Mimir, 2013).

This preceding list of important parameters is not complete; the full list can be found on the website *exportmognad.se* where any destination or a tourism company can test its export-readiness (international competitiveness) by completing the so-called *Export-ready guide* (<http://exportmognad.se>). This guide helps a destination to find out if it can be attractive and competitive on international market, that is, if it meets the expectations and needs of the international tourists (end-users) and distributors (tour-operators).

The central questions in the guide are grouped into three categories (Mimir, 2013):

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1. *Tourism experience* – what are the core resources that make a destination attractive to visitors
2. *Services* – accessibility, accomodation, eating-out facilities, language
3. *Business or organization model* – what is the competitive advantage of a destination.

The *destination benchmarking approach* is another practical method that identifies problem areas and competitiveness potential of a tourist destination. The parameters that this method uses as the basis for benchmarking (comparing) destinations can vary. In this thesis, the description of the benchmarking model that compares several tourist destinations by certain selected factors was developed and presented by Mimir AS, the Norwegian consulting company specializing in tourism (Mimir AS, 2013). This method has been used by this company in its evaluation of the possible competitive strategies for the region of Northern Norway in 2013 (Marketing analysis for Northern Norway Tourism Board – Competition analysis, 2013, Mimir). The approach is built on the background of the resource-based theory of competitive advantages, and VRIN-model, Valuable, Rare, Inimitable, and Non-Substitutable, developed by Jay B. Barney (1991) that is often used in developing a firm’s competitive strategy. The approach is summarized in the following figure ( retrieved from Grant, 1991, p.115):

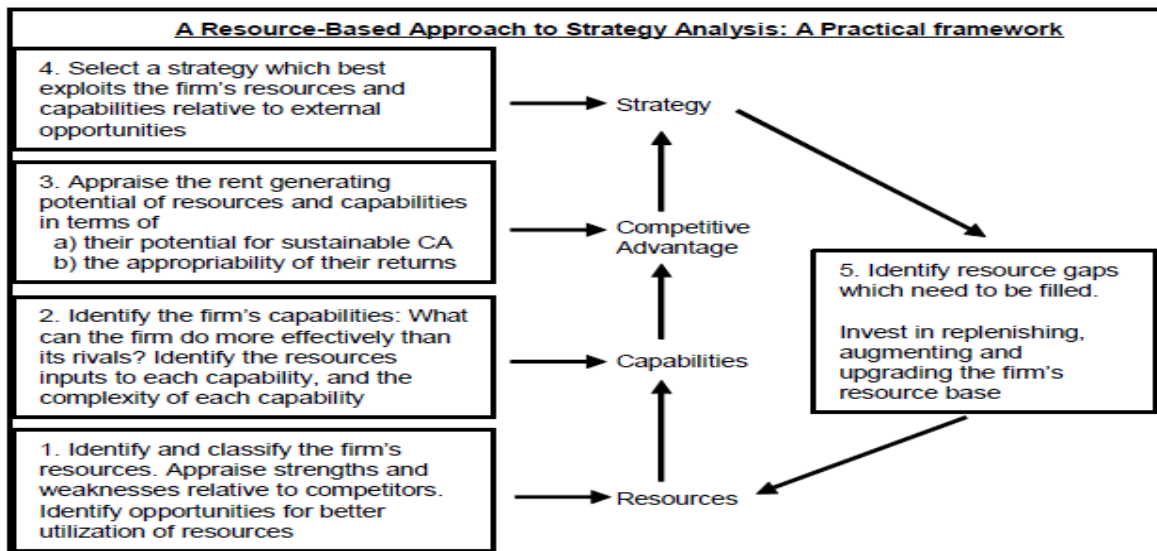


Figure 3. A resource-based approach to strategy analysis: a practical framework.

The starting point in this approach is identification and classification of resources that an entity (a firm) has an access to. These resources are then compared to the same factors as its competitors. Finally, the opportunities for how these resources can be employed are outlined.



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The analysis of the existing destination's tourist resources in the referred benchmarking model is performed through answering the following six questions (Marketing analysis for Northern Norway Tourism Board – Competition analysis, 2013, Mimir):

- (1) What kind of tourism resources does the reference region have?
- (2) How well are these resources utilized in creating the regional tourism products?
- (3) How well does the destination handle the task of distributing these products to the potential consumers?
- (4) What market position does the destination have today?
- (5) How good is accessibility to this destination?
- (6) What other factors facilitate or hinder tourism to this destination?

Further, this model brings ahead 10 indicators for assessing the destination's competitiveness that depict three main categories where the destinations can compete: *destination's core tourist resources and attractors*, *tourist product portfolio* and *incorporation of tourism market (market position)* (Mimir AS, 2013). These are now outlined in turn:

### **1. The tourism core resources and attractors**

- 1.1. Do other (benchmarked) destinations possess "world-class" tourism resources?
- 1.2. Do other destinations possess tourism resources that can attract international tourists? Are these resources more attractive than those that the reference destination has?
- 1.3. Is the accessibility to these tourism resources sustainable? Does consumption of these tourism products happen within the "living" local community?

### **2. Supply of the tourism products (product portfolio)**

- 2.1. How can the total product portfolio that is offered by the tourism destination be characterized?
- 2.2. Does the destination offer *signature tourist products* to its visitors?
- 2.3. Does the destination have "large-scale"/ commercialized tourist products that produce main profits for the destination?

### **3. Market position**

- 3.1. Does the region possess a strong and clear brand as a tourism destination?
- 3.2. How can the distribution and sales channels that are used by the destination to profile its brand and sell its tourist products be characterized in the terms of efficiency?
- 3.3. Does the reference destination have *niche tourist products* or *thematic concepts*?
- 3.4. Do any strategic alliances in tourism exist in the reference destination?

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The answers to these questions can be found through collecting and analyzing the secondary sources like statistics, websites, and market and tourism reports; as well as through qualitative and quantitative surveys with the destination's main stakeholders. After these destination's characteristics are described, they are scored and compared to the same parameters of the competitors. The competitive position of the reference destination is then visualized by putting these indicators along the axes on the *benchmarking radar diagrams*. Determining the gaps and potential of the destination's performance in these charts assists in understanding what the competitor does better, and what is optimal to concentrate the destination's efforts for competitive growth.

### 2.2 CROSS-BORDER COOPERATION BETWEEN TOURIST DESTINATIONS

#### *Frontier tourist destinations and cross-border cooperation*

While there has been much research on the competitiveness of tourist destinations in general, “*the cross-border areas have, for the most part, been neglected*” in these discussions (Vodeb, 2010, p.220). The specifics of the *border* or *frontier destinations* make it possible to place them into an individual category of *tourist destinations* that deserve particular attention. Traditionally, *frontier tourist destinations* have been treated by researchers and practitioners as destinations that are deemed to have more problems and shortages, than opportunities to succeed in tourism development: “*Frontier regions are often blessed with few natural resources and may suffer the problems of relative or absolute inaccessibility, a small or even nomadic population. Many frontier regions are characterized by limited infrastructure such as transportation, accommodation and other services*” (Butler, 2002 quoted in Seric, 2011, p.91). On the other hand, sharing the border with a neighbor, a different visitor's place, can offer such destinations access to a richer variety of natural conditions, cultural or historical heritage possessed by a destination “round the corner”. This unique opportunity is one of the main factors that lie beneath the idea of using *cross-border cooperation* between the border tourist destinations as an instrument for merging them into the sustainable tourism cluster with international aspirations. Subsequently, with such a perspective, a significant shift in tourism theory has occurred as well as in public minds wherein geographical borders of frontier destinations are perceived not only as barriers, but also as gates to more diversified and richer tourism offerings and improved destination performances.

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In discussing and defining the cross-border cooperation, very different perspectives and methodologies can be chosen to study it. For example, this description illustrates the phenomenon in a positive manner: “*Cross-border cooperation is a form of international cooperation, along with interregional, transitional and trans-frontier cooperation, involving non-central governments and encompassing the extension of state-centric governance to subnational and supranational bodies*” (Perkmann, 2003; Prokkola, 2008 quoted in Koskinen, 2012, p. 15).

One of the most popular methodologies among tourism researchers for measuring this phenomenon can be to study the attitudes of tourism actors (main stakeholders) regarding a frontier destination as well as the role of cross-border cooperation for tourism development of in a region. This method has been successfully tested in many studies of tourism in frontier destinations. Several of these follow here in a brief overview.

The study of borderlands along the Slovene-Croatian frontier focused on the attitudes of the tourism supply providers in the frontier regions with regards to cooperation and their interest in increasing competitiveness by creating joint cross-border tourism products (*Cross-border regions as potential tourist destinations along the Slovene-Croatian frontier, by Vodeb, 2010*). This study was mainly aimed at small and medium tourism companies in the borderlands and tested two hypotheses: (a) competitiveness of the frontier regions can be enhanced through cross-border cooperation between the destinations, and (b) tourism actors in the frontier regions are interested in cross-border cooperation in tourism. The competitiveness of the frontier destinations was assessed based on five factors from Crouch and Ritchie’s competitiveness model: appeal, management, organization, information and efficiency. A factor analysis of responses in this survey identified the variables affecting cross-border cooperation. One of the main conclusions in this research was that tourism and cross-border cooperation with regard to tourists was perceived by destination stakeholders as a powerful tool to develop border regions. In another study, performed by Cankar, S. et al. in 2014, the central objective was to determine what factors influence cross-border cooperation between tourism businesses in the Alps-Adriatic region (*Factors that influence cross-border cooperation between businesses in the Alps-Adriatic region, by Cankar, 2014*). One the main conclusions of this study was that personal relations, language skills and mutual interests enhanced cooperation, while administrative and legislative systems were barriers to it.

These are only two of the numerous studies that have become the platform for what can be defined today as *cross-border cooperation theory*. This theoretical field operates with

different descriptions of how relationships between this phenomenon and tourism can be analyzed. One of the main points in this theory is that “*cross-border cooperation is an interregional phenomenon that requires public facilitators, i.e. international, national, local and regional level authorities, for the practical implementation of the cooperation*” (Koskinen 2012, p. 16). Another important definition that came out of this field is *coopetition*; it was first introduced in 1995 as “*the need for cooperation among tourism destinations in order to better market the tourism product effectively and meet the competition at the regional or global level*” (Edgell, Del Mastro, Smith, 2008 quoted in Vodeb, 2012, p.57).

### ***Forms and aspects of cross-border cooperation between tourist destinations***

Selection of concrete forms of cross-border cooperation between tourist destinations is affected and dictated by what are the needs, priorities and capabilities in frontier regions; and the knowledge about these influencing factors can be received by performing surveys and studies on stakeholder’s attitudes. One of the most important prerequisites for choosing a relevant form is knowledge about what parameters are expected by the regional stakeholders to be given the highest priority among the others. According to the Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000) it can be *quality of the environment; the type of tourism* that can be developed (mass or niche); *quality of the tourism products* and *types of visitors* which can be attracted. Various forms of the cross-border cooperation also means different degrees of involvement of state and official organizations; extent of formalization of this process; and of size of investments. Depending on what the subject for the cross-border cooperation is in each particular case, it can concentrate on different possible aspects, for example, *coopetition* on existing tourist segments; on new potential tourist segments; on improving existing products, or creating new tourist products.

Cross-border cooperation in tourism between frontier destinations is sometimes described as a process with several stages. It is illustrated in the following three-step action by Seric (2011):

1. Preliminary actions aimed at developing a framework of conditions that enable effective participation in cross-border cooperation
2. Shift in destination’s policy from traditional marketing towards the development-oriented goals
3. Establishing of common forms of cross-border cooperation that puts the existing destination’s stakeholders together into the local level working groups or councils.

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An alternate categorization of possible types of actions aimed at promoting cross-border cooperation between the tourist destinations is given in the Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000):

- Cross-border cooperation on *the upper strategic level* that involves higher officials and local governments to develop a joint plan and policy for how the regional tourism products can be integrated into the cross-border tourism brand. This joint work on the tourism strategy for the frontier destinations starts with preliminary (preparatory) actions, such as, destination resources' audits; analysis of the competitive profiles of the destinations (identification of strengths, weaknesses, opportunities and threats), and finding out the main common meeting points for cooperation (priorities, opportunities and potential) (Practical guide to cross-border cooperation, 2000, p.83)
- Cross-border cooperation through *implementation of the specific projects* between frontier destinations. This form of cross-border cooperation can cover a wide range of organizations and actors in the tourism industry, as well as different segments for cooperation like “*external promotion of the cross-border destination; creating joint tourism information systems on amenities and accommodation, transport, connections; joint marketing and creation of cross-border networks of tourism suppliers; joint training in skills required by the tourism industry*” (Practical guide to cross-border cooperation, 2000, p.84).

One of the possible grounds for cross-border cooperation that can be performed at the *upper strategic level* and *within specific projects* is the *joint branding* of tourist products in frontier destinations. In this case, the tourism products in border regions are being marketed under the same umbrella brand and using a joint communication platform. Putting this into perspective, the main competitive advantage gained through cross-border cooperation by frontier destinations is building of a stronger interregional joint tourist brand that gains from the variety of historical, cultural and other resources in these frontier regions.

This form of cooperation is studied for example by Seric (2011) in the model for evaluation of tourist resources in the border area of Karlovac County and Southeast Slovenia. In this study, brand management in cross-border tourism is used as a supporting method to find the right market position for the cross-border tourist area in the global tourist context (Seric, 2011). This cross-border cooperation model for creating a joint tourist brand for two (or more)

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destinations also mentions the different strategies for branding already existing common tourist products, and for the implementation of the new common tourist products for the border areas. The model of the umbrella brand of the cross-border tourist destination worked out in this study is illustrated in Figure 4, where the CRO stands for Karlovac County and SLO for Southeast Slovenia (retrieved from Seric, 2011, p. 93):

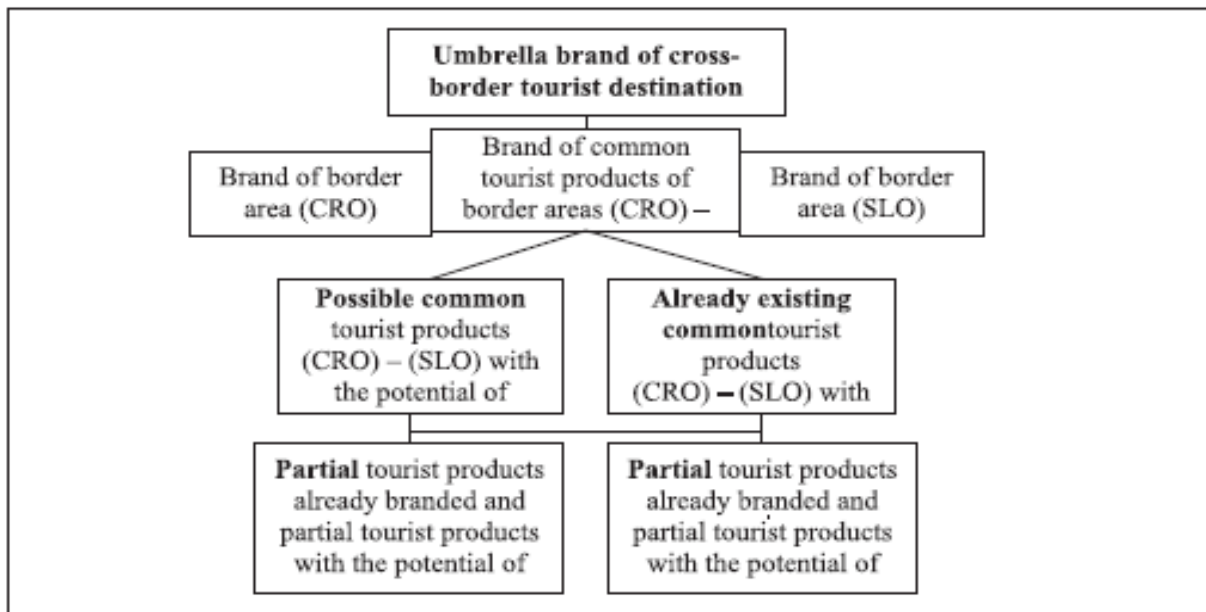


Figure 4. *Umbrella brand of cross-border tourist destination*

One of the conclusions of this research relevant to this thesis is that “*the activities of the brand management of the border areas, which are aimed at positioning the relevant competitive advantages, may be in order to support an existing image (if the relevant tourism demand is determined), or to create a new image (or enhanced image), and adjust marketing communications to other competitive advantages of the destination*” (Seric, 2011, p. 98).

Another aspect of cross-border cooperation that is widely studied in tourism literature concerns the *factors that stimulate cross-border cooperation*. These factors have been identified and measured through several studies in surveys of the attitudes of stakeholders in border destinations. One classification consists of the following factors (Cankar, 2014):

1. Positive experience among the regional stakeholders with previously successful cross-border cooperation with neighbor destinations
2. Low transaction costs for the shift from traditional to joint marketing
3. Availability of funding for starting cross-border cooperation
4. Need to foster economic development in the region
5. Size of cooperation area

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6. Good personal relations (contacts) between the potential partners, and their cooperation experiences
7. Common interests or problems with which potential partners are faced
8. Linguistic skills that can facilitate communication across borders
9. Existence of transitional organizations
10. Availability of external experts for cross-border cooperation
11. Similar local and regional administrative structures in border destinations
12. Similar business structures
13. Linguistic and cultural similarities

***Benefits and challenges of cross-border cooperation for destination's competitiveness***

The notion of a *tourism cluster* is frequently used in this thesis to describe the possible future form for how individual destinations in the Barents region can cooperate on tourism across borders. This notion according to Porter (1998) and other researchers refers to the *geographical concentration of the companies, organizations and institutions* that are linked together by working contracts.

Most tourism researchers agree that establishing an interregional (or multinational) tourism cluster that embraces a group of smaller destinations across the borders would normally result in many benefits for its members, and one of its main objectives will be building a strong interregional brand and product portfolio. *“The existing strong competition between the border areas needs to be replaced with the idea that a cross-border region can jointly offer a unique product or range of products”* (Practical guide to cross-border cooperation, 2000, p.79).

Among others, the benefits of cooperation include:

- synergy effects of economy of scale that is, for example, cost optimization by sharing costs and risks
- access to larger markets and better distribution channels
- stronger tourism brand and marketing platform by accumulating international funds, human resources, technologies and efforts
- transfer of knowledge and expertise between regions
- creating more competitive and high-quality regional tourism products
- altogether, more sustainable regional development in the long term.

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All these potential gains explain why the elements of cross-border cooperation and clustering are internationally pursued in contemporary tourism planning policies. In particular, these instruments are useful for frontier and distant regions that are less promoted in a global world tourism context and do not favor attractive geographical and historical position, infrastructure and other objective factors.

Taken all of these issues into account, cross-border tourism cooperation can result in increasing competitive advantages and overall competitiveness for the destinations involved in collaboration. But the process of clustering with respect to joint branding of existing or new tourist products is a complicated and demanding task. The cultural, geographical, economical and other differences between the parts of this cooperation process are both the resources to create a new competitive unit (and improve the destination's own performance) as well as a series of serious challenges. A practical example of such a challenge in collaborating across the borders is that it would set the requirement for each of destinations involved in this process to have the same or at least comparable standard quality for its tourist products or tourist facilities.

One of many possible overviews of these challenges or *barriers to cross-border cooperation* is provided by Cankar (2014). In studying the attitudes of businesses in the border areas of the Alps-Adriatic region, Cankar identified following barriers to clustering across borders:

1. Complex administrative and funding systems
2. Legislation, that is not harmonized or too different in border areas
3. Frequent changing of the rules of business
4. Unstable political situations
5. Unfavorable historical events
6. Corruption, and security problems
7. Poor infrastructure
8. Quality of the banking systems
9. Differences in culture that hinder intercultural communication
10. Language barriers
11. Barriers that are rooted in historical or political differences
12. Lack of local, regional, national government assistance
13. Lack of assistance from business associations
14. Poor purchasing power of nearby markets on the other side of the border
15. Poor quality and productivity of local firms



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16. Product differentiation of local economy

17. Unfavorable geographical conditions in border regions

Another classification of the typical barriers to improving competitiveness of a frontier destination through cross-border cooperation is found in Practical guide to cross-border cooperation by Association of European Border Regions (AEBR, 2000):

- Gaps in knowledge and information about how a tourist destination can become the cross-border platform for creating and offering tourism products
- Misunderstanding, lack of communication and conflicts between the stakeholders across borders as well as the conflict of tourism as an industry with other activities
- Shortage in cross-border expertise, existing networks and experience in collaborating on tourism between stakeholders across the borders
- Gaps in accessibility, transport and economic infrastructure that is required by tourism
- Not enough expertise and knowledge that are required to supply quality products and services in tourism across borders
- Insufficient knowledge of markets, tourism products and knowledge of how to market and communicate destination to target markets
- The fear that there exists a serious threat of competition from the neighboring destination, which means that cooperation will result in worsening current conditions.

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### **3 THE METHODOLOGICAL FRAMEWORK**

The selection of the relevant methodological framework for this study was made in accordance with the main objectives of this thesis as was the research model based on the theoretical approaches described in the Chapter 2. It consists of two principal research approaches:

- (1) Collection and analysis of data of the secondary information sources that describe Murmansk region as a tourist destination. These sources included earlier research projects, marketing reports, statistics, websites to the Murmansk Tourist Board and its main stakeholders (leading tourism companies).
- (2) Qualitative research involving collection and analysis of empirical material on the Murmansk region as a tourist destination, and the expectations and experiences of its stakeholders as concerns cross-border cooperation through a series of in-depth informal semi-structured interviews.

The series of informal in-depth interviews with tourism professionals in the Murmansk region were performed with representatives of the Murmansk Tourism Board and 12 local tourism companies. Selection of the respondents for this research was realized in three stages. There were about 125 tourism companies registered in Murmansk region on 1 August, 2014. Among them, there were 33 official tour-operators listed in the Federal Russian Register of tour-operators. Based on their websites, 40 companies were preselected. Then, this pre-selection was discussed with a representative of the Murmansk Tourism Board, and as the result, a group of 25 companies was selected. Only 12 of these companies were accessible during the interview phase that held in April-May 2015.

The type of interview used in this study is a focused (in-depth) semi-structured interview that is based on the prepared interview guide, when questions are asked in a particular order, but there is an opportunity to come with additional questions, comments or insights in an informal conversation. This way of interviewing is especially suitable for acquiring needed information about abstract and complicated subjects because it leaves room for bringing new ideas.

At the same time, there are several limitations in the methodological framework used in this study. First, as the objective behind the interviews was to understand the typical attitudes and knowledge of the tourism professionals about the subject, the number of respondents in the study is very limited. It is not self-evident that their answers acquired through informal communication can be generalized to represent a wider population in the region. Another limitation concerned the way how the terms and formulations used in the questions were

interpreted by the respondents. This also represented a challenge of compiling and analyzing data after interview rounds, and a challenge of structuring answers within the framework of the research model.

The interview guides consisted of two parts that were dedicated to two main problem areas (research questions) in this study. The two parts were (1) *destination competitiveness and potential to attract international tourists* and (2) *the facilitators and barriers to using cross-border cooperation on tourism*.

(1) The first part of the interview guides was aimed at determining the current status of the Murmansk region as a competitive international tourism destination by assessing the knowledge and attitudes of tourism practitioners in the region. The main hypothesis in this part was if the region could be described as a tourist destination with a potential to attract more international tourists. These questions were developed on the background of the parameters of the *destination's competitiveness model* by Ritchie and Crouch and the *model of the export-ready destinations* by Visit Sweden. This part of the survey followed the similar research structure as the *preliminary destination competitiveness audit system* described in Chapter 2. This part aimed to determine the destination's vision and objectives for its tourism development; describe its main competitors and markets; identify the destination's most important competitiveness elements; reflect the destination's environment and evaluate different characteristics of its competitiveness. This part includes five subgroups of questions.

(1) The first sub-group focused on the *main characteristics of international tourism to the destination* and included the following questions:

- (Q 1) *Degree of international tourism to destination*: What is the share (%) of the international tourists in the respondent company's turnover? What is the share of revenue (%) generated by international tourists in the respondent company's turnover? (*Here and in other questions, when the respondent is the Regional Tourism Board, the question concerns the Murmansk region and its tourism industry in general*).
- (Q 2) *Key geographical markets*: From what countries/regions do international tourists arrive? What are the top-priority geographical markets for the destination?
- (Q 3) *Segmentation of international tourists*: How does the respondent describe international tourists that the respondent has served by including following characteristics: socio-demographical characteristics; segments by season and

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activity; other possible segmentation by size, characteristics, origin, distribution channel?

(2) The second sub-group of questions focused on *unique selling points (USP) of the destination that can attract international tourists*:

- (Q 4) *USP that attract international tourists*: What are the unique attractions/products that the destination can offer to international tourists? How is the demand for these products among the international tourists today?
- (Q 5) *Learning new – experience*: Does the destination offer experiences that provide new knowledge to the international tourists (learning experience)?
- (Q 6) *Active nature-based experience*: Does the destination offer active nature-based experiences?
- (Q 7) Does the destination have tourism products that include the “typically” *Northwest Russian* experience?
- (Q8) *Ready-made tourist packages*: Does the destination offer ready-made tourism programs/ packages that can attract international tourists?

(3) The third sub-group of questions focused on *destination brand and communication*:

- (Q 9) Does the region already possess a strong brand identity as an international tourism destination? Do any regional tourism products possess their own brand identities?
- (Q 10) If there exists such a brand, what is the main essence of this brand?
- (Q 11) How would the respondent describe motivation and associations that international tourists have about the destination?
- (Q 12) If there exists such a brand, how it is communicated to the target markets? What communication channels are used (web, media etc)?

(4) The fourth sub-group of questions focused on *other factors that influence international competitiveness of the destination as barriers or facilitators to competitiveness (strength or weakness)*:

- (Q 13) *Accessibility*: How far away is the nearest airport/harbor that international tourists can use (2 hours, 3-4 hours, 5-6 hours, more than 6 hours)? How does the respondent evaluate the accessibility of the destination to the international tourists?

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- (Q 14) *Tourist's expectations from visits to the destination (product quality and service)*: How does the respondent evaluate the expectations and satisfaction of international tourists?
- (Q 15) *Tourist's knowledge of destination and its products*: How does the respondent evaluate the knowledge of international tourists about the destination and its products?
- (Q 16) *Visa*: How does the respondent evaluate the ease of tourist visa processing for international visitors?
- (Q 17) *Language*: How does the respondent evaluate language skills of the employees in local tourism industry, and satisfaction of international tourists?

(5) The fifth sub-group of questions focused on *interest in attracting more international tourists to the region among the tourism practitioners (are destination's stakeholders interested in increasing the number of international tourists to the destination?)*:

- (Q 18) Will the region gain from attracting more international tourists?
- (Q 19) Degree of competition with other Barents regions on tourism: Does the region compete with other Barents region on tourism according to the respondent?

(2) The second part of the qualitative interviews was dedicated to determining the role of cross-border cooperation on tourism within the Barents region for the status of Murmansk region as a competitive international tourism destination. The main hypothesis in this part was if cooperation on tourism between Murmansk region and its neighbors within the Barents region could increase the competitiveness of the region as an international destination.

Questions in this part were designed to identify what tourism professionals in Murmansk region thought about the potential for cooperating with their partners in the Barents region to increase tourism flows within the region; find out if there might be common interest in developing Barents tourism packages of cross-border products under a joint Barents tourism brand (or thematic concept), and to identify what barriers exist today to increase tourism flows within the Barents region through this cooperation.

These questions were developed and formulated on the background of analysis of other similar studies and theory on cross-border cooperation that has been outlined in the Chapter 2.2. This part included 8 questions:

- (Q 20) *Today's degree of cooperation with tourism actors in Barents region*: What experiences does the respondent have about cooperating with tourism companies in

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Barents region for marketing and selling local tourism products to international tourists?

- (Q21) *Networking with international tour-operators*: Does the respondent have experience of networking / working contacts with international tour-operators?
- (Q22) *Internationalization via workshops, fairs and study tours*: Has the respondent participated in workshops, travel fairs and study tours aimed at selling more trips to Northwest Russia to international tourists?
- (Q23) *Joint marketing*: Has the respondent been involved in any forms of joint marketing with tourism partners in the Barents region (producing of travel guides; web resource or social media)?
- (Q24) *Willingness to cooperate on tourism with the partners in Barents, and expectations*: What expectations does the respondent have from cooperating with international tourism companies on developing cross-border products in the Barents region?
- (Q25) *Main cooperation areas: products and tourists*: What regional tourism products and which tourist segments are profitable for cooperation?
- (Q26) *Elements to be included in potential cross-border products aimed at international tourists*: What product elements (attractions, activities, concepts) are profitable for cooperation?
- (Q27) *Description of potential cooperation partners*: Which potential partners across borders are attractive for cooperation?

The answers received in this qualitative research were also added by relevant data collected within realization of the Norwegian-Russian preliminary project on cross-border cooperation in Barents tourism initiated by the Northern Norway Tourist Board in 2014, through informal communication with the tourism practitioners in the Murmansk region.

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#### **4 THE MURMANSK REGION AS A TOURIST DESTINATION WITH INTERNATIONAL POTENTIAL**

This chapter consists of three parts:

- The first part is a short introduction of the Barents region as a future tourism cluster. This part briefly describes the main geographical parts of the Barents region and outlines its current status as a visitors' destination.
- In the second part, an overall description is provided of the Murmansk region as a tourist destination that possesses international potential within the Barents area. The main question highlighted in this part is if the region in its current state can be described as a tourist destination with a potential to attract more international tourists and offer them competitive local tourist products. To respond to this question an analysis was undertaken with data collected from open secondary sources, and from the qualitative interviews of the group of tourism actors in the Murmansk region including the Murmansk Tourism Board. A situation analysis was performed based on the methodological framework of Ritchie and Crouch's destination competitiveness model, and involved the following parameters:
  - descriptions of the cores resources of the destination (key figures, stakeholders, industry)
  - degree of international tourism to the region today
  - main international markets in which the destination operates
  - unique selling points (usp) that the destination can offer to international tourists
  - destination brand, and its communication to international markets
  - other factors, such as, accessibility, visa, language that either facilitate or hinder a destination from becoming an attractive and available place to visit
  - interest of the destination's stakeholders in increasing the number of international tourists to the destination.
- In the third part of this chapter, the competitive position of the Murmansk region is benchmarked using its main characteristics with its neighbor destinations in the Barents area (Northern Norway, Northern Finland and Northern Sweden) within the methodological framework developed by Mimir AS in their marketing study on Northern Norway (Mimir, 2013, Marketing analysis for Northern Norway Tourism Board – Competition analysis).

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#### 4.1 THE BARENTS REGION AS AN AREA OF FUTURE TOURISM CLUSTERING



Figure 5. *The Barents Euro-Arctic Region* (retrieved from *beac.st*)

The *Barents Region* also referred to officially as the *Barents Euro-Arctic Region (BEAR)*, consists of 3 municipalities in the northern parts of Finland, Sweden, Norway and Northwest Russia, altogether with five and a half million inhabitants. Its territory covers approximately 1.75 million square km, and it can be characterized by the rich diversity of natural, cultural and historical resources. The region as is often profiled by the tourist-related media offers visitors a combination of natural and cultural phenomena as *fantastic landscapes* (coastlines, forests, tundra, fells, sea, fjords, lakes and rivers); unique arctic climate complemented by *midnight sun, polar nights, northern lights, cold winters*; the northernmost cape in Europe; as well as Santa Claus, the incomparable cultural heritage of Pomors and *a vibrant Sami Culture*, and lastly the “alternative” Arctic or Scandinavian lifestyle (Barents Tourism Action Plan, 2013). It is therefore not surprising that the region is becoming more and more attractive to visitors from both within the Barents region and beyond who travel here “*in millions...every year, generating billions of Euros and tens of thousands of jobs*” (Barents Tourism Action Plan, 2013, p. 4)

There are many challenges that the Barents tourism sector is facing on its way to growth of which three are outlined here. First, the availability of transportation within the area, as well as a shortage of west-east travel connections is a serious problem (Barents Tourism Action Plan, 2013). The long distances from the main transport hubs make air, sea or road access critical for development of tourism in the Barents region. Second, as some research has noted,

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there is still a low level of awareness in international markets regarding the types of tourist experiences available in the Barents region. Third, tourism in the Barents region is influenced by the seasonal character that results in wide fluctuations in visitor numbers and types of visitors by season (Barents Tourism Action Plan, 2013).

It is most probable that due to remoteness of the Barents area to the “mainland”, individual international tourists and global travel sales intermediaries often perceive this region as one destination (Barents Tourism Action Plan, 2013; Mimir, 2013). Distant world markets and leading incoming tour operators do not necessarily see the difference between relatively small and “look alike” *Swedish, Norwegian, Finnish and Russian Lapland*. That being said, there is no successful history of long-term, sustainable and coordinated co-operation in the tourism industries across the regional borders that could have resulted in establishing a network of market ties and linkages between the actors in all these countries.

Today, the tourism sector in all four destinations is much dispersed with a variety of stakeholders, such as, tourism companies, local tourism organizations, regional tourism boards, educational institutions as well as research centers, regional and national authorities (Barents Tourism Action Plan, 2013). The segment of tourism companies still consists primarily of small and medium sized enterprises (SMEs) established by practitioners with insignificant or no tourism related education and training at all (Barents Tourism Action Plan, 2013). Each destination in each of four countries follows its own tourism program, and, as a rule, has its own strategy and specifics, and though there are many meeting points between the destinations in the European Arctic, communication is mostly very sporadic in nature. Furthermore, historically, the tourism industries in the Barents region are used to perceiving each other across borders as competitors. However, a recent macro-trend in tourism development is that rivalry with other world holiday destinations for the same tourist flows in a global context is becoming more threatening for smaller individual destinations in the Barents region, than competition is from their close neighbors (Barents Tourism Action Plan, 2013; Mimir, 2013). This makes it important to re-evaluate the traditional “win-lose” competitive strategy for regional destinations, and instead of rivalry, it could be profitable to try to find a way to cooperate more efficiently. Such a direction for development of tourism to and within the European Arctic through intensified cross-border collaboration has become one of the principle focus areas for the growth program in the Barents region, one of Europe’s largest zones for interregional cooperation managed by the Barents Euro-Arctic Council (BEAC) and the Barents Regional Council (BRC).

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Generally, the list of strong arguments for why interregional cooperation in tourism can bring more benefits than competition is really long, and most points reflect exactly what *clustering* and *cross-border cooperation theory* purports (Chapter 2.2). To reiterate, if a region is acting on its own only, its potential as a tourist destination is limited to its own tourist resources, which makes it quite challenging to succeed in an ever increasingly competitive world tourism market. Suppliers of tourism products, who act independently within one geographical region, do not possess the same strengths as those actors that are supported by cluster structures. It then becomes difficult for them to influence “traditional” tourist markets or to expand their activities towards new developing markets (Barents Tourism Action Plan, 2013). With other words, as a part of joint brand and cross-border marketing, the individual geographical region is able to communicate and profile itself to existing and new target markets more effectively and at lower costs by using accumulated resources within a cluster. With regard to the Barents region, the figure below summarizes the impacts of tourism in the Barents region (Infographics on the economic impacts of tourism in the Barents region, the working document by JWGT):

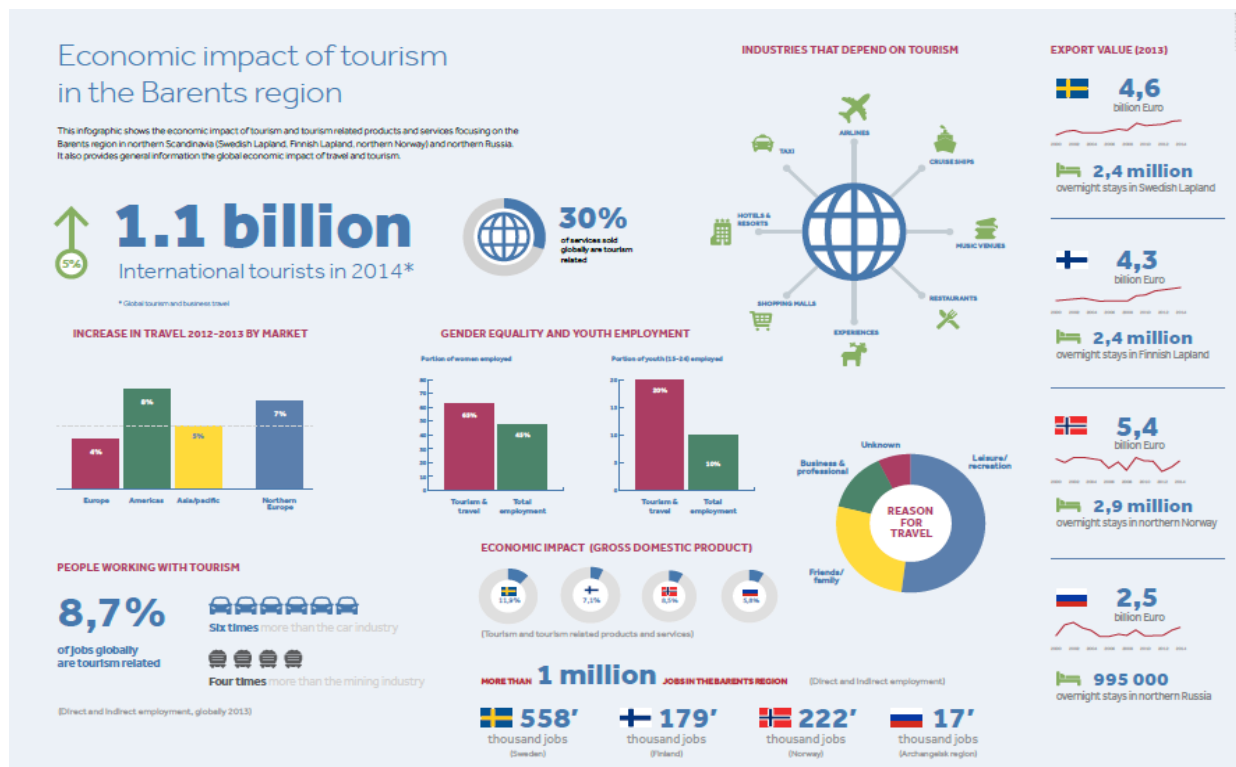


Figure 6. Infographics on the economic impacts of tourism in the Barents region (document under construction, by JWGT)

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## 4.2 SITUATION ANALYSIS OF MURMANSK REGION AS A TOURIST DESTINATION WITH INTERNATIONAL POTENTIAL

### 4.2.1 ANALYSIS OF SECONDARY SOURCES



Figure 7. The Murmansk Region and Kola Peninsula (retrieved from [murmantourism.ru](http://murmantourism.ru))

#### ***Geography, nature, population***

Murmansk region is the northernmost area of the European part of the Russian Federation, which lies beyond the Polar Circle and covers 144.902 square km. of the Kola Peninsula (retrieved from <http://murmantourism.ru>). The region is washed by the Barents and White Seas, and has year-round access to the Murmansk harbor that never freezes as it is influenced by the warm waters of the Gulfstream. The region borders to the northern parts of Finland and Norway, and its natural conditions are very similar to those that are found in the neighboring lands. Climate varies from moderate marine to subarctic (three climatic zones). The landscape varies from coastal to mountains (the Khibiny mountain group, up to 1200 m), fjords (Kola), Lovozero tundras and woods. There are more than 111 thousands lakes and 20 thousands rivers in the region; three natural reserves and 10 natural protected areas (retrieved from

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<http://murmantourism.ru>). In 2014, the population in the region was 842.5 thousand people (5.8 per sq. km.). The majority of the population (92.74 %) consists of city or town inhabitants. The administrative regional center is Murmansk city, while the whole region is often divided into several subzones according to their tourism-related resources: Murmansk city and its suburbs; Pechenga district and the Barents Sea coast; Lovozero district; Kirovsk and Khibiny mountains; Tersky coast and Kandalksha district. The main cities are Murmansk, Monchegorsk, Apatity, Kirovsk, Olenegorsk, Polyarnye Zori, Kovdorsky district, Kandalaksha district, Kola district, Lovozero district, Pechenga district, Tersky district, and Severomorsk.

### ***Tourism industry in the region: key figures and stakeholders***

Statistics and key data on tourism to the Murmansk region is collected and provided by the Tourism Board of the Murmansk region, which is the official state-owned organization established as a department under the Ministry of the economic development of the Murmansk County. There are eight tourism information centers in the region as well. According to information by the Murmansk Tourism Board, in 2012, the incoming tourism flow to the region was 43.3 thousand people, and more than 50 thousand in 2013 (<http://murmantourism.ru>). The main international tourism flow is generated by visitors within the Barents region (Norway, Finland and Sweden). According to the official database by the Murmansk Tourism Board, there are 131 tourism companies registered in the region as at 1 January, 2015 (<http://murmantourism.ru>). Twenty-six of these organizations are qualified as tour-operators by the Unified National Register of Tour-operators in the Russian Federation (UNRTO). This federation is a relatively large group of prosperous independent tourism companies in the region that sell Northwest Russian tourism products in the domestic market and abroad, including the countries of the Barents area. These actors are small and medium companies who, in most cases, own (or produce) the tourism products they offer. Depending on their size and scale, these actors operate in many holiday destinations, and, according to analysis of their websites, do not specialize in any particular markets. In 2009-2011, the indicators of tourism development in the region are overviewed in Figure 8.



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Indicators of tourism development	2009	2010	2011
Number of travel companies	79	84	100
Number of accommodation facilities, units	113	115	137
Number of places in accommodation facilities	7880	8350	9500
Export of tourism services, mln.dollars	4,2	4,5	5,0
Export of hotel services	3,5	4,0	4,4
Number of foreigners registered in the Murmansk region	35,0	40,5	43,0
Number of people staying at accommodation facilities, thousand	260,5	270,8	294,8

Figure 8. Key indicators for the tourism industry in the Murmansk Region (retrieved from [murmantourism.ru](http://murmantourism.ru))

**Tourism strategy, vision and brand**

The region is not listed in the National Register of the Tourism Zones of Russian Federation (The List of National Tourism Heritage), but it has its own strategy for development of regional tourism regulated by the following state acts by the Ministry of the economic development of the Murmansk County:

- Strategy of Socio-Economic Development of the Murmansk region up to 2025
- Law on State Support of Tourism Development in the Murmansk region
- Subprogram “Tourism Development in the Murmansk region for 2012-2014”, developed within the Program “Development of Competitiveness of the Murmansk region in 2011-2013” (retrieved from <http://murmantourism.ru>)

In the last two years (2013-2015), the regional tourism strategy has been concentrated on clustering among local tourism operators at three different smaller destinations that are treated as *tourism and recreational territories of regional significance (TRS)*: TRS Pechengskaya, TRS Russian Lapland and TRS Terskaya.

The expected outcomes of this cluster strategy are detailed in Figure 9.

	Number of tourists per year		Number of people employed in tourism		One-time capacity	
	2009	2013	2009	2013	2009	2013
TRS«Pechegskaya»	6 000	30 000	100	500	300	1 700
TRS «Russian Lapland» (Khibiny and Lovozersje)	35 000	300 000	750	2900	1050	15 000
TRS «Terskaya»	10 000	25 000	150	700	200	3 000
Total	51 000	355 000	1000	4100	1550	19 700

Figure 9. Key indicators for the tourism cluster strategy in the Murmansk Region (retrieved from [murmantourism.ru](http://murmantourism.ru))

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The official website by the Murmansk Tourism Board highlights the following elements as essential for what can be described as the *tourism brand* of the Murmansk region, which is: ... *the territory of endless wild hills, exposed to the elements of tundra and thick taiga forests, countless rivers and lakes. This region is of severe northern character, the territory of inexhaustible prodigies of nature and amazing national traditions. Murmansk is Russian gate to the Arctic Region, a home port of Russian atomic naval forces and large transport and shipping center* (retrieved from <http://murmantourism.ru>)

It also listed **7** reasons-to-go to the destination that can be described as *unique selling points* according to the regional tourism board:

1. *Make a journey to the North Pole (a cruise to the North Pole by atomic ice-breaker)*
2. *Catch salmon in Kola rivers*
3. *Derive inspiration from the beauty of severe northern nature: Northern Lights and Midnight Sun*
4. *Prove yourself in extreme conditions of Far North: jeep tours to the mountains, rafting, quad bikes, snowmobile safaris, diving in the Barents Sea*
5. *Win the Khibini mountain group*
6. *Plunge into everyday life and traditions of indigenous minority of the North (Pomors and Saami)*
7. *See incomparable wonders of the Arctic Circle: Snow Village, Kanozero Petroglyphs, Varzuga*

### ***Main types of tourism activities and tourism products available in the region***

Based on the analysis of the secondary sources and a focus interview with representatives of the Murmansk Tourism Board, the whole region can be divided into several subzones that specialize in different types of tourism activities:

- Murmansk city and its suburbs: the main types of tourism activities here are *cultural tourism, sightseeing, excursions, conferences*
- Pechenga district and the Barents Sea coast: *war history, ecological, fishing, hunting, diving, jeeping*
- Lovozero district: *ethnographical tourism, event tourism, fishing*
- Chibiny mountains: *downhill skiing, trekking in the summer, mineral hunting*

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- Tersky coast and Kandalksha district: *water sports, tourism villages, history, event, fishing*

The Murmansk Tourism Board also employs a two-type classification of all available tourism activities in the region (retrieved from <http://murmantourism.ru>):

1. *Nature-based tourism activities* that include such elements as rafting; fishing; yachting and cruising; diving; mountain skiing and alpine activities; ecological; mineralogical; hiking, biking and cycling; snowmobile and jeep safaris; and extreme tourism. These are illustrated in Figure 10.

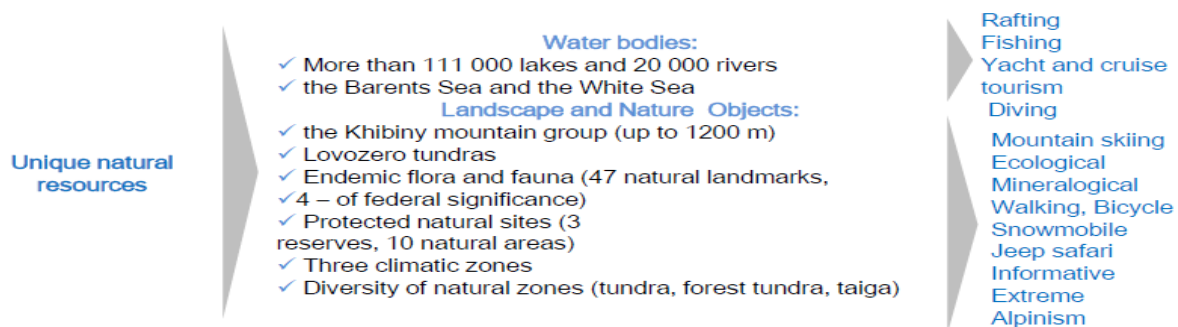


Figure 10. *Nature-based resources of the Murmansk Region* (retrieved from <http://murmantourism.ru>)

2. *Heritage and culture-based tourism activities*: encampments of ancient people of the IX-VII millennia BC; cult places of the Sami people (Seidozero, Umbozero); ancient Pomor settlements on the White Sea; archeological monuments (labyrinths, carvings); wooden architecture of the Kola North (Church of the Assumption in Varzuga, St. Nicholas Church in Kovda), monuments of history and architecture (St.Boris and Gleb church, Pechenga monastery, Tersky Lighthouse); remains of the Finnish and Norwegian settlements; monuments of the Great World War; 24 museums, Polar Botanical garden. These are illustrated in Figure 11.

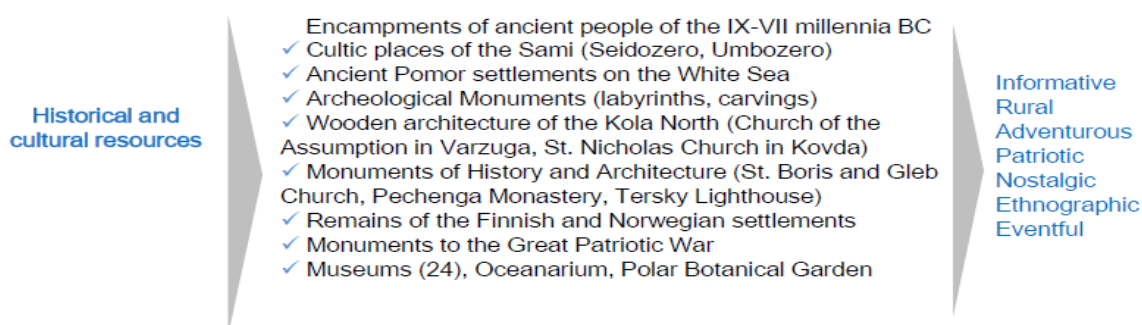


Figure 11. *Culture-based resources of the Murmansk Region* (retrieved from [murmantourism.ru](http://murmantourism.ru))

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Analysis of the product offerings by tourism actors in the Murmansk region was conducted by monitoring open web-resources, which was why representative actors for the qualitative research were selected for their online availability. Qualification of a tourism actor as a national *tour-operator* by Russian legislation reveals only what financial guarantees and insurance this actor stands for, and says nothing about an actor's activity. That is why the choice of the tourism actors was not limited to those, who are acknowledged as tour-operators by the UNRTO (the Unified National Register of Tour-operators in the Russian Federation). In Figure 12, are examples of typical tourist attractions available in the region (this classification was made by analysis of the websites of regional tourism companies and regional tourism board):

<i>Type of tourism activity</i>	<i>Attraction</i>
<i>City sightseeing/ excursions</i>	Atomic icebreaker Lenin (Murmansk), National Park, The petroglyphs of Kanozero, Polar Botanic garden
<i>Historical and ethnographical tourism</i>	Saami village (Lovozero), Pomor houses Tetrina Tonya (open-air museum on the White Sea coast), Varzuga
<i>Industrial sightseeing</i>	Kola Superdeep, Central mining on plateau Rasvumchor, Technogenous deserts round the factories of Pechanga nickel and Severonickel, Ametist coast
<i>Ecological tourism</i>	Mogilnoe Sea with two eco-systems. Half-island Rybachij, the northernmost Russian point (analogue of Nordkapp). Kutsa (Allakurti). Lapland Natural Park (reservation).
<i>Water sports</i>	Kutsajoki river. Uмба river kajaking
<i>Fishing</i>	Kola river. Ponoj river. Barents sea, Teriberka. White sea (Terskiy coast).
<i>Event tourism</i>	Saami festival, Lovozero, in March. Pomorskaya Kozulja Feast, village Kuzomen, in August

Figure 12. Classification of the tourism activities by attractors in the Murmansk region

The most typical tourism products offered by local tourism companies involved the following options:

- Trips of long duration (4-11 days) by 4x4 - *Polar Offroad Adventure Discover Kola Peninsula*. This trip goes from the White Sea to the Barents Sea, visiting all main points in the region and ending in Murmansk. It includes all important elements, such as, accomodation, driver, guide, eating-out, excursions etc..
- Biking group tours to different destinations on Kola Peninsula

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- Kayaking and rafting tours (different destinations on Kola Peninsula)
- Hiking group tours to Khibiny, Monche-mountains or Lovozero
- 15-day multi-activity tours: it can be for example hiking in Khibiny tundra, rafting on Umba River, biking on the shores of Tersky Coast
- Fishing holidays in Varzuga river and Monchetundra
- Mineralogical tours, ecological holidays and “living in the wilderness”
- City excursions in Murmansk, Nikel and Zapolyarnyj (both summer and winter)
- Aurora Borealis safaris (from one to five days’ trips)
- Cross-country skiing and downhill skiing in Kirovsk. This city is the main centre for the alpine tourism in the region, with three operating skiing centres (“Bolshoy Vudiavr”, the highest mountain resort in the whole Northwest Russia, and the Kukisvumchorr Mountain, “a Mecca of freeride” and place for annual International off-track skiing contest)
- Husky and snowmobile safaris
- 8-days trips 4x4 Polar Winter Offroad

This list is not a complete overview of all available alternatives in the market, but just a sample of most typical options frequently offered by local tourism companies.

### **4.2.2 ANALYSIS OF SURVEY RESULTS**

This section of the chapter is a summary of the answers from respondents, who participated in the informal in-depth semi-structured interviews of the qualitative study, part 1. As outlined in Chapter 3, this part was focused on generating knowledge about the current status of the Murmansk region as a competitive international tourism destination through the prism of experiences and attitudes of local tourism practitioners. The discussion follows the same order as was presented in Chapter 3.

#### ***1. Main characteristics of international tourism to the destination***

##### ***(Q1) Degree of international tourism to the destination today***

The interview participants expressed high uncertainty about what share in their company’s turnover was made by international tourists, or what share of the revenue was generated by this segment. They admitted that they did not have any systematized knowledge concerning incoming tourist flows from other countries to the Murmansk region, and similar gap in knowledge was expressed with regard to visitors from domestic markets. Murmansk Tourism

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Board Murmansk had provided some statistics on the tourism flows to the region, although these statistics did not describe from which countries tourists came. However, according to some respondents, they had observed an increase in international tourist flow to the region in the last several years (2010-2015), but didn't refer to any numbers. One of the main reasons associated with belief in the future growth in incoming tourism to the region from abroad was the price level associated with the weak national currency in Russian Federation (*the national Russian currency has been weak since the Ukrainian crisis in April 2014, and it is still relatively cheap for most categories of foreigners to travel within the region*).

*(Q2) Key geographical markets where the visitors come from*

Within the last five to ten years, many respondents confirmed that they had received many tourists from other countries besides Russia and the former Soviet Union-countries. These visitors originated from Europe, America and Asia. It was stressed by most respondents that the share of the foreigners coming from within the Barents region (Finland, Norway and Sweden) was quite high and more visible compared to others.

*(Q 3) Segmentation of international tourists by socio-demographical characteristics; by season and activity, market size, origin, distribution channel*

According to the majority of respondents, it was quite difficult to make any clear segmentation of incoming tourists to the region due to the relatively low number of visitors. There is no such data collection and analysis by official organizations in the region (like regional tourism board).

One segmentation made by some respondents involved two main groups: "holiday and leisure" foreign visitors, in search of spending time actively (such activities as eating-out, nightlife etc.), and foreign guests on "business", who participated in different events associated with the Meeting, Incentives, Conference, Events segment (MICE). According to the respondents, these two categories were often impossible to differentiate from each other, as "business" tourists often combined both business and "leisure" on their visits to the region. Many respondents commented that a significant share of the visitors from other Barents countries (especially, from Northern Norway and Northern Finland) traveled to the Murmansk region not on holiday, but to consume cheaper services like dentistry, buying cheaper petrol in transit to other destinations in Russia; on a private basis; or on various business occasions like workshops, festivals, meetings and other similar events. The share of holidaymakers that visited the region only for tourism reasons was according to the respondents insignificant. With regard to the average type of potential tourist to the region, some respondents described

it as an *adventurist, looking for rough nature-based experiences* (generalized type description based on several answers).

## **2. Unique selling points (USP) of the destination that can attract international tourists**

### **(Q 4) USP that attract international tourists**

Most respondents expressed certainty that the tourism products of the Murmansk region were *unique*. According to some respondents, these *unique* products could successfully compete with similar experiences offered by other Barents countries. However, when asked about existing demand for *nature-based tourism products* (such as safari, fishing, visits to the coastal villages, hunting etc.) and *cultural experiences in the Murmansk region*, the majority of respondents agreed that this demand was difficult to measure, but it seemed to still be insignificant today. Some of the respondents commented that the main reason for this lack in demand was connected to knowledge of the Murmansk region as being very low even among tourists from within the Barents region, not to mention tourists from distant geographical markets. At the same time, respondents intimated that there existed only a narrow segment of tourists, who had *a special interest for Russia* - its history; museums, traditions, and they were interested in existing regional products.

According to the Murmansk Tourism Board, one of the most popular activities demanded by the international tourists in the Murmansk region was *angling* (sporting and recreational fishing). There are about thirty tourist camps that are made for anglers in the region. Altogether, 20 actors are qualified to sell this product to tourists across around one hundred water bodies. Seventy eight of these are Atlantic Salmon Rivers like Ponoï, Varzina, Rynda, Kharlovka, Iokanga, Varzuga, Uмба and Kola. This is a quite an expensive tourism product, whose price is quite high (around 15 thousand euro per one week trip in 2015). As stated in the official tourism website of the region, the Wild Atlantic Salmon “*has become a distinctive tourist brand of Murmansk region*” (<http://murmantourism.ru>).

Another recent direction in Murmansk tourism development is *cruise tourism*. According to the official website of the region, “*Murmansk is the only place in the world where one can start for the North Pole onboard a nuclear-powered icebreaker in summer*” (<http://murmantourism.ru>). According to the Tourism Board, one of the most popular routes is the expedition tour to Spitsbergen and Franz Josef Land. This is a sign that “*Murmansk is very likely to become the arctic center of cruise tourism*” (retrieved from <http://murmantourism.ru>).

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Diving and rafting are also becoming more popular among domestic and international tourists as well as ethnographic and ecotourism in the Tersky shore of the White Sea.

(Q 5-7) *Existence of learning new – experience; active nature-based experience; “typically” Northwest Russian experiences*

Many respondents commented that the Murmansk region offered all types of these experiences (learning, active nature-based and typically Russian elements), and that they are easily combined in one trip.

(Q8) *Ready-made tourist packages*

The majority respondents told that the destination offered a wide variety of *ready-made tourism programs/ packages* that would attract international tourists. These packages include all important elements, such as, accommodation, sightseeing, visa services, and transportation.

### **3. Destination brand and communication of it to the market**

(Q 9-10) *Existence of a strong brand identity as an international tourism destination, and its main essence*

With regard to destination brand and communication to target markets, the majority of interview respondents agreed that it was too soon to talk about any kind of brand identity possessed by the Murmansk region. The same was true with respect to regional tourism products. The representative of the Murmansk Tourism Board confirmed that the process of developing the official Murmansk region tourism brand had started a few years ago but was still in development. The decision to build a regional tourism brand had been made by the Murmansk government in 2004 in the Annual Strategic Plan for the Murmansk region: the destination should be branded as *the Gates to the Arctic*. According to some respondents, there has been a strengthening of the regional tourism brand in the domestic market with awareness of the destination increasing among Russian tourists.

Amongst other elements that can be used to build a visually strong brand, interview respondents mentioned the following elements: *half-island Rybachij* - the northernmost part of Russian Federation, of the equivalent of a Russian North Cape; *Kola Superdeep, Atomic icebreaker Lenin, Mining Centralny, Lake Mogilnoe* with two ecosystems, and the *Polar Botanic Garden*, which is the largest botanical garden beyond the Polar Circle.

(Q11) *Motivation and associations that international tourists have about the destination*

Most interview respondents expressed uncertainty about the motivations of foreign travelers to the region. Several interview respondents commented that the latest news in the media



concerning Russia may influenced tourists' associations regarding the destination in a negative way.

*(Q 12) Communication of the regional brand to the market*

A clearly formed strategy for communicating the regional brand with home and overseas markets was not identified by the majority of interview respondents. However, according to the representative of the Murmansk Tourism Board, the brand of Murmansk region had been actively communicated in the domestic market using popular associations, such as, “*the northernmost city*”, “*the northernmost trolley*”, and “*the shortest summer night*”; although, no communication efforts to the overseas markets have been undertaken.

**4. Other factors that influence international competitiveness of the destination**

*(Q 13) Accessibility*

Most interview respondents talked about the destination as being relatively easy to access for tourists travelling within the Barents region. There is an airport in Murmansk that is within one-hour drive from the city, and Murmansk has its own train station as well. The respondents told that it was easy to travel between towns in the region with busses (or private car). Tourists from destinations other than the Barents region travelled to Murmansk region via Moscow and St.-Petersburg.

*(Q14) Tourist's expectations from visits to the destination (product quality and service)*

When asked about tourist's expectations from visits to the destination with regard to product quality and service, some interview respondents reported that satisfaction with trips to Russia depended on how experienced the tourist was, and what were the original expectations for the trip. Some interview respondents believed that tourists from within the Barents region were normally used to higher levels of comfort and service on their trips in Europe, but they also mentioned that satisfaction with service and expectations from the quality of products on trips to Northwest Russia could vary strongly. There has not been done any further study by the regional tourism organizations on what can be improved by local tourism companies in order to satisfy foreign tourists better.

*(Q15) Tourist's knowledge of destination and its products*

Most interview respondents believed that the average knowledge about Murmansk region (and about Northwest Russia in general) as a tourist destination with rich and varied product offers was very low among potential and existing international tourists.

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(Q 16) *Visa*

The majority of respondents said that getting a visa for international tourists had become easier and less expensive in the last few years, and that individual tourists from abroad could use many intermediaries for visa support.

(Q 17) *Language*

In general, the most interview respondents agreed that lack of foreign language skills (English, German or Scandinavian languages) was a barrier amongst people involved in tourism and catering industries in the region.

**5. Interest in attracting more international tourists to the region**

(Q 18) *Interest in attracting more international tourists to the region*

The majority of interview respondents agreed that the region would gain from attracting more international tourists without damaging its sustainability. Due to the specifics of the regional products, the type of tourism promoted should not be mass-oriented, but niche-based tourism.

(Q 19) *Degree of competition with other Barents regions on tourism*

Most interview respondents commented that they did not look at tourism companies in other Barents destinations as their direct or indirect competitors. Further as confirmed through the analysis of the Murmansk Tourism Board’s activities, the region doesn’t not compete with other Barents’ regions for tourists on strategical level.

Based interview responses and analysis of available secondary data, the region’s competitiveness on the international market can be evaluated within the framework of export-ready destinations (Chapter 2.1) by assessing several factors of this model:

<i>Export-ready destination guide for the Murmansk region (based on the questionnaire by exportmognad.se)</i>		
	Indicator / Question	Points
	<b>Tourism experience</b>	18
1	Does the destination offer unique experiences to international tourists?	3
2	Does the destination offer experiences that provide new knowledge to international tourists (learning experience)?	3
3	Does the destination offer active and nature-based experiences to international tourists?	3
4	Does the destination have tourism products that include the “typically”	3

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	Northwest Russian experience?	
5	Does the destination offer ready-made tourism programs/ packages that can attract international tourists?	3
6	Does the destination offer experiences to the international tourists that travel individually (not via tour-operators)?	3
	<b>Services</b>	<b>10</b>
7	How far away is the nearest airport/harbor that international tourists can use (2 hours, 3-4 hours, 5-6 hours, more than 6 hours)?	3
8	Does the destination offer year-round tourism experiences (or in several seasons) aimed at international tourists?	3
9	Does the destination have a program for guaranteeing service quality of the regional tourism experiences aimed at international tourists?	0
10	Does the destination have a program for training English-speaking human resources for the local tourism industry?	2
11	Does the destination have a varied and sufficient offer of accommodation and eating-out facilities aimed at international tourists?	2
12	Does the destination have a program for guaranteeing the "green" quality of its tourism experiences (sustainability)?	0
	<b>Business/ Organization Model</b>	<b>3</b>
13	Does the destination offer ready-made product concepts that are available to international tourists?	0
14	Does the destination work directly with international tour-operators?	0
15	Is the destination well represented on travel fairs, workshops, or road shows aimed at international tourists?	1
16	Does the destination offer the promotion (study) trips to the international tour-operators?	0
17	Does the destination support local tourism companies that work with international tourists?	1
18	Does the destination have a strategy for informing of the international tour operators about regional products (producing fact sheets/brochures/shot archives)?	0
19	Does the destination produce a destination holiday guide with sufficient	0

	information about regional products and local tourism companies aimed at international tourists?	
20	Does the destination have own web resource with information about regional products and local tourism companies aimed at international tourists?	1
	Sum Points	<b>31</b>
	Maximum Points = 60	
	Degree of <i>export readiness/ international competitiveness</i>	<b>52 %</b>
	<i>Yes/Positive=3; Not yet, but can become positive within a short period (within one-two years) =2; Can possibly become positive, but after 3-5 years= 1; No=0</i>	

Figure 13. *Export-ready destination guide for the Murmansk region (based on the questionnaire by exportmognad.se)*

Altogether, based on this simplified analysis it is difficult to characterize the Murmansk region as an *export-ready destination* today, while the first component, *tourism experience*, is ranked well. None of three crucial characteristics of an export-ready destination listed in Chapter 2.1 can be found here: there are no functioning clusters of local tourism companies that work together to deliver the entire regional tourism product to visitors; there is lack of the regional tourism policy and strategy built around the actual motivations and needs of the target tourists; and the destination's tourism products are not regularly revised so that the actual tourists' needs are met and satisfied in the best possible way.

#### **4.3 BENCHMARKING OF MURMANSK REGION WITH ITS POTENTIAL PARTNERS IN THE BARENTS REGION**

Cooperation between potential counterparts within the future Barents tourism cluster will not be successful and sustainable without a balance of interests between the parts. This makes it important to identify what competitive advantages and weaknesses the reference destination, the Murmansk region, has in comparison to its neighbors in the Barents region. Benchmarking of the Murmansk region with other destinations in the European Arctic builds on the analysis of Northern Norway and its competitors within and outside the Barents region made by Mimir AS in 2013. In this model, Northern Norway was compared with its main competitors, during two seasons, winter and summer, and in different competition arenas. Lands and regions that competed with Northern Norway were selected from destinations worldwide that possessed

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comparable resources and provided similar tourist experiences. Northern Finland and Northern Sweden were included on this list.

Below is a short description for each of the destinations in the Barents region followed by a summary of the findings regarding the competitive advantages of these three Barents parts. The characteristics of non-Russia Barents regions are reported in this table (retrieved from Mimir AS, 2013, Marketing analysis for Northern Norway Tourism Board – Competition analysis):

<i>Northern Norway</i>	<i>Northern Sweden</i>	<i>Northern Finland</i>
<b><i>Geography, nature, population</i></b>		
112.945 sq. km.	98.932 sq. km.	98.984 sq. km.
Borders to Finland, Sweden and Russia	Borders to Finland and Norway	Borders to Norway, Sweden and Russia
Same climatic conditions as Murmansk region (Gulfstream, Subarctic)	Subarctic climate	Subarctic climate
Landscape – fjords, island groups, mountains, ice	Landscape – plain, inland harbours (inner lakes)	Landscape – mostly plain, mountains, inland harbours (inner lakes)
Three counties: Finnmark, Troms, Nordland	Two counties: Norrbottens Län, Skellefteå commune.	The main town - Rovaniemi.
Population – 470.000 thousand people in 2011	Population – 281.196 thousand people in 2011	Population – 182.885 thousand people in 2011
<b><i>Tourism industry in the region: key figures and stakeholders</i></b>		
<b><i>Statistics 2011: number of guest nights</i></b>		
2011: 3 mill (30% international)	2011: 2.4 mill (32% international)	2011: 2.1 mill (37% international)
<b><i>Annual turnover</i></b>		
2011: 18,6 milliards NOK	2011: 3,2 million SEK	2011: 407 million EUR
<b><i>Employment</i></b>		
2011: 18.300 jobs	2011: Ca. 2.700	2011: 5.000
<b><i>Tourism industry organization</i></b>		
Northern Norway Tourism Board together with Visit Norway and destination companies	Swedish Lapland together with Visit Sweden	Visit Lapland, Visit Finland
<b><i>Main strategy for tourism</i></b>		
On several levels:		

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• by Norwegian government	Main strategy by Visit Sweden	Strategy by Visit Lapland
• by Innovation Norway		
• by Northern Norway Tourism Board		
<b>Main destinations</b>		
Lofoten, Tromsø, Bodø, Svalbard, Karasjok, Vesterålen, Alta, Nordkapp, Helgeland, Lyngsalps	Kiruna, Riksgrensen, Luleå, Boden, Jokkmokk, Abisko national park, Bjørnlandet national park	Rovaniemi, Yllas, Enontekio, Levi, Munio, Posio, Phylluosto, Inari, Salla, Sea Lapland (Merilappi), Tornionlaakso
<b>Target geographical markets</b>		
Norway, Germany, Sweden, Netherlands, Finland, Denmark, France, UK	Germany, UK	UK, Germany, France, Russia
<b>Target tourist groups and motivation</b>		
Main motivation and main traits: Learning, curiosity, individualism (not mass tourism). Good economy, high education	WHOP (Wealthy, healthy older people) ; DINKS (Double income, no kids) ; Active families	«Modern humanists»; LOHAS (Lifestyles of health and sustainability); WHOP (Wealth, healthy, older people) ; DINK (Double-income, no kids) ; DIGNATIVES (People born in the digital age, 1980/90)
<b>Vision</b>		
Vision (Northern Norway Tourist Board) – 5 million visitors each year as per 2011. Inspire the world to visit Northern Norway	To double turnover in tourism industry within 2020	Pure Life Force near you, Lapland- above ordinary
<b>Brand components (USP, reasons-to-go)</b>		

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Coast and coastal culture (Islands, Lofoten, Fishing culture, Hurtigruten, Vikings), Natural phenomenon (Northern Lights, Midnight Sun, Nordkapp, Malstrøm, Mountains meet coast, Lyngsalps), Arctic (Extreme geography, Polar nights, Flora and fauna, Svalbard, Polar bears, snow), Saami people (History, culture, reindeers)	Snow hotel, Aurora Sky Station, Northern Lights, Midnight Sun, Sami experiences, Tree Hotel, Dogsledging, Riksgrensen Resorts, The King's Trail)	Wild & Free, Silence, please; Cultural Beat; Lakeland; Go Cottage
<b>Brand values</b>		
Fresh, Astonishing, Safe, Right in time	Nature	Authenticity
<b>Main tourism activities (components)</b>		
Fishing, Northern Lights, Hiking, Cycling, Paddling, Safari (whale, bird), surfing, kite-boarding, golf, inland fishing (salmon), alpine, rafting, diving, Saami, Dogsledging	Kayaking, Biking/cycling, fishing, Golf, Skiing, Hunting, Extreme sports, Ecological tourism, National parks, hiking, Northern Lights, Midnight sun, Saami, Dogsledding	Sami experiences, reindeer safari, ski/snowboard, hiking, midnight sun, Northern Lights, Dogsledding, Santa Claus, kayak, biking, fishing, hunting, golf, extreme sports, food, etc.
<b>Product (holiday) concepts</b>		
Coastal tours with Hurtigruten all year-round; Roundtrips with car (between Helgeland and Finnmark), summer; Northern Lights safaris (winter); Polar Light wandering (summer); Touring in Svalbard (all-year round); Weekend trips; MICE	Snow hotels, Aurora Sky Station, Northern Lights, Midnight Sun, Saami, Tree Hotel, Riksgrensen Resort, Kungsleden (The King's Trail)	Santa Claus, Rovaniemi

Figure 14. Key characteristics of the competitive profiles of Northern Norway, Northern Finland and Northern Sweden (retrieved from Mimir, 2013, Marketing analysis for Northern Norway Tourism Board – Competition analysis)

The competitive positions of all three regions were then analyzed by two seasons (summer and winter) on four geographic areas: in the North (within the Barents region); in Northern Europe; in Europe in general, and in *the rest of the world*. What competitive positions all three Barents countries have towards each other and other international competitors are

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illustrated in a series of radar-diagrams, in Figures 15 to 22. The axes are positioned *clockwise from the indicator above* and stand for (1) possession of the “world-class” tourism resources; (2) possession of tourism resources that attract international tourists; (3) accessibility to tourism resources within a sustainable / “living” local community; (4) existence of a tourism product portfolio; (5) existence of signature tourism products; (6) existence of large scale commercialized tourism products; (7) market position of the destination; (8) distribution/ sales channels; (9) niche and thematic tourism products; (10) existence of strategic alliances. The diagrams are shown below:

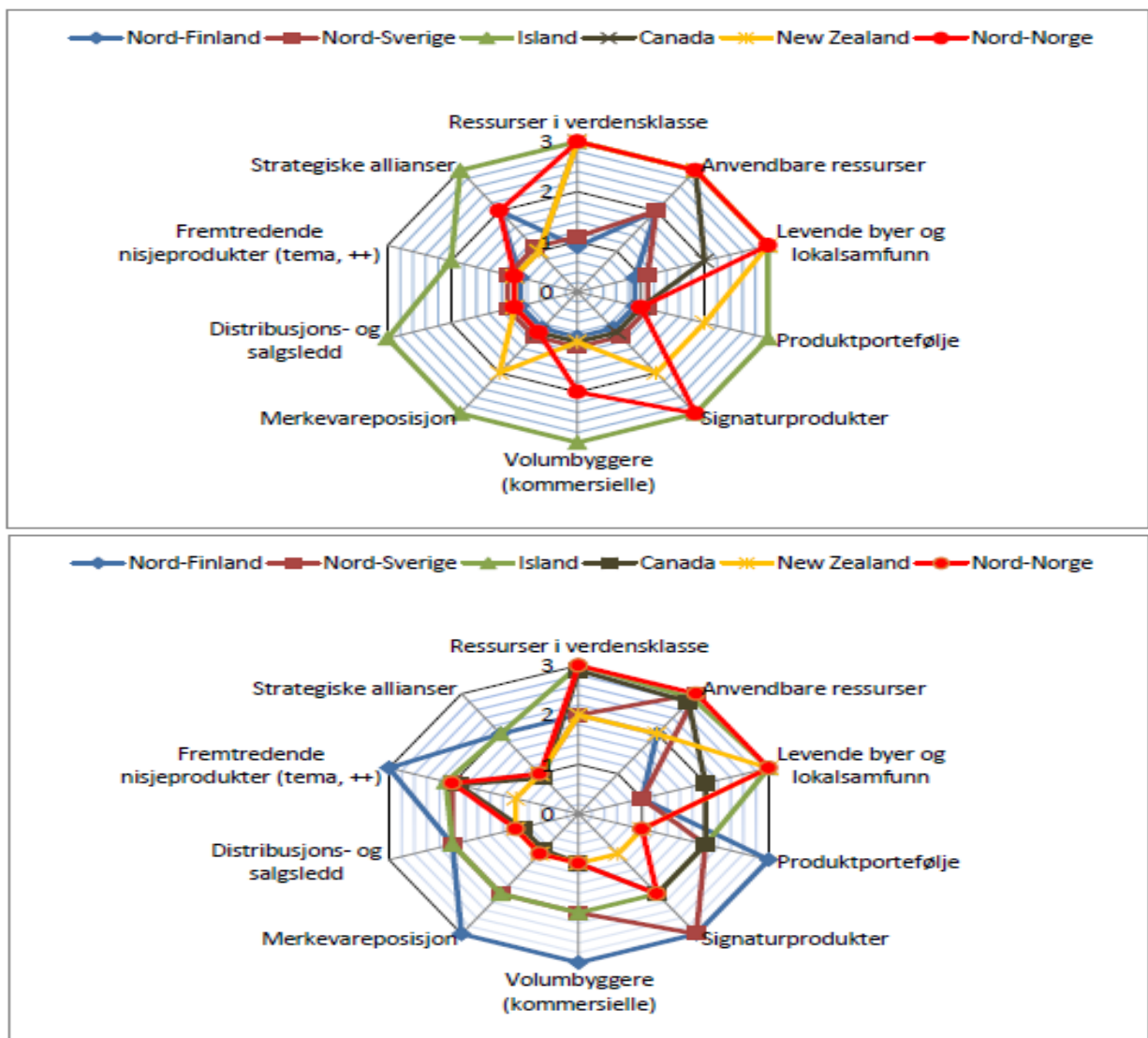


Figure 15-16. Competition arena: summer and winter season, tourists from the North within the Barents region (Mimir,2013, p.59-60)



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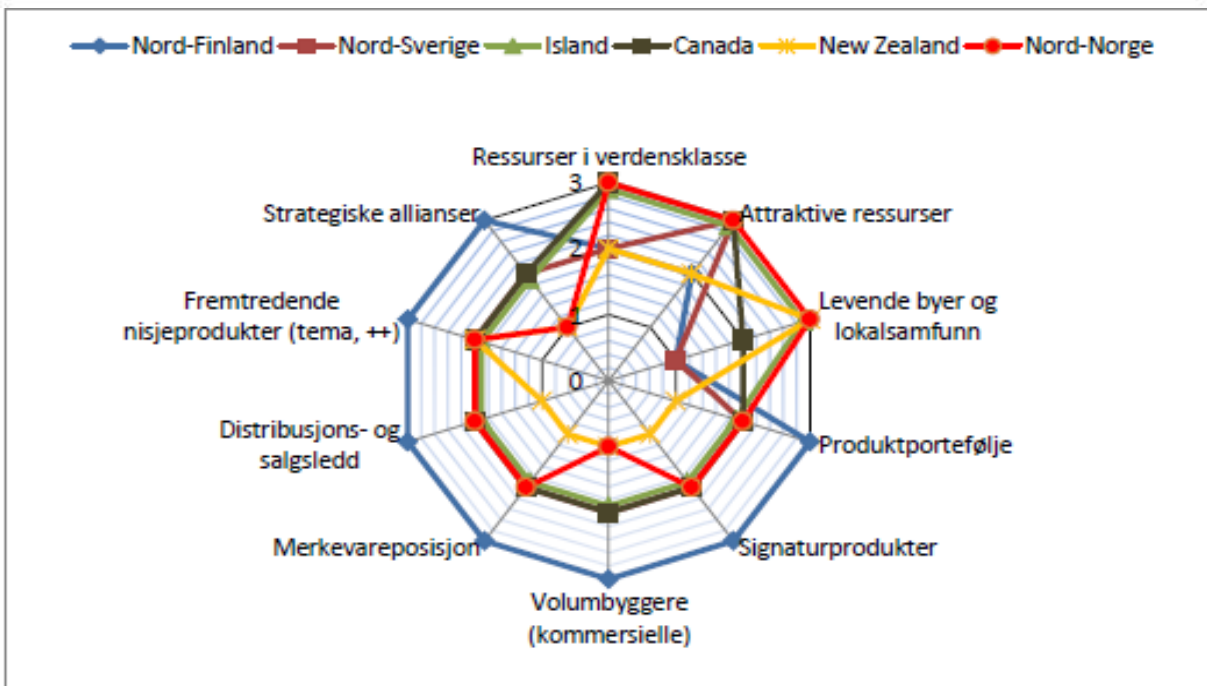
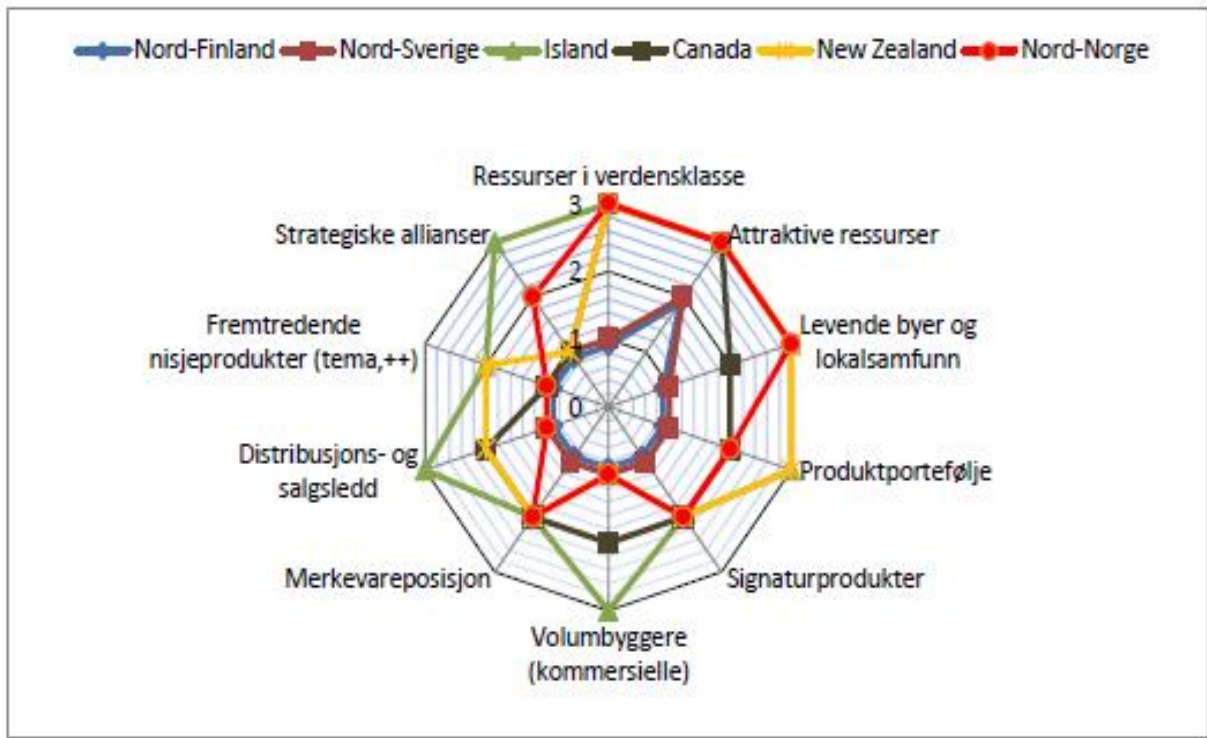


Figure 17-18. Competition arena: summer and winter season, tourists from Northern Europe (Mimir, 2013, p.61-62)

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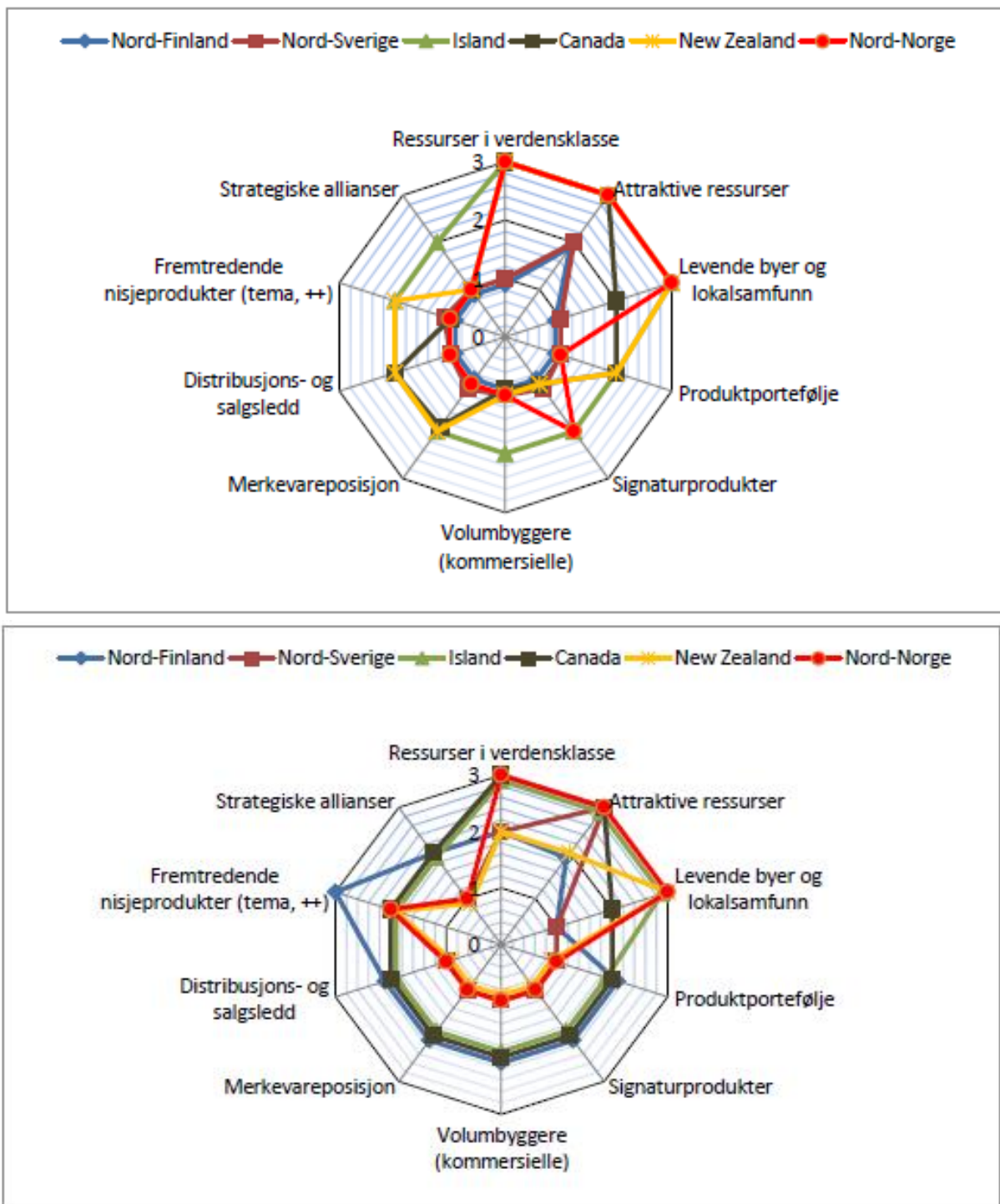


Figure 19-20. Competition arena: summer and winter season, tourists from the rest of Europe (Mimir, 2013, p.63)

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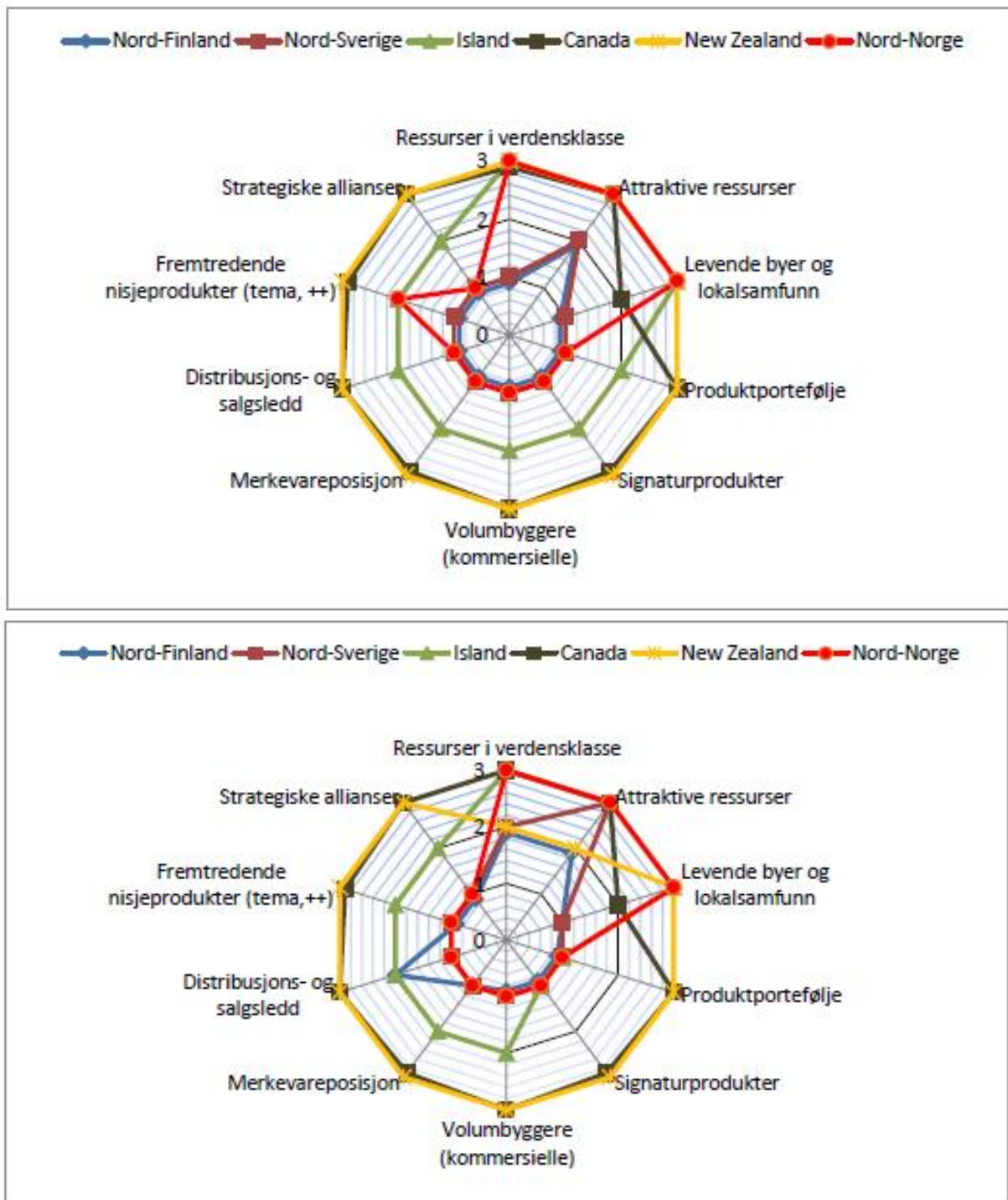


Figure 21-22. Competition arena: summer and winter season, tourists from the rest of the world (Mimir, 2013, p.64-65)

The competitive positions of the northern parts of Norway, Sweden and Finland in relation to each other and other world destinations with which they compete with can be summarized as following two statements:

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- Northern Norway is leading with regard to possession of “world-class” tourism resources and accessibility to the tourism resources within a sustainable local community
- Northern Finland and Northern Sweden are leading regarding strategical alliances, and offerings of signature and largescale commercialized tourism products

Similarly, these indicators can be described and weighed in the same way for the Murmansk region based on the analysis of the secondary sources and the first part of the qualitative interview guide (a scale from one to three, where maximum points is three):

	<i>Indicator</i>	<i>Description</i>	<i>Comparison with the neighbors in the Barents region</i>
1.	Possession of “world-class” tourism resources	Murmansk region possesses natural resources that are quite similar to those of Northern Finland, Northern Sweden and Northern Norway. They are not worse than those owned by the neighbors, but these are not renowned as world-class resources.	This indicator can be positioned close to where the same characteristic of the neighbors in the Barents region is positioned (3 points)
2.	Possession of tourism resources that attract international tourists	The Murmansk region possesses natural resources that can potentially attract international tourists	This indicator can be positioned close to where the same characteristic of the neighbors in the Barents region is positioned (3 points)
3.	Accessibility to tourism resources within a sustainable/ “living” local	This can be evaluated as positive.	This indicator can be positioned close to where the same characteristic of the

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	community		neighbors in the Barents region is positioned (2 points)
4.	Existence of a tourism product portfolio	A limited portfolio of regional tourism products offered by the tourism companies exists.	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (1 point)
5.	Existence of signature tourism products	Signature products were not identified.	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (0 points)
6.	Existence of large scale commercialized tourism products	Large scale commercialized tourism products were not identified	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (0 points)
7.	Market position of the destination	The market position of the destination was unclear due to the lack of statistics, little information and unclear	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of

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		marketing strategy of the region.	the neighbors in the Barents region is positioned (0 points)
8.	Distribution/ sales channels	Regional tourism companies exploited mainly traditional and sometimes out-of-date channels. There was little experience evident in selling regional tourism products through global tourism operators.	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (1 points)
9.	Existence of niche and thematic tourism products	Though some tourism companies positioned themselves as owners of thematic concepts, a strong thematic or niche concept in the region was not identified.	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (1 point)
10.	Existence of strategic alliances.	Currently, there are no strong independent strategic alliances in the region, and the tourism industry is much dispersed.	This indicator can be positioned <i>significantly lower</i> than where the same characteristic of the neighbors in the Barents region is positioned (0 points)

Figure 23. Evaluation of the competitive profile of the Murmansk region by benchmarking parameters

As no reliable statistics on tourism flows to the region, were able to be sourced, there is no possibility of describing these indicators in different competition arenas and in different

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seasons. However, the main conclusion to make that if the competitive position of the Murmansk region were to be illustrated by a radar diagram, the most of the ten parameters would be worse than those of its competitors. The diagram that illustrates quite approximately the competitive profile of the Murmansk region is shown below:

	Indicator	Points
1.	“World-class” tourism resources	3
2.	Tourism resources that attract international tourists	3
3.	Tourism resources within a “living” local community	2
4.	Tourism product portfolio	1
5.	Signature tourism products	0
6.	Large scale commercialized tourism products	0
7.	Market/brand position of the destination	0
8.	Distribution/ sales channels	1
9.	Niche and thematic tourism products	1
10.	Strategic alliances	0

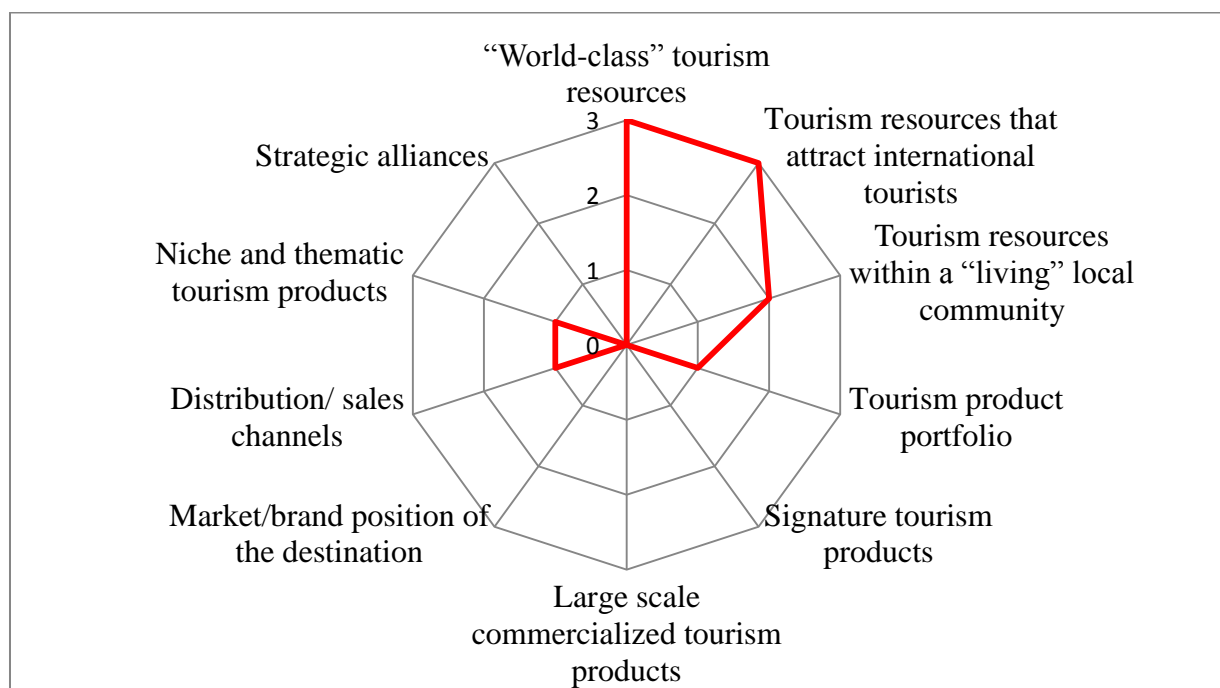


Figure 24. The competitive profile of the Murmansk region - benchmarking radar diagram

#### 4.4 CONCLUSION ON CHAPTER 4

The characteristics of the Murmansk region determined by the analysis of secondary sources and responses to interview questions in the first part of the qualitative survey can be further put in the Crouch and Richie's destination competitiveness framework. Performing a thorough analysis of *the competitive macro-environment* (factors influenced by *economy, technology, ecology, political and legal developments, socio-cultural issues and demographic situation*), require a deeper insight into the macroeconomic conditions that are present in the Murmansk region. Despite this not having been performed for this research, the following remarks can be made:

- The demand for the tourism products of the Northwest Russia is the subject to most of latest global trends that affect tourism development in the world. This makes the “game rules” quite similar to those of the other Barents countries.
- Other conditions are radically different. One of the serious challenges that influence tourism development in the Northwest Russia today is the political and economic instability.

Analysis of the *microenvironment* shows that

- *Suppliers*: the Murmansk region has available resources and factors that are essential for developing a destination into a place to visit, such as labour, food, beverage producers, oil and gas industry, local crafts, et cetera
- *Travel intermediaries and facilitators*: there exists a whole industry of tourism companies in the region that consists of tourism packagers, retail travel agents, financial organizations, embassies, et cetera
- *Tourists*: the region has demonstrated that it is demanded by the tourists, although according to the destination's stakeholders in this study, the knowledge of the region by tourists is evaluated as scarce and unsystematic
- *Competitors*: according to the destination's stakeholders in this study, the region does not actively compete with other destinations, either domestically or internationally for tourists travelling to the European Arctic
- *Internal environment in a destination*: a system of relationships and networks that link destination's actors together through formal and informal contacts has been developed, although there are no coalitions or strategic alliances in the region, and they do not function as one entity



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- *Publics*: tourism remains untreated as an important activity / industry in the region by media or local government departments. According to available secondary sources, tourism is still perceived as an industrial sector that demands state support and regulation.

Altogether, the competitive *microenvironment* in the region (the tourism system) can be characterized as underdeveloped if compared to other parts of the Barents region, especially, Northern Finland. One of the main weaknesses is that there is no truly dedicated destination management company in the region other than the Murmansk Tourism Board. This is a small unit, served by two or three persons under the total control and surveillance of the Ministry of the economic development of the Murmansk County and the National Agency of Tourism in Russian Federation.

Numerous local tourism actors offer a wide variety of the tourism products based on the natural and cultural resources in the region. Within this study a comparative analysis of the quality of products compared to offerings by other Barents countries has not been undertaken. It is also difficult to identify any signature products available in the region.

No forms of cooperation linkages between the tourism actors in the region, such as, strategic alliances, associations and similar exist. Albeit those tourism actors (travel sales intermediaries) are many, they very rarely specialize in any kind of niche marketing or thematic concepts. Distribution channels used by the tourism actors reflect a similar immaturity. Up-to-date social media is not actively used by tourism actors in promoting their tourism products to the target tourists.

The Murmansk region loses to competition from other Barents destinations regarding *supporting factors and resources* that would enhance the destination's appeal. This specifically relates to infrastructure, accessibility, facilitating resources, such as, knowledge and financial capital.

Further, regarding the *comparative and competitive advantages* that influence the potential competitiveness of Murmansk region, it can be concluded that the region possesses the *natural core resources* and primary attractors that can be easily perceived both by the tourism industry and the potential international tourists as quite similar to Northern Norway, Northern Sweden and Northern Finland. This is due to the common natural conditions and physiography that all destinations in the Barents region share. This challenge is however not unique for the Murmansk region: Northern Norway, Northern Sweden and Northern Finland

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have very much in common when they market themselves independently to distant markets. All four destinations are too small, far away from the target markets, alike on the surface and too close to each other to be distinguished from each other to an *unexperienced* foreigner. The similarity of tourist resources is easily reflected when comparing the tourist products in all Barents destinations: with some slight differences, all of them appeal to the same type of tourist and hold similar motivations that can be characterized as *a nature-seeking adventurer*. The true competitive advantage of the Murmansk region lies in the destination's culture, historical heritage, special related-to-Russia events, "typically national" activities and lifestyle different to Scandinavian ones that can be absolutely used as the *unique selling points* towards the international market. Another advantage is that this destination can position itself as a natural gateway to the rest of Russia, with its harbor, and transport hub connecting it to other domestic destinations.

Due to the relatively late start on profiling the region as a potential place to visit having only commenced a few years ago, its *destination policy, planning and development* are weaknesses that hinder tourism development. Although the regional tourism board claims to work out the regional strategy for the tourism, no actions on marketing and developing tourism in the region have been completed as yet at least no strategic document that sets vectors for the region's development was identified during this study. The Strategy of Socio-Economic Development by the regional government does not include any other vision for tourism development than to increase visitor numbers and turnover. Neither has any differentiation between the markets or tourist segments been undertaken. This is a very strong competitive disadvantage when compared to other countries in the Barents region that are putting significant efforts in this work consistently.

The fact that the region doesn't have any proper tourism marketing strategy leads to a gap in the destination's tourism brand. Both the analysis of the public resources and interviews with the tourism actors demonstrates that currently, the region does not have any clear distinct brand that could be used to internationally market the tourist products. What is special for the Murmansk region is that its natural resources have never been branded internationally on an equal scale as has, for example, those in Northern Norway (As for example, Lofoten being labeled by National Geographic as *natural wonders* (Mimir, 2013)). Of course, this fact does not score the region's resource platform any worse than other alternatives in the Barents region. It does, however, emphasize further challenges for marketing these natural resources to international markets.

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Lacking statistics and analysis of incoming tourism flows to the region is another consequence of the weak tourism organization that exists today in the region. It is difficult if not impossible to make any proper conclusions regarding which tourism segment or geographical markets that the Murmansk region currently competes with other destinations within the Barents region. That being said, those figures that are available are extremely low when compared to what Northern Norway, Finland and Sweden have achieved recently. According to the qualitative interviews, both regional tourism board and tourism actors do not perceive the region and their companies as competing with their counterparts on anything at all. All these gaps confirm that *destination management, organization and marketing* are still in a premature condition (or stage). It is quite difficult to identify something special about the *qualifying and amplifying determinants* of the destination that include location, safety and security, cost and value, interdependencies, and carrying capacity of the region.

To summarize, this preliminary, limited and quite simplified analysis of the competitiveness of the Murmansk region confirms that the region possesses potential to develop itself in an internationally attractive destination, but the challenges are many. A brief overview of the strengths and weaknesses of the destination is presented in Figure 25.

<i>Strengths</i>	<i>Weaknesses</i>
Access to the rich natural resources, that are quite similar to that which other Barents destinations possess and offer to the tourists	No distinct tourism strategy aimed at international tourists; no clear vision and no clear destination brand
Unique cultural and historical heritage; special events and lifestyle, that can be found only in this area	Weak destination management company with unclear functions and limited resources
A wide variety of nature and culture-based tourism products provided by numerous tourism actors	Under-developed tourism system with no interconnections between tourism actors, or strategic alliances
	Weak supporting factors like infrastructure, accessibility, and others.

Figure 25. *Competitive strengths and weaknesses of the Murmansk region*

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When compared to that which other destinations in the Barents region have achieved today in tourism development, it can be assumed that it would be quite difficult for the Murmansk region to compete with them on existing or potential tourists from within and outside the Barents region who travel to the European Arctic. Instead of competing, it would be smart to try to strengthen these weaknesses through intensifying the cross-border cooperation in key areas, such as, joint marketing of this area together with other parts of the Barents region.

## **5 CROSS-BORDER COOPERATION WITHIN THE BARENTS REGION AS A TOOL TO ENHANCE COMPETITIVENESS OF THE MURMANSK REGION AS AN INTERNATIONAL TOURIST DESTINATION**

### **5.1 MAIN DRIVERS AND AREAS FOR CROSS-BORDER COOPERATION IN TOURISM WITHIN THE BARENTS REGION**

The main conclusion of the analysis of the Murmansk region's competitive profile in Chapter 4 was that it would be more profitable for the region not to compete, but to cooperate with other Barents destinations for existing and potential tourism flows to the European Arctic. As the region possesses unique tourism resources and is evaluated as a potentially attractive destination for international visitors, other destinations in the Barents region will also win as a result of this collaboration.

One of the main strategic decisions that are important to start with in this process is to identify which areas and forms should be given the highest priority for cross-border cooperation. The starting point for further discussion could be the Barents Tourism Action Plan (2013), which is the strategy document designed with a background in a vast study on experiences and needs in the tourism industry in the four Barents geographical parts. This document was developed in cooperation with the Barents Euro-Arctic Joint Working Group on Tourism (JWGT) as a part of Barents tourism development project, BART in 2013. The Joint Working Group on Tourism was established in 2008 by the BEAC (Committee of Senior Officials) and the BRC (Barents Regional Committee) in order *“to support sustainable and responsible development of the tourism in the Barents region”* (Barents Tourism Action Plan, 2013). The members of this group are representatives of the public tourism organizations (tourism boards) in the northern parts of Finland, Sweden, Norway and Russia.

When the Barents Tourism Action Plan was developed, the cooperation experiences of the Arctic North were benchmarked with the best practices from the Balkans border area (Zarubina, 2013). In this prior-study, an effort was made to determine what the prerequisites for cross-border cooperation success are, and which of the necessary start-up conditions in the European Arctic should be given the highest priority. These include, for example, the following three factors:

- a. Establishment of a transborder network organization that *“could take up the functions of pursuing an overall joint tourism promotion strategy, integrating tourist potentials of the member-countries, enhancing tourist trade and promoting*

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*the region as one of the major travel destinations*” (Zarubina, 2013, p. 42). This organization could also collect and analyze statistics and overall data on tourism in the region as the whole

- b. Identification of the most attractive tourist products in the Barents region (*“distinguished brands”*) that can be promoted as joint tourism programmes
- c. Introduction of *“homogeneous qualification standards for the tourism companies in the region, like hotel classification”* (Zarubina, 2013, p. 42).

The Barents Tourism Action Plan formulates five main cooperation areas that are important for profitable and sustainable tourism development within the Barents region: (1) Cooperation and networking; (2) Education and knowledge; (3) Accessibility and transportation infrastructure; (4) Product development; and (5) Place identity. In each of these target areas, mapping of problems that need to be addressed has been undertaken in order to develop tourism within the Barents region and improve competitiveness of all involved destinations.

With regard to intensifying *cross-border cooperation*, despite the existing experiences of tourism collaboration among Barents destinations’ stakeholders, the current process can be characterized as insufficient for promoting tourism across the borders in the European Arctic. According to the findings in research informing the Barents Tourism Action plan, there is *“lack of effective information channels that would help finding and building the contacts between the potential partners, networks and public organizations in the tourism industry across the borders of the Barents region”* (Barents Tourism Action Plan, Chapter 1, p.8), especially concerning Northwest Russia. The same problem exists in relation to intercultural understanding between tourism professionals in the different parts in the Barents region, particularly between the Northwest-Russian actors and their western counterparts, which do not share any common vision of the problems in cross-border tourism in the European Arctic. The parts that are interested in collaborating across the borders do not have any kind of available free and most preferably, web-based resources of information about the current or future initiatives for cross-border cooperation on tourism in the European Arctic. Additionally, they lack the similar resources that would collect, update and distribute information on international events such as conferences, fairs, workshops et cetera in the Barents region (Barents Tourism Action Plan, Chapter 1, p.8).

Altogether, the connections and market ties between the tourism stakeholders in the Barents region are mostly of a temporary and sporadic character. As yet no sustainable cross-border

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alliances have been identified that would include representative actors of the tourism industry in the Barents region.

Concerning the possibilities of cooperation in *education and knowledge* of tourism, although there is done much research on tourism worldwide and within the Barents region, the efficient communication between tourism researchers and practitioners is still a problem. The Barents Tourism Action Plan and other public studies confirm that the largest part of tourism research never reaches the end-users, the tourism practitioners. This means that there is quite a low correspondence between the actual needs of the travel industry and what researchers study in the Barents region. A positive fact is that according to the same sources the organizations involved in research and development, R&D sector in the Barents region are interested in working on applied research that will bring further development within tourism.

While tourism is most often claimed to be one of the fastest growing industries in the world, which changes itself together with new technologies, it is quite common that poor skills and knowledge in IT, e-commerce and tourism marketing exist among tourism practitioners, especially, small and medium tourism companies in the Barents region. Amongst other needs, the need for training in safety and security among the tourism organizations and destinations in the Barents region has been identified (Barents Tourism Action Plan, Chapter 2).

There is a tendency for the northwestern parts in the Barents region to move towards a better cooperation model and a future tourism cluster. To stress the importance of coordinating joint efforts in developing tourism in the European Arctic, it has been pointed out as one of the main subjects in the recent Report by the Prime Minister's Office in Finland, *Growth from the North* on "How can Norway, Sweden and Finland achieve sustainable growth in the Scandinavian Arctic". This report was a co-production of an expert group set up by the Prime Ministers of Norway, Sweden and Finland in April 2014. Increased tourism through coordinated marketing efforts was ranked amongst four main cooperation areas for the northern neighbors. The report stated that "*while there have been joint marketing initiatives between different counties and municipalities inside national borders, joining forces with Nordic neighbors have never truly been tried. So why not try combining seasonal strengths and market the Scandinavian Arctic together as a whole? It is unlikely that, for instance, a family in Beijing differentiates between Finnish Lapland, Swedish Lapland and Northern Norway when planning a trip. They see the North as a whole. That is how it should be marketed to them. On their own, none of the providers of specialized tourism services can hope to attract a year-round flow of customers from around the world, but with a joint Nordic*

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*state-supported marketing scheme the whole area would have a chance against its global competitors. Closer cooperation between companies and the northern counties of Norway, Sweden and Finland through one brand could benefit business development. Instead of numerous brands, there would be only one: "Visit the Scandinavian Arctic". Through this brand and by building service packages, a steady year-round flow of tourists across the region might be easier to secure.*" (Quoted directly from the Growth from the North, 2014, p. 21)

One of the recent events in this area was the establishment of the Visit Arctic Europe Interreg Project on tourism by the Northern Norway, Northern Sweden and Northern Finland. This project of two and a half year duration with a budget of 6, 4 million Euros has started in October 2015 and will be coordinated by the regional tourism boards in three countries (Finnish Lapland, Swedish Lapland and Northern Norway Tourism Boards). The main focus in this project is further development of tourism in three regions through networking and joint marketing. According to Rauno Posio, leader of the project, *"the task of the Visit Arctic Europe project is to coordinate joint actions that will facilitate the development of cooperation between tourism enterprises and tour operators operating in the market regions and increase in tourism income in the area"* (FTimes Report by Yiyun Song, September 21, 2015). This project is also aimed at improvement of accessibility of the European Arctic region and development of its internal traffic, and will include such activities as "semi-annual meetings, international and domestic study tours, project area visits with tour operators, sales events and workshops". (FTimes Report by Yiyun Song, September 21, 2015)

The situation with Northwest Russia, however, is much more complicated. Recent political development in Russia together with an extremely weak national currency (status as per 2014-2015) presents an obstacle to positive cooperation with its western neighbors. Including Northwest Russia into the future Barents tourism cooperation model will not happen by itself and requires a tightening of relationships and facilitation of communication between Northwest Russia and its neighbors in the Barents region, especially in these recently unfavorable conditions. A lack of the *public-private partnership initiatives* in the Russian part of the Barents region is a serious challenge as well (Barents Tourism Action Plan, Chapter 1). The roles and structures of regional tourism organizations, such as, tourism boards and destination companies in promoting cross-border public-private partnerships, networks and other forms of cooperation are still quite unclear and unsystematic.



## **5.2 ANALYSIS OF THE RESULTS OF THE SURVEY AND OTHER RELEVANT RESEARCH**

As was stated earlier in Chapter 2.2, before choosing the strategy for intensifying cooperation process for a destination, it is important to understand what attitudes, experiences and needs do the tourism supply providers in the borderland have about this process themselves. This is a common approach that has been used in several studies on cross-border tourism, including those outlined in Chapter 2.2 and the Barents Tourism Action Plan (2013). Therefore, the main aim of the second part of the qualitative interview guide was to understand what kind of experiences and expectations the tourism actors in the Murmansk region currently have about possible cooperation with their potential counterparts in other Barents destinations.

### ***Analysis of the results of the interviews on experiences and expectations of the tourism actors in the Murmansk region as regards cross-border cooperation in the Barents region***

The answers follow the same order as was presented in Chapter 3.

#### ***(Q 20) Current degree of cooperation between tourism actors in the Murmansk region and their counterparts in other parts of the Barents area***

Interview respondents were asked what experiences they had had regarding cooperating with other tourism companies across the borders in the Barents region on marketing and selling their own tourism products to the international tourists. Although respondent answers were different, most of them agreed that their experiences in selling tours to overseas tourists through international tour-operators were quite insignificant (or very limited). Some respondents commented that most international tour-operators that sold travel to Russia were interested mostly in the tourism products of the Central Russia (Moscow, St. Petersburg, the Golden Route, Trans-Siberian train route that goes to Mongolia and China), and not particularly in the regional products of the Northwest Russia.

On the other hand, according to the Murmansk Tourism Board, during 2012-2015, the region had acquired some positive experiences in international cooperation on tourism within the Barents region:

- One of the international projects implemented in the last few years in the region has become the “Salla Gate – Business and tourism partnership”, which has focused on the development of Russian-Finnish cross-border cooperation on alpine skiing, involving the cluster of mining industry suppliers

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- Other cross-border projects include the BART-project in 2013, which aimed to study the experiences and opportunities for developing tourism in the Barents region, and the Barents Cross-Border Tourism Project together with the Northern Norway Tourism Board in 2014
- Murmansk Tourism Board is also represented in the Joint Working Group on Tourism (JWGT) together with the members from other Barents destinations.

*(Q 21) Networking with international tour-operators*

The majority of interview respondents stated that there was no active networking with regard to selling and promoting regional tourism products between them and international tour-operators (or tour-operators within the Barents region). Any working contacts with international tour-operators were characterized as sporadic, and not resulting in long-term contracts.

*(Q 22) Internationalization via workshops, fairs and study tours*

According to the majority of interview respondents, currently meeting opportunities, such as, workshops, travel fairs, etc. do not exist to either represent their offerings to the international tourists on a regular basis, or to meet potential customers or partners. Albeit that over the last few years, the Murmansk region has participated in several international travel fairs held in Moscow or St. Petersburg. One of the most recent examples of a networking event that can be mentioned in this context is the Travel Fair “Northern Recreation” held annually in Murmansk. At this fair, leading tourism companies from the Murmansk region are represented with their stands. Most interview respondents noted that as this event wasn’t marketed widely outside the Murmansk region, it was difficult to determine anything about its effect on sales and promotion of the regional tourism products outside the region. Some interview respondents said that they had participated in workshops arranged by the Norwegian, Finnish and Swedish tourism companies, but that these events were not primarily aimed at selling more trips to Northwest Russia to the international tourists, but instead enabled mapping of general opportunities for working together, or attracting more Russian tourists to go abroad. Another example is a workshop that was held in Oslo in March, 2014, which was arranged by tourism professionals from the Murmansk region within the business mission of the Murmansk Regional Government in Norway. According to some of the interview respondents, although this event was meant to become a meeting-point between Russian tourism product owners and Norwegian tour-operators, mostly only Russian

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companies were represented at this meeting. Norway was represented by two companies, which had no direct interest in cooperating with the Russian presented products. This example reinforces the sporadic nature of these experiences. Finally with regard to internationalization, several respondents mentioned that they had participated in study tours to the Northern Norway and Finland, which were arranged by one or another organization.

*(Q 23) Joint marketing*

Joint marketing with potential tourism partners in the Barents region could include such arenas and instruments as travel guides, web resources, advertising, and social media. Most interview respondents reported that there have never been any coordinated efforts to promote Northwest Russian tourism products to international tourists, either within or without the Barents region by using such joint marketing activities. Interview respondents made no reference to any advertising campaigns for cross-border products on the web, in social or traditional media, i.e. newspapers and magazines. Relatedly, with respect to the Murmansk Tourism Board and one of its primary functions – marketing and branding the region, especially international marketing of the destination and its leading actors was not yet actively pursued. Lack of human resources, finance and expertise to coordinate further actions in this direction is one of the barriers, which requires redress. Further, some of interview respondents reflected that there was no support or cooperation between the regional tourism board and these companies. The board could have spared resources or helped to improve the destination's marketing strategy. Overall, interview respondents' experiences of cooperating with international tour-operators for marketing and selling Northwest Russia were deemed as insufficient.

*(Q 24) Willingness to cooperate on tourism with the partners in Barents region, and expectations*

Most respondents stated that they were willing to cooperate with their counterparts in Barents for the marketing and selling of regional products abroad. They also expressed positive, but realistic expectations regarding cooperating with tourism companies in order to develop cross-border products in Barents region.

*(Q 25-26) Main cooperation areas: products and tourists. Elements to be included in potential cross-border products aimed at international tourists*

Interview respondents were asked what tourism products and visitor segments would be the most profitable with which to cooperate with their potential counterparts in the Barents

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region. Further, respondents were asked what elements should be included in potential cross-border products aimed at international tourists.

Most respondents believed that there was a potential in including Murmansk regional products in cross-border tourism packages, as well as selling these packages to tourists from other countries. Some respondents commented that there were a number of segments and products, which they considered were more profitable for cooperation and, which should be included as elements in future Barents cross-border holiday packages. These were:

- *Cultural experiences* based on the history and heritage of the Murmansk region: these experiences are what destination's uniqueness is built on. These elements should be the main focus when targeting international markets, such as, communicating the regional brand through presentation of places of special interest (*Soviet past, Pomor culture, War history*)
- *Extreme niche tourism* was considered by many respondents as an area with high potential. This was due to the unique natural conditions on the Kola Peninsula; and the typical regional products, such as, Arctic Trophy, scooter tours; helicopter tours; fishing; or hunting with the Peninsula. Extreme tourism could also include "living in the "wilderness", whereby ethnographical and cultural motives are incorporated.

According to several interview respondents, these two niche products could be sold in conjunction with corporate tourism products to MICE segment, specifically, business events such as, seminars, conferences, workshops and corporate parties. A few respondents noted that if international tourists arrived in other parts of the Barents region, Norway or Finland, these and other Northwest Russian experiences could be packaged for this category of travelers as trips of short duration across the borders that also include visits to the towns of Nickel, Zapolyarnyj and Murmansk.

A small number of interview respondents provided specific commentary on the types of activities that should be given first priority in cross-border cooperation regarding joint tourism products. The commentaries included following suggestions:

- Selecting several ready-made and easy-to-book products in different price ranges, that are organizable into thematic product concepts, and including these in holiday product brochures aimed at international tourists. These brochures could be produced by joint ventures in the Barents region and distributed via international

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tour-operators, or other similar channels. Booking of such products should be enabled via local or internationally based sales intermediaries

- Distributing information about holiday options including accomodation and eating-out in the Murmansk region and across borders via web and social media. This should be supported by other marketing activities that would increase knowledge about holiday options amongst potential international tourists. Such acitivities could include advertising via traditional channels like radio, web, TV and local media in the Barents region
- Presenting these product offerings via tourism actors' participation in international travel fairs in the Barents region.

*(Q 27) Description of potential cooperation partners*

The majority of respondents expressed uncertainty regarding potential partners in the Barents region. The main group of interest was international tourism operators (specialists in Russia and Asia), and tour-operators in the Barents region in general.

***Evaluation of the factors that facilitate or hinder cross-border cooperation between the Murmansk region and its Barents neighbors on tourism***

Based qualitative interview responses and analysis of available secondary data, an evaluation of different factors that influence the cross-border cooperation between Murmansk region and its Barents neighbors was undertaken (using the list of factors given in Chapter 2.2):

	<i>Factor</i>	<i>Facilitator</i>	<i>Barrier</i>
1.	Positive experience with previously successful cooperation on tourism between the Murmansk region and other destinations in cross-border area		X
2.	Need to foster economic development of the Murmansk region and other destinations in cross-border area	X	
3.	Size of cooperation interest zone between the Murmansk region and other destinations in cross-border area	X	
4.	Good personal relations (contacts) between stakeholders in the Murmansk region and other destinations in cross-border area		X
5.	Cooperation experiences of stakeholders in the Murmansk region and other destinations in cross-border		X

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	area		
6.	Common interests or problems in the Murmansk region and other destinations in cross-border area	X	
7.	Linguistic skills of tourism stakeholders in the Murmansk region and other destinations in cross-border area		X
8.	Existence of transitional organizations in cross-border area		X
9.	Availability of external experts for cross-border cooperation		X
10.	Similar local and regional administrative structures in the Murmansk region and other destinations in cross-border area		X
11.	Similar business structures in the Murmansk region and other destinations in cross-border area		X
12.	Linguistic and cultural similarities in the Murmansk region and other destinations in cross-border area		X
13.	Legislation in the Murmansk region and other destinations in cross-border area		X
14.	Political situation in the Murmansk region and other destinations in cross-border area		X
15.	Corruption level in the Murmansk region and other destinations in cross-border area		X
16.	Infrastructure in the Murmansk region and other destinations in cross-border area		X
17.	Lack of local, regional, national government assistance in the Murmansk region and other destinations in cross-border area		X
18.	Purchasing power of the nearby markets on the other side of the border of the Murmansk region	X	
19.	Geographical conditions in border regions	X	

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20.	Lack of business associations' assistance in the Murmansk region and other destinations in cross-border area		X
21.	Frequent changing of the rules of business in cross-border area		X
22.	Quality and productivity of local tourism sectors across the borders	X	
	<b>Sum Points</b>	6	16

Figure 26. *Barriers and facilitators for cross-border cooperation of the Murmansk region within the Barents region*

Altogether, out of the 22 possible factors there were only 6 favorable conditions that could be characterized as facilitators for cross-border cooperation between the Murmansk region and other destinations in the European Arctic.

***Findings of the other relevant projects on cross-border cooperation of the Northwest Russia within the Barents region***

Two other projects relevant to this chapter are surveys conducted as part of the Kolarctic project Public-Private Partnership in Barents Tourism in 2013 (BART) and the Norwegian-Russian preliminary project on cross-border cooperation in tourism initiated by the Northern Norway Tourist Board in 2014. Each is considered in turn.

In the first of these two projects (BART), several tourism companies in Northern Norway (including tour operators, hotels and tourism development organizations) were interviewed regarding their attitudes to regional and cross-border cooperation within the tourism industry in the Barents region. The majority of survey respondents stated that they used the “*region’s Arctic and High North location in their advertising and in their development of tourism, and 5 out of 15 said they often use the region’s border with Russia for this purpose*” (Espiritu, 2013, p. 8). Furthermore, most survey respondents believed that successful tourism development in the Barents region would demand more cooperation across the borders, and packaging of regional tourism products under a joint tourism brand. “*A majority of the companies interviewed (11/15) said that they see great potential in the Barents region as the whole as an international tourist destination....As one of the respondents put it: “I think the market is interested in experiencing the whole Barents region”*” (Espiritu, 2013, p. 9). Obstacles to such cooperation include language, bureaucracy, consistency in quality and capacity. Respondent

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experiences with cooperation across the borders, with Northwest Russia, were characterized as very difficult and insufficient with many barriers, wherein visa border regimes was mentioned as one of the main challenges. Other obstacles noted were insufficient infrastructure and limited competency of tourism actors.

The cross-border cooperation in Barents tourism preliminary project initiated by the Northern Norway Tourist Board in 2014 included a feasibility study of the experiences of travel sales intermediaries within and outside the Barents region that sell tours to this region (The Barents Tourism Feasibility Study, 2014). The target groups for this survey were *tour-operators in Northwest Russia, Norway and internationally*, who sell the international visitors package tours and individual tourist products based on resources of the European Arctic; as well as *incoming operators in the Barents region*, who handled incoming traffic from international markets. The variety of Barents regional tourism product packages offered by survey respondents included *leisure travel for groups, individuals or families; special interest tours; roundtrips - nature & heritage; excursions*, and *Northern lights adventures* (The Barents Tourism Feasibility Study, 2014).

The main focus of the study was based on the hypothesis that the Barents region had the potential to become an international tourist destination. Most of respondents (71%) held positive attitudes to these two statements:

- “*Northwest Russia and Northern Norway are so far away from major international markets (Asian etc.) that there might be an interest in combining visits to both countries as ‘a once in a life time trip’*”
- There is “*a market for international tourism (from Asia and other markets) to Northwest Russia and Northern Norway as part of tours to other destinations in Russia and Northern Europe.*” (The Barents Tourism Feasibility Study, 2014, p.20).

Knowledge of the Barents region by tour-operators and their clients was also one of the main parameters studied in this survey. An evaluation of responses shows that the term, *Barents region*, is known primarily only within the geographical area itself and not in the rest of the world. In-depth interviews in the survey revealed that the term, *the Barents region*, is seldom if ever used in tourism promotion to distant markets, such as, Asia. Tourism operators instead use another term, *The Arctic region*, which consists of Northern Norway, Spitsbergen, Northern Finland and Northern Sweden, but does not include Russia.



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The second important parameter of the survey focused on the most important reasons for visitation to Barents region by tourists. The main reason was the Northern lights, Midnight sun and nature. Positive characteristics associated with trips to the region associated with nature and activities, Northern lights, accommodation, culture and “uniqueness”. This is illustrated in Figure 27.

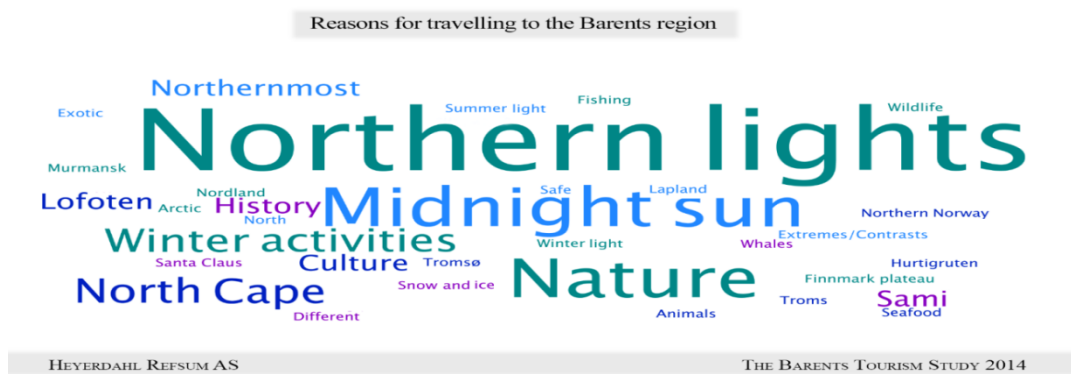


Figure 27. Reasons for travelling to the Barents region (*The Barents Tourism Feasibility Study (2014)*, p.16)

Negative characteristics associated with travelling to the Barents region related to accommodation and infrastructure, transportation, long distances, and expensiveness. This is portrayed in Figure 28.

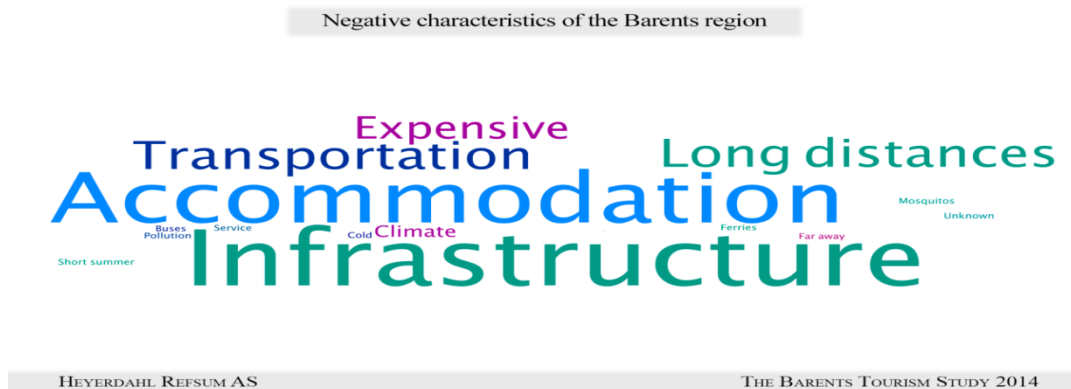


Figure 28. Negative characteristics of the Barents region (*The Barents Tourism Feasibility Study (2014)*, p.18)

Other issues identified in the study included the “*limited selection of products and knowledge in the distribution channels in Asia*”; “*limits in infrastructure; accommodation, transportation, (air, train, bus) – long distances, difficult to get around*”; “*lack of organization of the tourism products; lack of information, lack of attractions, remote areas, negative news about Russia*” (*The Barents Tourism Feasibility Study, 2014, p.19*).

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Identified priorities for cross-border cooperation between the Northwest Russia and its neighbors in the western part of the Barents region were (1) study trips, (2) press/media trips, (3) marketing support; (4) advertising off/online gets; and (5) travel fairs. Additionally, most respondents demonstrated a keen interest in establishing joint tourism ventures in the Barents region.

### 5.3 CONCLUSION ON CHAPTER 5

As evidenced in this chapter, tourism suppliers in the Murmansk region have a positive attitude towards the potential cooperation with tourism companies in other parts of Barents with regard to marketing and selling existing products to international markets and developing new cross-border packages in The European Arctic. These actors do not possess sufficient and/or positive experiences of cooperation with tourism companies in the Barents region for the marketing and selling of local tourism products to abroad, excepting a few examples. Further, there is little action from potential foreign partners, and these actors in the Murmansk region do not possess high and maybe too optimistical expectations about the future of such collaboration. Joint business-to-business marketing aimed at establishing a common Barents identity and the development of cross-border joint tourism products appears to be one of the main directions for cooperation on tourism in the European Arctic according to answers of the respondents in this and similar studies. To a limited extent only, suggestions can be made in relation to the focus of product types and tourism groups; the forms cooperation should take, and, in which joint marketing activities these actors are interested in participating.

Intensified cross-border cooperation between tourism actors in the Murmansk region and their western counterparts is most probably a best case scenario and the *win-win* situation for the Northwest Russia and other destinations in the Barents region. There are several benefits that this cooperation offers:

- (1) First of all, a joint effort on destination marketing would raise awareness about the Murmansk region and the European Arctic as a whole among potential tourists from within and without the Barents region. As the level of general knowledge about Northwest Russian destinations of individual international visitors is significantly low, travel sales intermediaries in both countries are an essential link for increasing knowledge and awareness level.
- (2) Developing cross-border packages that consist of different elements located in several countries will add value to trip to the whole Barents region. Instead of experiencing only Russia, Norway, Finland or Sweden, a tourist can experience all of them during the same trip.

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For many international tourists coming from the distant places up to the North, it may well be a “lifetime” experience.

There are as well several barriers for more active cross-border cooperation in the Barents region. Specifically, tourism actors in the Murmansk region do not possess sufficient knowledge about who their existing and potential target customers from international markets are. Regional tourism companies do not actively work on packaging, promoting and selling their products to international tourists. Companies are uncertain of buyer preferences and motivations, and they are unable to determine, which niches and what demands currently exist for their regional tourism products. Subsequently, this lack of marketing knowledge makes it unclear which tourist segments are profitable to prioritise in order to bring more visitors to the region, and what elements would make holiday packages more attractive to buyers.

This challenge can be met by a prior thorough analysis of what regional product elements can be put together in the cross-border packages in the European Arctic. This is especially an issue for the Russian part, which has not completed any market research on its tourism products at all. Additional research is required to determine the needs and expectations of target markets for innovative cross-border products, as well as how those needs can best be met. Tourism companies in Northwest Russia do not possess sufficient financial or human resources, or, expertise to solve this problem on their own initiative or budget. Thus, better marketing and sales of domestic holiday products abroad may best be realized through strengthening cooperation links between these actors and their potential partners across the border.

Linking different products together under one product concept demands better communication between the counterparts as well. Though not studied in this work, communication between potential cooperation partners in the Barents region is an obstacle due to language barriers, cultural differences, prejudices, and results in limited trust in each other. Consequently, networking is very important in the start-up phase, and should involve various meeting areas where potential partners can share their experiences and build relationships with each other. Often criticized for its limited efficiency, round tables and workshops are also necessary to bring the local tourist boards, destination management companies and other tourism stakeholders together in order to articulate their visions.

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## 6 CONCLUSION AND FURTHER CONSIDERATIONS

To reiterate, the Barents region has enormous unrealized potential as an international tourist destination with enough appeal and resources to attract different kinds of visitors from both closer and distant world markets. Over the last few years, several field studies and marketing researches on border destinations in the European Arctic confirm that interest in travelling to the Barents region for tourists worldwide has increased recently, and will most probably become higher in the future. This well-documented postulate is one of the main cornerstones behind developing a future tourism cluster within the Barents region founded on cross-border cooperation between different levels of key stakeholders in individual destinations.

A comparison of the competitive profiles of the four geographical parts in the Barents region demonstrates that their tourist resource platforms have enough in common to be co-marketed under a joint tourism brand. At the same time, the differences between these destinations are unique selling points for each of them. These peculiarities add extra value to a joint Barents tourism product if the international tourism cluster in the European Arctic was built on this background. Overall, it would be more profitable for the individual destinations not to compete, but to collaborate for the same tourist segments. Coopetition between actors across the borders in the European Arctic is a powerful tool to develop unique tourism offerings that would combine the products by two or more countries; or to market existing offerings more efficiently.

Due to these and other benefits, the individual destinations in the European Arctic would benefit from cooperating with each other. Their geographical borders and remoteness from the rest of the world would then be perceived not as *barriers* and a weakness, but instead as an instrument and an outstanding opportunity to improve their competitiveness by being participants in a sustainable Barents tourism cluster. As identified in other similar studies, this study similarly found that an understanding of cross-border cooperation as a win-win scenario was shared by most of the tourism stakeholders in the Barents region. To that end, practical implementation of the cross-border cooperation mechanism within the Barents future cluster requires the availability of many factors, though three factors are essential: (1) destination's stakeholders, tourism actors in the border regions sharing a willingness to collaborate; (2) tourism actors possessing sufficient expertise to be successful with such a process; (3) the availability of sufficient financial and human resources, as well as an organization or organizational structure to coordinate the process.

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As previously stated, this and similar studies reveal that tourism professionals in the Barents region possess a high level of interest and positive attitude towards cooperation, networking and developing cross-border tourism products with their counterparts in the European Arctic. However, the majority of tourism actors in Northwest Russia lack experience, expertise and knowledge to engage, and have no access to freely available finance and human resources. The public organizations in Northwest Russia such as, the regional tourism boards for the Murmansk and Arkhangelsk counties are interested in facilitating the cooperation process, although they lack the expertise and resources to manage this on their own as well. At the same time, tourism practitioners in the Russian part of the Barents region look forward to receiving more support from these public organizations and other local authorities (Barents Tourism Action Plan, 2013).

The differences in development between the Murmansk region and its northwestern neighbors are also a challenge to practical cooperation between Northwest Russia and its counterparts across the borders. These gaps in development relate, for example, to how the regional tourism system is organized and managed as well as the state of other supply factors, such as, infrastructure. Addressing these gaps by the efforts of regional actors, in infrastructure; or changing national legislation and making destination's management more efficient can be a very hard task with which to deal, if possible at all. While these challenges may be difficult to tackle, the extremely low awareness among international travelers about the Murmansk region as an attractive place to visit is a serious competitive weakness of the destination in the global market that can be better handled through cross-border cooperation between tourism actors within the future Barents cluster.

Possible factors for a successful cooperation strategy for the Murmansk region to be incorporated in the Barents future tourism cluster include increasing knowledge about the destination's holiday options and its tourism products among international visitors, as well as among potential alliance partners in the European Arctic; selecting of the most efficient distribution channels for this information and sales, and choosing of top-priority niches upon which to base collaboration.

One of the most obvious forms of cooperation for the development of cross-border international tourism packages and joint-marketing to international markets is business-to-business cooperation between tourism actors in the Murmansk region, primarily, between the travel sales intermediaries that are the tour-operators and travel agents, the regional destination management companies, and their counterparts in other Barents destinations. This

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form of cooperation demands the establishment of a long-term sustainable network of direct contacts between tourism companies of the Northwest Russia and other parts in the Barents region.

Some recommended practical steps to forward this process include following actions:

(1) First, a range of *networking* activities need to be instigated:

- Establishing a working group for tourism practitioners across the borders that are interested in improving cooperation and networking in the Barents region. This could, for example, consist of tour-operators, tourism product owners, destination companies and other relevant organizations. This group could also be used as an expert panel (advisory board) for the Joint Working Group in Tourism, JWGT to realize this process and to become the missing link between the coordinating body, JWGT, and the travel industry in the European Arctic
- Extending existing forums and meetings on tourism in the Barents region organized by, for example, JWGT with an option for this group of tourism professionals to participate
- Establishing new meeting arenas for the tourism professionals in the Barents region including conferences, workshops and seminars across the borders, where tourism actors could meet to exchange their ideas, discuss potential strategies and share best practices
- Determining an effective model for collecting and distributing relevant information on Barents tourism via the most efficient communication channels aimed at different stakeholders in the Barents region
- Developing a joint web solution that would represent all destinations in the European Arctic and support cooperation and networking between the partners across the borders online, together with an active presence in social medias (Facebook and others)
- Working out joint marketing tools, such as, product manuals that would communicate a joint profile for the destinations and existing regional tourist products in the European Arctic, including Northwest Russia; and designing a product manual for new cross-border products in the Barents region
- Performing a series of study- and media trips for interested cooperation partners across the borders aimed at improving their communication and mutual understanding

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- Involving international tour-operators that are interested in selling Barents cross-border products to international markets through different meeting arenas like workshops and study trips
- Suggesting effective sales and distribution channel to sell the existing and potential cross-border products in the Barents region via international tour-operators and other travel sales intermediaries further to target markets

(2) Next, undertaking a range of activities especially aimed at *increasing knowledge of Barents region as an attractive tourism destination* among international tourists, and potential alliance partners in the European Arctic, for example:

- Organizing study- and media trips, or excursions within the Barents region for involved participants (tourism sales intermediaries and others) to increase their knowledge about the destinations and its tourism products
- Enhancing closer direct cooperation links between tourism product-owners across the borders by establishing various meeting arenas; making a test-study by supporting several tourism product owners in packaging their offers together and selling them through interested tour-operators
- Organizing and encouraging joint cross-border study programs aimed at exchange students, teaching staff and researchers in tourism with educational institutions in the Barents region
- Coordinating training courses for tourism professionals in the Barents region that can include international guiding course; training for the small and medium enterprises et cetera.

(3) Finally, combining the activities listed above with the activities aimed at researching on tourism issues in the Barents region:

- Developing tools for statistical data collection of Barents tourism to facilitate the measurement and comparison of tourism development in each of the destinations
- Promoting regular cooperation on the Barents tourism research between educational institutions in the European Arctic through formal arrangements to achieve common educational, research and development objectives
- Developing cooperation between educational institutions in the European Arctic and the tourism industry in the Russian municipalities of the Barents region



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- Inviting leading research and development actors, R&D sector within and outside the Barents region to engage in dialogue with the travel industry
- Developing tools for collecting and analysis of data aimed at market development and identifying trends in Barents tourism
- Developing joint cross-border online solutions that will support ongoing reporting on statistical and market trends in tourism in the Barents region
- Facilitating other applied research on cross-border tourism in the Barents region.

Using initiative and responsibility to further cross-border cooperation between the travel industry in the Barents region and official tourism organizations like regional tourism boards, demands a higher degree of coordination of actions between the potential partners and the destination's central stakeholders; as well as it requires greater involvement of other public organizations into the process along with better governance and harmonization of the new activities with ongoing regional plans and existing strategies for destination's development being realized by authorities in the European Arctic.

Further academic research in this direction should be aimed at identifying the most profitable tourist segments and product niches upon which to concentrate cross-border cooperation as well as identifying a concrete mix of products that are easily packaged and booked. This will require additional research on actual tourist demands and expectations as well as demand-focused products prior to starting any practical actions in this area, and can be performed within a framework for competitive destination audit process.

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