

# *Evaluation of the strategic priorities of the development of the consumer market of industrial areas in conditions of the new industrialization*

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**Abstract**— The article reveals the issues of modern strategic management of an industrial territory in conditions of the new industrialization. On the example of the analysis of modern trends in the consumer market of the city of Yekaterinburg, as an industrial center of the Urals, the authors carried out a critical assessment of the strategic priorities of the market for goods and services of the city of Yekaterinburg formulated in the strategic plan of the Yekaterinburg city municipality until 2025. The article presents the need to revise and adjust the directions and tools for the implementation of strategic objectives in the light of new trends in the global and national economies. The methodological basis of the study was conceptual approaches to strategic management in the framework of the economy of innovation and knowledge using the methods of SWOT analysis and Foresight technologies. The authors have assessed the state of the consumer market in the context of the implementation of the strategic development plan for the city of Yekaterinburg. The practical significance of the research results reflected in the article is to highlight the priorities for the development of the consumer market of the city of Yekaterinburg for the period up to 2030.

**Keywords**— *consumer market, strategic planning, new industrialization, swot analysis, foresight, "trade hub", knowledge management*

## I. INTRODUCTION

In recent years, the importance of issues related to knowledge management and innovation, in theoretical and empirical research, has grown rapidly. Knowledge management is the basis for analyzing the causes, course and consequences of global socio-economic and political processes, the process of economic growth and development, the global competitiveness of countries in the context of globalization. In addition, the success and stability of modern companies, regions, countries and the World depend on the intensity of the creative destruction process (creative destruction, a term introduced by I. A. Schumpeter in 1942

[1]). Continuity is important in all areas of knowledge innovative development of the process.

According to the Global Innovation Index (GII), published annually by Cornell University, INSEAD and the World Intellectual Property Organization (WIPO), Switzerland in 2018 retained its first place in the global innovation ranking. Having completed the top ten of GII 2018: the Netherlands, Sweden, the United Kingdom, Singapore, the United States of America, Finland, Denmark, Germany and Ireland. The Russian Federation ranks 46th in the ranking (in 2016 - 45th place). The GII estimates 126 countries based on 80 indicators (from the cost of registering intellectual property, to the creation of mobile applications, education costs and scientific and technical publications). In terms of human capital development and research, Russia ranks 22nd in the GII ranking, and 27th in the "quality of innovation" sub index, education and science are the country's strength. In spite of high rates in the field of developing innovations, Russians face problems in their implementation. In terms of political stability and security, Russia is in 94th place, in terms of the regulatory environment, where law and law rule - in 90th place. To change the situation and demonstrate the best indicators of the development of innovative potential, it is necessary to implement programs for the long-term strategic development of companies, industries, regions and individual territories.

## II. RESEARCH OVERVIEW

The importance of applying strategic management tools for the successful development and implementation of innovations and knowledge management at various levels of the economy is a matter of discussion of a wide range of foreign and domestic researchers [2,3, 4, 5, 6 and others].

When conducting research, the authors relied on the accumulated experience of strategic planning of other municipalities of different countries, mainly Russian, as having similar institutional and infrastructural conditions for development [7,8,9,10,11,12,13]. Systematization of published

results makes it possible to recognize strategic planning tools as a key factor in the successful development of municipalities. Planning practice in different countries relies on similar methods and approaches. Interdisciplinary foresight technologies, which create the desired image of the future and describe ways to achieve it, have become widely used in territorial planning. These techniques have been successfully applied and are used in planning the development of various objects. In the Web of Science database, the number of scientific publications over the past 30 years on the search query “foresight” has grown from 14 units. in 1987 to 426 in 2017

In modern works on urban development strategy, an emphasis is placed on the issues of spatial development, zoning and specialization of the territories of municipalities [14,15,16]. The territory of municipalities begins to be perceived as a symbiosis of multi-level and intersecting spaces: social, economic, recreational, leisure, creative and others. The task is to unite them in such a way that the comfort and safety of living and being in urban areas is maximum. This methodological approach was considered by the authors when preparing their proposals. The modern innovations in the development of the market for goods and services, including digitalization, have also been considered [17, 18, 19, 20].

### III. METHODOLOGY AND SIGNIFICANCE OF THE RESEARCH

In this article the authors based on an analysis of intermediate data, assess the implementation of the strategic development plan for the city of Yekaterinburg, aim to identify new priorities for the development of the consumer market in the territory considering current trends for the future of 2030.

The main objectives of the study:

- Clarification of the conceptual apparatus of the spatial distribution of organizations of retail trade, catering, consumer services and other services to the population.
- Identification of modern trends in the consumer market of Yekaterinburg, clarification of its strengths and weaknesses, opportunities and threats.
- A critical assessment of the relevance of the strategic priorities for the development of the consumer market, enshrined in the Strategic Plan of Yekaterinburg version until 2025, the definition of new priorities for the development of the consumer market of Yekaterinburg until 2030.

The main tool used in the study is the SWOT-analysis technique, the technique has proven its effectiveness according to the results of a mass of research of various objects at different levels of the economy: micro, meso, macro [21,22,23]. The SWOT analysis was carried out in the following infrastructural areas of the consumer market of Yekaterinburg: a network of retail and wholesale enterprises; production facilities for the production of agricultural products and food products; network of catering and personal services; infrastructure in the field of socio-cultural communications and business communications (hotels, exhibition areas, business centers, consular offices). Transport and logistics infrastructure considered indirectly, as a basic framework for the development of trade.

### IV. DYNAMICS OF INDICATORS OF DEVELOPMENT OF THE CONSUMER MARKET OF THE CITY OF YEKATERINBURG

Yekaterinburg is one of the main industrial centers in the Urals and in the Russian Federation, is a major metropolis with more than a half million people. The Yekaterinburg city municipality has been showing the positive dynamics of changes in key economic indicators, which was made possible by the gradual and effective perspective strategic development plan of the city. According to the data presented in the reporting document on the results of the socio-economic development of the city of Yekaterinburg in 2017, the retail trade turnover in 2017 amounted to 755 billion rubles. Below are the refined data of the analysis carried out by the authors together with members of the working group on updating the Strategic Plan consisting of representatives of the Municipal Administration (Commodity Market Committee, the Committee on the organization of consumer services and others) under the guidance of the Deputy Head of the City Administration on Consumer Market and Services (table 1).

TABLE I. MAIN INDICATORS OF THE IMPLEMENTATION OF THE STRATEGIC PLAN FOR THE DEVELOPMENT OF THE MARKET FOR GOODS AND SERVICES IN YEKATERINBURG (IN COMPARABLE PRICES IN 2009)

Indicator	Unit	2009	2016	Increase 2016/2009, %
Shipment of products by large and medium-sized enterprises of the food industry	billion rubles	25,7	32,3	125,7
Retail trade per capita	thousand rubles	275,3	293,2	106,5
Provision of retail space per 1000 inhabitants	sq. m. / thousand people	938,8	1432,1	152,5
Catering turnover per capita	thousand rubles	10,9	13,9	127,5
Availability of catering seats	a place/ thousand people	45,0	63,2	140,4
Wholesale turnover in large and medium-sized organizations	billion rubles	134,8	481,9	357,5
Storage space for consumer goods	Thousand sq. m.	839,6	2041,8	243,2
Number of places in hotels	in units of objects	7299	10666	146,1
Ratio of office space by grade (A, B, C)	%	18,5 66,0 15,5	25,4 63,5 11,1	137,3 96,2 71,7
Number of specialized exhibition sites	in units of objects	5	6	120,0
Number of major congress international events	in units of objects	8	23	287,5
Number of foreign guests	thousand people	115	297	258,3

<sup>a</sup>. Compiled by the authors according to the internal reporting of individual committees of the Administration of the city of Yekaterinburg together with their specialists

In general, the results of the implementation of strategic programs for 2009-2016 indicate the successful development of the goods and services market, a positive trend is observed in almost all of its indicators. According to the authors, the trend demonstrates one of the most successful results among other areas of the city’s socioeconomics.

The SWOT-analysis allowed to formulate a pool of real competitive advantages of the city in the direction of the

development of the market of goods and services. In the town:

- ensured the availability of production capacity for the production of food and light industry products;
- a base was created for the development of Yekaterinburg as an interregional wholesale center (the arrival of international and federal operators);
- trade hubs were formed with the complex development of the enterprises of the consumer market (the emphasis was shifted from trade to services);
- a modern business infrastructure was created (airport, hotels, business centers);
- the processes of creating awareness of the city in the international community are actively taking place as one of the attractive places for business communications on the Russian market.

The implementation of the project for the development of the spatial complex of Trade Nodes as part of the implementation of the strategic development plan for the city of Yekaterinburg has a synergistic effect, which is expressed in a joint strengthening of the development of various areas of the service sector. For example, a quantitative assessment of the results of work on the project showed that for 2010 - 2016. achieved an advanced growth rate of household services to the population in comparison with other sectors of the consumer market. The volume of household increased 1.7 times in comparable prices; the number of consumer services organizations increased 1.4 times, and their area - 1.3 times. The development of new types and formats of organizations in the consumer market is observed in the territories of trade centers; not only the entertainment industry, but also the industry providing services for the development of children and others are actively catching up.

The main objective of the further development of the network of shopping centers is to increase the comfort, transport accessibility and ease of consumption of goods and services for guests and residents of various districts of the city.

Along with the positive trends in the consumer market of the city, there are also problem areas that require rethinking and quite significant changes when updating the strategy. This applies to individual projects of the program "Ekaterinburg - a center for the production of high-quality and safe consumer goods" (Fig. 2).

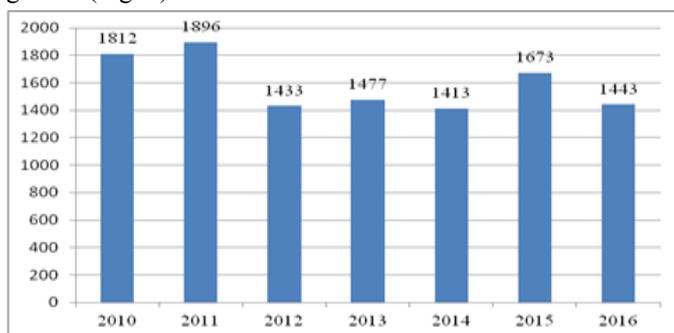


Fig. 1. The shipment of goods from 2010 to 2016 in prices of 2010 (million rubles)

The presented graph demonstrates the reduction of quantitative indicators for the project "Quality goods of light industry for citizens", a similar negative trend is typical for projects for the production of agricultural products. The main reasons are the "natural market" closure of large enterprises of

light industry (which did not withstand competition), as well as agricultural organizations (their removal outside the municipality). At the same time, we believe that in the conditions of the priority of the policy of import substitution, food security and diversification of the city's economy, we consider it a premature rejection of these directions.

The results of the assessment of the state of the market for goods and services allowed us to prepare proposals for the actualization of strategic objectives.

#### V. NEW PRIORITIES FOR THE DEVELOPMENT OF THE CONSUMER MARKET OF YEKATERINBURG UNTIL 2030 IN CONDITIONS OF THE NEW INDUSTRIALIZATION

The development of the consumer market, as well as all other spheres of economic activity occurs with the active and complex interaction between government policy and market processes that affect decisions made by specific enterprises in specific areas of innovation. The new economy, the economy of knowledge and innovation in terms of technologizing and globalization dictates its own conditions for the development of individual territories. Due to the current not simple geopolitical and economic relations between Russia and the World, we need to focus not so much on the global level of urban integration, but on the processes of integrating the city into a regional and national system of distribution. It seems appropriate to clarify the development priorities of the consumer market of Yekaterinburg until 2030, to adjust the tasks so that they reflect the following desired states of the consumer market based on the current strategic vision of the future:

- balanced development of "trade centers", which allowed to increase the number of investments in the development of the city, as well as equal availability of goods and services for the population of the city
- increase the competitiveness of consumer goods of local production in the market of the city and region based on the modernization of production and the introduction of innovative technologies;
- ensuring the quality and safety of consumer goods and services.
- development of the city of Yekaterinburg as an international business center through the development of business infrastructure;
- providing the consumer market with highly qualified personnel.

#### VI. CONCLUSION

In the past 10 years, the world community has faced a number of global and long-term problems, including demographic (aging population, "demographic hole"), lack of drinking water, climate change, pollution, and others. The global financial crisis that emerged in 2008 revealed the problems of strategic planning at the level of individual organizations, regions and countries, which entailed global negative economic and social consequences that could have been avoided.

The analysis confirmed that there is an urgent need to revise and develop new, more efficient mechanisms for implementing strategic objectives in the consumer market

based on the modern aspects of its development, as well as the development of a new economy.

Quantitative and qualitative analysis of data on the functioning of the consumer market of the city of Yekaterinburg allowed to critically evaluate the strategic priorities for the development of the market for goods and services in industrial territories using the example of the Yekaterinburg city municipality.

The authors proposed and substantiated new priorities for the development of the consumer market of Yekaterinburg considering the identified current trends and global trends for the future until 2030. These priorities have been put into practice in the updated version of the Yekaterinburg Strategic Development Plan, approved by the decision of the Yekaterinburg City Council of May 25, 2018 No. 12 / 81 [13].

The main objectives of the direction were approved goals of strategic programs that fill the direction. According to the program "Yekaterinburg - the center of production of high-quality and safe consumer goods", the task is to improve the production processes of modern competitive high-quality and safe consumer goods. The program "Yekaterinburg - the center of modern trade technologies" involves the development of Yekaterinburg as a major interregional center for wholesale and retail trade, improving the comfort of purchasing goods. The purpose of the program "High quality services - a new level of service", the formation of the infrastructure that guarantees high quality, comfort and safety of service. "Ekaterinburg is an international center for business communications and tourism" is focused on enhancing the competitiveness of Ekaterinburg and forming its attractive image as an international center for business and tourist communications.

The implementation of the tasks will allow the city to realize its plans for a strategic vision of the future. According to the authors, the development of real projects under these programs of direction will contribute to the balanced development of the trade and service sector of the economy, the introduction of innovative technologies in the processes of production and distribution in the consumer market, will create comfortable and safe conditions for purchasing goods and services for the population and guests of the city. The business infrastructure will reach the world class level, Yekaterinburg will become more recognizable in the world community, it will acquire the status of an international center for business communications. This will allow Yekaterinburg to be integrated into innovative regional, national and global processes, and to hold major international events of various formats. Thus, the multifunctionality of the city will be enhanced, its stability will increase.

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