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ECONOMIC TRANSFORMATION OF THE COMPETITIVE POTENTIAL OF THE TOURISM INDUSTRY SUBJECTS: METHODOLOGICAL CONCEPT

ABSTRACT

The article considers the methodological concept of economic transformation of the competitive potential of the tourism industry subjects and characterizes the elements of it. The focus is on the stages (phases) of economic transformation of the competitive potential of the tourism industry. The study reveals consistent and regular changes in its development, from turbulence to transformation. Transformation is a long-term process that brings drastic qualitative and quantitative changes to the economy. The principles that govern the economic transformation of the competitive potential of the tourism industry subjects include objectivity, historicism, systematicity, consumer value, reproduction, and smart specialization. The basis of the economic transformational process is a modification of the criteria for evaluating the competitive advantages of the subjects, namely the sustainability, safety, and competitive advantages. Approaches to developing a tourism subject's competitive potential in the post-war period in Ukraine are analyzed. They determine the interdependencies of economic transformation processes, the dynamics of their course, and evolutionary changes (transformation cycle). The economic transformation tools are identified. They depend on transformational changes and require well-considered means and management measures when changing the old model into a new one, which influences the rapidness of changes. The model involves a scheme for evaluating the economic transformational processes using three main criteria of assessment: sustainability, safety, and the competitive advantages of the tourism industry subject. The article presents several scenarios for implementing the model of economic transformation of the competitive potential of the tourism industry entity, describing them as inertial, pessimistic, optimistic, and realistic. Depending on the scenario, a differentiated approach to a mechanism and the corresponding institutional infrastructure for economic transformation of the competitive potential of tourism industry entities are developed. The research findings indicate that the highlighted methodological concept can ensure a high level of development of competitive potential for tourism industry entities.

Keywords: tourism, tourism industry, tourism industry entities, economic transformation, competitive potential

JEL Classification: H11, H80, L10, L83, O10

INTRODUCTION

The current state of the economic development of Ukraine, which is accompanied by a sharp drop in GDP (in 2022, a decline was observed at the level of 30.4% [1]), requires working out new development models adapted to the war and post-war conditions. In the tourism industry, the most effective model is improvement through the transformation of the competitive potential of its entities. Accordingly, such processes should be supported by "new rules of the game" at macro-, meso-, and micro-levels. Economic transformation processes are very complex from the standpoint of the modern strategies design, new principles, models, and other "stimulators" of forming a fundamentally new approach to the competitive potential of tourism industry entities. As Shchurov I. notes, "the development and phased implementation of a model makes it possible to determine the strategic vectors of transforming the economy of Ukraine on a systemic



basis, prevent further destabilization of the country's economy under the influence of the global trends, and determine the national reform strategy for the future, taking into account the latest changes (political, economic, financial, etc)" [2]. Given this, the development of a methodological concept for the economic transformation of the competitive potential of tourism industry entities seems relevant.

LITERATURE REVIEW

The literature review, which serves as the theoretical basis for the methodological concept of the competitive potential economic transformation in the tourism industry, provides the analysis of research findings by leading scientists and experts in the field. Many Ukrainian and foreign scientists are engaged in the study of the transformation processes in the economy. Shchurov I. claims that the development and phased implementation makes it possible to determine the strategic vectors of the transformation of the economy of Ukraine on a systemic basis [2]; Shynkaruk L.V., Bevz I.A., and Baranovska I.V. examine structural transformations in the economy of Ukraine focusing on dynamics, contradictions, and their impact on economic development [4]; V.Malinovsky studies transformation as a long-term process and a non-momentary phenomenon [5]; Piotr Buła and Oleksandr Melnychenko see the transformation as a transition from an industrial to a post-industrial (information) society [6]. The principles of transformation of the competitive potential of tourism industry entities are based on the research of Baranovskyi O.I. (evolutionary) [12]; Kyryliuk E.M. and Proshchalykin A.M. (systematic approach) [13]; Hrytsenko A.A. (institutional) [14]. To determine the tools for transforming the competitive potential of the subjects of the tourism industry, the works by Voskresenska O. (SMART-tourism) [17], Khytra O.V. (tourist branding) [18], Humeniuk H.M., Poliova L.V., Humeniuk, A.I. (tourist cluster) [19], Mazur V.S., Halko O.V. (tourist cluster) [20], and Ivashova L.M. (state-legal partnership) [21] were taken as the basic ones.

AIMS AND OBJECTIVES

The purpose of the study is to develop a methodological concept of increasing the competitiveness of the tourism industry entities by economic transformation of their competitive potential. The main tasks of the article are to investigate and determine the features of each of the elements of the proposed methodological concept, namely the stages (phases) of the economic transformation of the competitive potential of the subjects of the tourism industry, the principles, transformation tools and approaches to the economic transformation of the competitive potential of tourism industry entities, develop the methodology for assessing the economic transformation of the competitive potential of tourism industry entities, and scenarios of economic transformation of the competitive potential of tourism industry entities.

METHODS

In the course of the research, both general and specific scientific methods were used: methods of analysis and synthesis, historical method, method of generalization, methods of analysis of facts, methods of system-functional approach, and method of systematization. The concept of the economic transformation of the competitive potential of tourism industry entities should be based on the identification of the phases (stages) of the economic transformation of the competitive potential, principles, criteria, approaches, economic transformation tools, and methods of evaluating the transformation processes of the competitive potential of the tourism entities.

RESULTS

The methodological concept of transforming the competitive potential of the subjects of the tourism industry is shown in Figure 1. It demonstrates that the suggested methodological concept includes such elements as:

- stages (phases) of economic transformation of the competitive potential of tourism industry subjects;
- principles of transforming the competitive potential of tourism industry subjects;
- instruments/tools of economic transformation of the competitive potential of tourism industry subjects;
- approaches to economic transformation of the competitive potential of tourism industry subjects;
- methods of evaluating the economic transformations in the competitive potential of tourism industry subjects;
- scenarios of economic transformation of the competitive potential of tourism industry subjects;
- mechanisms of economic transformation of the competitive potential of tourism industry subjects;



 institutional infrastructure of the economic transformation of the competitive potential of the tourism industry subiects.

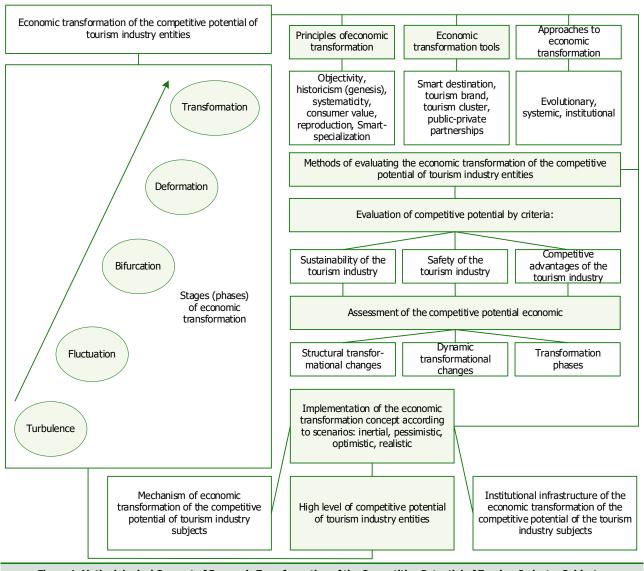


Figure 1. Methodological Concept of Economic Transformation of the Competitive Potential of Tourism Industry Subjects.

Economic transformation of the competitive potential of tourism industry subjects involves a process that allows determining:

- the trajectory of the competitive potential development of the tourism industry subjects over a long period (for example, 20-30 years). This will provide a basis for an evolutionary analysis of the influence of various factors on the tourism business and identify the peculiarities of forming a competitive environment in the field of tourism;
- the most significant factors and 'irritants' that restrain the development of the competitive potential of the tourism industry. These factors determine the stage of transformational change in competitive potential;
- the forms of transformational economic changes that can "launch" positive qualitative and quantitative changes in the development of the competitive potential of tourism businesses in the post-war period [3].

The economic transformation of the competitive potential of the tourism industry subjects can be characterized by a different speed of transformational changes, the time range of structural shifts, and their scale. In the scientific report mentioned in the literature review, it is indicated that «processes of structural shifts are a kind of a core that permeates the entire socio-economic system from bottom to top. As a part of this process, there is a natural change in the direction of the main trends of structural changes in the economy. The structural shifts stimulate the modernization of the country's



economy through the redistribution of resources between industries, and thus contribute to its stability, security, and efficiency» [4].

Accordingly, the economic transformation of the competitive potential of the tourism industry subjects covers several implementation phases, which determine the speed, time horizon, and scale of the changes (Figure 2):

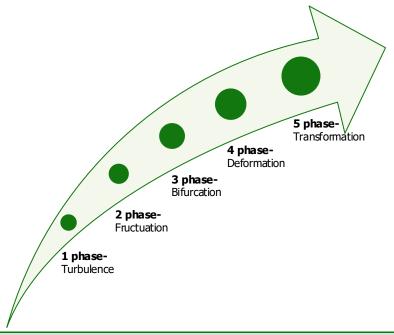


Figure 2. Stages (phases) of economic transformation of the competitive potential of tourism industry subjects.

Phase 1 – turbulence. The stage is accompanied by the instability of the development in the tourism industry, the appearance of threatening (destructive) factors in the tourism industry development, low level of consumer satisfaction with tourist services, the emergence of migration processes, inefficient government policy for the development of the tourism industry, political instability, etc. This phase generates a "transformer". Its appearance is currently due to military actions in Ukraine when the economic and political systems cannot cope with the existing challenges. The controllability of the system is lost and all once-regulated processes go beyond the control of various management bodies, which causes the spontaneity in developing the competitive potential of the tourism industry subjects.

Phase 2 – fluctuation. This stage is characterized by deviation in the stable development of the tourism industry. However, in this phase, despite fluctuations, the system is still able to maintain relative stability for some time. On the other hand, the violation of the system's stable functioning leads to the levelling of the existing model of tourism business.

Phase 3 – bifurcation. It is characterized by crisis features in the development of the tourism industry. The stability of the system is violated and we observe complete "chaos" in all processes underlying the development of the tourism industry and its competitive potential.

Phase 4 – deformation. The emergence of a NEW model of the competitive potential development of the subjects of the tourism industry is observed, the characteristics of the tourism industry change, the process of reproducing the tourist potential takes place, and new type of relations between subjects providing tourist services and their consumers is formed.

Phase 5 - transformation. It envisages a new "architecture" and "model" of the concept of developing the competitive potential of tourism industry subjects, which can realistically modernize strategic imperatives and target orientations in accordance with the conditions of the post-war period.

The process of economically transforming the competitive potential of tourism industry entities according to the relevant criteria is shown in Figure 3.



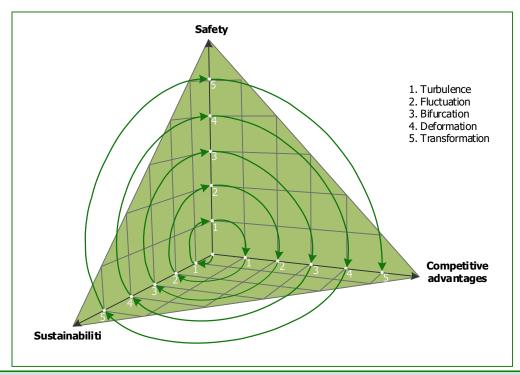


Figure 3. The process of economic transformation of the competitive potential of tourism industry subjects.

Thus, talking about the subjects of the tourism industry, we can observe a consistent and regular change in the phases of the competitive potential development over time, from the stage of turbulence to the state of transformation.

As a result of such economic transformational changes, we receive a safe and sustainable development of the competitive potential of the destination, within which qualitatively new competitive advantages can be effectively formed and they will meet the needs of consumers in high-quality tourist services in the post-war period.

The economic transformation process is a long-term one and it covers many spheres of society's life, bringing drastic qualitative and quantitative changes to the national economy. V. Malynovskyi clearly states that «transformation is not a one-time phenomenon but a long-term process that can last continuously for a relatively long historical period covering various areas of state activity. It needs coordinating efforts of state authorities, local self-government bodies, and civil society institutions. The transformation activity presumes the simultaneous coexistence of the processes of modernization, post-modernization, and traditionalist retreat. At certain stages, there may be a period of sustainable development (stabilization), as well as a period of transformational crisis – the absence of factual reforms with the predominance of a situational approach, when rules and mechanisms depend on the political or socio-economic situation» [5].

Economic transformation may refer to conditions for the formation and development of the competitive potential of business entities. These include, for example, factors of the competitive environment development in the tourism sector, the expansion of the tourist services market, the improvement of the quality of the tourist services, etc. Scientists also interpret such a transformation as the form of a «transition from industrial to post-industrial (information) society; integration of technologies, capital, information, and intellectual resources; transition to business valuation at the level of new industrial economies; overcoming the excess (destruction) of the concentration of property, assets, capitalization, and liquidity; recognition of international standards, codes, and the best global business practices» [6].

At the same time, the economic transformation process may involve a radical change in the business models of the tourism industry. First of all, it concerns the creation of integrated associations of tourism industry subjects (tourist clusters or tourist hubs) and transition to the structures of developed markets [7]; overcoming the turbulence of economic processes [8], expansion of the tourist services package, varying logistics of tourist flows, digitalization of tourist services, and creation of a tourist destination brand; inter-penetration of the insurance and stock markets via the development of new financial instruments [6].

There is another group of scientists who regard economic transformation «as a process of changes in the system of management bodies, establishments, and institutions that manage the internal affairs of society controlled by the subjects of transformation by giving them a new mission and new functions, increasing their efficiency, and focusing on achieving



new, as a rule, qualitatively higher results in providing administrative and public services to the population» [9]. Scientists also note that «the combination of breakthrough and stabilization phases is the essence of transformation, which makes it different from revolution. In the core of a breakthrough lies creativity, not imitation of the previous experience»[10]. In the analyzed sources, there is also a discussion about the positive and negative features of transformational changes in any area. For example, some scientists claim that «transformation is characterized, on the one hand, by negative signs, generated by uncertainty about benefits and losses and natural fear of something unknown. This factor is particularly significant from the standpoint of the two socio-cultural genotypes of contemporary Ukrainians (the first type (traditional) tends to paternalism, and the other (innovative) is a self-sufficient type). On the other hand, transformations stimulate the creative potential of a society» [5].

The principles of economic transformation of the competitive potential of the entities in the tourism industry are those rules and regulations that are supposed to form the basis of transformational changes, and all stakeholders should adhere to them, taking into account the existing realities. The following system of principles for economic transformation of the competitive potential of tourism industry entities is presented in Table 1:

- 1. The principle of objectivity provides an actual reflection of the state in developing the competitive potential of the tourism industry subjects. In the process of transforming the competitive potential, it is necessary to evaluate the factual competitive environment of the tourism industry, the market of tourist services supply and demand, the tourist attractiveness of the destination, the level of consumers' purchasing power, the safety of providing and receiving tourist services, etc. It can provide timely detection of deviations from the desired model of the economic transformation process, allow preventive measures to eliminate the fluctuations, and predict a possible danger or threat to the development of the competitive potential of tourism industry subjects in terms of providing quality tourism services [11].
- 2. The principle of historicism (genesis) is based on the study of the regular features of changing patterns of the competitive potential of the subjects of the tourism industry caused by the influence of various factors in terms of the scope of coverage, the period, and the efficiency, depending on the dominance of one or another political force, the economic situation in the country, the state of war, etc. Adherence to this principle allows us to reveal the tendentious features of the economic transformational processes course in the time range and to identify the changes in the competitive potential of the tourism industry caused by transformation, including the main destabilizing factors. On the other hand, the principle of historicism provides a basis for comprehending the causes of the economic transformation transition from one state of development to another, which is fundamentally beneficial for working out a new conceptual model for developing the competitive potential of tourism industry subjects.
- 3. The principle of systematicity implies the interpretation of the competitive potential of the subjects of the tourism industry as a single integrated system that contains a set of interacting elements. In the context of the economic transformation of competitive potential, it means that the process must cover all elements of the system without exception. Moreover, it is required to anticipate the systematic implementation of transformative changes in the competitive potential of the subjects of the tourism industry.
- 4. The principle of consumer value is based on the formation of a consumer values framework to determine the value of the consumption of tourist services. The economic transformation of the competitive potential of the subjects of the tourism industry should create a new consumer value of the tourist product, higher quality tourist services, tourist services, etc. The consumer expects to get satisfaction from the travel service, a so-called "emotional purchase", and this can promote a positive impression of the company's travel brand. Therefore, the subjects of the tourism industry, still in the deformation phase, should be concerned with the formation of the concept of 'impression marketing', 'emotional marketing', H2H Marketing, the creation of a tourist brand, or rebranding, which can be successfully implemented at the transformation stage.
- 5. The principle of reproducing is based on the understanding of the need to ensure the reproduction of all resources undergoing economic transformational processes. First of all, it concerns the tourist potential of the destination, tourist opportunities, and infrastructure facilities that form a package of the tourist services and determine their quality.
- 6. The principle of 'Smart' specialization implies that the economic transformation process should be based on innovations and the formation of new innovative trajectories for developing the competitive potential of the subjects of the tourism industry. In Ukraine, in the post-war period, there will be a need to change attitudes and mentality regarding the package of new tourist services that are to be unique and fresh, taking into account the potential



tourist opportunities of the destination. Thus, smart tourism destinations must be created as a tool for the post-war restoration of the tourist potential of the territory.

Table 1. Principles of economic transformation of the competitive potential of tourism industry subjects.

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Principles	Definition of the principle	The result of use in the process of economic transformation
Objectivity	A reliable and explicit assessment of the level of competitive po- tential development of a tourism industry subject	It creates a basis for identifying deviations from the defined model of the economic transformation process and developing a predictive model of the competitive potential development of the tourism industry subjects
Historicism	Study of the regular features/patterns in the development of the competitive potential of tourism industry subjects under the influence of factors	It allows us to assess the state and trends of economic transfor- mational processes over time, identify changes in the competi- tive potential of the tourism industry in the process of transfor- mation, and evaluate the reasons for the transformational transi- tion from one state of development to another
Systematicity	Interpretation of the competitive potential of the tourism industry subjects as a single integrated system	Enables determining the place and role of each element in the system of the implementation of economic transformational changes
Consumer value	Fundamental development of the consumer value of a tourist service/product	Facilitates the formation of the perception of "emotional pur- chase" in the consumer of the tourist service/product, formation of the concept of impression marketing, "emotional marketing", H2H Marketing, and the creation of a tourist destination brand
Reproduction	Formation of understanding of the need to ensure reproductive processes resulting from economic transformational changes	Allows to reproduce the tourist potential of the destination, tourist opportunities, and infrastructure facilities, restoring consumer trust in safe services
Smart-special- ization	Formation of an innovative model of tourism destination	Create a smart tourism destination as a tool for the post-war re- covery of the territory's tourism potential.

As stated in [5], « the experience of the developed democracies proves that in addition to well-chosen principles, the success of any transformation is based on the implementation of a well-grounded logic of change, which, in turn, determines the rules of their implementation. At the same time, these rules are required to be inviolable, or, in other words, a single legislative ideology must be consistent, based on unchanging conceptual foundations» [5].

At the heart of the economic transformation process is the modification of the criteria of the competitive potential of the tourism industry subjects, which, according to the above studies, are interpreted as the sustainability of the tourism industry, the safety of the tourism industry, and the competitive advantages of it.

To determine the interrelationships and interdependencies of economic transformational processes, the dynamics of their flow, and evolutionary changes (transformational cycle), it is necessary to work out the approaches to their implementation in the context of developing the competitive potential of tourism industry entities in the post-war period. Some scientists distinguish the following basic theoretical approaches to the implementation of economic transformational changes: teleological, which sees the creation of a new economic system as a rapid transition from one state of society and economy to another by a particular ideal or project; absolutized evolutionism which implies the formation of a market economy, realization of which at the end of the 20th century turned out to be impossible because of the lack of time for its implementation; genetic, which means 'going away from problems', constantly moving forward through trial and error, and refusal to achieve the ideal quickly; a transition through adoption of the existing institutions of the highly developed countries of the West, hoping for successful catch-up modernization [4].

We suggest supplementing the existing approaches with more practical and effective ones for making economic transformational changes. They are evolutionary, systematic, and institutional approaches.

The evolutionary approach to carrying out economic transformational changes is based on the study and analysis of stages (phases) of transformation under the influence of various factors and a definite stage of historical development [12].

Representatives of the evolutionary theory interpret the evolutionary approach as long-term progressive changes in the economic system. They «investigate the influence of behavioural factors on the establishment of market equilibrium, the influence of NTP on the structure of the national and global economy and its growth, taking into account the dynamic changes of various indicators» [13]. The evolutionary approach makes it possible to analyze the transitional processes of economic transformation and identify its phases depending on the state of the 'transformer' and the stability of the whole



system. This approach also clarifies the general laws of the formation and development of the competitive potential of the tourism industry. Such an approach is essential from the point of view of evaluating the phase in which the 'transformer' is now and is significant for outlining the main trends of implementing qualitative and quantitative changes in the competitive potential of the tourism industry subjects.

As E. Kyryliuk notes, «the systematic approach allows us to identify some characteristic features of the phenomenon or factor that indicate the presence of changing structures, or in the modern interpretation, transformation processes in the systems» [13]. Thus, the systematic approach involves interaction between all criteria for the economic transformation of the competitive potential of the tourism industry and provides a reliable basis for determining the place and role of each phenomenon and element in its development. In this context, determining the role of each criterion in the general system of formation and development of the competitive potential of the subjects of the tourism industry is extremely important. On the other hand, each criterion should be subject to development and reproduction within the system, which will contribute to its integrity and synergy from the perspective of implementing economic transformational processes of the competitive potential of tourism industry entities.

The institutional approach reflects the need to create a developed institutional environment for economic transformational changes. The current stage of the development of the economy and the competitive potential of the tourism industry has a bifurcated nature, accompanied by uncertainty and 'chaos' that may have exceedingly negative consequences in the future. As Hrytsenko A. notes, «The consequence of the inversion market transformation is the formation of a dual institutional structure consisting of state and economic entities. The goal of this new formation is not the development of production through competition and the use of innovations, but quick enrichment via various schemes» [14].

This can be avoided owing to the application of an institutional approach, which can provide an understanding of the basic rules and norms of conduct among the subjects of the tourism industry (institutions) regarding the development of their competitive potential, as well as awareness of the strategic and current directions in work of institutes and institutions. It is worth noting that some scientists «highlight the essence of institutional transformations through the understanding of such issues as the stability of institutional characteristics, sources, active force, and direction of transformations» [15]. Other researchers believe that «the transformation of socio-economic and economic systems from the standpoint of the institutional approach concerns only a change in the system's order. The development of the system is equated to changes in its institutional structure. When considered within the framework of systems theory, this approach is fundamentally objective at its core since any change in the structure generates changes in the system. It is a well-grounded methodological position that simplifies the research strategy and facilitates management of the transforming processes of socioeconomic systems in practice» [13]. «The systemic institutional transformation is large-scale, qualitative, and revolutionary by nature. It changes stereotypes of conduct and partly the informal norms and is possible only under the pressure of the environment, in case of accumulation of transformational social energy as a consequence of the institutional structure rigidity, its resistance to various types of influences, and inability to perceive signals of minor destructive changes» [13]. We share the opinion of M. Holovaty, who argues that there is no single model of transformation of the state institution since reforms are usually carried out long and hard and require a fundamental rethinking of the role of various social institutions, as well as close interaction of citizens and the government [16]. Given the above, it is advisable to form an appropriate institutional basis for carrying out economic transformational changes in the competitive potential of tourism industry entities, which can involve institutions for managing change processes, a set of indicators for determining the safety level of the tourism industry development, rules and norms of behaviour among tourism industry subjects when providing tourist services, etc.

Implementation of economic transformational changes aimed at improving the competitive potential of the tourism industry requires the use of various means and measures to manage the processes of changing the old model into a new one. The speed of the transformation process depends on the justified choice of measures. We recommend considering the following tools when transforming the competitive potential of tourism industry subjects:

1. Creation of Smart destinations in the form of innovative tourist areas. In her research, O. Voskresenska describes «SMART tourism as a search for innovative information and communication technologies in the tourism industry (for example, in the form of global distribution and central reservation systems) or integration of Web technologies that contribute to the emergence of electronic tourism» [17]. The process of forming Smart tourism destinations requires the use of information and innovation technologies in the provision of tourist services, digitalization of services, and the creation of informational tourist web portals. The concept of a Smart tourism destination should be considered as a system that includes four elements: a Smart tourist (consumer of a tourist service), a Smart tourism business entity (a subject of the tourism industry), a Smart service/product, and a Smart procedure of creating tourist service.



All these four elements together form a Smart tourism destination, where the newly created packages of high-quality tourism services can most efficiently satisfy the needs of their consumers.

- 2. Creation of a tourist destination brand in the form of an image component of the territory. Creating a destination brand is a valuable prerequisite for ensuring its competitiveness since the positioning, promotion, and popularization of tourist services determine the attractiveness of the destination and form its competitive advantages. This allows a tourism industry subject to present the exclusivity and uniqueness of the tourist destination in the international information space, thus increasing tourist flows and income from the provision of tourist services. As rightly stated in [18], « tourist branding can also be interpreted as a process of adding value to a tourist product, which, in turn, is advertised/promoted (using a trademark) to stimulate sales and win over customers' opinions and plans about rest or vacation options» [18]. The tourist brand should cover all potential feasibilities of the destination regarding its attractiveness for tourists: natural resources, history, traditions, infrastructure, originality of the territory, uniqueness of the tourist products, etc.
- 3. Creation of a tourist cluster as a tool for developing the competitive potential of tourism industry entities. Humeniuk H.M. asserts that «increasing the competitiveness and investment attractiveness of the region can be achieved by implementing a cluster model of joint enterprises» [19]. Tourist clusters represent «a set of business structures/entities, authorities, state institutions, and public organizations operating in the tourism industry and related industries, which jointly use the tourist resources of a certain region for the formation, promotion, and realization of its tourist product to satisfy recreational needs and increase their competitiveness and the competitiveness of the regional economy» [20]. Tourist clusters unite all participants of the destination: subjects of the tourism industry, consumers of tourist services, infrastructure facilities, financial and credit institutions, authorities, and other stakeholders. All participants of a cluster have to interact effectively with each other, complementing each other, thereby ensuring a synergistic effect of the system as a whole.
- 4. Public-private partnership is an important tool for resource mobilization in the tourism industry. Such a tool in the tourism industry has several advantages, among which the following should be highlighted as principal: development of joint packages of tourist services and tourist routes, financial support to the tourism industry subjects, creation of competitive advantages by the subjects of the tourism industry, formation of a joint information network and information support for the tourist services development (web platforms), etc. Many researchers single out the following reasons for the development of public-private partnerships in the field of tourism: the need to develop new types of tourist services, distribution of risks between partners, exchange of experience, attraction of financial resources, and increasing the attractiveness of a tourist destination [21]. The public-private partnership is an integral element of creating a high-quality tourist product, which will be valuable for the end user. It will allow an effective combination of the efforts of private businesses in the field of tourism and state-regional management bodies of tourism to form competitive advantages of the destination and its tourist attraction, create a tourist brand of the territory, attract investments, develop the tourism industry, etc.

Assessment of economic transformational processes in the competitive potential of tourism industry subjects is an essential component of the proposed methodological model. Such assessment is carried out according to three main criteria:

- assessment of the tourist industry sustainability;
- assessment of the safety level of the tourist industry;
- assessment of competitive advantages of the tourism industry.

A comprehensive evaluation of the economic transformation processes of the tourism industry subjects will allow us to investigate and identify the following main aspects:

- structural changes in economic transformation processes in the competitive potential of tourism industry subjects;
- dynamic changes in economic transformation processes in the competitive potential of tourism industry subjects;
- phases (stages) of economic transforming the competitive potential of tourism industry entities.

The methodology for evaluating the economic transformation of the competitive potential of tourism industry entities, which includes methods, directions, evaluation indicators, etc., is discussed below.

The implementation of the model of economic transforming the competitive potential of the subjects of the tourism industry can be carried out according to several scenarios: inertial, pessimistic, optimistic, or realistic. The characteristics of the scenarios for implementing the methodological concept of the economic transformation of the tourism subject's competitive potential are given in Table 2.



Table 2. Characterization of scenarios for implementing the methodological concept of economic transformation of the competitive potential of tourism industry subjects.

Type of scenario	Scenario's features	Stage (phase) of transformation
Inertial	The competitive potential of the tourism industry subjects remains unchanged (change in trends is only according to the scenario)	Turbulence, fluctuation, bifurcation
Pessimistic	There is no counteraction to the destructive factors of the internal and external environments and no clear concept of the competitive potential development of the tourism industry subjects	Fluctuation, bifurcation
Realistic	The existence of bottlenecks in the tourist destination, the presence of challenges, and threats of the external environment, which are realistically assessed by the subjects of the tourism industry to identify their possible impact on the competitive potential.	Deformation
Optimistic	Availability of favourable factors for the development of the competitive potential of tourism industry entities; favourable tourist attractiveness of the destination; expansion of the tourist services package	Transformation

The information provided in the table demonstrates that a different stage (phase) of the economic transformation process corresponds to every scenario. The inertial scenario in Ukraine corresponds to phases of turbulence, fluctuation, and bifurcation, as it will be accompanied by a further decline in the competitive potential of tourism industry entities as a result of military operations in Ukraine, a drop in GDP, a decrease in the tourist attractiveness of destinations, danger and the destruction of the system as a whole. The pessimistic scenario is consistent with the state of fluctuation and bifurcation, which is characterized by the lack of a concept of development of the competitive potential of tourism industry subjects, preventive measures of influence, countermeasures against destructive factors of influence, passivity of the state and regional management bodies of the tourism industry. The realistic scenario corresponds to the stage of deformation, which is accompanied by the restoration of the tourist potential of the destinations (provided the cessation of hostilities in the country), the growing interest of private businesses in improving the quality of tourist services/products, and the increase in investment opportunities to improve the tourist attractiveness of the destinations. The optimistic scenario features indicate that it is the most effective way to develop the competitive potential of a tourism industry entity. This scenario is feasible at the phase of economic transformation, in peacetime conditions, as it is characterized by large-scale reconstruction of the country's economy, including the tourism industry.

Depending on the development scenario, a differentiated approach to the formation of the mechanism of economic transformation of the competitive potential of tourism industry entities and the corresponding institutional infrastructure for such transformation can be worked out.

DISCUSSION

The approach of Shchurov I. is essential for this study, as he believes that the development and phased implementation of the model makes it possible to determine the strategic vectors of the transformation of the economy of Ukraine on a systemic basis [2]. We agree with this statement and offer our methodological concept of economic transformation of the competitive potential of tourism industry entities.

In their research, Shynkaruk L.V., Bevz I.A., and Baranovska I.V. indicate that the processes of structural shifts are a kind of core that permeates the entire socio-economic system from the bottom to the top. As a part of this process, a natural rearrangement in the direction of the main trends of structural changes in the economy periodically occurs. By redistributing resources between industries, structural shifts modernize the structure of the country's economy and characterize it as stable, secure, and efficient" [4]. Therefore, the stages (phases) of the economic transformation of the competitive potential of the tourism industry entities, which determine the speed, time horizon, and scale of the change process, require further in-depth research.

Although many researchers highlight the issues of transformation of the competitive potential of the tourism industry, little attention has been paid to the development of the unified methodological concept that collectively takes into account the principles, tools, and approaches to the economic transformation of the competitive potential of the tourism industry subjects. We propose to supplement the existing approaches from a more practical point of view regarding the implementation of economic transformational changes: evolutionary, systemic, and institutional. The process of economic transformation will allow us to see the stages of transformational shifts in the competitive potential of the subjects of the tourism industry.



CONCLUSIONS

Achieving the above goal and the obtained research results provide a basis for the increase in the competitiveness of the subjects of the tourism industry through the use of a powerful tool of influence - the economic transformation of the competitive potential of the tourism industry subjects. The proposed methodological concept sheds light on the stages (phases) of the economic transformation of the competitive potential of tourism industry entities, and we can observe consistent and regular changes in their development over time, from the state of turbulence to the transformation phase. Each phase is characterized by its specific features described in detail in the article. The study of the principles of economic transformation of the competitive potential of tourism industry entities is aimed at determining their interaction, which promotes the sustainable development of the tourist sphere and satisfaction of the needs of current and future generations. In the course of the research, we identified tools for the economic transformation of the competitive potential of tourism industry entities that allow us to involve all participants of the destination to create competitive advantages and satisfy the needs of consumers as efficiently as possible. The transformation process is based on changing the criteria for evaluating the competitive potential transformation in tourism industry entities, which, according to the research findings, include sustainability, safety, and competitive advantages. The described in the article approaches to the implementation of the model of the competitive potential development of the subjects of the tourism industry determine the interrelationships and interdependencies of the transformation processes, the dynamics of their flow, and evolutionary changes (transformation cycle). A comprehensive assessment of the transformational processes in the tourism industry allows for investigating and identifying the following significant matters: structural changes in economic transformational processes of the competitive potential of tourism industry entities; dynamic changes in the transformational processes of the competitive potential of the tourism industry subject; phases of the competitive potential transformation of tourism industry entities. The described scenarios of economic transformation of the competitive potential of tourism industry entities allow for the development of a differentiated approach to the formation of the mechanism and the corresponding institutional infrastructure for the economic transformation of the competitive potential of tourism industry entities.

Thus, the study conclusions justify that the suggested methodological concept can provide a basis for achieving a high development level of competitive potential, which greatly depends on the sustainable and safe development of the tourism industry in general, and of every tourist subject, in particular. In the process of the phased implementation of transformational changes, it is essential to maintain an appropriate safety level in the tourism industry development, form its capability to resist destabilizing factors and maintain a balance between the social, ecological, and social interests of producers and consumers of tourist services. As a result, we can achieve a stable and safe development of the tourist industry. This achievement can guarantee the reproduction of tourism potential and will ensure a synergistic effect from the interaction of all participants in the tourism sphere.

ADDITIONAL INFORMATION -

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МЕТОДОЛОГІЧНИЙ КОНЦЕПТ ЕКОНОМІЧНОЇ ТРАНСФОРМАЦІЇ КОНКУРЕНТНОГО ПОТЕНЦІАЛУ СУБ'ЄКТІВ ТУРИСТИЧНОЇ ІНДУСТРІЇ

У статті проаналізовано методологічний концепт економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії. Досліджено та визначено особливості кожного з елементів запропонованого методологічного концепту. Проаналізовано стадії (фази) економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії. Таким чином, можемо спостерігати послідовну й закономірну зміну станів розвитку конкурентного потенціалу суб'єктів туристичної індустрії в часі від стану «турбулентності» до стану «трансформації». Запропоновано систему принципів економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії, а саме: об'єктивність, історизм, системність, споживча цінність, відтворення, Smart-спеціалізація. В основу економічного трансформаційного процесу покладено видозміну критеріїв конкурентного потенціалу суб'єктів туристичної індустрії, а саме: сталість туристичної індустрії, безпека туристичної індустрії та конкурентні переваги туристичної індустрії. Розроблено підходи до реалізації розвитку конкурентного потенціалу суб'єктів туристичної індустрії, які визначають взаємозв'язки та взаємозалежності трансформаційних процесів, динаміку їх протікання, еволюційні зміни (трансформаційний цикл). Виділено інструменти економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії, які залежать від трансформаційних змін конкурентного потенціалу суб'єктів туристичної індустрії, потребують застосування різних важелів та заходів управління процесами видозміни старої моделі в нову й визначають швидкість перебігу таких змін. Запропонована оцінка економічних трансформаційних процесів конкурентного потенціалу суб'єктів туристичної індустрії є важливим елементом запропонованої методологічної моделі. Вона здійснюється за трьома основними критеріями: оцінка сталості туристичної індустрії; оцінка стану безпеки туристичної індустрії; оцінка конкурентних переваг туристичної індустрії. У статті представлено сценарії реалізації моделі економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії: інерційний, песимістичний, оптимістичний та реалістичний. Кожному сценарієві відповідає своя стадія (фаза) економічного трансформаційного процесу. Залежно від сценаріїв розвитку розробляється диференційований підхід до високого рівня конкурентного потенціалу суб'єктів туристичної індустрії, формування механізму економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії та відповідної інституційної інфраструктури економічної трансформації конкурентного потенціалу суб'єктів туристичної індустрії. Отже, запропонований методологічний концепт дозволить досягти високого рівня розвитку конкурентного потенціалу, який базується на сталому та безпечному розвиткові суб'єктів туристичної індустрії.

Ключові слова: туризм, туристична індустрія, суб'єкти туристичної індустрії, економічна трансформація, конкурентний потенціал

JEL Класифікація: H11, H80, L10, L83, O10