

# ECONOMICS AND BUSINESS ADMINISTRATION (according to the economic activity types)

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## ASSESSMENT OF THE COMPETITIVENESS OF THE TOURIST ENTERPRISE IN THE MODERN CONDITIONS

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**Introduction.** The first theoretical studies of the nature of competition were made in the middle of the XVIII century. However, there was no deep study of this problem until the second half of the XX century. The interest in competition and competitiveness that emerged at the time was due to the complexity of the economic struggle for markets. Based on the generalization of management practice, scientists of that time formulated the main strategies that allowed to win in the fight against competitors. Therefore, it is natural that competition subordinates and directs the activities of all market participants, acts as a regulator of supply and demand for goods and services.

In modern market principles of competition is the main regulator of social production. It is an objective law that forces the most efficient use of the economic resources involved in the production process, which is formed by the owner, and to offer on the market cheaper and higher quality goods and services compared to competitors.

The current period of economic development of Ukraine is accompanied by market reforms and integration into the world economic space, entering the international market of tourist services, which intensifies the struggle between businesses that offer tourist services. Therefore, to ensure success in the market, a travel company should strive to improve the quality of travel services at reasonable prices, improve the forms of organization of customer service and increase, on this basis, profits. To ensure the long-term functioning of the enterprise in the market it is necessary to constantly ensure the appropriate level of competitiveness of products, which is the key to the competitiveness of the enterprise, on the basis of which financial stability is formed as a result of profitability.

**Literature review.** Problems of competition research have been studied in the works of many scientists, the classics who dealt with this issue can be called I. Ansoff [1], who thought that the competitiveness of the enterprise depends on the efficiency of its work, M. Porter [2], who developed an analytical model of the five forces, which allows to determine the nature and intensity of competition in the industry, M. Branham, G. Bagiev [3, 4], they were solving the problems of assessing the competitiveness of the enterprise, Azoev G.L., Chelenkov A.P. [5], E. Golubkov [6] in their work propose to begin to identify

priority competitors in the distribution them into groups according to their role in the competition. In modern research, the assessment of the level of competitiveness of enterprises deal with O. Mlotok [7], who is the author of the method of assessing the level of competitiveness in the theory of effective competition, R. Fatkhutdinov [8], I. M. Lifits [9] note that competition is a process of managing its competitive advantages to win or achievement of other goals, H. Fashiev [10] described and analyzed in details the methods of assessing the competitiveness of the enterprise.

The formation and development of competition in the tourism industry arouse the interest of foreign and Ukrainian scientists, in particular, the development of a strategy for sustainable development of the tourism industry is given considerable attention in the works by V.M. Isaienko, K.D. Nikolaiev, K.O. Babikova, H.O. Biliavskyi, I.H. Smirnov [11], problems and prospects for the development of the tourism industry T.I. Tkachenko studied [12], the impact of changes in the international tourism business on the strategic development of the Ukrainian tourist enterprise was studied by L.P. Dyadechko [5], strategic directions of increasing the competitiveness of tourist enterprises were considered in the works by M. Malska [14], O.P. Savitska [15] et al. Thus, it is necessary to note the presence of a large number of scientific papers, which investigated the development of the tourism industry.

In the scientific literature there are many approaches of assessing the competitiveness of the enterprise, but they are all quite different, there is no single approach. The situation is complicated by the fact that the competitiveness of the enterprise is viewed from the point of view of marketing, strategic management, economics and finance of the enterprise.

However, the issue of effective long-term development of competition in the tourism industry is insufficiently developed. Among the problematic issues are the assessment of competition and the competitive environment in tourism and the development of evidence-based principles of the competitive environment in tourism.

**Purpose of the article.** The aim of the article is to analyze the key theoretical and practical assessing methods the competitiveness of the tourist enterprise and to identify opportunities to increase the level of their competitiveness as a leading area of sustainable development in tourism.

**Research results.** In a competitive environment, the company needs to constantly monitor the market situation and be able to adapt to changes in market situations in the future. These problems are also relevant for enterprises in the tourism industry, which, despite the potential for development, bring insufficient revenue to the country's budget due to low competitiveness.

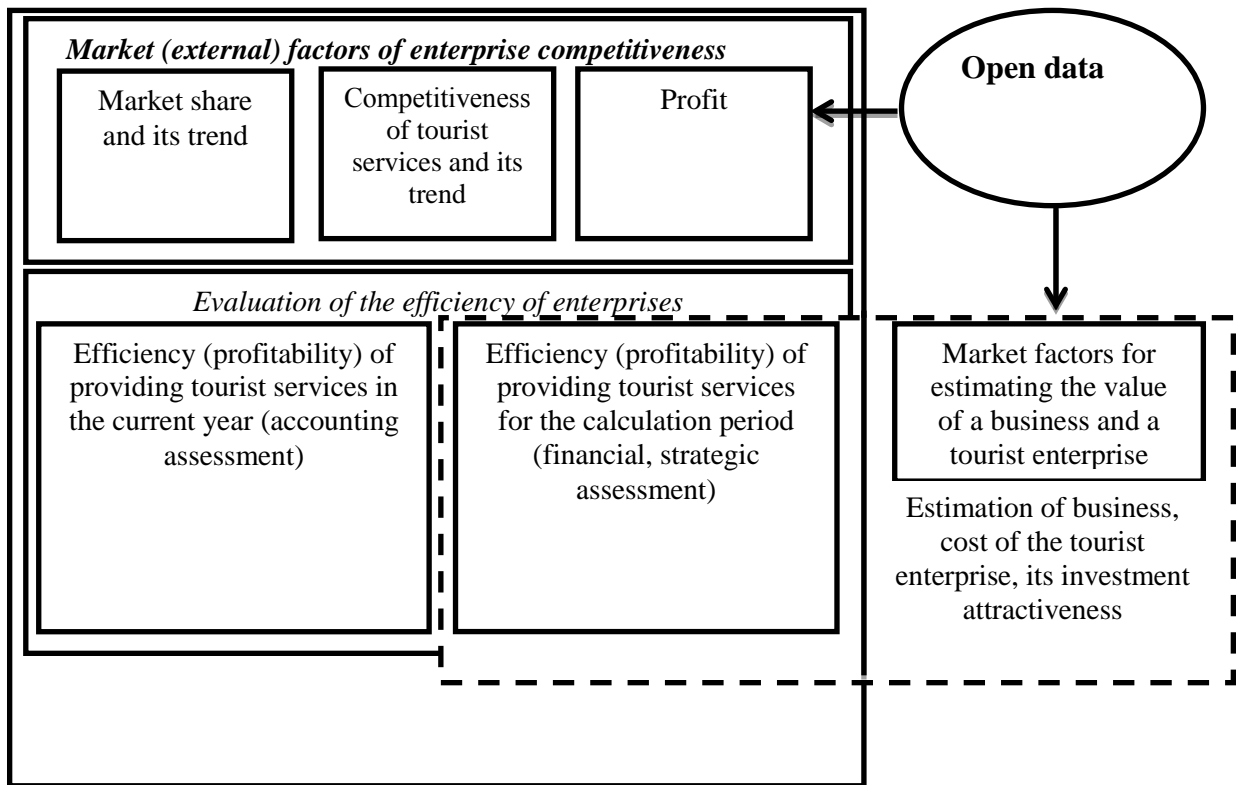
Issues of competition and competitiveness that have gained important practical importance in a market economy, remain unexplored in terms of industry specifics in tourism, their adequacy to the principles of sustainable development.

The competitiveness of the enterprise, along with many other factors determine the market value of the enterprise, so the methods used in the valuation of the level of competitiveness of the tourist enterprise and the market value of the company may partly coincide. The concept of the set, sequence and relationships of economic evaluation is shown in Fig. 1.

The process of forming the competitiveness of a tourist enterprise is associated with solving the problem of the fastest achievement of the planned results in the internal environment and market situation. In this case, the goal is the result, and strategy – the tools to achieve it. Indeed, strategy is one of the most important management tools for building the competitiveness of the enterprise.

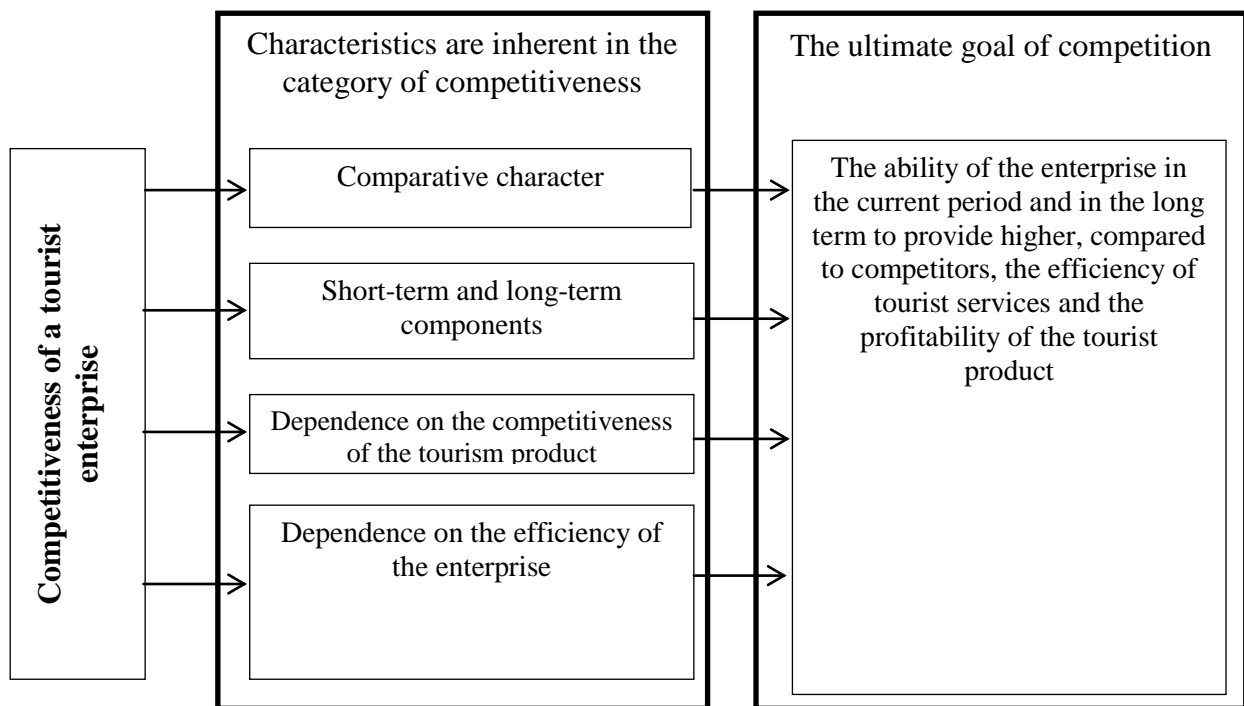
A very important point in the formation of competitiveness is the study and analysis of the internal environment of the enterprise and the market competitive environment. Incorrect or insufficient assessment of internal environment contributes to the erroneous development of the strategy. This calls into question the achievement of the goal of high competitiveness.

Enterprises that confidently and reliably keep their competitors in the market have in their arsenal a well-thought-out strategy which usually consists of planned, well-thought-out targeted actions and reactions, that is “appropriate actions” at different scales of time and space for unforeseen developments and on the intensifying competition. In other words, a strategy is an aggregate of a well-thought-out plan of unplanned measures and actions that cannot be predicted in advance due to market instability and uncertainty.



**Fig. 1. A set of tasks that are interrelated and to be solved when assessing the competitiveness of the tourist enterprise and its market value**

Summarizing the existing approaches to the concept of enterprise competitiveness, we propose the following definition of competitiveness for a tourist enterprise: competitiveness of a tourist enterprise is its ability to provide higher efficiency of tourist services and profitability of tourist product sales in the long term. Schematically, the structure of the concept of competitiveness of a tourist enterprise is presented on Fig. 2.



**Fig. 2. The concept of competitiveness of the tourist enterprise and its characteristics**

This conceptual definition of the category of competitiveness of the enterprise determines the content of the assessment of the competitiveness of a modern tourist enterprise.

Factors of competitiveness of the tourist enterprise in the majority are various and heterogeneous: management, labor productivity, various technology of rendering of tourist services, efficiency of realization of tourist services, quality and the price of service, etc. In our opinion, it is reasonable to say that the competitiveness of a tourist enterprise is a complex characteristic, and therefore it is the result of the tourist enterprise in all areas of development and provision of tourist services and their governance.

The choice of factors for the assessment of competitiveness should be based on the objectives of assessing the level of competitiveness of the tourist enterprise. Among them may be the following:

- determining the position of the company compared to competitors;
- development and implementation of measures to increase the level of competitiveness;
- attraction of investor funds;
- development of a program to enter on the new markets for tourism products.

Thus, the method of quantitative assessment of the level of competitiveness of the tourist enterprise is considered, proceeding from the following purposes: identification of critical resources that create competitiveness in the tourism industry, and opportunities to improve the efficiency of the enterprise compared to competitors – for the owner; choosing the most efficient company in the industry – for a potential investor.

It is generally recognized that at present there is no single method of assessing the level of competitiveness of the enterprise, which significantly complicates the definition of this characteristic. But this is not the only problem faced by the analyst in assessing the competitiveness of the enterprise. In our opinion, the most acute problem in assessing the level of competitiveness of a tourist enterprise is the lack of information about competitors, which is often a trade secret or not made public due to uncertainty about their advantages over competitors.

This problem has different levels of complexity depending on the degree of competition in the tourism industry: the higher this level, the smaller the amount of publicly available information. This problem is followed by a set of other problems, such as incomplete analysis of the level of competitiveness, the use of subjective scores, high financial and time costs for research of a new tourism product, and so on. All this significantly reduces the reliability and practical value of the results of the calculation of competitiveness.

In view of listed and characterized problems of assessing the competitiveness of the tourist enterprise, we propose to make the following requirements to the methodology of such assessment:

- objectivity (quantitative character) of used indicators;
- availability of information which needed for calculations;
- complexity – taking into account all the essential characteristics of the enterprise;
- systematic research;
- the presence of economic content in the final indicator and the possibility of its clear interpretation;
- value for enterprise management practice.

Generalization of the theory and practice of assessing the level of competitiveness of a tourist enterprise, establishing its relationship with the efficiency of the tourist product and the market value of the enterprise allows to establish the main factors and relevant components (blocks) of methods for assessing the competitiveness of the tourist enterprise (Fig. 3).

This systematization of factors is their classification on the following grounds:

1. by type of factors that are taken into account, assessing the level of competitiveness of the tourist enterprise:
  - external (exogenous), which assess the position of the tourist enterprise in the market of goods (services);
  - internal (endogenous), which measure the efficiency of the enterprise in the current year and at the calculation period;
2. according to the source of information used for research:
  - based on open quality information;
  - based on conditionally open quantitative information;
  - based on public financial statements of enterprises;
3. by assessment period:
  - in statistics (current year, accounting estimates);
  - in dynamics (for the calculation period, financial estimates).

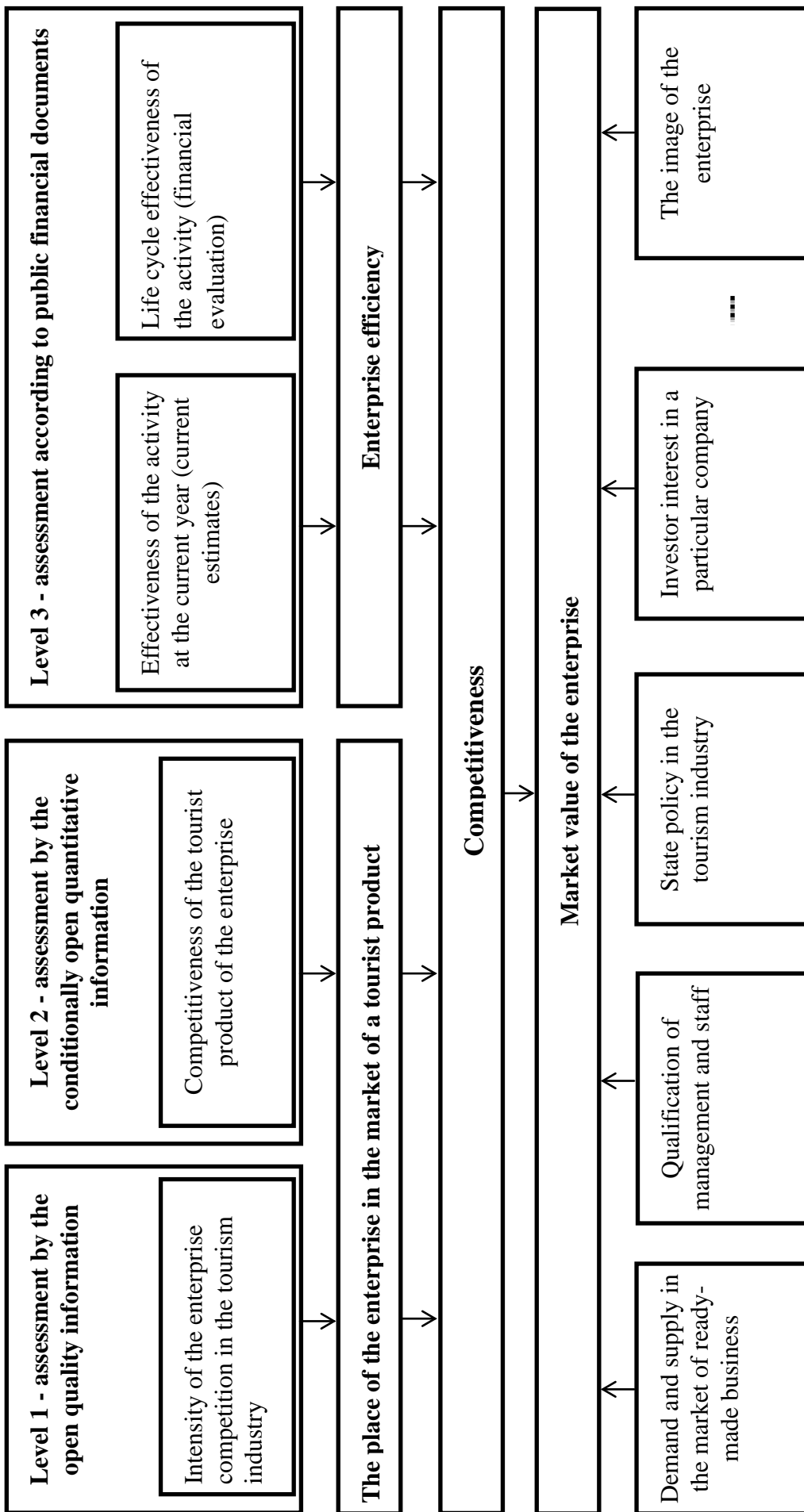


Fig. 3 Three-level system of factors of competitiveness of the tourist enterprise and interconnection of competitiveness and cost of the enterprise

Thus, we consider that the most important is the classification of factors according to the sources of information on which their study is based, because the problem of information lack, as noted above, is the most significant in theory and practice of assessing the competitiveness of tourism enterprises. Based on this, we propose to distinguish three levels in the content, assessment and analysis of the level of competitiveness of the enterprise depending on the completeness of the available information:

1) analysis and modeling of the company's position in the market of tourist services on the basis of open qualitative information on the intensity of competition in the tourism industry;

2) analysis and modeling of the company's position in the market of tourist services on the basis of conditionally open quantitative information that characterizes the tourist product in the industry and tourist services of competing companies;

3) analysis and modeling of the efficiency of the tourist enterprise on the basis of financial indicators of its activity in the current year (based on accounting estimates) and for the calculation period (life cycle of the business, enterprise, tourist product, etc.).

**Conclusions.** The theoretical foundations of the study of the competitiveness of enterprises were laid in the works on strategic management and marketing. Highlighting the problem of enterprise competitiveness as a separate subject of study is a recent trend in economics.

The modern period of economic development of Ukraine is accompanied by the formation of a modern space in which various business structures operate. This requires the solution of completely new tasks for them, caused by the radical reform of their organization and management on the basis of comprehensive use of achievements in the formation of high and stable in time competitiveness. Such approaches to the formation and assessment of competitiveness also apply to tourism enterprises.

The competitiveness of a tourism enterprise is its ability in the current period and in the long term to provide higher, compared to competitors, the efficiency of the tourism product and the profitability of its implementation. The main characteristics of competitiveness as an economic category are: comparative character (relative assessment); short-term and long-term components; dependence on the competitiveness of the tourist product; dependence on the efficiency of the activity of enterprise.

Based on the above, it can be argued that at the initial stage of development of the tourist enterprise, the competitiveness of the tourist product plays a crucial role in the level of competitiveness of the enterprise, because it provides an inflow of funds (i.e. able to pay). In the future, having established itself in the market, the tourist enterprise should pay more attention to cost reduction and constant innovative development of the tourist product.

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**Шаповал Валентина Михайлівна**, доктор економічних наук, професор, завідувач кафедри туризму та економіки підприємства. **Герасименко Тетяна Володимирівна**, кандидат геологічних наук, доцент. **Юрчишина Людмила Іванівна**, старший викладач. Національний технічний університет «Дніпровська політехніка». **Оцінювання конкурентоспроможності туристичного підприємства в сучасних умовах.** Розглянуто й виділено проблеми конкурентоспроможності туристичного підприємства як окремого предмета дослідження. Виявлено, що стратегічні зміни останнього часу, які виступають запорукою створення майбутніх конкурентних переваг є результатом забезпечення тривалого розвитку туристичного підприємства у відповідних конкурентних умовах господарювання. Теоретичною й методологічною основою дослідження є наукові розробки вітчизняних і закордонних учених, пов'язані з конкурентоспроможністю як пріоритетним економічним чинником сталого розвитку та функціонування туристичного підприємства в мінливому зовнішньому середовищі, матеріали спеціалізованих наукових конференцій і симпозіумів. Показано, що найгострішою проблемою оцінювання рівня конкурентоспроможності туристичного підприємства виступає дефіцит інформації про конкурентів, що призводить до неповноти аналізу, використання суб'єктивних балових оцінок, високих фінансових та часових витрат на проведення дослідження рівня конкурентоспроможності. Проаналізовано основні конкурентні стратегії підприємства, які дозволяють виграти у боротьбі з конкурентами. Зроблено акцент на необхідності розроблення етапів системності дослідження конкурентоспроможності підприємств туристичної галузі, що дасть змогу охарактеризувати рівень їх конкурентоспроможності навіть в умовах дефіциту інформації. Отримані результати дослідження є основою для наукового обґрунтування процесу управління конкурентоспроможністю туристичних послуг (товару), що виступає однією з підцілей управління конкурентоспроможністю підприємства і має йому підпорядковуватися.

Отримані результати дослідження – це підґрунтя для ефективного стратегічного управління розвитком туристичних підприємств, здатного підвищити конкурентоспроможність вітчизняної туріндустрії.

**Ключові слова:** конкурентоспроможність підприємства, туристичне підприємство, туристичні послуги, стратегія, конкурентні переваги, інформація, ринки збуту.

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**Shapoval V.M.**, Doctor of economics science, professor, Head of the Department of tourism and enterprise economics. **Herasymenko T.V.**, PhD (Geological Sciences), Associate professor. **Yurchyshyna L.I.**, Senior Lecturer. National Technical University «Dnipro Polytechnic». **Assessment of the Competitiveness of the Tourist Enterprise in the Modern Conditions.** The theoretical and methodological basis of the study are scientific developments of domestic and foreign scientists related to competitiveness as a priority economic factor of sustainable development and functioning of the tourist

enterprise in a changing environment, materials of specialized scientific conferences and symposia. The article considers and highlights the problems of competitiveness of the tourist enterprise as a separate subject of research. It is revealed that the recent strategic changes, which are the key to creating future competitive advantages, are the result of ensuring the long-term development of the tourist enterprise in the relevant competitive economic conditions. It is shown that the most acute problem of assessing the level of competitiveness of a tourist enterprise is the lack of information about competitors, which leads to incomplete analysis, the use of subjective scores, high financial and time costs to conduct a study of competitiveness. The main competitive strategies of the enterprise which allow to win in struggle against competitors are analyzed. Emphasis is placed on the need to develop stages of systematic study of the competitiveness of tourism enterprises, which will allow to characterize the level of their competitiveness, even in conditions of information lack. The obtained results of the research are the basis for the scientific substantiation of the process of managing the competitiveness of tourist services (goods), which is one of the sub-goals of managing the competitiveness of the enterprise and should be subordinated to it.

The results of the study are the basis for effective strategic management of tourism enterprises of Ukraine, capable of enhancing the competitiveness of the industry.

**Key words:** enterprise competitiveness, tourist enterprise, tourist services, strategy, competitive advantages, information, markets.