

ESSENCE AND PRINCIPLES OF CLUSTERING ENTERPRISES IN THE SERVICE SECTOR

Kateryna Nikitenko

INTRODUCTION

Clustering enterprises in the service sector is a strategic approach that has gained significant traction in recent years. It involves grouping similar businesses together to foster synergies, enhance competitiveness, and streamline operations. This concept not only shapes economic landscapes but also influences regional development and consumer behavior. Understanding the essence and principles of clustering is crucial for policymakers, business leaders, and academics alike, as it offers insights into how organizations can leverage collective strengths to navigate today's complex business environment effectively. This article explores the fundamental aspects of clustering enterprises in the service sector, examining its benefits, challenges, and implications for stakeholders in the global marketplace.

This strategic organizational model transcends mere geographical proximity; it fosters collaboration, innovation, and specialization among businesses sharing common interests and resources. In the service sector, where intangible assets and customer-centric approaches dominate, clustering enables firms to pool expertise, optimize service delivery, and adapt swiftly to market changes. Moreover, by clustering, businesses can achieve economies of scale, access broader talent pools, and collectively address industry-specific challenges.

As industries evolve and consumer expectations shift, the dynamics of clustering in the service sector continue to evolve. This article delves into key principles underpinning successful clustering initiatives, highlighting case studies and theoretical frameworks that illuminate best practices and potential pitfalls. By exploring these principles, stakeholders can glean actionable insights to foster sustainable growth, enhance service quality, and cultivate competitive advantages in today's dynamic marketplace.

1. General characteristic of clustering

Specifics of activity of enterprises in the service sector require the adoption and utilization of new technological approaches to business promotion, hence, new methodological paradigms. It is evident that there is a necessity to transition from management systems based on administrative principles to systems founded on principles of integration, regulation, and

self-organization. The semantic core of the concept of ‘self-organization’ consists of two components, ‘self’ and ‘organization,’ each possessing distinct meaningful characteristics. According to and as interpreted by the author,

Table 1

Presents the semantic characteristics of the defined components

Title	Definition	Characteristic
"Self"	1) Action directed by someone towards oneself (self-criticism); 2) Action performed by itself, spontaneously or consciously, using its own means, without external assistance through a certain arrangement (self-activity).	The initial part of compound words characterizing an action whose meaningful content is provided in the second part of the word, with three directions: 1. Neutral (self-analysis); 2. Positive (self-development); 3. Negative (self-destruction).
"Organization"	The property of systems to exhibit orderly and coordinated behavior of its parts within the whole, resulting in a regulated structure.	Noted for limiting the variety of behavior both within the system as a whole and its individual parts separately.
"Self-organization"	The ability of complex systems to reach a new level of development, resist entropic processes, adapt to changing conditions, transform their own structure, and maintain a certain stability of new system qualities.	Unlike organization, self-organization is characterized by non-equilibrium orderliness; sources of order can be spontaneous processes or conscious actions of management systems within the system.

Thus, the process of self-organization is a function of consciously purposeful activity involving the synthesis of experience, formulation of concepts, consolidation of knowledge and acquired skills, as well as normalization of things, properties, and relationships, to transition from the achieved level of development to a higher one. Considering the contributions of previous authors and our own research, we define the principles of self-organization of socio-economic systems that reflect their characteristics responsible for the functioning of systems according to their intended purpose:

Openness – the existence of a socio-economic system is impossible without constant interaction with the surrounding environment.

Instability (non-equilibrium, disorderliness) – entropy in this socio-economic system is significantly lower than the entropy of the environment.

Nonlinearity (multivariability) – disproportionality in changes of different properties of the socio-economic system and their constraints leading to various types of phase transitions.

Dynamic hierarchy (certain integrity, generalization of principles of subordination, self-regulation) – arbitrary ordering, temporary hierarchy, search for stable structures of the socio-economic system.

Self-sufficiency – the presence of certain resources and properties of the socio-economic system for relatively reliable existence.

Self-preservation – defined through the categories of ‘self-sufficiency’, ‘self-regulation’, reflecting the triad of principles ‘self-sufficiency – self-regulation – self-preservation’.

Self-reproduction – forms the basis of the evolution of socio-economic systems, including complex integrated systems, where at the bifurcation point, using small controlling influences or self-adjustment processes, the process of self-destruction changes to self-renewal and self-optimization.

Self-development – qualitative transition of the socio-economic system from closed organizational growth to internal self-improvement and harmonious development in relation to the external environment.

The principles of self-organization serve as the foundation for the development of a successful cluster. Currently, scientific literature identifies seven main characteristics of clusters, combinations of which influence the choice of a specific cluster strategy with full or partial consideration of self-organization principles:

Geographical: Construction of spatial clusters of economic activity based on spatial factors.

Horizontal: Cluster operation based on the activities of several industries.

Vertical: Presence of adjacent stages in the production process within the cluster. Initiators and final performers of innovation processes play a crucial role.

Lateral: Integration of different sectors within the cluster, potentially achieving economies of scale leading to new combinations.

Technological: Use of a single technological line within the cluster by all participants throughout the production cycle.

Focused: Cluster of firms centered around one entity – be it a company, research institute, or educational institution.

Qualitative: Encompasses all previous characteristics. Key questions include whether firms collaborate, how they do so, and whether the collective

goal aligns with the individual goals of each participant. It is most thoroughly grounded in the principles of self-organization.

Based on the numerous characteristics inherent to various communities within a cluster, it can be asserted that the principles guiding the operations of enterprises in the service sector, specifically in tourism, will exhibit their own distinct features and manifestations. The tourism industry will primarily be characterized by geographical factors and based on principles of self-organization. Taking into account the specific conditions governing the operations of tourism enterprises within territorial inter-firm integrations, the author has identified and supplemented specific principles of clustering:

Principle of Rational Use of Tourist Resources: Involves creating inventories of historical, cultural, natural, and other objects of national value that can attract tourists. It also includes developing programs for their use with scientifically substantiated regimes of anthropological and other types of loads, as well as mechanisms for monitoring compliance with these programs.

Principle of Effective Collaboration among State, Business, and Public: Ensures that the goals and objectives of enterprises do not contradict legislation, moral and ethical principles of business conduct. The state should support business ideas rather than impose them. Government bodies serve as unique guarantors for creating the necessary conditions required for the development of the tourism industry, where the moral and material interest of employees should depend on the indicators of the industry's development. Meanwhile, public opinion acts as a key lever that shapes positive or negative attitudes towards the processes and phenomena taking place within the cluster.

Principle of Priority in the Development of Tourist Directions or Types of Specific Services: The availability of a tourism product in the form of a large number of accommodation service proposals will not attract tourists if various types of entertainment, interesting attractions, and conditions for a full-fledged rest are absent.

Principle of Alternative Competition (or Development of Partnerships with Competitors): Ensures, firstly, the expansion of niche marketing, where a broad and differentiated tourism offering allows more complete satisfaction of consumer needs and avoids direct antagonism between market operators. Secondly, it enhances entrepreneurial culture as a result of legislative field improvement and stabilization, on one hand, and increases in the level of education and experience among entrepreneurs, on the other hand. Thirdly, it stimulates awareness of the necessity for survival in the conditions of globalization processes in the market.

Principle of Regional Potential and Territorial Cohesion of Projects: This principle is crucial and regulatory in the activities of a tourism cluster. It includes having a sufficient number of attractions not only to satisfy

visitors' needs but also to offer such a wide range of services that it would be impossible to use them all within limited vacation time, thus creating conditions to attract repeat customers.

For enterprises in the tourism business and related fields, despite the wide variety of fundamental business approaches based on key cluster positions, there are certain constraints that can not only slow down business development but also pose a threat of bankruptcy. This is related to the specifics of the tourism product (service) offerings, which form the basis of tourism business and economic activity. Considering the research findings and in the author's interpretation, it is appropriate to highlight the following characteristics of the tourism product offering:

High Dependence of the Offer on Tourists' Personal Characteristics, Values, and Travel Motivation: The demand for tourism services heavily relies on the personal characteristics of tourists, their values, and motivations for travel.

Based on data from the State Statistics Service of Ukraine in 2023, as shown in Figure 1., the purpose of tourist trips was leisure and recreation for 85% of tourists, business trips accounted for 6%, medical tourism for 4%, and sports tourism for 2%. The category of "Leisure and Recreation" is the largest and encompasses a wide variety of travel types. To satisfy the needs of as many visitors as possible, it is necessary to create appropriate attractors that correspond to consumer desires, thus implementing the principle of regional potential and territorial cohesion of projects.

At the same time, there are challenges related to the principle of rational use of tourism resources, such as adhering to norms of tourist load and recreational capacity.

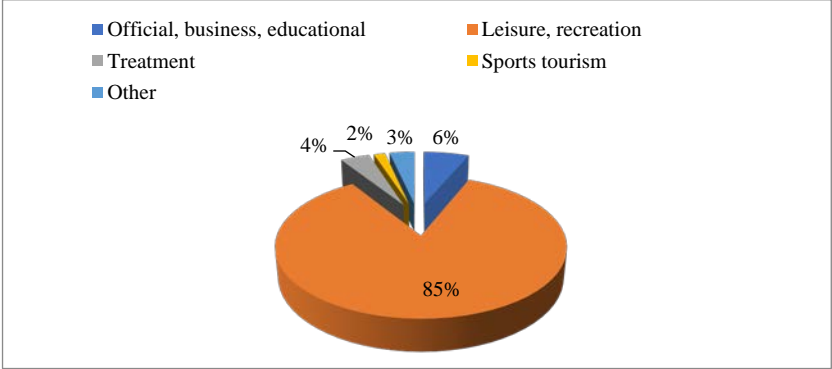


Figure 1. Structure of tourist flows by purposes of visits in 2023

Source: compiled by the author based on [33]

Recreational capacity of the territory is one of the most important indicators in planning recreational and tourist management, including in the process of forming special (free) economic zones of tourist-recreational type. It influences the quality of recreational resources, the environment, and the psychological comfort of recreationists. With excessive and prolonged recreational pressure, the natural environment undergoes significant changes despite recreational activities being one of the most environmentally friendly forms of economy. It's also important to consider the comfort of local residents, who act as hosts and reside alongside tourists throughout the tourist season.

Recreational pressure refers to the permissible number of recreationists per unit area that can simultaneously be present on a given territory after it has been adapted to recreational needs, without causing negative effects on the natural environment. The recreational pressure index depends on the landscape structure and functional orientation of recreational use of the territory.

Norms of recreational pressure mainly depend on natural landscapes and the season. Coastal natural complexes show the highest resistance to recreational pressure, while lowland areas show the lowest. Recreational pressure is higher in summer compared to winter. For different natural complexes, recreational pressure in winter ranges from 20% for coastal areas to 80% for mountainous territories relative to the summer period, due to the specifics of recreational activities in different seasons.

Based on these data, regulatory norms for recreational pressure have been established for different natural complexes in Ukraine (Table 2).

Table 2

Normative indicators of recreational pressure on natural complexes

Natural Complexes	Norms of Recreational Pressure (persons/km ²)					
	summer			winter		
	min	max	aver.	min	max.	aver.
Coastal	300	500	400	60	100	80
Lakes	80	150	115	16	45	30
Riverine	50	80	65	16	24	20
Lowland	80	120	100	30	50	40
Hilly-mountainous, high-altitude	100	150	125	40	60	50
Mountainous	110	200	155	60	160	110

The specified norms provide a general understanding of the norms of recreational pressure on various natural complexes. These norms serve as a basis for determining the capacity of recreational territories.

Recreational capacity is the total number of individuals that can simultaneously stay on a given territory without causing harm to the natural environment. Recreational capacity is linked to recreational pressure and depends on the pressure norm, the area of the recreational territory, the duration of visitors' stay within its boundaries, and the length of favorable weather periods.

Recreational capacity is calculated separately for each season using formula:

$$V = \frac{N * S * C}{P}, \quad (1)$$

where:

V is the recreational capacity of the territory, in persons;

N is the norm of recreational pressure on the territory, persons/km²;

S is the area of the recreational territory, km²;

C is the duration of the recreational period, days;

P is the average length of stay of tourists and visitors on the territory, days.

The capacity of recreational centers (resorts, tourist, health, and leisure complexes) is the simultaneous number of recreationists that can be accommodated in the center without disrupting the ecological balance within it and on adjacent territories.

The capacity of a recreational center depends on its size, natural conditions, the value of recreational resources, and is determined by formula:

$$M_i = K_{ny} * K_p * H * K_R, \quad (2)$$

where:

M_i – is the recreational capacity of the i-th center, in thousands of persons;

K_{ny} – is the coefficient of natural conditions of the i-th recreational center;

K_p – is the coefficient of the value of recreational resources of the i-th center;

H – is the population of the locality where the i-th recreational center is located, in thousands of persons;

K_R – is the coefficient of comfort.

The coefficient of natural conditions (K_{ny}) is determined by the physical and geographical characteristics of the location of the recreational center and is 1.0 for lowland areas, 1.25 for uplands and hilly areas, and 1.5 for mountainous regions.

1. Values of recreational resources

The values of the coefficient of the value of recreational resources (K_p) are shown in Table 3.

Table 3

Coefficients of the value of recreational resources in Ukraine

Regions	Coefficient Value
Southern coast of Crimea	3,0
Southeastern coast of Crimea	2,5
Western coast of Crimea	2,2
Northwestern coast of the Black Sea	2,0
Coast of the Sea of Azov	1,5
Carpathian region	2,3
Other territories	1,5

The multifaceted nature and diversity of sources in forming the tourist product. The tourist product consists of many components, which can be tangible as well as intangible. Tangible components include items such as food products, clothing, various tourist equipment. Intangible components encompass services such as ticket bookings, insurance services, entertainment for tourists, guided tours, and more. Numerous products that satisfy the needs and desires of tourists are created naturally, through natural means, such as sunlight, air, and water. These products are characterized as free resources and are not subjects of special study and analysis in tourism economics, as they are typically consumed free of charge. Therefore, they are sometimes referred to as free or costless, although in reality, they are not entirely free. All other resources provided for a fee are termed economic.

In practice, tourism production offered on the market is divided into three main types:

Comprehensive tourist services, which include accommodation, food, transportation, household, excursion, sports, and recreational services, united by a common purpose and program of stay;

Individual tourist services, such as accommodation, food, as well as transportation, excursion, sports, recreational, and household services;

Goods for tourism purposes, including maps, tents, sleeping bags, backpacks, and other individual and group tourist and sports equipment, as well as souvenir tourist products.

Typically, the tourist product represents a complex of services provided by enterprises of various specificities, with the tourist agency acting as an intermediary between the tourist and the direct service provider. The interaction of all participants in the tourist market with the purchaser of the tourist product (the tourist) represents a system of relationships and

interactions that can be described as a certain type of alliance: hotels provide accommodation services, carriers provide transportation services, restaurants provide food, tour guides help tourists spend their time interestingly, and so on. Thus, all providers of components of the tourist product cooperate with each other on the principles of clustering, complementing each other's services. They operate on partnership terms, where each participant provides services in their area of specialization and receives their pre-agreed reward. Accordingly, the more partnership links tourism enterprises have, the wider the range of offerings, the more opportunities to meet consumer demand, and create favorable conditions for their journey.

Material and non-material manifestations of components of the tourist product. As mentioned earlier, the tourist product consists of tangible and intangible components, namely material services or goods, and non-material ones. The complexity of pricing each type of these goods and services forms various approaches and methods for determining the price of a specific service. Material services have a more clearly defined value, which can be compared with other similar services and goods, making them more understandable to the consumer in terms of assessing their worth. In contrast, non-material services are typically invisible to the average consumer, and therefore less understandable; consequently, consumers are unwilling to overpay for them, resulting in them being significantly undervalued, which leads to tourism enterprises missing out on part of their profit. Functions such as ticket and room reservations, prior agreement on the conditions of the tourist product, transportation booking, logistics, selection of excursions tailored to the consumer's taste, and so on, may seem very straightforward at first glance, so consumers often do not pay attention to them. However, in reality, it is these aspects that create comfort and a pleasant impression during the journey.

The intangibility of the tourist product until its consumption. For most consumers, receiving the product should coincide with the time they pay for it. This is not only related to human psychological characteristics but also to the laws of physics: matter does not disappear but changes state, meaning there must be a reverse exchange; otherwise, there is a feeling of unequal exchange, making the tourist feel they have paid too much for their tour. Typically, a tourist product is purchased in advance, so one must wait until they can fully utilize it. This discourages a certain category of people who are accustomed to receiving everything immediately, unwilling to wait long, and not wanting to spend much time discussing the tour.

A similar situation occurs with independent online booking of tours or ordering goods via the Internet: a person has a full description of the product and service, photos, or presentations of the product but cannot physically

assess it, hold it in their hands, or experience the excursion until its time arrives.

Dependence of supply on image, prestige of the tourist product, and sustainability of the business entity.

The image of an organization is the perception of the organization that exists in people's minds. Every organization has an image regardless of who works on it or whether anyone works on it at all. The tourism industry involves both controlled and uncontrolled images. A controlled image is one that professionals within the enterprise work on. Goals are set up and special financial funds are established to create it. The peculiarity of an uncontrolled image is that it arises spontaneously and is composed of impressions and the level of satisfaction with the product by consumers themselves, which is why it can be both positive and negative. Thus, the quality of services provided, the attitude of staff towards their employer and clients, and their own activities matter more to the image than advertising and presentations.

The dependence of the quality of the tourist offer on the degree of implementation of scientific and technological achievements.

Scientific and technological innovations in tourism rarely manifest themselves directly and can be used purely as an attractor. Typically, an innovative component is applied in the tourism product manufacturing sector to reduce costs, improve service quality, and increase consumer satisfaction. Scientific and technological achievements in the tourism industry should be understood not only as the development of a new technological line for hotel construction or restaurant management but also as the creation of an unconventional methodology for implementing advertising campaigns, and so on. Creating innovative products independently for tourism businesses is impractical and not cost-effective, which is why at certain stages of operational activities, there is a need to turn to specialists from other fields.

High dependence of supply on quality, volume, and advertising activity. The intangible nature of services requires extensive use of informational, including advertising, measures to promote the tourist product. Therefore, the supply in tourism is characterized by a high level of information saturation. The size of an advertising campaign is directly proportional to its costs; the more money is invested, the more advertising is produced, and consequently, the likelihood of promoting one's product increases. However, this directly affects the tourist product as well: the larger the size of the advertising campaign, the higher the final cost of the tourist product. The tourism industry cannot function without advertising. Accessible and informative advertising campaigns should both interest and motivate consumers to turn to a particular business entity and visit their desired destination.

Dominance, complementarity, and substitutability of the tourist product. Dominance of the tourist product is characterized by the mandatory presence in the tour program of an object that is the main goal (dominant) among the set of travel objectives. This could be a natural object, climatic features of the area, or a specific event such as a festival or a football match. Tickets or passes to this main object are a mandatory component of the tour, and other services will depend on it.

Complementarity (harmony) of the tourist product is manifested in achieving one goal simultaneously facilitating the realization of another travel goal. This means that tourists desire additional services, enjoy other attractions, satisfy gastronomic desires, learn about the destination's culture, and so on. The task for tourism enterprises is to combine these components so that the tour program is rich and harmonious, including all the points desired by the consumer. Alongside complementarity, there is also substitutability in the tourist product, where one tourist service can be replaced by another similar service provided by a different producer.

Diversity, uniqueness, and uniqueness of the quality of the tourist product. The diversity of tourist services is so great that even in the same area, with the same conditions for relaxation and entertainment, a tourist will have different impressions each time. There are several reasons for this: the emotional mood with which a person came on vacation, the season and fluctuations in climatic conditions, the human factor manifested in room service, transportation services, guided tours, the diversity of vacationers, and so on. Unforeseen circumstances that do not depend on either tour operators or the vacationers themselves also matter. For example, unpleasant neighbors in a hotel or on a bus can spoil the mood and thus affect the overall impression of the trip.

The quality of a service depends on who, when, where, and how it is provided. As such, the quality of service is very difficult to control. For instance, some hotels have a reputation for providing higher quality services than others. Within the same hotel, a front desk clerk may be interested in the overall success of the enterprise and work productively, or conversely, may not be interested in the hotel's development at all. Even the quality of service provided by the same staff member can vary depending on their physical condition and mood during interactions with each consumer. The quality of services provided by the same tourism enterprise can also vary significantly.

Specialization of services in the tourism industry according to the main types of economic activities. Directly related tourism enterprises include travel agents, tour operators, tour agencies, and so on. However, they do not independently manufacture or provide the entire range of tourist services that constitute a tourist product. Accordingly, hospitality, transportation, and

restaurant businesses also belong to tourism enterprises if they provide services as part of a tourist product. In all other cases, these enterprises engage in operational activities under the main type of activity specified in their economic classification. This creates a kind of confusion in the systematization and analysis of tourism activities within a territory.

Complexity of the tourist product offer and the intricacy of its component interactions. The tourist product is realized as a complex of services and goods of tourist purpose, satisfying both material and non-material, primary and non-primary life-supporting needs of individuals. These needs are met by tourists either planned or spontaneously during the journey. The economic nature of the tourist product is characterized by the primary needs outlined in Maslow's hierarchy: the need for accommodation, food, necessary sanitary and household facilities, and essential goods.

On the other hand, the tourist product is a combination of tourist display objects, goods in the form of natural and anthropogenic conditions and resources that satisfy the psychophysical needs of the traveler during the journey and remain in their consciousness for a long time after the trip. These objects and conditions, presented in the tourist program, are the primary subject of the commodity offer and sale of the tourist product in the market. They primarily interest the consumer consciously as the goal of their journey.

Tourist goods and services in a marketing approach serve merely as "materialized" means to achieve the purpose of the journey and consumption of such a specific product as a tourist product, while the objects offered in tour programs represent a certain commodity form of the tourist product, ensuring its value and consumer worth.

Thus, the tourist product has many interrelationships that are difficult to trace, and one type of product (a tour) cannot satisfy the needs of all consumers. The presence of several variants of each component of the tourist product at one destination not only provides consumers with the opportunity to choose according to their preferences but also expands the field of activity of tourism enterprises, thereby enriching the range of goods.

Information saturation of the tourist offer. One of the peculiarities of the tourism industry's functioning is the informational saturation of the process of production, formation, and realization of such a specific product as the tourist product. Consequently, in modern conditions, the role of a continuous flow of truthful and timely information increases significantly for the successful operation of any tourism enterprise. Collection, processing, application, and transmission of information hold special importance in the daily operations of intermediary tourism enterprises (tour operators, travel agents). Currently, high demands are placed on information: reliability, accuracy, timeliness, adequacy, multifunctionality, high processing and

transmission speed, flexibility, and others. The aggregate requirements for information are implemented within information systems based on computer information technologies. Many enterprises adopt logistical schemes for successful operations.

Seasonal nature of tourist product realization. Since many destinations attract visitors during specific periods, meaning they have a seasonal character, this significantly influences the strategy of tourism enterprises' activities, as well as their business activity and profit. The seasonal operation of tourist facilities compels tourism enterprises to actively build customer bases and work on addressing deficiencies and improving the tourist product during the offseason to achieve productive results during the season.

Inseparability of tourism services. Often, services are sold first and only then created and consumed, and this happens simultaneously. Inseparability of services means that services cannot be separated from their source, regardless of whether the service is provided by a person or a machine. If a service is provided by a person, they are considered part of the service. Because the consumer is always present during service production, the interaction between the provider and the consumer is a unique aspect of service marketing. The quality of the final tourist product depends on both the intermediary and the consumer. Therefore, personnel in the tourism service sector must be well-prepared for successful interaction with potential and actual clients.

High dependence of the offer on the professional skills of personnel in tourism enterprises and their personal qualities. Since satisfaction from a tourist product involves emotions and impressions that stay with the consumer for a long time, it is important to consider the impressions from interactions with staff, the quality of their performance of duties, and the cultural peculiarities of the territory. Misunderstandings due to cultural and national differences can lead to conflicts, unpleasant situations, and even create a negative impression of the journey itself.

Absence of ownership. Services cannot be owned. The consumer often has access to the service for a limited period of time. For example, travel insurance sold by a tour firm is not ownership but a document confirming possession of insurance services, valid only after payment of the insurance premium and until the end of its term. Due to the absence of ownership, firms offering tourism services must make special efforts to strengthen their brand image and attractiveness by encouraging repeat use of services or creating membership clubs and associations.

Temporal limitation of tourism services. The transience of a service means that it cannot be stored for future sale or use. The short-term nature of services is not a significant problem if there is a stable demand. However, fluctuating

demand poses challenges for tourism companies. For instance, resort hotels are compelled to reserve more rooms for peak demand during the summer season than would be necessary for steady year-round occupancy by visitors.

By demonstrating the advantages of a cluster approach to managing enterprises considering the peculiarities of tourism products as a leading business service, the author has substantiated the need for a more detailed examination of the structure and models of a tourism cluster.

CONCLUSIONS

In conclusion, the concept of clustering enterprises in the service sector, particularly in tourism, embodies strategic advantages that enhance competitiveness and sustainability. By fostering collaboration, resource sharing, and specialization among businesses, clustering optimizes operational efficiency and service delivery. Moreover, it facilitates innovation, promotes regional development, and amplifies the overall attractiveness of destinations to tourists. Emphasizing the synergy between interconnected entities, clustering not only drives economic growth but also cultivates a cohesive ecosystem where collective strengths propel the service sector forward. As businesses continue to navigate dynamic market landscapes, embracing the essence and principles of clustering becomes pivotal for achieving resilience and fostering a thriving service-oriented economy.

The essence and principles of clustering enterprises in the service sector, particularly in tourism, underscore the strategic alignment of resources and capabilities to achieve collective goals. By clustering, businesses can effectively capitalize on shared infrastructure, knowledge exchange, and market synergies, thereby enhancing their competitive edge. This collaborative approach not only optimizes operational efficiency but also fosters innovation and enhances the overall quality of tourist experiences.

Furthermore, clustering promotes sustainable development by leveraging regional strengths and addressing common challenges collectively. It stimulates local economies, supports job creation, and contributes to the preservation of cultural and environmental heritage. As a result, destinations benefit from improved infrastructure, diversified offerings, and enhanced marketing efforts, ultimately attracting a broader range of visitors.

SUMMARY

The application of clustering principles in the service sector, especially in tourism, represents a strategic paradigm shift towards sustainable growth and resilience. By fostering collaboration and leveraging collective strengths, clustered enterprises can navigate challenges more effectively

while seizing opportunities for long-term prosperity and competitiveness in the global tourism market. This article is dedicated to the study of the essence and fundamental principles of clustering enterprises in the service sector. The authors highlight conceptual approaches to clustering, focusing on its impact on the competitiveness and innovative development of enterprises. The article examines the mechanisms of cluster formation, their structure, and their role in the economic development of regions. Clustering principles, such as geographical concentration, interaction among cluster participants, and innovation promotion, are analyzed in terms of their impact on the efficiency of enterprise operations. The conclusions of the article emphasize that clustering enterprises in the service sector is an important tool for enhancing their competitiveness and promoting innovative development. The development of clusters can become an effective pathway to the economic growth of regions and the improvement of service quality.

References

1. Annenkova, O. V. (2013). Practical and theoretical aspects of formation and development of cluster structures in the conditions of globalization. *Bulletin of the Donbass State Engineering Academy*, 3 (13), 7–12. [in Ukrainian]
2. Creative cities in Ukraine. Available at: <http://www.creativecities.org.ua/uk/creative-city/project/>
3. Creative Industries Programme (2010-2018). Available at: https://creativeconomy.britishcouncil.org/media/uploads/files/English_mapping_the_creative_industries_a_toolkit_2-2.pdf
4. Culture Statistics (2016) Eurostat. Available at: <http://ec.europa.eu/eurostat/documents/3217494/7551543/KS-04-15-737-EN-N.pdf/648072f3-63c4-47d8-905a-6fdc742b8605>
5. De Propriis, L., Hypponen, L. (2008). Creative Cities, Cultural Clusters and Local Development. European Creative Hubs Forum. Available at: <http://creativehubs.org>
6. Florida, R. Creative class: people who change the future. Moscow: Publishing House «Classic XXI».
7. Go See Share Creative Industries Fund. Available at: <https://www.creativescotland.com/funding/funding-programmes/targeted-funding/go-see-share-creative-industries-fund>.
8. Guide on surveying the Economic contribution of Copyright industries (2015). WIPO.
9. Karpenko, O. Alibaba's Jack Ma – the economy of the future: “Stop hoping for manufacturing in job creation.” Available at: <https://ain.ua/2017/09/21/dzhek-ma-ob-ekonomike-budushhego>

10. Klasik, A. (2008). Budowanie i promowanie kreatywnej aglomeracji miejskiej. *AE Forum*, 27, 12–15.
11. Kowalska, K. (2016). The value of crowdsourcing for creative clusters development. *Acta Innovations*, 14, 13–25.
12. Kuznetsova, N. B. (2018). Conceptual bases of formation and development of creative clusters. *Web of Scholar*, 2 (20), 7–11. [in Ukrainian]
13. Mateos-Garsia, J., Bakhshi, H. (2016). Creative clusters, creative people and creative networks. Nesta.
14. Movchan, I. V., Chuchina, I. M. (2011). Innovative clusters formation in Ukraine. *Economic space*, 49, 289–294. [in Ukrainian]
15. Mykytyuk, N. O. (2011). Features of system approach application at clusters' formation and management. *Bulletin of the National University "Lviv Polytechnic"*, 683, 112–117. [in Ukrainian]
16. Namyslyak, B. (2016). Creative clusters in Poland. *Barometr Regionalny*, 11 (2), p. 25–31.
17. Report on creative economy. Enhancing local development (2013) creative economy report. Widening local development pathways 2013 special edition. UNDP. Available at: http://ssc.undp.org/content/ssc/news/events/widening_local_development_pathways.html

Information about the author:

Kateryna Nikitenko

Candidate of Economic Sciences,
Associate Professor of the Department of Hotel, Restaurant
and Tourism Business,
Kherson State Agrarian and Economic University
23, Streetenska Str., Kherson, 73000, Ukraine