



CONTEMPORARY TRENDS  
IN TOURISM AND HOSPITALITY, 2011  
*Via Danube, the Main Street of Europe*

***Abstract Book***

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Department of Geography, Tourism and Hotel Management

## CONTEMPORARY TRENDS IN TOURISM AND HOSPITALITY, 2011

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## CONTEMPORARY TRENDS IN TOURISM AND HOSPITALITY, 2011

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*Via Danube, the Main Street of Europe*

### Conference Organiser

Department of Geography, Tourism and Hotel Management,  
Faculty of Sciences, University of Novi Sad

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### About the conference

"Contemporary Trends in Tourism and Hospitality - CTTH 2011" is international conference regarding research in tourism, leisure, hotel management, gastronomy and multidisciplinary studies. The CTTH is traditionally organised since 1997 during the International Fair of Tourism at Novi Sad Fair, for the 14th time this year. Until 2009 it was annual, when it was rearranged as biennale.

The scientific meeting comprised the following topics: contemporary tendencies in tourism, sustainable tourism development, cultural tourism, economical aspects of tourism and leisure, marketing and management, hotel management, specific forms of tourism, animation in tourism, hospitality and gastronomy.

The title of the CTTH 2011 is "*Via Danube, the main street of Europe*". From 14 Danubian countries, eight are EU members. This region is populated by 115 million people and development of tourism could contribute better positioning of each of the Danubian countries on tourism, and economic and business maps of Europe. Danube strategy is expected to bring more progressive economic and social devel-

opment of the Danube region and promote more balanced regional development and the quality of life. This year's scopes and themes could be seen.

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## MARKETING AND E-TOURISM

### Measuring Business Outcomes within Macedonian Travel Companies

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Main discrepancy between the TQM (Total Quality Management) strategy and the regular quality management methods within travel companies could be met with the fact that the latter one is based on the following approach: planning, organizing and control, while TQM strategy besides the appointed activities insists on amending through learning and investigation of issues and therefore gaining the final aim of continuous quality improvement. In order to become flawless, measuring the busi-

ness outcomes comes with the purpose to derive a feedback for how well things are done, what is lacking according the planned actions. The evaluation into travel companies needs to be done in each stadium and the outcomes gained should be used as a powerful weapon in order to continue the follow-up cycle towards continuous improvement.

The analyses in this paper are under the influence of the percipience from our practice, manner of self-assessing and the issues that Macedonian travel

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#### Marketing and e-tourism

companies experience with European and world market as well as the measures that are undertaken from the managers in terms of improvement of servic-

es and business processes.

**Keywords:** TQM (Total Quality Management) strategy, evaluation, continuous quality improvement.

# MEASURING BUSINESS OUTCOMES WITHIN MACEDONIAN TRAVEL COMPANIES

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## ABSTRACT

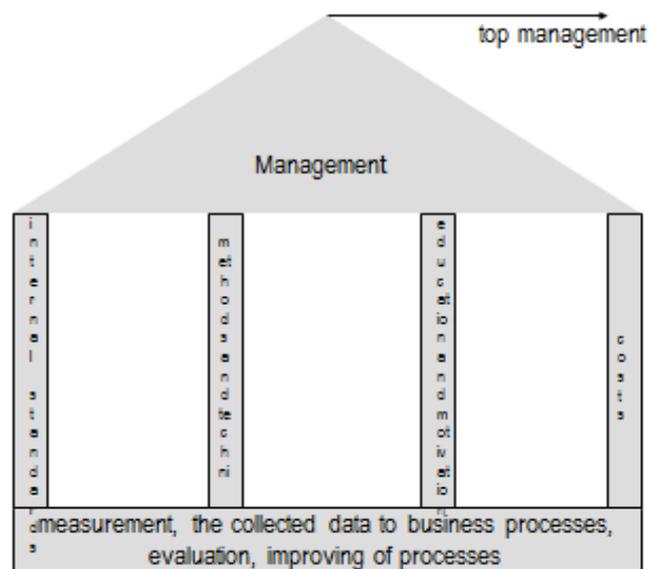
Main discrepancy between the TQM (Total Quality Management) strategy and the regular quality management methods within travel companies could be met with the fact that the latter one is based on the following approach: planning, organizing and control, while TQM strategy besides the appointed activities insists on amending through learning and investigation of issues and therefore gaining the final aim of continuous quality improvement. In order to become flawless, measuring the business outcomes comes with the purpose to derive a feedback for how well things are done, what's lacking according the planned actions. The evaluation into companies needs to be done in each stadium and the outcomes gained should be used as a powerful weapon in order to continue the follow-up cycle towards continuous improvement.

The analyses in this paper are under the influence of the percipience from our practice, manner of self-assessing and the issues that Macedonian travel companies experience with European and world market as well as the measures that are undertaken from the managers in terms of improvement of products/ services and business processes.

**Keywords:** TQM (Total Quality Management) strategy, evaluation, continuous quality improvement.

## INTRODUCTION

Every organization should develop the activities of the quality system, which can be represented as a "house of quality" (Cepujnoska, 2009), Fig. 1.



**Fig. 1:** House of quality (Cepujnoska, 2009)

Pillars of the house of quality: internal standards, methods and techniques flawless work, education and motivation and costs. The top management is most responsible in the "house of quality" and is the one that "holds on" the four pillars, which are subsystems of the system of quality management. The core of the house of quality in a company lies in the defined measurement, the collected data to business processes, in order to understand and control, and to gather important information about products and services to improve their quality and optimization of business processes. Monitoring (Dumke, et al., 2006) does not go only in the quality of products/ services, but also the adequacy of the TQM (Total Quality Management) system in the implementation of the functions of quality. Measurement is necessary for:

- understanding of the process, products/ services, resources. It can serve as a basis for future comparison;
- controlling of processes, product/ services, resources, including corrective and preventive measures, which means, by analyzing the measurements can identify opportunities for improvement and defect processes, products/ services, resources;
- improving of processes and products. Measurements can be used to predict the future behavior of processes, products.

### **THE NEED OF METROLOGY - BASIS OF THE HOUSE OF QUALITY**

Self-evaluation as a basic approach in the implementation of TQM strategy is of crucial importance in order to perform a correct application of it. Self-evaluation is realized through a

multitude of documented procedures to compare the model realized in terms of projections. To realize the measurement there is an actual need of qualified people. In case there isn't, it is necessary to develop alternative training for the implementation of TQM strategy as follows:

- course - training for self - assessment, which users of integral methodology of TQM system will provide broad theoretical and practical knowledge of its use in practice;
- Benchmarking workshops: <<examples of good practice>> that presents the best practices of successful domestic companies and compares the practice of other successful companies that apply the TQM strategy. Monitoring covers all subsystems from the house of quality, and by using documented procedures and the criteria of EFQM are assessed (European Foundation for Quality Management) used to assess the progress of companies in achieving business excellence (EFQM, 2000). The criteria for obtaining a European Quality Award are: leadership, policy and strategy, management staff, resources, processes, customer satisfaction, employee's contentment, impact on society, business results.

Checkup of the system after TQM must be part of the everyday care of strategic management. It should be a function of taking timely corrective measures. The assessment refers to:

- analysis of the external environment (business trends, legislation, sales, competition, customer satisfaction / customer, pleasure providers, impact on society);
- analysis of internal environment (effectiveness, efficiency, structure and employee's contentment, business results);
- analysis of the company in terms of area (Benchmarking).

**The results of the measurement should indicate: what the company has accomplished, and the features show how these results are achieved.**

Analysis of external environment includes the following activities (Cepujnoska, 2009):

- collecting and processing information for the market power of buyers/ users based on defined standards of quality in the organization;
- participation in the qualitative and quantitative transformation of information standards, standards and indicators, which must be accurately measured and expressed;
- determining the distribution channels for products meeting the relevant requirements of customers and achieving policy JIT (just in time).

The information should relate primarily to:

- the scope and characteristics of the needs of customers/ users, the opportunities the company to meet them at the required level of quality as well as limitations and problems of that time;
- what the competition offers, what is their competitive advantage, what are their capabilities and weaknesses;

- streamlining the system of information and making proposals in order to maximize the advantage over competitors or revitalize the lacks.

Designing measurement system provides a systematic approach to the results of the analysis of external environment analysis and detection of critical points, determination of the losses, application of solutions to problems and their successful implementation. To close the circle PDCA (Plan - Do - Control - correct), is necessary to check the results and implement corrective measures in order to achieve a spiral, continuous improvement that will lead to new opportunities for improvement. The improvement process is the process of solving problems (Shiba, Walden, 2002). One of the key criteria for receiving the Malcolm Baldrige Award (National Institute of Standards & Technology, 1999) and European Quality Award (EFQM, 2000), is the satisfaction of customers/ users and measurement of business results.

## METHODS AND DATA

This paper presents an analysis regarding the condition of Macedonian travel companies through one of the criteria for receiving a European Quality Award in the direction of the activities undertaken in relation to achieve the planned satisfaction of all those who have financial interest in it (Mitreva, 2010).

Those researches were done by questionnaire and by its own aspects regarding the real condition within Macedonian Tourist companies. The analysis of the findings was done through mathematical statistics and the research was conducted in 151 companies.

Listening of the desires, the needs of customers/ users and companies and the trial to meet their needs will increase customer satisfaction and provide competitive advantage. Collecting data on customer satisfaction for the quality of products/ services should show what measures companies should take to improve their satisfaction. Sources of measurement may be objections, complaints, surveys, debates and more (Nakata, 2002).

As to the question in what way do they get informed what their customers/ users require, the following data is obtained:

- 90 respondents, or 60%, desires and needs of customers *find out by analyzing the consumption/ supply*;
- 30 of them, or 20%, *by analyzing the questionnaire*;
- 5 of them, or 3%, *did not deal with that issue*;
- 26 of them, or 17%, under “*other*” listed (*direct contact with customers/ users and finding common optimal and acceptable solutions*).

The fact that is concerning is that there is a relatively weak interaction between customers/ users and manufacturers, indicating poor functioning of marketing services. Missing or poorly developed marketing services to Macedonian companies deprive them from of knowledge and providing of market needs and thus adapt them to meet those needs.

As for the question whether they had requests from customers/ users who cannot meet, the following results are obtained:

- 59% of respondents, fully able to meet the needs of customers/ users;

- 41% of them are not possible.

The reasons relate to the lack of technological capabilities, unrealistic demands of customers/ users as well as requirements for delivery deadlines appearing as shorter than optimal. Our companies 'a usage of questionnaires to measure satisfaction or dissatisfaction of customers of their products is very little because regarding the question what the way in finding out that their products/ services do not meet the expectations of users, the following responses are received:

- 54 respondents, or 35.7%, reported that for the low quality of its services they find out from complaints by customers;
- 36 of them, or 23.8% from the realized sales (whether increased or decreased);
- 26 of them, or 16.7%, by analyzing the questionnaire to users;
- 21 of them, or 14% by the reports from service quality control;
- 7 of them, or 4.7%, from monitoring the competition and
- 7 of them, or 4.7%, reported for "other" (they find that direct contacts with customers is much of a help in discovering whether their services meet their expectations).

To promote company services, it is important not to interpret located objections or complaints of customers incorrectly and to practice continuously monitoring their satisfaction, which will give a priceless information source for business analysis, and their management.

For the company to reach successfully the condition of its position and position of their products on the market, it is necessary to adequately collect and evaluate data and parameters of users in terms of the product, their experiences and expectations regarding products, their degree of satisfaction with the usage of those products.

Measurement of performance should be financial and additional. When asked what problems are encountered with the performance of the market (domestic and foreign) the following data is received: The survey results show that the biggest problem facing the Macedonian company is:

- 53 respondents, or 35% - *unfair competition*;
- 44 of them, or 29% - *high-priced products/ services*;
- 29 of them, or 19% - *strong competition*;
- and 17 of them, or 11%, are reported under "*Other*".

Under "other" is stated: *illiquidity of firms, lacking of distribution networks, the frozen rate of the euro, fake brands, protectionist in terms of government procurement resulting in poor distribution of capital and concentration of capital only in certain structures, reduction of customs formalities as well as electronic approval of licenses and permits*. None of the examined companies have put forward the quality of their products/ services (non - quality) as a problem faced by the participation of domestic and foreign markets.

In measuring business results, the trend of performance results and comparison with competitors in key business areas is being followed. Self - assessment of the company by comparing its practices with best practice, using benchmarking strategy should help the organization and to encourage internal creation.

The question whether competition is a threat to them and they see the benefits of competition, provided the following data:

- 76% of respondents reported that *competition is a threat to them*;
- 24% *see no threat of competition*.

And 86% of them cited reasons that can be seen the danger of competition as: better of quality; design; competitive prices; more efficient distribution networks; quality input supplies, etc.

### ***Advantages of competitors as a threat for companies***

- 34 respondents, or 26%, the advantage of competition find better at the quality of their products/ services;
- 34 of them, or 26%, reported that low prices are a major advantage of competition;
- 27 of them, or 21%, and take advantage of well-developed distribution network competition;
- 16 of them, or 12%, an advantage highlight the importance of quality of incoming raw materials;
- 12 of them, or 5%, reported that the design of products is key to the success of competitors;
- 2 of them, or 10%, for another.

10% of the researched companies the advantage of competitors see the "favorite" brand (lovebrand). Customers/ users should be in love with the brand in Macedonian companies. Creating Macedonian brands that identify with the Macedonian identity is a necessity. For example, if you want to promote Macedonian wine you need to compete on all wine festivals and will probably win. And then you say that the Macedonian wine had just beaten the German one and would be proud of it. People in Macedonia are very sensitive to the pride, identity and nationality, so it should be used. The fact that Macedonians are avoiding Macedonian products does not mean that they are substandard, but it is necessary to strengthen the brand. Here there are some brands that produce a sense of pride, as a "Skopsko" because everyone will say it best. Tikves winery which is the largest winery in the Balkans has "Tga za jug" as a symbol of the Macedonian beauty and love for motherland and Macedonian lovebrand.

## **CONCLUSION**

Our research showed that 68% of the examined companies perform consistent compare with the competition which are the best in their field and take measures to improve business processes and products. Based on these measurements the competitive advantages of competitors are revealed, and 26% of the examined companies have said that the advantage of

competitors is improved quality of their products/ services. In this way, benchmarking is a useful method in the management of quality, especially for observation and continuous measurement of the gap between internal (own) best practice and external practice in establishing dynamic measurable standards, and based on these measurements policy and strategy organizations are being built. Turning all this information into measurable indicators and standards is necessary in order to meet the demands of customers, but a platform for understanding and cooperation with internal departments and services within the organization to meet those requirements is needed. Thus, the development of these indicators and standards enabling the measurement and monitoring of quality, achieving an acceptable level of quality in all sectors, elimination of defects and waste, and thus, avoiding the presence of a separate control of each workplace and costs are reduced for that purpose. Measurement should not encourage imitation, direct copying a competitor, as mass movements and trends in our country, but it is also a kind of manipulation of customers/ users.

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