

LEVEL OF CUSTOMER ORIENTATION AND CUSTOMER PROTECTION IN HOTELS IN SERBIA

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Summary

Hotels present an engine of tourism development. Their standard and orientation towards specific target groups of customers determine the strength of tourism offer. In addition, they contribute to the agricultural development, too, because they are the great buyers of agricultural products. According to official data, the existing potentials of Serbian tourism have been insufficiently valorised and Serbian hotels are in pretty poor condition- compared to international standards. Taking these facts into consideration, we can raise a question whether the key problems of Serbian hotels lie exclusively in inadequate accommodation capacities, or perhaps that there is a lack of customer- oriented business philosophy. Also the question is to what extent the legal regulations contribute to the protection of customer rights and their satisfaction. Therefore, the purpose of this paper is to ascertain the level of customer orientation in Serbian hotels, so as to find out whether members of hotel staff are acquainted with the notion of customer orientation and determine the degree to which this approach has been applied in practice. Conclusions and recommendations for improvement of competitiveness of hotels in Serbia are derived on the basis of research conducted by interviewing the employees of a sample of hotels in Serbia.

Key words: *customer orientation, customer satisfaction, protection of customers, marketing in hotel management industry*

JEL: *M21, M31.*

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Introduction

Today, the Republic of Serbia only has comparative advantages in tourism, while the process of transformation of comparative advantage into a competitive advantage in tourism of the Republic of Serbia is a part of the whole reform process, as well as the political attitudes towards tourism as an important creator of national wealth. Within the framework of the Tourism Development Strategy of the Republic of Serbia, untouched expanse of mountains, forests, agricultural fields, vineyards and hunting- fishing zones are distinguished as one of the important strategic resources of the Republic of Serbia for the success in tourism. There are more and more researches that recognize the importance of tourism, and especially rural tourism, for the development of local areas, reduction of unemployment and increase of living standards. Rural areas in Serbia have significant development potential due to their geographical, climatic and natural features (Antevski et al., 2012). In order to achieve sustainable rural development through the development of rural tourism, it is necessary to unite two spheres: agricultural production and tourism activity. It is a complex task. The complexity is caused by the entwinement of economic, social, cultural, historical and environmental factors, as well as the regional specifics of particular tourist and recreational complexes (Ivolga, Erokhin, 2013).

The relationship between tourism and agriculture is manifold. On the one hand tourism has a great impact on the development of rural areas, and on the other hand, the importance of tourism is reflected in the creation of markets for agricultural products, given that they are important inputs for hotels and restaurants. Hotels as a development engine of the tourism industry and one of the major buyers of agricultural products represent one of the key factors in driving economic development, based on the development of tourism and agriculture.

On the basis of conducted primary research it has been determined that an average hotel in the Republic of Serbia has 105 rooms, it is 42 years old, partially renovated 13 years ago and dominated by two and three-star buildings (Tourism development strategy of the Republic of Serbia) Taking into consideration these official data, we may conclude that the hotels in Serbia are in a rather bad position. If we add the fact that, in terms of opening our country towards the world, hotels in Serbia are facing additional pressure of growing competition in the tourism market, we come to a conclusion that they must put significant effort in order to improve their business, retain existing customers and acquire new ones.

One of the way in which hotels in Serbia may cope with growing competition is acceptance of the inevitability of customer orientation in order to ensure survival in the market and further growth and development. Customer orientation must represent a part of general philosophy of the hotel and must reflect the focus of all hotel employees towards the customers. Customer orientation implies consideration of all aspects of service business of the hotel, from a customer point of view, and taking into account customer expectations as a criterion for action of hotel employees.

In addition, if there is a striving towards competitive tourism, there must be a competitive legislation in terms of protection of customer rights. Protection of customers is a

constitutional category (Article 90 of the Constitution of the Republic of Serbia) which indicates the commitment of the state in the construction of a legal system within this area that corresponds to the contemporary democratic society whose development is based upon: market principles, ideas of responsibility and fairness. Customers must be informed of their rights and introduced to the structure of the Law on customer protection that must comply with EU regulations, as well as regulations of countries in the region, pursuant to which one could, with certainty, follow the successful manner of customer protection policy. Therefore, protection of customer rights must be expressed through basic notions of: laws, customer contracts, legal guarantees, commercial guarantees, customer rights in distance contracts and contracts concluded away from business premises.

Under changed circumstances of service economy, it is obvious that customers cannot be treated as it was the case in the past. There is a well-known sentence by Ford that states: "A customer can choose the colour of the car that he wants, provided that it is black", and such manner of thinking is ancient history. Developed countries have recognized the need for education and awareness of their customers, since knowledge of customer needs and rights is the key to the solution of everyday problems related to inadequate services, products, receipts, unaccepted complaints etc. The Government and state institutions also have a certain interest in knowing the behaviour of customers. Legal and other regulatory provisions are based upon customer behaviour. Theories and results of research of customer behaviour commonly underlie the laws related to the market. Studying customer behaviour is of general interest from the point of view of the society as a whole.

In the Western Balkans, as well as in other EU countries, there are customer organizations that inform customers about the quality of products, prices, products that may endanger the health and safety of customers, carry out customer education etc. Customer protection system in Serbia is partially in compliance with the directives and regulations of the European Union in the area of customer protection. (Grandov, Jovanović, 2011). The Law on customer protection, published in the "Official Gazette of the Republic of Serbia" no. 73/10, regulates the basic customer rights, conditions and means of customer protection, rights and obligations of associations and unions whose field of action is the achievement of objectives of customer protection, establishment of a system of extrajudicial settlement of customer disputes, as well as rights and obligations of state authorities in the area of customer protection. In order to increase competitiveness in hotel business, it is necessary that both management and employees are educated and aware of basic customer rights, in order to prevent their violation and endangerment.

Should any hotel decide to implement and apply customer orientation, it is necessary to be familiar with anything it covers, how customers can be affected, how to measure the degree to which the customer is provided with value and how to achieve long-term satisfaction and loyalty of customers. The remainder of this paper shall try to provide an answer to the question to what degree are hotels in Serbia customer oriented.

Literature overview

When defining the concept of customer orientation one may encounter a large number of attempts of various definitions in literature. In fact, it may be noticed that market orientation and customer orientation are quite often used as synonyms, which is due to the fact that both orientations have focuses aimed towards meeting the needs of customers (Brady, Cronin, 2005).

Deshpande et al. (1993) state that market orientation and customer orientation are synonyms, defining customer orientation as: “A set of beliefs that puts the customer’s interest first, while not excluding those of all other stakeholders such as owners, managers, and employees in order to develop a long-term profitable enterprise”. However, there are certain differences between these terms, although initially they may seem quite similar, and they cannot be used interchangeably.

Narver and Slater (1990) make a distinction between market orientation and customer orientation, and state that customer orientation is one of three behavioural components of market orientation, while the other two components are orientation towards competitors and inter-functional coordination. Kevin Zhou et al. (2007) also observe a distinction between customer and competitive orientation, and according to research in global hotel management industry, indicate that customer and competitive orientations have a different influence on the performances of a hotel, depending on market conditions.

Orientation towards customers is seen as a central part of a broader definition of market orientation given by Kohli and Jaworski (1993), which states that: “market orientation is, in fact, organization-wide generation of market intelligence pertaining to current and future requirements of customers, dissemination of intelligence horizontally and vertically within the organization, and organization-wide action or responsiveness to market intelligence.” According to their research, organizations that are marketing oriented achieve higher levels of employee commitment to the organization, higher levels of customer satisfaction and improved business performance (Kohli, Jaworski, 1990).

Bruhn (1995) also points out the distinction between market and customer orientation. Market orientation involves focusing organizational activities towards all market participants and all interest groups, whereas orientation towards customers involves the creation of bilateral relationships between customers and the organization. He believes that: “Customer orientation is comprehensive, continuous collection and analysis of customer expectations as well as their internal and external implementation in an organization’s services and interactions, with the objective of establishing stable and economically advantageous customer relationships on the long term”. According to this definition, customer orientation may be seen as a task for hotel management and employees. Therefore, active implementation of customer orientation may create a knowledge base, which may enable the hotel management and employees to constantly learn about the perceptions and needs of current and future prospective customers, and understand what they really need.

Based on the abovementioned definitions, it is evident that the management and employees in particular, represent a key to customer orientation in organizations in general, and hotels as well. Therefore, should one wish to examine customer orientation of a hotel, it is necessary to conduct research on how customer-oriented are the employees and management. Nwankwo (1995) suggests a model for clear determination of customer orientation level, which consists of four basic interrelated determinants: definition, sensitivity, measurement and implementation. The validity of this model and coherence of determinants, emphasized by Nwankwo as key determinants, has been tested and confirmed by the author (Ćirić et al., 2013). The above model indicates that customer oriented organization is any organization that has all four determinants at a high level.

Definition determinant – Customer oriented organization in the focus of its business proceeds from customer, rather than organizational factors. Customer oriented organization has a clear image of customers, pursuant to which it selects target markets and creates products and services (Nwankwo, 1995). It is necessary to identify and understand the needs of a specific target market. These needs become wishes that are directed towards products/services that will achieve their satisfaction. Therefore, the main task of a customer oriented organization is to identify customer needs in target markets, and according to them adjust its marketing mix in order to achieve customer satisfaction and consequent profit (Ćirić, 2013). Investing in customer satisfaction involves certain expenditures of the organization, but in the long term, revenues realized based on the benefits from satisfied customers exceed the initial expenses and contribute to greater profitability of a service organization. That said, any service organization that wishes to obtain a long term market position must focus on customers, their satisfaction, and continuously work on the improvement of customer satisfaction (Ćirić, Klincov, 2008).

Sensitivity determinant – Customer oriented organization, in relation to the customer, acts proactively, i.e. tries to pre-determine what it is that customers want and expect, and to base its customer strategy on such information. Customer oriented organization does not wait for the problem to occur and then react, it shows empathy in advance to its current and prospective customers (Nwankwo, 1995). Should a hotel employee be able to read the emotions experienced by the customer and intervene positively, he may encourage the customer to transform from impatient, emboldened to eventually happy. Emotionally intelligent service staff may understand the emotional scenarios and then influence them in a positive way (Ljubojević, 2002). Henning-Thurau (2004) points out that one of the key components of company success is the orientation of employees towards customers. Researchers conducted by Macintosh (2007) emphasize very explicitly the importance of front office employees, especially in case of service organizations. According to the results obtained, customer orientation of front office employees directly positively affects customer loyalty and positive recommendations. Therefore, he suggests that particular attention must be paid to the selection, training and motivation of employees that shall be customer oriented. The main prerequisite for

good treatment of customers by employees is that the company treats its employees well. Employee satisfaction is a precondition for long term customer satisfaction. For this purpose, it is important to establish standards in order to improve the quality of services and control of employees (Popesku, 2013).

Measurement determinant – Uses formal methods and techniques for performance measurement which, in addition to sales, profit, market share also include customer indicators such as the level of customer satisfaction and loyalty. Customer oriented organization does not proceed from approximate market conditions and analyses of customer complaints, due to the lack of formal measurement mechanisms. It obtains, through formal methods of measurement, clear indicators of whether the implemented actions have contributed to the improvement of performances of the organization (Nwankwo, 1995). Customer oriented organization needs to establish how customers perceive the performance of its services used by them, as well as how they perceive service performances of competitive companies. Pursuant to these data, the company shall acquire knowledge in regard to which service characteristics are of greatest importance to the customers. To obtain such data, the organization may measure service quality and research customer satisfaction. Then, it is necessary that the company establishes, on the basis of internal data, the level of actual performances of its services in terms of characteristics of importance to the customers. In this way, the organization obtains a basis upon which it may improve its services in the future. Apart from that, it is necessary to distribute research results throughout the entire organization, so that all employees understand that user satisfaction is something that is measurable, and that it is an element that has a direct impact on the organization's business (McNealy, 1994).

Implementation determinant – Customer oriented organization works intensively on providing the expected value to the customer. In customer oriented organizations, management and employees are fully engaged and motivated to meet the customer's expectations and provide him with maximum level of satisfaction. Implementation involves the process of conversion of marketing plan into actions that should lead to the execution of planned objectives (Novaković Rajčić, 2008), but even the best marketing plan shall not be effective if the company does not have any customer oriented staff that shall be able to implement the defined plan in an appropriate manner. An integral part of this phase is certainly the issue of respect and protection of customer rights. Namely, in addition to activities of strengthening customer protection, it is necessary to create an environment in which the customers can exercise and use their rights. The prerequisite for this is to create a system in which the customers are aware of their rights and responsibilities, have access to information and advice, are aware that they are secure in the market and that there are efficient mechanisms for protection of their rights. This practically means that legal remedies and possibility of damage reimbursement are available to the customers. Confident, protected and active customers are those who seek better quality of services and goods, and they are the main drivers of innovation and improvement of competitiveness of companies. (Customer protection strategy) Hotel management and employees must be familiar with the basic provisions of the

Law on customer protection. The employees must be ready to respond to any customer complaints, to fully comply with all their rights and ensure their satisfaction. Apart from that, the management and employees should observe in customer complaints a chance to improve their services and increase business competitiveness.

All four abovementioned determinants (definition, sensitivity, measurement and implementation) are mutually connected, and only those organizations that have high levels of all these determinants may be considered as customer oriented, and that they may obtain positive benefits from such orientation.

We have used the above Nwankwo model, with certain modifications and adjustments in accordance with specific features of hotel management industry, to determine the level of customer orientation in hotels in Serbia.

Research method

The research was conducted in the territory of Šumadija and Moravički district.

The research sample consists of nine hotels and one villa. Random selection method was used for the selection of a representative sample. The selection of random sample was made from the list of hotels using a table of random numbers.

The research was carefully prepared. The treatment of respondents was clearly and precisely designed. Clear, accurate and sufficiently detailed instructions were prepared for the respondents and contributors of the research. A method of collecting and recording data was also determined.

The research was conducted using a survey method. A list of specially formulated questions grouped into four categories had been prepared for the survey: Definition; Sensitivity; Measurement; and Implementation.

Each group consisted of seven questions. The respondents replied to the questions by writing down numbers from the enclosed scale.

Appendix: Questionnaire

The respondents of the survey were chosen from employees using random selection criterion. The survey was anonymous. Upon completion of the survey, the questionnaires were analysed.

First, the questionnaire was reviewed, question validation check was conducted and errors in filling were corrected. There were no rejected questionnaires.

After that, the questionnaires were coded, i.e. data coding was performed. Since the data had already been entered numerically from the beginning, a single control check was conducted. There were no corrections.

The third phase included classification and tabulation of data, compiling of appropriate tables for efficient graphic representation of research results.

Results and discussion

Research results are expressed in percentages and points, and displayed in tabular form.

Table 1. Research results in percentages and points

| Hotel name | Total number of employees | Surveyed employees | Definition | | Sensitivity | | Measurement | | Implementation | |
|----------------------------------|---------------------------|--------------------|------------|-------|-------------|-------|-------------|-------|----------------|-------|
| | | | % | Point | % | Point | % | Point | % | Point |
| Hotel „Šumarice“ Kragujevac | 36 | 1 | 80 | 28 | 77 | 27 | 85 | 30 | 91 | 32 |
| | | 2 | 82 | 29 | 62 | 22 | 77 | 27 | 91 | 32 |
| | | 3 | 68 | 24 | 54 | 19 | 60 | 21 | 54 | 19 |
| | | 4 | 88 | 31 | 80 | 28 | 80 | 28 | 88 | 31 |
| | | 5 | 77 | 27 | 68 | 24 | 80 | 28 | 80 | 28 |
| Hotel „Zelengora“ Kragujevac | 28 | 1 | 91 | 32 | 85 | 30 | 85 | 30 | 94 | 33 |
| | | 2 | 85 | 30 | 82 | 29 | 91 | 32 | 100 | 35 |
| | | 3 | 88 | 31 | 85 | 30 | 88 | 31 | 88 | 31 |
| | | 4 | 91 | 32 | 85 | 30 | 88 | 31 | 91 | 32 |
| | | 5 | 97 | 34 | 85 | 30 | 91 | 32 | 88 | 31 |
| Hotel „Kragujevac“ Kragujevac | 31 | 1 | 80 | 28 | 68 | 24 | 85 | 30 | 91 | 32 |
| | | 2 | 71 | 25 | 77 | 27 | 85 | 30 | 82 | 29 |
| | | 3 | 74 | 26 | 74 | 26 | 85 | 30 | 80 | 28 |
| | | 4 | 80 | 28 | 74 | 26 | 74 | 26 | 88 | 31 |
| | | 5 | 74 | 26 | 77 | 27 | 80 | 28 | 88 | 31 |
| Hotel „Stari grad“ Kragujevac | 18 | 1 | 82 | 29 | 82 | 29 | 80 | 28 | 80 | 28 |
| | | 2 | 94 | 33 | 65 | 23 | 74 | 26 | 80 | 28 |
| | | 3 | 71 | 25 | 68 | 24 | 68 | 24 | 71 | 25 |
| | | 4 | 77 | 27 | 77 | 27 | 85 | 30 | 82 | 29 |
| | | 5 | 88 | 31 | 77 | 27 | 80 | 28 | 85 | 30 |
| Hotel „Euro Gaj“ Ravni Gaj | 18 | 1 | 74 | 26 | 57 | 20 | 48 | 17 | 62 | 22 |
| | | 2 | 85 | 30 | 68 | 24 | 71 | 25 | 85 | 30 |
| | | 3 | 74 | 26 | 68 | 24 | 62 | 22 | 80 | 28 |
| | | 4 | 62 | 22 | 62 | 22 | 71 | 25 | 71 | 25 |
| | | 5 | 80 | 28 | 62 | 22 | 57 | 20 | 71 | 25 |
| Hotel „Neda“ Rudnik | 24 | 1 | 77 | 27 | 65 | 23 | 74 | 26 | 68 | 24 |
| | | 2 | 71 | 25 | 71 | 25 | 68 | 24 | 62 | 22 |
| | | 3 | 54 | 19 | 57 | 20 | 65 | 23 | 60 | 21 |
| | | 4 | 80 | 28 | 74 | 26 | 77 | 27 | 68 | 24 |
| | | 5 | 65 | 23 | 60 | 21 | 60 | 21 | 57 | 20 |
| Hotel „Oplenac“ Topola | 28 | 1 | 77 | 27 | 66 | 23 | 63 | 22 | 68 | 24 |
| | | 2 | 80 | 28 | 57 | 20 | 63 | 22 | 68 | 24 |
| | | 3 | 91 | 32 | 71 | 25 | 68 | 24 | 82 | 29 |
| | | 4 | 68 | 24 | 60 | 21 | 68 | 24 | 71 | 25 |
| | | 5 | 68 | 24 | 51 | 18 | 60 | 21 | 57 | 20 |
| Hotel „Plana“ Velika Plana | 27 | 1 | 88 | 31 | 77 | 27 | 94 | 33 | 91 | 32 |
| | | 2 | 77 | 27 | 60 | 21 | 80 | 28 | 77 | 27 |
| | | 3 | 91 | 32 | 77 | 27 | 77 | 27 | 85 | 30 |
| | | 4 | 77 | 27 | 82 | 29 | 91 | 32 | 94 | 33 |
| | | 5 | 77 | 27 | 88 | 31 | 80 | 28 | 88 | 31 |

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| Hotel name | Total number of employees | Surveyed employees | Definition | | Sensitivity | | Measurement | | Implementation | |
|---------------------------------------|---------------------------|--------------------|------------|-------|-------------|-------|-------------|-------|----------------|-------|
| | | | % | Point | % | Point | % | Point | % | Point |
| Hotel „Beograd“ Čačak | 34 | 1 | 84 | 32 | 77 | 27 | 80 | 28 | 82 | 29 |
| | | 2 | 82 | 29 | 68 | 24 | 65 | 23 | 74 | 26 |
| | | 3 | 68 | 24 | 71 | 25 | 54 | 19 | 65 | 23 |
| | | 4 | 82 | 29 | 71 | 25 | 80 | 28 | 80 | 28 |
| | | 5 | 74 | 26 | 71 | 25 | 71 | 25 | 68 | 24 |
| Vila „Aleksandar“ Orašac Arandjelovac | 29 | 1 | 88 | 31 | 83 | 29 | 80 | 28 | 77 | 27 |
| | | 2 | 86 | 30 | 86 | 30 | 88 | 31 | 86 | 30 |
| | | 3 | 85 | 30 | 82 | 29 | 77 | 27 | 80 | 28 |
| | | 4 | 77 | 27 | 71 | 25 | 77 | 27 | 74 | 26 |
| | | 5 | 80 | 28 | 68 | 24 | 77 | 27 | 85 | 30 |

Source: According authors' calculation

Table 2. Research results in average percentage values

| Hotel | Definition | Sensitivity | Measurement | Implementation |
|-------------------------------|------------|-------------|-------------|----------------|
| Hotel “Šumarice” Kragujevac | 79 | 68,2 | 76,4 | 80,8 |
| Hotel “Zelengora” Kragujevac | 90,4 | 84,4 | 88,6 | 92,2 |
| Hotel “Kragujevac” Kragujevac | 75,8 | 74 | 81,8 | 85,8 |
| Hotel “Stari Grad” Kragujevac | 82,4 | 73,8 | 77,4 | 79,6 |
| Hotel “Euro Gaj” Ravni Gaj | 75 | 63,4 | 61,8 | 73,8 |
| Hotel “Neda” Rudnik | 69,4 | 65,4 | 68,8 | 63 |
| Hotel “Oplenac” Topola | 76,8 | 61 | 64,4 | 69,2 |
| Hotel “Plana” Velika Plana | 82 | 76,8 | 84,4 | 87 |
| Hotel “Beograd” Čačak | 78 | 71,6 | 70 | 73,8 |
| Vila “Aleksandar” Orašac | 83,2 | 78 | 79,8 | 80,4 |
| Average value | 79,2 | 71,66 | 75,34 | 78,56 |

Source: According authors' calculation

The points represent the sum of numeric grades and percentages were calculated by dividing total points with 35 and multiplying by 100.

According to Nwankwo, author of the model, the hotels may be observed as having a high level of customer orientation should they have grades above 75% for each determinant: definition, sensitivity, measurement and implementation. Pursuant to the above table, we can conclude that only three hotels have percentages above the level specified for all variables. This implies that only three hotels, i.e. 30% of the sample have a high level of customer orientation.

Taking into account the obtained results, it is clear that hotels in Serbia may work on increasing their own competitiveness through increasing the level of customer orientation in every aspect, from definition, through sensitivity, measurement, to implementation. Since these determinants are mutually connected (Ćirić et al., 2013), an increase in each of said determinants significantly increases the overall level of customer orientation of the hotel and its competitiveness in the market.

What is observed as positive in these results is the fact that other hotels, even though they do not have high levels of customer orientation, are not in a bad situation. The lowest value shown in the research is 61%, in the category of sensitivity, which reflects a mid-level customer orientation.

If we individually analyse each determinant, we may notice that the definition determinant was evaluated as best, with average value of 79,2%, and that no hotel has a value of less than 75%. The obtained result is encouraging, since it shows that hotels in Serbia have a high level of employee awareness about the need to observe the entire service offer and service process from the customer's point of view and to adapt to the customers in order to meet their needs and desires.

Sensitivity is the lowest evaluated determinant with an average value of 71,66%. What is also indicative is the fact that in seven out of ten examined hotels, the sensitivity category was the lowest evaluated determinant in relation to all four determinants. In other words, employees must have a more proactive approach in relation to their clients, and show a greater degree of empathy and emotional intelligence. The above is in accordance with the views of Beech and Chadwick (2006) who believe that the key factor for successful business on strategic, operational and individual level is staff training. It is also in accordance with the views of Popesku (2013) who states that an organization must work on the increase of employee satisfaction, resulting in a better quality of service for the customers. It is also consistent with the view of Goleman (1998) who emphasizes that learning emotional intelligence by the employees is a difficult yet successful process. However, the benefits from possessing emotional intelligence deserve every effort that should be taken in the direction of building emotional intelligence of an individual and the organization.

The average value of measurement determinant is 75,34% pursuant to which it may be concluded that hotels are working on measuring the quality of services provided, encouraging customers to present complaints and suggestions in order to improve the quality of services, as well as that measurements are based on specific methods and not approximate assessments. However, although this average grade indicates a high level of customer orientation of hotels in this segment, it is indicative that four hotels have values below 75%, which shows that in this segment there is plenty of room for the improvement of customer orientation and increase of hotel competitiveness.

The average value of implementation determinant, in the amount of 78,56%, supports the fact that hotels have good implementation of marketing plans, good organization of employees, team spirit, atmosphere in which the customer is always right and complaints are responded to in an appropriate manner. Legally guaranteed customer rights are observed and everyone in the organization is responsible for the provision of full customer satisfaction. Only one hotel had a value below 75%, which means that in this segment, hotel management industry in Serbia is at a high level.

Conclusion

Pursuant to research conducted, we may conclude that regardless of currently inadequate accommodation capacities, hotels in Serbia are not in a completely hopeless situation, as it may seem at first sight. In fact, they can base their competitive advantage in the market on high quality management and very customer oriented employees. Even 30% of hotels are at a very high level of customer orientation, while the remaining 70% are above the average level of customer orientation. It is encouraging that, in all examined hotels, it has been noted that there is a high level of awareness of the need for customer orientation. It has been observed that hotels tend to tailor their service offers in accordance with the requirements and needs of customers. Factors relevant to customers are, in order of importance, above internal organizational factors. Also, it has been proven that there is an excellent system of implementation of marketing plans in order to meet customers' needs. There have been positive responses to complaints and there is a fostered system of customer protection at hotel level. Managers and employees observe complaints as an opportunity for business improvement, not as a criticism that causes negative reactions. The hotels may wish to work on primarily sensitivity and measurement determinants, in order to improve their customer orientation. The weakest point of hotels in Serbia is, when it comes to customer orientation, the sensitivity determinant. Therefore, it is recommended for the management to give efforts in strategy formulation and decision making and pay more attention to factors in the environment, customer expectations and potential wishes that might develop. Managers need to create competitive advantage by using collected information and knowledge base on customers to be able to anticipate in advance what is it that may provide the customer with satisfaction, and then to meet their wishes and expectations better than its competitors. Apart from that, the management may engage more in the motivation of employees and their training, in order to develop their emotional intelligence, in addition to technical and conceptual skills, that is reflected in the knowledge of own emotions, managing emotions, self-motivation, recognition of emotions of others and managing relationships. In this way, through the creation of employees with such competence, it is possible to achieve better anticipation and meeting of customer needs, which in turn creates a competitive advantage that is extremely difficult to copy. When it comes to measurement determinant, competitive advantage may be enhanced via introduction of formal methods for continuous research of quality of service and research of customer satisfaction, and distribution of obtained information across all levels of the organization, in order to thereby create an adequate knowledge base on customers and their needs and wishes, which would allow an even higher level of hotel customer orientation and achievement of higher levels of customer satisfaction.

So, to summarize, high quality human resources and customer oriented philosophy are for the most part present in the examined sample of hotels in Serbia. Of course, there is room for improvement, as we have noted. Therefore, the situation in hotel management industry is not completely poor and there is a chance of improvement in perspective. What should be done is to find investments for renovation and improvement of existing capacities and invest certain funds in brand building. Also, one of the things that would

contribute to the improvement of hotel offers is putting emphasis on the offer of healthy domestic food and local specialties. Then, new services specific to the area in which the hotel is located may be introduced, such as relaxing massage with raspberries, which are a readily built brand from the area of Šumadija and the like. In cooperation with tourist agencies, hotels may enhance their offer through organizing visits to village households where the tourists could enjoy the authentic ambience of a Serbian village and eat food prepared in the traditional manner. Also, a souvenir and local handicrafts shop should be a mandatory part of the hotel complex, and thus tourists would not have to look for shops to buy something as a souvenir, and everything they wanted would be at their fingertips. In such case, hotels that would improve both tourism and agricultural production, and which would be able to cope with global competition, would be developed.

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Appendix

Survey

For each statement, evaluate the extent to which that statement is true for your organization, using the following scale: 1 = Not at all; 2 = To a small extent; 3 = To a medium extent; 4 = To a great extent; 5 = To a very great extent.

Definition:

1. My organization has a clear image of customers and their needs.
2. My organization defines its products/services from a customer's perspective.
3. In my organization we have specific objectives that are customer oriented.
4. We actively seek and listen to customer comments.
5. Managers in my organization spend time with customers.
6. Fulfilment of customer needs has a priority over the fulfilment of our internal needs.
7. Market research is a very important activity in my organization.

Sensitivity:

1. We encourage customers to get involved in defining production/service objectives and standards of the organization where I work at.
2. We know which attributes of our products are valued the most by our customers.
3. We exceed the expectations of our customers in terms of things that are of highest importance to them.
4. Customer strategies in my organization are far more based on the analysis of market conditions, rather than the ambitions of the organization.
5. In the formulation of customer strategies, we try to avoid predicting the future, in such a manner that we observe the future on the basis of past trends.
6. My organization understands that customer satisfaction is very important.
7. Employees in my organization are trained, supported by necessary resources and encouraged to provide the customer with satisfaction in regard to products/services.

Measurement:

1. My organization explicitly tells customers about the fact that we are entirely at their disposal.
2. Customers are encouraged to give us feedback on our performances.
3. We regularly measure the standards of our services and performances.
4. We regularly analyse customer complaints and use obtained information in the process of strategy development.
5. Are the results or performance measurement available to everyone, visible and updated?
6. We apply well known methods of performance measurement, and we do not rely on approximate methods.
7. Front office staff in my organization is constantly informed about how they should perform their work.

Implementation:

1. CEO of my organization is a champion in customer relations.
2. In undertaking customer initiatives, we strive to establish operating rules that are flexible and sustainable.
3. In my organization there is strong motivation among the staff and we would do anything to meet the customers' requirements.
4. Teams from various departments within my organization work together and effectively in order to achieve common goals.
5. In my organization there is agreement in regard to what we should do in order to be successful.
6. In my organization, customer comments and complaints are promptly responded to.
7. Everyone in my organization is responsible for resolving customer problems.

NIVO POTROŠAČKE ORIJENTACIJE I ZAŠTITE POTROŠAČA U HOTELIMA SRBIJE

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Sažetak

Hoteli predstavljaju razvojni motor turističke privrede. Njihov standard i njihova orijentacija prema ciljnim grupama potrošača determinišu snagu turističke ponude. Osim toga oni, takođe, doprinose i poljoprivrednom razvoju, obzirom da predstavljaju velike kupce poljoprivrednih proizvoda. Uzimajući u obzir činjenicu, da su prema zvaničnim podacima, postojeći turistički potencijali Srbije nedovoljno valorizovani, a hoteli u prilično lošem stanju u odnosu na međunarodne standarde može se postaviti pitanje da li je problem koji postoji u hotelima u Srbiji isključivo u neadekvatnim smeštajnim kapacitetima, ili pak ne postoji generalna filozofija orijentacije prema potrošačima. Pitanje je i u kojoj meri pravna regulativa doprinosi zaštiti prava potrošača i njihovoj satisfakciji. Stoga je cilj ovoga rada utvrđivanje nivoa potrošačke orijentacije hotela u Srbiji kako bi se došlo do saznanja da li su zaposleni u hotelima upoznati sa pojmom potrošačke orijentacije i u kojoj meri se ona primenjuje u praksi. Na osnovu sprovedenog istraživanja anketiranjem zaposlenih na uzorku hotela u Srbiji izvode se zaključci i preporuke za poboljšanje konkurentnosti hotela u Srbiji.

Ključne reči: *potrošačka orijentacija, satisfakcija potrošača, zaštita potrošača, marketing u hotelijerstvu.*

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