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Spa Tourism in Serbia and Experiences of Other Countries

THEMATIC PROCEEDINGS

UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT AND TOURISM IN VRNJAČKA BANJA
BUSINESS OF TRAVEL AGENCIES AND APPLICATION OF MODERN MANAGEMENT CONCEPTS

Tatjana Cvetkov Ćikošev

Abstract

Tourism today is one of the determinants of global economy with high impact on the economic growth and development of both global and local economies. Under the influence of changes on the global tourism market, the way companies are managed and tourism are constantly changing and adapting to change. The subject of this paper is learning about the current situation of the tourism market in Serbia, with special attention to management approaches. Research results are supposed to give recommendation related to modalities of supply management in contemporary travel agencies, as well as to show appropriate strategic answers for travel agencies in Serbia in order to reach competitiveness. In this paper attention will be placed on marketing approach in supply management, technology integration and processes, as well as on the needs of potential guests, both local and foreign.

Keywords: Tourism, Travel Agency, Management, Service, Development, Serbia

Introduction

The development of modern economy is largely defined by the development of the service sector as the necessary infrastructure. On the one hand, among the key features of the world market today is the increase in international exchange of services. Tourism, as a service industry, is undergoing continuous development and is increasingly being seen as a generator of development of the economic environment in which it operates. Trends in global tourism suggest a series of technological, social and political changes that have affected various changes in tourism demand, as well as appropriate marketing responses on the supply side. The growth of demand for innovative content,

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1 Tatjana Cvetkov Ćikošev, MSc, NIS a.d. Lubricants’ Division, Marketing Department, Milentija Popovića 1, 11070 Belgrade, Serbia; e-mail: tatjana.cvetkov@nis.eu
increased requirements for safety of tourists, new travel motivations, new expectations of tourists in terms of destinations and environmental protection are some of the features that characterize the modern tourist demand.

The increasing fragmentation of the tourism market, the emergence of new technologies, new products, numerous economic, political, social and environmental changes that have taken place in the global tourism market in recent decades are reflected in the business of travel agencies. Therefore, effective portfolio management in travel agencies has become one of the important potentials of tourism development.

How to respond to these changes, how to become an effective and relevant player in the market? Strategic management and marketing performances aimed at improving the portfolio management in travel agencies in the world, also in Serbia, are a necessity. The question is whether or not, and if, then to what extent such principles are applied in national agencies and what needs to be improved in order for them to be and remain relevant. Does the size of the travel agency determine its management system? The assumption is that local travel agencies do not yet have a well-built management system and do not apply modern management concepts.

**Tourism as a growing global industry**

The services market has in the last decades had a faster development than the goods manufacturing market. A large number of services is related to the higher level of satisfaction of needs. In other words, the consumer may rather refrain from some services than from some products, so in that sense the sensitivity of the demand for services is mentioned. Furthermore, the competition in the services market is rapidly and continuously increasing. In the majority of services, consumption is of individual character, and the consumer increasingly expects a standard quality of service, which has led to the fact that this industry is influenced by intensive standardization. The said specifics of the services market also define the specifics of services’ marketing.

As for the tourism market, its main feature is the dynamism with strong changes in its scope and in individual segments. This market can be characterized as: "a set of supply and demand in the sphere of services and goods used to satisfy tourism requirements on a particular territory or
set of relations between supply and demand arising under the influence of tourism trends." (Kobašić & Senečić, 1999). The tourist market in their constituent elements does not differ from other goods’ and services’ markets and includes: tourism demand, tourism supply, facility of trade (product / service) and price.

Some of the typical characteristics of the tourist portfolio are: lack of elasticity, heterogeneity, integrity and growing presence intangible elements. (Popesku, 2002). Lack of elasticity is related to the fact that the tourist offer was formed in a longer period and consists of a series of complex elements. In fact, once built hotels and other facilities prevent alternative use of space for a relatively long period of time. Furthermore, the tourism offer is heterogeneous from the perspective of its participants, but also in terms of products and consists of a set of tangible and intangible elements. Noted should be the integrity of the tourist offer, which emphasizes the importance of linking all participants in the supply chain, given that tourists perceive the offer as a comprehensive offer. The increasing presence of intangible elements in the offer arises on the basis of modern demands of tourists (Muskat et al., 2013).

The basis of the demand in the tourism market, but also in other markets, comprises of the functional and temporal combination of two elements: requirements and financial abilities aimed at satisfying them. The demand in the tourist market is created also by other factors, among which the most important one is the free time for tourist travel. Tourism requirements fall within the scope of needs that are not existential, but vacation, recreation and recovery can be seen as a kind of existential needs in terms of restoring psychophysical fitness as an important factor of working capacity. A steady increase in the standard of living is one of the factors of further expansion of tourist requirements, and thereby of the increase in the volume of tourist demand. Tourism requirements hardly reach the point of saturation, whereby the rise in living standards leads to a higher level of income being spent on tourism purposes.

Tourist demand is influenced by many factors: economic, demographic, technological, social, political, cultural, etc. In the literature some typical characteristics of tourist demand are mentioned (Popesku, 2002). In fact, it occurs as a result of the increase in leisure time and discretionary income. Travel demand is a category that is very sensitive to political events, natural disasters, social unrest, etc. It is characterized by seasonal character (typical seasons: summer and winter), high variability and
expressed need for segmentation, resulting in the emergence of new forms of tourism products.

The periodicity of demand refers to its seasonal nature, i.e. the fact that the majority of tourist travels is traditionally linked to the summer period, possibly to the winter season, although in the global market shift in the opposite direction can be observed (the tendency towards more frequent but shorter trips, etc.). The lesser impact of economic constraints is reflected in the fact that different forms of economic integration and business connectivity have not much affected the reduction of tourist movements. This is because in tourism the consumer travels to the product (destination) and not the product to the consumer, which is typical for some other industries. The attractiveness of recreational activities (sports, entertainment, culture) in terms of tourism is gaining importance. The dominance of demand over supply in particular occurs during the peak season, which is reflected on the pricing of tourism products.

Given the dynamism of the tourism market, an increase in the complexity of the relationship between supply and demand can be expected in the future. In this sense, marketing as a business concept represents a link between supply and demand in the tourism market. Marketing affects the linking of all participants in the supply and demand, in the context of the functioning of the tourism market, it is obvious that the tourist market shall also in the future influence the dynamism and complexity of the relationships between market players, and that the application efficacy of marketing principles shall dominantly influence the success and failure of the stakeholders in the tourism market. In this sense, tourism managers need to monitor and adapt to such trends and to create new forms of supply to meet the modern consumer who is distinguished by an increasing level of education and sophistication, who has specific requirements, quite different from those that were typical of the mass tourism era.

New trends in the tourism market raise the level of awareness that uncontrolled tourism development can leave immeasurable consequences on non-renewable natural resources and cultural heritage. Therefore, the competitiveness of the modern tourism is viewed from the aspect of economic, social and environmental components, with a tendency of benefiting the local population through increased employment and preservation of natural and cultural attractions. All in all, the new
relations in the tourism market, as well as new forms of competition which were created based on the expansion of the service sector, require new strategies and methods of management of enterprises in the tourism sector.

**Modern trends in the development of tourism agencies**

One of the main characteristics of the tourism market is its permanent expansion. Therefore, the opinion is justified that tourism has grown into a "leading global industry." A key factor in this is the rapid development of information and communication technologies. Instead of mass production and mass tourism in a post-industrial society, increasingly more sophisticated and educated consumers with their specialized requirements appear. Tourism consumer shall in the future want to be more different from his fellow consumer; therefore, it shall be challenging to create an adequate individual offer for the strict requirements of the individual. It is now the task of marketing managers to actively participate in the creation of new forms of supply that will meet the customer's requirements.

In modern conditions of tourism development, the question of importance of travel agents arise who are intermediaries between the tourist offer and tourist demand, and have a double duty – towards the producers and consumers of tourism services, i.e. tourists (Bunja, 2007). Travel agents or tourist (travel) agencies provide to consumers (tourists) in their place of domicile information about the tourist destination and comparable destination, thus helping the quality of the offer. According to the Law on Tourism of the Republic of Serbia, travel (tourism) agency is "a company, other legal entity, or entrepreneur, who within the registered activities of travel and tourist agency performs its operations under the conditions prescribed by law for the purpose of generating profit" (Official Gazette of the Republic Serbia).

The main characteristic of the development of tourist agencies under modern conditions is the tendency towards concentration of resources that occurs in three forms: technical concentration, financial concentration and business cooperation (Dulčić, 1996).

Next specific feature refers to the development of on-line travel agencies. The expansion of the Internet has created serious competitor to numerous traditional travel agencies, because now their former customers can plan
their trips by themselves and adapt them to their preferences. Now, we all live under conditions determined by technology - electronics, gadgets and large technical systems have become an inseparable part of our natural environment. Priority in the development of modern tourism should be given to IT support to tourism, but not necessarily in the form of new investments, but instead in the form of integrating knowledge and power provided by technology (Nuković et al., 2010). Also, customers can see the accommodation, read and/or post comments on the travel agency, location, the accommodation itself, and thus travel with "no surprises" in terms of supply and prices. But, despite the rapid growth in direct sales of tourist services that is particularly affected by the Internet, the prevalent opinion is that travel agencies will continue to represent the most important agents and organizers in the realization of tourist travel (Unković & Zečević, 2004).

The concept of strategic management in tourism

Tourism companies operate under the terms of sudden changes in demand, due to which the companies keep a variable portfolio. Compatible therewith is that the current changes in the tourism market have reflected themselves to a greater degree of sophistication of tourists, which has created the need for creation of new travel programs and new types of tourism products. Every tourist company seeks to achieve different advantage within its service program, business orientation, staff or entire work organization. Efficiency and effectiveness are the keys in this regard (Bakić, 2002).

Among tourist companies stand out, on the one hand, those which act offensively and try promptly to respond to market changes and on the other hand those who are forced to adapt to the given changes. The company’s adapting has a structural character, i.e. changes are necessary in its business orientation, service program, financial, staffing and organizational structure. In this sense, strategic management is necessary in order for the tourist company, i.e. travel agency, to be able to adapt to market changes. Strategic management (management) represents: "a continuous process that includes both strategic decisions and strategic behaviour in the implementation of decisions" (Milisavljević, 2005).

Strategic planning represents "a periodic activity that takes place in order for the company to face changes in its environment" (Milisavljević, 2005). In the context of strategic planning, strategy formulation is in the
focus of the management of the tourism company. When making strategic decisions, i.e. when selecting appropriate strategies, it is necessary to start from the basic specifics of the tourism product, i.e. its intangibility, indivisibility, heterogeneity and its impossibility to store (Bakić, 2003).

The selection of the appropriate method of growth and development is affected by their own strategic objectives, general trends and tendencies in tourism, conditions of entry into a specific market and the success of its business operations on it.

**Primary research in the management of the offer of travel agencies in Serbia**

What is the situation in Serbian agencies, whether and to what extent do they apply modern marketing approach to managing the supply in tourist agencies, and how to manage the offer of travel agencies? For the purposes of this study, a survey was made among representatives of tourist organizations in order to learn and measure the current status in national agencies. Invited to participate in the survey were representatives of tourist agencies, members of YUTA, i.e. 268 e-mails were sent to available e-mail addresses with invitations to participate in the survey.

Effective adaptation of agencies in Serbia to changes and demand requirements imposes the need for a high degree of flexibility in the organization, production and distribution of tourism products, in the booking, sales and payments systems; also in ways of consuming tourist products.

On the other hand, the competitiveness in tourism is largely dependent on the ability of travel agencies to provide technological advantage, but the question arises what is the situation when it comes to the use of information and communication technologies, and whether the knowledge (know-how) is used with the aim to provide a higher level of quality of tourism services and meeting consumer demands.

We were interested to find out to what extent representatives of tourism organizations agree with certain postulates of modern business. For the application of modern principles of business, including the business of travel agencies it is important to be aware, i.e. to know such principles, and thereby the questions were chosen to demonstrate the general
approach of a travel agency, i.e. to what extent is their system flexible, open and ready for changes.

Figure 1: Sample structure

Source: Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

Although all representatives of travel agencies were invited to participate in the survey, mainly representatives of agencies from Belgrade responded by 74%. Also, most agencies already exist in our market for more than 10 years (74.2%).

When it comes to the number of employees in the sample we have an equal representation between those with up to 5 employees (32.3%) and those with more than 20 employees, those with 6-10 employees are 22.6% and 11-20 employees are 12.9%. Two thirds of respondents represent agencies that deal both with initiative and receptive tourism, while initiative tourism are predominantly operating 25.8% of them and the rest with receptive tourism. More than one half of the respondents are at managerial positions and 35.5% were from sales.

The application of the principles of modern business operations was measured through the question on the frequency of performing certain activities, which comprise modern business operations. Thus, in 60% of the cases, often responds to complaints within 24 hours, in about 50% of
the cases we first inform our customers about special offers and perform distribution of package tours over the Internet.

On the other hand, almost half of them are generally not presented at fairs, together with the Tourist Organization of Serbia, sending flyers, inserts in newspapers, advertisements on billboards, bus stops and other outside places (Table 1).

**Table 1: Performance of activities**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Not carried out at</th>
<th>Seldom</th>
<th>Sometimes</th>
<th>Often</th>
<th>Very often</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distribution of package tours over the Internet</td>
<td>0,0</td>
<td>6,7</td>
<td>10,0</td>
<td>33,3</td>
<td>50,0</td>
</tr>
<tr>
<td>Training of employees within the company</td>
<td>6,7</td>
<td>10,0</td>
<td>3,3</td>
<td>43,3</td>
<td>36,7</td>
</tr>
<tr>
<td>Analysis of customer satisfaction, improvement of own services in accordance with results obtained</td>
<td>0,0</td>
<td>3,3</td>
<td>6,7</td>
<td>46,7</td>
<td>33,3</td>
</tr>
<tr>
<td>First we notify our customers on special offers</td>
<td>1,0</td>
<td>13,3</td>
<td>2,6</td>
<td>53,3</td>
<td>30,0</td>
</tr>
<tr>
<td>Response to complaints within 24h</td>
<td>6,7</td>
<td>13,3</td>
<td>3,3</td>
<td>6,7</td>
<td>60,0</td>
</tr>
<tr>
<td>Sending newsletters and other information</td>
<td>23,3</td>
<td>3,3</td>
<td>23,3</td>
<td>10,0</td>
<td>40,0</td>
</tr>
<tr>
<td>Attending fairs within the country</td>
<td>26,7</td>
<td>20,0</td>
<td>6,7</td>
<td>16,7</td>
<td>30,0</td>
</tr>
<tr>
<td>Presentation at fairs in neighbouring countries</td>
<td>30,0</td>
<td>23,3</td>
<td>10,0</td>
<td>26,7</td>
<td>10,0</td>
</tr>
<tr>
<td>Training of employees within YUTA programs</td>
<td>30,0</td>
<td>6,7</td>
<td>33,3</td>
<td>20,0</td>
<td>10,0</td>
</tr>
<tr>
<td>Presentation on fairs, together with the Tourist Organisation of Serbia</td>
<td>53,3</td>
<td>3,3</td>
<td>23,3</td>
<td>6,7</td>
<td>13,3</td>
</tr>
<tr>
<td>Sending newsletters, newspaper inserts</td>
<td>33,3</td>
<td>30,0</td>
<td>16,7</td>
<td>13,3</td>
<td>6,7</td>
</tr>
<tr>
<td>Advertisements on billboards, bus station and other external places</td>
<td>43,3</td>
<td>20,0</td>
<td>20,0</td>
<td>6,7</td>
<td>10,0</td>
</tr>
</tbody>
</table>

**Source:** Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

Differences among tourist agencies, except differences in communicational activities, were not observed, and therefore it was noted with pleasure that, regardless of the size and existence of the agency, they often perform distribution of package tours over the Internet, that they
conduct in-house training, also that they do analyse the customer satisfaction and on that basis improve their business operations.

As expected, the performance of certain activities depends on the size and number of employees, and thus larger agencies more often than smaller agencies have presentations at fairs, together with the Tourist Organization of Serbia, advertise on billboards, bus stops and other external places, and the same goes for agencies that are longer present at the marketplace. Those that exist just a few years more often than others send leaflets and make newspaper inserts.

**Figure 2: Differences in performing activities (percentage of non-performing)**

![Differences in performing activities](image)

**Source:** Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

Regarding the organization, half of representatives of travel agencies fully agree that organisational adaptation to different needs of the market brings the best sales results (Table 3). In addition, almost two thirds agree that the central booking system brings the best sales results, and not surprisingly, the highest rate of disagreement received the allotment booking system and the system of regionally organized booking.

When mentioning online booking, almost one fourth of the respondents have none in their portfolio. On the other hand, for those who have online booking in their portfolio, for the majority of them it makes up to 30% of the sold package tours.
Table 2: Organization

<table>
<thead>
<tr>
<th></th>
<th>I fully DISAGREE</th>
<th>2</th>
<th>I neither agree nor disagree</th>
<th>4</th>
<th>I fully AGREE</th>
<th>mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organisational adaptation to different market requirements brings the best sales results</td>
<td>0,0</td>
<td>0,0</td>
<td>20,0</td>
<td>30,0</td>
<td>50,0</td>
<td>4,3</td>
</tr>
<tr>
<td>Central booking system – when the tourist applies for particular package tours, the booking is sent to one central place where they are recorded - brings the best sales results</td>
<td>3,3</td>
<td>6,7</td>
<td>30,0</td>
<td>23,3</td>
<td>36,7</td>
<td>3,8</td>
</tr>
<tr>
<td>In the vent of crisis situations, we have protocols in place</td>
<td>16,7</td>
<td>13,3</td>
<td>13,3</td>
<td>10,0</td>
<td>46,7</td>
<td>3,6</td>
</tr>
<tr>
<td>Our employees are divided by markets, thus each one is expert for a certain part/type of tourism</td>
<td>23,3</td>
<td>3,3</td>
<td>23,3</td>
<td>20,0</td>
<td>30,0</td>
<td>3,3</td>
</tr>
<tr>
<td>Allotment booking system – points of sale have on their disposal a certain number of package tours and act independently in the sale within such allotment, which brings the best sales results</td>
<td>10,0</td>
<td>10,0</td>
<td>66,7</td>
<td>10,0</td>
<td>3,3</td>
<td>2,9</td>
</tr>
<tr>
<td>Regionally organised booking system brings the best sales results</td>
<td>16,7</td>
<td>20,0</td>
<td>40,0</td>
<td>16,7</td>
<td>6,7</td>
<td>2,8</td>
</tr>
</tbody>
</table>

Source: Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

Loyalty programs are practiced by half of the agencies, while the other do not practice them. Surprisingly, there was no statistically significant difference in relation to independent variables, i.e. the agency's business, number of employees, locations where they have branches. It was expected that an agency that operated for longer periods of time had more
employees, had the capacity, and on the other hand to have the need for regular clients, i.e. to bind them closer by using loyalty programs.

Table 3: Loyalty program

<table>
<thead>
<tr>
<th>Do you have a loyalty program (program for frequent clients) in your travel agency</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>15</td>
<td>48,4</td>
</tr>
<tr>
<td>NO</td>
<td>16</td>
<td>51,6</td>
</tr>
</tbody>
</table>

Source: Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

When it comes to carrying out research on the current tourist demand, we were pleased with the fact that more than half of the agencies are reviewing the current tourist demand once per annum, but there is still room for improvement of operations under this criterion, since almost one fourth of them do not conduct any demand research at all (Table 4).

Table 4: Survey of current tourist demand – frequency

<table>
<thead>
<tr>
<th>We carry out the survey of current tourist demand:</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once per annum</td>
<td>18</td>
<td>56,7</td>
</tr>
<tr>
<td>Once in two-three years</td>
<td>6</td>
<td>20,0</td>
</tr>
<tr>
<td>We do not carry out surveys at all</td>
<td>7</td>
<td>23,3</td>
</tr>
</tbody>
</table>

Source: Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

The vast majority, as many as 90% stated that it has qualified personnel who can create a program for the stay of foreign tourists in our country. Those who do not state that are in particular new and young agencies (up to 2 years), which were initially opting for initial tourism, and therefore it is not surprising that they are not trained for all kinds of tourism.

Table 5: Staff qualifications

<table>
<thead>
<tr>
<th>Do you have trained personnel who can create a program for the stay of foreign tourists in our country</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>YES</td>
<td>28</td>
<td>90,3</td>
</tr>
<tr>
<td>NO</td>
<td>3</td>
<td>9,6</td>
</tr>
</tbody>
</table>

Source: Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014
In 20% of the cases they do not conduct training, while the majority states that such trainings are conducted at least once every two years. What type of training they are, what kind of knowledge and skills are their focus and how the training of employees is organised remains a topic for the future, but in this study it is important to note that regardless of the formal knowledge gained through formal schooling system and gained experience are surely complemented within the agencies.

**Table 6: Training of employees – frequency**

<table>
<thead>
<tr>
<th>In your agency staff training is carried out</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Once in two years</td>
<td>24</td>
<td>76,7</td>
</tr>
<tr>
<td>Once in five years</td>
<td>1</td>
<td>3,3</td>
</tr>
<tr>
<td>We do not carry out any trainings</td>
<td>6</td>
<td>20,0</td>
</tr>
</tbody>
</table>

**Source:** Primary research, “Modern management concept in travel agencies operating in Serbia”, Tatjana Cvetkov Čikošev, May 2014

Our agencies are informed of modern marketing approach to portfolio management, thus confirming that this is the path to survival (and progress). However, it seems that there is room for work, i.e. that many activities can be performed and those who carry them out, they can do it more often. Thus, our agencies keep pace with the development in terms of knowledge of novelties, but the implementation is going slowly, probably due to lack of funds or other factors, but this can be the topic of a future paper.

As mentioned before, the survey among representatives of agencies has shown that it is important to know, but also to apply the modern (marketing) approach, that agencies must be flexible, anticipate changes and react to them, but unfortunately, we lag behind global trends.

**Conclusion**

The main limitations of this study derive from the number of respondents, since this number is sufficient for the overall analysis, but not for to search for differences, therefore, we can mention hinted differences, but not a statistically significant difference. Furthermore, only 11% of representatives of agencies participated in the research, and therefore the question is raised about the situation in reality, is it better or worse than what we have established by this study. Thus, the sample is not representative. We have invited all agencies, but there were no rules and
conditions and we depended on the good will of the representatives of the agencies and therefore, we can speak only about the sample of those who responded to the invitation.

Unfortunately, given that the most modern approach in researches was used (respondents were able to complete the survey at the times that were convenient for them and they received the invitation on their e-mail address), which involves the use of information and communication technologies, it seems that the situation may be worse than the one that was recorded (there were incorrect e-mail addresses and a lack of desire to participate, which could have given them an idea in which direction to promote their business).

In addition to the small, but still a sufficient number of respondents, certain topics concerning the (modern) business operations were not covered by this study - the impact of legislation (both of the EU and of Serbia), the impact of administrative procedures which are generally characterized as slow and complicated, the position of our country in international relations and risks involving the cooperation with the agencies of such countries, etc. Also, we have not analysed the financial indicators of these agencies, because they were unavailable to us and they are certainly a success factor. Also, we did not investigate what type of training, what knowledge and skills are the focus, and how they organised trainings of employees, because for the purposes of this study it was important to determine whether or not, regardless of the knowledge gained through formal schooling, and gained experience, knowledge and skills were complemented within the agencies.

In fact, we can say that changes in the global tourism market require the implementation of new modalities of service management in travel agencies. The fact is that the few tour operators are very influential on the market, which is largely the result of an efficient management system, well-built organizational structure and its management.

On the other hand, supply management in travel agencies in Serbia still lags behind the contemporary international trends and travel agencies in Serbia, which mostly belong to the group of small and medium-sized enterprises still, do not have a well-built management system and do not implement contemporary concepts. Also, agencies in Serbia, who are largely dealing with initiative and receptive touristic operations which are mutually dispersible thus hamper the management process.
It is particularly important for the future development of the tourism portfolio to have the characteristics of sustainable development, and also for travel agencies in Serbia to adapt their offer to the concept of sustainable tourism. This is because preservation of the natural environment, cultural and historical heritage and specific features of individual destinations should be a critical factor in the future development of hotel and tourism products of Serbia.

**Literature**


