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**TOURISM
IN FUNCTION OF DEVELOPMENT
OF THE REPUBLIC OF SERBIA**

**Tourism product as a factor of competitiveness of
the Serbian economy and experiences of other countries**



**THEMATIC
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II**



**UNIVERSITY OF KRAGUJEVAC
FACULTY OF HOTEL MANAGEMENT
AND TOURISM IN VRNJAČKA BANJA**



IMPACT OF TOURISM ON THE PROCESS OF RETAIL INTERNATIONALIZATION*

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Abstract

Internationalization is becoming a widespread phenomenon in trade, especially retail. Thus, internationalization is becoming an innovative strategy in trade development, including retail sector. Leading retail companies are constantly looking for new markets in different countries and continents. In this way, retailers on international markets find an opportunity for further growth and development. On the other hand, retail companies that expand their operations outside the borders of the national market need to know the determinants or factors that will determine the success of internationalization strategy. In the last twenty years, theoretical and practical studies have viewed these factors as a complex of economic, political, sociological, and cultural factors, which, ultimately, determine the choice of the particular market on which companies will operate in the future. In the context of analysis of various factors affecting retail internationalization, tourism and trends in the number of tourists in different countries are gaining in importance, so that theory and practice focus more and more on the so-called shopping tourism. With reference to previous theoretical and practical research, the aim of this paper is to examine the importance of tourism as a factor in retail internationalization. The starting hypothesis is that the number of tourists from different countries affects the process of retail internationalization, or the choice of the market where the retailer will expand its business. This hypothesis will be tested in the case of the leading international retail companies as well as international retail companies operating on the Serbian market, using relevant statistical methods.

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Introduction

One of the characteristics of developed market economies is variability of operating conditions. Such a business environment has crystallized numerous streams and tendencies of trade development, and, hence, retail. More intense competition can be seen both in terms of number and size of retail chains, and in terms of business format modalities that compete with each other. This is so especially due to the opening of national markets and more and more pronounced internationalization of business activities of retail chains. These facts indicate that internationalization is one of the key retail trends in developed market economies. Because of the above-mentioned intense competition and the saturated home markets, retailers choose to expand their business to other countries. However, internationalization of business is neither easy nor a simple task. Before that, the company must respond to a large number of diverse issues. The choice of a country in which to do business is preceded by a detailed analysis of market attractiveness, which includes consideration of political and economic risk, business efficiency, urban population, trade sector development, and others. In recent years, in the context of factors and motives for retail internationalization, trends in the number of tourists have gained in importance, with a special focus on shopping tourism. This is seen in practical examples of retailers' operations, which, following tourist trends in their countries (domicile countries), expand their business to markets of countries that appear as tourist destinations. With reference to practical and theoretical research on retail internationalization factors, this study aims to analyze the importance of tourism as a factor in retail internationalization. In doing so, the study will be divided into three parts. The first part analyzes factors and motives of retail internationalization. Then, the subject of analysis will be shopping tourism. The last part will analyze operations of international retail chains, to test the initial hypothesis on the impact of tourism on internationalization of retail companies.

Factors and motives of retail internationalization

Global business is becoming a reality for a growing number of companies in developed market economies. Domestic markets are entering a mature stage of development, characterized by high degree of saturation and intense competition. These markets see the increasing growth of foreign competition in conditions of slow or even zero growth in demand. In such conditions, manufacturing and trading companies look for a solution for their further growth and development on foreign markets (Ćuzović & Sokolov Mladenović, 2015). Internationalization of retail and trade in general is a direct consequence of globalization and integration of world markets. The development of international economic integration, such as the EU single market, North American market (initiated by Free Trade Agreement between Canada and the United States in 1986), market of Southeast Asian Nations (ASEAN), globalization of the Japanese market, opening of markets of Eastern Europe and developing countries, encourages retail internationalization (Lovreta et al., 2015).

Literature dealing with trade and trade management holds the position that a retailer can start the process of internationalization when it reaches critical size on domestic market, but, because of legal restrictions (protection of competition), can no longer grow there. So, due to a high degree of saturation of the domestic market, large retail chains invest abroad, thus finding new ways to generate profits. However, there are different opinions. Alexander & Doherty (2009) state that “internationalization for many retailers is no longer a logical consequence of the limited growth potential of the domestic market, but a chance to expand their business on the global market, where their range of products and services will be evaluated by a wider range of customers” (p. 4).

Most companies prefer to remain on the domestic market in the event that the size of this market is sufficient. Managers do not have to learn other languages and laws, do business with unstable currencies, face political uncertainties, or redesign their products to meet the needs and expectations of different customers. Operations are easier and safer. However, there are certain factors (motives) that make a growing number of companies internationalize their business. At the same time, there are potential risks, the implementation of which could lead to the collapse of the international market. The following segment will analyze some of the main motives and risks associated with international expansion of retail companies.

Motives of retail internationalization varied in different periods. In this regard, it is sufficient to compare traditional and contemporary literature to see that once key motives for retail internationalization seem rather old-fashioned today. The most comprehensive analysis of international retail activities at the beginning of the second half of the last century came from the American professor Stanley Hollander (Alexander & Doherty, 2009). His analysis predominantly includes macro-economic retail internationalization factors, such as: a) establishing equilibrium of foreign trade balance, b) balanced development of production and trade, and c) influence of political factors on international business expansion. In this regard, the following motives stand out as the key ones for the process of international expansion of retailers (Hutchinson et al., 2007):

- Non-commercial motives, which include various humanitarian, social, or ethical motives. These motives encourage activities of knowledge transfer in the field of logistics to developing countries such as certain African countries.
- Commercial motives, which are based on a desire for profits, although not necessarily so. History knows of an example of American retailers who sought to keep the network in some developing countries to get to manufacturers easier.
- Legal motives are a reaction to legal restrictions on the domestic market. These are anti-monopoly measures aimed at preventing growth and acquisition of a dominant position. Internationalization of American retailers in nineteen-seventies and European retailers in nineteen-nineties was significantly caused by these factors.
- Market potential is the motive to exploit opportunities on the international market, i.e. take a previously unoccupied position. Usually this motive is combined with the saturation of the domestic market.

In contemporary literature, there are two basic concepts used to explain internationalization motives or factors: a) reactive-proactive-concept and b) push-pull concept (Ćuzović & Sokolov Mladenović, 2012a; Ćuzović & Sokolov Mladenović, 2013; Sokolov Mladenović & Ćuzović, 2015).

Marketing-oriented companies should, by definition, be proactively oriented, looking for new growth opportunities, rather than responding to market challenges and risks that business entails (Ćuzović & Sokolov Mladenović, 2012b). In this regard, one group of motives behind business internationalization, i.e. moving business activities to foreign markets, is particularly important, based on strategic company orientation. Reactive-

proactive motives explain how managers themselves act in planning future company activities.

Reactive behavior implies that managers respond to some challenges in the environment. These challenges usually involve some restrictions in operations or in further growth, while sudden chances rarely fall in this group of factors. Company managers typically respond to a lack of further growth opportunities, saturation of the domestic market, unfavorable laws, and the like. In fact, how managers will interpret all these restrictions depends a lot on themselves. In this regard, studies produce an ongoing debate around the concept of market saturation. Market saturation is difficult to accurately determine, because a good part of marketing deals with moving the borders of saturation. Managers, in turn, in accordance with their interests and abilities, more or less subjectively estimate the moment when their company activity should be transferred to a new market.

Proactive behavior involves identifying opportunities in the environment and exploitation of these opportunities before the saturation of the domestic market. These companies often become as global, as is the case with “McDonald’s” (fast food) or “Woolworth” (mixed store). They usually identify a specific need on different markets and use the opportunity to meet this need first in a wider market area (Alexander & Doherty, 2010).

Recent empirical studies point to a growing number of companies that are not “forced” to internationalize, but plan to do so to improve business. In this regard, more and more companies accept marketing concept in business, than it was previously the case. So it is logical that retailers working on launching a new business format, such as hypermarket or a specialized lifestyle (modern) store format, look for opportunities to fulfill this innovation on as many national markets before someone else copies it. The same is true with innovative manufacturing companies that try to offer a new product to the global market without waiting for a number of imitators to “cream off” other markets (Sternquist, 2007).

Different business internationalization motives are encouraged by risks on the domestic market (push factors) or opportunities that exist on foreign markets (pull factors).

Push factors are the boundaries that companies face on the domestic market. These factors motivate companies to move investment in business development beyond the borders of the domestic market. From the standpoint of local businessmen, these factors stand for a difficult decision on business diversification on foreign markets. From the standpoint of the national economy, these factors are the forces that discourage domestic and foreign investors from investing in local businesses. The most significant push factors are (Alexander & Doherty, 2009):

- Saturation of the domestic market,
- Impossibility of further growth on the domestic market,
- High operating costs,
- Fierce competition, and
- Restrictive legislation.

Pull factors are characteristic of other markets that motivate retailers to expand their activity. From the standpoint of macroeconomics, these are factors whose improvement can help a government engage in competition with economic systems and attract investment into the country. Pull factors, in this case, do not act as a motive for internationalization, but only as a motive for the selection of a market area where expansion of business activities will take place. Among the factors that attract companies to a market, there are (Sokolov Mladenović & Ćuzović, 2014):

- Stable economy and politics,
- Market size,
- Underdevelopment of retail activities,
- Favorable interest rates,
- Favorable legislation, and
- High purchasing power of customers.

Different spheres (Treadgold, 1990; Alexander, 1990; Hutchnson et al., 2007) identify numerous push factors in retail business, which are compared with the corresponding pull factors. The most important push and pull factors, observed from the political, economic, social, and cultural point of view, can be seen in Table 1.

Table 1: *Push and pull motives*

	Push motives	Pull motives
Political sphere	<ul style="list-style-type: none"> - Unstable political environment - Restrictive legislation - Anti-business culture - Restriction of consumer credits 	<ul style="list-style-type: none"> - Stable political environment - Liberal legislation - Business-oriented culture - Growth in consumer credits
Economic sphere	<ul style="list-style-type: none"> - Poor economic conditions - Low growth potential - High operating costs - Mature market - Small domestic market 	<ul style="list-style-type: none"> - Good economic conditions - High growth potential - Low operating costs - Emerging market - Possibility of investing in property - Big market - Favorable exchange rate - Low share prices
Social sphere	<ul style="list-style-type: none"> - Negative social environment - Unfavorable demographic trends - Stagnation and decline in population 	<ul style="list-style-type: none"> - Positive social environment - Positive demographic trends - Population growth
Cultural sphere	<ul style="list-style-type: none"> - Unknown cultural milieu - Heterogeneous cultural environment (small and hostile segments) 	<ul style="list-style-type: none"> - Known reference points in cultural milieu - Attractive composition of cultural values - Innovative business culture - Fostering corporate culture - Homogeneous cultural environment
Competitive structure	<ul style="list-style-type: none"> - Hostile competitive environment - High level of concentration - Market saturation - Unfavorable conditions for operational work 	<ul style="list-style-type: none"> - Market niches - Existing capacities - Possibility of expansion through copying - Favorable conditions for operational work

Source: Čuzović, S., Sokolov Mladenović, S. (2015). *Menadžment internacionalizacije trgovine*, Ekonomski fakultet Univerziteta u Nišu.

However, internationalization motives are much more complex than it appears at first sight. Their roots stem from company's internal factors, as well as from aptitude to take over business risk. In this sense, focus is often on motives such as the need to activate capital surplus, to maximize profit through new management ideas, as well as to increase sales efficiency and effectiveness (Lovreta, 2015). A retail company may decide to internationalize its operations if it notices that customers go abroad in search of its products. Providing international sources of supply and development of trademark based on procurement from global sources can be a significant driver of internationalization. By purchasing from producers in developing countries, retailers are able to spend lower amounts of budget on the development of their own trademarks.

All the above confirms that retail internationalization motives are not uniform and common to all companies. What is more, companies are always encouraged by a large number of motives, regardless of whether they act as pull factors from foreign markets or push factors from the domestic market. In any case, companies are always guided by self-interest, and, basically, business internationalization is the desire to increase profits or income.

Tourism as a factor of retail internationalization

Tourism is becoming an increasingly important economic sector in a large number of countries (Sokolov Mladenović & Ćuzović, 2016). Over the past six decades, tourism has experienced continued and rapid expansion and diversification, to become one of the largest and fastest growing economic sectors in the world. Thus, statistical data confirms steady growth in international tourist arrivals of 277 million in 1980, 528 million in 1995, up to 1 billion in 2012. With the gradual global recovery (Mladenović & Kitanović, 2014) and the appearance of emerging markets, this figure rose to 1,087 billion international arrivals in 2013 (World Tourism Organization, 2015). Judging by these figures, estimates of the World Tourism Organization are positive in terms of the number of international arrivals. Thus, it is estimated that the number of international arrivals increases by an average of 3.3% each year, which will represent 43 million more tourist arrivals every year, so that in 2030 it will amount to 1.8 billion international tourist arrivals (World Tourism Organization, 2015).

In the context of analysis of the importance of tourism as an economic sector, the importance of shopping tourism is gaining in importance. In fact, shopping itself is becoming a relevant component of the value chain in tourism. It is becoming a decisive factor that affects the choice of tourist destination, an important component of shopping experience, and, in some cases, primary motivation for travel (Moscardo, 2004). Therefore, tourist destinations get a tremendous opportunity to take advantage of this new trend on developed markets and add a unique shopping experience to the value of their tourism offer, as well as to define their tourism brand and successfully position it.

Practice shows that shopping is a growing motivation for travel. Christmas shopping in Germany, visiting boutiques along the *Avenue des Champs-Élysées*, buying gifts at the airport duty-free shop, visiting shopping centers in Hong Kong, or Grand Bazaar in Istanbul are just some of the examples of shopping tourism. Shopping is no longer just a satisfaction that tourists practice while traveling, but, in today's conditions, for millions of tourists, it is one of the main motives for the trip.

Number of shopping tourists is on the rise and development of this phenomenon is attracting increasing attention of economic, tourism, and trade policymakers, researchers, and business leaders of the world. As with many aspects of management and marketing of tourist destinations, balancing the interests of all stakeholders in the area of shopping tourism is a complex process that requires investment, skills, and experience, and, above all, partnership relations.

Particularly interesting is the data illustrating increase in the number of tourists whose main purpose of travel is shopping. For example, population of the United States and Canada enjoys cross-border shopping. Thus, number of Canadian tourists in the USA increased by 68% between 2001 and 2012. A similar trend was recorded in the number of American tourists to Canada. This trend was later recognized by a large number of US retailers, who expanded their operations to the Canadian market, which will be discussed later.

Recognizing the importance of shopping tourism, a large number of researchers focus on the definition of this term. Given the relatively recent evolution of shopping tourism as a motive for travel, there are several definitions of this concept. So, Jansen-Verbeke (1991) raised the

question of how, where, and when shopping can function as a tourist attraction. She pointed to shopping as the basis of tourism, including commercial city areas as well as the development of modern shopping malls. Moscardo (2004) also studied the importance of shopping tourism, and pointed to the difference between traditional and modern tourists, who have high purchasing power and are increasingly becoming consumers of high fashion products which they purchase in selected tourist destinations.

Furthermore, Stansfield's analysis of shopping tourism points out the difference between individuals' shopping "at home" and when they are traveling, pointing to purchase of non-essential items (Butler, 1991). Deviating from the usual norms of consumption, tourists focus on shopping as the relaxing activity in relation to the average shopping "at home".

All these studies prove that shopping tourism is a modern form of tourism, which, with all its characteristics, becomes a crucial factor in making shopping decisions. Recognizing this fact, retail companies in food and fashion sectors begin to carefully analyze markets to expand business, with a focus on the number of tourists by different countries.

Research methodology, results, and discussion

Importance of tourism as a factor in retail internationalization will be analyzed based on a case study of the most successful international retail company in the world, as well as through a case study of a retail company that operates on the market of the Republic of Serbia. Specifically, it is a retail company Wal-Mart, on one side, and the company Idea, on the other.

Wal-Mart has been in the lead position in the world for many years, as seen by sales volume generated by the largest retail chains. This is supported by the latest data published by the consulting firm Deloitte Touche, obtained from the so-called Global Power of Retailing report 2017, shown in Table 2.

Table 2: *Largest retail chains by sales volume (2015)*

Rank	Company	Country	Revenue (in millions of dollars)	Number of countries in which it operates	Percentage of revenue generated abroad (%)
1.	Wal-Mart Stores, Inc.	USA	482.130	30	25,8
2.	Costco Wholesale Corporation	USA	116.199	10	27,4
3.	The Kroger Co.	USA	109.830	1	0,0
4.	Schwarz Unternehmenstreuhand KG	Germany	94.448	26	61,3
5.	Walgreens Boots Alliance, Inc. (formerly Walgreen Co.)	USA	89.631	10	9,7
6.	The Home Depot, Inc.	USA	88.519	4	9,0
7.	Carrefour S.A.	France	84.856	35	52,9
8.	Aldi Einkauf GmbH & Co. oHG	Germany	82.164	17	66,2
9.	Tesco PLC	Great Britain	81.019	10	19,1
10.	Amazon.com, Inc.	USA	79.268	14	38,0
	Top 10		1.308.065	15,7*	
	Top 250		4.308.416	10,1*	
*Average					

Source: *Deloitte Touche Tohmatsu Limited. Global Powers of Retailing 2017. <https://www2.deloitte.com/content/dam/Deloitte/global/Documents/consumer-industrial-products/gx-cip-2017-global-powers-of-retailing.pdf> (13 April 2017).*

So, Wal-Mart has long been the largest retail company in the world, with total revenue of about 482,130 million dollars in 2015. This is a huge success for a company that began operating in 1962 with a single store, had 38 stores in 1970, and now there are about 5,000 in 30 countries around the world. The question that arises is how Wal-Mart managed to do that and whether it can continue at the same pace? With an average growth rate of 16% per year, Wal-Mart will be, it seems, the first company with sales of 1,000 billion over the next 10 years. With such a size, Wal-Mart will have more than 5 million employees and the value of its sales will be roughly equal to the GDP of Great Britain and will be significantly greater than the GDP of Australia, Canada, Spain, and nearly 10% of GDP of the United States.

The expansion of operations outside the US market is becoming imperative for Wal-Mart. In this regard, company managers carefully analyze all factors, which were discussed in previous parts of this paper.

It is especially interesting to point to Wal-Mart's operations on the Canadian market. What started small, with a single discount store and the simple idea of selling more for less, has grown over the last 50 years into the largest retailer in the world. Walmart Canada was established in 1994 through the acquisition of the Woolco chain and has grown to more than 400 stores nationwide serving more than 1.2 million customers every day. Walmart Canada's flagship online store, walmart.ca, is visited by 600,000 customers daily. With more than 95,000 associates, Walmart Canada is one of Canada's largest employers and is ranked as one of the country's top 10 most influential brands.

Business expansion on the Canadian market was also accompanied by trends in the number of tourists from Canada to the United States. The number of overnight trips United States residents took to Canada increased from 15.6 million in 2001 to a peak of 16.2 million in 2002. It then decreased fairly steadily to 11.7 million in 2009 and remained at 11.7 million in 2010.

The number of overnight trips residents from countries other than the United States took to Canada declined from 4.0 million in 2001 to 3.2 million in 2003. It then increased steadily to 4.2 million in 2008 before edging down to 4.1 million in 2010.

Table 3: *Number of tourists in Canada from the USA and other countries*

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
	Thousands of person trips									
From the United States	15,570	16,168	14,232	15,088	14,390	13,856	13,376	12,503	11,667	11,749
From other countries	4,010	3,796	3,188	3,944	4,222	4,272	4,400	4,494	3,918	4,118

Source: *Statistics Canada, CANSIM table 427-0004 and Catalogue no. 66-201-X* <http://www.statcan.gc.ca/eng/start> (15 April 2017).

With minor fluctuations, it is evident that the number of tourists from the USA to Canada tends to increase. On the other hand, increase in the number of tourists is accompanied by more intensive business expansion on the Canadian market, as evidenced by the data on Wal-Mart's official website. "1996-Walmart Canada is ranked by Strategy Magazine as the best store for customer service and value for money. 1998-For the third year in a row, a Canadian store is selected as Walmart's International

Store of the Year. 1999-With more than 1.1 million associates worldwide, Walmart becomes the world's largest private employer. 2000s: A New Era of Walmart Canada. 2006-Walmart Canada opens its first Supercentres in Stouffville, Ontario, London, Ontario and Ancaster, Ontario, offering fresh food combined with general merchandise for the broadest selection of products under one roof at unbeatable prices. 2008-Walmart Canada celebrates its 300th store opening! Walmart team members open a new store with a ribbon cutting ceremony. 2009-Walmart Canada launches its new, brighter logo and tag line: Save Money. Live Better. 2011-Walmart.ca is launched as a place for Canadians to shop at Walmart Canada online. 2014-Walmart Canada celebrates its 20th anniversary in Canada. 2015-Walmart Canada launches Grocery Pickup in Ottawa, Ontario, allowing customers to order groceries online and pick them up at-store. Walmart Canada surpasses an incredible milestone of \$100 million raised over 20 years in support of children's hospitals across Canada through the Children's Miracle Network. 2016-Walmart Canada opens 400th store and 300th Supercentre. Walmart Canada celebrates 10 years of fresh with over 80% of stores offering Canadians access to fresh, healthy food" (<http://www.walmartcanada.ca/our-story/our-busines>).

Another case study that illustrates the expansion of retail while monitoring tourism trends is the case with the domestic market, referring to the Croatian chain Idea. Idea d.o.o. is part of the Croatian company Agrokor Group, the largest private company in Croatia and one of the strongest companies in Southeast Europe, with consolidated revenue of 7 billion euros and 40,000 employees.³

During 30 years of existence, starting as a small family-owned company for the production and sale of flowers, with a clear business vision, strategy, and prudent investment, Agrokor managed to grow into a leading food retail system on the regional market. The leading positions of Agrokor companies are reflected by a high market share, so Ledo holds 80% of the Croatian ice cream market, Zvijezda firmly holds 83% of the margarine market, while Jamnica dominates the mineral and spring water market in Croatia with 82%.

3 In recent weeks, Agrokor has been in the focus of scientific and professional, as well as political public, due to the financial crisis. Factors and effects of Agrokor crisis on the Serbian market may be subject to other research. In this paper, the subject of analysis is only the expansion of Idea company's business on the market of the Republic of Serbia.

Croatian retail chain Idea entered the Serbian market in 2005, when it became part of Agrokor Group through acquisition. Before that, Idea in Serbia operated as a local wholesale service company. This indicates that the Croatian company Agrokor entered the Serbian market through acquisition strategy, taking over the company Idea. This venture was preceded by a feasibility study that included market research, as well as identifying any preconditions and satisfying market potential, which influenced the decision to expand business on the Serbian market. The company's operations on the Serbian market are based on a strategy of custom "package" offer, with a certain degree of standardization of a part of "package" offer. In early 2014, Agrokor Group successfully concluded the process of buying a majority stake of Business System Mercator, and became its majority owner, announced Agrokor.

Idea's retail network today has nearly 300 neighborhood stores of small and super format, which can be found in almost every town in Serbia. By the size of its stores and the carefully selected product range, it is mainly intended for everyday shopping that allows one to pleasantly surprise their family and loved ones with fresh products that came into the store the same morning.

2015 continued with new investment, especially in terms of expansion of retail network, to make Idea stores of different formats available to customers throughout Serbia. Optimization of existing business processes and increase in productivity and service quality in retail also continued in 2015.

In the context of analysis of internationalization factors of Idea on the Serbian market, trends in the number of tourists can be analyzed as well (Table 4).

Table 4: *Trends in the number of tourists from Croatia to Serbia*

	2005	2006	2007	2008
Arrivals	1746	2180	2760	2811
Overnight stays	3162	3646	4982	4984

Source: *Adapted from: Press – Tourism in the Republic of Serbia, February 2005, 2006, 2007, 2008, <http://www.stat.gov.rs/WebSite/Public/PageView.aspx?pKey=180> (18 April 2017).*

Table 4 shows increase in the number of Croatian tourists in Serbia in the period from 2005 to 2008, judging both by arrivals and overnight stays. In this period, more intensive expansion of Idea's business on the Serbian

market can be seen. Following this trend, the company Idea today has over 300 retail stores.

Previously analyzed case studies show that, among other factors, tourism is an important factor in retail internationalization.

Conclusion

Internationalization is a basic feature of modern retailers' business. National markets experience high saturation due to which business is expanding to other countries. Internationalization is becoming a vital strategy of growth and development of retail companies, which, in turn, provides the ability to transfer know-how, business concepts, and management functions from the home market to other countries. Today, internationalization process takes place in different directions. At the same time, it is not an easy or simple task, because there are different motives and factors of retail internationalization. These factors, according to a large number of researchers, relate to conditions or limitations that exist on the local market, on the one hand, and opportunities that exist on a new market, on the other hand. Hence the widely accepted classification of internationalization factors into "push" and "pull" factors, which are a complex of political, economic, social, and cultural factors, studied in detail in this work. The paper points out that these factors are viewed in terms of opportunities on a new market, or the market that one company estimates as attractive enough to start its operations there. In the context of these factors, an important issue that faces international retail chains is the growing importance of shopping tourism, as a modern form of tourism, which, with all its characteristics, becomes a decisive factor in the shopping decision. Recognizing this fact, retail companies in food and fashion sectors begin to carefully analyze markets on which to expand their business, with a focus on the number of tourists by different countries. The importance of this factor has been analyzed with reference to case studies of Wal-Mart (the largest retail company in the world) and the Croatian company Idea, which operates on the Serbian market.

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