

ZBORNİK RADOVA
JOURNAL OF ECONOMY AND BUSINESS
Faculty of Economics University of Mostar
Year 2015, No. XXI.
ISSN 1840-3255

Published by
Faculty of Economics University of Mostar
Matice hrvatske bb, 88 000 Mostar, Bosnia and Herzegovina

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150 copies

Printed by
FramZiral d.o.o., Mostar

ISSN 1840-3255

CIP – Katalogizacija u publikaciji
Nacionalna i univerzitetska biblioteka Bosne i Hercegovine

Papers published in Zborniku radova (Journal of Economy and Business) Faculty
of Economics refer to:
Journal of Economic Literature Pittsburgh, Pennsylvania, USA – JEL on CD, e-JEL,
EconLit, EBSCO

<http://ef.sve-mo.ba/node/141>

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**EXPLORING THE IMPORTANCE OF MERCHANDISING AND PERSONAL
INTERACTION AS THE DETERMINANTS OF PERCEIVED SERVICE QUALITY IN
PRODUCT-DOMINANT RETAIL ENVIRONMENT**

Preliminary communication

Abstract

Services are delivered and used simultaneously. Final outcome of service delivery depends on interaction between a user and a service provider. Therefore, interactive marketing is important service in marketing's pillar. But, what is going on with product-dominant retail environment in which interaction with employees is not as dominant part of service delivery process as in purely service environment? Does and to which extent interaction with employees influence perceived service quality? Or do the customers give priority to product assortment? In fact the question of service quality in product-dominant environment is also related to possibility of broad assortment of both products and brands as well as availability of those to which the customers are loyal and are willing to purchase, different bracket price and quality. The purpose of this paper is to research product assortment's influence and interaction with employees on perceived service quality in product-dominant retail environment (hypermarket market in Federation of Bosnia and Herzegovina) and to give guidelines to manage service marketing in retail based on obtained research results. Scientific contribution of this research can be viewed in suggested research model originality whose empirical testing will result in development of new scientific cognitions about both merchandising and interaction with employees as predictors of perceived service quality in productive - dominant retail environment (hypermarkets).

Keywords: *service quality, retail, hypermarket marketing strategy, F BiH*

JEL: L81, M31

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**RESEARCH OF CONSUMER SATISFACTION AND IMPACT OF SALES STAFF /
SERVICE ON CUSTOMER SATISFACTION AND PURCHASE DECISION**

Preliminary communication

Abstract

Users are the biggest asset of any company and their satisfaction guide to successful business in the future. Market research of consumer satisfaction should be carried out continuously, and their purpose is adjusting to changes that occur in the market, but also active participation in the market. In a competitive market where firms compete for users, users satisfaction is seen as the key difference and became a key element of business strategy, and as a result, improves user satisfaction and helps to create a good image of the company and brings positive reactions of our potential users. Despite this importance there are little empirical researches conducted among small and medium enterprises, particularly those in developing countries. The main objective of this study was to determine how much impact on user behavior and their buying decision sales staff and the service provided has.

Keywords: *market research, user satisfaction, sales staff, user service and purchase decision.*

JEL: M30, M31, M39, D03, D12

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THE DEVELOPMENT OF DATABASE MARKETING: DOES CONSUMER INFORMATION PRIVACY MATTER?*

Review

Abstract

Consumer concerns for information privacy (CFIP) have become an important strategic issue for companies. In order to be successful companies develop consumer databases and use consumer information to develop customized products and services, and target potential consumers more effectively. However, the intensity and the volume of direct marketing communications, and the potential misuse of consumer personal data contribute to an increase in CFIP. As a result, consumers might protect their privacy, which may inhibit the growth of database marketing, direct marketing and e-commerce as well. The purpose of this paper is to examine and present the antecedents and consequences of CFIP in the context of database marketing. This paper introduces a theoretical model that examines the impacts of consumer attitudes towards database marketing on CFIP, and the effects of CFIP on willingness to provide information, purchase intentions and consumer purchases. The model posits that perceived ability to control information might alleviate the effects of unfavourable consumer attitudes towards database marketing on CFIP, while perceived usefulness of IT might reduce negative effects of CFIP on willingness to provide information, purchase intentions and actual purchases. Managerial implications are discussed in the paper.

Keywords: *database marketing, consumer information privacy concerns, consumer attitudes, willingness to provide personal information, consumer purchases*

JEL: M30

* This work has been fully supported by Croatian Science Foundation under the project 7913

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COMPARATIVE ANALYSIS OF FUNDAMENTAL DETERMINANTS OF HIGHER EDUCATION SYSTEM IN THE SELECTED EUROPEAN UNION COUNTRIES

Review

Abstract

The recent recession has affected all sectors in Croatia, and has also influenced the activities of higher education institutions. In that context, higher education institutions have entered a wide range of financial and institutional reforms aimed at ensuring efficient and responsible management and to maintain financial stability and autonomy of higher education institutions. Further to aforementioned issues in this paper author has conducted comparative analysis of fundamental determinants of higher education in the European Union. Fundamental determinants of higher education system were selected as follows: types of higher education, development strategy of higher education, models of funding higher education and trends in funding. The conducted analysis has resulted with several significant conclusions. Firstly, there is an obvious imbalance of higher education systems with regard to the type of higher education, but remains dominated by binary system of higher education. Furthermore, it was observed that the higher education institutions, in the context of the many challenges faced by, realized the importance of developing high-quality strategy for the coming period. Also, there is a diversification of the models and sources of funding, and there is an evident trend of reducing budgetary sources of funding and the emphasis was put on the financing models that are based on performance indicators which is particularly evident at developed higher education institutions.

Keywords: *Higher education system, strategy, models of funding, European Union, Croatia*

JEL: I22, I23

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**PREFERENTIAL TRADE AGREEMENTS: BASIS OF FURTHER ECONOMIC
INTEGRATION OF BOSNIA AND HERZEGOVINA**

Review

Abstract

Results presented in the paper accomplished the primary objective of the survey: to affirm further economic integration of Bosnia and Herzegovina in its path towards EU membership. The most important aspects of economic integration, as well as the preferential trade agreements of Bosnia and Herzegovina are elaborated in the paper. Particular attention was paid both to economic analysis of preferential trade agreements and to the effects of Bosnia and Herzegovina's trade agreements. Several topics on economic integration and preferential trade agreements have been assessed. A representative example of preferential trade agreements analysis has been presented, followed by economic effects of implementation of CEFTA agreement in Bosnia and Herzegovina.

Keywords: *preferential trade agreement, customs union, free trade agreement, free trade zone.*

JEL: F15, F43, F36

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SCIENCE-INDUSTRY COLLABORATION IN THE REPUBLIC OF CROATIA

Review

Abstract

This paper presents and analyses the results of empirical research of science-industry collaboration in Croatia. There are many empirical studies suggesting that the collaboration between these two sectors improves innovative performance of economy, and thus economic growth. Considering the importance of the subject as well as the perceived deficiency of research in Croatia, the author of this paper has conducted the empirical research of form, intensity, quality and other parameters of collaboration in Croatia. The samples were 21 academic institutions and 130 business entities. The survey instruments were two questionnaires, one aimed to the business and the other one to the academic sector. This paper attempts to research how Croatian businessmen and scientists perceive the collaboration, how they assess its intensity, quality and other parameters, and what forms of collaboration are the most frequently used. Methodology applied to present the results of the research encompasses descriptive statistics. According to the assessment of the respondents, the research results indicate that the average score of intensity and quality of science-business interaction is 2.87 (interval 1-5). The scientists evaluated intensity and quality of collaboration with an average score of 2.83, and the businessmen assessed with 2.92. According to the respondents, the most frequently used are routine forms of collaboration. Unfortunately, the forms of collaboration that increase innovation of business entities, such as joint production of codified knowledge, joint research and projects, commercialisation of research and similar, are not enough represented. Regarding the fact that 55 % of business respondents indicated that in the reporting period did not have realised the mentioned collaboration, with larger representation of the routine forms for those who had had it, it can be concluded that the potential of the searched collaboration is not used enough for improving the overall economic development in the Republic of Croatia.

Keywords: science, industry, collaboration, evaluation, the Republic of Croatia

JEL: O31, O39

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ANALYSES OF MEASURES FOR SOLVING THE FINANCIAL CRISIS: CASE OF EUROZONE PERIPHERIAL COUNTRIES

Review

Abstract

Monetary union is a group of countries that have a single currency and a common monetary policy. In terms of eurozone it is heterogeneous group of countries that retain significant level of political and fiscal sovereignty while monetary sovereignty is transferred to supranational level. At the beginning of 2009 the eurozone was hit by crisis that started in USA and soon became global. Most affected countries were those of European periphery. Long lasting crisis that developed into a recession resulted in numerous stabilization measures of European and international institutions, including ECB's purchase programs of private and government bonds, in order to alleviate deflationary pressures. Efficiency of rescue programs combined with reforms that were undertaken was not equal in all countries. Still, the crisis was the strongest in Greece in which case the eurozone exit was widely discussed. The discussion about Greece also raises fears of spillover effects on other countries that would, besides the problems of defining the formal aspects of exit strategy, surely cause turbulences on global markets. In this paper, measures of international institutions and national governments taken in order to solve the problem of peripheral countries' high indebtedness are analyzed. Results so far have shown that the austerity measures have not provided expected results. Future policies need to consider negative aspects of measures based on savings, despite the benefits from fiscal consolidation. The terms that would allow countries to redefine the eurozone membership in terms of crisis also need to be considered.

Keywords: eurozone, PIGS, financial crisis, austerity measures

JEL: E52, E58, F33, F34, F36

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INFORMATION USAGE OF STATEMENT OF CASH FLOWS IN THE CONDITION OF FINANCIAL INDISCIPLINE

Review

Abstract

In modern enterprises management of cash flows need to enable untethered conducting of operational activities, rational usage of external sources of financing and effective investment of cash excess. For cash flow management various information are used. Analysis of Statement of Cash Flows gives information that represent addition to informations given in Balance Sheet and Income Statement. In professional literature there is no consent about procedures in analysis of statement of cash flows, calculations and interpretations of indices. The cause for this is that enterprises can have different financial position and procedure of analysis need to be adjusted to the conditions in enterprise. In this work review of methods of analysis of Statement of Cash Flows are given, the need is emphasised and problems of standardisation of analytical procedures for getting information and interpretation of indices are mentioned.

The main aim of this research is to analyse reliability of information of Statement of Cash Flows in the conditions of insufficiently regulated and unfunctional financial system that exists today in Bosnia and Herzegovina. In the empirical part of the research cash flows in five randomly choosen enterprises are analysed. Analysis of combination of net cash flows from business, investment and financial activities in these enterprises has shown that evaluation of financial position for some enterprises is not reliable. Enterprises that operate with loss and have big financial problems have achieved positive cash flows from business activities for several years in succession what is oposite to interpretations. That is result of not paying liabilities from business relations and cumulating of debts. Concealment of adverse cash flows in the conditions of financial indiscipline can last much longer than in regulated economic and financial systems.

Keywords: *cash flows, free cash flow, combination of cash flows, reliability of information about cash flows, financial indiscipline.*

JEL: M410

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INTERNAL FACTORS STRATEGIC ANALYSIS AS A PART OF STRATEGIC MARKETING PLAN ON EXAMPLE OF ATLANTIC GROUP d.d.

Professional paper

Abstract

Theoretical part of this paper explains concepts such as strategic management, strategic marketing plan and internal factors strategic analysis as a part of strategic marketing plan. It describes process of creating marketing plan in detail. Practical part of this paper on example of company Atlantic Group d.d. analyzes internal factors and covers SWOT analysis. Strategic analysis is prerequisite and necessary analytical process of collecting and analyzing data regarding internal and external business environment. It is extremely important part of making strategic marketing plan because it delivers information for SWOT analysis based on which company selects appropriate marketing strategy. It is important to cover three strategic questions: where are we now, where are we going and how we shall get there. The main purpose of strategic analysis is to evaluate company's position regarding other competitors. It is important to be aware of company's strengths and weaknesses which will come out of internal factors analyses. Theoretical analyses showed that all activities and processes in making marketing plan are necessary. Internal factors analyses and SWOT analyses proved that without good marketing plan company cannot be successful on high competitive market. Analyses results proved that successful marketing plan and strategies must be developed according to company's goals, vision and mission.

Keywords: strategic analysis, marketing plan, strategy

JEL: L1, M31