

TARGET COST MANAGEMENT PRINCIPLES IN TOURISM PRODUCT DEVELOPMENT

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Abstract: *The development of high-quality tourism product, both individual and integrated, implies the rise in costs of tourism providers. As competition in the tourism sector becomes more intensive, superior characteristics of the tourism product become critical to attracting and keeping tourists, while cost management becomes critical to profit margin maintaining. The aim of this paper is to show some practical implications for tourism providers at Mt. Zlatibor, who are facing growing competition, considering growing tourism offer in these area. These include guidelines for creating competitive tourism product, based on well-known Target Cost Management system, which highlights the relationship between product quality, features and costs. As in many other industries has been concluded, we point up here, too, that forming and inclusion of multifunctional teams, in the earliest phases of tourism product development, are crucial for successful product strategic positioning.*

Keywords: *tourism product development, quality, Target Cost Management, Strategy of Confrontation*