

Project ID	HUHR/1101/1.2.3/0001
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Project Title	Development of cross-border gastronomy routes in the Pannonian Basin

Evaluation of local producers

survey aspects for proper assessment

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1. Introduction

Nowadays the role of gastronomy and nutrition is becoming growingly significant. The number of conscious consumers is increasing not only globally, but also within the Hungarian society. This consumer / customer group has always had high demand for local, authentic food, in addition, there are a number of customers that purchase such products for their rarity or even as a gift, though not on a regular basis.

While many people cannot afford to buy local products for material or other reasons, fruit, dairy or honey products purchased from local producers have always represented quality for consumers. There is a growing demand for fresh, reliable products made from quality ingredients and reflecting the work of domestic – even local – producers.

It can be concluded that the impact of the above factors collectively results in the growing importance of local producers, and they may have an even more decisive role in the future. Fortunately, this has been noticed by several institutions and organizations in our country, therefore more and more resources opened up – whether in the form of tender funding, or by way of bank loans – which provides the opportunity for local producers to develop, and by this to contribute to the development of the Hungarian economy and the promotion of Hungarian gastronomy.

It is obvious that producing local products itself is not sufficient; if sales conditions are not adequate, products of otherwise good quality lose value, and become unsalable. Due to the foregoing, the aim of this study is to present the most important factors that describe local producers, and set out the assessment criteria for their evaluation. A variety of quality measurement criteria is presented, making it possible to compare and evaluate local producers. The aim of this study includes presenting the conditions a good local producer must meet and highlighting the characteristics that make producers suitable for becoming the major players of gastro-tourism in the Southern Transdanubian region.

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The focus of the study is on the host venue, the sales location of local producers, which basically defines the image of local producers for consumers, therefore it is of major importance.

The evaluation criteria of producers' own venues examined in this study include the following factors: approachability, product trial, tasting opportunities, personal factors and shopping opportunities and conditions.

2. Compliance with authority requirements

It is an elementary criterion for local producers to ensure that their operational practice is compliant with requirements set forth by the authorities and in laws. The paper "The process of becoming a local producer" provides more detailed information on the key legislative requirements and forms of regulation, so we are only listing the most important regulations of the legislative background herein.

The following regulations apply to the establishment and business operation, and the income sources and the trade of products of local producers. The mentioned regulations are the following: (this list is not in the order of importance)

Legislative requirements on the establishment and business operation of local producers:

- 1.) Act CXVII of 1995 on Personal Income Tax and Schedule No. 3 and 6 thereof. The unabridged text of the referenced act and the schedules can be viewed at: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=99500117.TV
- 2.) Act CXV of 2009 on private entrepreneurs and private companies. The unabridged text of the referenced act can be viewed at: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0900115.TV
- 3.) Act V of 2006 on public company information, company registration and winding-up proceedings. The unabridged text of the referenced act can be viewed at: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0600005.TV
- 4.) Act CXXVII of 2007 on value-added tax.

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The unabridged text of the referenced act can be viewed at:
http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0700127.TV

Legislative requirements on the earning of income and the sales of products of local producers

5.) Act CLXIV of 2005 on trade. The unabridged text of the referenced act can be viewed at: http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0500164.TV

6.) Act CXXXV of 2011 on the amendment of act CLXIV of 2005 on trade. The unabridged text of the referenced act can be viewed at:
<http://www.complex.hu/kzldat/t1100135.htm/t1100135.htm>

7.) Government Decree 55/2009. (III.13.) on fairs and markets and Decree 260/2011. (XII.7.) including the amendments thereof. The unabridged text of the referenced decree can be viewed at: http://www.complex.hu/jr/gen/hjegy_doc.cgi?docid=A0900055.kor

8.) Decree 51/2012. (VI. 8.) VM on the food safety conditions of sales at local farmers' markets. The unabridged text of the referenced decree can be viewed at:
http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1200051.VM

9.) Decree 52/2010 (IV.30.) FVM on the conditions of food production, manufacturing and sale by smallholders. The unabridged text of the referenced decree can be viewed at:
http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A1000052.FVM

10.) Joint Decree 19/2004. (II. 26.) FVM-ESZCSM-GKM on the marking of foodstuffs. The unabridged text of the referenced decree can be viewed at:
http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0400019.FVM

11.) Act XLVII on the prohibition of unfair commercial practice against consumers. This primarily includes trade measurement (KERMI) licensing and certification requirements for meals and craft products intended for children and they also regulated the tasks to be completed for the purpose of informing consumers during distribution. The unabridged text of the referenced decree can be viewed at:
http://net.jogtar.hu/jr/gen/hjegy_doc.cgi?docid=A0800047.TV

In addition to the above, other laws are also applicable to certain local producers and products.

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3. The product or quality at a reasonable price

There are a number of advantages to consuming and selling local products. The advantages of the operation of local markets and consuming produce purchased from local producers was summarized in a study prepared for the purpose of assessing the Local Market in Csákberény.

(The full length study can be viewed at the following link:
http://vercse.hu/tanulmany_csakbereny_piac_2013.pdf)

Advantages:

1. Buying local produce has a positive impact on the local, municipal economy. It provides additional income, or revenue for farming families, and customers do not have to travel to cities to buy the produce (therefore they can save the cost of travelling).
2. Locally grown fruit and vegetables are fresher than the food found on the shelves of supermarkets. The majority of local produce is picked and harvested on the day before the market day, whereas products intended for the shelves of supermarkets are subject to lengthy transportation. Due to the transportation, fruit and vegetables are picked before their normal ripening time, in order that including the ripening time during transportation, they present their best shape and colour when they reach the shelves. This of course is done at the expense of quality, as these fruit and vegetables do not offer us, consumers the same taste or vitamin content that they can have when picked fresh.
3. This also implies that local produce tastes better. When we consume foreign strawberries or tomatoes we very often express the idea that local produce also contains the taste and flavour of local soil and sunrays, which is unmatched worldwide.
4. As local produce is sold locally, it is not subject to long cruises, transportation or long cold storage. Consequently, chemicals or other treatment agents are not used either to improve saleability. The procedure of treating fruit with chemicals

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is used for tropical fruit, such as bananas and citrus fruits in order for them to endure long cruises and not rot prematurely. Food products are also subject to a great number of bacterial infections during transportation (especially products transported in the bilge), which can cause several diseases when they reach the human body. By consuming local produce, this can be avoided.

5. Consuming local produce is less polluting to the environment. Due to the fact that local produce travels significantly less, its consumption significantly reduces the environmental burden.
6. Local produce does not contain additives or chemical residues, which are used in case of large-scale production in an attempt to restore the quality of flavours, colours and sight that is lost as a result of the circumstances of large-scale production, extorted soil, improper storage and transportation due to the quantitative approach. For example, the egg yolk of the eggs bought on the local market is of a natural colour and cakes made from them are appetizing, as opposed to eggs treated with artificial colouring, on which the traces of external chemical intervention are visible straight upon cracking them open.
7. In case of a problem arising in connection with local products, local producers can be held liable faster and more effectively than supermarkets. Producers have an interest in offering quality products, as often the brand they sell is their own profile.
8. The sale of local products is focussed on domestic, craft production methods. Producers can stick to or resume the cultivation of ancient, domestic varieties, which are part of our national heritage, our culture. Family recipes may be found that can also serve as excellent marketing elements. Ancient animal and plant species can be rediscovered, and in every step of the processing, manual labour, care, and concern manifests itself.
9. Last but not least, we also support our own environment by purchasing local produce, and contribute to our settlement to develop economically, be viable, liveable and prosperous.

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The study referred to earlier was also aimed at assessing the disadvantages, however, in the course of the analysis, the authors did not find any disadvantages relating to the local markets and products.

It can be generally stated that if operators of local markets and the producers offering their produce on the market comply with the rules, it only has positive impacts on local residents who can thereby have a positive experience. Meeting expectations and compliance with the rules are tasks for everyone, of course, therefore local products can be marketed by a greater sense of attention, care, and responsibility. Producers must keep in mind that they should sell food that they would also be eager to consume themselves, so quality expectations of themselves should remain high, too.

3.1. Assessing the quality of products

Local products constitute a kind of quality themselves, and due to local production, they represent added value for consumers. In spite of this, a number of aspects should be considered when assessing the quality of local products.

As the primary aspect, it should be first assessed whether the product in question *is suitable for consumption by humans*. This involves examining whether the product in question

- is rotten,
- had been polluted by any materials that are unsuitable for human consumption and have adverse effect on human health,
- is stored under appropriate circumstances (e.g. in case of dairy products, eggs or other perishable products, in a refrigerator).

The next aspect to consider can be *assessing product freshness*. This involves examining with respect to the product in question

- in case of processed goods, the length of time before they were processed
- whether it has kept its original texture and structure most expected from consumers (has the homemade loaf of bread remained crispy, is the fruit juicy if it is supposed to be).

It should be noted that the time period within which a product is considered fresh varies by product groups. As with wines, for example, the older is the better.

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Freshness and suitability for human consumption can be examined by multiple sense organs; for example, we can see, smell or touch the products. If it has a strange smell or colour (maybe mouldy), the product is probably not appropriate, of poor quality or rotten. It should be remembered that there are exceptions to this, too, for example a mouldy cheese (intentionally ripened with noble mould) is of excellent quality, and dried fruit is intentionally dried and as a result of this it no longer has succulent, juicy texture.

3.2. Assessing the appropriate placing, serving and aesthetic value of local products

The aspect listed in this section is *related to the serving of the product*. In this case it should also be examined in connection with the product in question

- how delicious-looking it is (is the placement visually beautiful, is it appetizing)
- what is the environment like it is placed in (e.g. is it covered by flies)
- what kind of other products is it placed next to (e.g. grapes look attractive next to cheese).

This criterion is rather subjective, however, it is easy to determine whether the product meets consumers' visual needs properly. We must only answer a simple question: Do we like what we see or not?

3.3. Assessing the functional benefits of local products

In relation to local products the *extent to which* a given product *corresponds to the function* it is bought for constitutes a separate category. Within this, it is important to assess

- how much does the customer like the taste, and
- how it fulfils its role to reduce or satiate hunger.

3.4 Assessing the image value of local products

For each product the determining factor is the value perceived by consumers. In many cases it differs from the sellers' value judgement of their own products. The products bought by consumers often have image value as well.

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Certain expensive or well-known local products are perfectly suitable to fulfil this function. For example, the Makó onions, Gyula sausages or Kalocsa paprika (red pepper powder) . These names occasionally include the place name, and on many instances, they outgrow themselves from local products, which however requires analysis in a different context. Products of such high image value in the Southern-Transdanubian region can be the stifolder (smoked and dried sausage) or the wines of Szekszárd.

3.5. Survey of the diversity of local products (product structure)

In many cases it is not only important to customers to acquire quality products, they also have a high demand for *diversity*. Therefore it is of extra value to them to purchase multiple tastes, colours and types of products at the same time, within the same category. When diversity is surveyed, the following shall be examined:

- how many types of product groups are sold by the local producer (e.g. wine, cheese, fruit)
- how many types of products are sold by the local producer within a product group (apples, grapes, peaches)
- how many varieties of the product are sold by the local producer (Idared, Jonathan, Jonagold apple cultivars)
- how much these single products are related, how consistent they are with each other (e.g. wine pairs well with cheese, cheese with grapes)

Marketing studies call the above the properties of product structure, using the terms width, length, depth and consistency, with the following meaning:

- width: means the number of product lines, with the product line meaning a group of closely related products (similar function, identical target group, price range, sales)
- length: means the type of products offered in the product mix
- depth: means the varieties the members of the product line are offered in
- consistency: means how closely the specific product lines are related from the point of view of production, sales and consumer functions

3.6. Assessing the price of local products

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For consumers it is very important that they get the appropriate quality at the right price. If the price of the product is too high, consumers will not be so eager to buy it or only buy a smaller amount; however, the real problem is not posed by the high price, but the inconsistency between the quality and the price of the product (it is over- or underpriced).

Consumers will not buy the product in the case of overpricing, but underpricing also causes problems. Consumers generally identify the price of a product with its quality, therefore in many cases they suggest that a cheap product is of poor quality. The specialty and uniqueness of local markets is that these products are not available in supermarkets and shopping centres, or only at an unreasonably high price. It has been supported by a number of researches that consumers are willing to pay a higher price for good quality local products, whereas occasional mispricing should be avoided here as well.

Thus it is important that we are aware of the quality of the product and set its price accordingly. The assessment criteria in this case is the subjective determination whether we perceive the price of the product as acceptable, too expensive or too cheap.

3.7. Assessing the packaging of local products

Although certain products (e.g. fruit) are sold without packaging, a range of local products are packaged. It is important that packaging fulfils its functions, otherwise the product value and quality may decrease. The functions of packaging are as follows:

- protecting the product from the environment
- protecting the environment from the product
- presenting information about the product
- raising awareness
- simplifying distribution
- meeting the aesthetic needs of the customer
- meeting the legal requirements.

It is therefore suggested that compliance or noncompliance with the above criteria is taken into account when assessing the packaging of products.

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4. Decision on the sales location, conditions of sales at local farmers' markets

It is of key importance to every business association performing commercial activities to decide where they want to sell their products. Local producers can mainly carry out their activities in small-scale agricultural producer, private entrepreneur or corporate forms. Forms of operation have a significant impact on what sales location the producer is going to select for its products.

Local producers basically have the following possible sales locations for their products available to them:

- at their house
- at the market
- in local stores
- via the internet
- in specialised stores
- in supermarkets
- at wholesale traders in bulk
- at mobile vendors
- nowhere

In this chapter we focus on two types: selling online and at the local farmers' market. The next chapter - the backbone of the entire paper - is going to detail the survey aspects of sales at house, at home.

Small-scale agricultural producers and private entrepreneurs with a smaller volume of products to be sold typically do not have a separate commercial store for the purpose of sales, they typically sell products at the location of production or "at house". However, a company operating in any of the corporate forms typically has the level of revenue adequate for maintaining a store, or even for paying a dedicated employee.

Also, development of information technology has enabled some local producers to **sell their products via online interfaces**. There are several related pros and cons.

The major disadvantages of online sales:

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- customers cannot assess the quality of the product, they only have a presumed image of quality there is no opportunity to touch, smell and visually check the product, problems may occur related to the security of the system
- bandwidth is not adequate in many locations, rendering transactions very slow
- customers are mistrustful of electronic payment methods

The major advantages of online sales:

- purchases are much more comfortable, there is no need to travel to the local producer, transactions can also be completed at home, sitting on the couches
- products are delivered to the homes of customers, purchases take less time
- online stores can offer a larger range of products, in case of websites distributing the products of multiple producers
- cheaper, since these stores typically offer a more favourable price to consumers, since they have no such costs traditional shop owners have, such as operation, rent, employees, etc.

Different survey aspects of online sales practically cover **how much a specific seller can eliminate disadvantages**, by e.g. presenting images helping quality assessment, displaying certifications or providing alternative payment methods. Another aspect is **how such sellers can exploit potential advantages**, e.g. by providing a larger range of products, joining such a web store or sell product at a lower price.

Local farmers' markets are significant sales locations, providing an excellent opportunity to be meeting points for sellers and customers. There are two key laws affecting lawful trade at local farmers' markets, namely Decree 51/2012. (VI. 8.) VM on the food safety conditions of sales at local farmers' markets and Decree 52/2010 (IV.30.) FVM on the conditions of food production, manufacturing and sale by smallholders. The following legislative obligations apply to local producers intending to sell products at local farmers' markets.

1. *Issue of the VAT number:*

Small-scale agricultural producers shall only sell products at markets if they have a VAT number assigned, since they are obliged to provide customers with a receipt/invoice. If they already have the small-scale producer licence, small-scale

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agricultural producers may apply for a VAT number at the affected tax authority. Application forms are typically available at every municipality office.

2. *Issue of the small-scale producer licence:*

The small-scale producer licence is issued by the affected agricultural extension agent . For the issue of the licence, the products to be produced, the location of production, the area size, the land usage type and the "gold crown" value shall be specified. Application forms are typically available at the local municipality office.

3. *Registration of agricultural smallholders:*

The applicable form is also available at the municipalities. Municipalities typically undertake to forward smallholder registrations to the affected authority. After smallholder registration, the authority performs on-site inspection, examining the circumstances of production (e.g. hygiene - the adequacy of normal kitchen conditions). This is then followed by the issue of the certificate. A log shall be kept about the spraying of crops and the substances used. Spraying logs are available at the municipalities. Records shall be kept about processed products and their ingredients (e.g. spices).

4. *Issue of the sanitary booklet:*

- In case of selling unprocessed plant products (e.g. fruit, vegetables) a sanitary booklet is not required.
- In case of selling processed products (jams, paprika spices, homemade pickles) the affected persons are required to possess a sanitary booklet. Lung screening and occupational health testing are required for the issue of the booklet.

5. *Purchase of the receipt block/invoice block/sanitary booklet:*

Receipt blocks/invoice blocks/sanitary booklets can be purchased at print shops. In order to purchase these items, the small-scale producer licence and the tax identification card shall be presented.

6. In case the smallholder reports carrying out the trade activity pursuant to Decree 210/2009. (IX. 29.) Korm. at the locally affected municipality, it shall also be registered with the regional organisation of the Chamber of Agriculture. (www.agrarkamara.hu)

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7. Smallholders may only commence their activities after the valid licences and resolutions on registration have been issued. Licences and documents shall be kept at the production site at all times, in order to present them during on-site inspections.
8. If the smallholder sells products at a market, at least the copies of the documents shall be available on site.
9. Smallholders shall keep records about the quantity of products produced in their own farms, the date of production, the quantity sold and the place and date of sales.
10. The records or the copies thereof shall be kept by the smallholder at the sales location and presented to the authority upon inspection. Documentation shall be kept for 2 years.

In order to evaluate compliance of sales at local markets as special locations, the above-mentioned legislative requirements shall be assessed.

5. Survey of the demand related to an own location

Sale of products at local farmers' markets and the pros and cons of online sales have been detailed so far. We shall hereby focus on ***sales locations of own maintenance*** established by local producers (outside of local farmers' markets) which may be created at the location where products are manufactured or separately, with the purpose of selling their products.

This chapter only covers the main aspects we considered important when local producers select and maintain sales locations. The aspects we considered the most important: the accessibility of the sales location, opportunities to test products, and also the personal aspects of purchasing opportunities.

5.1. Approachability

It is typical for producers of local food that they pursue the production activity in such areas that the characteristics of the given product requires. A honey producer, for

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instance, is not able to produce the right product if the area is not suitable for keeping bees, or there are no honey plants around. A small producer with orchards making jam is only able to survive at a location where there are plantations suitable for carrying out such activity. Local producers engaged in dairy production are not able to produce cheese or cottage cheese unless they keep goats or cows. Although grapes can grow anywhere, it is commonly known that there are certain grape species that prefer sandy soil. Just like with grapes or willow trees, the breeding of different animal species also have their own unique requirements.

These areas consequently include locations for which the primary selection criteria is compliance with the production requirements of the product. The extent to which the given venue – which is often also the location where the product is sold – meets consumers' needs is often disregarded. Although local producers are in many cases located in secluded villages, smaller settlements or farms, it is essential that the place where their products are offered for sale must be approachable for the customers. In practice, approachability is very important because if potential customers cannot find the place, they will not be able to buy the products. Thus, the mentioned factor also has a highly important role in choosing the sales location.

On the one hand approachability means that the right traffic opportunities are available in order to reach the venue, and on the other hand, it can also mean the assessment whether potential buyers would easily find the venue. The location means both the settlement of a local producer and also the specific location itself. Both are equally important for the potential customers to find the sales venue.

The adequacy of transport facilities will depend on the characteristics of the product. While for smaller size products or those that are also available in small packages it is sufficient to reach the sales venue by public transport or by bicycle, local producers selling larger-sized products, especially cattle, should also consider that the place must be accessible if someone approaches by a bigger transport vehicle or one with extra loading surface as well.

While the existence and quality of roads leading to the site are considered to be factors that are independent from local producers, it can cause discomfort for many consumers - especially keeping in mind those arriving from a distance – if roads are inadequate. Former customers may waive the purchase, or can turn to other local producers if no

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adequate means of transport is available. Potential new clients also rather decline the purchase in the most extreme cases in order to spare themselves the nuisance of the trip.

To find the specific location within the town it is essential that both for those who are directly looking for local producers, as well as for those who just happen to be around the area, the direction should be well signed - with street names and product names indicated, whether on boards or by direction arrows - indicating which way they need to go in order to reach the producer. This area is closely related to marketing communication, namely to one of its possible purpose, which is raising awareness of the product or the producer.

Parking facilities are closely related to approachability. For those arriving by large cars, it is especially important that sufficient space is made available for parking in the immediate vicinity of the sales venue.

Consequently, when assessing approachability, three basic factors should be examined: are transport facilities and the quality of roads adequate; is the local producer easy to approach, is it possible to find local farmers; are there parking facilities and, if so, what are they like.

5.2. Product sampling and tasting opportunities

For producers that produce local food and sell it locally, it is of significant importance that consumers get to know and like their products. As almost every local product is unique, preliminary quality evaluation is rather difficult. As a result, consumers rightfully expect that they have a chance to taste the product. Their financial position usually stop producers from undertaking widespread marketing activity, therefore they should cease opportunities arising from personal sale as much as possible. Customers like to test products before they should take on any purchase commitments.

A number of equipment may be needed for the proper sampling of a product. We list below the supplies and equipment exploiting the maximum of the tasting opportunities. Naturally, different equipment is required depending on the product category. The supplies needed for tasting are as follows:

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- **Dining table, dining counter:** If we offer food to taste, a table is required in any case, which people can comfortably sit around. In case of smaller spaces, a dining counter serves the same purpose; the point is to have a table surface intended for the tasting.
- **Sanitary facilities:** If the possibility to taste food, eat or drink is provided to customers, for hygienic reasons it is also necessary that hand washing facilities are provided. For this purpose a washroom should be constructed where the minimum requirement is a hand washing facility, but if customers generally spend longer time on the site, fitting in a toilet is also recommended.
- **Storing waste:** It is an additional hygienic criterion that the waste or occasional harmful substances created during the production of the product are stored in a place not seen by customers, and in a distance from the selling area. Cleanliness is of essential importance.
- **Cutlery and plates:** In addition, cutlery used for offering food, and plates which the samples can be placed on may also be needed. Cutlery and plates do not necessarily have to be made of durable materials, paper plates can also be suitable if the product is such type that does not soak the plate (e.g. jam cannot be offered on paper plates). The importance of cutlery is not the same for different product categories, for example, it is not necessary to provide cutlery when offering a piece of grape, but a spoon is a must for the tasting of homemade yoghurt.
- **Complementary foods:** It is important that if food is offered that customers would generally not consume in itself, then it is a bonus if the necessary complementary foods are also provided. For example, as with jam products, smoked meat or honey, it is recommended that a piece of bread is offered with each sampling.
- **Further equipment for increasing satisfaction:** Equipment that increase customer satisfaction but not essential are napkins and tablecloths.

As discussed above, the importance of these factors can vary between the different product categories, therefore local producers must always be assessed product-specifically, in the context of the product and producer in question.

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5.3. Personal factors

Personal factors have crucial importance from the perspectives of assessing a product or a service. Despite the product being good, it has no worth if the seller is impolite, unhelpful or rude. Thus the manner, friendliness and openness of the hosts are very important factors that can result in future benefits.

A good seller must be in possession of the following characteristics:

- expertise in connection with the product,
- widespread, appropriate knowledge about the product(s) to be sold,
- relationship building, communication skills,
- smart, trustworthy-looking appearance (matching with the product),
- ability to adapt and flexibility in meeting individual needs,
- courtesy,
- helpfulness,
- reliability,
- empathy skills.

As producers get into direct contact with buyers, a connection is created between them. It is a plus if a local producer is open, talks about the circumstances of production, the effects of food, recommended ways of consumption and suggested use. The aim is to achieve that the buyer becomes emotionally attached to the producer and the product.

Customers expect conversation and getting to know as much as possible about the products and producers, since they are not only attending local markets with the purpose of shopping, but also to create new contacts and acquire new knowledge. Their purpose may also include getting to know special, homemade recipes, and learning about domestic procedures.

It is true about many local producers, especially older ones, that they are unfriendly and not complaisant with the customers. In their case customers start to decrease by time, resulting in less revenue, although the product they offer is of good quality. It is obvious that not everyone is suitable for sales, and not everyone can get into touch with strangers easily. If a producer is unsuitable to do so, the sales activity should

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be performed by a family member that knows the product just as well and also possesses good communication skills. If it can be afforded, a salesperson is necessary to be employed.

Producers/sellers must therefore learn humble behaviour towards customers and the appropriate communication rules, and behave accordingly. Both parties, sellers and buyers alike, would benefit from this, since sellers gain extra profit, and customers obtain quality products while enriched by a positive experience during shopping. Producers may also have an additional benefit from customers attaching pleasant memories to the experience, as in case they are satisfied with the product and the service was also good, they are more likely to recommend buying the product to their acquaintances. This positive word of mouth advertising may bring further benefits to the producer in the long term.

5.4. Shopping opportunities and conditions

Although we deal with this in the last section of the chapter, the most significant factor of assessing the sales qualities of local producers is whether the shopping opportunities and conditions are basically appropriate or not. If these are not appropriate, the existence of the factors – one and all very important – listed above serves no purpose. The aim of product tasting, providing transport opportunities and helpful personnel is that the products can be marketed properly, in other words, potential customers buy them.

Shopping opportunities also cover the ***channels through which customers acquire the products***. In practice, this means the selection of the sales location, which was already covered earlier, so it is not addressed here in detail. We only note that the increasing number of sales locations would require after a while that local, handcrafted products are manufactured by mass production. In this case, however, local products would lose their essential characteristics, thus to a certain extent the number of sales channels is limited. The selection of the commercial site referred above (home, local producer market, etc.) does however not affect the nature of local products, so the decision made on it is a key strategic issue in any case. The whole of section 5 was focussed around domestic venues, so we continue to analyse the shopping opportunities in this respect.

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Another important factor in assessing shopping opportunities is to examine the **payment options available to customers**. Many consumers find cash only payment options uncomfortable in the 21st century, and many people simply do not carry large amounts of money in cash. If possible, it is recommended that alternative payment options are also provided.

An additional important factor is **where the customer can buy and pay**. Is there a separate table designated to this, or the amount paid for the product has to be handed over by the customer in the air? It may not seem to appear as an important factor at first, but it is rather important for practical reasons, because when customers' one hand is full with the desired product, they are not sure to be able to find their wallets comfortably if they have nowhere to put their things down first.

In many cases, **devices to facilitate the sales transaction** may also be required, such as a cash register or a calculator. These facilitate the handling of money, and by applying them, such ambiguous situations can be avoided where sellers may be qualified unreliable (e.g. situations arising from giving back incorrect change).

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6. Compliance of marketing activities

Although no product can be sold in the long term without adequate product performance, a certain level of marketing activity is absolutely necessary, even if the distributed product is of very high quality. No matter what kind of product is examined through the aspect of sales, or whether the affected subjects are producing companies or small-scale agricultural producers, they basically have two types of marketing strategies available to them: they may either sell quality products to consumers at higher prices, or cheaper products in not so remarkable quality. If someone chooses an entirely different strategy, they cannot expect to be successful in the long term. (Obviously, there are certain different strategies - such as a niche strategy, with the seller targeting a very small market segment to satisfy special, unique demands with the product - but these are not considered herein.) Products of local producers already have a unique added value, namely being locally produced, which has an extra value for consumers as well. Also, if they are able to produce quality products, and possible add further extra values (e.g. bio or eco products) they can also demand higher prices for the products offered. Therefore the strategy listed as first is recommended for them, they should sell higher quality products for a somewhat higher price.

Within marketing work, it is of elementary importance if the product to be sold, its price, the sales channel and the contents communicated about the product (the 4 Ps) are harmonious, and the producer shall have clear messages in this regard. In addition to selling appropriate products at an adequate prices and carefully selecting the sales location, may other marketing communication tools shall be used in order to let consumers know and like the product.

The primary communication goal is getting potential customers know the product and producer. In this regard, we have already mentioned directional signs within a town/village, as potentially applied marketing communication tools. Also, many other tools and channels are available to local producers.

- appearances in printed media (daily, weekly newspapers, magazines, technical publications, etc.),

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- appearances on outdoor and indoor media (posters, billboards, banners, advertising on vehicles, etc.),
- radio commercial,
- television commercial,
- online advertising, website
- cinema commercial
- direct marketing (phone marketing, printed or electronic direct mail, SMS messages, etc.)
- product promotion (informative publications, trainings, product samples, raffles, discount or free deliveries, etc.)
- event organisation
- fairs, exhibitions
- personal sales
- marketing public relations (newspaper articles, news reports)
- publications, printed materials (reports, leaflets, newsletters, brochures, business cards, etc.)

Typically (especially for financial reasons) producers do not advertise themselves through mass communications (television, radio) or cinema advertisements. The use of PR tools is also unlikely for the same reasons.

The opportunity to use personal sales and fairs as marketing communication tools is present in every case where the local producer (or its sales colleague) personally meets the customer at home or at a local farmers' market.

The appropriate packaging also has marketing functions. If the name and phone number of the producer is indicated on it, customers can much more easily return when they wish to make new purchases. Functions expected from the packaging are listed in section 3.7. In addition to the aspects listed therein, it is also important to ensure that the packaging is unique, characterised by design that is attractive to consumers, and even more making them want to make purchases and like the product.

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Product promotions and raffles are also not very typically in this category, they are much more applicable to products distributed through retail channels. Direct marketing involves several opportunities for local producers.

Online advertisements have an increasingly large share in case of local producers as well. The <http://pannonflavours.org> website should certainly be mentioned, providing information on the most excellent locally foodstuff and beauty products of Southern Transdanubia.

Therefore the survey of the compliance of marketing activities shall be based on evaluating whether the specific producer has chosen the appropriate price-value strategy, and whether its sales channel and the applied communication tools are harmonious. It shall be assessed if the communicated message is contradicting what the product actually offers (e.g. if the leaflet states that the bread is "fresh and crispy" it shall not feel soft). It shall also be examined if the sales channel is appropriate to expectations due to the product type (e.g. if fresh milk is sold, it shall not take place in an open-air farmers' market, but at a location established at home, where products can be stored appropriately, in a fridge), etc.

7. Survey of accommodation quality

Several producers of local products also offer accommodation to visiting customers. In such cases, particular emphasis shall be laid on evaluating the quality aspects of the accommodation facility. Due to its significance, this topic could be covered in a separate paper.

The classification of commercial accommodation and private lodging services, and the qualification of rural private accommodations are regulated by Decree 45/1998. (VI. 24.) IKIM. The unabridged text of the referenced decree can be viewed at: <http://www.fatosz.eu/ftp/jogszabalyok/45-1998.pdf>

The decree specifies what is considered commercial accommodation, classifies hotels according to quality classes and considers the classification criteria of boarding houses (motels) and other types of accommodation.

With regard to the main topic of the paper, we are not detailing the classification of hotels herein, but presenting the quality conditions specified in the decree for the

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types of accommodation (resort houses, tourist hostels, private lodging services and private accommodations provided in rural tourism) which we presumed would be typical for local producers offering accommodation as well.

7.1. Classification and qualification criteria of private accommodations used for tourism purposes

This section details the qualification criteria of private lodging services and private accommodations provided in rural tourism. We consider this the most important category from the point of view of local producers.

7.1.1. Classification criteria of private lodging services

Private lodging services: the private lodging activity regulated in (Government) Decree 110/1997. (VI. 25.) Korm. on the usage of private lodging for tourism purposes.

One-star private lodging service

One-star private lodging services shall at least comply with the following criteria:

- In case of a private lodging service in a multistorey building:
 - *Lift*: obligatory from the fourth floor (the mezzanine and the high ground floor are not considered "floors").
- *After hours service*: provided by the service provider or its agent.
- *Room size*:
 - One-bed: at least 8 square metres.
 - More than one bed: 4 square metres per each additional bed.
 - Maximum number of beds: 4 beds per room.
- *Furniture*: table, seating and clothes storing facilities appropriate to the number of beds, mattress size shall be at least 90x190 cm.
- *Heating of rooms*: the temperature of at least +20 °C on cold days (ambient temperature not exceeding 15 °C).
- *Lighting*: at least one central (ceiling) lamp (illuminator).

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- *Bathroom, washing facilities:* bathroom or washbasin used jointly with the service provider, toilet and toilet brush (and holder), toilet paper (and holder), sanitary sachet.
- *Potable water supply:* if the running water in the apartment is not potable, it shall be marked, and the service provider shall also ensure that potable water is made available.

Two-star private lodging service

Complies with the criteria of one-star private lodging services, with the following additions:

- *Maximum number of beds:* 3 beds + 1 extra bed in each room.
- *Lighting:* in addition to the central light, local lamps at least at the guest beds.
- *Bathroom, washing facilities:*
Extra criteria: separate shower and towels for the guests. Towels and bedclothes are replaced simultaneously.
- *Potable water supply:* potable water is required to be provided to the guests.
- *Cleaning:* Every 3 days, unless otherwise agreed with the guest.
- If the service provider provides breakfast or other boarding to the guests, a separate dining room shall be established.

Three-star private lodging service

Complies with the criteria of two-star private lodging services, with the following additions:

- *Lift:* obligatory from the fourth floor
- *Maximum number of beds:* 2 beds + 1 extra bed.
- *Furniture:*
Extra criteria: mirror, separate fridge and colour TV for the guests.
- *Heating of rooms:* room heating controlled by the guest.
- *Bathroom, washing facilities:* separate bathroom and toilet for the guests. Towels and bedclothes are replaced at least every 3 days.
- *Cleaning:* every day, unless otherwise agreed with the guest.

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- *Phone*: phone available within the accommodation facility.

Apartment

The apartment shall at least comply with the following criteria:

- *After hours service*: provided by the service provider or its agent.
- *Lift*: obligatory from the fourth floor (the mezzanine and the high ground floor are not considered "floors").
- *Room size*:
 - One-bed: at least 8 square metres.
 - More than one bed: 4 square metres per each additional bed.
 - Maximum number of beds: 2 beds + +2 extra bed in each room.
- *Furniture*: table, mirror, seating and clothes storing facilities appropriate to the number of beds. Mattress size shall be at least 90x190 cm. Separate fridge for the guests, colour tv upon request.
- *Heating of rooms*: room heating controlled by the guest.
- *Lighting*: in addition to the central light, local lamps at least at the guest beds.
- *Bathroom, washing facilities*: separate bathroom for guests, toilet and toilet brush (and holder), toilet paper (and holder), sanitary sachet. Towels and bedclothes are replaced at least every 3 days, separate towels for guests, replaced simultaneously with bedclothes.
- *Potable water supply*: potable water is required to be provided to the guests.
- *Phone*: phone available within the accommodation facility.
- *Cleaning*: every day, unless otherwise agreed with the guest.
- Fully equipped kitchen made available to the guests.

Apartment "de Lux"

Complies with the criteria of apartments, with the following additions:

- *Lift*: obligatory from the second floor.
- *Furniture*:

Extra criteria: room safe.

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- *Heating of rooms:* air conditioned bedroom and living room.
- *Bathroom, washing facilities:* bedclothes and towels are replaced every day, if requested by the guests.
- Kitchen equipped with a microwave oven, a toaster, a coffee-maker, a tea-kettle and other necessary accessories is available to the guests.

7.1.2. Classification criteria of private accommodations provided in rural tourism

I. General definition

Private accommodations provided in rural tourism: the private lodging activity regulated in (Government) Decree 110/1997. (VI. 25.) Korm. on the usage of private lodging for tourism purposes.

1. Accommodation types:

- guest room,
- resort apartment, room,
- resort house (farmstead),
- camping site.

2. Comfort levels of accommodations:

- Full comfort accommodation (with public utilities and sewage),
- Comfort accommodation (with public utilities),
- Half-comfort accommodation (with at least electricity and water supply),
- Accommodation with no comfort.

II. Basic qualification aspects

1. Is the municipal and residential environment suitable for tourism and recreation?
2. Is the accommodation facility suitable for tourism and recreation, free from accident hazards and environmental hazards?
3. Is the aesthetic quality, general hygiene, order and cleanliness of the accommodation facility and its vicinity appropriate?
4. Professional training of the private accommodation provider.
5. The management of waste collection and transportation.

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6. Compliance of the accommodation facility with technical requirements of the comfort level.
7. Compliance of the equipment in the sanitary facilities, kitchen of the accommodation facility with basic requirements.
8. Size of guest rooms is appropriate to the recommended minimum size, their furniture and equipment comply with minimum requirements.
9. The usage method of sanitary rooms comply with requirements of the comfort level.
10. Is breakfast or other board meal service, or the usage of kitchen and dining room facilities provided?
11. Is there a resting garden?
12. Is there a parking lot provided?

7.2. Classification criteria of resort houses

- The criteria for the classification of resort houses shall be applied to resort houses in camping areas.
- Independent resort house estates shall comply with the following criteria:
 - the area of the estate shall be free from dust, in a landscaped area, with a lawn covered soil, rainwater sewage is provided,
 - internal transport roads are paved, with parking lots available at each resort house, for the vehicles
- of guests,
 - lighting is provided in the area,
 - closed-circuit sewage and waste collection are provided,
 - potable water is available at the estate,
 - 24-hour reception service, at least two foreign languages spoken in each shift,
 - the area is guarded 24/7,
 - a supermarket operates at the estate or within 500 metres,
 - at least one 2nd class restaurant operates at the estate or within 500 metres,

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- the estate is accessible through road,
- a telephone and a postbox are available to guests at the reception desk,
- a playground is available to guests at the estate,
- a sports facility or swimming pool, or a beach is available adjacent to the estate,
- ancillary services: sporting equipment rental, hostess service, information desk, stamps and postal products,
 - safe, child care, child programme organisation.

Class I

Equipment and rooms: the same as in case of suites, but there is a sleeping booth instead of a bedroom, a cooking booth instead of a kitchen, a shower instead of a bathroom. Not required: terrace, radio, television. Above six persons (three bedrooms), 2 toilets and/or bathrooms are required.

Class II

A room with up to three beds, running water in the room; in resort houses with no bathrooms, at least one warm-cold water bathroom (shower) for every incomplete 24 beds, toilet for men and women.

Class III

A room with up to four beds, running water in the room; in resort houses with no bathrooms, at least one warm-cold water bathroom (shower) for every incomplete 40 beds, toilet for men and women.

7.3. Classification criteria of tourist hostels

The tourist hostel shall at least comply with the following criteria:

- Equipped with a reception room/hallway.

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- Up to 8 beds in a room, with at least 5 m² area for each bed. (Bunk beds are considered one bed for the purpose of calculating minimum area.)
- *Equipment, furniture in rooms:*
 - *Furniture:* bed/bunk bed (recommended mattress size: 100x200 cm, at least 80x190 cm), at least one chair and table per bed, one clothes storage unit per bed (recommended size: 60x60 cm) with at least two hangers, a covered bin, blackout curtains or shutters. Lighting: at least one central (ceiling) lamp (illuminator) per room.
 - *Heating:* the temperature of at least 20 °C in the cold season.
 - *Number of bathrooms, washing facilities:* a common bathroom on the floor for every 20 beds, toilets separated for each sex, cold-water hand-washing basins in each room.
 - Equipment, furniture in bathrooms:
 - *in the rooms:* washbasin, mirror, bathroom shelf, towel rack, electrical outlet,
 - *common toilet:* toilet and toilet brush (and holder), toilet paper (and holder), sanitary sachet in the women's toilet, handwash,
 - hygienic hand-dryer (paper towel or hot-air dryer),
 - in the common bathroom: shower, washbasin, mirror, bathroom shelf, towel rack, clothes hanger, covered bin.
 - *Bedclothes:* obligatory replacement when new guests arrive.
 - *Cleaning:* at least twice a week, obligatory cleaning when new guests arrive.
 - Information provided to guests:
 - *in rooms:* information on prices and exit routes,
 - *at reception desks:* information on the municipality and services available in the vicinity.
 - *Parking:* at parking lots established and available in the vicinity of the accommodation facility.
 - In job positions in contact with guests, staff shall be clearly recognisable.
 - Storage facility in the fridge.
 - 24/7 reception desk or after hours service. Entry during the night is provided.

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- Breakfast is available at the facility or in the vicinity.
- *Other services:* package and value deposit, message relay, alarms service, phone at the reception, television or radio available to guests in the common room.

In this case, the main aspect of evaluation is determining if the accommodation facility is classified in the appropriate category, and whether it meets the applicable criteria. There are also other important evaluation aspects that shall be examined to assess the best accommodation facilities. These include the following:

- the evaluation of the staff (also detailed in section 5.4)
- the interior design of the facility (modern, traditional), the aesthetics thereof
- whether there are optional programmes available in the vicinity
- the opinion of guests
- the feedback on meals served
- the availability of internet-access
- etc.

There are some rather subjective aspects included (e.g. how dishes taste, the comfort of the bed, the attitude of the staff) which are hard to assess, but objectively measurable aspects (the availability of internet-access, programmes) shall be surveyed at all times.