

HOUSE OF HUNGARIAN WINES

D2.1 Template for description of innovative solutions for Short Food Supply Chains (draft prepared by Campden BRI Hungary)

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Project code:

Project acronym: Smart Food Supply Chains

Internal template:

Template for good practice cases

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| Dissemination Level | | |
|----------------------------|--|--|
| PU | Public | |
| PP | Restricted to other program participants | |
| RE | Restricted to a group specified by the consortium | |
| CO | Confidential, only for members of the consortium | |

1. Title of the case description

HOUSE OF HUNGARIAN WINES

2. Indicate your role in the Smart Food Supply Chain:

- individual member of the chain:
- chain operator:
- network operator:
- association:
- technical, scientific, or management expert:
- advisor:
- policy maker:
- other:

3. Indicate the region (if applicable): [network in Hungary](#)

4. WP2 Cross-reference table

Please indicate with an X in the relevant box of the matrix for which needs and the steps / functions of the supply chain the described innovative solution is applicable

| | | Individual steps of the SFSC | | | | | | | Short food supply chain as whole | | | | | | |
|--------------------------------------|-----------------------------------|------------------------------|---|---|---|---|---|---|----------------------------------|---|----|----|----|----|----|
| | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| Needs of the consumers (citizens) | food safety | | | | | | | X | | X | | | | X | |
| | food quality | | | | | | | X | | X | | | | X | |
| | trust | | | | | | | X | | X | | | | X | |
| | ethical aspects | | | | | | | X | | X | | | | X | |
| | accessibility | | | | | | | | | | | | | | |
| Needs of the chain actors | fair price | | | | | | | X | | X | | | | X | |
| | increased negotiating power | | | | | | | | | | | | | | |
| | shared use of available resources | | | | | | | | | | | | | | |
| | product development support | | | | | | | | | | | | | | |
| | access to markets and consumers | | | | | | | | | | | | | | |
| | access to infrastructure | | | | | | | X | | X | | | | X | |

1: Farming

2: Primary production

3: Transport

4: Processing and packaging

5: Storage

6: Logistics

7: Sale

8: Product integrity, authenticity, transparency

9: Marketing concepts

10: Food chain management and networking for enhancing cooperation among chain actors

11: Business modelling

12: Policy environment

13: Legal requirements

14: Labelling

5. Short description of the innovative solution

- **Describe the specific need or problem being addressed by the case and please explain what is the novelty of this innovative solution**

There are the wide range of the products on the market in different quality. High quality product's need is to supply them as a special order in a worthy milieu, not as a mass product in a huge amount.

In the cellar of the House of Hungarian wines the consumers can not only buy Hungarian wines, but can learn about all the 22 wine regions, the history of wine making, the methods, the wide range of grape varieties, so it offers much more, than just trade, visiting the Wine House provides experience and knowledge in the culture of wine and grapes.

- **Describe the enabling function(s) and the practical benefit(s) - (e.g. for which types of problems and opportunities is used and can it be used, and how)**
 - Easier product sales
 - Wide range of high-quality products are available in one institution in elegant environment
 - Maintaining of the national wine culture and wine consumption habits
 - Returning and known customers and clients
 - Program and experience for the family, friends and colleague
 - Wine tasting: choose for yourself the most preferred ones
 - Other services: guided tours, wine-tasting courses, conferences, wine competitions, wine auctions are available
 - Shared costs due the collaboration with the partners

- **Describe the method/procedure/technology/solution implemented. (Please explain, whether the innovative method is a product / service / process / marketing or organizational / management innovation) After completing the description, please indicate, whether this innovation is a technological or non-technological one.**

There were open bottles, at least 2-3 from each region for free tasting. Visitors paid an entrance fee (cca 15 EUR in 2008), get a glass, a pack of savoury snacks and a basket. As they walked around they could taste all of the open bottles (at least 50 types) and put some bottles into their basket if they like that wine. At the end they could pay for the bottles of wines, what they purchased, but it was not expected that they should buy anything. It was a unique opportunity to taste several types, “benchmark” them, and chose those, which were mostly preferred by the visitors.

Guided tours with trained cellar masters were also available. Other activities included seated wine-tasting accomplished with a presentation, courses on wine tasting and on gastronomy with optional examinations, conferences, wine competitions, and wine auctions. Regular events included wine-tasting of the month, wine club, events for connoisseurs, for VIPs, for wine and art.

technological

non-technological



1. Figure: The House of Hungarian Wines in the Buda Castle

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**

The aim of the House of Hungarian Wine was to create awareness of the Hungarian wine culture, to educate the consumers and to promote the consumption of Hungarian quality wines. It was established by the National Council of Wine Communities together with other civil organizations. It was located in one of the most frequented touristic area in Budapest, in the Royal Castle. There was a wine-tasting cellar, where each of the 22 historic wine-regions of Hungary is represented in a separate exhibition area. There were approximately 700 different Hungarian wines and sparkling wines presented. All types of wines on show could be purchased on site. For each wine district and wine type a short description of the main characteristics and history of the wine region and the wine types with their specific nature was provided in several languages.

- **Describe the distribution channels of the product(s)**
 - The Royal Castle, Budapest: wine-tasting cellar and a representing exhibition area
 - Similar concept is applied for a region in Lake Balaton, in Balatonfüred, Hungary: The House of wine at the Lake Balaton
- **Describe what makes the innovation work.**
 - creating the awareness of the Hungarian wine culture
 - to educate the consumers wine consumption habits
 - promote the consumption of Hungarian quality wines
 - promote the Hungarian historic wine regions
 - shared costs + individual products for each participant
 - tourism, culture, traditional foods are connected
 - one-site sales can create consumer's interest and loyalty

- **Describe the specific prerequisites for the business related to the implementation of the method and/or related to the location, method, procedure, solution**

a: List the relevant necessary resources (including the estimated cost) for the specific innovation.

Please list the relevant ones only (list is annexed)

MATERIALS:

- Institution
- Resources
- Hungarian Wines

HUMAN:

- human resource for operation

FINANCIAL

- estimated cost: depends on the size of the institution and on the volume of the purchase

b: List the relevant necessary capabilities for the specific innovation.

Please list the relevant ones only (list is annexed)

FOOD QUALITY:

- high quality of wine are promoted

MANAGEMENT:

- It's a marketing method to promote (high quality) products

- **The method/technology was established by**

NAME: HOUSE OF HUNGARIAN WINES

ADDRESS: Royal Castle Budapest, Hungary

NAME: HOUSE OF WINE AT LAKE BALATON

ADDRESS: Blaha Lujza Street 5., 8230. Balatonfüred, Hungary

6. Describe the results, achievements and typical failures

The Wine House offers more than just sell and trade. It's about the nation and wine consumption culture too.

The wine house idea is a good practice to sell the wines to the consumers, who can become knowledge and any erudition and value about the wines in premium quality.

Good practice for selling the products due collaboration with partners.

7. Summarize what makes the case to a good practice for the members of the SFSCs (e.g. lessons learned)

The institute selling national (or artisan, produced in small amount) products promotes the values and the culture of a country/region/location. The system for promoting and selling is applicable for every national/regional/local product of different manufacturer with collaboration in each country/region/location.

8. Aspects, methods for transfer of methods for other SFSC members

The methods can be set up with many products in the production due the collaboration of the market participants.

9. Recommendations for members of other SFSCs for further applications

This kind of sale can be offered for small and medium entrepreneurs, who wants to produce special, artisan, differenced, high quality products, distinguished from the others in the market.

10. More information is available at (web), if it is relevant

<http://en.hotelcastlegarden.com/house-hungarian-wines>

<https://welovebalaton.hu/wine.gastronomy/wineries.wine.cellars/balaton.wine.house.balatonfured>

Annex

1. Checklist for necessary resources (tangible and non-tangible):

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- technology: patents, know-how, trademarks, copyrights, trade secrets
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- information, reputation, brand, trust
- financial*

*: estimated cost:

0 - 10 000 Eur
10 001 - 50 000 Eur
50 001 - 100 000 Eur
100 001 - 300 000 Eur
300 001 – 1 000 000 Eur
1 000 000 Eur above –

- other specific necessary resources for the application of the specific innovation

2. Checklist for the necessary capabilities

- **food safety:**
 - basic skills to comply with the EU food safety regulations
 - ability to understand what makes the product safe (the key controls, which ensure the safety of the product – biological, chemical and physical hazards, providing the safety shelf life of perishable products)
 - food safety culture (motivation, responsibility for food safety) and basic skills for the implementation of HACCP

- **food quality:**
 - ability to define the target segments of consumers for SFSCs
 - ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
 - ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
 - food quality culture (motivation, responsibility for food quality);
 - production experiences which help to provide the expected quality reliably, uniformly;
 - ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
 - meeting (local) legal requirements, application of the labelling rules;
 - ability to access the consumer willingness to pay for specific products of SFSCs.

- **trust:**
 - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
 - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
 - application of the labelling rules and branding (mandatory and voluntary);
 - ability to meet third party certification requirements

- **ethical aspects**
 - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
 - culture for ethical food production and supply;
 - ability to implement necessary measures to ensure ethical food production and supply;
 - ability to access the consumer willingness to pay for products meeting ethical aspects

- **accessibility to consumers:**
 - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
 - efficient, innovative sales methods;

- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
 - collecting marketing information;
 - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;
 - ability to define, develop or maintain unique quality of products and augmented services;
 - ability to develop and implement new business models;
 - ability to access the consumer willingness to pay for fair price
- **increased negotiation power:**
 - collecting marketing information;
 - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
 - ability to define, develop or maintain unique quality of products and augmented services;
 - ability to develop and implement new business models;
- **shared use of available resources:**
 - ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
 - the level of value chain management culture;
 - ability to access the consumer willingness to pay for food with reduced environmental impacts

- **input for R+D:**
 - ability to monitor, research, evaluate, and understand the needs and wants of customers and consumers;
 - ability to develop new products, processes, packaging, preservation techniques, systems and access to new markets, including in other categories;
 - access to innovative technologies; distribution and marketing solutions and methods. management systems;
 - access to local input for R+D covered by other aspects

- **access to markets: and market success**
 - effective promotion, customer service, efficient and innovative sales methods;
 - ability to understand consumer's needs;
 - ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
 - unique value propositions;
 - ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
 - stock control;
 - ability to access to required raw materials within a restricted geographical area

- **access to infrastructure:**
 - ability to use existing own infrastructure in a focused way to serve consumer needs or to combine it with complementary infrastructures of other SFSC actors, cooperation culture;

- **management:**
 - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously;
 - improving; ability to motivate, authorize staff;

- **production, processing:**
 - management system, production experience, specific controlling, monitoring, continuously;
 - willingness to consider and ability to evaluate the adoption of TECI and NTI in the current production processes;
 - any additional specific resources necessary for the application of the specific innovation.