



2021 TOP 100 GOOD PRACTICE STORY

Title of the Story: Herzeg House – local products branding and supply chain improvement

Destination Name: *(include any state, province or region)*

City of Trebinje

Country: Bosnia and Herzegovina, The Republic of Srpska

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Nomination Category: *(Please check the boxes that indicate the focus of your story)*

Please find detailed information for the categories below in the Top 100 training module 'Good Practice Story'.

- Localizing the destination supply chain
- Decarbonizing the destination supply chain
- Culture & Communities
- Environment & Climate
- Nature & Ecotourism
- Tourism Reset & Recovery
- Other

Find detailed instructions for submitting good practices in the Top 100 training module "Good Practice Story".

Should you have any questions on your submission please refer to our FAQ page or contact top100@greendestinations.org

DESCRIBE YOUR GOOD PRACTICE STORY

Address each aspect of your good practice story in the different sections being specific including relevant quantitative and qualitative information.

Issues faced

What was the problem/issue solved with the good practice? Click to add your text

Trebinje is the southernmost city of Republika Srpska and Bosnia and Herzegovina. It is located in the valley of the river Trebišnjica, on the border of BiH, Montenegro and Croatia. Tourism and agriculture are two strategic branches of development of the City of Trebinje, which is defined by the 2018-2027 City Development Strategy. These two sectors are closely connected, so that events and trends in one of the sectors multiply in both sectors at the same time.

In the last 10 years, Trebinje has experienced a great expansion in the development of the tourism sector, the number of accommodation capacities and the number of tourist visits are constantly increasing. In 2019, a record number of over 100,000 registered overnight stays was achieved, and the number of days of guests' stay in Trebinje is gradually extending. Compared to 2009, arrivals increased 6 times, and overnight stays 4.5 times. In 2018, Trebinje received the status of the top tourist place in Republika Srpska, from the Ministry of Trade and Tourism of Republika Srpska. All of the above has caused a constant increase in demand for local/indigenous products.

Trebinje is recognized as a destination that has a top gastronomic offer, an indispensable part of the tourist offer are indigenous products: honey, cheese, wine, cured meat products, natural juices, liqueurs, herbal products, teas, etc.

However, in the previous few years the main problem was that most of these products were not adequately represented on the market, as part of the City's tourist offer. Therefore, tourists and the local population did not have the opportunity to buy local products at any time, but instead they had to acquire those products in a rather complicated way, through unregulated sales channels. The cause of this problem was that the producers were not sufficiently informed and educated about the possibilities of getting included in the tourist offer, so their products were virtually invisible on the market. Most producers sold their products at home, the products were displayed/packaged in a very modest way, and, at the same time, the products had not been properly analyzed in terms of quality and specific properties. Such a situation did not provide a perspective for enriching the tourist offer of the City in terms of neither the promotion and availability of local indigenous products, nor the growth and development of the business of agricultural producers.

In order to overcome these problems, with the objective of supporting agricultural producers, as well as for the purpose of promoting the destination and improving the tourist offer, the City of Trebinje and the Agrarian Fund of the City implemented a project in 2017, through which branding of local products was performed, in addition to establishing a new sales/distribution channel, which is called Herzegovinian House (Herzeg House).

Methods, steps and tools applied



How was the good practice implemented? Click to add your text

Branding and improving the visibility and sales of local products has been accompanied by a set of very demanding processes and activities. In order to improve the situation regarding the production and marketing of local products, the City of Trebinje formed the Agrarian Fund in early 2017, as an institution that provides agricultural producers with various types of support (extension services, financial support, product placement, appearances at fairs, etc.). Since the very moment of founding the Agricultural Fund, continuous consideration has been directed towards a model through which agricultural producers could be included in supply chains, i.e. to the ways to enrich the tourist offer of the City.

One of the first activities of the Agrarian Fund was the development of a high-quality database of all agricultural farms, with special emphasis on those farms that had ambition and capacity to be included in the tourist offer of the City of Trebinje, through the placement of indigenous products.

After the mapping of farms and the development of the database, the development was initiated of an idea/project on creating and branding a new sales channel, through which autochthonous products from Trebinje and the region of Eastern Herzegovina (honey, cheese, wine, natural juices, liqueurs, products from medicinal plants, teas etc.) would be placed. The concept of a new brand called “Herzeg House” was devised, and in order to encourage as many local producers as possible to participate in the project, meetings started to be held to present the project idea. After the meetings and presentations were held, about 20 producers accepted the offered conditions for the placement of products in the “Herzeg House” and contracts for the purchase of products were signed with these producers.

The main conditions for the entry of producers into the new sales channel of “Herzeg House” included the existence of a registered activity (agricultural farm or sole proprietor) and mandatory product analysis with the competent service - the Republika Srpska Institute of Public Health.

To facilitate the initial steps, producers were provided with free product branding support (packaging layout, labels, etc.) as well as free product analysis. Also, extension services support was made available to producers to facilitate the registration of their business to the maximum.

The Herzeg House building was officially opened on July 24, 2017. year, in the City center, next to the premises of the Tourist Organization of the City of Trebinje. In a very short time, the development of the “Herzeg House” brand proved to be a remarkable move, as local products became more visible in the market and more accessible to tourists and locals, and the demand for these products has been constantly growing. All this opened the space for the inclusion of a larger number of new producers.

The positive experience of the first 20 subcontractors of “Herzeg House” influenced new producers to feel motivated, so that in a very short period the number of subcontractors increased to about 100, and at the moment the facilities of “Herzeg House” are being supplied by about 130 subcontractors. Products from “Herzeg House” were included in the offer of the most important providers of tourist services (hotels, motels and restaurants) in the City of Trebinje, which significantly improved and enriched their services, and also increased the turnover of local products at the same time.

These positive trends have influenced the development of the idea of opening sales facilities of “Herzeg House” in other local communities in BiH and the region, and in this regard, the first location that was mapped as a potential new market was the City of Banja Luka (BiH, Republika Srpska). After conducting the necessary analyzes and preparatory work, the sales facility was opened on April 22, 2019. The opening of the facility in Banja Luka has attracted a great deal of public attention in the region, so several local communities have directly expressed interest in including local products from Trebinje/Eastern Herzegovina in their tourism offer. The greatest interest was expressed by the City of



East Sarajevo (BiH, Republika Srpska), which initiated the implementation of preparatory activities for the opening of the facility in this city. Although the COVID-19 pandemic slowed down the realization, the “Herzeg House” facility in Sarajevo was opened with great effort and a lot of enthusiasm on June 9, 2021.

Final preparations and negotiations for the opening of the facility in Belgrade (Serbia) are underway, and the realization of this activity is planned for September 2021.

Opening new sales facilities requires and ensuring continuity in supply, and in this regard, the City of Trebinje and the Agrarian Fund provide support to existing farmers for the purpose of business growth and development, as well as financial support through non-refundable subsidies for self-employment, in order to include the highest possible number of producers in the supply chain. The fact that the number of registered farms in the period 2017-2020 increased from 350 to over 700 speaks volumes about the positive impact of this project on the development of production capacities.

In addition to the development of the “Herzeg House” brand, it is important to point out that through the development of capacities of agricultural producers at the local level (primary production) it has become possible to directly supply hotels, motels and restaurants with raw materials they use on the daily basis (potatoes, tomatoes, cucumbers, onions, dairy products, fresh meat, etc.), which enriches the gastronomic offer in such a way that visitors have an opportunity to enjoy the tastes of food coming from local producers.

Key success factors

What helped you tackle the issues? Click to add your text

Key success factors can be divided into several categories.

1. Communication with agricultural producers/processors. A crucial factor for success was good communication with farmers. In the initial phase, farmers were reserved and skeptical about the new concept of product placement offered, however, as time went on, an increasing number of producers recognized the advantages and opportunities resulting from being included in the “Herzeg House” project. It took a lot of patience and enthusiasm in communication with producers, dozens of meetings were held, but it proved to be a winning combination and, based on high-quality communication, mutual trust was built and a foundation was laid to ensure long-term cooperation.
2. Communication with other important stakeholders. Here, first of all, we should emphasize the communication with the Tourist Organization of the City of Trebinje, whose information center is located next to the “Herzeg House” building. The tourist organization enabled an exceptional promotion of the “Herzeg House” brand through advertising on social networks, participation of “Herzeg House” in regional and international fairs, promotion through the Tourist Info Center, etc. All this influenced the “Herzeg House” brand becoming recognizable at the level of the wider region, which resulted in the opening of stores in Banja Luka, Sarajevo, and the soon expected opening of a store in Belgrade (Serbia). We should also point out the support of local communities (Banja Luka, Sarajevo, Belgrade), which provided representative spaces and other necessary logistics for the opening of “Herzeg House” premises.
3. Producer support programs (non-refundable subsidies, allocation of planting and seed material, allocation of beekeeping packages, support to livestock production, etc.) had a great influence on the development of the “Herzeg House” brand. The City of Trebinje and the Agrarian Fund, through various support programs, enabled continuity in the supply of all sales



facilities, improvement of product quality, better marketing and promotion, registration of new economic entities/farms and, most importantly, job creation.

4. Cooperation with tourism service providers. This refers to cooperation with hotels, motels, restaurants, which have included in their offer products of the “Herzeg House” brand (natural juices, liqueurs, teas, etc.). This has affected the sale of larger quantities of products, better promotion, as well as the involvement of a larger number of producers.
5. Cooperation with the media. Cooperation with the media was extremely important, as they created a positive image of the new concept from the very beginning, which raised the awareness of the general public about the benefits of establishing a new brand, as well as effectively encouraging farmers to join this project.

Lessons learned

While implementing the Good Practice what challenges were faced, and how were they overcome? Click to add your text

Through the realization of this project, we have faced many challenges. One of the biggest challenges was realizing communication with producers and motivating them to participate in this project. In order to avoid certain risks and mitigate the initial mistrust of producers, individual meetings with producers were initially organized, followed by the organization of group events/presentations, through which opinions were exchanged and high-quality recommendations were obtained for a successful start of the Herzegovinian House.

The challenge was to establish coordination between other stakeholders, such as the Tourist Organization, the local community, the media, the NGO sector. It was extremely important that all stakeholders acted in sync from the beginning and presented the new concept of presentation, promotion and placement of local products in an adequate way. A good plan of activities /communication overcame all difficulties, so that the entire “campaign” of establishing the “Herzeg House” brand was successfully realized and full sustainability of this project was achieved.

The challenge was also the low level of education of producers in the field of use of modern technologies, marketing, entrepreneurship, etc. In order to overcome this challenge, workshops/seminars were organized through which producers recognized the need to improve and strengthen their own capacities, and many of them started with: the use of social networks, e-mail, the use of modern production and processing equipment, exhibitions at fairs, etc. Training in project cycle management (PCM) was especially significant for the producers, which contributed to the fact that some producers acquired financial resources from donors, through which they procured new equipment and raw materials, developed modern promotional materials, etc.

The Pandemic (COVID-19) has highlighted the need to innovate product placement. In this regard, the Agrarian Fund of the City of Trebinje has initiated activities to establish online sales of products of the brand "Herzeg House", which will improve business, reduce risks and ensure long-term sustainability.

Results, achievements and recognitions



What were the qualitative and quantitative results of the good practice? Has it received any rewards? Click to add your text

1. Contracts concluded with about 130 subcontractors. "Herzeg House" stores are being supplied by about 130 subcontractors, who have stable sources of income through the placement of their products.
2. The offer of "Herzeg House" includes over 1000 different products (honey, wine, cheese, liqueurs, natural juices, teas, natural cosmetics, etc.).
3. The number of registered agricultural farms increased from 350 to 700, in the period from 2017 to 2020.
4. The retention of residents in rural areas, primarily young people up to 35 years of age, has been stimulated. Through various support programs, the growth and development of existing farms has been enabled, as well as the start-up of new independent businesses (self-employment).
5. Growth of production volume and household income. Through the opening of sales facilities in East Sarajevo and Banja Luka, there was a need to provide larger quantities of local products, which contributed to the growth of production and thus an increase in the income of local producers.
6. Improving the knowledge and skills of manufacturers. Manufacturers have strengthened capacities through participation in trainings from various fields (marketing, branding, business plan development, business digitalization, standardization, certification, project cycle management, etc.)
7. Product placement was enabled on the regional/international market. In addition to the store in Trebinje, "Herzeg House" has opened stores in Banja Luka and East Sarajevo, and is expected to open a store in Belgrade (Serbia) soon.
8. Promotion through social networks. A Facebook page has been created for the sales facility in Trebinje, and it currently has over 2,400 followers, in addition to a Facebook page for Banja Luka with over 1,300 followers. Instagram profiles have also been created for facilities in Trebinje and Banja Luka.
9. 20 new jobs were created through self-employment in agriculture.
10. For the first time, honey was exported to one of the countries of the European Union, Sweden. The first contingent of honey of 500 kilograms passed all the analyzes that showed that this Herzegovinian product is of the highest quality.
11. "Herzeg House" was awarded a total of 6 gold medals at the Novi Sad Tourism Fair in 2018 and 2019.
12. The Herzeg House brand is an example of good practice applied in the City of Banja Luka, which founded the Krajina House brand. The first sales facility was opened in Banja Luka, and is expected to open a store in Trebinje and Belgrade soon.

Additional references

Provide links to further information. Pictures and videos should be available for download either from Youtube, Vimeo or other Cloud-based (Google/ One Drive) download URL.

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