

Regional Branding for SME success



A Policy Brief from the Policy Learning Platform on
SME competitiveness

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Contents

Summary 2

Introduction 3

SME competitiveness and regional branding 3

Support to branding in European policies 4

Collective brands for SMEs 9

Agri-tourism 12

Cultural tourism - Co-creating regional brands..... 16

What could regions do next? 18

Relevant Interreg Europe projects..... 19

Sources of further information 20

Summary

This policy brief focuses on branding. It covers topics such as regional identity, product quality labels, cooperation between SMEs in a rural area, agritourism (adding a tourism component to traditional agriculture businesses) and co-creation for promoting cultural heritage. It is based on the knowledge generated by the Interreg Europe community and looks into relevant EU policies, support instruments, programmes and good practices. It describes the link between SME competitiveness and regional branding and showcases through good practices and policy changes how the latter can bring benefits to the former. This policy brief features a number of policy recommendations using the experience of Interreg Europe projects to inspire policymakers to develop regional branding for their local development strategies.



Introduction

Regional branding helps to promote entrepreneurs in a specific sector and a region collectively and therefore increases SME visibility and competitiveness. Collective brands can also be used for tourism purposes. Bringing together farmers and producers with tourism actors can help revitalize regions. Putting businesses from these two sectors together can boost the creation of new coordinated and collaborative efforts in marketing and tourism services. Besides economic benefits, these practices can also raise customers awareness of the origin of healthy products. Regional branding can therefore become a vital source for social, economic, and environmental development, allowing local and regional policy makers to shape coherent and comprehensive local development strategies.

This policy brief builds upon the knowledge generated by the Interreg Europe community and takes a deeper look into relevant EU policies, support instruments and programmes and good practices related to regional branding. It spotlights **Interreg Europe good practices** related to branding, showcases an **Interreg Europe pilot action**, and it provides insights into the **policy changes** achieved within projects. Good practices identified within Interreg Europe projects can be very inspirational to those who would like to explore this topic in depth and develop their own regional branding. Approaches already employed elsewhere in Europe may be useful to others. We believe that this policy brief could provide policy makers with new ideas on the way some of the branding solutions featured could also be applied in their own context.

Further inspiration can be found by watching the recording of the “[E-workshop: competitive and sustainable tourism](#)” held in September 2021, where various ideas related to multistakeholder collaboration programmes and regional brands were highlighted.

SME competitiveness and regional branding

Territorial brands can be defined as “collective promotional initiatives established with the aim to promote local produce, foodstuffs, crafts, and services from a specific area” whereas destination brands are related to tourism ([EUSALP 2021](#)). This policy brief considers both, uses the term “regional brand”, and primarily takes an SME competitiveness perspective on the topic. Predominantly, this policy brief takes a closer look at regional branding from the perspective of agriculture and tourism. These sectors are closely related to branding activities as seen in the respective policies and programmes. As this policy brief illustrates, there are benefits in the two sectors collaboration – agritourism is one opportunity to bring new opportunities to rural areas. In addition, it also covers the role of the Cultural and Creative Industries and refers to sustainability as related to branding.

Regional branding of SMEs is especially relevant considering the COVID-19 impact on regional economies. Both tourism and the food sector (e.g restaurants, supply chains) were heavily impacted by the crisis and are now recovering from the pandemic. They play an important role in the EU economy. The farming and food sectors together provide nearly [40 million jobs in the EU](#), while tourism accounted for 9.5% of the total GDP and 22.6 million jobs in the EU in 2019¹.

Regional branding can be especially beneficial for rural regions and businesses. Many rural areas in the EU suffer from various [structural problems](#) related to lack of employment, infrastructure problems and brain drain. Tourism activities are seen by the EC as one possibility to create growth and new jobs in rural areas. Local level collaboration within the agricultural sector and in collaboration with other sectors can also lead to new value chains. According to the [Common Agricultural Policy](#), “by working together, businesses participating in local food projects can find new ways of selling more of their products and attracting new types of customers. Stronger connections can be established between local agricultural,

¹ According to Ramune Genzbigelyte Venturi from DG Internal Market, Industry, Entrepreneurship and SMEs - DG GROW Unit for Tourism and Textiles – Tourism Team, as presented in a Policy Learning Platform Workshop on 21.09.2021.



tourism and food supply sectors².” However, opportunities of rural areas are also related to changing customer expectations (e.g. local and ecologically friendly products) and travel habits. “*Rural features that, in the past, were considered to be disadvantageous (isolation, lack of infrastructure and economic and social underdevelopment, and traditionalism) could be considered favourable today as more and more travellers are looking for more distinctive, more personalized and unique products.*”³”

At the same time, the tourism sector also faces security and safety, economic competitiveness, technological and market related [challenges](#). Sustainability and responsible management are also an increasing challenge for popular tourism destinations. Regional collaborative initiatives, new brands and agritourism can help the sector to solve socio-cultural sustainability threats (i.e., maintaining cultural heritage), generate new tourism products to alleviate seasonality as well as over tourism, and provide new experience both to local and visitor populations. According to a soon to be released EC study - collaboration, innovation, and creative ideas are essential for the sector in Covid-19 aftermath⁴.

Support to branding in European policies

There is no dedicated “branding” policy or programme on the EU level. It is a horizontal topic that falls under many policies. Therefore, a wide mix of support instruments are relevant to the context of this policy brief: rural development, tourism, culture, regional collaboration, and SME development.

The next subchapters highlight some of the most relevant policies, programmes, and funding instruments from agriculture and tourism as these are most strongly related to regional branding initiatives. It should not be considered as an exhaustive list, but rather a starting point to the topic. Many of the policies and instruments are also being updated and enhanced in light of the COVID-19 recovery process and the 2021-2027 programming period.

Agricultural policy

Common Agricultural Policy (CAP)

Launched in 1962, the EU [common agricultural policy](#) (CAP) aims to support the rural economy. Regional branding initiatives fall under various policy objectives of CAP, which is now [under revision](#). The updated CAP consists of 9 policy objectives, one of which is “farmer position in value chains” which will be the most relevant for branding initiatives as it aims to strengthen cooperation among farmers and enhance synergies within value chains.

The common agricultural policy is supported by two funds drawn from the long-term budget of the EU – the [European agricultural guarantee fund](#) (EAGF) and the [European agricultural fund for rural development](#) (EAFRD) – and amounts to 386.6 billion Euros. This includes €8.1 billion from the [next generation EU recovery instrument](#) to help address the challenges posed by the COVID-19 pandemic. While the EAGF primarily finances income support for farmers and [market intervention measures](#), the priorities and focus areas of EAFRD include opportunities to support projects focused on rural cooperation, diversification, development of SMEs, better integrating SMEs in the agri-food supply chain in the framework of national [rural development programmes](#). All these priorities feed into regional branding initiatives.

Other relevant agricultural programmes

[LEADER / Community Led Local Development](#) (CLLD) is a “bottom up” approach that has been used for 30 years to facilitate cooperation between farmers, rural businesses, local organisations, public authorities and individuals to improve the potential of their areas. Today LEADER / CLLD groups

² European Commission, Common Agricultural Policy, Specific Objective 3 – Farmer Position in Value Chains, brief nr 3, available at: https://ec.europa.eu/info/sites/default/files/food-farming-fisheries/key_policies/documents/cap-specific-objectives-brief-3-farmer-position-in-value-chains_en.pdf

³ Răcășan, Bianca Sorina and Egresi, István (2019) Tourism, Branding And Territorial Identity In The Rural Space. Local Authorities' Perspective, *Territorial Identity And Development*, Vol. 4(2), pp. 18-38

⁴ According to Ramune Genzbigelyte Venturi from DG Internal Market, Industry, Entrepreneurship and SMEs - DG GROW Unit for Tourism and Textiles – Tourism Team, as presented in a Policy Learning Platform Workshop on 21.09.2021.



manage tens of thousands of projects for economic, cultural, social, and environmental benefits in rural Europe.

One of the [European Maritime, Fisheries and Aquaculture Fund \(EMFAF\)](#) priorities focuses on enabling a sustainable blue economy in coastal, island and inland areas, and fostering the development of fishing and aquaculture communities. It is relevant for the tourism ecosystem, as it supports community-led local development and could cover tourism-related projects such as eco-tourism, pesca-tourism, local gastronomy, accommodation, tourist trails, diving, as well as supporting local partnerships in coastal tourism.

The [European network for rural development](#) is a hub of information on how rural development policy, programmes, projects and other initiatives work in practice and how they can be improved to achieve more. The ENRD supports the effective implementation of EU countries' rural development programmes by generating and sharing knowledge, as well as facilitating information exchange and cooperation across rural Europe.

Quality and eco-labels to promote regions and products

On the EU level there are various quality labels and schemes, such as the EU quality policy, initiatives implemented under the Farm to Fork Strategy and the EU Ecolabel, that help distinguish and brand high quality products. The benefits of such quality schemes is very well explained in a CAP [objectives paper](#): *“Quality schemes can benefit the rural economy. This is particularly the case in disadvantaged areas, in mountain areas and in the most remote regions where the farming sector already takes a significant part of the economy and production costs are high. They can create value for local communities through products that are deeply rooted in tradition, culture and geography.”*

The [EU quality policy](#) aims at protecting the names of specific products to promote their unique characteristics, linked to their geographical origin as well as traditional know-how. The recognition enables consumers to trust and distinguish quality products while also helping producers to market their products better. “Geographical indications” have an important role in branding EU products to the rest of the world, as well as protecting products against imitation and misuse.

The [Farm to Fork Strategy](#) is at the heart of the [European Green Deal](#) aiming to make food systems fair, healthy and environmentally-friendly. While the focus is predominantly on reducing pollution and food waste, the activities envisioned also involve rethinking the role of various operators in the food value chain as well as increasing public awareness and meeting the demand for sustainable food. Therefore, the strategy is very relevant considering regional collaboration initiatives, regional branding, and regional quality labels. Sustainable business models, labelling schemes and marketing standards are expected to link production methods to premium consumer demand, leading to higher returns for [farmers and food producers](#). [The EU Code of Conduct on Responsible Food Business and Marketing Practices](#) is one of the first deliverables of the Farm to Fork Strategy and an integral part of its action plan that entered into force in July 2021. It sets out the actions that actors can voluntarily commit to undertake to tangibly improve and communicate their sustainability performance.

The [EU Ecolabel](#) is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle. It is a voluntary scheme, which means that producers, importers, and retailers can choose to apply for the label for their products. The EU Ecolabel criteria provide guidelines for companies looking to decrease their environmental impact and guarantee the efficiency of their environmental actions through third party controls. The product-specific criteria ensure that any product bearing the EU Ecolabel is of good quality with high performance. The Ecolabel also manages the [EU Ecolabel Tourist Accommodation Catalogue](#) for environmentally friendly services.

In addition to the EU schemes, many private and national food quality schemes, logos, and voluntary certification schemes exist that can also help consumers to be confident about the quality of the products they choose. For example, somewhat similarly to the Farm to Fork initiative and the EU Eco-Label,



Slovenia has set up a comprehensive measurement and award system on the national level. It is set up for acknowledging tourism destinations, businesses and business models that promote and support sustainable tourism. By bringing visibility to tourism businesses that follow sustainability principles and offering a quality label to these businesses, the program boosts SME and regional competitiveness in addition to promoting the tourism sector in general. As the programme is based on internationally recognized criteria a similar scheme could be transferred to other regions. See more below:

The Green Scheme of Slovenian Tourism

The Green Scheme of Slovenian Tourism is a national system for enhancing and measuring sustainability in tourism. It has been set up to promote introduction of sustainable business models in tourism. The scheme gives out a sustainability verification brand SLOVENIA GREEN to both destinations and businesses (the process for receiving the certification differs). The verification is based on more than 100 global criteria developed by UNWTO, European Commission and by the Green Destinations standard. More than 70 members (destinations, accommodations, agencies, parks) have become part of the scheme. Thanks to the scheme, Slovenia has gained a lot of international recognition and increase in foreign arrivals.

Find out more about the practice [here](https://www.slovenia.info/en/business/green-scheme-of-slovenian-tourism).

Image Source: <https://www.slovenia.info/en/business/green-scheme-of-slovenian-tourism>




Furthermore, the European Commission has [developed guidelines](#) showing best practice for the operation of such schemes.

Tourism policy

Beyond the European Commission's Communication, '[Europe, the world's No. 1 tourist destination – a new political framework for tourism in Europe](#)' the EU tourism policy is now being updated in the framework of European Industrial Strategies Transition Pathways. The 2020 [European Industrial Strategy](#) includes a list of actions to support the twin transitions (green and digital) of EU industry. Importantly, the strategy was updated in June 2021 to readjust to the impact of COVID-19. The [strategy update](#) highlights that Transition Pathways should be co-created with industry, public authorities, social partners, and other stakeholders. The update relies on the industrial ecosystems identified within the [Annual Single Market Report 2021](#). In total, 14 industrial ecosystems were identified, with tourism and agri-food among them.

Tourism is one of the first sectors where this co-creation process has been launched as it is one of the most heavily hit sectors due to COVID-19. So far, input has been gathered through an EU wide survey. During the 2021 fall seasons sectoral stakeholder workshops will be organized and the EC will hold discussions with Member States and regions. The Transition Pathway is expected to be complete by the end of the year and lead to the [European Agenda for Tourism 2030/2050](#) by the first quarter of 2022.

While the overarching focus of EU tourism policy and programmes is to build a more resilient, sustainable, and digital European tourism ecosystem, the EU also offers opportunities and funding for branding initiatives and solutions. [The Creative Europe](#) programme is the main source of EU funding for the culture and creative sector. The programme supports projects promoting European contemporary creation and heritage, architecture, music, literature, performing arts, films, festivals and cultural tourism. One of its flagship initiatives is the [European Capitals of Culture](#) (ECOC) that puts culture at the heart of European cities. The event is an opportunity for regenerating cities, raising the image of cities among visitors and locals, breathing new life into a city's culture, and boosting tourism.



Another regional branding scheme is [The European Destinations of Excellence](#) (EDEN) initiative that rewards and promotes sustainable tourism practices in smaller tourist destinations. Since 2007, the EC has supported EU countries in rewarding non-traditional, emerging sustainable tourism destinations in Europe through the EDEN award. In light of the [EU Green Deal](#), EDEN now seeks to support destinations that could “*stand out as tourism sustainability pioneers, committed to European Green Deal objectives and seeking to inspire other European tourism destinations in their green transition practices.*”

Relevant financial support programmes

The [EU Cohesion Policy](#), through [ERDF](#) aims to strengthen economic, territorial, and social cohesion in the European Union by correcting development imbalances between its regions. Investments in tourism are possible through all 5 policy objectives supported by the ERDF.

The following table illustrates what type of tourism related activities could be funded under the different policy objectives.

POLICY OBJECTIVE	LINK TO INTERVENTION LOGIC*
Policy Objective 1: A more competitive and smarter Europe by promoting innovative and smart economic transformation and regional ICT connectivity	Actions that are innovative (for example because they use a new tool) and/ or contribute to the development of SMEs
Policy Objective 2: A greener, low-carbon transition towards a net-zero carbon economy and resilient Europe, green and blue investment, the circular economy, climate change mitigation and adaptation, risk prevention and management, and sustainable urban mobility	Actions that concern nature tourism with the goal to valorise biodiversity and/ or actions that address waste and energy impacts of tourism/culture sites and activities
Policy Objective 3: A more connected Europe by enhancing mobility	Actions that improve the accessibility of touristic and cultural sites/activities
Policy Objective 4: A more social and inclusive Europe by implementing the European Pillar of Social Rights	Actions related to a more ‘Social’ Europe [(i) employment, (ii) education, (iii) social inclusion, (iv) health, (v) culture/tourism]
Policy Objective 5: A Europe closer to citizens by fostering the sustainable and integrated development of all types of territories and local initiatives	Actions related to a territorial strategy. A territory taken holistically, with integrated actions required and deep involvement of stakeholders.

* According to Ramune Genzbigelyte Venturi from DG Internal Market, Industry, Entrepreneurship and SMEs - DG GROW Unit for Tourism and Textiles – Tourism Team, as presented in a Policy Learning Platform [Workshop](#) on 21.09.2021.

In the context of this policy brief, it is most relevant to highlight two of the objectives. Under “Policy Objective 4” actions can contribute to the economic and social development of areas relying heavily on a tourism ecosystem through the creation of resilient and sustainable jobs and providing diversified services in tourism. Under “Policy Objective 5” tourism investments can foster local development and social and territorial cohesion through the involvement of local stakeholders and communities’ projects. Such involvement of local communities is especially important for collaboration that leads to regional identity building and branding.

Also funded through ERDF, [European Territorial Cooperation](#) is one of the key instruments of the EU supporting cooperation across borders through project funding. It aims to jointly tackle common challenges and find shared solutions. Its 79 different regional programmes during the 2014-2020



programming period have also supported business collaboration and tourism projects. [In 2018](#) the most popular topics for cooperation were tourism, entrepreneurship and cultural heritage and arts which all link one way or another to branding. As the programmes are linked to territories (mountains, rural areas, sparsely populated areas, seas, islands, etc) it makes them a relevant tool for various branding initiatives. Tourism and culture will remain highly relevant for Interreg in 2021-2027.

Open calls for European Territorial Cooperation funding

Many programmes will be soon launching their first calls for the 2021-2027 programming period. This is once again an opportunity for regional stakeholders to pilot collaborative actions.



Open calls can be found [here](#).

Finally, in the period 2021-2027, both the [InvestEU](#) programme and [Horizon Europe](#) partially focus their priorities on strengthening [tourism's](#) competitiveness, sustainability, and value chains (InvestEU), as well as on developing new approaches, concepts and practices for sustainable, accessible, and inclusive cultural tourism (Horizon Europe).

Beyond those covered above, the tourism sector can also benefit from other programmes such as the [Recovery and Resilience Facility](#), [European Social Fund Plus](#), [LIFE Programme](#), [Just Transition Fund](#), [Single Market Programme](#), etc. A comprehensive "[Guide on EU funding for tourism](#)" has been created to cover the wide range of funding programmes financed by the new budget, Multiannual Financial Framework 2021-2027, and Next Generation EU.



Collective brands for SMEs

One option to promote regional SMEs is to provide them with a collective territorial brand. Often such brands guarantee a local origin and a certain quality, thus also involving a certification process. Collective brands, such as the practices highlighted below, help raise the consumer awareness of companies involved more effectively than they would be able to do on their own, therefore increasing SMEs visibility and competitiveness. Because branding is time-consuming and cost-intensive, SMEs cannot always afford to develop their own strong standalone brand. Besides the lack of finance, individual branding can also falter due to lack of marketing skills or finances. Therefore, it is often easier for rural SMEs to stand out together as a region.

In Zentralschweiz, Switzerland a common brand – [RegioFair](#) - was developed to bring together regional organic and fair food producers, benefitting the participants through joint promotion and marketing. This promotional brand enables local producers to raise awareness of their high-quality products while promoting the region's organic food sector through a common platform.

RegioFair Bio Zentralschweiz

RegioFair stands for organic and fair food produced in Central Switzerland. The products originate from around 100 organic farmers and processors from a clearly defined region. The marketing platform was founded in 2009 by the organic farmers associations of the region of Central Switzerland.

RegioFair keeps control of its product range from the farm to the store shelf: the products are only sold through their own independent trading platform, and they are sold exclusively to qualified retailers. They collaborate with specialized organic shops as well as health food shops throughout German-speaking Switzerland.

Find out more about the practice [here](#).



Image Source: <https://www.regiofair.ch/>



Another example of a good practice that promotes entrepreneurs in the food sector to increase their visibility and export potential is the “[Foods from Extremadura](#)” from Spain. In this specific case, a common brand was developed to bring together regional food and drink producers, benefitting the participants through joint promotion and marketing campaigns. This promotional brand enables local producers to raise awareness of their products both nationally and internationally, raising their competitiveness and encouraging them to enter new markets, as well as promotes the region's food sector through a common origin-based identity package.



Promotional brands “Alimentos de Extremadura” (Foods from Extremadura)

“Alimentos de Extremadura” contains a comprehensive, rich and varied range of food products and drinks. One of its main objectives is to create awareness and perception of them among consumers at the time it increases their reputation.

This brand means an opportunity to promote the sector in a joint and coordinated manner, pooling efforts so that broader horizons can be undertaken at a promotional and advertising level, in which the main sales argument to be emphasized in will be the Extremadura origin.

Find out more about the practice [here](#).

Image Source:
<https://www.alimentosextremadura.com/>



It is important to note that the replication potential of such brands is not limited to the food and drink industry alone, similar instruments could be developed in other sectors relevant to the local context. This is the case with the “[Lubelskie](#)” brand from Poland. The brands also stands out with a careful selection process that helps guarantee the quality of the products. The practice is also unique with its promotional activities – a “mobile stand” has been sent to other regions to promote the companies with the “Lubelskie” trademark.

Regional Brand “Lubelskie”

The Regional Brand “Lubelskie” is a trademark recognized in Poland and in the world, which is associated with innovative products and high quality services. It has been in use since 2007. The project Regional Brand “Lubelskie” promotes products and services from the region, by granting them a registered trademark - symbol of quality, innovation. The objective of Regional Brand “Lubelskie” project is to speed up the process and minimize the costs associated with comprehensive branding and promotion activities for SMEs. The success of the project can also be seen in the four editions that have been co-financed from regional operational programmes.

Find out more about the practice [here](#).



Image Source: <http://marka.lubelskie.pl/>



In Oost-Vlaanderen, Belgium, a holistic set of activities are conducted under the “[Tasteful East-Flanders](#)” label. It is a multi-faceted approach to promoting regional products. This is accomplished by developing new management techniques, promoting of regional products on various platforms, supporting sales and distribution of those goods, and focusing on the valorisation of these efforts by creating tourism offers which also promote regional products. A part of the promotional activities is the centre [Butcher's Hall](#) that sees tens of thousands of visitors every year.



Image Source: <https://lekkeroostvlaams.be/>

Tasteful East-Flanders: promoting local gastronomy

Tasteful East-Flanders promotes local products from East Flanders together with 250 regional and farm producers.

Tasteful East-Flanders is based on 4 pillars:

- Professionalisation and new management techniques
- Promotion of regional products
- Sales & Distribution
- Experience & Tourism

Find out more about the practice [here](#).



Another gastronomy focused centre comes from the Island of Crete, Greece. The [Agronutritional Cooperation](#) is a good example of a comprehensive regional cooperation and branding practice. The Cretan Government realized that it had to develop concrete synergies between the public and private sector to support the local SMEs and at the same time, preserve the traditions of the Cretan gastronomy and food products. As a part of the cooperation a specific Cretan Gastronomy Centre has been set up to bring visibility to regional cuisine and to create a strong link between the primary and the tourism sector. The Cooperation framework also distributes classification labels (quality certifications) to businesses or products to enhance the quality of the local products and services and quality of the tourism offer. The Cooperation framework benefits local food quality, gastronomic heritage, and SME development.

The Agronutritional Cooperation of the Region of Crete



The “Agronutritional cooperation of Region of Crete” is a specialized body and constitutes the main tool for implementing the strategic plan for the development and upgrading of the food industry on the island. As a part of the cooperation the Cretean Gastronomy Center was set up. The Gastronomic Center connects the primary sector to the local tourism industry and promotes Cretan Gastronomy through educational and experiential programs, exhibitions and cooking shows and gastronomic routes and tourist trips. The Agronutritional Cooperation has also introduced the certification process of three labels that also work as local brands:

- “Crete” for certified products
- “Cretan Cuisine” for certified restaurants
- “Cretan Grocery” Stores for certified retail shops

Find out more about the practice [here](#).

Image Source: <http://www.cretan-nutrition.gr/>



Interreg Europe pilot action - Food Province Brand

The Interreg Europe [NICHE](#) project focuses on building innovative food value chains in regions. In South Ostrobothnia, Finland, **the project has led to the improvement of a regional brand** – “Food Province Brand (Ruokaprovintsi).” While the brand already existed, it had not been used actively so far, it had vague substance and it was not very known. The improvement of the brand was inspired by good practices from other partnering regions, most notably [The Food Coast](#) label of origin from Donegal, Ireland. The pilot action directly benefited from the experiences and knowledge learned from partners in Donegal because The Food Coast is a well-functioning regional food brand with a working operational



model. The information learned from peer exchanges helped to develop the operating model, application process, marketing activities, network coordination, finances, and criteria of the brand in South Ostrobothnia. Therefore, thanks to the NICHE project the region now has an up-to-date brand with clear visual identity and story. This in turn has strengthened the visibility of the region and enhanced local networking among various actors in the food sector. Furthermore, the driving core idea behind the updated brand and its operational model has been to create added value for its users and especially increase sales of the local food producers and companies.

Policy changes - Recognising the importance of gastronomy in regional development strategies

The Interreg Europe [EUREGA](#) project focuses on promoting gastronomy as a part of local and regional food heritage and a major economic asset. Within the project, structural policy changes have been achieved to emphasize the importance of gastronomy for regional growth.

In one of EUREGA's partner regions - Sibiu, Romania - the project has managed to introduce a new chapter to the County Development Strategy objectives for the period 2014 – 2020. This change sets gastronomy as a priority within the county development, stating its economic importance in the region, along with agriculture and tourism. The change emphasizes the economic advantages of supporting local gastronomic SMEs. In addition, based on peer learnings from Debrecen and Catalunya, two working instruments - Handbook for Local Gastronomic SMEs and Guide to Healthy Lifestyle – were created. These materials were found to be important to support local gastronomic SMEs and the local Sibiu population. The first was created because the region realized a better framework is needed to work with the producers and SMEs in the food industry, therefore creating a manual of procedures for the SMEs which will guide them on how to use gastronomy as an instrument of increasing their offers and capacities. The second, The Guide to Healthy Lifestyle, was developed based on an understanding that stronger public policy is needed to promote the demand for local products among locals and visitors.

Similarly, because of the EUREGA project, in Northern and Western Ireland The Regional Spatial & Economic Strategy (RSES) was successfully influenced by having gastronomy and the food industry recognized as a vital sector and economic driver in the region. More precisely a new policy objective was added to RSES that states *“To create a stronger and more resilient region by protecting and stimulating gastronomy as part of our cultural heritage and also by identifying new opportunities for economic development.”* The change was significant as the RSES provides a high-level legislative framework for the Northern and Western Region for the next 12 years that supports the implementation of the National Planning Framework and the relevant economic policies and objectives of the Government.

Agri-tourism

Another option to promote regional SMEs is to support their collaboration across sectors. A convenient fit is found in many regions between the agriculture and tourism sectors. This is likely because both the agricultural and tourism policy and programmes put emphasis on branding (as was covered earlier). Putting businesses from these two sectors together can boost the creation of new coordinated and collaborative efforts in marketing and lead to new business streams and tourism services. Besides economic benefits these practices can also raise customers awareness of the origin of healthy products.

Encouraging farmers to think about ways to generate tourism services (tourist experiences) can go a long way in increasing the touristic value of their own farms and the territory as a whole. One such example comes from Catalonia. From an SME competitiveness perspective, practices such as [BaP](#) are a great way to bring more visibility to local farmers' businesses and products. Further, such large event can also inspire farming SMEs to develop a tourism component to their business model. A similar event is organized in Estonia under the name [“Open Farm Day”](#) that is financed from the Estonian Rural Development Plan 2014-2020 and the European Agricultural Fund for Rural Development.



Benvinguts a Pagès (BaP) - Welcome to the Farm

“Welcome to the Farm” (BaP) is a yearly weekend activity which invites visitors to know the origin of what they eat through direct visits to farms, orchards, herds, and fishing boats. BaP offers a tourist and gastronomic experience by stepping on the lands of the numerous participating producers. It is a great way to get to know, taste and buy local seasonal products directly from their producers.

The programme diversifies tourism and expands it to an audience interested in knowing the territory and the productive practices of Catalonia. In that sense, BaP includes the participation of restaurants that offers menus linked to local products and accommodation allowing to extend the experience to counties.

Find out more about the practice [here](#) and listen to a presentation about the practice [here](#).

Image Source: Presentation by Ramon Sentmarti, at PLP Workshop on 21.09.2021



In the Romanian region Centru, specific emphasis has been put on making economic synergies between local accommodation providers and local producers. [The Local Breakfast](#) is an excellent example of how the public sector, through its tourism organization, is able to generate positive avenues of cooperation between local companies. The practice benefits all parties involved. Local producers win from getting more local business customers and the establishment of short supply chains. Accommodation providers get extra promotion through the tourism organizations campaigns related to the programme. This way the accommodations can attract customers who are more conscious of locally produced food.

Local Breakfast - Mic dejun sibian

Mic Dejun Sibian - Local Breakfast is a program aimed at promoting the region’s cuisine to every visitor who stays overnight in the tourism destination. The aim is to promote the region’s local culture and artisanship, by offering local seasonal fresh products prepared in a traditional way. This promotion happens through several accommodation providers (hotels, guesthouses, or smaller types of accommodations) both in the urban and rural areas of the region, offering breakfasts based on a quality chart prepared by the Sibiu County Tourism Association. Participating accommodation providers, who have adapted their breakfast menus to the criteria set by the Tourism Association, are featured on the Tourism Association’s web page and social media channels.

This practice, besides gaining visibility for the region, helps local food producers through a new sales channel by providing the local ingredients for the accommodation providers all over the region. Therefore, the Local Breakfast contributes to the establishment of short supply chains and the support of local producers and SMEs.


Find out more about the practice [here](#).



Image Source: <http://www.sibiu-turism.ro/Ce-vedem-Cultura-si-patrimoniul-Gastronomie-Mic-dejun-sibian.aspx>



Another collaborative example of gastronomy promotion is [Plan Beer](#) from Oost-Vlaanderen, Belgium where specific efforts were made to bring together tourism actors and beer brewers.




Plan Beer

Tourism East-Flanders has created trendy and popular tourist products and made beer a real tourism asset in the region. This has been done by organizing inspirational workshop and gatherings with brewers and tourism actors, to enhance the creativity and cooperation for beer tourism production. The process inspired and motivated breweries to start or to enlarge possibilities for tourist visits in their breweries. In addition, Tourism East-Flanders organised a widespread marketing campaign, making beer tourism trendy. Thanks to a great cooperation with brewers and beer serving entrepreneurs, the 'Plan Beer' campaign and products became very successful in promoting the region.

Find out more about the practice [here](#).

Image Source: <https://bit.ly/3D3wgJF>



The following example, [Valdichiana Living](#), illustrates how a regional brand, and a tourism route can offer all the existing products in an integrated way under a unified brand. In Valdichiana, in Italy's Tuscany region, a collaborative network has been set up that combines the local environment and landscape, architecture, art, event, shows, wine and food, spa wellbeing, facilities and itineraries for sport and active holidays in to one comprehensive tourism offer. Therefore the entire tourism supply chain is managed holistically. By coordinating programmes and marketing benefits are generated to all the companies in the region.


VALDICHIANA LIVING


In Valdichiana, a valley in Tuscany, an entire territory has adopted a common strategy for the integration of the "area products" and their marketing. The Route of Wine and Flavours is the operational body that started the process to assert a territorial brand and enhance what is on offer in the area: environment, food and wine, life quality, local arts and crafts, spas, historical and architectural resources. To further enhance territorial collaboration and promotion of local products and services the Tour Operator "Valdichiana Living" was set up. It ensures a comprehensive look at the local supply chain, which starts from the strategic planning up to the drafting of annual programmes, and ends with collaborative marketing initiatives.

The main beneficiaries are all the professionals of the tourism supply chain in the area - the hotel industry, catering, transport, guiding and escorting services, suppliers of outdoor activities, tasting and cooking classes, farms and wineries, food processing companies. All these various stakeholders are involved in the planning, production of particular items, marketing and the final monitoring of results

Find out more about the practice [here](#) and listen to a presentation about the practice [here](#)

Image Source: <https://www.valdichianaliving.it/en>







As it could be seen in some of the good practices highlighted above, the local and regional policy makers can play an important facilitator role across the concerned economic sectors.

Policy change - Nagykanizsa: a new development strategy thanks to Interreg Europe

Within the Interreg Europe [RuralGrowth](#) project a policy change has been achieved in Nagykanizsa, Hungary. The tourism-related development of Nagykanizsa and the surrounding region was segmented into different development interests and touristic visions among the involved stakeholders. It was therefore difficult to make synergistic touristic investments in the area with the implementation of a common brand and development strategy.

The Local Government of Nagykanizsa, Lead Partner of RuralGrowth, highlights the benefits of Interreg Europe cooperation in two aspects – bringing together local stakeholders to a Local Stakeholder Group and learning from international peers. Thanks to the first, the government was able to harmonise the differing views of the stakeholder partners and work on the elaboration of a common action plan. The project helped to create the necessary framework for competitive rural development and the emergence of synergistic effects in the region's visitor economy. Thanks to the project and its Local Stakeholder Group, the local LEADER associations launched new calls for project proposals dedicated to building a comprehensive regional touristic identity, brand and flourishing stakeholder cooperation. The new calls were the following:

- *Support of Local Cooperations – enables local stakeholders to establish and elaborate common identity elements on regional level and also allows them to procure common machinery to operate it in cluster cooperation.*
- *Establishment of Cooperation Networks in Tourism – enables joint projects aiming at exchanging know-how, organising study trips visiting rural best practices and creating common communication platforms.*
- *Establishment of Joint Value Treasuries – local stakeholders can gain funding for upgrading the digital “treasuries” of traditional local products and create new online platforms for joint advertisement and regional tourism marketing*
- *Boosting Local Economy Through Micro-Enterprises – local SMEs can realise the procurement of new equipment and new licences (know-how) to raise the level of technical development and the competitiveness in the field of visitor economy.*
- *Small-scale Development of Local Micro-Enterprises – applicants can realise small-scale infrastructural developments and procure IT software systems to raise competitiveness in the rural economy.*

Besides the benefit of providing a concrete structure to bring local decision makers and stakeholders together, the local government saw high added value in peer learning among the project partners. The calls listed above were inspired by good practices introduced by other partner regions. The first two calls were inspired by a study trip to Spain where the visitor economy clusters such as the [Rueda Vine Route](#) play an important role. The Joint Value Treasuries call, meant to support setting up platforms for regional marketing, was inspired by the Finnish [Visit Savonlinna](#) platform. The last two calls were based on the lesson learned in a project meeting in Drenthe, the Netherlands. Namely that SME development is an essential part in the improvement of the rural visitor economy. Drenthe's good practices based on the infrastructural and technological development of rural SMEs that increase the capacity to provide high value-added local products and tourism services for visitors, inspired to published SME focused calls in Nagykanizsa.



Cultural tourism - Co-creating regional brands

The policy brief thus far has showcased good practices from the agri-food and tourism sectors. However, one of the main drivers of tourism, e.g. why people decide to visit a specific destination, is cultural heritage. According to the [European Commission](#), cultural tourism accounts for 40% of all European tourism as 4 out of 10 tourists choose their destination based on its cultural offering. Interreg Europe projects, such as the [Cult-CreaTE](#) project, have also shared good practices where a direct link between Cultural and Creative Industries (CCI), tourism and branding is made. Besides the sectoral difference, the following practices differ from the ones above from their community involvement. The creative industries are quick to tap into the creative potential of local communities in creating new tourism offers and brands.

On such co-created brand, "[LouleCriativo](#)", comes from Portugal. The creative sector offer of the region has been brought under one brand and a website where tourists can find information about various workshops, trainings, crafts shops or events. This has been achieved by forming a local network of various stakeholders – crafts people, festival organisers, SMEs, hospitality and tourism businesses as well as the public authorities – in co-creating new innovative services and products. The LouleCriativo is exemplary because besides diversifying the regional tourism offer, the programme also supports innovation among professional creators and provides business support to artisans and other people working in the CCI sector.

Creative Tourism development by CCIs SMEs - LouléCriativo

Loulé district of Faro sought to increase overnight stays in the city's historic centre to counterbalance beach tourism as well as to extend activities during the off season. To achieve this, the local Municipality fostered the creation of a local network of craftsmen, artists, festival organisers, CCIs SMEs, hospitality and tourism entrepreneurs, as well as public bodies. The various stakeholders were gathered under the brand "LouléCriativo".

Every partner of the network explicitly promote LouléCriativo. The linkage created between various local stakeholders, which has led to the creation of a unified narrative of the destination, has been the main achievement of the brand. This was achieved by arousing the local communities interest in their own intangible heritage, traditions and know-how. Under the brand the stakeholders have co-created a wide array of creative tourism experiences that are showcased on a shared digital platform. The direct beneficiaries of the brand are the CCIs SMEs and handicraft workers for whom the impact is measurable in terms of new jobs, new skills, economic growth and increase in overall competitiveness.

Find out more about the practice [here](#).



Image Source: <http://loulecriativo.pt/en/home>



A clever marketing strategy for promoting local tourism comes from a small rural area in Latvia. Public-private cooperation and involvement of the entire community was key to enhance local tourism in Āraiši. Thanks to the joint branding of the region – "[Legends of Āraiši](#)" – there has been an increase in visitors, services and local entrepreneurship. Due to the small size the strength of the brand is highly dependent on community cooperation and joint marketing efforts.



Image Source:
<https://www.entergauja.com/en/news-events/events/2017/araisi-aicina-nac-paspeleties>

Legends of Āraiši - storytelling and community based creative tourism

The Legends of Āraiši is based on public private collaboration and gives chance to involve local businesses, craftsmen, musicians, caterers, food and souvenir makers and accommodation providers as storytellers and guides of the region.

Āraiši is a small scenic place with concentration of many ancient legends. A new audio-visual identity was created based on these local legends. Creative involvement of storytelling tradition into tourism is one way how to transmit important intangible cultural heritage and to ensure its continuity. Legends and their local storytellers and other involved businesses reveal the soul of destination and its culture making authentic and unique experience for tourists.

Find out more about the practice [here](#).



Another example from the creative industries comes from Dundee, Scotland. [The 99 Things to See and Do in Dundee](#) is a good example of a grassroots undertaking that helps to build a stronger connection between the tourism and creative industries sector. Such guides can increase the visibility of individual SMEs within the creative industry as well as brand the city. The guide is excellent in offering new products to creative and cultural tourism visitors as well as identifying new market opportunities for CCI SMEs within the visitor economy.

99 Things to See and Do in Dundee

99 Things to See & Do in Dundee is an annual crowd-sourced city guide, produced by Creative Dundee. The guide aims to showcase and highlight what is hidden and independent alongside the known and very visible places that all make up the rich fabric of the city. The guide engages the creative industries sector with the visitor market.

The guide is a grass roots vision of Dundee and is developed through crowd-sourcing with the people of Dundee nominating the entries. It is aimed at the people of Dundee and the wider visitor market, enabling them to find unique and exciting places to visit – the definitive guide to the city, offering an insider’s view. It is distributed across the city and supported by a number of key attractions and the universities who all stock it. The annual guide has been produced since 2014.

Find out more about the practice [here](#).



Image Source:
<https://createdundee.com>





What could regions do next?

The recommendations related to the policy solutions that are most frequently adopted in the frame of interregional cooperation projects committed to valorising the economic development of a territory through regional branding as presented in this policy brief can be summarised as follows:



- Although it can at first be difficult to build trust and encourage businesses to cooperate there are **clear benefits in working under a unified regional brand**. Instead of seeking to generate value for one specific company, regional brands help to create greater visibility to SMEs through joint actions and pooling of resources. Often these can lead to new avenues for collaboration and creation of products and services.
- A way to revitalize rural areas is to create positive linkages between the agricultural and tourism sector, i.e., creating an **agritourism supply chain**. Examples showcased in this brief show that bringing together producers and actors from the tourism sector can lead to the creation of successful brands for regions, thus benefiting SMEs in both sectors.
- Culture is an important driver of tourism and brands can also be created around the specific cultural (including gastronomic) heritage of regions. This is especially the case for regions struggling with tourism seasonality and over tourism during peak seasons. Introducing **cultural heritage** elements to a regional brand can make tourism more sustainable.
- **Co-creation** has been successfully used in creating new tourism services within the Creative and Cultural Industries. Similar methodologies of community engagement could be piloted in rural areas with producers and agricultural companies. Many practices show that communities are willing to be involved if asked and the regional branding initiatives can also become an important part of regional identity for the local people.
- Many of the practices introduced in this policy brief have a **high replication potential** across the European Union and function as inspiration material to regions not directly involved in the projects.

How can the Policy Learning Platform support?

The [Interreg Europe Policy Learning Platform](#) can help regional policymakers to better design SME policies by facilitating the exchange of experience from different regional and institutional contexts and showcasing success stories via the [Policy Learning Platform good practice database](#). In addition to the good practice database, the Policy Learning Platform can provide a forum for direct discussions among partners from different projects – either in thematic workshops, peer review learning, or in webinar and online discussions, and provide expert advice through our on-demand [policy helpdesk service](#).



Relevant Interreg Europe projects

This policy brief has been a glimpse of the good practices reported and policy changes achieved within relevant [Interreg Europe](#) projects.



BRANDTour - Building Regional Actions for New Developments in Tourism

The project aims to provide better policy instruments to develop new customised tourism products that can satisfy emerging target groups, and favour inbound flows towards the EU.



Cult-CreaTE - Cultural and Creative Industries contribution to Cultural and Creative Tourism in Europe

The project taps into the potential of Cultural & Creative Industries in developing new Cultural & Creative Tourism products and services for growth and jobs.



Destination SMEs - Destination strategies for the competitiveness of the local SMEs

The aim of Destination SMEs is to assist European territories in designing effective destination management strategies in order to provide tourist SMEs with a favourable environment for growth and improve their competitiveness.



EUREGA - EUropean REgions of GAstronomy building resilience and creating economic growth

EUREGA's main objective is to have food, food habits and gastronomy included and recognised in EU, regional and national strategies and policies. These should be seen both as a cultural asset and strong element in regional cultural identity and as a necessary tool to boost sustainable products and services.



FRIDGE - Development of food industry SME competitiveness for better potentials in growth

Project FRIDGE deals with one of the most important aspects of European food and drink industries: SME competitiveness.



INTRA - Internationalisation of regional SMEs

INTRA focuses on the role of public authorities in creating internationalization services to support the competitiveness of the regional economies.



RuralGrowth - increasing competitiveness of SMEs in the rural visitor economy sector

The aim of RuralGrowth is to improve the policies related to small rural businesses within the visitor economy. To achieve this, the scheme fosters the uptake of the green innovative solutions serving as a launchpad for the SME competitiveness and a driver for the sustainable development in the rural regions.



SCALE UP - Supporting concentration and robustness of SMEs within the renewed EU industrial policy

The project seeks improve policy instruments supporting SMEs capacity to growth in national and international markets.



SME ORGANICS - Enhancing SME competitiveness and sustainability in the organic sector

The overall objective of the project is to improve policies and programmes to enhance the competitiveness and sustainability of SMEs in the organic sector.



Sources of further information

- **Other Interreg Europe Policy Learning Platform resources**
 - e-Workshop: [“E-workshop: competitive and sustainable tourism”](#)
 - Policy Brief: [“How to boost entrepreneurship in rural areas?”](#)
 - Policy Brief: [“Internationalisation of SMEs”](#)
 - Policy Brief: [“Sustainable tourism: strategies to counteract overtourism”](#)
 - Policy Brief: [“Built cultural heritage”](#)
 - Policy Brief: [“Rivers and wetlands: drivers of sustainable regional development”](#)
 - Webinar: [“Cycling tourism”](#)
 - Webinar: [“Ecotourism in riverside territories”](#)
 - e-Workshop: [“Living rivers: a driver for sustainable regional development”](#)
 - Online discussion: [“Digital technologies and museums: post-pandemic experiences”](#)
 - On-line discussion on [“Sustainable cultural tourism as an opportunity for local development”](#)
 - On-line discussion on [“Tourism and cultural and creative industries in the post Covid-19 period”](#)
 - Story: [“Rural businesses in the tourism sector”](#)
 - Story: [“Off the beaten track: Regional strategies boosting tourism through heritage”](#)
- **European policies and programmes**
 - [Common Agricultural Policy](#)
 - [European Industrial Strategy](#)
 - [European Territorial Cooperation](#)
 - [EU quality policy](#)
 - [Farm to Fork Strategy](#)
 - [Guide on EU funding for tourism](#)
 - [Guidelines for voluntary certification schemes](#)
 - [InvestEU](#)
 - [The European Capitals of Culture](#)
 - [The European Destinations of Excellence](#)
- **Other useful sources**
 - [2nd International EUSALP Workshop on Territorial Brands in the Alpine Region](#)

Cover image credit: Photo from [BRANDTour Project](#) - Noorbeek Domein Mergelsberg.

#regionalbranding
#SMEcompetitiveness



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