

# Food quality labels from the producers' perspective

## Značky kvality potravin z pohledu výrobců

Šárka VELČOVSKÁ\*

Department of Marketing and Business, Faculty of Economics, VSB – Technical University of Ostrava, Sokolska 33, 701 21 Ostrava, Czech Republic, \*correspondence: sarka.velcovska@vsb.cz

### Abstract

The paper deals with analysing the food producer attitudes towards quality labels. The Klasa label, as the most known and the most frequently used food quality label in the Czech Republic, have become the subject of investigation. The aim of the research was to identify the benefits and problems arising from the certification process and the label use. Primary data were collected in online survey based on standardized questionnaire. In census, 86 respondents from the total 218 producers with the Klasa label in the Czech Republic completed the questionnaire. The most of producers (72%) have a longer experience with the label, they are using the label for more than four years. The producers' expectations from the label were fulfilled only partially. A poor state marketing support and missing marketing strategy were identified as general problems of the label. Specific perceived problems are formalities connected with the certification process and certification of poor-quality products. Correlation analysis, t-test and Pearson chi-square test were calculated to discover relations between variables. The results of the study can be beneficial to both, food producers as well as administrator of the label. Identified problems could help them to improve marketing strategy of the label in order to manage the label in effective way and use all benefits arising from the certification. Administrator of the label should make the certification process more effective and transparent, promotion should be focused on the explanation to consumers what the Klasa label guarantees.

**Keywords:** Czech Republic, food producers, Klasa label, quality labels

### Abstrakt

Příspěvek se zabývá analýzou postojů výrobců potravin ke značkám kvality. Předmětem zkoumání se stala značka Klasa, která patří k nejznámějším a nejvíce využívaným značkám kvality potravin v České republice. Cílem výzkumu bylo identifikovat vnímané benefity a problémy spojené s procesem certifikace a s užíváním značky. Primární data byla shromažďována v online dotazníkovém šetření

na základě strukturovaného dotazníku. Bylo osloveno všech 218 stávajících držitelů značky Klasa, dotazník vyplnilo 86 respondentů. Většina respondentů (72%) užívá značku Klasa déle než čtyři roky, mají tedy delší zkušenost se značkou. Očekávání výrobců od značky byla naplněna pouze částečně. Jako hlavní problémy byly identifikovány slabá státní marketingová podpora a chybějící marketingová strategie značky. Specifickými vnímanými problémy jsou formality spojené s certifikačním procesem a certifikace produktů nevalné kvality. K ověření existence statisticky významných rozdílů mezi sledovanými znaky byly využity korelační analýza, t-test a Pearsonův chí-kvadrát test nezávislosti. Výsledky studie mohou být přínosné jak pro výrobce potravin, tak pro správce značky. Identifikované problémy jim mohou pomoci zlepšit marketingovou strategii značky tak, aby značka byla řízena efektivně a aby mohli užívat všechny benefity plynoucí z certifikace. Správce značky by měl udělat certifikační proces efektivnější a transparentní, v rámci propagace by mělo být spotřebitelům vysvětleno, co značka Klasa garantuje.

**Klíčová slova:** Česká republika, výrobci potravin, značka Klasa, značky kvality

## Introduction

Food quality, safety and the protection of consumer interests are strongly discussed topics over the last decade. These topics are of increasing concern to the general public, government institutions, non-governmental organisations, professional associations, international trading partners and trade organisations (Fehér and Fejös, 2006). Consumers have become more critical in their food choices and they show growing interest in products origin, food composition, methods of production, and quality certification. Teuber (2011) highlights a growing consumer segment that is concerned about food safety and food quality issues and values the origin as a useful quality cue. Together with increasing consumer interest in food quality and safety interest in the ethic products in relation to the environment and more efficient use of natural resources and domestic raw materials can be observed (Valenta et al., 2011).

On the Czech food products market, preference for higher-quality food is also detected. People are increasingly concerned about the food origin, food composition and healthy lifestyle. Together with the trend of healthier eating, there are also changes in the buying habits of consumers. Survey of STEM/MARK agency from 2014 showed the prevalence of consumer interest in the cheapest food, but on the other hand people are interested in a high-quality food, what is a promising upward trend (Klánová, 2014). According to the research of Databank 2014, mainly residents of larger cities give an attention to food quality and origin and buy organic food regularly. For almost 35% of customers, the most important factor when buying food are the healthy benefits of a product, mainly benefits with regard to reducing the risks of heart disease, lowering cholesterol and body weight (Klánová, 2015). Therefore, manufacturers began to produce so-called functional foods containing a certain substances important for human health (Viš, co jíš, 2014).

These findings are also confirmed by the research study of Maehle et al. (2015), where the relative importance of attributes affecting the food choice (including price and taste as two traditional purchasing criteria, and environmental friendliness and

healthfulness) was investigated. The results indicate the price as the most important attribute in consumers' choices. The second most important attribute is taste. Environmental labelling and healthfulness are rated at the third and fourth positions.

It follows that food producers should provide more guarantees and information regarding the safety, health benefits and quality of their products in order to satisfy consumers. It is necessary to reduce consumers' uncertainty about food safety and quality and provide them relevant information in an understandable form (Van Rijswijk and Frewer, 2008). Among the broad range of applicable tools that can be considered as a possible quality indicators and way of informing the consumers on the quality attributes of a product, quality labels are certainly important.

Quality labels can be beneficial not only for consumers, but also for producers. Most research studies of quality labels have been conducted with focus on consumers and their attitudes to the topic. There is not study dealing with the topic from producers' perspective. The paper therefore deals with food quality labels as are perceived by food producers in the Czech Republic. Firstly, the theoretical background of quality labels is discussed, followed by a brief characteristic of food quality labels in the Czech Republic with emphasis on surveyed Klasa label. Further, the research methodology is explained and results of the research are discussed. In summary, managerial implications and limitations of the research study are presented.

## Quality labels

Quality labels are graphic symbols that can be put on a product or its packaging indicating that the product or the process to make the product complies with given standards and that this compliance has been certified (United Nations, 2007; Velčovská and Marhounová, 2005). They should guarantee the compliance of a product not only with current quality standards, but also with additional criteria determined in a corresponding certification system, including the way the product is made, country or region of product origin, specific composition of the product, healthy benefits of the product, etc. (The European Committee for the Valve Industry, 2007).

Nowadays, quality labels have become a central component of consumer policy. They are a valuable tool to manage and communicate a higher quality and safety of food products, in order to gain a competitive advantage in the market. The importance of quality labels has increased as a result of the crises and scandals (e.g. BSE - Bovine Spongiform Encephalopathy) that have shaken the European food market over the past years, leading to a decline in consumer confidence in the safety and quality of food products (Grunert, 2005; Jahn et al., 2005).

Products labelling may result directly from the law or it may be a voluntary activity of a producer. Labels can be awarded by national certification bodies, government institutions (e.g. Ministry of Agriculture), independent organizations (e.g. association of organic farmers), or by private companies (Frewer and Van Trijp, 2007; Grunert, 2005). With respect to geographical reach of quality labels, alongside the global labels or the European Union food quality labels scheme, each country has also its own national labels. National quality labels can give to consumers the guarantee of superior product quality (Klasa), geographical origin or traditional production methods (Regional Food in the Czech Republic) or organic origin of a product (Product of

Organic Farming in the Czech Republic) (Velčovská and Sadílek, 2014). They can be important in purchase decision-making. Consumers might prefer products from certain region or country since they are believed to be simply better. Another reason could be consumer ethnocentrism; consumers might prefer products from their region or country due to their loyalty to it or because of their preference to support the local economy (Verbeke et al., 2012).

Quality labels bring benefits to both, consumers as well as producers. They help consumers to reduce the uncertainty and their perceived difficulty to evaluate product quality (Bernués et al., 2003). Therefore, they can play a significant role in consumer decision-making process. They are a highly prized opportunity to impart information at the exact moment of food choice (Verbeke, 2005). They may generate positive associations to product. They facilitate the identification of the product origin. They should eliminate the misleading of consumers by non-genuine products, which may be of inferior quality. Further benefit lays in enabling choice between several alternatives, choice to be better in line with consumer's preference (Krissoff et al., 2004; Ward et al., 2003). Labels can also facilitate repeat purchases when satisfaction has occurred (Bredahl, 2004; Verbeke and Roosen, 2009; Verbeke and Ward, 2006). The role of quality labels is seen as helping to form expectations about the quality before the purchase, which then can be confirmed or disconfirmed after the purchase (Saeed and Grunert, 2014). Generally, quality labelling is a means of addressing consumers and of providing them with information that is supposed to be relevant to their purchasing decisions (Zander et al., 2015). Consumers can thus make more informed choices about the food they buy.

To producers, quality labels give a legal protection of a product against imitation throughout the market, they are a tool of product differentiation and competitive advantage, and they can help producers promote the product with certified quality, increase a familiarity of product among customers and obtain a premium price for their authentic product (O'Connor and Company, 2005; Velčovská and Marhounová, 2005). They can also help increase of customers' confidence in product, build customers' loyalty and increase sales of certified product.

There are many research studies related to consumers' attitudes to food quality, food safety and food quality labels (e.g. Grunert, 2005; Klánová, 2015; Maehle et al., 2015; Van Rijswijk and Frewer, 2008; Velčovská and Del Chiappa, 2015; Verbeke et al., 2012; Zander et al., 2015; etc.). When focused on food quality labels at the Czech food products market, recent survey of STEM/MARK agency from August 2014 has shown that not only professionals, but also consumers perceive the food quality labelling. However, there are a lot of quality labels in the Czech food products market, consumers are confused and they do not know what these labels mean. The results revealed a low awareness of quality labels among consumers, minimum promotion of some labels and lack of information about them. Consumers are not able to fully use the labels in their purchase decisions and some of the labels are not perceived as credible. Czech consumers tend to prefer national or regional products rather than foreign products; the reasons are their interest in support of Czech producers or higher perceived quality of domestic products. The national quality labels are also better recognized than European and global labels, the highest spontaneous awareness was detected for the Klasa label. Most of consumers consider a quality labels as a useful tool of consumer policy and they show an

interest in getting information regarding the topic. Nearly 70% of Czech consumers would appreciate a label that would help them choose foods for healthy eating (Klánová, 2015; Velčovská and Del Chiappa, 2015; Velčovská and Sadílek, 2015).

Although consumers give more attention to the food products quality, the current trend in food products labelling with quality labels has led to the situation that instead of easier orientation of consumers in food quality, the effect is rather opposite. A large number of food quality labels, which are about forty in the Czech food products market, cause consumer confusion (Horáček, 2015).

It would be interesting to know the food producers' opinion on food quality labels and their perception of benefits or problems connected with this issue, unfortunately thus far the study from this perspective has not been undertaken.

### Food quality labels in the Czech Republic

In the Czech food products market, consumers can meet a variety of quality labels covering the product quality, product origin, or other special characteristics of the product, the most commonly used are the Klasa label, Regional Food, Czech Product - guaranteed by Federation of the Food and Drink Industries of the Czech Republic, Czech BIO label – product of organic farming, Healthy Food, Protected Geographical Indication, Protected Designation of Origin, Traditional Speciality Guaranteed, EU Organic Farming, Fair Trade label, and Healthy Choice. National labels, mainly the Klasa label, Regional Food and Czech Product are relatively familiar among Czech consumers, whereas the European quality labels have a low level of awareness (Ministry of Agriculture, 2015b). It is evident that the number of food quality labels in the Czech food products market is high and confusing for consumers.

In the paper, the attention is given to the Klasa label (Figure 1.) as the most known and the most frequently used label in the Czech Republic. The national quality label Klasa is awarded by the Minister of Agriculture of the Czech Republic since 2003 and administered by the State Agricultural Intervention Fund. Only the best quality food and agricultural products can earn it. Certification process is free of charge. The certificate is valid for three years, after that may be prolonged (The State Agricultural Intervention Fund, 2011).



Source: Klasa (2015)

Zdroj: Klasa (2015)

Figure 1. The Klasa label logo

Obrázek 1. Logo značky Klasa

The label may be awarded only upon fulfilment of all conditions set forth in the “Regulations for awarding the Klasa national label”. The applicant for the label must be only a producer. Product which is the subject of the application must, in at least

one attribute, demonstrate exceptional qualitative characteristics which increase its added value and guarantees its uniqueness in relation to ordinary products on the market, e.g. in terms of modern production procedures, manual processing, tradition, richness in fortifying substances such as vitamins, etc. At the same time, the product must comply with the qualitative parameters stipulated by the Ministry of Agriculture of the Czech Republic for assessment of Klasa products and the legal regulations in force. The applicant must submit certification of its quality-management system, food-safety management system or certification of producer of organic products (Ministry of Agriculture, 2015a; The State Agricultural Intervention Fund, 2011).

By 31st August 2015, 1120 products from 222 Czech producers have been awarded with the Klasa label (Klasa, 2015). The number of products and producers certified with the Klasa label by product category is shown in Table 1.

Table 1. The number of products and producers certified with the Klasa label by product category (by 31<sup>st</sup> August 2015)

Tabulka 1. Počet výrobků a výrobců certifikovaných značkou Klasa podle produktové kategorie (k 31. srpnu 2015)

Product category	Certified products		Certified producers		Average number of certified products per producer
	Number	%	Number	%	
Milk, dairy products	283	25.27	26	11.71	11
Meat, meat products	231	20.63	53	23.87	4
Cereal, bakery, confection products	226	20.18	55	24.77	4
Fruit and vegetables	109	9.73	40	18.02	3
Other food products	98	8.75	30	13.51	3
Soft drinks	89	7.95	14	6.31	6
Delicatessen	36	3.21	10	4.50	4
Ice creams	18	1.61	5	2.25	4
Alcoholic beverages	18	1.61	5	2.25	4
Fish products	12	1.07	2	0.90	6
Total	1120	100.00	240 <sup>a</sup> (222)	-	5

Note: <sup>a</sup> The total number of certified producers is 222, but the sum in this column is higher because some producers are certified in multiple product categories.

Source: Own processing based on data from Klasa (2015)

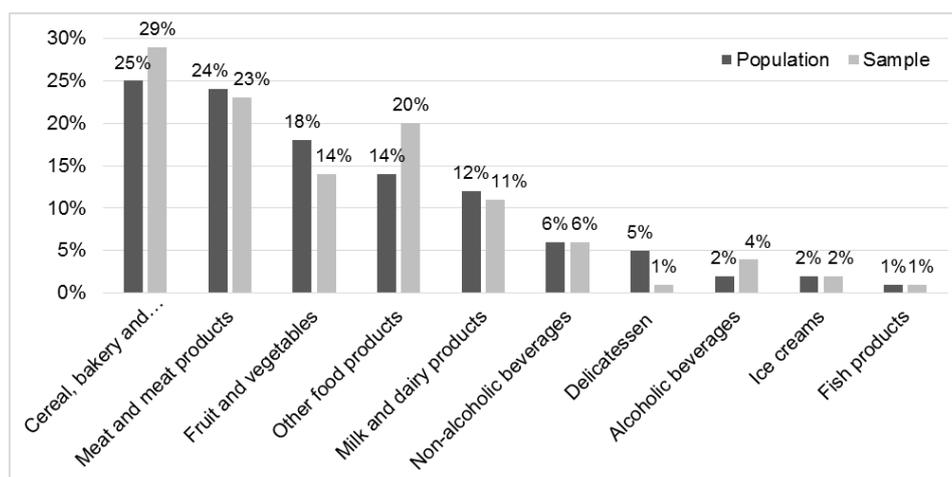
Poznámka: <sup>a</sup> Celkový počet certifikovaných výrobců je 222, ale součet v daném sloupci je vyšší, protože někteří výrobci jsou certifikováni ve více produktových kategoriích.

Zdroj: Vlastní zpracování na základě dat z Klasa (2015)

The most frequently certified categories are Milk and dairy products, Meat and meats products and Cereal, bakery and confectionery products. In total, over 65% products were awarded in these three categories. Most certified producers belong to the categories of Cereal, bakery and confectionery products, Meat and meats products, and Fruit and vegetables (almost 70%). The highest average number of certified products per producer (11) was detected in the category of Milk and dairy products.

## Materials and methods

The subject of investigation has become the Klasa label as the most frequently used food quality label in the Czech Republic. The research study was aimed at analysing food producer attitudes to the label, namely on attitudes to the certification process and using the label, identification of the reasons for certification, comparison producer expectations and experiences with the label, and identification of perceived benefits and problems arising from the label use. Secondary data come from the official websites of the Klasa label and the Ministry of Agriculture of the Czech Republic. Primary data were collected in January and February 2015 from food producers in the Czech Republic, using an online survey based on a standardized questionnaire. The target population consisted of all food producers in the Czech Republic who have received the Klasa label for their products, i.e. 218 producers in January 2015. In census, all holders of the Klasa label (competent persons from the management, marketing or sales department) were requested to complete the questionnaire, 86 respondents (39%) answered. The comparison of target population with the structure of respondents by product categories is presented in Figure 2.



Note: Some producers are certified in multiple categories, the sum of the percentages exceeds 100%.

Source: Own processing based on data from Klasa (2015)

Poznámka: Někteří výrobci jsou certifikováni ve více kategoriích, součet procent převyšuje 100%.

Zdroj: Vlastní zpracování na základě dat z Klasa (2015)

Figure 2. The structure of food producers using the Klasa label by product category

Obrázek 2. Struktura výrobců potravin se značkou Klasa podle produktové kategorie

The most of respondents belong to the category of Cereal, bakery and confectionery products (29%), followed by Meat and meat products (23%). When comparing a target population with the sample, the differences are up to 4% in all product categories with exception Other food products category where the difference is 6%.

As regards the structure of respondents by size of company, the largest group of respondents (54%) are medium-sized enterprises with 51 – 250 employees. Small companies with 11 – 50 employees are represented by 29% of respondents, and 17% respondents belong to large companies with more than 250 employees. Micro-enterprises with 10 and less employees did not participate in the research.

## Results and discussion

Data from 86 respondents with the Klasa label certification were analysed using IBM SPSS 21. Descriptive statistics, correlation analysis, t-test and chi-square were used for the purposes of the study.

### **The period of the Klasa label use and the share of certified products in producers' product portfolio**

Most of respondents (43%) use the Klasa label for more than 6 years, 29% of food producers use the label from 4 to 6 years, other respondents have a shorter experience with the label (23% from 1 to 3 years, 5% less than 1 year).

The share of products certified with the Klasa label in producer product portfolio is as follows. 70% of producers have certified 10% products of their product portfolio, 12% of respondents have certified 11 - 20% of their product portfolio and the same number of respondents is having the Klasa label certification for more than half of their product portfolio. Remaining 6% of producers hold the label for 21 – 50% of their products. The highest share of certified products have a small companies with 11 – 50 employees (20% of them have certified more than 40% products of their portfolio), followed by medium-sized enterprises (13% of them have certified more than 40% products). 80% of large companies with more than 250 employees hold a certificate for less than 10% of their product portfolio.

### **Food producers' satisfaction with the certification process, conditions for the Klasa label utilization and state marketing support of the Klasa label**

Respondents could tell up to three reasons for their decision to certification with the Klasa label. The main reasons are increasing confidence among customers (79%), using the label as a promotion tool (43%), increasing sales (43%), and differentiation from competitors (38%).

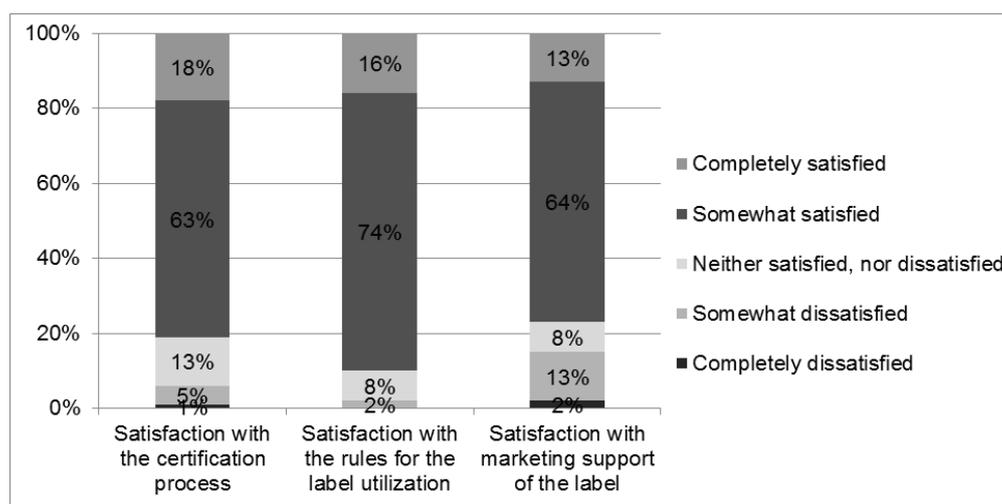
Most of respondents (63%) were somewhat satisfied with the certification process and 18% were completely satisfied. Only 6% of producers expressed some dissatisfaction, the main reasons are formalities and the length of the certification process. Some respondents also had a problem with keeping the deadlines in certification process. Furthermore, it was also mentioned disagreement with the

justification for non-certification of certain products, changing rules during the certification process, and vague and too general rules of certification.

Respondents were also asked how they are satisfied with the rules for the Klasa label utilization. It is evident from Figure 5 that 74% of producers are rather satisfied and 16% are completely satisfied. Only 10% expressed some level of dissatisfaction. As the main reasons of dissatisfaction were mentioned: the label can be also awarded to products non-domestic origin, a high costs of the label placement on the product packaging and obligation to provide the Klasa label logo on the product packaging within the six months from the label obtaining, too commercial character of the label, and downgraded label due to different access to different products.

Analysis of respondents' satisfaction with the state marketing support of the Klasa label brings following findings. Most of food producers (64%) is somewhat satisfied and almost 13% is completely satisfied. 15% of respondents are rather or completely dissatisfied with the state marketing support of the label. The reasons of dissatisfaction are producers' perception of marketing support as too weak, unreasonable and inefficient use of funds for the marketing campaign, and failure of the explanation to consumers what the Klasa label guarantees.

Comparison of respondents' satisfaction with the certification process, rules for the label utilization and state marketing support of the label is shown in Figure 3. The highest level of satisfaction was detected for the rules of Klasa label utilization, whilst most respondents are not satisfied with the state marketing support of the label. Statistical dependence between satisfaction with the certification process, rules for the Klasa label utilization and state marketing support of the label was not confirmed.



Source: Own processing

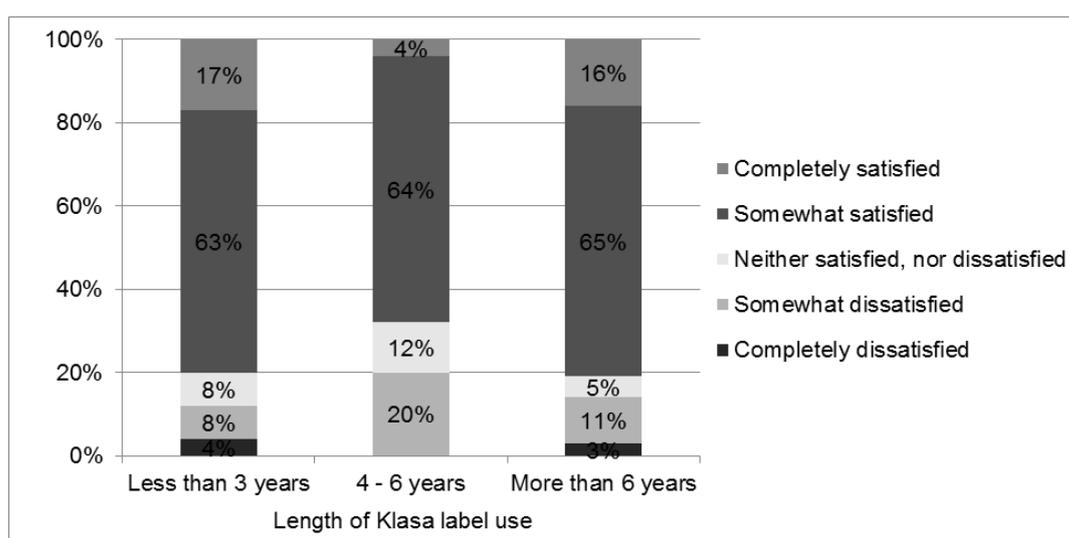
Zdroj: Vlastní zpracování

Figure 3. Comparison of satisfaction with the certification process, rules for the Klasa label utilization and state marketing support of the label

Obrázek 3. Srovnání spokojenosti s certifikačním procesem, pravidly pro užívání značky Klasa a státní marketingovou podporou značky

Respondents' satisfaction with the state marketing support of the Klasa label was also analysed by the length of the label use. The highest satisfaction has been reported by producers who use the label for more than 6 years (81% are rather or completely satisfied) and producers who use the label for less than 3 years (80% are rather or completely satisfied). In the group of producers using the label from 4 to 6 years, the highest number of dissatisfied respondents (20%) was revealed and only 4% of them are completely satisfied with the state marketing support of the label (see Figure 4).

Correlation between satisfaction with the state marketing support of the Klasa label and the length of the Klasa label use was verified using Chi-square test. The results show no dependence between variables (Sig. = 0.463, significance level  $\alpha = 0.05$ ).



Source: Own processing

Zdroj: Vlastní zpracování

Figure 4. Satisfaction with state marketing support of the Klasa label by length of the label use

Obrázek 4. Spokojenost se státní marketingovou podporou značky Klasa podle délky užívání značky

### The Klasa label promotion and perceived benefits arising from the Klasa label use

91% of respondents highlight the Klasa label when promoting their products, namely via the Internet (83%), in leaflets (47%), print advertising (15%), corporate catalogues and price lists (13%), and during fairs, exhibitions, products tasting, promotions organized by the State Agricultural Intervention Fund (12%). This is in coincidence with the results of research study focused on consumer awareness and perception of food quality labels in the Czech Republic (Velčovská and Del Chiappa, 2015) indicating the national label Klasa as the best recognized quality label among Czech consumers. The highest spontaneous awareness of the Klasa label was detected

also by the survey of STEM/MARK agency from 2014 (Klánová, 2014). It confirms that consumers were reached by promotion of the Klasa label.

Benefits arising from the Klasa label use are regularly evaluated only by 21% of respondents. All of them are monitoring the sales of products certified with the Klasa label, almost 17% of these producers are conducting consumer surveys.

All respondents were asked to evaluate predefined statements connected with the Klasa label, using the five-point scale (1 – completely agree, 5 – completely disagree, 0 – I cannot assess). Average values (without the degree 0) of the whole sample of respondents, average values according to the length of the Klasa label use and average values according to promotion of the label are shown in Table 2.

Table 2. Agreement with the statements concerning the Klasa label (Average; 1 – I completely agree, 5 – I completely disagree)

Tabulka 2. Souhlas s tvrzeními týkajícími se značky Klasa (průměrná hodnota, 1 – zcela souhlasím, 5 – naprosto nesouhlasím)

Benefits / problems	Total	Length of the Klasa label use			Highlighting the Klasa label in promotion	
		< 3 years	4 – 6 years	> 6 years	yes	no
1. The Klasa label use has led to an increase of customers' confidence in products.	2.29	2.38	2.17	2.30	2.14	3.71
2. The Klasa label use has led to an increase in sales of products.	3.19	3.21	3.04	3.28	3.00	4.75
3. The Klasa label use has led to a higher familiarity of products among customers.	2.77	2.96	2.74	2.67	2.65	4.00
4. The Klasa label use has led to better product differentiation from competitors.	2.75	2.82	2.71	2.74	2.66	3.63
5. There were the complications with the granting of a certificate.	3.36	3.43	3.65	3.13	3.40	3.00
6. The Klasa label is linked to high costs compared with the benefits.	3.44	3.29	3.59	3.44	3.50	2.86

Source: Own processing

Zdroj: Vlastní zpracování

Most of respondents identify themselves with the statement “The Klasa label brought increasing customers’ confidence in products”. These findings are confirmed also by the survey of consumer attitudes to food quality labels (Velčovská and Del Chiappa, 2015), the Klasa label is perceived by Czech consumers as the most credible quality label. Statements that certification with the Klasa label brought complications with the granting of a certificate or high costs compared with the benefits were evaluated with average values higher than 3, i.e. disagreement with these problems prevails slightly. Evaluation of other statements is around the average value.

With respect to the length of the Klasa label use, there were found only minimal differences in the assessment of statements. For positively formulated statements (statements 1 - 4 in Table 2.), a higher degree of agreement was identified in the group of producers using the Klasa label from 4 to 6 years. For negatively formulated claims (statements 5 and 6 in Table 2.), the same group of producers showed a higher disagreement in comparison with other group of respondents.

Differences in results, depending on whether producers highlight the Klasa label when promote their products or not, are higher. Producers highlighting the label in their promotion expressed a higher level of agreement with positively formulated statements (statements 1 – 4) and conversely a higher level disagreement with the negatively formulated statements (statements 5 and 6) than respondents who do not promote the Klasa label. The biggest differences in assessment were identified for the statements that the Klasa label certification led to an increase in sales of certified products and to an increase of customers’ confidence in products.

Using Pearson's correlation analysis, it was investigated whether there is a linear relationship between the statements (see Table 3.). The correlation was found between seven pairs of statements: 1) “The Klasa label use has led to an increase of customers’ confidence in products.” and “The Klasa label use has led to an increase in sales of certified products.” (sig. = 0.000), 2) “The Klasa label use has led to an increase of customers’ confidence in products.” and “The Klasa label use has led to a higher familiarity of products.” (sig. = 0.000), 3) “The Klasa label use has led to an increase of customers’ confidence in products.” and “The Klasa label use has led to better product differentiation.” (sig. = 0.000), 4) “The Klasa label use has led to an increase in sales of certified products.” and “The Klasa label use has led to a higher familiarity of products.” (sig. = 0.000), 5) “The Klasa label use has led to an increase in sales of certified products.” and “The Klasa label use has led to better product differentiation.” (sig. = 0.001), 6) “The Klasa label use has led to a higher familiarity of products.” and “The Klasa label use has led to better product differentiation.” (sig. = 0.000), and 7) “There were the complications with the granting of a certificate.” and “The Klasa label is linked to high costs in relation to benefits.” (sig. = 0.000).

Further, coefficients indicating the strength of dependence were calculated. A higher number indicates a stronger dependence between statements. As it is shown in Table 3., all correlations are positive, i.e. if respondents more identify with one statement, they also more identify with the statement for which the dependence has been demonstrated, and vice versa. The strongest dependence was confirmed between the statements “The Klasa label use has led to an increase in sales of certified products.” and “The Klasa label use has led to a higher familiarity of products among customers.”.

Table 3. Correlation analysis – dependencies between statements “Klasa label brings ...”

Tabulka 3. Korelační analýza – závislosti mezi tvrzeními “Značka Klasa přinesla ...”

Benefits / problems		Increase of customers' confidence	Increase in sales	Higher familiarity of products	Product differentiation	Complications with the certification	High costs
Increase of customers' confidence	Pearson correlation	1	0.563 <sup>a</sup>	0.594 <sup>a</sup>	0.551 <sup>a</sup>	0.031	0.007
	Sig. (2-tailed)	-	0.000	0.000	0.000	0.806	0.957
Increase in sales	Pearson correlation	0.563 <sup>a</sup>	1	0.605 <sup>a</sup>	0.380 <sup>a</sup>	-0.043	0.009
	Sig. (2-tailed)	0.000	-	0.000	0.001	0.734	0.940
Higher familiarity of products	Pearson correlation	0.594 <sup>a</sup>	0.605 <sup>a</sup>	1	0.498 <sup>a</sup>	0.034	0.087
	Sig. (2-tailed)	0.000	0.000	-	0.000	0.778	0.472
Product differentiation from competitors	Pearson correlation	0.551 <sup>a</sup>	0.380 <sup>a</sup>	0.498 <sup>a</sup>	1	-0.129	0.070
	Sig. (2-tailed)	0.000	0.001	0.000	-	0.283	0.560
Complications with the certification	Pearson correlation	0.031	-0.043	0.034	-0.129	1	0.519 <sup>a</sup>
	Sig. (2-tailed)	0.806	0.734	0.778	0.283	-	0.000
High costs in relation to benefits	Pearson correlation	0.007	0.009	0.087	0.070	0.519 <sup>a</sup>	1
	Sig. (2-tailed)	0.957	0.940	0.472	0.560	0.000	-

Note: <sup>a</sup> Correlation is significant at the 0.01 level (2-tailed).

Source: Own processing and Petříková (2015)

Poznámka: <sup>a</sup> Korelace je signifikantní na hladině významnosti 0.01 (dvoustranný test).

Zdroj: Vlastní zpracování a Petříková (2015)

Table 4. T-test  
Tabulka 4. T-test

Benefits / problems	Levene's test for equality of variances		T-test for equality of means							
	F	Sig.	t	df	Sig. (2-tailed)	Mean difference	Std. error difference	95% confidence interval of the difference		
								Lower	Upper	
Increase of customers' confidence	0.004	0.950	-4.955	75	0.000	-1.571	0.317	-2.203	-0.940	
Increase in sales	2.024	0.159	-5.142	72	0.000	-1.750	0.340	-2.428	-1.072	
Higher familiarity of products	1.142	0.289	-3.464	77	0.001	-1.347	0.389	-2.122	-0.573	
Product differentiation	1.023	0.315	-2.515	79	0.014	-0.967	0.385	-1,733	-0.202	
High costs in relation to benefits	0.233	0.631	-1.548	73	0.126	0.643	0.415	-0.185	1.470	

Source: Own processing and Petříková (2015)

Zdroj: Vlastní zpracování a Petříková (2015)

Using T-test for two independent groups, it was investigated whether the respondents promoting the Klasa label evaluated the statements differently from the respondents who do not promote the Klasa label.

Value of significance is higher than 0.05 for all the statements (Levene's Test for Equality of Variances), the equality of variances in the basic files is accepted and therefore the results of the T-test are displayed for equal variances assumed (see Table 4). For the first four statements, Sig. (2-tailed) is lower than the significance level  $\alpha = 0.05$  (light grey cells in the table), i.e. respondents promoting the Klasa label agree with the statements in average the different way as respondents who do not promote the Klasa label.

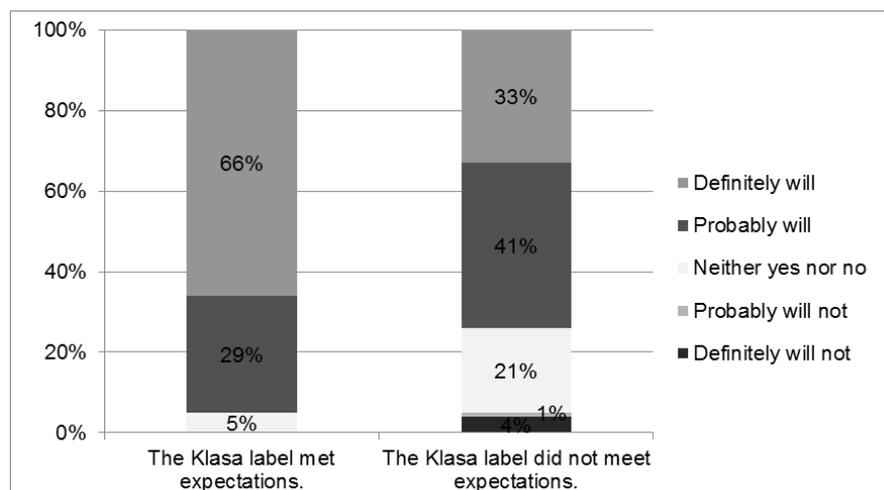
### **Fulfilling expectations from the Klasa label and consideration for an extension of certification**

Respondents evaluated whether the Klasa label fulfilled their expectations, they used five-point scale (1 - completely fulfilled, 5 – completely not fulfilled). The average value was 2.7, i.e. the Klasa label fulfilled producers' expectations only partially. Specifically, only 9% of respondents have used the value 1 in their assessment, 31% evaluated with value 2, 43% with value 3, 13% with value 4, and 3% with value 5. When comparing the producers' attitudes by the length of the Klasa label use, there are very small differences. The expectations were most filled for producers using the Klasa label for less than 3 years, with average value 2.58.

Food producers had also possibility to express the perceived problems with the Klasa label. Following problems were mentioned: a lot of food quality labels on the market (32%), amateur marketing support and lack of marketing strategy for the Klasa label (11%), poor marketing support of the label (7%), labelling of poor-quality products what devalues the label among consumers (7%), a lack of information for consumers (7%) and ineffective marketing support in relation to the expenditures (7%). The first finding is also supported by the survey of consumer attitudes to food quality labels carried out by STEM/MARK agency in 2014 (Klánová, 2014). The main problem mentioned by food producers is perceived also by consumers. A large number of food quality labels in the Czech food products market cause their confusion. Other problem that was emphasized by food producers, a poor marketing support of the label, is not confirmed by the research studies carried out among consumers. The high awareness of the Klasa label is a signal that the label promotion was registered by consumers (Klánová, 2014; Velčovská and Del Chiappa, 2015).

Regarding the prolongation of the certificate, 47% of respondents have decided to prolong the Klasa label certificate after its expiration, 35% will probably prolong the certification, only 3% are considering not extend the certification and the rest of respondents have not yet decided. Producers whose expectations from the label have been fulfilled are more willing to continue in the Klasa label certification and none of them does consider the end of certification (see Figure 5.).

Using Chi-square test, the middle strong dependence between decision to prolong the Klasa label certificate and fulfilling producers' expectations from the label was confirmed (Sig. = 0.032, significance level  $\alpha = 0.05$ , coefficient Eta = 0.339).



Source: Own processing

Zdroj: Vlastní zpracování

Figure 5. Decision to prolong the Klasa label certificate by fulfilling expectations from the label

Obrázek 5. Rozhodnutí prodloužit certifikaci značkou Klasa podle naplnění očekávání od značky

The reasons why respondents do not want to prolong the certification were mentioned only by three producers: a lot of food quality labels on the market, consumers are not aware them and they are confused, and the Klasa label do not bring the increase in sales of certified products.

## Conclusion

The public, experts and food producers agree that the number of food quality labels is too high and confusing to the consumers. The question is whether quality labels can provide some benefits to food producers if consumers are unfamiliar with them. In primary research, a sample of 86 Czech food producers with the Klasa label certification was interviewed. The study was aimed at analysing their attitudes to the certification process, experiences with using the Klasa label, and identification of benefits and problems arising from the Klasa label use.

Most of the respondents use the Klasa label for more than 4 years and have certified 10% products of their product portfolio. The main reasons for certification with the Klasa label were increasing confidence among customers, using the label as a promotion tool, increasing sales, and products differentiation from competitors. Most of respondents is somewhat or completely satisfied with the Klasa label certification process as well as with the rules for the Klasa label utilization and with the state marketing support of the label. The highest satisfaction with the state marketing support of the Klasa label was reported by producers who use the Klasa label for more than 6 years, however there is no statistical dependence between respondents' satisfaction with the state marketing support of the label and the length of the label use. The producers' expectations from the Klasa label were fulfilled only partially.

Perceived benefits arising from the label use correspond with the reasons for certification, i.e. a higher customers' confidence in certified products, a better differentiation of products from competitors, and a higher awareness of certified products. Respondents promoting the label more agree with the Klasa label benefits than respondents who do not promote the label. However, only 21% of producers are regularly monitoring these benefits through monitoring the sales of certified products and conducting consumer surveys.

As general problems connected with the Klasa label were identified a poor marketing support and missing marketing strategy of the label, certification of a poor-quality products what devalues the label among consumers, a lack of information for consumers, and a high number of food quality labels in the market leading to a consumer confusion. Specific perceived problems connected with the certification process are formalities, the length of the certification process, changing rules during the certification process, and too general rules of certification. Dissatisfaction with the rules for the Klasa label arises from the fact that the label can be also awarded to products non-domestic origin, and there is obligation to place the Klasa label logo on the product packaging within the six months from the label obtaining. Other specific problems are associated with the state marketing support of the label which is seen as inefficient in the use of funds for the marketing campaign. Producers perceive also a failure of the explanation to consumers what the Klasa label guarantees.

Despite the perceived problems, 82% of the Klasa label holders have decided to prolong the certification. Dependence between the decision to prolong the Klasa label certificate and fulfilling producers' expectations from the label has been proven.

The findings provide a deeper insight to the topic from food producers' perspective. Thus far the study from this perspective has not been undertaken since the most studies in the field of quality labels are related to the consumers' attitudes. Identified problems could help to food producers and administrator of the Klasa label improve marketing strategy of the label in order to manage the label in effective way and use all benefits arising from the certification. The first objective should be to build consumer awareness and credibility of the label, including communication of the label benefits, and to support domestic manufacturers who care for the quality of their products. Producers should not only rely on the promotion of the label by its administrator, but they should themselves be active in spreading the label awareness and building credibility. Administrator of the label should make the certification process more effective and transparent, the state marketing support of the label should be focused on the explanation to consumers what the Klasa label guarantees. Without a clear concept, professionalism, and transparency for both manufacturers and consumers, it makes no sense to do a quality label.

It should be noted that aside from the empirical contribution of the study, there are also some limitations. The study is highly specific, i.e. it was conducted in just one country and focused only on one food quality label. In the future, the study should be carried out also with focus on the other food quality labels. Finally, it would be interesting to move forward with this study also to other countries in order to compare producers' attitudes and verify whether differences do exist.

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