Food Quality Labels and their Perception by Consumers in the Czech Republic

Sarka Velcovska

Abstract—The paper deals with quality labels used in the food products market, especially with labels of quality, labels of origin, and labels of organic farming. The aim of the paper is to identify perception of these labels by consumers in the Czech Republic. The first part refers to the definition and specification of food quality labels that are relevant in the Czech Republic. The second part includes the discussion of marketing research results. Data were collected with personal questioning method. Empirical findings on 150 respondents are related to consumer awareness and perception of national and European food quality labels used in the Czech Republic, attitudes to purchases of labelled products, and interest in information regarding the labels. Statistical methods, in the concrete Pearson’s chi-square test of independence, coefficient of contingency, and coefficient of association are used to determine if significant differences do exist among selected demographic categories of Czech consumers.

Keywords—Food quality labels, quality labels awareness, quality labels perception, marketing research.

I. INTRODUCTION

QUALITY labels are graphic signs on products packaging, giving added value to the products. They guarantee compliance not only with current standards, but also with additional quality criteria. It provides a proof that products meet the market’s needs and comply with the safety and quality characteristics defined in a corresponding certification system [1]. The placement of quality label logo on product packaging follows a strict certification process. If the product holds a recognized label, it may be considered a quality product by the buyer. The purpose of quality labels is to inform market subjects about some specific characteristic of products, to facilitate identification of food products with certified quality and to promote such products. To consumers the quality labels should be a guarantee of quality, healthy and safe products [2], [3]. There is a question, if a guarantee of food quality declared through the quality labels is important for consumers, if quality labels are recognized by consumers, how consumers perceive them, and also if quality labels are an important factor influencing consumer purchases.

According to Grunert [4], quality labels are a fuzzy category that covers many different things. They can be divided into several groups. In basic classification, obligatory and voluntary labels can be distinguished. Obligatory labels are determined by legal rules and they are compulsory for all products in given product category. They inform the product meets quality standards necessary for its introduction into the market. Voluntary labels refer to the above standard product quality in comparison with competitors’ products. The certification with these labels is not compulsory for producers. However, voluntary certification of product quality brings competitive advantage for product. Another approach differentiates general quality labels which have the guarantee for the all product quality characteristics, and specific labels focused only on particular characteristics of the product quality such as an organic origin of product or safeness of product. Based on geographical reach of labels, the regional, national, international, and global labels are recognized. According to the guarantee or sponsor of label, quality labels can be awarded by national certification bodies, by government institutions, by independent organizations (e.g. consumer associations, association of organic farmers, trade or industry associations), or by private companies. Labels can be classified also by their specification to labels of quality, labels of safety, labels of product origin, eco-labels, etc. [2, p.40], [4].

The following text is focused on food quality labels that can meet consumers in the Czech Republic. First, the characterization of labels is included, followed by the presentation of marketing research results regarding consumers’ awareness and perception of selected food quality labels.

II. QUALITY LABELS SPECIFICATION

As the Czech Republic is the member of EU (European Union), the research study deals not only with national food quality labels, but also with labels relevant for EU countries. Table I consists summary and characterization of most frequent labels used in the Czech food products market. In the Czech Republic, there are four most important national labels on the food products market; only three of them, Klasa, Regional Food and Czech BIO label are included in the marketing research. The label Czech Product, guaranteed by Food Chamber of Czech Republic is a new label which was introduced into the market after marketing research study. Besides national labels, four European labels are chosen for analysis [5].

III. MARKETING RESEARCH PURPOSES AND METHODOLOGY

The main purpose of marketing research study was to identify consumer awareness and perception of quality labels used in the Czech food products market. Specific purposes are as follows:

- To identify purchasing habits of respondents when buying food,
- to identify spontaneous and aided awareness of food quality labels,
- to analyse consumer perception of quality labels
Research study was carried out in March 2011 with personal questioning method based on a structured questionnaire. Answers from 150 respondents, 51 % males and 49 % females were obtained; the age range was from 15 to 65. Respondents were selected with quota sampling method [18], [19].

IV. RESULT ANALYSIS AND DISCUSSION

The marketing research results were analysed in accordance with research purposes. To indicate whether there are significant differences among answers of selected demographic categories of respondents (based on sex, age, education, income of respondents, and their responsibility for food purchases) statistical methods were used, concretely the Pearson’s chi-square test of independence, Pearson’s coefficient of contingency or coefficient of association. Also coefficient of mutability (for categorical data) and ratio coefficient of differentiation were calculated to determine the degree of variability in respondent’s answers [20].

A. Buying Habits of Respondents

1) Responsibility for Food Purchases

The first part of research study focuses on habits of respondents when buying food. Responsibility for food purchases is an interesting factor for the following analysis of consumers’ attitudes to food quality labels. 38 % of respondents have full responsibility, 43 % have particular responsibility and 19 % have no responsibility for food purchases.

Fig. 1 represents responsibility for food purchases with respect to sex of respondents. In the Czech Republic, the different role of women and men is significant. Women usually have full responsibility for food purchases, whereas men often have a partial responsibility. The Pearson’s chi-square test of independence was used. Statistic testing has confirmed the dependence between sex of respondents and their responsibility for food purchases. \( \chi^2 \) (2, N = 150) = 28,739; \( p < 0,001 \). Value of Pearson’s coefficient of contingency is 0,401.

2) Factors Influencing Food Purchases

Respondents could indicate three most important factors which have an influence on their food purchases. They chose factors from the list of factors. As results from Fig. 2, the main factors are price and previous experience (about 80% respondents), the importance of the others is lower. Quality labels were mentioned among three most important factors

\(^1\) Significant at 0,05 level
only by 1 % of respondents, the reason could be shortage information regarding the quality labels. However, for 24% respondents it is important the country of origin, 14% oriented himself/herself according to health benefit of product. Both of these factors can be communicated to consumers through the quality labels.

![Fig. 2 Factors influencing food purchases](image)

3) Country of Food Products Origin Preference

Some food quality labels, e.g. Regional food, Klasa label, PDO, PGI labels give to consumers the information about country of food products origin. Therefore respondents were asked if they prefer domestic or foreign food products. The country of food products origin is not important for 50% of respondents, 49% respondents prefer domestic products, and only 1% consumers have preference for foreign products. Fig. 3 represents that men have stronger preference for domestic products than women.

![Fig. 3 Country of food products origin preference](image)

![Fig. 4 Country of food product origin preference according to respondent’s responsibility for purchases](image)

B. Quality Labels Awareness

1) Attention Given to Food Quality Labels

Only 1% of respondents always give the attention to food quality labels when buying food. 61% consumers focus on quality labels sometimes, 38% never. Fig. 5 presents that men give a higher attention to quality labels, however statistic testing confirmed the independence between sex of respondents and their attention given to food quality labels when buying food\(^\text{4}\) \((p > 0.05)\).

![Fig. 5 Attention given to food quality labels within purchases](image)

2) Spontaneous and Aided Awareness

Consumers spontaneously mainly know national food quality label Klasa (41% respondents) and Czech BIO label (19 % respondents). 52% respondents were not able to name some quality labels.

For testing aided awareness of the labels, their logos were shown to the respondents. Respondents were asked to mention not only whether they recognize the logo, but also to explain the meaning of the labels. Generally, the aided awareness of food quality labels is low. Fig. 6 shows, with the exception of Klasa label and Czech BIO label, more than 60% of respondents are not aware food quality labels and their meaning. High knowledge of Klasa (56 % know meaning of the label, 39 % has partially knowledge) and Czech BIO label (48 % respondents know meaning, 29 % has partially knowledge) is supported by the long-term advertising campaign. The other factor influencing greater knowledge of Czech BIO label is popularity of bio products in the Czech Republic nowadays. The worst knowledge was detected for

\[ ^{\text{4}} \text{Significant at 0.05 level} \]
PDO (97% respondents don’t know it), PGI (96% don’t know) and TSG label (94% don’t know). EU BIO label is not known for 79% respondents. For determination the degree of variability in respondent’s answers the coefficient of mutability was calculated. Values are presented in Table II.

![Aided awareness of food quality labels](image)

3) Food Quality Labels Promotion

Spontaneous and aided awareness of quality labels can be influenced by their promotion. For this reason, respondents were asked if they had registered some food quality labels promotion. Nearly half of consumers (45%) did not notice promotion focused on quality labels. From respondents which have registered it, 81% recalled advertising of Klasa label, 24% mentioned promotion activities regarding Czech BIO label. These results are corresponding with the fact that Klasa and Czech BIO labels have a long-term advertising support in the Czech Republic. Promotion of other labels was not registered. The promotion was more registered by women (61%) than men (50%), however statistic testing confirmed the independence between sex of respondents and registered promotion\(^5\) (p > 0.05).

![Food quality labels credibility](image)

Table III shows mean, variance, standard deviation and ratio coefficient of differentiation for the perception of food quality labels credibility. The values were calculated from respondents’ evaluation on a scale from 1 (credible) to 4 (incredible). Degree 0 (I cannot answer it) was not included in the calculations.

![Coefficient of mutability – aided awareness of quality labels](image)

**TABLE II**

<table>
<thead>
<tr>
<th>Label</th>
<th>Coefficient of mutability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klasa</td>
<td>0.533</td>
</tr>
<tr>
<td>Czech BIO label</td>
<td>0.636</td>
</tr>
<tr>
<td>Regional food</td>
<td>0.522</td>
</tr>
<tr>
<td>EU BIO</td>
<td>0.350</td>
</tr>
<tr>
<td>TSG</td>
<td>0.115</td>
</tr>
<tr>
<td>PGI</td>
<td>0.078</td>
</tr>
<tr>
<td>PDO</td>
<td>0.052</td>
</tr>
</tbody>
</table>

C. Perception of Food Quality Labels

1) Perception of Food Quality Labels Usefulness

58% of respondents perceive quality labels as useful. There are no differences in answers according to sex of respondents. Statistic testing has also confirmed the independence between age of respondents and perception of food quality labels usefulness\(^6\) (p > 0.05).

2) Perception of Food Quality Labels Credibility

Respondents were asked if they perceive the food quality labels as credible. Fig. 7 presents that the most credible for Czech respondents are national labels (Klasa, BIO, Regional Food). Answers regarding PDO, PGI and TSG labels are not relevant, 96% of respondents have not evaluated these labels due to their low awareness.

![Coefficient of differentiation for the perception of food quality labels usefulness](image)

**TABLE III**

<table>
<thead>
<tr>
<th>Label</th>
<th>Number of scale degrees</th>
<th>Mean</th>
<th>Variance</th>
<th>Standard deviation</th>
<th>Ratio coefficient of differentiation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Klasa</td>
<td>4</td>
<td>1.702</td>
<td>0.783</td>
<td>0.885</td>
<td>0.348</td>
</tr>
<tr>
<td>Regional food</td>
<td>4</td>
<td>1.889</td>
<td>1.266</td>
<td>1.125</td>
<td>0.563</td>
</tr>
<tr>
<td>Czech BIO</td>
<td>4</td>
<td>1.902</td>
<td>1.261</td>
<td>1.123</td>
<td>0.560</td>
</tr>
<tr>
<td>EU BIO</td>
<td>4</td>
<td>2.000</td>
<td>1.110</td>
<td>1.054</td>
<td>0.494</td>
</tr>
<tr>
<td>TSG</td>
<td>4</td>
<td>2.833</td>
<td>0.327</td>
<td>0.572</td>
<td>0.145</td>
</tr>
<tr>
<td>PGI</td>
<td>4</td>
<td>2.667</td>
<td>0.309</td>
<td>0.556</td>
<td>0.137</td>
</tr>
<tr>
<td>PDO</td>
<td>4</td>
<td>2.667</td>
<td>0.309</td>
<td>0.556</td>
<td>0.137</td>
</tr>
</tbody>
</table>

D. Purchases of Certified Food Products

1) Attitudes to Purchases

Because of quality labels are not known to respondents, there is only a very small percentage of consumers buying products labelled with quality labels. In the Czech Republic, nobody consciously buys products certified with PDO, PGI and TSG labels. Sometimes respondents buy products certified with EU BIO label (13% respondents). The most popular and

\(^5\) Significant at 0.05 level

\(^6\) Significant at 0.05 level
purchased are products labelled with national label Klasa (25% respondents buy regularly, 63% sometimes) and Czech BIO label (5% buy regularly, 53% sometimes). Regional food is purchased sometimes only by 25% of respondents.

With reference to these results, respondents were asked to indicate the reasons why they do not buy labelled products. The presumption that respondents don’t know the labels was confirmed. 40 % respondents mentioned poor information and promotion about labels. 57% respondents consider the same quality of labelled products as non-labelled, 10 % consumers perceive labelled products as too expensive, and 3% answered that labelled products are not available in the shops. Coefficient of mutability was calculated, its value is 0,722.

2) Willingness to Pay Higher Price for Labelled Products

It can be assumed that products with certified quality will be more expensive than the others. Therefore, one of the research purposes was to find out if respondents are willing to pay a higher price for the products with quality labels. As results from research, 61 % consumers would pay more. Further, it was tested if willingness to pay a higher price for labelled products is influenced by sex, age, education or income of respondents. Willingness to pay more slightly increases with age and higher education. Fig. 8 shows that women are more willing to pay a higher price for labelled products than men.

![Fig. 8 Willingness to pay higher price for labelled products](image)

There is one paradox though – the highest income group of respondents is less willing to pay a higher price for labelled products than the other income categories. Only 43% of respondents from the highest income group would pay more, whereas in other income categories it is about 70% of respondents. However, statistical testing confirmed the independence between income of consumers and their willingness to pay a higher price for labelled products. Also the differences in answers of respondents based on age, sex, and education are not statistically significant\(^7\), \(p > 0,05\).

Further, respondents willing to pay more were asked how much more they would pay for four selected products labelled with Klasa and Czech Bio label than for unlabelled products. Fig. 9 shows following findings. If price is higher up to 10%, respondents are less sensitive to price change. If price is higher by 26 to 50 %, respondents react in price very sensitively. Price higher than 51 % is not acceptable for respondents.

![Fig. 9 Willingness to pay higher price for labelled products](image)

E. Interest in Getting Information Regarding Quality Labels

Finally, respondents were asked if they would be interested in information regarding food quality labels. Results are positive, 81% of respondents are interested in this topic. In Fig. 10 is shown interest in information regarding food quality labels according to sex of respondents. The women have greater interest about this problem. The test of association was used; the dependence between sex of Czech respondents and their interest regarding information about the labels was confirmed\(^8\), \(\chi^2(1, N=150) = 4,20; p < 0,05\). Value of association coefficient is 0,185.

![Fig. 10 Interest in information regarding food quality labels](image)

V. SUMMARY AND CONCLUSION

Product quality is a prime criterion in gaining competitive advantage on the market. Subsequently, quality labels can be a good way for communication a high product quality to the end consumers. They demonstrate to the consumers that a product fulfils not only current standards defined by legal rules, but also additional quality criteria in accordance with market requirements. They give added value to the product and increase its competitiveness. Products certified with these labels should be perceived as a better, as having a higher quality. Ideally, quality labels should help the consumers to choose products that meet the specified standards; they should be a guarantee of quality and healthy products.

However, there is a question if quality labels fulfil their purpose to the consumers, that is, if consumers register these labels, if they perceive them as a symbol of quality products, if quality labels are trusted for consumers, and finally if they

\(^7\) Significant at 0,05 level

\(^8\) Significant at 0,05 level
have an influence on purchases. Results from marketing research show how the food quality labels are perceived by consumers in the Czech Republic.

Food quality labels are interesting matter for the Czech consumers. Unfortunately they have limited information and majority of them don’t know exactly the meaning of the labels. This is the main reason why quality labels are not fully used when buying foods. Thanks to the advertising support in mass-media, well known are only Czech national label Klasa and Czech Bio label, products certified with these labels are also purchased by Czech consumers. When it comes to the European labels, only a very small percentage of customers know these labels and their meaning. However, respondents show interest in getting information regarding food quality labels. More than 60% of respondents are also willing to pay a slightly higher price (preferably to 10% more) for labelled product than for non-labelled products.

The attitudes to quality labels according to sex, age, education and income of respondents were also analysed. Some statistically significant differences were identified, statistical testing confirmed the dependence between:

- sex of respondents and their responsibility for food purchases,
- respondents’ responsibility for food purchases and country of food products origin preference,
- education of respondents and perception of food quality labels usefulness,
- sex of respondents and their interest in getting information regarding quality labels.

Generally it seems that most of food quality labels used in the Czech food products market do not fulfil their purposes. Labels are not aware to the consumers or consumers misinterpret their meaning. It is obvious that producers with certified products or sponsors of the labels need to communicate these qualities to consumers. The quality labels should be perceived not only as a sticker on the products packaging, but they should give valuable information to the consumers as well as to the other market subjects. Quality labels enhance the marketability and competitiveness of products, and also help build a better image of the product and its producer both in the domestic and the international market.

The marketing research has brought lots of findings; the research study has also some limitation. The attention was given only to the most frequent quality labels in the Czech food products market. It would be highly recommended to continue with this research study including the new labels as well as comparing the current situation in the Czech Republic with other EU countries.

REFERENCES

5. Š. Večlovská, H. Janáčková and F. Larsen, “Comparison of consumer access to purchases of food products certified with quality labels in the Czech Republic and in Iceland (accepted for publication),” ECON, to be published.
12. Foodnet, Český výrobek, Garantovanou Potravinářskou komorou [online]. Potravinářská komora České republiky, 2002 - 2012 [cit. 2012-01-17]. Available from: http://www.foodnet.cz/zloka/?jmeno=Zna%4%5Dka%22%5C4%6bs%5Cesk%5C%BD%5Bv%5C%3%5Ddrobek%22&i=1086

Šárka Večlovská was born in Olomouc, Czech Republic in 1971. She received her BSc. degree in 1993, MSc. in 1995, and Ph.D. in Business Economics and Management in 1999, all were achieved at VSB – Technical University Ostrava (Czech Republic), in the Faculty of Economics. She started her career in 1995 as a lecturer at the Department of Marketing and Business, in the Faculty of Economics VSB-Technical University Ostrava in the Czech Republic. In 1999 she was
promoted as a senior lecturer. In this position she has served up to present at the same institution. Currently, she has lectures from Marketing and Product Management. Furthermore, from 1998 to 2005 she was cooperating in the area of consumer products testing and launching new products into the market with various companies from food sector in the region. Achieving during her academic career, she was a guest at the several European universities in terms of Erasmus Teaching Programme, e.g. University of Economics Bratislava (Slovakia), ESTIG IP Beja (Portugal), Hogeschool Gent (Belgium), Universidad de Huelva (Spain), Universidad de Cordoba (Spain), Universita degli Studi “G. d’Annunzio” Chieti e Pescara (Italy), Université Catholique Lyon (France). Since 1995, she has come up with more than 30 journal and conference publications. She is also the author of a chapter in one specific book regarding product research. Her current research interests include product management on B2C market, especially branding, packaging, quality and quality labels, and consumer product testing focused on sensory analysis of food products.