LABELS REFERRING TO CZECH ORIGIN

Martina Korecká*

Abstract
The globalisation of markets leads to increased competition and the commodification of products. Research has led to growing customer interest in the Country of Origin (COO) when buying grocery. The COO is one of the crucial aspects of buying decisions and can provide a competitive advantage to local producers when differentiating from foreign rivals on the Czech market. However, there are labels where the COO have different conditions for branding. The aim of the article is to analyse COO labels and the quality referring to Czech origin in selected domestic grocery. The COO conditions serve as an evaluation criterion for labels. A descriptive and comparative analysis is used to achieve the goal, with each label examining the conditions for branding in relation to the COO of products. The source of information of the labels was the methodologies, regulations, the bulletin, website and rules for branding. In the case of inadequate information on the COO conditions, the data was acquired by interview or e-mail. The result of the analyses is the comparison of the COO and quality labels in terms of the product origin criterion. The final table summarises the results of the analyses and provides a preview of the situation of the labels on the Czech market. The results indicate that a number of labels refer to the COO by graphic design and the term. However, the COO of the product is not a primary criterion for branding. As the results show, the situation in the Czech market may be unclear. Primarily, labels do not have to state the COO or to be a quality identifier. Labels of the COO and quality are often purpose-designed by government, and profit or non-profit entities to highlight product parameters.

Keywords: consumer behaviour, COO, label, Czech origin
JEL Classification: M31, M37

Introduction
Market globalisation brings both positive and negative impacts (Hes and Šálková, 2010). In the past, only domestic products were available to consumers. Today, consumers can choose from a number of products from different parts of the world (Ghazali et al. 2008; Rezvani et al. 2012). For example, the negative side is often difficult to detect COO. The unclear situation about the origin of the product complicates the relocation or expansion of production to other countries. Thus, binational or multinational products are emerging (Nicolescu, 2012).

The COO and the COO effect are among the most important topics in international marketing research and consumer behaviour (Sevanande and Damar-Ladkoo, 2018). This is evidenced by many scientific articles (Bayraktar, 2013; Lu et al. 2016) and still a difficult and up-to-date scientific part of marketing. The COO has gained importance because of globalisation. Therefore, there are changes in the market and customer behaviour (Hes and Šálková, 2010). Research has shown the growing interest of consumers in the COO when purchasing grocery (Hes and Šálková, 2010; Parkvithee and Miranda, 2012).

* University of Economics, Prague, Faculty of Management (martina.korecka@seznam.cz).
The report by the European Parliament (Agriculture Committee) also shows that there is considerable interest in indicating the origin of grocery (Menclová, 2018). However, when researching the COO, a frequent problem is that consumers are reluctant to admit this influence on their behaviour (Herz and Diamantopoulos, 2017). The COO is expressed most directly by the abbreviation “Made in” on the product, after which customers are interested in the fall of barriers between countries (Amine et al. 2005; Rezvani et al. 2012; Bandyopadhyay, 2014).

Companies approach the COO as a type of label from which consumers derive the features and quality of the product (Roth and Diamantopoulos, 2009; Nicolescu, 2012; Kalicharan, 2014). The research results, for example, in the Czech Republic, show that labels are an important guideline when selecting products in situations where customers buy a new product or in the case of uncertainty. Furthermore, the research confirmed that consumers prefer products with quality labels (Závodný Pospíšil, 2015). Other recent research shows that the COO is perceived as a strategic business imperative. However, the importance of the COO can be manifested in a variety of ways, for example, depending on the location of the label (Rashid et al. 2016). To emphasise the COO and to easier differentiate, for example, producers place their flag on the packaging of their products to emphasise the origin (Stojarová, 2006). Some manufacturers attempt to obtain different national quality labels or certificates of the COO. This is the scientific topic of COO labelling (COOL). On the other hand, the creation of labels for the COO, supporting domestic products, may have a negative impact on international trade. The protection and support of domestic markets by governments can conflict with free trade (Su and Canavari, 2018).

On the local markets in states, there are efforts to support and to improve the orientation in the range of products offered (Skofepa et al. 2006). The initiatives of the subjects led to the emergence of national labels to highlight the quality and to support domestic producers. For example, the KLASA national label for food quality was introduced in the Czech Republic. Over the last few years, other labels have been introduced on the Czech market, which refer to the Czech origin and quality. Therefore, the aim of the article is labels for the COO and the quality referring to Czech origin in selected domestic grocery. The COO conditions serve as the evaluation criterion for the labels.

1. Literature Review

There are various COO interpretations in the literature. Views on the COO include authors who refer to the COO as the country where the entire production process is located. Johansson and Thorelli (1985) defined the term “home country”, where the seat of the enterprise and production must take place in one country. Özsomer and Cavusgil (1991) also used this approach.

Conversely, it is also possible to find authors who understand the COO in a wider sense. For example, Jiménez Torres and San Martín Gutiérrez (2007) also consider the COO as the “country of manufacture”, “country of assembly” or “country of design”. According to Lee J. K. and Lee W. N. (2009), the COO refers to a country that produces, assembles or designs a product or a label that is associated with the country. Zhang (1996) considers the COO as a reference to the place of production. E Silva and Saraiva (2016, p. 3) used the COO definition from Menga, Nasca, and Clark, who perceived...
the COO “as an external attribute of the product to indicate the country where the product was manufactured, or both.”

For Nicolescu (2012), the COO represents the label from which the consumer expects certain features and quality. Gürhan-Canli and Maheswaran (2000) consider the COO as a tool for evaluating new products. Similarly, for Herz and Diamantopoulos (2017) and Klöckner et al. (2013), the COO is an important aspect of labels and product evaluation. The COO is also one of the crucial aspects of purchasing decisions (Visbal et al., 2017). For customers, the COO of the product fulfils several functions, which are listed in the following diagram (Figure 1).

![Figure 1 | Function of COO](image)

Source: Author’s own processing

During the 1960s – 1970s, the COO began to be between external cues (Kalicharan, 2014). Based on research, it has been shown that customers attach more weight to external cues than internal cues when they evaluate products (Rezvani et al., 2012). Recent research confirms that based on the COO, people make assessments and decisions to buy the product. A study of the impact of visual symbols on product perception and evaluation has concluded that customers are better able to perceive and evaluate products with a visual symbol of the country such as a flag or other designation of origin (Visbal et al., 2017).

The results of the marketing research on consumer preferences in the grocery market have shown that Czech customers require more information about the COO and the quality of the grocery. Media campaigns featuring inferior quality or the disagreeableness of a grocery due to animal diseases played a major role (Skořepa et al., 2006). Compared to the early 1990s, when people searched for more goods of foreign origin, Czech food is now, in the eyes of consumers, better. This trend was confirmed by the research of the Czech Agriculture and Food Inspection Authority (CAFIA) (Hes and Šálková, 2010).

2. Methods

The type of product is important when studying the COO (Vijaranakorn and Shannon, 2017). Therefore, as a subject of research, labels were selected that refer to the Czech origin that is on the Czech grocery market. First, an analysis of the domestic market was conducted to identify existing labels referring to Czech origin. The market analysis of the label results did not include private labels from retail chains operating on the Czech market. The “Wines from Moravia, Wines from Bohemia” label for wine products was not included in the selection of labels because it is a specific sector with different exceptions.
Based on the analysis of the domestic market, ten specific labels were selected, the more detailed characteristics of which are indicated in the table below (Table 2). For the input characteristic and comparison of the labels referring to Czech origin, seven criteria were defined: subject for branding, the year of the award, the owner of the label, the manager of the label, the control authorities, the branding time and symbols referring to Czech origin.

Descriptive and comparative analyses were used to fulfil the aim of the article. For the research sample of labels, the conditions for branding and the use of labels in relation to the COO of products were investigated. Therefore, the COO was chosen as the main aspect of the analyses. Data collection was primarily based on methodologies, regulations, bulletins, or on rules for the branding and use of labels, which were available on the official websites of the subjects of the labels. A summary overview of references to documents and rules for branding and the use of labels is summarised in the following table (Table 1) In order to verify the name and correct registration of the marks, it was based on the national trademark database valid in the Czech Republic administered by the Industrial Property Office (IPO, 2018).

Table 1 | References to the rules for branding and use of labels

| Labels | References |
|--------|------------|
| KLASA  | https://www.eklasa.cz/uploads/asset/klasa-2018-metodika.pdf |
| Regional Grocery | http://www.regionalnipotravina.cz/files/akce/Metodika-pro-udelovani-znacky-RP-24-1-2018.pdf |
| Czech Guild Standard | https://www.cechovninormy.cz/files/uploads/2017/06/%C4%8CCN-P0-Pravidla.pdf |
| CZECH MADE | https://www.czechmade.cz/wp-content/uploads/2018/08/Regulativ-CMV_2018_CSJ.pdf |
| CZECH PRODUCT (with lion) | https://www.ceskyvyrobek.cz/uziti |
| CZECH PRODUCT (with lime leaf) | http://www.ceskyvyrobek.eu/kategorie/podminky |
| Czech product GUARANTEED by FFDI | http://www.foodnet.cz/polozka/?jmeno=Dokumentace+zna%C4%8Dky+%id=36941 |
| Czech Grocery | http://eagri.cz/public/web/mze/potraviny/znacky-kvality-potravin/ceska-potravina/ |
| Czech Flavour | http://www.ceskachutovka.cz/index.php |
| Regional labels | http://www.regionalni-znacky.cz/sumava/cs/pro-vyrobce/page/2/certifikacni-kriteria |

Source: Author’s own processing

Data found on the comparison of labels was written into the summary table (Table 3). In the case of insufficient information on the requirements of the COO in terms of branding and use of the label, qualitative research inquiry tools were used to obtain
the information. A deeper understanding of the situation was achieved through telephone structured interviews or electronic communication (e-mail) because open questions were chosen (Molnár et al., 2012). Among those addressed were managers or staff competent staff to provide label information. Inquiries took place in the period 25th – 27th September 2018. For the description of individual labels, the abbreviations have been defined for the entry subjects that are part of this methodology.

Table 2 | Selected sample of labels referring to Czech origin

| Label                                      | Who issues the label? | Label from year | Owner | Administrator | Control authorities | Branding time | Reference to Czech origin                      |
|--------------------------------------------|-----------------------|-----------------|-------|---------------|--------------------|---------------|-----------------------------------------------|
| KLASA                                      | MA                    | 2003            | MA    | SAIF          | CAFIA and SVA      | For 3 years   | Czech colours                                |
| Regional Grocery                           | MA                    | 2010            | MA    | MA            | CAFIA and SVA      | For 4 years   | Text reference to regions in the Czech Republic |
| Czech Guild Standard                       | FFDI                  | 2016            | FFDI  | FFDI          | FFDI               | For 3 years   | Czech flag and the text in label              |
| CZECH MADE                                 | CSQ                   | 1993            | CSQ   | CSQ           | CSQ                | For 2 years   | The word CZECH                                |
| CZECH PRODUCT (with lion)                  | FFCP                  | 1993            | FFCP  | FFCP          | No one (honest declaration) | Annual license fee | Symbol of lion, Czech colours and text in the český logo |
| CZECH PRODUCT (with lime leaf)             | Český výrobek s.r.o.  | 2006            | Český výrobek s.r.o. | Ms Blanka Kolečkářová and Mr Ing. Leo Kolečkář | Unlimited – payment by business turnover | Czech colours, leaf lime and the Č symbol like Czech |
| Czech product GUARANTEED by FFDI           | FFDI                  | 2011            | FFDI  | FFDI          | FFDI               | For 3 years   | Czech flag and the text referring to Czech origin |
| Czech Grocery                              | Voluntary - regulated by law | 2016          | MA    | MA            | CAFIA and SVA      | Unlimited     | Czech flag and the text referring to Czech origin |
| Czech Flavour                              | Evaluation commission of independent experts | 2009          | Group of natural and legal people | SYMPEX GROUP, s.r.o. | Evaluation commission of independent experts | Unlimited | Czech tricolour |
| Regional labels                            | Independent Certification Commission of the Region | 2006 (according to region) | Regional co-ordinator | Regional co-ordinator | Independent Certification Commission of the Region | For 2 years | Name of Czech region and the symbol of the region |

Source: Author’s own processing
3. Results

Figure 2 shows the research sample of labels that refer to Czech origin. The results of the analyses are summarised in the order of the individual labels in Figure 2. The labels were examined according to the conditions for the COO in the rules for branding and the use of the labels. Table 3 then synthesises the defined conditions that are associated with the COO branding and use criterion.

3.1 KLASA

The national label for food quality was created to aid customer orientation with products. The KLASA logo guarantees the highest quality of agricultural and food products (KLASA, 2014). For example, the equivalent of the Czech KLASA for comparison is the label “AMA-Gütesiegel – Geprüfte Qualität Austria” in Austria or the label *Quality Food from Hungary* in Hungary (Jovanić et al., 2018).
Branding of KLASA is evaluated based on updated KLASA methodology that has been valid from 1st February 2017. The applicant for the label is “a natural or legal person who is a food business operator” (KLASA, 2017b, p. 2). This subject must be the manufacturer. According to the methodology of KLASA, the manufacturer must fulfill both the general and the specific conditions for the branding of the label. The KLASA label can be obtained for packaged or unpacked food products intended for the final consumer. For branding of the KLASA label, the subject must demonstrate exceptionally high-quality products that increase the added value of the consumer and the characteristics must be unique compared to commonly available products on the market. Specific conditions include the obligation to indicate on the packaging the country where the product was manufactured. In addition, there must be the full name, name or business name, supplemented by the registered address of the producer (KLASA, 2017b). Although KLASA is the national label for food quality, the condition of the country is not specified in the branding methodology where the product must be manufactured (Veselá, 2018).

Only for demonstrating the exceptional quality of honey must the producer fulfil the requirements that it should not be honey from several bee-keepers and a mixture of different origins. In addition, the honey “must fulfil the parameters of the Union Standards: Czech Honey” (KLASA, 2017a, p. 1), where production takes place in the territory of the Czech Republic and the honey relates to the geographic territory of the Czech Republic (CABK, 2005).

### 3.2 Regional Grocery

The Regional Grocery label is an MA project (Regional Grocery, 2018). The aim of the label is “to support and promote small and medium-sized food producers and the regions of food origin” (Farmer, 2018 p. 7). The Regional Grocery label is guaranteed by the state and state institutions such as KLASA (World of Grocery, 2014). The equivalent of the Czech project is, for example, the Genuss Region nationwide project in Austria, which was created in 2005 (Rojík et al., 2015).

The Regional Grocery label is designed for products ranging from small to medium-sized enterprises with up to 250 employees. The label can be awarded to the best food or agricultural products that win regional competitions. However, it must fulfil the requirements that are in the methodology for the branding of the label (Regional Grocery, 2018).

The manufacturer must fulfil the basic, specific and regional conditions, where at least 70% of the product must have a share of regional raw materials or be at least of domestic origin. The main raw material of the product must come 100% from the Czech Republic. The product must also have a relationship with its region and demonstrate outstanding qualitative qualities. Only subjects that implement the entire production process and products for the final consumer can obtain the label. The product must come from the region and mostly be from Czech raw materials. In the technical documentation for the product, the subject should describe the percentage of raw materials. The subject must describe the origin of the raw materials in the region or in the Czech Republic. The logo may be supplemented by a specific regional name. The region is then defined according to the administrative boundaries of the region (Regional Grocery, 2018). By adding a particular region to the logo of the Regional Grocery label, the product refers...
directly to its regional origin. The label regulates the quality and the COO through its methodology.

### 3.3 Czech Guild Standard

On the packaging of the products is the logo with the Czech flag and the text “Made according to Czech Guild Standard” (CGS). The label builds on Czechoslovak state standards. The standards clearly define the technological process. Branding is voluntary (FFDI, 2017; Toman, 2018). The label guarantees the customer above-standard quality parameters compared to similar products on the market (Kmecová, 2017). The label can be awarded to grocery produced on the territory of the Czech Republic and to various food business operators and fulfils the conditions of CGS. The applicant may be “a food business operator registered in the public register of natural and legal persons” (FFDI, 2017, p. 4). By using the Czech flag and the text “Czech Guild Standard”, the label refers directly to the origin of the standards. However, there are no more specified conditions in relation to Czech origin (e.g. the share of raw materials of Czech origin) in the rules issued for branding and use of the label.

### 3.4 CZECH MADE

There are products on the market with label CZECH MADE (CSQ, 2018) and food and agricultural products may obtain this label. The owner and the administrator of the label are the Czech Quality Company, z.s. (CSQ). The logo refers to Czech origin with the name “CZECH MADE” and uses the Czech colours. The label became part of the Czech Quality programme in 2002 (Czech Quality, 2010). Primarily, CZECH MADE is the quality label. The label promotes domestic producers (CZECH MADE, 2018). The CSQ Management Board considers the Czech origin during product evaluation. However, the criterion for the COO is not directly defined in the branding conditions (CSQ, 2018). If the entire manufacturing process is not in the Czech Republic (e.g. a particular component of the product), then it depends on the decision of the CSQ Management Board to branding (Kubla, 2018).

Compared with other quality certifications, the label also emphasises customer satisfaction. For customers, the label is the guarantee of quality Czech products and services and their environmental friendliness. The purpose of the label is to support Czech manufacturers and service providers in their development and growth (CZECH MADE, 2018). The aim of this label is to help customers in their orientation for products offered on the Czech and foreign markets (Czech Quality, 2010). However, the label may be misleading for customers. In the name of the label is the word “CZECH”, which refers to Czech origin. However, in conditions for the branding of the label, the Czech origin is not directly addressed.

### 3.5 CZECH PRODUCT

The CZECH PRODUCT trademark is owned by FFCP. The logo includes the term “CZECH PRODUCT” and the symbol of the Czech lion, which refers to the Czech origin. The aim of FFCP is to inform and increase the interest of customers in Czech products in the Czech Republic as well as abroad. Applicants with the orientation on foreign
markets can use the label with the text “GENUINE CZECH”, which is also owned by FFCP. Symbolism in the form of the lion remains preserved (IPO, 2016). The purpose of the label is to support Czech small, medium and large enterprises. For branding of the label, producers must fulfil the following general conditions that refer to the COO. Only a Czech enterprise, owned by Czech natural or legal persons, can apply for the label. The yield does not have to be paid out from the Czech Republic. The company must also be registered for business in the Czech Republic (FFCP, 2018b). The label can have a Czech product, service or know-how. During branding of the label, producers commit to respecting the label’s statement and the obligation to report changes, for example, in ownership (FFCP, 2018a). This label primarily reflects the COO of products, services or know-how.

3.6 CZECH PRODUCT (with lime leaf)

Another label with Czech features is CZECH PRODUCT, which refers to the Czech COO. The name of the label is the same as the previous label in the online trademark database (IPO, 2007). However, the labels differ in the logo. This described label uses Czech symbols such as the lime leaf or Czech colours. The logo also includes the letter “C”, as in “Czech” and the text “CZECH PRODUCT”. The owner of the logo and the administrator is the company Český výrobek s.r.o. (Kolečkář, 2018). The aim of this commercial project is to support and promote Czech products. Český výrobek s.r.o. emphasises the control of the COO. The support for Czech products has a positive impact on the Czech economy (CZECH PRODUCT, 2010).

The CZECH PRODUCT label can be obtained for products by producers who are registered in the Czech Republic and pay taxes there. For branding, the producer must produce a product in the Czech Republic. Furthermore, at least 50% of the raw materials or components must come from the Czech Republic (CZECH PRODUCT, 2010). The applicant must not only repack products in the Czech Republic. The manufacturer must also respect the environmental standards of the Czech legal order (CZECH PRODUCT, 2010).

The conditions for grocery are more widespread. The producer of unprocessed grocery, such as milk, must prove that the whole production process is in the Czech Republic and the raw materials used are 100% of Czech origin. For other grocery, at least 75% of all weight components of the product from the Czech Republic must be used, where the production phase itself is also in the Czech Republic (CZECH PRODUCT, 2010). The company has created a common logo for both food and non-food products due to easier orientation. In this case, the label with the Czech reference is not misleading because the Czech COO enters directly into the conditions for branding of the label. However, slightly confusing for customers can be the same name of this label for customers with the label CZECH PRODUCT of FFCP.

3.7 Czech Product GUARANTEED by the Federation of the Food and Drink Industries of the Czech Republic

Since 2011, the label Czech product GUARANTEED by FFDI has been awarded. “The aim of the label is to support the sale of products of Czech origin through objective consumer information regarding the COO of the product and the COO of raw materials” (FFDI, 2014, p. 2). The purpose of this marketing label is to facilitate the customer’s orientation in the grocery market (Kvasničková, 2011).
The applicant for the label may be only a manufacturer registered in the Czech Republic. The conditions for branding are divided into 14 product categories. The minimum content of raw material from the Czech Republic in each category is individually adjusted. For example, for the milk and dairy products category, the main raw material (e.g. milk) must come 100% from the Czech Republic. However, in the category for processing and preserving fruit, the minimum proportion of domestic raw materials for sterilised fruit and vegetable products is 60%. The grocery must not include any substitutes and must be manufactured by an approved company in the Czech Republic. In this way, the COO is regulated for the branding of the label (FFDI, 2014).

3.8 Czech Grocery

In 2016, in order to define the rules of the law (§ 9b Act No. 110/1997 Sb.) for food labels of Czech origin in the Czech Republic, the MA attempted to facilitate the orientation on the Czech grocery market. The issued uniform rules regulate the use of the terms “Czech Grocery” and “Made in Czech Republic”. If the manufacturer complies with the prescribed rules, the subject can voluntarily use the terms or the logo in the form of the Czech national flag and the term “Czech Grocery” on the product packaging. For use of the term “Czech Grocery” or the logo, all components of unprocessed grocery or milk must be 100% Czech origin. Primary production and other stages of production must take place in the Czech Republic. For another grocery, there are conditions where at least 75% of the total weight of the ingredients of the product must come from the territory of the Czech Republic. At the same time, all phases of the production process (e.g. packaging) must take place in the Czech Republic. For the entire production process on the territory of the Czech Republic, it is possible to add to the packaging “Made in Czech Republic” (Šedivá, 2016). The label emphasises and refers to Czech origin. However, the similarity of the logos on the “Czech Grocery” and “Czech product GUARANTEED by FFDI” labels can lead to disorientating customers regarding the system of labels of Czech origin.

3.9 Czech Flavour

In the Czech Republic, there is a competition where winning products can use the label Good domestic food product “Czech Flavour” (Sléha, 2018). Since 2009, the label has been awarded to the most delicious products (Sléha, 2018). The mission of the competition is to help customers to discover delicious products from the Czech Republic. The label can be obtained by small, medium and large “Czech Grocery” producers whose entire production process takes place in the Czech Republic. In addition, their products are delivered to the Czech market. The registered Czech product must fulfil excellent taste parameters. The competition considers the high quality, appearance and consistency. Another important parameter is the Czech origin of the grocery (SYMPEX GROUP, 2018).

The label “Czech Flavour” can also be obtained for a product that does not fulfil the minimum percentage of the content of raw materials of Czech origin, according to Food Act No. 110/1997 Sb. The specific percentages for the minimum raw materials from the Czech Republic have already been mentioned for the “Czech Grocery” label. The organisers of the competition aim to support Czech producers whose main raw material is not from the Czech Republic. Apart from the main raw material, there are Czech
companies with all production based in the Czech Republic (SYMPEX GROUP, 2018). Examples are the Czech producers of ketchup, chocolate and coffee roasters (Sléha, 2018). For the winning products, the organisers of the competition created the special “Our Flavour” logo, which does not intentionally use the Czech tricolour. The organisers do not investigate whether the product complies with the Food Law. The awarded subject is fully responsible for the use of the “Czech Flavour” label (SYMPEX GROUP, 2018).

3.10 Regional Labels

Regional labels refer to the local origin by the text and their graphical part to the region’s characteristics. The main goal of the labels is to make the regions more visible. Apart from the quality and the environmental friendliness, Regional labels provide a guarantee of the COO of products and their uniqueness in the region. By purchasing products with Regional labels, residents and visitors to the region support local producers. Since 2004, 27 regions have joined the system of regional labels (Čadilová, 2018).

In relation to the COO, the applicant must demonstrate that is a local subject of the region through the trade licence, a listing from the register or an organisation’s registration. For the COO, its location and the production of products must be in the given region (ŠRDA, 2012). In addition, applicants must fulfil the conditions that demonstrate the local origin of the product and the uniqueness in relation to the region (Čadilová, 2018). The label can also be awarded for grocery and agricultural products (ARB, 2010–2018). However, the share of local raw materials in the product must be 75 – 99%. Grocery and products such as “honey, milk, eggs, meat, fruit/vegetables, mineral water, herbs and other natural products” must be 100% local raw materials (ŠRDA, 2012, p. 3). The Certification Commission assesses the product individually regarding the lower quantity of local raw materials in the product (ARB, 2010–2018).

In the territory of the Czech Republic are some Regional labels that are not members of the Association of Regional Brands (ARB). These include REGIONAL BOHEMIAN PARADISE PRODUCT, Local product from the west of Bohemia and Regional product of the Jizera Mountains, Regional product of LUŽICKÉ MOUNTAINS AND THE MÁCHA REGION and Tradition of the White Carpathians. Their branding principles are as the current conditions for ARB members (ARB, 2010–2018).

Table 3 | Reference to the COO in conditions for branding and use

| Label | COO conditions |
|-------|----------------|
| KLASA | • Specific conditions: the obligation to indicate on the packaging the country where the product was manufactured. |
|       | • The COO condition is not directly in the methodology of the label. |
|       | • Especially for honey, the requirement of origin from one bee-keeper; honey must not be mixtures of different origins. |
|       | • Parameters of Federation Standards ČESKÝ MED – Production in the Czech Republic and Relationship to the Territory of the Czech Republic. |

Continued on page 43
| **Regional Grocery** | - Support for regions of the origin of grocery.
- Min. 70% of the product must have a share of regional raw materials or at least of domestic origin.
- The main raw material of the product must come 100% from the Czech Republic.
- The product must come from the region and be from Czech raw materials.
- Product relationship to a specific region.
- The logo on the label may be supplemented by a specific region name.
- The region is defined according to the administrative boundaries of the region. |
| **Czech Guild Standard** | - The label is awarded to a grocery manufactured in the Czech Republic by several food business operators.
- The applicant may be a food business operator with registration in the public register of natural and legal persons. |
| **CZECH MADE** | - The label for domestic manufacturers.
- The CSQ Management Board considers the Czech origin during product evaluation.
- The criterion of the Czech origin for branding is not directly defined by the branding regulation.
- If the entire manufacturing process is not in the Czech Republic (e.g. a certain component of the product), then it depends on the decision of the CSQ Management Council to award the label. |
| **CZECH PRODUCT (with lion)** | - For Czech small, medium and large enterprises.
- General conditions related to the COO:
  - Only Czech businesses can apply for the label.
  - Owners of the Czech enterprise are Czech citizens or Czech legal persons.
  - The yield must not be paid out of the Czech Republic.
  - Registration of the business in the Czech Republic. |

*Continued on page 44*
| **CZECH PRODUCT (leaf lime)** | • Registered producer in the Czech Republic.  
• Taxes are paid in the Czech Republic.  
• Production in the Czech Republic (not only repackaged).  
• Min. 50% of raw materials or components from the Czech Republic.  
• Compliance with the ecological standards of the Czech Republic.  
• Extra for food products:  
  • For milk and unprocessed raw materials – the whole production process in the Czech Republic and raw materials 100% from the Czech Republic.  
  • Other grocery – min. 75% of all components of the product weight from the Czech Republic and production in the Czech Republic. |
| **Czech product GUARANTEED by FFDI** | • Manufacturer with registration in the Czech Republic.  
• In 14 categories – the minimum content of raw materials from the Czech Republic is individually regulated.  
• The product is manufactured by an approved enterprise in the Czech Republic. |
| **Czech Grocery** | • The use of the term Česká potravina or the logo: 100% Czech origin for unprocessed grocery or milk; primary production and other stages of production must take place in the Czech Republic, other foods – min. 75% of the total weight of the product components come from the Czech Republic and production is in the Czech Republic.  
• The term vyrobeno v České republice is given: all stages of production in the Czech Republic. |
| **Czech Flavour** | • The label is aimed at Czech small, medium and large food producers who deliver their products on the Czech market.  
• The whole production process takes place on domestic territory.  
• The product does not have to fulfil the minimum content of raw materials of Czech origin. |
| **Regional labels** | • The subject of a particular region.  
• Operations and production in the region.  
• Evidence of local product origin and uniqueness in relation to the region.  
• Grocery and products (e.g. milk, honey, eggs, meat, fruit/vegetables) – 100% local raw materials.  
• Share of local raw materials in products (meals) of 75 – 99%. |

Source: Author’s own processing
Conclusion

As the results show, the situation in the Czech market may be unclear. The criterion for the COO enters regulations for branding, methodologies, or label conditions in different edits. The reference of labels to the COO mainly fulfils the function of distinguishing them from the regular products offered on the Czech market. However, through analyses, labels were also identified where the branding conditions do not directly address the COO. These are the KLASA, Czech Guild Standard and CZECH MADE labels. Therefore, the article proves that the labels do not have to primarily testify the COO, even though they refer to their Czech origin in their logos.

It was also found that labels with the COO and quality are often purpose-built by government, profit or non-profit subjects to highlight certain product parameters or support local producers and their products. The distinction of the label owner was found, for example, in the state-supported label Regional Grocery compared to regional labels created by the regional coordinators of the area, held by the Association of Regional Brands. The common goal of the comparison of labels is to support the regions of food origin. The common goal of the compared labels is to support the regions of grocery origin.

Unclear orientation on the Czech grocery market may also occur due to very similar or identical label names. This situation has been identified with the Czech product GUARANTEED by FFDI, the label CZECH PRODUCT (with the lime leaf in the logo) from Český výrobek s.r.o. and CZECH PRODUCT from FFCP. An even worse situation can be caused by a very similar label logo, such as with the labels for Czech Grocery and Czech product GUARANTEED by FFDI.

References:

Amine, L. S. et al. (2005). Executive Insights: Exploring the Practical Effects of Country of Origin, Animosity, and Price-Quality Issues: Two Case Studies of Taiwan and Acer in China. Journal of International Marketing, 13(2), pp. 114–150. https://doi.org/10.1509/jimk.13.2.114.64855

ARB (Association of Regional Brands), (2010–2018). Regional Products. [online] regionalni-znacky.cz. Available at: http://www.regionalni-znacky.cz/ [Accessed 21 Sept. 2018]

Bandyopadhyay, S. (2014). Country-of-Origin Perceptions, Consumer Ethnocentrism, and Product Evaluations in the Indian Market. International Journal of Business and Social Science, 5(9), pp. 21–30.

Bayraktar, A. (2013). When Is the Country-of-Origin of a Brand a Weakness in Global Markets? International Journal of Management Research and Review, 3(8), pp. 3199–3210.

CSQ (Czech Society for Quality), (2018). CZECH MADE for Products: Regulation: Verification System of Quality of Products. [online] czechmade.cz. Available at: https://www.czechmade.cz/wp-content/uploads/2018/08/Regulativ-CMV_2018_CSJ.pdf [Accessed 26 Sept. 2018]

CSQ (2018). Regulation – Verification System of Quality of Products and Their Labeling CZECH MADE. [online] czechmade.cz. Available at: http://www.czechmade.cz/wp-content/uploads/2018/08/Regulativ-CMV_2018_CSJ.pdf [Accessed: 27 Sept. 2018]

CABK (Czech Association of Bee-Keepers), (2005). Union Standard: Czech Honey: No. 1/1999 Sb., [online]. Available at: http://www.vcelarstvi.cz/dokumenty-cms/smernicemed.pdf [Accessed 1 Oct. 2018]
CZECH MADE (2018). Benefit of the Label. [online] czechmade.cz. Available at: https://www.czechmade.cz/prinos-znacky/ [Accessed 26 Sept. 2018]

CZECH PRODUCT (2010). Conditions. [online] ceskyvyrobek.eu. Available at: http://www.ceskyvyrobek.eu/kategorie/podminky [Accessed 21 Sept. 2018]

Czech Quality (2010). CZECH MADE. [online] ceskakvalita.cz. Available at: http://ceskakvalita.cz/spotrebitele/znacky/czech-made/1 [Accessed 27 Sept. 2018]

Čadilová, K. (2018). Provision of information about regional labels and ARB [interview]. Accessed 25 Sept. 2018.

E Silva, S. C., and Saraiva, L. (2016). Understanding Changes on the Country-of-Origin Effect of Portugal. Studios of UBB Oeconomica, 61(3), pp. 3–19. https://doi.org/10.1515/subboec-2016-0001

FFCP (Foundational Fund Czech Product), (2018a). Catalogue. [online] ceskyvyrobek.cz. Available at: https://www.ceskyvyrobek.cz/katalog/ [Accessed 25 Sept. 2018]

FFCP (2018b). Conditions of Use of the Trademark CZECH PRODUCT: General Requirements for the Applicant for the License to Use the Trademark CZECH PRODUCT. [online] ceskyvyrobek.cz. Available at: https://www.ceskyvyrobek.cz/uziti [Accessed 25 Sept. 2018]

FFDI (Federation of the Food and Drink Industries of the Czech Republic), (2017). Documents: Rules for Branding and Using of Czech Guild Standards. [online] cechovninormy.cz. Available at: https://www.cechovninormy.cz/files/uploads/2017/06/%C4%8CCN-P0-Pravidla.pdf [Accessed 26 Sept. 2018]

FFDI (2014). Supplement No. 7 – Rules for Branding “Czech product GUARANTEED by Federation of the Food and Drink Industries of the Czech Republic”. [online] foodnet.cz. Available at: http://www.foodnet.cz/polozka/?jmeno= Dokumentace+zna%C4%8Dky+j&id=36941 [Accessed 27 Sept. 2018]

Ghazali, M. et al. (2008). Products and Country of Origin Effects: The Malaysian Consumers’ Perception. International Review of Business Research Papers, 4(2), pp. 91–102.

Gürhan-Canli, Z., and Maheswaran, D. (2000). Cultural Variations in Country of Origin Effects. Journal of Marketing Research, 37(3), pp. 309–317. https://doi.org/10.1509/jmkr.37.3.309.18778

Herz, M., and Diamantopoulos, A. (2017). I Use It but Will Tell You That I Don’t: Consumers’ Country-of-Origin Cue Usage Denial. Journal of International Marketing, 25(2), pp. 52–71. https://doi.org/10.1509/jim.16.0051

Hes, A., and Šálková, D. (2010). Aspekty chování spotřebitelů při nákupu potravin [Aspects of Consumer Behaviour when Buying Grocery]. Communication Today, (1), pp. 124-132.

IPO (Industrial Property Office), (2007). Online Databases: Search Trademarks. [online] isdv.upv.cz. Available at: https://isdv.upv.cz/webapp/!resdb.oza.frm [Accessed 9 Jan. 2019]

IPO (2016). Online Databases: Search Trademarks. [online] isdv.upv.cz. Available at: https://isdv.upv.cz/webapp/!resdb.oza.frm [Accessed 9 Jan. 2019]

IPO (2018). Trademark Databases: National Database. [online] isdv.upv.cz. Available at: https://www.upv.cz/en/client-services/online-databases/trademark-databases/national-database.html [Accessed 9 Jan. 2019]

Jiménez Torres N. H., and San Martín Gutiérrez, S. (2007). The Purchase of Foreign Products: The Role of Firm’s Country-of-Origin Reputation, Consumer Ethnocentrism, Animosity and Trust [working paper, online]. Available at: https://www.researchgate.net/profile/Nh_Jimenez_Torres/publication/5200979_The_purchase_of_foreign_products_The_role_of_firmas_country-of-origin_reputation_
consumer_ethnocentrism_animosity_and_trust/links/55945b8608ae21086d1ed300.pdf [Accessed 19 May. 2019]

Johansson, J. K., and Thorelli, H. B. (1985). International Product Positioning. *Journal of International Business Studies* 16(3), pp. 57–76. https://doi.org/10.1057/palgrave.jibs.8490459

Jovanić, T. et al. (2018). “Buy National” Campaigns and Food Country of Origin Labeling: EU Legal Framework and Its Relevance for Serbia. *Ekonomika Poljoprivrede*, 65(3), pp. 1289–1302. https://doi.org/10.5937/ekopolj1803289J

Kalicharan, H. D. (2014). The Effect and Influence of Country-of-Origin on Consumers’ Perception of Product Quality and Purchasing Intentions. *International Business & Economic Research Journal*, 13(5), pp. 897–902, https://doi.org/10.19030/iber.v13i5.8760

KLASA, (2014). About the Label KLASA. [online] eklasa.cz. Available at: https://www.eklasa.cz/o-znacce-klasa [Accessed 21 Sept. 2018]

KLASA, (2017a). Methodology for Brading of the Label KLASA. [online] eklasa.cz. Available at: http://www.eklasa.cz/filespace/content/klasa_voditka_v4.pdf [Accessed 1 Oct. 2018]

KLASA, (2017b). Methodology for Branding of the Label KLASA. [online] eklasa.cz. Available at: https://www.eklasa.cz/filespace/content/klasa_2018_metodika.pdf [Accessed: 21 Sept. 2018]

Klöckner, H. et al. (2013). COO Labeling as a Tool for Pepper Differentiation in Germany: Insights into the Taste Perception of Organic Food Shoppers. *British Food Journal*, 115(8), pp. 1149–1168. https://doi.org/10.1108/BFJ-07-2011-0175

Kmecová, K. (2017). Kterým logům kvality (ne)věřit? [Which Quality Labels (not) to Believe?], [online] svet-potravin.cz. Available at: https://www.svet-potravin.cz/shared/archiv_cisel/Svet-potravin-2017-01.pdf [Accessed 2 Sept. 2018]

Kolečkář, L. (2018). Provision of information [email communication]. Accessed 25 Sept. 2018.

Kubla, D. (2018). Provision of information about the label CZECH MADE [interview]. Accessed 27 Sept. 2018.

Kvasničková, A. (2011). Czech product GUARANTEED by FFDI. [online] Food Safety Information Center. Available at: http://www.bezpecnostpotravin.cz/cesky-vyrobek-garantovano-potravinarskou-komorou-cr.aspx [Accessed 27 Sept. 2018]

Lee, J.K., and Lee, W.N. (2009). Country-of-Origin Effects on Consumer Product Evaluation and Purchase Intention: The Role of Objective Versus Subjective Knowledge. *Journal of International Consumer Marketing*, 21(2), pp. 137–151. https://doi.org/10.1080/08961530802153722

Lu, I. R. R. et al. (2016). An Examination of the Status and Evolution of Country Image Research. *International Marketing Review*, 33(6), pp. 825–850. https://doi.org/10.1108/IMR-03-2015-0036

Menclová, K. (2018). Labeling of the Grocery Origin and Products in the EU – “Made in XY”. [online] cmszp.cz. Available at: http://cmszp.cz/ostatni/2018/oznacovani-puvidu-potravin-a-produktu-v-eu/ [Accessed 14 Jan. 2019]

Molnár, Z. et al. (2012). *Pokročilé metody vědecké práce* [Advanced Methods of Scientific Work]. Prague: Profess Consulting.

Nicolescu, L. (2012). The Analysis of Conceptual Tools for the Study of Country of Origin Effect for Hybrid Offerings. *Management & Marketing*, 7(1), pp. 3–14.

Özsomer, A., and Cavusgil, S. T. (1991). Country-of-Origin Effects on Product Evaluations: A Sequel to Bilkey and Nes Review. In M. C. Gilly, F. R. Dwyer, T. W. Leigh, A. J. Dubinsky,
M. L. Richins, D. Curry, et al., eds., *Proceedings of the AMA Educators': Enhancing Knowledge Development in Marketing, Vol. 2* (pp. 269–277). Chicago, IL: American Marketing Association.

Parkvithee, N., and Miranda, M. J. (2012). The Interaction Effect of Country-of-Origin, Brand Equity and Purchase Involvement on Consumer Purchase Intentions of Clothing Labels. *Asia Pacific Journal of Marketing and Logistics*, 24(1), pp. 7–22. https://doi.org/10.1108/13555851211192678

Rashid, A. et al. (2016). Management Perspectives on Country of Origin. *Journal of Fashion Marketing and Management*, 20(2), pp. 230–244. https://doi.org/10.1108/JFMM-07-2015-0056

Regional Grocery (2018). Methodology for Branding “Regional Grocery”. [online] *Regional Grocery*. Available at: http://www.regionalnipotravina.cz/files/akce/Metodika-pro-udelovani-znacky-RP-24-1-2018.pdf [Accessed 24 Sept. 2018]

Rezvani, S. et al. (2012). A Conceptual Study on the Country of Origin Effect on Consumer Purchase Intention. *Asian Social Science*, 8(12), pp. 205–215. https://doi.org/10.5539/ass.v8n12p205

Rojík, S. et al. (2015). Regional Food Preference in South Moravia Region and Lower Austria Region Depending on Family Income [International Scientific Conference Proceedings, online]. *Societas Scientiarum Olomucensis II.: Women in Business in the Past and Present*, pp. 848–858. Available at: http://knowledgeconference.upol.cz/downloads/2015-Sbornik_Znalosti.pdf [Accessed 20 Dec. 2018]

Roth, K. P., and Diamantopoulos, A. (2009). Advancing the Country Image Construct. *Journal of Business Research*, 62(7), pp. 726–740. https://doi.org/10.1016/j.jbusres.2008.05.014

Sevanandee, B., and Damar-Ladkoo, A. (2018). Country-of-Origin Effects on Consumer Buying Behaviours. A Case of Mobile Phones. *Studies in Business and Economics*, 13(2), pp. 179–201. https://doi.org/10.2478/sbe-2018-0029

Skořepa, L. et al. (2006). Preference spotřebitelů na trhu potravin [Consumer Preferences of Food Products on the Buyers’ Market], [online]. Available at: http://www.agris.cz/Content/files/main_files/74/152706/089Skorepa.pdf [Accessed 19 May. 2019]

Sléha, J. (2018). Provision of information [email communication]. Accessed 26 Sept. 2018.

Stojarová, Š. (2006). COO EFEKT jako významný faktor v kupním chování spotřebitele [COO Effect as a Significant Factor in Consumer Purchase Behaviour], [online]. Available at: https://spu.fem.uniaig.sk/mvd2006/zbornik/sekcia2/s2_stojarova_sarka_272.pdf [Accessed 19 May. 2019]

Su, J. Y., and Canavari, M. (2018). Delphi Study on Country-of-Origin Labelling for Processed Foods. *Agricultural and Food Economics*, 6(1), pp. 1–20. https://doi.org/10.1186/s40100-018-0103-7

Svet-potravin.cz [World of Grocery], (2014). Poznáme kvalitu podle obalu?: Jaké údaje je důležité hledat na obale výrobků, abychom byli s nákupem spokojeni? [Do We Know the Quality of the Packaging? What Data Is Important to Look for on the Packaging of the Products so That We Can Be Satisfied with the Purchase?]. [online] svet-potravin.cz. Available at: https://www.svet-potravin.cz/clanek/pozname-kvalitu-podle-obalu [Accessed 26 Sept. 2018]

SYMPEX GROUP (2018). Introductory Information (The Competition about the Label Good Domestic Food Product “Czech Flavour 2018” and “Children’s Flavour 2018”), [online]. Available at: http://www.ceskachutovka.cz/index.php [Accessed 20 Sept. 2018]
Šedivá, V. (2016). Pravidla pro dobrovolné označování “Česká potravina” a použití loga [Rules for Voluntary Labeling “Czech Grocery” and the Use of Logo]. [online] eagri.cz. Available at: http://eagri.cz/public/web/mze/potraviny/znacky-kvality-potravin/ceska-potravina/ [Accessed 28 Sept. 2018]

ŠRDA (Šumava Regional Development Agency), (2012). Certifikační kritéria: Kritéria pro výrobky [Certification Criteria: Criteria for Products]. [online] regionalni-znacky.cz. Available at: http://www.regionalni-znacky.cz/sumava/cs/pro-vyrobce/page/2/certifikacni-kriteria [Accessed 30 Sept. 2018]

Toman, M. (2018). Co jsou czechovní normy? [What Are Czech Guild Standards?] [online] cechovninormy.cz. Available at: https://www.cechovninormy.cz/jsou-cechovni-normy/ [Accessed 27 Sept. 2018]

Veselá, J. (2018). Provision of information [email communication]. Accessed 26 Sept. 2018.

Vijaranakorn, K., and Shannon, R. (2017). The Influence of Country Image on Luxury Value Perception and Purchase Intention. Journal of Asia Business Studies, 11(1), pp. 88–110. https://doi.org/10.1108/JABS-08-2015-0142

Visbal, O. et al. (2017). The Influence of Country of Origin Cues on Product Evaluation: Evidence from Swiss and German Consumers. Journal of Technology Management & Innovation, 12(2), pp. 18–25, https://doi.org/10.4067/S0718-27242017000200003

Závodný Pospíšil, J. (2015). Input Information As a Factor of the Product Value Perception [International Scientific Conference Proceedings, online]. Societas Scientiarum Olomucensis II.: Women in Business in the Past and Present, pp. 1126–1131. Available at: http://knowledgeconference.upol.cz/downloads/2015-Sbornik_Znalosti.pdf [Accessed 26 Sept. 2018]

Zemědělec [Farmer], (2018). Devět výrobků z Libereckého kraje ponese značku Regionální potravina [Nine Products from the Liberec Region Received the “Regional Grocery” Label]. [online] zemedelec.cz. Available at: https://www.zemedelec.cz/devet-vyrobku-z-libereckeho-kraje-ponese-znacku-regionalni-potravina [Accessed 26 Sept. 2018]

Zhang, Y. (1996). Chinese Consumers’ Evaluation of Foreign Products: The Influence of Culture, Product Types and Product Presentation Format. European Journal of Marketing, 30(12), pp. 50–68. https://doi.org/10.1108/03090569610153309