УДК 330.88:[339.146.4:663.4

DOMESTIC MARKET OF CONFECTIONAL PRODUCTS IN THE ASPECT OF GENERAL WORLD DEVELOPMENT TRENDS

Strashynska L.V., Nykonenko A.V.

National University of Food Technologies

The article analyzes the domestic market of confectionery products. It is emphasized that companies are experiencing strong internal competition that is associated with a decline in exports. The main groups of enterprises that produce confectionery are identified and their specificities are characterized.

It is noted that in today's conditions confectioners compete for the customer in proven ways - reducing the cost and reducing the production of unprofitable products.

It is emphasized that domestic production is the main source of market supply formation at present. Possibilities and ratings of leading market operators are presented.

The dynamics of production and export of confectionery products during 2011-2018, as well as their production and export in the range of assortment groups are analyzed.

It is emphasized that Ukrainian exporters do not fully exploit the potential of foreign trade with EU countries, since the European confectionery market is quite saturated and exporters are faced with the problem of access to Ukrainian products on the shelf of European trading networks.

Further analysis of the trends of the confectionery market was carried out on the basis of consumer preferences research. It has been determined that the structure of demand for confectionery products is undergoing dramatic changes due to the trend of healthy eating.

It is noted that the development of the global nutraceutical market is a steady trend, which generates new consumer benefits, which in turn contribute to the *formation of a new culture of food consumption. So functional sweets have pretty good prospects.*

It is emphasized that in order to realize their opportunities to be successful, competitive in today's market, for rapid and flexible response to consumer changes, owners of confectionery brand need complex technological solutions.

Therefore, manufacturers need to place clear emphasis on those moments of the technological process that will make the finished confectionery product to demanded end consumers, which in turn will increase their loyalty to the brand in the conditions of formation of a new culture of consumption of confectionery products.

Keywords: *confectionery market, internal competition, consumer preferences, traditional markets, reformatting of the industry, customs tariffs, a new culture of consumption, the trend of healthy eating.*

Formulation of the problem. The confectionery industry is one of the most developed and modernized branches of the food industry of Ukraine. According to the Ukrkondprom Association, it provides 1.5% of the country's GDP and has significant export potential. However, at present, the industry is developing under conditions of fierce internal and external competition.

Baking and pastry are delicacies that are not a daily part of the average consumer basket. Buying goodies, consumers are guided by completely different considerations than when buying basic foods. In the first place, consumers of baking and pastry seek to enjoy while consuming, but the satisfaction is provided by a combination of sensations coming from the senses. Therefore, it is equally important not only how tasty the product is, but also the way it looks, its aroma, its texture. At least one component from this list will have a negative effect on consumer mood, which in turn will influence the purchase decision. The more positive sensations a consumer receives from a product, the more steady his loyalty to the brand is, and the variety of flavors, aromas, color compositions, textures, fillers allows the confectioners to create culinary masterpieces.

Analysis of recent research and publications. Such leading scientists have devoted their works to the problems of confectionary industry development as O.B.Butnik-Seversky, A.O. Zainchkovsky, A.M. Dorokhovich, V.I. Drobot, V.M.

Kovbasa, V.I. Obolkina, N.M. Solomenyuk, M.P. Sychevsky, V. Chebotarev, V.G. Yurchak and many others, however, the urgent needs of the industry require the determination of new approaches both to research the development of the confectionery market as a whole, and the peculiarities of the functioning of enterprises in the face of changing consumer preferences.

The purpose of the article is to analyze the confectionery market as a whole, to determine the global trends of its development and consumer priorities, as well as to study current trends in the domestic confectionery market.

Outline of the main results of the study. Statistics from the KOLORO branding agency show that a resident of Western or Central Europe consumes about 6 kg of chocolate a year. Analysis of the domestic market for confectionery shows that Ukrainians consume chocolate and other sweets during the year, about 1.3-1.4 kg. However, these figures indicate not the growing popularity of sweets in Ukraine, but the difficult economic situation.

Among the companies there is strong internal competition. Manufacturers of confectionery in Ukraine are actively fighting for the local market. This is due to the fact that exports have fallen sharply since 2013.

Today, baking and the range of confectionery products are produced by different technologies, different cycles, with different shelf life. In general, all such enterprises can be divided into two groups. The first is the industrial production of the products under consideration, which is industrially packaged and has an extended shelf life. Such products are sold through organized shops, branded stores. The second group consists of the production of the so-called fresh baking, which is most often packed at the point of sale or consumed there. This group consists of small shops of HoReCa, fast food, own production of retail, small bakeries, catering establishments and catering.

In the current conditions, confectioners compete for the customer in proven ways - reducing the cost and reducing the production of unprofitable products.

In addition, during 2017–2018, there was a significant increase in imports of confectionery into Ukraine, in particular in 2017 - by 36% more than in 2016. During 2018, imports increased by 27% compared to the previous year. Imports to Ukraine of sweets in 2018 were mainly from European countries, including Poland, Germany, Bulgaria, Italy, Holland and Lithuania.

However, the main source of supply on the market today is domestic production - about 90% of the total. The production is carried out by more than 850 companies, of which 85% of Ukrainian confectionery products are produced by powerful enterprises, 9% by medium and 6% by small ones.

Among leading market operators, according to Ukrkondprom, companies such as Roshen, Biscuit Chocolate, Konti, AVK, Nestle and Mondelez Ukraine. It should be noted that in 2018 the annual rating of TOP 100 Candy Companies included three Ukrainian confectionery corporations - Roshen (25th place), Konti Group (43rd place) and AVK (64th place).

During 2018 domestic confectioners produced 379.4 thousand tons of products mainly due to AVK Confectionery Factory, Kremenchug and Vinnytsia Confectionary Factories (both of which are part of Roshen Corporation), Lviv Confectionery Factory Svitoch (part of the company Svitoch) Nestle), Mondelez Ukraine and Konti.

If we consider the production of sweets separately by groups, it should be noted that flour confectionery products during 2018 produced 129.4 thousand tons, which is 14.86% less than the level of the previous year. But at the same time a number of enterprises still increased their production, in particular, Kherson Confectionery Factory, Lviv Svitoch Confectionery Factory, Mondelez Ukraine and Kharkivka Confectionery Factory.

As for the group of sugar confectionery, their production amounted to 220.8 thousand tons, which is 16.42% less than the level of 2017. The increase in sugar production was provided by AVK Confectionery Factory, Svitoc Lviv Confectionery Factory, Mondelez Ukraine, Kremenchug, Vinnytsia and Kyiv Roshen Confectionery Factories.

The production of chocolate and similar products during 2018 increased and amounted to 29.2 thousand tons, which is 3.2% more than in 2017. The growth was provided by AVK Confectionery Factory, Svitoch Lviv Confectionery Factory, Mondelez Ukraine, Kharkivka Confectionery Factory and Roshen Vinnytsia Confectionery Factory.

The confectionery industry is still experiencing the effects of Russia's trade aggression, as it was the main consumer of Ukrainian confectionery (about 50% of exports), and through its territory the products were shipped to other traditional markets, in particular to Central Asian countries.

Following the ban on the import into Russia and transit of its territory of Ukrainian products, the production of sweets decreased by 33.5% (from 921 thousand tons in 2013 to 612 thousand tons in 2017) and exports - by 46% (from 407, 2 thousand tons to 240 thousand tons). In addition, up to 180 thousand tons of confectionery products have been produced in the occupied territories over the past years, which is about 18% of the total production in the country. Some powerful market players have lost their businesses in the east of the country, and consequently, consumers, which has led to an internal reformation of the industry.

Following the events of 2014, companies began to refocus on new markets. In 2017, the EU countries and the Arab world became a priority for them. During 2018, exports of domestic confectionery products as a whole increased (up to 244.5 thousand tons) compared to 2017. In terms of assortment groups, the picture is as follows: more than 83.9 thousand tons of sugar confectionery were exported. In particular, increased exports to Kazakhstan (up to 9,203 thousand tons), Belarus (up to 8,096 thousand tons), Azerbaijan (up to 3,774 thousand tons), Poland (up to 3,734 thousand tons), Romania (up to 3,109 thousand tons) and other countries. Deliveries to EU markets (Italy, Belgium, Hungary, Spain, Serbia, Croatia, Sweden) and the US also increased.

Chocolate and other similar products were sold abroad during this period 57.5 thousand tons. At the same time, exports to the USA (4,357 thousand tons), Belarus (3,849 thousand tons), Romania (2,705 thousand tons), Hungary (2,196thousand tons) and some other countriesincreased.

Exports of flour confectionery products amounted to 103.1 thousand tonnes. In particular, exports to countries such as Belarus (11.831 thousand tonnes), Moldova

(8.067 thousand tonnes), Romania (5.281thousand tonnes), Poland (3.637 thousand tonnes), Germany (2,904 thousand tons) and others increases.

In addition to the Russian embargo, there are a number of other barriers to the export of Ukrainian sweets. In particular, in some growing confectionery markets, import of Ukrainian sweet products is almost not carried out due to high customs tariffs. First of all, it concerns the markets of Pakistan, Egypt, Algeria, Brazil, Bangladesh and others. At the same time, Ukrainian manufacturers from Central Asian markets are trying to oust Russian companies that are able to export their products on better terms.

Also, Ukrainian exporters do not make full use of the potential of foreign trade with EU countries, since the European confectionery market is quite saturated and exporters are faced with the problem of access to Ukrainian products on the shelf of European trading networks. It should be borne in mind that most European confectionery market operators are supported by their countries (for example, in the form of tax cuts).

The analysis of the pastry market in the previous years shows that further prospects do not provide sufficient grounds for optimism. However, the positive changes are still evident. The last three years have been characterized by a stabilization of the situation in the confectionery market and even a slight increase in production in some parts of it, which has not been observed for several years. Exports to foreign markets are also promising. Experts estimate that in the next two years, Ukraine's confectionery market may increase exports to the European Union to $ 450 million. China, the Gulf countries and some others are considered as promising markets.

In fact, the confectioners themselves, also give a positive assessment of the situation and believe that the lower limit is already behind and production will gradually increase. The hopes are connected with the support of the main investors of the industry - consumers.

In order to understand the trends of the confectionery market in terms of consumer preferences, its analysis was carried out on the basis of research of international analytical companies. Yes, the confectionery market is evolving through the global trend of healthy eating. According to Teshnavio, in 2018, the healthy food segment held the largest share of the global food market - 36%. The dynamics of this segment is explained by the growing demand for natural and environmentally friendly products. By region, the consumption of healthy foods is the largest in the markets of the Americas - about 38%. The EMEA (Europe, Middle East and Africa) and APAC (Asia Pacific) regions share other market shares. Hypermarkets and supermarkets, which own about 60% of all sales, remain the main distributors of healthy food products. The factors of simplicity, convenience of shopping, the presence of a wide range, as well as the growing number of such stores will continue to contribute to the growth of the share of online retail in the structure of sales of products for healthy food.

Euromonitor estimates global sales of healthy foods in 2017 to be around $ 1 trillion. The confidence in the growth of this segment is evidenced by data from a global health and well-being survey conducted by Nielsen, which was attended by more than 30 thousand respondents. Key conclusion of the study: Consumers' views on healthy foods have changed. Consumers are willing to pay more for health promotion and weight loss products:

- about 88% of respondents are willing to pay more for healthier products;

- generation Z consumers (born in the mid-1990s) to baby boomers say they will pay more for healthy foods, including those that are considered completely natural;

- demanding functional preventative products, including: high fiber foods (36%), protein (32%), whole grains (30%), calcium-enriched (30%), vitamins (30%) or minerals (29%)).

Functional products, which are still included in the category of biologically active additives in the Ukrainian market, have developed into a separate segment of nutraceuticals on the world market - products that are not medicines, but those that are of prophylactic importance for health promotion.

Such products are sold not through pharmacies, but through stores of different sizes. The global nutraceutical market is growing rapidly. According to Mordor Intelligence, the market capacity in 2017 was $ 383.1 billion. According to forecasts, at an average annual growth rate of 6.8% for the period 2020-2025, the world nutraceutical market should grow to $ 561.4 billion. Thus, today we are talking about a stable trend, which generates new consumer benefits, which in turn , contribute to the formation of a new culture of food consumption.

Under the influence of a new culture of food consumption, the confectionery market will develop. The share of confectionery products is about 20% of the world nutraceutical market. Thus, functional sweets have quite good prospects. To realize their ability to be successful, competitive in today's market, manufacturers of the confectionery industry need to invest in advanced production and packaging technologies.

Conclusions. The geopolitical and economic crises have contributed to significant changes in the Ukrainian confectionery market, which have caused key industry players to lose their positions and buyers now have other orientations in their choice of sweets. In the structure of demand for confectionery products, there are dramatic changes under the influence of the trend of healthy eating. For fast and flexible response to consumer changes, owners of confectionery brands need complex technological solutions. Therefore, manufacturers need to place clear emphasis on those moments of the technological process that will make the finished confectionery product to demanded end consumers, which in turn will increase their loyalty to the brand in the conditions of formation of a new culture of consumption of confectionery products.

Literature

1. But O. Create a culinary masterpiece. Fillers for baking and confectionery. The world of products. 2019. №4. P.6.

2. ButO. Expert decisions. Complex solutions for the confectionery industry. The world of products. 2019. №2. P.34–35.

3. Zaitseva O. Trends in the product market: from nutrition to impressions. The world of products. 2019. №4. P.14–16.

4. Kravchenko L. It's not all that smooth, but it's still sweet. Confectionery market analysis of Ukraine. The world of products. 2019. №1. P.18-20.

5. Selyuk L. The trend for naturalness. Products & Ingredients. 2016. №3 (122). P.43.

6. L. Strashynska Impact of consumer preferences on the formation of enterprise marketing strategies. Scientific Bulletin of Sukhomlynskyi Mykolaiv National University. Economic sciences. 2017. №2 (9). P.48-53.

ВІТЧИЗНЯНИЙ РИНОК КОНДИТЕРСЬКИХ ВИРОБІВ В АСПЕКТІ ЗАГАЛЬНОСВІТОВИХ ТЕНДЕНЦІЙ РОЗВИТКУ

Страшинська Л.В., Никоненко А.В.

Національний університет харчових технологій

У статті проаналізовано вітчизняний ринок кондитерських виробів. Наголошено, що серед компаній спостерігається потужна внутрішня конкуренція, яка пов’язана із скороченням експорту. Визначено основні групи підприємств, які виробляють кондитерські вироби, та охарактеризовано їх специфіку.

Зауважено, що в сучасних умовах кондитери змагаються за клієнта перевіреними шляхами – зниженням вартості і скороченням виробництва нерентабельної продукції.

Наголошено, що головним джерелом формування пропозиції на ринку на теперішній час залишається вітчизняне виробництво. Подано можливості й рейтинги провідних операторів ринку.

Проаналізовано динаміку виробництва й експорту кондитерських виробів протягом 2011-2018 рр., а також їх виробництво й експорт в розрізі асортиментних груп.

Наголошено, що українські експортери не повною мірою використовують потенціал зовнішньої торгівлі з країнами ЄС, оскільки кондитерський ринок Європи є досить насиченим і експортери стикаються з проблемою доступу української продукції на полиці європейських торговельних мереж.

Подальший аналіз напрямків розвитку кондитерського ринку було проведено на основі досліджень споживчих уподобань. Визначено, що у структурі попиту на кондитерські вироби відбуваються кардинальні зміни під дією тренду здорового харчування.

Зазначено, що розвиток світового ринку нутріцевтиків становить стійкий тренд, що формує нові споживчі переваги, які в свою чергу, сприяють формуванню нової культури споживання харчових продуктів. Отже, у функціональних солодощів є досить гарні перспективи.

Наголошено, що для реалізації своїх можливостей бути успішними, конкурентними на сучасному ринку, для швидкого і гнучкого реагування на споживчі зміни, власникам брендів кондитерського ринку необхідні комплексні технологічні рішення.

Отже, виробникам необхідно розставити чіткі акценти на тих моментах технологічного процесу, які зроблять готовий кондитерський продукт затребуваним кінцевим споживачам, що в свою чергу посилить їх лояльність до бренду в умовах формування нової культури споживання кондитерської продукції.

Ключові слова: *ринок кондитерських виробів, внутрішня конкуренція, споживчі уподобання, традиційні ринки збуту, переформатування галузі, митні тарифи, нова культура споживання, тренд здорового харчування.*

Corresponding author:

L. Strashynska

E-mail:

vip1967@ukr.net