MUKACHEVO STATE UNIVERSITY
SCIENTIFIC BULLETIN
ECONOMICS

Volume 8, No. 4, 36-44
Journal homepage: https://economics-msu.com.ua/en

UDC 658.8.011.1
DOI: 10.52566/msu-econ.8(4).2021.36-44

Features of Marketing Promo-Campaigns of Ukrainian Confectionery Manufacturers within Domestic and Foreign Markets

Nicholas Niemczyk[1*], Landon Hubel[2], Iryna S. Kravets[3]

[1]University of Warsaw
00-927, 26/28 Krakowskie Przedmieście, Warsaw, Poland

[2]University of Navarra
31009, Campus Universitario, Pamplona, Navarre, Spain

[3]Taras Shevchenko National University of Kyiv
01033, 64 Volodymyrska Str., Kyiv, Ukraine

Abstract. The confectionery industry is of significant importance for the stable development of the country for many economic reasons, it's an ancient and effective industry, creating serious competition in the international market of confectionery products. Therefore the purpose of the scientific article is the analysis of the market of confectionery products in Ukraine and estimation of features of promo campaigns of the Ukrainian manufacturers of confectionery products. In the course of writing the article, both theoretical and statistical methods of data analysis were used. The found information about differences in marketing campaigns of Ukrainian manufacturers of confectionery products is supported by graphs, tables, and diagrams for clarity and ease of perception. It is pointed out that Ukrainian confectionery companies are competitive both on foreign and domestic markets. It has been found that the success of Ukrainian confectionery companies is based on many factors that influence their results to a different extent: management, product quality, logistics, start-up capital, the economic and political situation in the country, luck, and others. It is determined that the marketing campaign of the enterprise is used mainly to attract customers. The article also describes the promo campaigns of major national confectionery companies, their features, and differences, since even a few major players in this market have significant differences in marketing campaigns. The article, for practical purposes, can be used to study marketing methods often applied by large product manufacturers; to research the Ukrainian economy as a whole; to evaluate Ukrainian companies that are major suppliers to the Ukrainian confectionery market; by students to study marketing and advertising issues and various economic disciplines related to entrepreneurship

Keywords: marketing, promo-campaign, Ukrainian economy, confectionery companies, international competition

Received: 10.11.2021, Revised: 11.12.2021, Accepted: 12.01.2022

Suggested Citation: Niemczyk, N., Hubel, L., & Kravets, I.S. (2021). Features of marketing promo-campaigns of Ukrainian confectionery manufacturers within domestic and foreign markets. *Scientific Bulletin of Mukachevo State University. Series "Economics"*, 8(4), 36-44.

*Corresponding author

Introduction

Marketing plays one of the most important roles in the development of a company in most industries, and a fundamental role in promoting the company's products to the market as well as building its image. However, marketing activities are difficult to isolate from the rest of the business because they work closely with the operations, the research, and the finance departments [1]. Marketing is a multifaceted entity that can be described from different angles. A universal definition can be considered that marketing is a system of views and actions related to justification, decision-making, and their realisation in order to meet the needs of market participants (both consumers and producers); mutually beneficial exchange of activities and their results, minimisation of risk in conditions of increased competition and dynamic general economic and market conditions [2]. Although marketing (marketing strategy, marketing campaign, or promo-campaign) for a company is one of the many components of achieving maximum profits (mainly in monopolistic competitive markets) by attracting more customers, capturing the market, more competent pricing policy, etc.

However, marketing activities should not be equated with sales or advertising, because they are just components of a single set of marketing efforts aimed at promoting a company in the market [1]. Thus, we can separately consider the advertising campaign, which is "a system of interrelated promotional activities covering a certain period of time and providing a set of application of advertising tools to achieve the advertiser's specific marketing goal" [3]. A sales strategy, in turn, is a plan of activities with the main purpose to increase sales volume and minimise costs by increasing the effectiveness of certain parameters [4]. A marketing campaign is a set of activities aiming to increase sales or services. They come in different types, depending on the objective, market model, scale, etc. In order to compile it, analysts carry out a marketing audit, the main purpose of which is to analyse the market, competitors, study demand, and others. Therefore, all three categories reviewed are rather abstract, flowing one into another, but are still parts of a marketing campaign.

Monopolistic competition is a market structure that combines elements of a monopolistic (differentiated products) and a perfect competition market (a large number of companies, relatively easy market entry, etc) [5]. Advertising plays a particularly important role in monopolistic competition. This is since in such markets it is important for companies to attract as many customers as possible to increase the demand for their products and, consequently, to reduce the demand for competitors' products, which maximises the monopolist's profit. Although the confectionery market has long been a monopolistic competition market type, it is now difficult to discuss this with certainty due to the fact that Roshen has taken a large share of the market. Thus, a well-thought-out marketing campaign (and especially creative advertising solutions) is still of particular importance in this market. The modern world where we have high competition in almost all markets for goods and services dictates such conditions that it is important for each organisation to pay special attention to the development and improvement of its own marketing strategy, regardless of the size of the company [6]. Therefore, the relevance of the article is in the demand for analysis of marketing companies of major confectionery products manufacturers.

The purpose of the study is to evaluate the characteristics of the marketing campaigns of the main confectionery producers. This will help to determine how effective these companies are, and to draw conclusions about what causes these peculiarities.

Materials and Methods

Theoretical (analytical) and empirical methods were applied in the research. Theoretical methods were used in the analysis of scientific literature, various reports, documents, etc. Empirical methods were applied in the analysis of real statistical data and indicators related to the current state of international and national market of confectionery products, and in particular – analysis of prices in the Ukrainian market of confectionery products, and determination of market shares of major Ukrainian companies in the market. Graphs, tables, and schemes are used in the article for clearer analysis. To determine the positions of Ukrainian companies in the foreign market the international ranking Global Top 100 Candy Companies [7] was used. Thus, the main research methods are: historical (analysis of historical trends in the development of the market of confectionery products); abstract-logical (analysis of found information, synthesis, induction, analogy, formalisation, modelling, forecasting the behaviour of companies in modern conditions and the state of this market as a whole); abstraction; statistical (statistical observation, graphical method); monographic method.

In order to achieve this objective, the above methods were used in two stages of research. The first stage is a comprehensive analysis of the confectionery market in Ukraine, which includes both the market analysis itself and brief characteristics of some companies; it reflects the history of market development; it describes the competitive environment of the market; it describes the main marketing trends that are present in the market of confectionery in Ukraine and what steps and actions are optional for enterprises of this sector for further effective development. At this stage, an important conclusion about the market structure is made, trends in exports and imports of products of this sector in Ukraine are described as well as the competitive abilities of confectionery companies in foreign markets and their impact on foreign markets. This section is basic for understanding the confectionery market and the activities of companies within it.

The second stage of the research included a review of the marketing campaigns of some of the largest companies in this market, in particular, the confectionery corporation "Roshen", the confectionery product company AVK and the Kharkiv biscuit factory "Biscuit-Chocolate". At this stage, differences in marketing approaches of these companies were demonstrated, advertising campaigns of the companies were considered, and the pricing policy of the companies was analysed based on the price data for similar types of products of the companies.

Results and Discussion

Before analysing the marketing campaigns of Ukrainian confectionery manufacturers, it is necessary to analyse the Ukrainian market for these products and the position of national companies in it. To begin with, it should be noted that Ukraine's share in the global market of confectionery products is estimated at USD 93 billion or 0.9% or 1 million tons of products. Thus, we can assume that Ukraine's production potential is not used to its full capacity. In addition, the Ukrainian market generally differs from foreign markets for confectionery products, and the main difference is that the Ukrainian market does not have the same variety of confectionery products as foreign markets [8]. In addition, Ukrainians consume less confectionery in total (according to the State Statistics Service of Ukraine in 2018, Ukrainians spent an average of 250.14 UAH on confectionery products or approximately 2 kg of chocolate per year) due to the fact that the income level of Ukrainians does not allow them to buy as much, especially considering that they are not essential goods [9]. Due to the devaluation of the hryvnia and the decline in the purchasing power of the population, Ukrainian producers are increasingly focused on exporting products, mainly to markets in highly developed countries. In 2020, with the onset of the COVID-19 crisis, which led to a significant reduction in demand for products by about 10% and the closure of many outlets, Ukrainian companies faced new challenges to overcome. Global brands in the Ukrainian market include Nestle (owned by Lviv-based confectionery company "Svitoch"), Kraft Foods (owned by "Kraft Foods Ukraine"), Western Nis Enterprise Fund (owned by JSC "AVK"), and others. Figure 1 shows the changes in the volume of products volume produced by the confectionery companies.

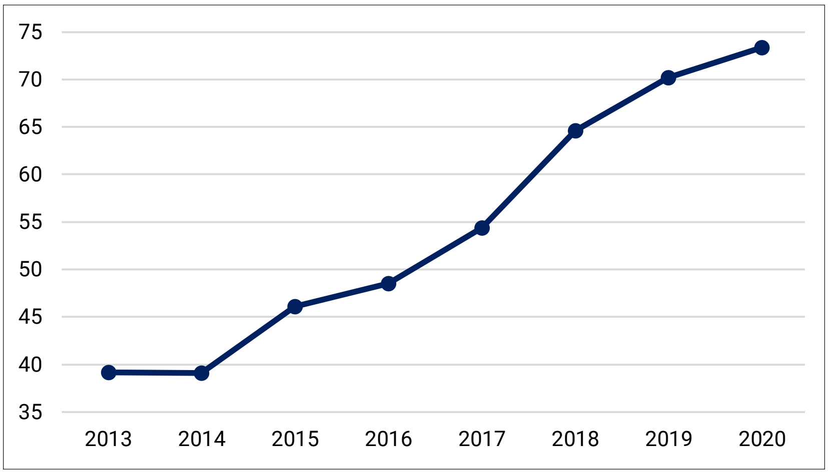

Figure 1. Changes in the volume of confectionery products produced by Ukrainian manufacturers in recent years, UAH billion

Source: compilled by the author based on data from [9]

Although the data are approximate and adapted, they nevertheless show that there is an increasing trend in the volume of production of this type of product in Ukraine. Table 1 demonstrates the shares occupied by the main types of products of the confectionery industry (the same main types of products of confectionery producers are given by Zagrichanska and Golyuk [10] in their analysis of the confectionery products market in Ukraine). The difference in production shares arises not only because of different demand for products, but also because of different benefits received by companies for the sale of certain types of products.

Table 1. Shares of the main confectionery industries from 2013 to 2020, %

Year	Bread and bakery products, bakery confection, cakes, and short-term cakes	Biscuits and rusks; long-life bakery confection, cakes, and pastries	Cocoa, chocolate, and sugar confectionery
2013	29.1	19.0	51.8
2014	30.6	19.0	50.4
2015	32.2	26.0	41.8
2016	36.1	17.2	46.7
2017	35.3	14.0	50.7
2018	33.6	15.4	51.1
2019	33.9	15.9	50.2
2020	33.9	15.4	50.7

Source: created by the author based on [9]

Thus, the main type of confectionery production in Ukraine is cocoa, chocolate and sugar products, i.e. products of high price segment, although the demand for this type of products among Ukrainian population is decreasing [11]. The Ukrainian market for confectionery products collapsed after the events of 2013-2014, which was due to a variety of reasons, including general economic problems, closure of markets for products, and a decline in demand for their own products in the national market. This also affected exports, which decreased significantly during these years, as well as product quality, price, and quantity in the market. This was the main reason for AVK losing its leading position in the market and passing it to Roshen, as shown below, based on the companies' market shares in confectionery products. The 2013-2014 events have significantly worsened the position of national producers in both the Ukrainian market and international markets. One of the most important problems for Ukrainian confectionery producers is the lack of a wide range of choices for customers, as companies only started experimenting with products a few years ago after realising that the market needed it. Therefore, one of their most important tasks is to diversify their products, produce new types (especially chocolate products as they are the most popular among other types of products) and apply non-standard marketing methods. This will also help companies to enter the EU markets, which is of particular importance as Ukraine has lost a significant market share in Russia after the events of 2013-2014. Before that, the market suffered significant shocks in 2008: at that time, companies in the confectionery market had a significant drop in revenues due to the loss of purchasing power among the population, but a strong recovery in most product subspecies has already begun since 2009 [12]. To assess the impact of Ukrainian confectionery companies, the index from Candy Industry will be applied, which produces information on the top 100 confectionery companies each year.

Table 2. Excerpts from Global Top 100 Candy Companies as of 15 February 2021

Company	Ranking position	Location	Net sales, mln USD	CEO	Number of employees	Number of factories
Mars Wrigley Confectionery, div. of Mars Inc.	1	Chicago, Illinoise, USA	20000	Andrew Clarke	34000	53
Ferrero Group	2	Alba, Italy	13566	Lapo Civiletti, Giovanni Ferrero	36372	31
Mondelez International	3	Deerfield, Illinoise, USA	11467	Dirk Van de Put	80000*	150*
Meiji Co. Ltd.	4	Tokyo, Japan	10075	Masahiko Matsuo, Kazuo Kawamaru	10815*	7
Hershey Co.	5	Hershey, Pennsylvania USA	8066	Michelle Buck	16140	14
...						
1-800-FLOWERS.COM Inc.	28	Carly Place, New York, USA	625	Chris McCann	3300**	4
Roshen Confectionery Corp.	29	Kyiv, Ukraine	800	Vyacheslav Moskalevsky	10000	8
Henry Lambertz GmbH & Co. KG	30	Aachen, Germany	793	Herman Bulbecker	4000	9
...						
Zertuz GmbH	72	Hamburg, Germany	217	Alexandra Kama	1130	6
Millennium Chocolate Factory	73	Dnipro, Ukraine	205	Evgeny Sharinov	3000	2
ICAM SpA	74	Lecco and Orsenigo, Italy	202	Angelo Agostoni	420	2
...						
Hlebprom	88	Moscow, Russia	149	Yaroslav Shadyria	3770	4
Konti Group	89	Donetsk, Ukraine	147	Sergey Mishalov	8097	5
Nellson LLC	90	Anaheim, California, USA	145	Jamie Batter	1400	3

Notes: * – including all products (not just confectionery); ** – company has 3,000 employees working all year round; 8,000 seasonal
Source: compilled by the author on the basis of [7]

Table 2 shows that Ukrainian manufacturers have relatively high positions in this ranking and can compete with foreign corporations. There are three Ukrainian companies included in the ranking, but their positions have dropped significantly: in 2016 Roshen was at 24th position, Konti was at 43rd, and AVK was ranked at 67th position (Millennium Chocolate Factory was not included in this ranking, indicating a significant strengthening of its position in the markets in recent years).

The confectionery industry in Ukraine is one of the few successful and attractive sectors of the domestic economy. The average level of production profitability is estimated at 15-20%; about 60% of enterprises operate at a profit, 30% make no profit and 10% are loss-making [13]. The main characteristics of Ukrainian products are low price, good reputation, high-quality products, and highly qualified labour. The price is so low, even by Ukrainian standards, that reducing it even further is simply not possible, due to the loss of quality and the loss of consumer confidence. Those manufacturers who have tried to significantly reduce the price have only hurt their business. The inability to reduce the price without a huge decrease in product quality lies in the peculiarities of this type of business: products cannot remain in storage for a long time; the main suppliers of cocoa beans are African countries characterised by a low level of technology, which makes the price for this resource higher than it could be; significant dependence on natural conditions: any drought or long rainy season can make the price rise; the significant costs for transport and energy in production [14].

It is also worth mentioning that a small part of this market in Ukraine is being imported: in 2017, due to the official data (excluding shade), the share of imports in the market structure was 4.4%, and in 2018 it was 5.5% [9]. Nevertheless, this share is gradually increasing year by year, and with it the share of national products on the market is decreasing. In general, exports of Ukrainian products abroad are steadily increasing due to problems on the domestic market and the ability of companies to compete on the international market. The country mainly exports expensive confectionery products (cocoa, chocolate, sugar confectionery), with an export part of 30%; flour confectionery products (cakes, pastries, rusks, biscuits), with an export part of 20%; sugar, with an export part of 10% [15]. Most likely, Ukrainian companies will continue to be exporting their products abroad, especially to the European Union, although during the COVID-19 crisis, due to the introduction of tariff restrictions, there were fewer opportunities for companies to develop exports. Thus, Table 3 and Table 4 demonstrate trends in the market division between the main producers of this type of product.

Table 3. Share of confectionery companies by product type, %

Type of product					
Bakery products		Pastry		Chocolate products	
Company	Share	Company	Share	Company	Share
PRJSC "Mondelez Ukraine"	13.8	SC "Roshen Confectionery Corporation"	46.1	SC "Roshen Confectionery Corporation"	27.5
PRJSC "Kharkiv Biscuit Factory" (HBF)	9.8	"Distribution Centre Plus" LLC	24.2	"AVK CONFECTIONERY" LLC	16.3
SC "Roshen Confectionery Corporation"	6.8	PJSC "Mondelez Ukraine"	6.2	PJSC "Mondelez Ukraine"	14.7
"Grona LLC"	5.7	"Tri Star" LLC	3.9	"Distribution Centre Plus" LLC	7.5
"Distribution Centre Plus" LLC	4.2	"Druzhkovskaya" LLC CF	3.6	PRJSC "Kharkiv Biscuit Factory"	5.9
"LUKAS" MTC PE"	3.9	PRJSC "Kharkiv Biscuit Factory"	2		
		PE "Licom"	1.3		

Source: compilled by the author on the basis of [13]

Table 4. Production volumes and market share by main companies in the confectionery market in 2018-2021

Confectionery enterprise	Production volume, tonnes			Market share, %		
	2018	2019	2020	2018	2019	2020
1. "Roshen" Corporation	205112	194168	200834	23.29	29.59	28.73
2. PRJSC "KHBF"	50619	52873	55357	6.07	7.63	7.92
3. PRJSC "AVK"	97958	41780	53132	11.75	6.03	7.6

Table 4, Continued

Confectionery enterprise	Production volume, tonnes			Market share, %		
	2018	2019	2020	2018	2019	2020
4. JSC "PA"Konti"	32348	30996	29953	3.88	4.47	4.29
5. "MIR" Confectionery" LLC	16245	16210	21666	1.95	2.34	3.1
6. PJSC "Mondelez Ukraine"	25150	19793	21576	3.02	2.86	3.09
7. PJSC "Lviv Confectionery "Svitoch" 22561	22561	20480	20175	2.71	2.95	2.88
8. PRJSC "Dominik"	19805	19711	18468	2.38	2.84	2.64
9. PRJSC "Zhytomyrski lasoshchi"	38767	32651	14780	4.65	4.71	2.11
10. PRJSC "Lagoda"	12762	12852	11942	1.53	1.85	1.71
11. "Kviten" Confectionery" LLC	7289	5393	6532	0.87	0.78	0.93
12. PJSC "Zaporizhzhya Confectionery"	3012	3214	3935	0.36	0.46	0.56
Others	302161	243084	240620	37.54	33.489	34.44
Total:	833789	693205	698970	100	100	100

Source: compilled by the author on the basis of [16]

The tables above show that the confectionery market is very highly concentrated, although not monopolistic. According to Ukrainian legislation, a market can be considered monopolised if the share of one company exceeds 35%, three companies – 50%, and five companies – 70%. In this case, such a trend is not observed: the share of Roshen is 28.73%; the share of Roshen, "KHBF" and "AVK" is 44.25%; the share of Roshen, "KHBF", "AVK", "Konti" and "MIR" Confectionery" is 51.64%. We can observe a clear tendency for Roshen market share to increase, as well as a strong decrease in the share of "AVK". Such an increase in market share of the largest companies in the industry has been observed continuously since at least 2003 [17]. Nevertheless, there is still competition in the confectionery market as there are approximately 5459 operating companies: 6 large, 274 medium, and 5179 small businesses [8]. It is this large number of small businesses that prevents the confectionery market from becoming an oligopoly; there is always the possibility of new competitors entering the market. The peculiarity is that these small companies are regional, i.e. they occupy an extremely small part of the market. Their small size causes their products to be more expensive, and their production remains high-cost and inefficient, but despite this, they find their customers. Among chocolates, milk chocolate is still the most popular, followed by dark chocolate, and white chocolate is still not very popular among consumers.

It is important for manufacturers to keep their products recognisable and different from others, as if they are significantly similar in quality and appearance, the number of customers may decrease. As mentioned above, companies have recently started experimenting with product flavours and diversifying products to attract new customers, but most of them are not full-fledged new flavours, but differences in filling (consistency or flavour concentration). The biggest change came in chocolate bars: as national manufacturers do not have extraordinary flavours available, they started filling standard chocolate bars with jams, caramel, nuts, wafers, biscuits, peppers, and others [8].

To remain competitive, confectionery companies need to react quickly and adapt to the desires of the market. Nowadays, confectionery companies have been forced to intensify their own marketing policy. The amount of money spent on advertising has increased considerably: about threefold. So, the annual budget for the implementation of the marketing strategy of a small company may be more than $ 1 million, and in large enterprises – more than 20 million dollars. The reason for this is the same high level of competition for markets between companies to increase demand for their products, to make them more recognisable.

A possible option for further development of the industry is to enter the Asian market, as these countries have a huge market and growing economies. There, with improving living standards, citizens will begin to spend more on confectionery products in the future, as evidenced by the high rates of demand for chocolate in recent decades in China and India [10]. Nevertheless, entering these markets will be a challenge for Ukrainian companies: to do so, companies must create fundamentally new types of products, as Asians love unusual, bright packaging design (as well as creative, unusual, and sometimes strange for Europeans advertising) and seemingly incompatible tastes (for example, products with a spicy-sweet taste).

Recently, Ukrainian producers have mastered the production of some new products, namely cocoa oils, cocoa fats, and products for making cocoa-based drinks. In addition, the production of sugar confectionery products with such components as fruits, berries, nuts, fruit, and other plant peels and other types of products has increased significantly. A possible new product on the national market from the national producers will be an organic chocolate, which is currently only available as an imported product in Ukraine. Its production is promising and has significant potential. Another possible option for these companies, as an element of diversification, is the sale of by-products such as tea, coffee, chicory, spices, essences, and others. In addition, companies can start to specialise in specific types of products, for example – products for diabetics, made with sugar substitutes, or vegan confectionery products based on whipped coconut cream and milk. This will give Ukrainian enterprises a particular advantage on this market in the future, as this niche is still relatively vacant.

The article will further focus on the specifics of each company's marketing activities. For an initial assessment of the specifics of each company's marketing activities, it is worth giving brief statistics on their pricing policies. Thus, in Table 5, the prices of some of the products of these companies are provided.

Table 5. Price comparison among confectionery market leaders in Ukraine in 2021

Product	Price, UAH			Average price	Deviation from the average, %		
	Roshen	AVK	KHBF		Roshen	AVK	KHBF
Chocolate, price per 1 g	0.343, 80%	0.351, 80%	0.316, 75%	0.34	1.78	4.15	-6.23
Chocolate, price per bar	29.19	31.60	31.56	30.78	-5.18	2.65	2.52
Waffles, price per 1 g	0.12	0.48	0.15	0.25	-52.00	92.00	-40.00
Wafer sweets, price per kilo	139.90	190.00	115.50	148.47	-5.77	27.97	-22.20
Candy with nuts, price per kilo	189.00	145.00	139.12	157.71	19.84	-8.06	-11.79
Candy "Ptashyne moloko", price per 1 g	0.23	0.29	0.26	0.26	-12.13	10.71	1.42
Fruit candy, price per kilo	77.46	69.00	79.00	75.15	3.07	-8.19	5.12

Source: compilled by the author on the basis of [18]

In Table 5 we can clearly see the tendency that the price in AVK is generally higher (and sometimes much higher) than in other companies in the sector. At the same time, depending on the type of product, the price may be the lowest at both Roshen and KHBF. However, it is worth noting that products in this market are not fully homogeneous and suitable for comparison as all confectionery products have their own peculiarity: even two seemingly identical chocolate bars from different companies may have different taste and composition, which may play a decisive role for the buyer. In addition, it has been discovered that a large number of "AVK's" products have recently been withdrawn as the company declared bankrupt in the summer of 2021. The reasons given for the company's bankruptcy are poor management and the loss of factories and plants in Donetsk and Luhansk regions.

Let's start with Roshen, which, as already mentioned, has the largest market share and specialises in chocolate products (or sugar confectionery), although it produces all kinds of products. The company's products are often wrapped in kraft paper, which gives the product an external appeal and the minimalist design of the packaging adds to its aesthetics [19]. The same trend can be observed in commercials, where dark colours prevail, creating a certain brand and product associations in the viewer. The main cost of advertising is used to promote new products, because old products are already well known, some from Soviet times. In addition, the price of the company's products is relatively lower than that of other manufacturers. Speaking of product features, Roshen has launched products that combine several flavors at once. Since these products are relatively more technologically advanced and also have a comparatively higher demand, such changes can be considered successful for the company in the long run. The same can be said about Roshen bars, which are still popular with customers due to their positioning as a "quick snack"; in addition, they are still a relatively cheap product compared to other types of products. To summarise, Roshen has a sound marketing policy that has enabled it to achieve a large market share and increase profits; this has mainly been achieved through better pricing, a better understanding of the market, and the creation of a recognisable Roshen brand among consumers.

Let's also look at the products of "AVK", which specialises in a variety of confectionery products, and even vegetable meat. Its main products are cacao, chocolate, and sugar confectionery; nuts and raisins are the most common additives in its products. As stated above, its products have a relatively higher price than those of its competitors due to overpricing by retailers. In order to somehow influence the price, the company gives discounts to retailers for bulk purchases. It also has a differentiated pricing policy, i.e. it charges different prices for its products depending on the region. The company's packaging designs are also special, characterised by a festive and bright appearance [19]. For advertising, the company also uses dark colours, but they are more in harmony with bright, yellowish colours. Recently, the most frequent advertising of this company has been on "STB" channel, where the message is created on the cozy, peaceful home atmosphere, although in the early commercials a completely different atmosphere prevailed, in particular loftiness, royal nobility, and splendour (advertising of sweets "Royal Charm"). This marketing policy was sound because the company needed to build its brand recognition, especially for "AVK", as it had lost a significant part of its market; however, it was not enough to fix all the problems the company had. The company was a pioneer in some products: it was the first to launch sugar-free chocolate, filled biscuits, chocolate chips, and other types of products. However, the company lost market leadership after 2014 due to the loss of access to its main production facilities in Donetsk and Luhansk regions. It is still heeling from those losses, paying off debts and occasionally showing losses in its reports [20]. As indicated above, the company has been declared bankrupt, indicating the inefficiency of the company and its failed attempts to climb out of the debt hole. It is likely that the company will no longer be at the top of the market in 2021; its marketing campaign has failed, although it is worth admitting that the main reason for this was its incredibly difficult financial situation.

The last company under review is KHBF. The company specialises in the manufacture of flour and sugar confectionery, although its product range is quite extensive. The packaging design is bright and "juicy", accommodating light and dull colours. Interestingly, the company does not have as interesting and thoughtful advertising as the two above-mentioned companies, yet it consistently remains in the lead. The company's products are well known among the local population and tastes are recognisable; in addition, many of its products are priced below the market average. Most of its products are exported and the company intends to increase this share over time, targeting foreign markets. The situation at "Biscuit-Chocolate" is therefore quite interesting: the company does not spend a lot of money on advertising its products, and yet it still sells well. By saving money, the company keeps the prices of its products below the market, which allows it to have a larger share of the market.

Conclusions

The paper examined the market for confectionery manufacturers in Ukraine, its main features, and its differences. It was noted that recently the market has been monopolised: in 2020 Roshen had the largest market share (28%), while the closest competitors had slightly less than 8%. However, it is also confirmed that until the share of Roshen is equal to 35% it cannot be called a monopolist in the industry. Ukrainian confectionery companies have been found to be serious competitors to international companies due to their low price and relatively high quality.

Thus, the study substantiated that since the market is monopolistically competitive, company marketing is of particular importance, as the main goal of companies is to capture as much of the market as possible to maximise profits. In the case of the Ukrainian market, relatively low prices remain important due to the low purchasing power of the population. Therefore, most companies in the market pursue marketing strategies whereby the amount of money spent on product promotion does not significantly increase the price of the product, although, the costs of product promo are still impressive in most companies in the industry. The marketing strategies of the three main companies in the confectionery market were examined in detail. Thus, AVK, which was the market leader in 2020, is likely to lose its leadership in 2021 due to inefficient business practices and too much debt. "KHBF" has chosen a strategy of price minimisation, which makes its products indeed the cheapest, and achieved through low advertising costs for the company. Roshen, on the other hand, is the "golden mean" between the two companies, as its advertising budgets remain impressive, but at the same time, the price of its products on the market remains low.

References

[1] Shamilova, M.I. (2019). The role of marketing in business activities. *Herald of Science and Education,* 57(1), 35-39.

[2] Litovka, A.M. (2007). The essence of marketing is a debatable issue. *Finance: Theory and Practice*, 1(41), 25-34.

[3] Kim, M.N. (2019). Advertising campaign as a multi-stage process. *Administrative Consulting*, 1, 79-87.

[4] Bogatyreva, I.A., & Nordin, V.V. (2018). Development sales strategy of production and commercial enterprise. *Journal of Youth Science*, 3(15). Retrieved from http://vestnikmolnauki.ru/wp-content/uploads/2018/10/Bogatyreva-315.pdf.

[5] Bliznyuk, O.S., & Katsuba, S.E. (2020). Role of advertising in the monopolistic competitive market. In *The main trends in the economic development of the Republic of Belarus: Materials of the scientific and practical conference* (pp. 14-17). Minsk: BSU.

[6] Burgun, N.V., Sosnitskaya, E.E., & Roganyan, S.A. (2017). Marketing strategy and its role in the development of the organization. *Management and Economy in the XXI Century*, 2, 25-29.

[7] Official website of the Candy Industry. (n.d.). Retrieved from https://www.candyindustry.com/.

[8] Kosteniuk, Y., & Morozh, Y. (2020). Current state of the confectionery market of Ukraine: Analysis of the development and prospects for introducing a new product. *Economics and Organization of Management*, 2(38), 156-163.

[9] Official website of the State Statistics Service of Ukraine. (n.d.). Retrieved from http://www.ukrstat.gov.ua/.

[10] Zahrychanska, A.V., & Holiuk, V. Ya. (2021). Analysis of the modern confectionery market of Ukraine. *Actual Problems of Economics and Management*, 15. Retrieved from http://ape.fmm.kpi.ua/article/view/226703.

[11] Lozovska, H.M., & Nesterova, A.A. (2019). *State and prospects of chocolate market development in Ukraine*. Retrieved from http://www.economy-confer.com.ua/full-article/3212/.

[12] Lazebna, I. (2011). Confectionary market of Ukraine. *Commodities and Markets*, 1, 67-76.

[13] Voronin, A. (2019). Problems and prospects of development of the confectionary industry of Ukraine. *Socio-Economic Research Bulletin*, 2-3(70-71), 198-207.

[14] Demyanenko, K. (2016). *Analysis of the confectionery market in Ukraine*. Retrieved from https://articlekz.com/article/27872.

[15] Kilnitska, O.S., Kravchuk, N.I., & Kutsmus, N.M. (2018). Confectionery market in Ukraine: Trends and prospects. *Ekonomika APK*, 11, 29-43.
[16] Razumova, H., Oskoma, O., & Harazha, V. (2021). Marketing pricing in the confectionery market of Ukraine. *Uzhorod National University Herald. International Economic Relations and World Economy*, 37, 77-80
[17] Kruglikova, V.V., & Yegorov, A.O. (2018). The current state of confectionery market in Ukraine: Competitive aspects and monopolization. *Economics: Time Realities*, 3(37), 55-60.
[18] Analysis of the market of confectionery flour products in Ukraine. (2021). Retrieved from https://pro-consulting.ua/ua/issledovanie-rynka/analiz-rynka-konditerskih-muchnyh-izdelij-v-ukraine-2021-god.
[19] Tobolin, A. (2018). *Analysis of the confectionary market of Ukraine*: *Trends.* Retrieved from https://koloro.ua/ua/blog/brending-i-marketing/analiz-rynka-konditerskikh-izdeliy-ukrainy-tendentsii.html.
[20] Official website of the SMIDA. (n.d.). Retrieved from https://www.smida.gov.ua/.

Особливості маркетингових промо-кампаній українських виробників кондитерських виробів на внутрішньому та зовнішньому ринках

Ніколас Нємчик[1], Лендон Хубель[2], Ірина Сергіївна Кравець[3]

[1]Варшавський університет
00-927, Krakowskie Przedmieście, 26/28, м. Варшава, Польща

[2]Наварський університет
31009, Campus Universitario, м. Памплона, Навара, Іспанія

[3]Київський національний університет імені Тараса Шевченка
01033, вул. Володимирська, 64, м. Київ, Україна

Анотація. На міжнародному ринку кондитерських виробів існує серйозна конкуренція, оскільки означена галузь є досить давньою та ефективною, а також важливою для стабільного розвитку країни з багатьох економічних причин. У зв'язку з цим метою наукової статті є аналіз ринку кондитерських виробів в Україні та оцінка особливостей промо-кампаній українських виробників кондитерських виробів. Під час написання статті використовувалися як теоретичні, так і статистичні методи аналізу даних: у роботі знайдена інформація про відмінності маркетингових кампаній українських виробників кондитерських виробів для наочності та простоти сприйняття інформації, підкріплена графіками, таблицями та схемами. Вказано, що українські кондитерські компанії є конкурентоспроможними як на зовнішньому, так і внутрішньому ринках. З'ясовано, що успішність функціонування українських кондитерських компаній ґрунтується на багатьох чинниках, які різною мірою впливають на їхні результати: менеджмент, якість продукції, логістика, стартовий капітал, економічна та політична ситуація в країні, удача тощо. Визначено, що одним із найбільш значущих чинників є маркетингова кампанія підприємства, основною метою якої є залучення клієнтів. Також у статті описано промо-кампанії основних національних кондитерських компаній, їхні особливості та відмінності, оскільки навіть у кількох основних гравців на означеному ринку маркетингові кампанії мають значні відмінності. Стаття в практичних цілях може бути використана для вивчення методів маркетингу, якими часто користуються великі виробники продукції; для дослідження економіки України загалом; з метою оцінки українських компаній, які є основними постачальниками на український ринок кондитерських виробів; студентами для вивчення питань маркетингу та реклами, а також різних економічних дисциплін, пов'язаних з підприємництвом

Ключові слова: маркетинг, промо-кампанія, економіка України, кондитерські компанії, міжнародна конкуренція