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## **ANALYSIS OF PERFUMERN MARKET IN UKRAINE. PROBLEMS OF COMPETITIVENESS AND PROSPECTS OF DEVELOPMENT**

**Introduction.** In recent years, the market for perfumery has grown steadily in quantitative terms. However, the problem is that the share of domestic products is decreasing every year. Although Ukraine aspires to global recognition, Ukrainian production through outdated technologies can not compete with global brands.

**Purpose:** research and analysis of the main criteria for the development of the domestic market of perfumery products.

**Subject of research:** the blighty market of perfumery articles.

**Results and discussion.** The study of the perfume business market has shown that today it turns out to be unprofitable and requires some correction. The most prominent producers of perfumery products in the blighty market are LLC «Perfume and cosmetic factory «ROSO» (Lviv region), JSC «Zolotonoshskaya Perfumery and Cosmetic Factory» (Cherkasy region), LLC «Kalinovsky Perfume and Cosmetic Company KONE» (Vinnytska obl.), LLC «Lvivskaya Perfumery and Cosmetic Factory», JSC «Effect» (Kharkiv), Ltd «Nikolaevsky perfume and cosmetic factory «Scarlet sails».

The reasons for the low level of production and sales of domestic perfumery products:

1. Growth of excise duties on alcohol, where the production share of alcohol in the manufacture of products is 80%. The introduction of low-quality perfume production is unprofitable. The introduction of the excise collection of spirits for alcohol from 2004 by the downtrodden manufacturers for the slow extinction has led to a decrease in the volumes of export of perfumery products. 2. Low purchasing power of blighty consumers. Since 2008, the production of perfumery has dropped significantly. To raise them, manufacturers began to think about using non-excisable raw materials, since the technology without alcohol-based perfumery production is well developed in the world. There is a problem in the lack of investors who are

interested in non-excise production. 3. The aroma and design of many packaging of perfumery products are very similar to the well-known world brands, that is, they are their imitation or a version of counterfeit perfume products. The version of the perfume simulates only the aroma of the original perfume, but it is poured into bottles, not similar to branded ones. The imitation of perfume is very similar to a branded product. 4. Prices for Ukrainian and imported goods are on average one order, Ukrainian perfumery goods are not able to replace Polish and Russian products on the domestic market. In 2010, European countries (with the exception of the Baltic States, as well as Germany) virtually ceased to buy Ukrainian goods. After all, taking into account the cost of delivery, the cost of Ukrainian products. 5. A significant amount of distribution products entering the Ukrainian market is disorienting consumers. According to static data, it is known that almost 50% of perfumery products are produced by Avon Cosmetics Ukraine. 6. Increase in the volume of «gray imports» (counterfeit), resulting in significant competition with domestic goods. Counterfeit surrounds consumers not only on the shelves of the supermarket, the mass market of shopping malls, but also in online stores. In the structure of imports in recent years, the supply of products from China, the United Arab Emirates, Belarus and Poland. In 2017, it became known that Ukraine ranks second in terms of counterfeit goods; experts estimated that the figure is 60% of the domestic market, which is why the structure of consumption of perfumery products in Ukraine and Europe differs considerably. 7. Reducing the solvency of the population. Manufacturers trying to increase demand for their products have reduced its price by saving on the packaging, using higher quality chemical components at the risk of losing desperate buyers. Due to the fact that manufacturers began to produce less-quality products, the perfume market began to decline. According to experts, such a situation will continue in 2018, if domestic producers do not gain the European structure in the production of products.

Increase of competitiveness and prospects of development of domestic perfumery products: 1) conducting promotional campaigns among potential buyers; 2) distribution of advertising in mass media with a special emphasis on product quality and price; 3) distribution of small test pieces in places of sale, so that women and men can really verify the truthfulness of the advertisement; 4) development of presentations to familiarize clients and journalists with perfumery novelties; 5) attraction of foreign and domestic investments; 6) to take measures for the protection of domestic producers of perfumery products, or even to pursue a protectionist policy. For example, the

products of the perfume industry include perfumes, colognes, perfumery, toilet and perfume waters, solid or concentrated perfumes. They differ from each other in the contents of the perfume composition and alcohol. However, it should be noted that in the Ukrainian state standard, even such a concept as «perfumery water» (with a content of perfume substances up to 10%) is not; 7) availability of sufficient natural resources, such as various herbs, flowers and fruits.

**Conclusion.** The Ukrainian market of perfumery products is the least promising area of nonfoods. Long-term quality adjustment, expansion of the range and development of new marketing strategies for promotion on the market will increase the competitiveness of the national producers of perfumery products.

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