

DOI: <https://doi.org/10.32999/ksu2307-8030/2024-50-8>

UDC 338.1

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## COMPETITIVENESS OF DOMESTIC CONFECTIONERY ENTERPRISES ON THE EUROPEAN MARKET

This article is devoted to the study of the competitiveness of baked confectionery companies on the European market. The relevance of the research lies in the fact that today most enterprises are thinking about expanding their production not only in the region, but beyond. Businesses are constantly in search of new markets, providing a single way to increase their income, expand production, and also direct them to government development. This will help them improve their competitiveness and take leading positions in the commodity and light markets. However, in the business of doing business outside the borders of the country, success is not always expected, they will recognize the restrictions and may be able to claim their activities beyond the borders of the country, and one of the reasons is the impossibility of business. actively evaluate their competitive position, since they did not conduct a comprehensive analysis of the establishment new markets and have not adopted the right strategy for business development. That is why there was a need for investigators, so that they could minimize the threat of unpleasant situations. The article analyzed the growth of the confectionery plant market in Europe, and based on this, it reinforced the importance of confectionery producers expanding their production activity across the region. For the investigation, we recruited the Roshen enterprise, which is one of the leaders in the ham confectionery industry, on the basis of which we analyzed the strengths and weaknesses of Ukrainian commodity manufacturers. The article uses the matrix approach of GE McKinsey, on the basis of which it was possible to create a comprehensive assessment of the competitiveness of bakery confectionery enterprises by comparing their strengths and capabilities. on the European market. Based on the research, optimal strategies for developing their activities were selected for both great enterprises and those that have not yet reached the level of "leaders" of the Ukrainian confectionery industry. The results of the research can be used as the basis for a future scientific analysis of the competitiveness of baked goods enterprises, when developing strategies for the development of confectionery goods manufacturers and when they select new markets.

**Keywords:** confectionery loaf, European confectionery market, competitiveness, light markets, export activity.

### Сорокіна А.М. КОНКУРЕНТОСПРОМОЖНІСТЬ ВІТЧИЗНЯНИХ КОНДИТЕРСЬКИХ ПІДПРИЄМСТВ НА ЄВРОПЕЙСЬКОМУ РИНКУ

Дана стаття присвячується дослідженню конкурентоспроможності вітчизняних кондитерських підприємств на європейському ринку. Актуальність дослідження полягає в тому, що на сьогоднішній більшість підприємств замислюються про розширення свого виробництва не тільки в країні, а й за її межами. Підприємства постійно в пошуках нових ринків збуту, оскільки це єдиний вихід збільшити свої доходи, розширити виробництво, а також спрямувати їх на розвиток справи. Це має допомогти їм підвищити конкурентоспроможність та зайняти лідируючі позиції на вітчизняному та світовому ринках. Але, на деякі підприємства за межами держави, не завжди чекає успіх, вони зазнають збитків і навіть можуть припинити свою діяльність за межами країни, і однією з причин є неможливість підприємства об'єктивно оцінити свій конкурентоспроможний рівень, тому що вони не провели комплексного аналізу становища нових ринків і не обрали вірної стратегії розвитку підприємства. Тому й виникла потреба у дослідженні, яке змогло б мінімізувати загрозу несприятливих ситуацій. У статті було проаналізовано привабливість ринку кондитерських виробів у Європі, і на основі цього виокремлено доцільність розширення вітчизняними виробниками своєї діяльності виробництва у межах цього регіону. Для дослідження ми обрали підприємство «Roshen», оскільки це є один з лідерів вітчизняної кондитерської галузі, на основі якого ми проаналізували, які сильні та слабкі сторони мають українські товаровиробники. У статті застосовано матричний підхід GE McKinsey, на основі якого вдалося здійснити комплексну оцінку конкурентоспроможності вітчизняних кондитерських підприємств шляхом співвідношення їх сильних сторін та можливостей, які є на європейському ринку. На основі проведеного дослідження було обрано оптимальні стратегії розвитку своєї діяльності як великим підприємствам, так і тим, які ще не досягнули рівня «лідерів» української кондитерської галузі. Результати дослідження можуть використовуватися як основа майбутнього наукового аналізу конкурентоспроможності вітчизняних підприємств, при розробці стратегій розвитку виробниками кондитерських товарів та при виборі ними нових ринків збуту.

**Ключові слова:** кондитерська галузь, європейський кондитерський ринок, конкурентоспроможність, світові ринки, експортна діяльність.

**Problem statement.** What is important is that most markets are clearly characterized by intense competition between their partic-

ipants, and therefore the understanding of the competitiveness of enterprises is not the most important factor in the assessment of

their activities. It is difficult for many enterprises to withstand the onslaught of competition on the ham market, but when it comes to entering light markets, it becomes even more difficult. Nowadays, in the current era of globalization, the expansion of their activities is as relevant as ever, and it is important for the large number of enterprises of various industries to view the prospects for exporting their products and creation of representatives from other powers.

Confectionery loaf is also not to blame: entering foreign markets will allow Ukrainian producers to capture greater profits and strengthen their competitive positions both in the world and in Ukraine. One of the most attractive regions for expanding markets is Europe, which is due to its territorial proximity and the high level of income of potential partners. And this is entirely logical: how competitive are Ukrainian confectionery enterprises on the European market and what are the ways to improve their positions.

**Analysis of remaining research and publications.** Today there are a lot of publications devoted to the study of the competitiveness of enterprises. This topic was studied by the following Ukrainian scholars: N.V. Andreyuk, O.M. Goncharova, T.V. Grinko, T.M. Litvinenko, O.P. Mikityuk, L.O. Pashnyuk, O.V. Pimenova, G.M. Filyuk and etc. At the same time, the topic of the competitiveness of confectionery enterprises in the world markets remains largely unexplored, and therefore the analysis of the competitiveness of Ukrainian confectionery enterprises on the European market is relevant for today new economic science.

**The purpose** of this article is to analyze the competitiveness of Ukrainian confectionery enterprises on the European market and identify optimal strategies for their development.

**Presentation of the main research material.** In economic science, there are different approaches to understanding the essence of the competitiveness of an enterprise. Thus, B. Karlof closely connects them with the concepts of competitive position and competitive advantage, which means how the establishment of an enterprise maintains a stable competitive position, strengthens it and ensures the level of income, the largest type of middle branch [6, p. 58–61]. G.M. Filyuk emphasizes the competitiveness of an enterprise as its ability to maintain its position in the market and dynamically develop in the minds of fierce competition [4, p. 5]. From

T.V. Grinko, competitiveness is the synthesis of the strength and feasibility of successful sales of products on a competitive domestic and international market at the dawn of time after the achievement of competitive advantages [5, p. 51].

Based on the above, the competitiveness of enterprises comes first after all, as they are smart to understand their positions based on the realities of the current environment and find opportunities for development and expansion of their and activities for such minds.

Two types of officials influence the competitiveness of enterprises:

- endogenous (those that organize activities in the middle of the company);
- exogenous (external officials who cannot be controlled by the company) [4, p. 5].

At first glance, you might think that companies should concentrate more on endogenous officials and rely on those whose market conditions will be favorable. However, such an approach must be one-sided and make it unsafe, as well as prevent businesses from spilling. In order to become more successful, it is necessary to actively interact with the environment: be the first to identify new opportunities and diversify opportunities in order to recognize the possibility of lower costs during a crisis. Sometimes different activities of the same species react radically differently to the same conditions. Some of them may go bankrupt, while others may evolve and launch new projects. This difference is explained by their reactions to changes in the current environment, adaptability and openness to the new.

Therefore, for a correct analysis of the competitiveness of Ukrainian confectionery enterprises on the European market, it is necessary, first of all, to pay attention to the real state of speeches on the market – how friendly they are for new companies to enter, and other, analyze the current development of the enterprises themselves, their readiness for expansion and perfection.

Let us pay attention to the extent to which Ukrainian confectionery factories are visible to the world so that they can stand on a par with other leading companies and create real competition with them. One of the most well-known ratings of confectionery companies in the world is the rating from Candy Industry Magazine, which is based on an assessment of such factors as the company's net sales, the number of workers and the number of factories – Global Top 100 Candy Companies. In 2020 previously, 4 Ukrainian con-

fectionery companies were destroyed: "Roshen", "AVK", "Millennium" and "Konti". To achieve a good result: the best performance results in confectionery eyelids in only two European countries – Germany (13 enterprises) and Switzerland (6 enterprises) [1].

Explore different methods for assessing the competitiveness of enterprises. Thus and matrix methods, including: the growth-market-share matrix of the Boston Consulting Group, the GE McKinsey matrix, the Shell/DPM matrix, the PIMS method, index methods, integral methods, the method of competitive advantage, the theory of effective competition and graphic.

To analyze the competitiveness of Ukrainian confectionery enterprises in the entry European market, it is necessary to use the GE McKinsey matrix. The advantages are those that the research process takes into account both exogenous officials (indicators of market value) and endogenous ones (the strengths of the enterprise are assessed).

During the analysis process, factors are considered that influence the profitability of the market and the competitiveness of the business. Assessing the increase in the market, pay attention to the production line of the market and its development trends, growth and ease of entry into the market. Within the framework of this analysis, we take into account the current factors of market profitability:

- the largest size of the market;
- pace the growth of the market;
- historical profit rate;
- intensity of competition;
- help you to know the practitioners;
- change the entry code.

When analyzing a company's competitiveness, the emphasis should be on its current resources, development dynamics, strengths and weaknesses in the field of production and marketing, etc. Therefore, the assessment of Roshen's competitiveness will be based on the following indicators:

- part of the market;
- speed of growth;
- product quality;
- brand reputation;
- price creation;
- separate border;
- advertising effectiveness;
- intense straining.

Start with the analysis of the marketability of confectionery products in Europe. It will become great and become 35% of the light market. In 2018 he collected nearly

71 billion US dollars [8]. If we talk about potential companions, then the fragments of confectionery products lie before the grub products, and they are bought by everyone. Nowadays, European consumers give preference to sweet confectionery products and are ready to pay for such products, prompting companies to produce and supply premium-class goods.

There are four main types of products on the confectionery market:

- 1) chocolate confectionery products;
- 2) confectionery pulp (caramel and glaze);
- 3) frosty;
- 4) long-saving cakes [8].

The relationship between their market parts is uneven, with the highest income falling on the pastry and long-saving cakes (51-53% for a variety of products), on the other hand chocolate chips (22-23%), income from sales of pulpy confectionery beans and frozen products, it is approx. However, (12-13% for the skin category) [14]. "Roshen" specializes mainly in chocolate confectionery products, although the assortment also includes chocolate confectionery products and long-term preserved products.

Given the growth rate of the European market of confectionery beans, the smell is not high: according to various estimates, the CAGR is close to 3.1-3.5% [8].

While globalization, which still dominates almost all corners of the economy, is associated with the expansion of the confectionery market, competition is steadily increasing, and the number of manufacturers is constantly increasing. European enterprises, and through an increase in import obligations [18]. And it becomes more difficult to maintain competitiveness in this market.

In order to effectively develop the confectionery business on the foreign market, we need a variety of different food processors. First of all, these are people who are directly involved in the production process – confectioners, technologists, etc. In other words, it is also necessary for economists, logistics, and marketers to look for new markets, increase the profitability of manufactured products, and determine optimal prices in the markets of other countries. Many of these professions require greater awareness and a high level of competence. The necessary qualification is not unique, even though the confectionery industry has been around for a long time, and there are enough people who have the necessary skills. It is also necessary to ensure that the development of confectionery prod-

ucts will require expensive acquisition and with entry into new markets there may be a need to expand the assortment to meet the needs of new partners, which will lead to intense strain.

Another equally important factor when assessing the possibility of entering a foreign market is the presence of a cross-code for such entry. What kind of language do you have about the import of the mit? In 2016 The economical part has gained rank in favor of the association between Ukraine and the EU, due to which there has been a gradual change in the flow of imports, and the country's rate on today's most important foreign products – 0% [16]. This, incredibly, significantly eased trade and export of confectionery products for the rest of the day. It is necessary to understand that the change in imports was reciprocal, and the import of confectionery products to Ukraine is also growing from the EU, but at a much faster pace. To the butt, as of 2017. Imports of cocoa products from exceeded exports by 1.44 times, then in 2019. – already 3.1 times [12; 13].

Thus, the signing of such agreement led, on the one hand, to the opening of the European market for Ukrainian confectionery goods manufacturers, and on the other hand, to increased competition on the ham market.

Thus, the profitability of the European market is average, which is good enough; the remaining markets from the high level of profitability at the moment are very small, as a rule, they are worried about new technologies, which will soon come among the user, who have not yet managed to acquire a large number. In addition, the often high level of addiction to the market is clearly a short-term phenomenon. The confectionery market remains traditional, its history is marked by hundreds of fates, however, it does not lose its relevance. That's why Ukrainian confectionery enterprises are desperate for something new.

However, no less important is how competitive Ukrainian companies are in Europe. It's definitely difficult to say here, some of the confectionery enterprises in Ukraine include such giants as "Roshen", "AVK", "Millennium" and "Konti", as well as other manufacturers, it is entirely natural that their possibility and entering foreign markets and absolutely let's break it up.

Looking at the most promising and most successful confectionery enterprises in Ukraine, the company "Roshen", let us take

a closer look at how competitive their products are on the European market, and on let us present information about the potential of branch to become infected.

In addition to the Ukrainian production efforts, the authorities of the company "Roshen" also have the confectionery factory "Bonbonetti" (specializing in chocolate production) and the Klaipeda confectionery factory in Lithuania (specializing – caramel). There is also an expansion of the divisional range: Roshen stores are located in most European countries [15]. And although Roshen products are new for European traders, the opportunity to sell goods under the brands of already known Ugric and Lithuanian factories provides a number of bonuses.

In addition, "Roshen" is actively increasing the pace of development outside Ukraine. The current growth rate of the company's export obligations reaches 30% [3].

On the Ukrainian market, "Roshen" has a reputation as one of the most prestigious confectionery factories. At the same time, as we talk about the European market, the opportunities will be significantly greater. In addition, people often perceive the bitterness of a product subjectively, based on stereotypes rather than real indicators of the components included in the product. By the way, the words "Swiss chocolate" are generally associated with as although in reality this is not entirely true. It is difficult for Roshen to become a market leader based on these criteria.

The brand's reputation is also not stable. Malt and confectionery sprouts are those that people associate with sacredness and joy; they are often bought for children. Thus European chocolate manufacturers, who have been working on the market for a long time, often promote the theme of traditional saints and family values when advertising chocolate. In addition, when buying malt for their children, fathers wisely drink brandies from time to time – the same ones they themselves or in childhood. "Roshen" doesn't have such a competitive advantage, so its reputation needs to be promoted.

The company's advertising policy in the emerging European market is also not very active: the company doesn't make videos aimed at local people, nor does it actively advertise on social media.

If you look at the difference between the prices of a high-cost price, then in some cases it's 200%, while in a penny case it's up to 1 €, and in other cases it's a eurocent. Such

a difference in price is unlikely to be significant for a European consumer. That's the bottom line: it's definitely not a good idea to place a bet exclusively on the price, and in the future there may be a dealer who sells a more profitable option.

Thus, the level of competitiveness of the Roshen enterprise, as well as its added value to the European confectionery market, is average. Based on this, we can recommend a strategy for profitability or income management. In such a situation, it is recommended to concentrate investments in segments where profitability is high and risks are relatively low. Also, a lot of respect should be given to the protection of already donated funds.

However, it is necessary to understand that "Roshen" is a giant of the Ukrainian confectionery industry. Besides this, there are also a lot of other, smaller enterprises that also want to expand markets in the European region. Their competitiveness will likely be low, so it is advisable for them to adopt a strategy of limited expansion or "harvest". Then look for ways to export with a low share of risk, and also concentrate on rationalizing the production processes and minimizing input costs. In order to gain respect for those products that are at the top of popularity, we must distinguish them from the real possibilities of production.

Today, the confectionery industry is buzzing with the following trends:

1. Dark chocolate: this is due to the fact that, in addition to the richness of other malts, its consumption can bring benefits for health, for example, reduce stress and improve blood circulation.

2. Premium-class products: premium chocolate with a large quantity of cocoa, which lasts for a longer period of time, and lower segments of the industry.

3. Chocolate with exotic flavors or additives: for example, citrus, spices or salt.

4. Small portions: people are starting to focus on their health and thus control the amount of calories they consume [2].

5. Social relevance of retailers: more and more people are increasingly becoming loyal to brands, and not to other products, and they want to make money from companies, but also direct part of the money they take to their company. all needs and I will help those who require it. There are a lot of confectionery companies that publish short stories from social backgrounds, which show their wealth.

Thus, Ukrainian confectionery manufacturers are working hard to become good com-

petitors in the European market. Moreover, in order to achieve success, it is necessary to clearly plan your activities and rationally plan before spending and investing. It is also important to note that products that are sold on the Ukrainian market will not always be popular in European countries and, as a result, must be prepared for the new market.

Conclusions. Based on the research carried out, it can be confirmed that the European market is one of the largest confectionery markets in the world, which has an average level of popularity, and that of Ukrainian confectionery companies. Companies should definitely consider the possibility of expanding the borders of their activities. Now it is important to know that the goods that may be drinking in Ukraine will not always be in trouble in Europe, and they will need to be ready to accommodate the needs of local residents.

In general, Ukrainian confectionery enterprises are competitive on the European market. However, the capabilities of large companies, namely: "Roshen", "AVK", "Millennium", "Konti", are significantly different from those of smaller enterprises, and therefore they should use different development strategies. It is advisable for large enterprises to apply a strategy of selectivity or income management (concentrate investments in segments where the profitability is high and the risks are relatively low and pay attention to the protection of the gains already made). For smaller enterprises, the strategy of limited expansion or "harvest" will be optimal, which involves concentration on the rationalization of production processes and cost minimization, as well as the search for low-risk export methods.

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*Стаття надійшла до редакції 01.03.2024.  
The article was received 01 March 2024.*