

# ОРГАНІЗАЦІЯ ТА ЕКОНОМІКА ФАРМАЦІЇ

*Recommended by Doctor of Pharmacy, Professor I.I. Baranova*

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## ASSESSMENT OF THE MAIN TRENDS OF DEVELOPING THE MARKET OF FOAMING DETERGENTS IN UKRAINE

L.S. Petrovska

National University of Pharmacy

*Key words: cosmetic and beauty products market of Ukraine; cosmetic products; volume of production; volume of sales; import*

*The article considers the main trends in development of the cosmetic and beauty products market in Ukraine over the past five years. The analysis of indicators of volumes of production, export and import of cosmetic products in natural units and monetary terms has been also conducted. An important aspect of this work is to determine the ratio of the volume and the structure of consumption of cosmetic products.*

Among the factors that form the cosmetic and beauty products market of Ukraine, and determine its structural changes and overall dynamics the most important are such factors as the dynamics of change in the weighted average cost of packs of cosmetic products of domestic and foreign production; the purchasing power of the population and the impact of the inflation component on sales of cosmetic products; trends of changes in sales of the product group under research by segments; trends in development of the demographic situation in Ukraine [1, 5].

The Ukrainian cosmetic and beauty products market is the third largest market among the markets of Eastern Europe after Poland and the Russian Federation [4]. The share of sales of cosmetic and beauty products produced in Ukraine in the turnover of the trading network of enterprises (legal entities) in % in relation to the product group of the consumer goods was 21% in 2014, and 20.5% in 2015 [3].

Therefore, to determine the features and trends of consumption of cosmetic products by the population of Ukraine the retrospective analysis of indicators of production, export, import and sale of the products specified in natural units and monetary terms was carried out.

### Materials and Methods

The study object was the results of officially published statistical reports on the analysis of the modern range of cosmetic products available in the domestic market in natural units and monetary terms for 2011-2015. During the study the retrospective, logical, statistical mathematical and graphical methods were used.

### Results and Discussion

The cosmetic and beauty products market in Ukraine includes 3 main groups: cosmetic products, soaps, and perfumery products. It should be noted that in 2015 the

share of cosmetic products in the total production of cosmetic and beauty products was 53%. Today perfumery products, which occupy only 1% of the cosmetic market, are the least represented (Fig. 1).

In 2015, Ukraine produced 96.1 th. tonnes of cosmetic and beauty products, among them perfumery products were 762 tonnes, cosmetic products – 43.9 th. tonnes, soaps – 51.4 th. tonnes (Tab. 1).

It should be noted that in 2015 the share of cosmetic products in the total production of cosmetic and beauty products increased by 9.2% compared to 2011. The proportion of the production volume of perfumery products and soaps for the period studied, on the contrary, shows the opposite trend. For example, a decrease of this indicator is observed by 1.0 and 8.5%, respectively.

According to the analysis of production dynamics in the group of cosmetic products it has been found that every year their volume increases. Therefore, as of year-end 2015 this indicator was 51.4 th. tonnes with gain in production of 43.0% compared to 2011.

It is worth pointing out that there was a negative dynamics of decrease in production in 2015 for such groups as perfumery products and soaps. Thus, the production volumes of these groups of goods for 2015 were 762 tonnes and 51.4 th. tonnes. It indicates decrease in these indicators by 50.2% and 1.3%, respectively, compared to 2011.

The next stage of our study was the analysis of the export volume of cosmetic and beauty products. It is determined that cosmetic and beauty products of domestic manufacturers are exported mainly to the CIS countries. The largest number of products is exported to Russia, Belarus, Kazakhstan, and Moldova.

According to the results of analysis of the export dynamics of the product segment studied it was found that

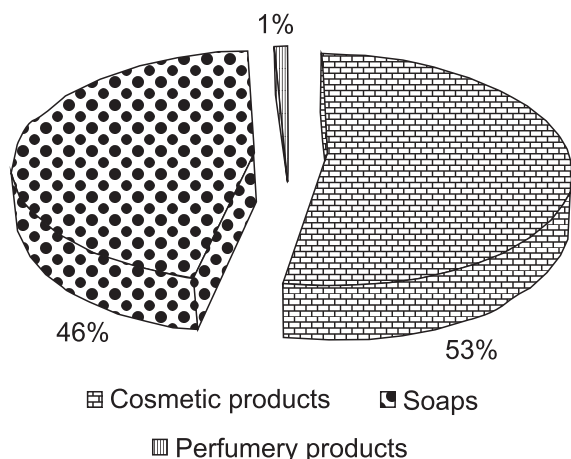


Fig. 1. Distribution of cosmetic and beauty products of the total production in 2015.

every year the export volume of cosmetic and beauty products increases. As of year-end 2015 this figure was 221.6 million USD per 49.6 th. tonnes of products with gain in production of 85.4% in natural units compared to 2011.

The similar positive tendency of increase in volumes of export of goods in this segment is observed for both cosmetic products and soaps. Thus, the number of tons of the exported cosmetic products increased considerably in 2015 compared to the previous periods – from 19.4 tonnes in 2011 to 22.3 tonnes in 2015 (by 14.5%), soaps – from 19.8 tonnes in 2011 to 26.5 tonnes in 2015 (by 33.9%).

At the same time, there were significant negative changes in the dynamics of exports of perfumery products. For example, for this group a decrease in the volume of exported products in natural units by 45.5% in 2015 compared to 2011 was observed. The indicators of the

export volume of cosmetic and beauty products are given in Fig. 2.

According to the results of the analysis of the data of the State Statistics Service regarding the level of prices for cosmetic products it can be argued that their wave-like nature is observed. During 2013-2014 there was a positive tendency towards their sustainable reduction, and in 2015 their sharp increase was registered [2]. On average, prices on cosmetic products increased by 27.4% within the study period (Tab. 2.).

It is well known that most of the top-of-the-range products are imported. Practically all international brands belong to imported products – Avon, Beiersdorf, Henkel-Schwarzkopf, Johnson & Johnson, L’Oreal, Oriflame, Procter & Gamble, Unilever, Yves Rocher, etc.

Therefore, the next step was the analysis of import volumes for cosmetic and beauty products. According to the State Customs Service in 2015 Ukraine imported 152 th. tonnes of cosmetic and beauty products in the amount of 826 million USD (Fig. 3, 4). In addition, the volume of imported perfumery products in 2015 was 107.1 million USD per 4.8 th. tonnes of goods, while the volume of cosmetic products was 108 th. tonnes with the cost of 633 million USD, and soaps – 39.2 th. tonnes, being 826,4 million USD in monetary terms.

As can be seen from Fig. 4, the cost of imported cosmetic and beauty products steadily grew and on the whole in 2015 increased by 32.5% compared to 2011. Moreover, the growth of cosmetic and beauty products in monetary terms in 2012 was the largest (36.4%).

To determine the features and trends of consumption of cosmetic and beauty products by the population of Ukraine the analysis of sales indicators for the products mentioned in natural units was carried out [6]. It was

Table 1

Dynamics of production of cosmetic and beauty products in 2011-2015

Cosmetic and beauty products	The volume of production, tonnes					Gain in production, %
	2011	2012	2013	2014	2015	
Perfumery products	1530	1375	1185	946	762	-50.2
Cosmetic products	30958	30459	35046	41326	43970	43.0
Soaps	52091	51065	53388	57363	51390	-1.3
<b>In total</b>	<b>84786</b>	<b>82899</b>	<b>89620</b>	<b>99636</b>	<b>96122</b>	<b>13.4</b>

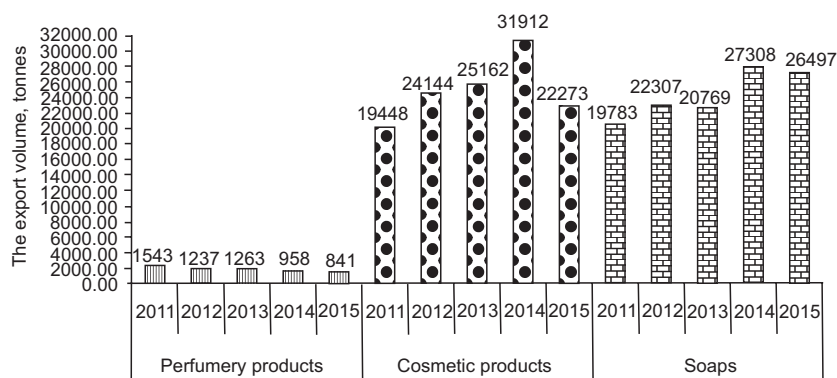


Fig. 2. The export dynamics of cosmetics and beauty products in natural units in 2011-2015.

Table 2

Dynamics of export prices for cosmetic products in 2011-2015

Years	2011	2012	2013	2014	2015
Average price, USD/kg	3.51	3.69	3.55	3.37	4.47
The rate of growth, %		5.2	-3.9	-4.9	32.6

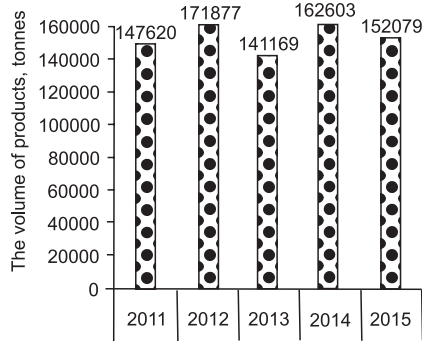


Fig. 3. Dynamics of imports for cosmetic and beauty products in natural units in 2011-2015.

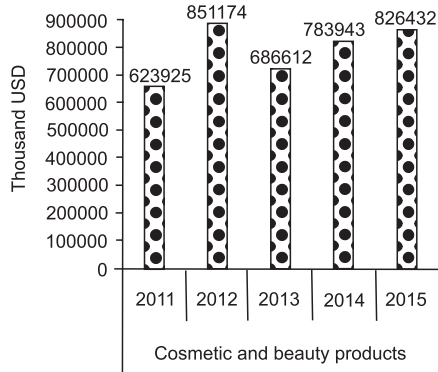


Fig. 4. Dynamics of imports for cosmetic and beauty products in monetary terms in 2011-2015.

determined that for this market segment fluctuations in the rate of the volume of sales was inherent from the maximum value of +10.1% in 2014 to the minimum value of -11.9% in 2013, and the average growth of the volume of sales in natural units was +3.4%. The biggest figures of sales for cosmetic and beauty products were registered in 2012 (Fig. 5).

The next stage of the analysis conducted was the study of the structure of consumption of cosmetic and beauty products in 2015. The ratio of the volume of sales for certain types of cosmetic and beauty products assessed in natural units is presented in Fig. 6.

As can be seen from the data presented, cosmetic products provide a prevailing volume of sales in natural units in this segment, their share of sales is 66% of the total capacity of the cosmetic and beauty products

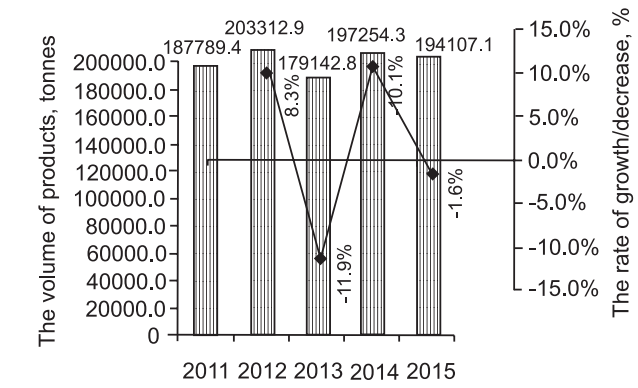


Fig. 5. Dynamics of the volume of sales for cosmetic and beauty products in natural units for the period of 2011-2015.

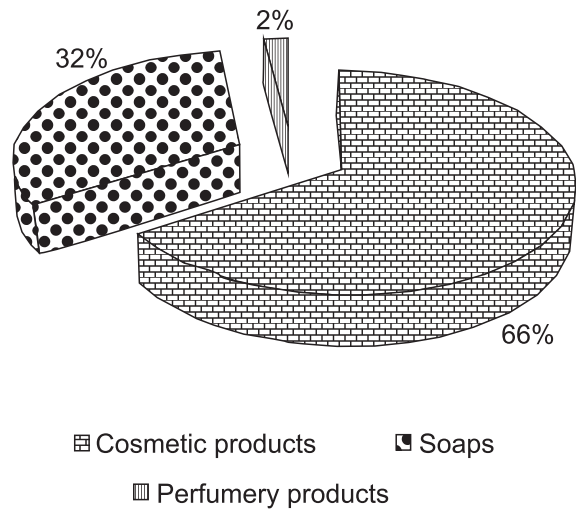


Fig. 6. The structure of consumption of cosmetic and beauty products (%) in 2015.

market (127823 tonnes), and it can be explained by the widest range of these products at the Ukrainian market.

The subgroup of soaps also shows the positive demand. For example, the capacity of the market of these products is 60187.7 tonnes. At the same time, the segment of perfumery products is characterized by small sales figures in natural units compared to other groups, which are 4551 tonnes.

CONCLUSIONS

Therefore, taking into account the modern trends in development of the market of cosmetic products, as well as the factors forming this market the marketing research allows the manufacturer to optimize the product range to fully meet the needs of different groups of the population at minimum cost both in terms of crisis and in conditions of the economic growth.

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#### **ОЦІНКА ОСНОВНИХ ТЕНДЕНЦІЙ РОЗВИТКУ РИНКУ ПІНОМІЙНИХ ЗАСОБІВ В УКРАЇНІ**

**Л.С.Петровська**

**Ключові слова:** парфумерно-косметичний ринок України; косметичні засоби; обсяг виробництва; обсяг продажів; імпорт

Досліджені основні тенденції розвитку парфумерно-косметичного ринку в Україні за останні п'ять років. Також проведено аналіз показників обсягів виробництва, експорту та імпорту косметичних засобів у натуральному та грошовому вимірі. Важливим аспектом роботи є визначення співвідношення обсягів і структури споживання косметичної продукції.

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#### **ОЦЕНКА ОСНОВНЫХ ТЕНДЕНЦИЙ РАЗВИТИЯ РЫНКА ПЕНОМОЮЩИХ СРЕДСТВ В УКРАИНЕ**

**Л.С.Петровская**

**Ключевые слова:** парфюмерно-косметический рынок Украины; косметические средства; объем производства; объем продаж; импорт

Рассмотрены основные тенденции развития парфюмерно-косметического рынка в Украине за последние пять лет. Также проведен анализ показателей объемов производства, экспорта и импорта косметических средств в натуральном и денежном выражении. Важным аспектом работы является определение соотношения объемов и структуры потребления косметической продукции.