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International experience in the functioning of the soft drinks market

Abstract. The soft drinks market is one of the largest segments of the food market in any country, and its functioning is based on a series of factors, including supply and demand, competition, government regulation, etc. In developed countries, juices, smoothies, and low-sugar drinks are popular, while in developing countries, the market is actively expanding. Accordingly, the study of foreign practices in the soft drinks market helped to identify current trends, assess the effectiveness of government regulation, the implementation of innovative technologies and marketing strategies by companies, and identify opportunities for the development of this market in Ukraine, which was the purpose of this study. The following methods were employed in the study: analysis, synthesis, induction, deduction, content analysis, comparison, generalisation, and other methods of scientific cognition. The study of statistical data revealed that the consumption of soft drinks has been growing steadily in recent years. One of the key drivers of this growth is continuous innovation, as soft drinks market players try to constantly update their products, including ingredients, formulation, packaging, and other aspects to increase sales. It was found that the general factors that determine the functioning of the market are the same – the influence of large players in the supply market, consumer tastes, and their changes, as well as the impact of government regulation methods used by the market; the most commonly used are labelling requirements, food safety regulations, price controls, advertising and marketing restrictions, taxes and subsidies. The study of the practices of foreign countries opens opportunities for further scientific developments in the soft drinks market, which is of practical value and benefit to producers, distributors, consumers, and researchers involved in the research of food industry markets and marketing

Keywords: consumer goods; food economy; multinational companies; state regulation; tax; valuation

INTRODUCTION

The modern economy is characterised by fierce competition, innovative development, and growing consumer demands for products and services. In this context, the soft drinks market is one of the strategic areas of development for the food industry in many countries around the

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world. Demand for soft drinks is growing due to changes in lifestyles and national consumer habits, an increase in the number of vegetarians and the rejection of alcoholic beverages for medical reasons. Increased competition and stricter product quality requirements are forcing soft drinks producers to constantly improve production technologies and develop new flavours.

Various aspects of the functioning of the soft drinks market have been investigated by such foreign and Ukrainian researchers as A.D. Dibrova (2020), who studied consumer preferences in the soft drinks market and concluded that the key factors in consumer choice are price, quality, and taste characteristics of the product. The researcher also noted the growing demand for environmentally friendly and healthy beverages, which is in line with global healthy eating trends. S.A. Pambuk *et al*. (2021) analysed changes in global trade trends and noted that the soft drinks market has become more competitive due to the growing number of producers and the development of innovative products. The researchers emphasised the significance of adapting to new consumer requirements and environmental standards. D.S. Faivishenko (2020) examined the development and trends of the energy drinks market, concluding that this segment is growing rapidly due to the youth audience that actively consumes energy drinks. However, the researcher also noted the need for stricter regulation of this market due to potential risks to consumer health. N. Ahern *et al*. (2023) investigated the state and trends of the domestic soft drinks market, specifically in Ukraine, and found that consumers prefer national producers. They also noted that the Ukrainian market continues to develop, notably through exports to Europe and Asia. M. Arych & A. Oleksyn (2021) investigated the mineral water market in terms of potential, competition, brand management, and found that the mineral water market in Ukraine has considerable potential for growth, especially through the active use of marketing strategies to promote local brands, and emphasised the value of brand reputation management to strengthen competitive positions. J. Bronnmann & J. Hoffmann (2019) studied various aspects of food market development and concluded that the increase in demand for soft drinks is closely linked to the growth of population prosperity and changes in consumer habits. The researchers also noted the impact of globalisation on changing food priorities. M.A. Colchero *et al*. (2019) explored the strategic prospects of Mexican soft drink producers in the foreign market and found that the introduction of taxes on sugary drinks contributed to a reduction in internal demand, but at the same time stimulated the development of export strategies to compensate for losses. C.F. Kurz & A.N. König (2021) analysed the protein drinks market and its characteristics, noting that this segment has become one of the most promising in the health food market and found that consumers who are actively involved in sports and a healthy lifestyle are the main target audience for protein drinks.

M.M. Blasco & M. Jimé-nez-Morales (2020) and K. Lauber (2022) investigated price changes after the introduction of a tax on sugary drinks and found that this regulation reduced consumption of high-sugar products but also caused price increases for other categories of drinks. R. Schmacker & S. Smed (2020) investigated retailers' perceptions of marketing strategies in the soft drinks market and concluded that effective marketing tools, such as promotions and advertising campaigns, greatly influence consumer choice and drive sales. K.V. Jarquin *et al*. (2019) analysed the impact of taxes on soft drink sales in France and Hungary. The researchers found that the introduction of a tax on sugary drinks contributed to a decrease in consumption of these products, while stimulating the development of alternative categories of low-sugar drinks. E. Robinson *et al*. (2021) examined the demand for carbonated beverages and their implications for obesity policy. They concluded that reducing the consumption of carbonated beverages through price increases helps to combat overweight, especially among young people and children.

Overall, these researchers studied soft drink advertising in Spain and its correlation with nutritional values, analysed the impact of migration on food security and agriculture. They investigated how prices and purchases react to tax increases and decreases in the soft drinks market and looked at the relationship between marketing and consumer perception of the brand in

El Salvador, analysing whether high-calorie food and drink served outside the home would improve public health. These studies were mainly aimed at investigating consumer preferences when choosing soft drinks, determining the impact of marketing environment factors on the soft drinks market and its development trends. Therefore, there was a need to review the existing legislation and regulatory framework in this area in other countries, as well as to assess the feasibility of implementing certain methods in Ukraine.

There was a need for further in-depth analysis of changes in consumer preferences, specifically, the growing demand for products that meet the trends of healthy eating, organic production and environmental sustainability (Soft drinks – worldwide, 2024), which led to the investigation of the effectiveness of marketing strategies of leading companies in various countries and adaptation to the specific features of local markets, paying attention to the regulatory impact on market development. The purpose of this study was to summarise the existing types of functioning of the soft drinks market, approaches to its regulation in different countries and to identify opportunities for their use in Ukraine.

MATERIALS AND METHODS

The study included an analysis of the differences in legal requirements for quality, labelling, advertising, and pricing in different jurisdictions. Materials and methods included the use of a wide range of information sources and analytical tools. The materials included scientific articles, reports of international organisations, market research, open-source statistics, government documents, and regulations of the countries under study (Ukraine, the United States, Canada, Estonia, Poland, the Czech Republic, France, Hungary, Saudi Arabia, Chile, the United Kingdom, Norway, Sweden, etc.). Special attention was paid to reports of analytical agencies covering market trends, as well as corporate reports of leading companies in the industry. The research methods included comparative analysis, which helped to assess the difference in approaches to market functioning in different countries. Furthermore, content analysis was used to investigate legislative documents and policies governing the soft drinks market. Statistical analysis helped to interpret data on production, consumption, and export-import operations, which helped to identify key factors influencing the market development.

The following legislative initiatives and statistical sources were used as materials for the study: Draft Law on Amendments to the Budget Code of Ukraine in Connection with the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Beverages with Added Sugar or Other Sweetening or Flavouring Substances (Draft Law of Ukraine No. 9033-1 "On Amendments to the Budget Code of Ukraine in Connection with the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Waters, with the Addition of Sugar or other Sweetening or Flavouring Substances", 2023) and the Law on Amendments to the Tax Code of Ukraine, which regulates the introduction of an excise tax on the same categories of beverages (Draft Law of Ukraine No. 9032-1 "On Amendments to the Tax Code of Ukraine on the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Waters, with the Addition of Sugar or other Sweetening or Flavouring Substances", 2023), the Draft Law of Ukraine No. 7019 "On Amendments to the Tax Code of Ukraine on Excise Taxation of Certain Goods" (2017) was also included in the materials. Furthermore, statistical data from the analytical company Global Data (Market volume of global..., 2019), which provides an in-depth analysis of the soft drinks market at the global level, information from Statista (Volume in the soft drinks market..., 2023), which is an authoritative source of statistical reports on the market, and data from the global B2B network Bizvibe (Top 10 soft drinks companies in the world..., 2022) covering trends and forecasts for the development of the soft drinks market were used. The Food Safety Management System (ISO 22000, 2007) was analysed. The materials used provided a comprehensive basis for analysing the soft drinks market in Ukraine and the possible consequences of the introduction of tax regulation on it.

This study was based on such methods of scientific cognition as research analysis and statistical analysis. Statistical analysis was employed to quantify the data obtained, which resulted in objective statistical findings. Synthesis and generalisation were used to create a comprehensive understanding of the research object and formulate general conclusions. The synthesis method included the integration of the findings of statistical data analysis, scientific research, market trends, and regulatory requirements to build a generalised model of market functioning, which helped not only to understand the current situation but also to identify potential areas of development. The method of generalisation was to identify key patterns, trends, and factors affecting the market, which helped to summarise the state and prospects of the market and provide evidence-based recommendations for its further development. Summarising the findings helped to provide a holistic vision of the topic and build evidence-based forecasts. The analysis of scientific research involved the review of scientific papers in the industry, which helped to identify the core areas where the market is developing and to identify gaps that require further research. The methodology also involved a critical review of the literature, and a comparison of different approaches used to analyse the market and identify key findings. The systematisation method was used to organise the information collected from various sources in the context of the study, and helped to structure data on market conditions, regulatory requirements, consumer trends, and marketing strategies. The systematisation helped to identify the key categories and parameters of the market, which contributed to a more holistic understanding of its functioning. The comparison method revealed the similarities and differences between the soft drinks markets in various countries, both in terms of the regulatory framework and consumer preferences and marketing approaches. The use of these materials and methods helped to gain a better understanding of the topic and provide a comprehensive analysis of the research object. These tools enabled the analysis of quantitative and qualitative market indicators, such as consumer preferences and regulatory requirements, which increased the reliability of the findings and their practical significance for the development of the industry in Ukraine.

RESULTS AND DISCUSSION

It was found that in 2010-2020, food systems provided a variety of food products needed by consumers in the context of rapid urban population growth (Pohorielova, 2022), as within the market system, food is central as one of the key components of the global and Ukrainian economic markets, responsible for ensuring the basic human need for sustenance (Pambuk, *et al.*, 2021). One of the largest segments of the food market is non-alcoholic beverages, which cover a considerable volume of production compared to other segments (Draft Law of Ukraine No. 9033-1 "On Amendments to the Budget Code of Ukraine in Connection with the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Waters, with the Addition of Sugar or Other Sweetening or Flavouring Substances", 2023). The main object of the non-alcoholic beverage market is a homogeneous group of beverages, which includes such subgroups as drinking and mineral waters, fruit and berry drinks, tonic drinks, kvass and sour drinks, juices, nectars, and juice-containing drinks. The market also includes semi-finished products for beverages, such as syrups, concentrates, and dry powders (Table 1).

Table 1. Key targets of the soft drinks market

Category of drinks	Main subcategories	Brand examples	Market specifics
Water	Drinking water, mineral, carbonated, still	Evian, Perrier, Aquafina	Growing demand for clean and healthy water and the popularity of eco-packaging.
Carbonated drinks	Sweet, dietary, with reduced sugar content	Coca-Cola, Pepsi, Sprite	Traditionally a large segment, demand for diet drinks is growing.
Energy drinks	Regular, reduced sugar, organic	Red Bull, Monster, Burn	Increased popularity among young people, frequent discussions about security.
Functional drinks	Isotonic drinks, sports drinks, recovery drinks	Gatorade, Powerade, Vitaminwater	Market growth is driven by healthy lifestyles and sports trends.
Juices and fruit drinks	Natural juices, nectars, cocktails	Tropicana, Minute Maid, Cappy	Demand for natural drinks without added sugar.

Table 1, Continued

Category of drinks	Main subcategories	Brand examples	Market specifics
Tea and coffee drinks	Black tea, green tea, iced tea, coffee cocktails	Lipton, Arizona, Starbucks	High popularity in Asia, growing demand for iced tea.
Plant-based drinks	Soy milk, almond milk, coconut water	Alpro, Silk, Vita Coco	Rapid growth due to the trend towards veganism and food alternatives.
Vitaminised and detox drinks	Beverages for detoxification enriched with vitamins	Suja, Smartwater, Bai	Market growth is driven by the trend towards a healthy lifestyle.

Source: compiled by the author of this study based on K. Lauber (2022)

The study found that the soft drinks market consists of a complex system of interaction between producers, distributors and consumers and is highly competitive, highly sensitive to fashion trends and changes in taste preferences (Pohorielova, 2022). The non-alcoholic beverage market is an essential sector of the global food and beverage industry with a diverse product range and considerable global market value. According to Statista, in 2022, the soft drinks market was worth around USD 760 billion (Volume in the soft drinks market..., 2023). Therewith, experts predict that the market will grow by 4.09% annually in the coming years and identify three main segments in this market: carbonated, energy and sports drinks, and non-carbonated drinks (Fig. 1).

According to these data, it was found that the general trend for 2018-2022 is an increase in sales of all three categories. Specifically, the number of sales of carbonated and non-carbonated drinks stayed almost unchanged from 2018 to 2019, but in 2020 they decreased by USD 40 and USD 20 billion, respectively. In 2020, they decreased by USD 40 billion and USD 20 billion, respectively, but grew again in 2021 and 2022. Sales of energy and sports drinks grew year-on-year from USD 150 billion in 2018 to USD 170 billion in 2022. The energy and sports drinks category was found to show the largest sales growth in 2018-2022. The carbonated and non-carbonated drinks categories also grew, but at a slower pace. The industry was heavily affected by the COVID-19 pandemic, which forced many people to self-isolate, causing such a sharp decline in volumes in 2020. The same trend is illustrated in Figure 2, which shows per capita revenue for each of the selected segments.

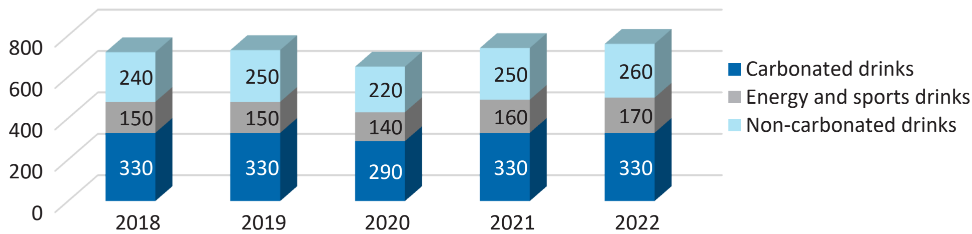

Figure 1. Structure and volume of the global soft drinks market (2018-2022, USD billion)
Source: developed by the author of this study based on data from Statista (n.d.)

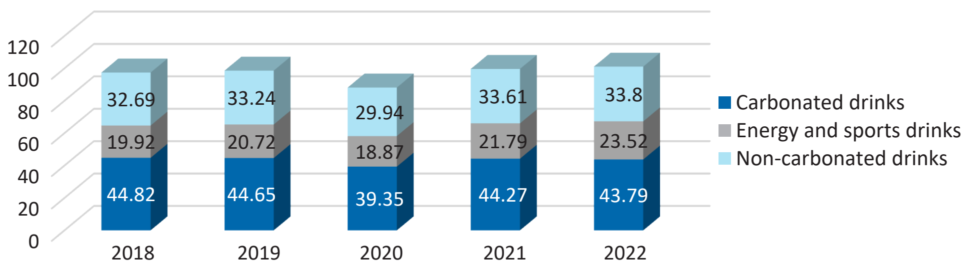

Figure 2. Per capita income by components of the global soft drinks market, 2018-2022, USD
Source: developed by the author of this study based on data from Statista (n.d.)

The greatest change occurred in per capita revenue from energy and sports drinks, which increased by more than USD 3 between 2018 and 2022. In 2018-2022, per capita income from non-carbonated drinks increased by almost USD 1, while per capita income from carbonated drinks decreased by more than USD 1. However, since 2020, per capita income from all categories of soft drinks has started to grow again (Pambuk, *et al.*, 2021). Other figures that confirm the existing trends are also indicative. In 2021, the global soft drinks segment was about 915,109.31 million litres (Soft drinks – worldwide, 2024; Market volume..., 2024). However, according to estimates by Statista (n.d.), other figures are given (Fig. 3).

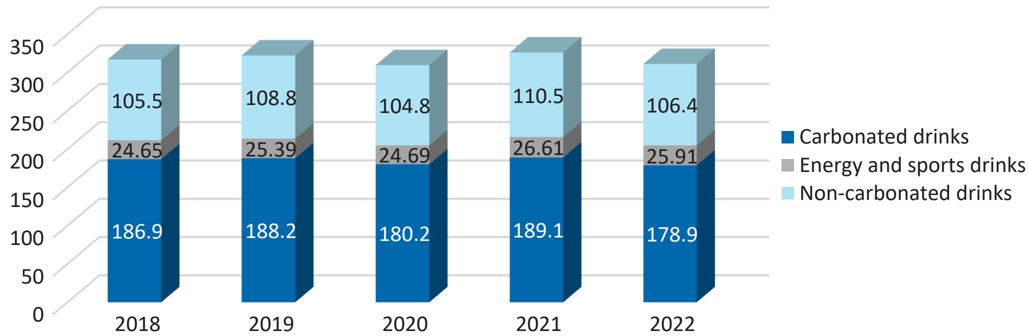

Figure 3. Drinks sales by segments of the global soft drinks market, 2018-2022, billion litres
Source: developed by the author of this study based on data from Statista (n.d.)

Figures 1-3 show that there is a growing interest in healthy lifestyles in society, as the carbonated drinks segment, which is showing a decline, is dominated by various sweet drinks, most of which contain significant amounts of sugar and are unhealthy. This primarily concerns the child target audience (TA), which has historically been a large segment for producers of these products. It was found that the decline in per capita income of carbonated beverages indicates the growing popularity of alternative drinks, such as non-carbonated drinks, and the growth in per capita income from energy and sports drinks indicates an increase in interest in healthy lifestyles and physical activity among the population. Total global consumption in 2019 was 223 litres per capita (Market volume of global soft drinks..., 2019).

The study found that the highest level of soft drink consumption is in North America, with about 325 litres of soft drinks per capita, while in Estonia, the consumption of soft drinks per person averages 120 litres per year, in Poland 182 litres, and in the Czech Republic 20 litres (Alvarado *et al.*, 2019). Most of the beverages consumed are produced by a few dozen large multinational companies, such as Coca-Cola, PepsiCo, Red Bull, Nestle, Unilever, and others (Top 10 soft drinks companies in the world..., 2022). In 2021-2023, the global soft drinks market expanded dramatically, and such multinationals play a crucial role in this process. Transnational corporations have advantages over smaller competitors in this market. For example, they can use their large scale to obtain economies of scale in production and distribution, which leads to lower production costs and higher profitability. Furthermore, multinationals often have greater access to capital and resources, which allows them to invest more in marketing, research, and development (Revenue of the soft drinks..., 2023).

It was found that market growth is driven by the demand for healthier and lower-calorie drinks. This trend has led to the emergence of new product categories, such as tonics, plant-based drinks, milkshakes with alternative milk (almond, oatmeal, etc.), drinks with electrolyte supplements, etc., as national health and regulation of the soft drinks market has become a priority in most developed countries (Abdel-Rahman *et al.*, 2019). Taxation is the most common market regulation mechanism used by countries around the world. Taxation is aimed at reducing the consumption of unhealthy beverages and increasing budget revenues, which are used to support environmental and health initiatives (Azuma *et al.*, 2020). In countries that have introduced such controls, taxes are typically applied to high-sugar drinks such as soda, tonics, and energy drinks. They are calculated as a percentage of the price of the drink, and the amount can vary substantially. Sugar taxes have been introduced in France, Hungary, Saudi Arabia, Chile, and the United Kingdom, with mixed results in most countries. For example, according to a study (Bandy *et al.*, 2020), in France, a slight decline in soft drink sales was found after the introduction of a tax on sugar-containing soft drinks, while overall soft drink sales increased. In Hungary, there was only a short-term decline in sales of sugar-sweetened soft drinks, which disappeared after 2 years, leading to an overall increase in sales of this drinks segment. However, both effects are characterised by high uncertainty, and it is impossible to establish the exact reasons for such changes.

The most common type of taxation on soft drinks is an excise tax, which is charged based on the volume of the drink. This means that the more drinks are produced or imported, the higher the tax is charged. To reduce the consumption of drinks with a high sugar content, a differentiated excise tax system can be applied, where the tax is charged depending on the sugar content of the drink (Campos-Vázquez *et al.*, 2019). Taxes may be ineffective if people substitute soft drinks for other products high in sugar or calories. Accordingly, the introduction of a tax on sugary drinks has faced opposition from both beverage companies and some consumers, who believe that such taxation is unfair to their products and could lead to job losses and reduced economic growth (Etilé *et al.*, 2021). Another regulatory mechanism often used by governments around the world is advertising restrictions, which have proved to be quite effective with cigarettes and alcohol. The introduction of such restrictions is intended to reduce the ability, primarily of children, to receive information about harmful soft drinks, and to prevent companies from targeting children as a target audience. For example, in Norway, soft drinks advertising to children under 13 is prohibited (Forde & Solomon-Moore, 2019).

A study by Spanish researchers M.M. Blasco & M. Jiménez-Morales (2020) suggests that advertising restrictions should be strict, as soft advertising policies in many countries (e.g., the United States, the United Kingdom, Australia, New Zealand) have proven ineffective in reducing the impact of junk food advertising aimed at children. Researchers have found that more stringent restrictions (e.g., adopted by the Canadian province of Quebec, Norway, Sweden) confirm that banning this type of advertising can be effective in reducing unhealthy food consumption and improving social well-being (Forde *et al.*, 2019). It was argued that soft drink labelling standards play a major role in ensuring information transparency and consumer protection. They form an integral part of the quality control system and services provided by government agencies to help follow food safety regulations and standards (ISO 22000, 2007), and provide information on composition, calorie content, and other indicators. The regulatory role of labelling is that in many countries, health warnings are mandatory for products with high sugar or other potentially harmful ingredients. However, according to research by E. Robinson *et al.* (2021), although in 2018 the UK government proposed mandatory calorie labelling for food and drink, calorie labelling can only moderately influence consumer behaviour. Consequently, warnings about the harmfulness of drinks do not have much effect, as is the case with tobacco and alcohol products. Regulatory methods used in international trade can be divided into the following groups (Fig. 4).

It was found that each of these methods has its advantages and disadvantages: labelling requirements help consumers make an informed choice about the product they purchase; provide transparency and accountability for food producers, but increase production costs, which leads to a shift in responsibility from the producer to the consumer. Due to its comprehensive approach to quality control, the regulation of the soft drinks market includes labelling and safety requirements, support for the agricultural sector, price controls, advertising restrictions and taxation policies. These measures contribute to ensuring a healthy and transparent industry that benefits both consumers and producers. It was highlighted that regulatory methods protect vulnerable segments of the population from aggressive marketing that encourages unhealthy eating habits but limits producer freedom and competitiveness. Implementing advertising and marketing restrictions is a complex process that requires considerable resources to monitor compliance with all requirements (Pell *et al.*, 2019).

Labelling requirements

- Governments may require food producers to include certain information on food labels, such as a list of ingredients, nutritional information, and country of origin.

Food safety regulations

- These regulations may include requirements for food handling, processing, and storage, as well as food testing to detect contaminants

Agricultural policy

- Governments can regulate the agricultural industry by encouraging farmers to grow certain crops or by imposing tariffs or quotas on imported food. For example, corn syrup is an important ingredient in most soft drinks on the US market, and therefore affecting the cultivation of corn affects the availability and cost of soft drinks.

Price control

- Governments can impose price controls to limit the price of certain foods. This can help make food more affordable for consumers, but it can also limit the availability of certain foods on the market.

Restrictions on advertising and marketing

- May include restrictions on the use of certain claims, such as "low sugar" or "healthy", or a ban on advertising certain products to children.

Taxes

- Governments can use taxes and subsidies to encourage or discourage consumption of certain foods. For example, a tax on sugary drinks can help reduce consumption.

Figure 4. Classification of methods of regulating the soft drinks market
Source: developed by the author of this study

It was found that the most effective measure is taxation, which has no particular alternatives in terms of efficiency. The results of the introduction of excise taxes on sugary drinks can be both positive (reduced demand for sugary soft drinks, increased demand for healthier drinks, impact on producers of excisable goods and encouragement to "modernise" drinks) and negative (high tax administration costs, increased tax burden on the poor, reduced collection of other taxes). The problems faced by other countries (UK, Mexico, Hungary) demonstrate the need for a comprehensive analysis and revision of certain elements of the tax.

The idea of introducing a tax regulation that limits the consumption of soft drinks into the tax system of Ukraine has been discussed by government agencies on several occasions. For example, in 2015, a draft law On Amendments to the Tax Code of Ukraine Regarding the Introduction of Excise Duty Rates on Energy Drinks" was registered (Draft Law of Ukraine No. 2740 "On Amendments to the Tax Code of Ukraine Regarding the Introduction of Excise Duty Rates on Energy Drinks", 2015). In the existing draft laws, two rate options were considered: a flat rate, which is expressed in hryvnias and depends on the amount of sugar or sweeteners in the drink, and an ad valorem rate, which depends on the cost of the drink. Let us outline the advantages and disadvantages of each of the proposed types of rates for this excise tax (Table 2).

Table 2. Advantages and disadvantages of fixed and ad valorem rates

Rate	Advantages	Disadvantages
Fixed	Effectiveness of consumption restriction is proven on other excisable goods, such as alcohol and tobacco products. Does not depend on the price of the product, which means that it does not create preconditions for lowering the price and quality of the product, and there is no need for additional government control over sugar prices. Since sugar and sweeteners are measured in quantitative terms, this rate is convenient and understandable for taxpayers.	There may be tax evasion, which may lie in the inability to determine the object of taxation.
Ad valorem	Possibility of faster and more efficient budget replenishment. Rapid response to changes in the economy, which will automatically lead to an increase in the tax amount.	Since the rate depends on the price of the product, and the market offers a wide range of products of various quality and price, there is a possibility of switching to less expensive and higher quality products. There may be complications with tax administration since the tax base is the retail price of the drink.

Source: compiled by the author of this study

For sugar-containing soft drinks, it is advisable to set a fixed excise rate that would not initially increase the price of the product too much and would not create a strong drop in supply and demand on the Ukrainian soft drinks market, especially during the war (Zubkov, 2023). As of 2023-2024, the excise tax on sugary soft drinks is included in the key areas of tax policy. In early March 2023, two draft laws were registered in the Verkhovna Rada of Ukraine: the Draft Law of Ukraine No. 9032-1 "On Amendments to the Tax Code of Ukraine on the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Waters, with the Addition of Sugar or other Sweetening or Flavoring Substances" (2023) and the Draft Law of Ukraine No. 9033-1 "On Amendments to the Budget Code of Ukraine in Connection with the Introduction of an Excise Tax on Waters, Including Mineral and Carbonated Waters, with the Addition of Sugar or other Sweetening or Flavoring Substances" (2023). The former amends the Tax Code. Mineral and carbonated waters with added sugar and other sweeteners and flavourings are subject to a tax rate of EUR 0.1 (UAH 4) per litre of beverage. The second stipulates that 50% of the proceeds are to be used to implement programmes to prevent and treat diseases arising from the regular consumption of sugary carbonated drinks. Another 50% will be allocated to the school feeding programme initiated by First Lady Olena Zelenska (Mykhailo Radutskyi discussed..., 2023). It is demonstrated that the Government of Ukraine is ready to adopt and implement foreign practices in the field of regulating the soft drinks market. In the context of a record budget deficit, such sources of revenue will help support the Ukrainian economy. However, the purchasing power of Ukrainian consumers is at its lowest level in 25 years, and it is highly probable that the sole result of this tax will be a decrease in demand for sugary soft drinks. Soft drinks are a large group of flavour products that combine drinks with various properties and production technologies, which are designed to quench thirst and have a refreshing effect. There is still no common understanding of what exactly should be classified as soft drinks in the world.

The study complemented the findings of K. Lauber (2022), which focused on consumer preferences, by providing a broader global context. Specifically, the study analysed consumer trends in various countries and compared them with national data, which provided insight into the unique and common features of soft drink consumption in different regions; and explored aspects such as the impact of culture, climate, economic conditions, and politics on consumer choice across countries in the UK, Ireland, and Wales. This has provided a deeper understanding of how local factors can influence consumer preferences and allowed us to develop strategies that address these nuances. For example, the study found that consumers in warmer climates prefer refreshing drinks, while in colder regions hot or higher-calorie soft drinks are more popular. It was also added that this demonstrates the need for flexible strategies that consider both global trends and local preferences. Specifically, producers that can react quickly to changes in climate conditions or social trends will gain a competitive advantage in the soft drinks market.

At the same time, M.P. Yuryshinets (2021) focused on local trends in Ukraine. This study offered an international perspective, allowing for a comparison of the Ukrainian market with other markets around the world. This helped to identify global trends that could be implemented in the Ukrainian context to stimulate market development. Specifically, the study analysed issues such as the adaptation of successful marketing strategies from other countries, the impact of international brands on the local market and export opportunities for Ukrainian soft drinks. This study reviewed the practices of countries that have successfully implemented tax policies on sugary beverages and discussed how such measures could be applied in Ukraine to improve public health and encourage consumption of healthier alternatives. Special attention should be paid to the development of cooperation between local producers and international retailers, which would allow Ukrainian beverages to enter foreign markets more quickly. The study provided relevant data on the composition and volume of the global soft drinks market for 2018-2022, valuing it at USD 1.5 billion. The study has expanded on previous findings, providing a more detailed and up-to-date view of market trends and changes in soft drinks consumption. It also helped to understand what factors influence the market in the current environment (Matraves, 2022).

The study provided relevant data on per capita income by component of the global soft drinks market for 2018-2022, valued in US dollars. These data expanded the scientific horizons of previous studies by R. Kanter *et al.* (2019) and R. Schmacker & S. Smed (2020) by offering a more detailed and up-to-date picture of revenues from soft drink consumption in various countries and regions. The study considered the impact of economic factors, changes in consumer habits, and the impact of product innovation on revenues in different regions of the world. The provision of relevant data for the last five years helped to make more accurate forecasts for the future and develop effective strategies for business and politics (Pohorielova, 2022). This study proposed a relevant classification of methods of regulating the soft drinks market, which expanded and supplemented the existing findings of V. Kaushik & C.A. Walsh (2019). The classification included fiscal measures such as taxes and excise taxes on sugar-containing beverages and subsidies to support the production of healthy beverages. Regulatory requirements for labelling and marking, which require the disclosure of calorie content and composition of drinks, as well as restrictions on advertising, especially those aimed at children, were also covered. The classification provided a more detailed understanding of the tools that can be used to effectively regulate the market and promote healthy lifestyles among the population.

CONCLUSIONS

The global soft drinks market is characterised by a decline in demand for conventional sugary drinks with a large amount of sugar and a corresponding increase in demand for non-carbonated, sports, and other alternative drinks, as the demand for a healthy lifestyle is driving the corresponding preferences in food and beverages. The health issue is also causing corresponding changes in the approach of international communities to this market, which is forcing the introduction of various methods of market regulation, such as labelling requirements, price controls, advertising and marketing restrictions, taxes and subsidies, etc. Each of these methods has its advantages and disadvantages and does not allow governments to exert substantial influence on market processes. The analysed practices of other countries showed that taxation brings the greatest economic and social benefits, as the foreign soft drinks market is regulated through various mechanisms. Countries typically implement strict regulations to ensure transparency of product information and protect consumers from hazardous ingredients. Government regulation also includes tax incentives for healthy drinks and restrictions on advertising to prevent negative impact on consumers, especially the youth and child target audience.

At the same time, Ukraine has proposed to introduce a fixed excise tax rate on sugar-containing products, which will increase tax revenues and minimise the harmful effects of beverages on public health. As of 2023-2025, the excise tax on sugary soft drinks is one of the key areas of tax policy. Two draft laws have been registered in the Verkhovna Rada of Ukraine that would impose an excise tax on mineral and sugar-sweetened soda at EUR 0.1 (UAH 4) per litre, and earmark 50% of the proceeds for programmes to prevent and treat diseases associated with the consumption of such drinks. However, the purchasing power of Ukrainian consumers is at its lowest level in 25 years, and the introduction of the excise tax may lead to a decrease in demand for sugary soft drinks. As soft drinks represent a large group of products, it is important to conduct further research, including analysis of the supply and demand for certain types of drinks, their composition, calorie content, and other characteristics, to effectively regulate the market and meet consumer needs.

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CONFLICT OF INTEREST

None.

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Міжнародний досвід функціонування ринку безалкогольних напоїв

Анотація. Ринок безалкогольних напоїв є одним із найбільших сегментів продовольчого ринку будь-якої країни, функціонування якого ґрунтується на різноманітних чинниках, що включають в себе попит і пропозицію, конкуренцію, регулювання з боку держави та інші фактори. У розвинених країнах популярні соки, смузі та напої з низьким вмістом цукру, тоді як у країнах, що розвиваються, ринок активно розширюється. Відповідно, дослідження зарубіжного досвіду функціонування ринку безалкогольних напоїв дозволило визначити сучасні тенденції розвитку, оцінити ефективність застосування методів регулювання державою, впровадження підприємствами інноваційних технологій і стратегій маркетингу, а також визначити можливості для розвитку цього ринку в Україні, що й становило мету даної роботи. У дослідженні було використано наступні методи: аналіз, синтез, індукція, дедукція, контент-аналіз, порівняння, узагальнення та інші методи наукового пізнання. У результаті дослідження статистичних даних було з'ясовано, що останніми роками обсяги споживання безалкогольних напоїв невпинно зростають. Одним із головних факторів такого зростання є постійні інновації, так як учасники ринку безалкогольних напоїв намагаються постійно оновлювати свої продукти, включаючи інгредієнти, рецептуру, упаковку та інші аспекти з метою збільшення продажів. Було виявлено, що загальні фактори, що визначають функціонування ринку, є однаковими – це вплив великих гравців на ринку пропозиції, споживчі смаки та їх зміна, а також вплив використовуваних державами методів регулювання ринку; найчастіше використовуються вимоги до маркування, правила безпеки харчових продуктів, контроль цін, рекламні та маркетингові обмеження, податки та субсидії. Дослідження досвіду зарубіжних країн відкриває можливості для подальших наукових розробок на ринку безалкогольних напоїв, що становить практичну цінність та користь для виробників, дистриб'юторів, споживачів і науковців, які займаються вивченням ринків харчової промисловості та маркетингу

Ключові слова: споживчі товари; продовольча економіка; транснаціональні компанії; державне регулювання; податок; оцінка