DEVELOPMENT OF THE BEVERAGE MARKET IN UKRAINE: ANALYSIS AND MARKETING TRENDS

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Abstract. *The beverage market in Ukraine demonstrates a high degree of adaptability to crisis conditions, dynamically transforming under the influence of military and economic factors, migration processes, and the global trend toward a healthy lifestyle. Despite the challenges of war, economic instability, and fluctuations in purchasing power, Ukrainian producers are successfully implementing innovations by focusing on localizing production, the craft segment, and expanding their range of non-alcoholic products. The domestic beverage market exhibits characteristics of monopolistic competition, where the majority of production capacity and capital is concentrated in the hands of large national and international corporations, which dictate the standards for technical development and marketing communications. Modern beverage marketing in Ukraine is fully driven by changes dictated by current realities: a healthy lifestyle (Wellness & Health); premiumization and the "craft*

revolution"; patriotic marketing and support for local brands; and packaging transformation.

In 2023–2025, the beverage sector is demonstrating stable, outpacing growth relative to total wholesale turnover, thereby increasing its share in the wholesale market structure. Within the beverage category, alcoholic beverages remain dominant; however, for the third consecutive year, the role of the non-alcoholic segment has been strengthening, reflecting the greater sensitivity of non-alcoholic products to seasonality, promotional activities, and changes in product assortment. The challenges facing the wholesale beverage segment center on three key issues: financial strain due to payment deferrals and bonus schemes, rising logistics costs, and institutional restrictions on the alcoholic beverages segment. For wholesale operators, this means the need to strengthen accounts receivable management, improve inventory planning accuracy, optimize warehouse and transportation logistics, and develop compliance procedures for handling excise-taxable goods.

Pricing trends in the beverage sector from 2023 to 2025 are characterized by price growth in the beverage category outpacing overall inflation, with this gap becoming most pronounced in 2025. Cost pressures—which the NBU specifically notes in the context of energy shortages and additional business expenses—were exacerbated by the nature of beverages as an energy- and logistics-sensitive category; in the alcoholic beverages segment, regulatory frameworks—including minimum price mechanisms and compliance requirements—further compounded these pressures. This created an environment where business pricing strategies relied more on shorter priceadjustment cycles, more active promotional activities, product portfolio management, and an increased focus on operational efficiency in the supply chain than on simple price competition through reductions in base prices.

Keywords: *industry market, beverage market, marketing strategy, competitiveness, consumption volumes, consumer preferences, performance evaluation, digitalization.*

Problem Statement. The beverage market is of heightened relevance due to the combination of widespread consumption, the significant role of brands in shaping consumer behavior, the environmental impact of packaging, and the need to promote responsible consumption in the alcoholic beverages segment. During wartime, the humanitarian aspect takes on additional significance, as businesses play a role in meeting the basic needs of communities while simultaneously maintaining trust in institutions and fostering social interaction.

The relevance of this topic is amplified by changes in the communications landscape. Digital channels have accelerated the spread of messages but have made it more difficult to retain attention and trust. As a result, the importance of evidencebased, transparent, and measurable socially oriented initiatives is growing, as is the ability of companies to align their communications with real-world conditions to drive behavioral change. For the beverage market, this means the need to view communication as a systemic activity linked to the product portfolio, sales strategy, product assortment policy, and external market conditions, where the dynamics of wholesale and retail turnover and price fluctuations influence brand perception and communication priorities.

Analysis of Recent Studies and Publications. The Ukrainian beverage market is developing rapidly, and research in this area is gradually gaining in relevance and effectiveness. Scientific research in this field is multifaceted and promising; in particular: Zaychenko K.S. and Bolkovska A.P. [1] identified the main trends in the development of the alcoholic beverages market (Ukrainian consumers' shift toward domestically produced goods, the premiumization of consumption, digitalization, a new level of home consumption, and changing consumer tastes); Tyukha I.V. and Savchuk I.V. [2] examined the current state of the non-alcoholic beverage market both in Ukraine and abroad; M.Y. Gavryliak and Y.R. Shevchyk [5], using an expert-based consumer survey method, analyzed consumer preferences in the non-alcoholic beverage market; A. Boguslavska and N. Yazvinska [3] developed a system of indicators to measure the level of marketing resilience management in enterprises; Doronin V. [6] analyzed drinking water production. The article utilized data from the

State Statistics Service of Ukraine (wholesale and retail trade, consumer price indices). [7–12].

Purpose and Objectives of the Article. The purpose of the article is to analyze wholesale and retail turnover in the Ukrainian beverage market and to track the development of pricing policy through index indicators, pricing factors, and implications for sales and communication decisions. To achieve this objective, the following tasks were set: to analyze the wholesale turnover of beverages in Ukraine, broken down into alcoholic and non-alcoholic groups, and to determine the structural proportions and rates of change in these indicators; to analyze the retail turnover of beverages in Ukraine and assess the structure, dynamics, and regional differences in turnover formation; to characterize pricing policy in the Ukrainian beverage market through index indicators, pricing factors, and implications for sales and communication decisions;

Overview of the Main Content. The modern beverage market is undergoing rapid transformation; we are observing a global trend toward declining consumption of spirits in favor of non-alcoholic and low-alcohol alternatives. The Ukrainian market is adapting to these new realities, where local production, convenient packaging formats, and functionality remain priorities for manufacturers. Therefore, we can identify the main trends in the beverage market's development and track the following changes: a growing demand for non-alcoholic beverages (global markets are seeing a steady shift toward moderate consumption, where non-alcoholic beverages—including craft lemonades and functional drinks—are becoming the new norm); changes in the structure of the alcoholic beverage market (in Ukraine, beer and low-alcohol beverages account for over 80% of sales volume in physical terms; however, the dynamics of exports, imports, and consumption are constantly influenced by economic factors); the influence of European trends (the strong impact of young people and social media on the emergence of new tastes, which compels brands to constantly innovate in the "outof-home" segment (HoReCa and vending)); changes in consumer habits (the importance of manufacturers adapting to fluctuations in purchasing power and shifts in Ukrainians' taste preferences).

1. Marketing Trends in the Ukrainian Beverage Market

The main marketing trends shaping the beverage market are a shift in consumer preferences toward a healthy lifestyle (Wellness & Health), the digitization of sales (ecommerce), product personalization, and demand for eco-friendly packaging**.** Adapting to these trends is key to any brand's success. [1] The current landscape highlights marketing factors that can be divided into several key areas:

- *changing consumer preferences*: functionality and healthy lifestyles (growing demand for vitamin-enriched waters, kombucha, smoothies, and functional iced teas); Low/No Sugar (maximum reduction or complete elimination of sugar in favor of natural sweeteners such as stevia and erythritol); the No/Low Alcohol segment (nonalcoholic beer, wine, and low-alcohol beverages with minimal alcohol content are among the fastest-growing categories); Craft and experimentation (consumers are seeking new flavors, craft beer, niche alcoholic beverages, and natural ingredients); Aesthetics and self-expression (beverages have become part of a lifestyle: a modern product must have a striking design that's Instagram-friendly);

- *digitalization and the growth of e-commerce*: omnichannel retailing (the lines between offline and online shopping are blurring; brands must have a presence on marketplaces and offer user-friendly proprietary apps); delivery and convenience (consumers expect fast home delivery of beverages); the influence of social media (Tik-Tok and lifestyle bloggers are driving viral demand for certain beverage categories, such as matcha lattes and ginger shots);

- *environmental friendliness and sustainability (ESG*): eco-friendly packaging (moving away from plastic in favor of biodegradable materials, glass, or recyclable aluminum); packaging transformation (aluminum cans are rapidly replacing PET and glass containers due to their cooling speed and ease of recycling; the popularity of small-volume packaging (0.25–0.33 L) for quick on-the-go consumption); responsible production (consumers are choosing brands that prioritize reducing their carbon footprint and support local production);

- *personalization and innovation*: personalized offers (using Big Data to create personalized discounts and promotions); limited editions (releasing limited-edition flavors or collaborations with celebrities and influencers); premiumization (instead of mass-produced, cheap products, urban consumers are opting for unique offerings). This trend toward premiumization is driving the rapid growth of local breweries and cideries, as well as the emergence of Ukrainian startups producing and delivering ready-to-drink, preservative-free, premium-quality cocktails.

- *patriotic marketing and support for local brands:* economic patriotism (consciously choosing domestic brands to support the economy, increasing the share of Ukrainian wines and local craft products, and actively incorporating national identity, charitable initiatives, and fundraisers for the Armed Forces of Ukraine into promotional campaigns). [2.3]

The effectiveness of the beverage market's development in Ukraine depends largely on the behavior of the target consumer and the tools used to promote beverages. These aspects are intertwined, as it is the specific behavior of the target audience (TA) that determines the choice of promotional tools. A deep understanding of the customer helps ensure that the advertising budget is not wasted. The following key consumer trends can be identified: sober, conscious choices (young people are switching to nonalcoholic alternatives en masse); thrift and rationality (some shoppers choose retailers' private-label brands); the search for new experiences (people are buying not just a liquid, but an emotion or a sense of enjoyment); attention to ingredients (customers carefully examine the origin of ingredients); and the home bar (there is a growing trend toward making cocktails at home). When it comes to beverage promotion tools, marketers increasingly rely on targeted channels: influencer marketing (engaging bloggers to create viral trends); emotional storytelling (sharing the unique story behind a brand's creation); gamification in apps (creating interactive loyalty programs for customers); targeted video ads (short, eye-catching clips on TikTok and Reels); collaborations (joint limited-edition lines with other well-known brands); and sampling and tastings (free samples to lower the barrier to purchase). [4,5,6]

It should be noted that the *Ready-to-Drink* low-alcohol beverage sector (readyto-drink cocktails in cans) in Ukraine is growing thanks to a young audience (ages 21– 35) that is turning away from hard liquor in favor of low-alcohol mixes with unusual fruit or botanical flavors (lavender, bergamot, thyme).

2. Wholesale beverage sales in Ukraine

Let's examine the wholesale turnover of beverages in value terms, in thousands of UAH excluding VAT, broken down into alcoholic and non-alcoholic beverages (including water and juices), as well as total wholesale turnover as a basis for structural comparisons (Tables 1–3)

Table 1. Wholesale turnover of beverages and their share in total wholesale turnover, 2023–2025, in thousands of UAH

Indicator	2023	2024	2025
Total wholesale trade in beverages, W	2,145,780,123.6	2,398,412,905.4	2,612,990,477.9
Alcoholic beverages, A	52,120,331.8	59,410,902.6	65,118,740.9
Non-alcoholic beverages, water, and juices, N	34,330,440.5	38,469,612.1	43,786,492.3
Total beverages, B = A + N	86,450,772.3	97,880,514.7	108,905,233.2
Share of beverages in W, %	4.03	4.08	4.17
Alcohol content in B, %	60.29	60.70	59.79
Percentage of non-alcoholic beverages in B, %	39.71	39.30	40.21

Source: compiled by the author based on [7,8]

The data show that the beverage segment accounts for 4.03–4.17% of total wholesale turnover. The share is trending moderately upward, indicating that beverage turnover is growing faster than total wholesale turnover. This is important for the wholesale channel for two reasons. First, an increase in the share of beverages in the wholesale portfolio is usually accompanied by changes in requirements for warehouse and transportation infrastructure, since beverages are bulky products that are sensitive to storage costs and inventory turnover rates. Second, the growing role of beverages increases wholesale companies' dependence on highly competitive products with significant promotional activity, where sales performance is tied to the retail chains' marketing calendars and to contractual supply terms. The alcoholic beverage category dominates the beverage market, accounting for approximately 60% of beverage sales by value. Alcohol's dominance in value terms is explained by a combination of a higher average unit price and a greater concentration of distribution chains in the wholesale channel. In contrast, non-alcoholic beverages, water, and juices are more often supplied through mixed models, where—alongside wholesale distributors—direct contracts between manufacturers and retail chains, as well as contract logistics, play a significant role. As a result, the non-alcoholic beverage segment is capable of growing faster in wholesale turnover through the expansion of product ranges and promotional cycles; however, a portion of the turnover is generated outside of traditional wholesale operations.

Table 2: Trends in Wholesale Turnover of Beverages in Ukraine, 2023–2025

Indicator	Absolute Change 2024–2023, thousand UAH	Growth rate 2024/2023, %	Absolute change 2025–2024, thousand UAH	Growth rate 2025/2024, %
Total wholesale trade turnover, W	252,632,781.8	11.77	214,577,572.5	8.95
Total beverages, B	11,429,742.4	13.22	11,024,718.5	11.26
Alcoholic beverages, A	7,290,570.8	13.99	5,707,838.3	9.61
Non-alcoholic beverages, water, and juices, N	4,139,171.6	12.06	5,316,880.2	13.82

Source: compiled by the author based on [7,8]

A comparison of growth rates shows that beverages consistently outperform total wholesale sales. In 2024, beverage growth stands at 13.22% compared to 11.77% for W; in 2025, 11.26% compared to 8.95%. This means that beverages are strengthening their presence in the wholesale portfolio not just sporadically, but as a three-year trend. At the same time, the internal logic of growth for 2025 reveals differences among subcategories: alcohol is growing more slowly than in the previous year, while the nonalcoholic group is accelerating. This pattern aligns with a situation where the alcoholic beverages segment is more dependent on regulatory frameworks, distribution controls, and price elasticity of demand, while non-alcoholic beverages are more responsive to seasonality, promotional activity, and the expansion of product offerings within the fast-moving consumer goods (FMCG) sector.

To deepen the structural analysis, it is advisable to assess the ratio of alcohol to non-alcoholic beverage sales and track changes in this ratio over time. In 2023, the A/N ratio is 1.52 times; in 2024, 1.54 times; and in 2025, 1.49 times, indicating a slight weakening of alcohol's dominance for the third consecutive year. In practical terms, this indicates an expansion of the non-alcoholic segment's role in the wholesale market, which may be the result of more intensive promotional activities, an increase in the share of value-added products within the non-alcoholic portfolio, as well as a shift in consumer behavior toward cheaper or functional products, where manufacturers are actively promoting new offerings through wholesale channels.

Table 3. Key structural ratios in the beverage segment, 2023–2025

Indicator	2023	2024	2025
A/N ratio, times	1.52	1.54	1.49
Difference between A and N fractions in B, vol. p.	20.58	21.40	19.58
Year-over-year increase in the share of beverages in W	–	0.05	0.09

Source: compiled by the author based on [7,8]

An increase in the share of beverages in total wholesale sales by 0.05–0.09 percentage points per year within the large W is a significant signal for wholesale operators. First, an increase in beverage turnover typically requires investment in working capital, as beverages have a high turnover rate, and contract payment terms in B2B remain substantial. Second, the growing role of beverages changes a wholesaler's risk profile, as margins in many beverage subcategories are low, and financial performance depends significantly on payment discipline, the level of losses in the supply chain, and the effectiveness of inventory management.

The beverage wholesale segment in 2023–2025 operates in an environment characterized by a combination of commercial and institutional constraints. The commercial challenges stem primarily from pressure exerted by retail chains on supply terms. The beverage sector is characterized by a complex system of bonuses, retroactive bonuses, marketing payments, and paid shelf space, which reduces the actual margins of wholesale channel participants. At the same time, widespread payment deferrals shift the financial burden onto the wholesaler, who is forced to finance accounts receivable either with their own funds or through credit. During periods of rising financing costs, this transforms growth in turnover into an increased need for liquidity rather than a proportional increase in profit. For alcoholic beverages, this problem is exacerbated by the fact that some small-scale retail counterparties carry a higher risk of late payments, whereas for the non-alcoholic portfolio, a significant portion of the risk stems precisely from chain contracts with longer payment deferrals.

The operational challenges in the beverage sector are driven by logistics costs. Beverages are transported in large volumes by weight, require high storage density, are susceptible to container damage, and certain items are temperature-sensitive. Under wartime conditions, costs for energy, backup power for warehouses, transportation security, insurance, and the restoration of logistics routes increase, which directly raises the cost of wholesale operations. As a result, wholesalers are forced to reduce inventories to the bare minimum, which lowers service levels during peak demand periods. For non-alcoholic beverages, seasonality is an additional factor, as sharp sales spikes create a need for temporary expansion of warehouse capacity and transportation resources. Seasonality also exists for alcoholic beverages, but its amplitude is typically lower; instead, sensitivity to regulatory parameters and changes in distribution controls is higher.

The institutional framework of these challenges is particularly evident in the alcoholic beverages segment. The presence of excise taxes, labeling requirements, licensing, sales restrictions, and supply chain controls increases transaction costs and raises barriers to entry. Wholesale companies bear compliance costs and the risk of fines, so they seek to work with transparent counterparties, which narrows the sales market and intensifies competition in the legal sector. At the same time, there is a risk of the market shifting to the informal sector, which distorts competitive conditions; as a result, legal wholesale operators sometimes lose out on price to those who minimize tax and regulatory costs. This explains why growth in the alcohol sector may slow in 2025 against the backdrop of accelerating growth in the non-alcoholic beverage segment, where institutional barriers are lower, and competition occurs primarily through promotions and product innovation rather than regulatory restrictions.

The issue of interpreting growth rates in value terms warrants special attention. For beverages, the increase in turnover in hryvnia reflects the combined effect of price changes and changes in physical volumes. In 2023–2025, the Ukrainian market will be characterized by fluctuations in logistics, packaging, and energy costs; therefore, part of the growth in value-based turnover may be driven by inflation. At the same time, the acceleration of the non-alcoholic beverage segment in 2025, coupled with more moderate growth in the alcoholic beverage segment, is consistent with the fact that the non-alcoholic portfolio tends to expand more frequently through new SKUs, functional beverages, changes in packaging formats, and more active promotional cycles, which stimulate sales even when physical volumes for individual SKUs remain modest.

3. Retail Sales of Beverages in Ukraine

The analysis covers sales trends for alcoholic and non-alcoholic beverages in 2023–2025, changes in the structure of retail beverage sales, as well as regional differences in sales patterns. The retail beverage segment is sensitive to fluctuations in household income, price conditions, inflationary trends, seasonal consumption patterns, and the spatial concentration of retail infrastructure, which leads to uneven development in both temporal and territorial dimensions. An analysis of retail beverage sales makes it possible to identify trends in the redistribution of consumer demand across product groups, assess the role of beverages in shaping the retail basket, and determine the characteristics of regional market differentiation amid transformations in the economic environment.

Table 4. Retail sales of beverages in Ukraine and their share in total retail sales, 2023–2025, in millions of UAH

Indicator	2023	2024	2025
Total retail sales, R	1,816,540.7	2,064,881.9	2,291,330.6
Alcoholic beverages, RA	96,840.6	112,774.3	125,621.8
Non-alcoholic beverages, water, juices, RN	79,220.4	91,386.7	105,994.2
Total beverages, RB	176,061.0	204,161.0	231,616.0
Share of beverages in R, %	9.69	9.89	10.11
Share of alcohol in RB, %	55.00	55.23	54.23
Share of non-alcoholic beverages in RB, %	45.00	44.77	45.77

Source: Compiled by the author based on [7,8]

The retail beverage segment is showing steady growth in sales value over a threeyear period. Total retail sales are projected to rise from 1,816,540.7 million UAH in 2023 to 2,291,330.6 million UAH in 2025, with beverages increasing their share of the retail basket from 9.69% to 10.11%. The increase in the share of beverages in retail is consistent with the nature of demand for everyday consumer goods, as well as with the fact that retail trade is recovering unevenly under wartime conditions, yet consumer demand is concentrated in basic categories where beverages maintain stable sales. At the level of total retail trade, the State Statistics Service and public reports from official statistical channels show an increase in retail trade turnover in 2025 compared to 2024 for the January–September period, confirming an overall upward trend in the retail market, within which beverages typically perform more steadily than non-food categories.

The growth rates for beverages exceed those of total retail sales in 2024 and remain higher or comparable in 2025. Within the beverage category, a shift in the balance between subcategories can be observed. Alcohol shows strong growth in 2024, while the growth rate slows in 2025. The non-alcoholic segment maintains a high growth rate in 2024 and accelerates in 2025. This trajectory aligns with market logic, where the alcoholic segment is more dependent on regulatory parameters, distribution controls, the effects of price adjustments, and the redistribution of demand across consumption formats, whereas non-alcoholic beverages are more strongly influenced by seasonality, retail chains' promotional activity, product assortment expansion, and changes in consumer habits within daily demand. The dynamics of sales value are also influenced by the inflationary backdrop and business costs, as reflected in the NBU's assessments of price pressures related to labor and energy costs [20].

Table 5. Trends in Retail Turnover of Beverages in Ukraine, 2023–2025

Indicator	Absolute change 2024–2023, million UAH	Growth rate 2024/2023, %	Absolute change 2025–2024, million UAH	Growth rate 2025/2024, %
Total retail sales, R	248,341.2	13.67	226,448.7	10.97
Total beverages, RB	28,100.0	15.96	27,455.0	13.45
Alcoholic beverages, RA	15,933.7	16.45	12,847.5	11.39
Non-alcoholic beverages, water, juices, RN	12,166.3	15.36	14,607.5	15.98

Source: compiled by the author based on [7,8]

The structure of retail beverage sales in 2023–2025 shows that alcoholic beverages dominate at around 54–55% of the total, although the share of the nonalcoholic segment is expected to grow by 2025. This shift in market shares aligns with a decline in the dominance of the alcoholic category, as the non-alcoholic segment gains additional drivers through more active product innovation, promotional campaigns, and broader coverage of consumption formats. Retail chains increasingly use non-alcoholic beverages as a category for frequent promotions, driving foot traffic, and developing private labels, which boosts value-based sales even amid modest growth in physical volumes for individual SKUs. For alcoholic beverages, retail valuebased sales are often determined by shifts in consumption patterns across price segments, as well as by shifts in demand between home consumption and the HoReCa segment, which in 2023–2025 will remain dependent on the security situation and household incomes [7,8].

Regional differences in beverage retail sales should be analyzed through two dimensions: the concentration of sales in major economic centers and differences in the share of beverages in the regional retail basket. Turnover concentration typically correlates with population size, the level of urbanization, income, the presence of chain stores, and logistical accessibility. To quantitatively illustrate regional concentration, the distribution of beverage sales is presented by a group of the largest regional markets and the remaining regions, which makes it possible to calculate the level of concentration and highlight differences in demand structure (Table 6).

Table 6. Regional Distribution of Retail Turnover in Beverages, 2025

Regional Group	Beverage Turnover, million UAH	Share of RB 2025, %
Kyiv	46 102.8	19.90
Dnipropetrovsk Oblast	22,365.4	9.65
Lviv Oblast	16,583.7	7.16
Odesa Oblast	15,772.1	6.81
Kharkiv Oblast	14,308.5	6.18
Kyiv Oblast	12,419.3	5.36
Other regions	104,064.3	44.94
Total	231,616.0	100.00

Source: compiled by the author based on [7,8]

In 2025, the combined share of the six largest regional markets in beverage retail sales will be 55.06%, reflecting the high concentration of consumer demand and retail infrastructure in the largest metropolitan areas and industrial centers. Kyiv's dominance is explained by the concentration of employment, higher incomes, a greater density of modern retail formats, and a broader product assortment in retail chains, including premium items that drive up sales value. The Dnipropetrovsk, Lviv, and Odesa regions are characterized by the significant role of regional centers and transportation and logistics hubs, which boosts sales in retail chains. In 2023–2025, the Kharkiv region will be strongly influenced by security risks, causing a shift in the structure of demand and retail formats, while sales dynamics will be more dependent on the restoration of retail infrastructure and migration processes—which, in value terms, may manifest as more subdued growth or higher volatility.

Regional differences in the beverage mix are best illustrated by the shares of alcoholic and non-alcoholic beverages within the beverage category, broken down by region type. In higher-income metropolitan areas, a larger share of alcoholic beverages in value-based turnover is more commonly observed due to premium segments, a wider selection of imported products, and more developed modern retail channels. In regions with lower income levels and a smaller presence of modern retail formats, the share of non-alcoholic beverages tends to grow due to high promotional activity and a focus on everyday-use goods.

Table 7. Structure of Retail Beverage Sales by Region Type, 2025

Region Group	Share of Alcoholic Beverages, %	Share of non-alcoholic beverages, %
Metropolitan areas with a high concentration of retail chains	56.40	43.60
Industrial regions with large cities	54.10	45.90
Regions with a predominance of small towns and rural areas	51.80	48.20

Source: compiled by the author based on [7,8]

Differences in beverage structure across regional groups are shaped by a combination of income levels, retail formats, and consumer behavior. Urban agglomerations exhibit a higher share of alcohol in value terms due to the presence of premium products and well-developed specialized channels; however, the nonalcoholic segment remains significant across all types of regions and demonstrates high growth rates thanks to promotions, the development of functional beverage categories, and seasonal peaks. Regional markets with a higher proportion of small towns and rural areas tend to have a structure where alcoholic beverages account for a smaller share of the beverage market, which is consistent with price-sensitive demand and a shallower product assortment in modern retail formats.

The factors restraining the growth of beverage retail sales in 2023–2025 are distinctly practical in nature. The first factor is a shift in purchasing power and a redistribution of consumption across price segments, as part of the demand shifts from premium products to the mid-range or economy segments. The second factor is the rise in retailers' operating costs related to energy, logistics, and labor, which affects markup margins, the depth of promotions, and the availability of product assortments. The third factor is the uneven regional recovery of retail infrastructure, which directly impacts sales in areas with heightened security risks. Under these conditions, retail chains are strengthening category management, focusing on fast-moving items, expanding their private labels, and increasing the frequency of promotions to maintain foot traffic—a trend particularly noticeable in the non-alcoholic beverage segment.

Over a three-year period, retail sales of beverages have outpaced overall retail sales and shown moderate growth in their share of the retail basket. Within the beverage category, alcohol retains a larger share of sales by value, but the non-alcoholic segment is strengthening its presence thanks to faster growth. Regional concentration of sales is high, with the largest metropolitan areas and industrial centers dominating, while structural differences between regions are driven by income levels, retail formats, product assortment depth, and promotional intensity.

4. Pricing Policy in the Ukrainian Beverage Market

Pricing policy in the Ukrainian beverage market for 2023–2025 is shaped by the interplay of inflationary trends, production and logistics costs, tax and regulatory requirements, and competition in retail channels. To assess the results of this policy at the national level, it is advisable to rely on the consumer price index and indices for relevant product groups, as the index-based approach reflects the average rate of price change over time, sets the framework for manufacturers' and distributors' price adjustments, and determines the behavior of retail chains regarding markup, promotional activity, and category pricing architecture. Official reports from the State

Statistics Service of Ukraine confirm a fluctuating inflation trajectory: the Consumer Price Index stood at 105.1% in 2023, 112.0% in 2024, and 108.0% in 2025.

Table 8. Consumer Price Indices in Ukraine and Beverage Price Indices, December compared to December of the previous year, %

Indicator	2023	2024	2025
Consumer Price Index	105.1	112.0	108.0
Food and Non-Alcoholic Beverages	104.0	114.1	110.2
Non-alcoholic beverages	106.9	113.2	115.6
Alcoholic beverages, tobacco products	109.6	113.2	117.3

Source: compiled by the author based on [9–11]

The dynamics of the indices show that prices for beverages are rising faster than the general index in 2023 and especially in 2025, when overall inflation slowed to 8.0%, but non-alcoholic beverages rose by 15.6%, while the aggregate for alcoholic beverages and tobacco rose by 17.3%. This indicates an intensification of sector specific price pressure in the beverages category, where price increases were driven not only by macro inflation but also by the cost structure of the supply chain, the behavior of retail formats, and regulatory parameters in the excise-taxed segment.

A national assessment of pricing policy requires distinguishing between two pricing frameworks: non-alcoholic and alcoholic. For non-alcoholic beverages, cost factors and retail competition dominate, while for alcoholic beverages, in addition to costs, regulatory mechanisms, compliance costs, and the tax burden play a significant role, which increases price rigidity and reduces the scope for flexible shelf-price adjustments outside of promotions. In 2023, non-alcoholic beverages rose in price by 6.9% compared to a general index of 5.1%, reflecting the effects of supply chain recovery, rising packaging and logistics costs, as well as a shift in demand structure, with part of consumption moving toward more “premium” products or more convenient packaging formats. In 2024, inflation accelerated to 12.0%, and the soft drink index reached 13.2%, consistent with mounting cost pressures on manufacturers and retailers. In 2025, the price trajectory for non-alcoholic beverages became the most strained, at 115.6% compared to a general index of 108.0%, which is typically associated with the category's high sensitivity to logistics, energy, and packaging costs, as well as promotional competition, where retailers offset discounts on promotional offers by raising base prices on non-promotional items, thereby maintaining the category's gross revenue.

The cost-driven nature of beverage prices nationwide in 2023–2025 is best explained by cost pass-through. For beverage manufacturers, the cost structure includes a high proportion of energy-intensive and logistics-sensitive items, namely electricity and heat for production processes, water, raw material preparation, packaging, palletizing, warehouse logistics, transportation of heavy products with a relatively low unit price per kilogram, as well as labor costs and technical maintenance of equipment. During wartime, additional costs arise related to ensuring uninterrupted operations, backup power, security, and insurance against logistics risks. The NBU explicitly notes that the slowdown in inflation was driven by additional costs incurred by enterprises to ensure uninterrupted operations amid energy shortages and the rapid rise in administratively regulated prices. For beverages, this channel is particularly significant, as even minor changes in energy and logistics costs quickly multiply due to large shipment volumes and the need to maintain inventory levels in the retail chain [9–11].

Within the national pricing system, the retail channel exacerbates cost pressures due to its own cost structure and the mechanics of category management. In 2023– 2025, retail chains operated in an environment where costs for energy, labor, rent, logistics, and losses from spoilage or damage rose unevenly, while consumers demonstrated high price sensitivity in everyday categories. As a result, chains made more active use of price segmentation and differentiated markups by packaging formats and price segments, while also strengthening the role of promotions as a tool for driving foot traffic. In the beverage category, promotions carry greater weight because demand is often elastic, switching between brands occurs quickly, and the cost to the consumer of changing their choice is minimal. This contributes to the formation of a two-tier pricing system, where base prices are raised to cover costs, while promotional prices are lowered for a limited period to ensure turnover and meet sales targets. The impact of promotions on average price indices manifests through the redistribution of sales between promotional and non-promotional segments, as well as through the substitution of items in the shopping basket in favor of those with larger discounts, which complicates the simple interpretation of the “average price” as a direct function of cost.

The alcohol segment is subject to an additional regulatory framework within the national pricing policy. According to official indices, the “alcoholic beverages and tobacco products” aggregate grew by 9.6% in 2023, 13.2% in 2024, and 17.3% in 2025. Even when aggregated with tobacco products, this trend indicates a consistently high rate of price increases, which is consistent with two factors. The first factor relates to tax and regulatory rules governing the circulation of excise goods, which increase the transaction costs of legal sales and limit the scope for price concessions beyond permitted mechanisms. The second factor relates to the existence of government tools to influence minimum prices, which set the lower limit of the price range and alter competitive dynamics among market participants. The Ministry of Economy has published a draft resolution approving the procedure for determining minimum wholesale and retail prices for alcoholic beverages, reflecting the continued presence of a minimum price mechanism within the regulatory framework. For businesses’ pricing strategies, this means that in the alcoholic beverages category, price changes tend to take the form of discrete adjustments within the regulatory framework rather than smooth price-based competition; consequently, the main areas of competition become product assortment, availability, sales format, marketing, and customer loyalty.

At the national level, compliance with regulations governing the retail sale of alcohol is also of significant importance. Changes in operating conditions, inspections, and requirements for the organization of trade in excise goods create additional costs for retailers and affect prices through the mechanism of passing on these costs to the markup. For example, the State Tax Service announced the introduction of minimum wage requirements in the retail trade of alcohol and other excise goods, which directly increases legal retailers’ personnel and administrative costs. In national pricing policy, such changes are not always immediately reflected in the index; however, they increase price pressure and alter the market structure, stimulating consolidation in favor of operators capable of absorbing compliance costs without losing competitiveness [9– 11].

An additional factor in national beverage pricing policy is the exchange rate and import channels. For non-alcoholic beverages, the import component is often concentrated in packaging, concentrates, additives, equipment, and certain ingredients, while for alcoholic beverages, it manifests itself in both imports of finished products and imported components for production, as well as in the premium segment, where the share of imported items is higher. Fluctuations in exchange rates and import costs create an asymmetry in pricing decisions, where cost increases are quickly passed on to prices, while cost reductions are passed on more slowly due to businesses' desire to restore margins or build reserves against the risk of future cost spikes. In 2023–2025, this mechanism is exacerbated by uncertainty regarding logistics routes, insurance costs, and the risk of supply delays, which, for beverages with shorter shelf lives or high promotional intensity, creates additional pressure on inventory planning and, consequently, on pricing decisions.

Within the nationwide pricing system, the difference between the rate of price growth for beverages and the rate of price growth for the broader food sector plays a significant role. In 2023, the "food and non-alcoholic beverages" index stood at 104.0%, in 2024 at 114.1%, and in 2025 at 110.2%. A comparison of these figures with those for "non-alcoholic beverages" shows that non-alcoholic beverages rose in price faster than the aggregate food component in 2023 and especially in 2025. There is a practical explanation for this. Non-alcoholic beverages are more sensitive to packaging and logistics than most food products and are also characterized by more intensive promotional activities, which influences retailers' policies regarding base prices and supply terms. Furthermore, competition for shelf space and marketing budgets is significant in the non-alcoholic beverages category, generating additional "non-price" costs for manufacturers and distributors that are factored into the prices of nonpromotional items [9–11].

The national pricing policy for beverages also includes a behavioral dimension of demand. During periods of accelerating inflation, shoppers are more likely to switch to larger package sizes with a lower price per unit of volume, are more active in purchasing promotional items, increase their share of retailers' private labels, and shift demand toward lower price segments. For manufacturers and retailers, this creates a need to revise the category's "price tiers," where the product range must be organized by affordability levels—from economy to premium—with a sufficient number of items in the mid-range segment to drive sales in the mass market. In 2024, when the overall index stood at 112.0% and beverage indices reached 113.2%, the strategy of "customer retention" through promotions and affordable SKUs gained increased importance. In 2025, with an overall index of 108.0% and significantly higher beverage indices, this effect intensified, as beverages became one of the channels through which consumers felt price increases more acutely than the average inflation rate.

The relationship between pricing policy and turnover in the sales channel deserves special attention. Beverages, especially non-alcoholic ones, have a high turnover rate but also face intense competition; therefore, manufacturers and retailers must strike a balance between margin and volume. Price increases without promotional support can reduce sales volume and increase the risk of inventory buildup, while frequent promotions lower the average margin and require compensation through the base price or supply chain efficiency. In 2023, when inflation was relatively moderate, there was more room for more flexible pricing, which was reflected in lower beverage index values compared to 2024–2025. In 2024–2025, cost pressures intensified, increasing the importance of logistics optimization, consolidating shipment batches, contract planning, and reducing losses, as these tools allow for limiting the growth of retail prices without compromising operational stability [12].

Conclusions

An analysis of domestic and foreign beverage trade revealed that in 2023–2025, wholesale beverage trade grew at a faster rate than total wholesale trade, and the share of beverages in the wholesale portfolio increased, indicating the category's growing importance within the wholesale structure. Alcoholic beverages accounted for the majority of the wholesale turnover of beverages, at about 60%; at the same time, the role of non-alcoholic beverages strengthened in 2025, which is consistent with seasonality, promotional activity, and the renewal of the product range of non-alcoholic items. Retail sales of beverages showed steady growth in 2023–2025, and the share of beverages in total retail sales increased, confirming the category's high stability in the consumer basket. The structure of retail sales continued to favor the alcoholic beverages segment, although the share of non-alcoholic beverages within the broader beverages category grew, and a regional analysis revealed a high concentration of sales in the largest metropolitan areas and industrial centers. An analysis of pricing policies in the beverage market revealed that beverage price indices were growing faster than the overall consumer price index, which placed additional pressure on demand, heightened the importance of promotions, pricing strategies for product assortments, and cost control in the supply chain, and, for the alcoholic beverages segment, further highlighted the impact of tax and regulatory factors.

To successfully maintain their positions in the beverage market in the coming years, companies need to focus on three areas: the energy drink segment (demand for energy and functional beverages will remain consistently high due to high stress levels, heavy workloads, and the specific nature of demand among military personnel and volunteers); logistics optimization (localization of raw material sources and diversification of distribution channels, including the development of proprietary online stores and fast delivery); flexible pricing (creating high-quality products in the mid-price segment to retain the loyalty of a customer base sensitive to currency devaluation and inflation).

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