

Annotation

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The elasticity of consumer demand for gardening products

To carry out a full market analysis of the target market and develop a marketing strategy is extremely important to determine the coefficients of demand elasticity. Information on the price elasticity of demand for the product allows predicting the change in the gross revenue of the producer – he can enlarge it reducing the price of goods with elastic demand and raising the price of goods with inelastic demand. Information on the value of the coefficient of income elasticity of demand allows predicting development and prosperity of the branch or the reduction in output and stagnation. Thus, a positive and high value of the coefficient of income elasticity of demand shows that the increase (decrease) of income may result in a significant increase (decrease) in the production of the branch. The low value of the income of the demand elasticity shows the prospect of reduced production in the branch.

The definition of the demand elasticity under conditions of unstable economy needs special development and this determines the relevance of the research topic.

The level of the consumption of gardening products (fresh fruit and berries) is one of the most reliable indicators of the material well-being of the population. After all, consumer expenses for the purchase of 1 calorie of food energy, contained in fruit and berries, are much higher than similar costs for the purchase of cheap carbohydrate food products – bread, potatoes, cereals, butter, vegetable oil and sugar. However, only one is a full food ration which is present in a sufficient quantity of fresh fruit and berries. It is a source of essential nutrients that cannot be compensated by other food products.

Conclusions:

1) In 1990-2014 the consumption of fruit, berries and grapes had two tendencies: from 1990 to 2001 there was the reduction but from 2002 to 2013 there was the growth in consumption, in general. Since 2010, the level of consumption of fruit, berries and grapes for one person has begun to exceed its amount in 1990 but the record of 2013 (56.3 kg) still accounts for only 63% of science-based norm (90 kg). In 2014 the consumption of these products decreased – 52.3 kg;

2) It should be noted that taking into account the unstable dynamics of prices for fruit and berry production, the demand elasticity of the Ukrainian population should be identified in conjunction with prices and nominal incomes. If there is a reduction in prices for fruit and berry production by 1% and the nominal incomes of the population grow by 3.5% at least, the demand will grow elastically. Similar assumptions concerning elastic demand reduction in response to the price growth on the basis of presented data cannot be done;

3) Taking into account that people with different incomes per capita make the demand for a variety of products on parameters of price, quality and purchasing methods; the dynamics of prices for domestic and imported products may vary diametrically opposite, more accurate scientific conclusions on the demand elasticity for fruit and berry production concerning prices and incomes can be only obtained with the help of field marketing panel studies.

Key words: *fresh fruit and berries, demand, elasticity coefficient, decile groups, prices, incomes, import, panel studies.*