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## Marketing pricing policy in the cosmetic business of Ukraine: Analysis of the activities of L’Oreal Ukraine LLC

**Abstract.** The relevance of the study is determined by the need for effective pricing in conditions of growing competition and economic instability in the Ukrainian cosmetics market. The aim of the study was to evaluate the effectiveness of the marketing pricing policy of L’Oréal Ukraine LLC in the premium segment and to determine optimal pricing approaches, considering consumer behaviour. Using methods of comparative analysis, evaluation, determination of price elasticity of demand, product life cycle analysis, and pricing strategy analysis, the pricing approaches of L’Oréal Group (Ukraine) in 2020-2023 were investigated. A comparison of financial indicators, price dynamics, and characteristics of premium lipsticks from various brands was conducted. The products of the Lancôme brand, specifically L’Absolu Rouge Drama Ink and Lip Idôle Butterglow lipsticks, were thoroughly analysed, including an assessment of their cost, positioning, consumer value, and competitive environment. To determine an appropriate price level for Lip Idôle Butterglow, the value-based pricing method was applied, which allowed for substantiating the approximate optimal price as one that corresponds to the average market indicators of the premium segment and ensures profit maximisation. The influence of psychological perception, seasonality, sales format (online, retail, pharmacies) and consumer type (mass, professional, collectible) on pricing policy was determined. Optimal positioning was justified, taking into account the product life cycle stage. An algorithm for calculating the optimal price of a new product in the premium cosmetics market in Ukraine is proposed. A combined approach to assessing the effectiveness of pricing strategy is developed, combining financial indicators, consumer behaviour and elements of behavioural economics. The results of the study can be used to develop effective approaches to product positioning, increasing profitability and consumer loyalty in conditions of competition and economic instability

**Keywords:** strategy; pricing; market; demand elasticity; consumer behaviour

### INTRODUCTION

In the context of increasing competition within the Ukrainian cosmetic goods market, the effectiveness of pricing decisions takes on particular importance. Price becomes not only a tool for cost recovery but also a means of building consumer trust, positioning a brand, and sustaining stable

demand. The specific nature of the cosmetic segment lies in combining the functional and emotional characteristics of a product, which determines the dependence of purchasing decisions on the psychological perception of value. Under such conditions, successful pricing requires not only an

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analysis of market factors but also a deep understanding of consumer behaviour in various price niches. In recent years, the problem of forming an effective pricing policy for enterprises, particularly in the Business-to-Consumer (B2C) sector, has received widespread coverage in scientific literature. Specifically, the work of N.O. Yevtushenko & N.V. Vasyilkova (2025) examined the impact of macroeconomic instability on the pricing policy of Ukrainian enterprises. The authors drew attention to the need to adapt pricing strategies to high levels of risk and fluctuations in the purchasing power of the population, but they overlooked aspects of consumer price behaviour in premium segments of the cosmetics market. Based on the analysis conducted, they concluded that pricing flexibility is a crucial factor in ensuring business survival during prolonged crisis periods.

A.M. Kulyk & Z.F. Bryndzya (2020) investigated cost management issues in the service sector and the impact of pricing on financial performance. The work contained valuable generalisations regarding price calculation methods but focused primarily on intangible services, which limits its practical relevance to tangible goods such as cosmetics. At the same time, the authors emphasised that effective pricing policy contributes to increased profitability even under conditions of limited demand. In the work of O. Laburtseva (2021), marketing aspects of pricing policy formation in retail chains were examined. The author described in detail the factors influencing price changes in the mass segment, including assortment structure, promotions, and advertising. As noted, a systematic approach to pricing allows not only for increased product turnover but also for maintaining a position in a competitive market. However, premium brands and factors of perceived value were not the subject of in-depth analysis.

A study by R.Y. Chenavaz *et al.* (2020) complemented the above-mentioned approaches by highlighting the link between product quality, advertising activity, and pricing dynamics. The authors proved that high product quality can serve as a basis for consistently higher prices, which is relevant for the premium cosmetics segment. N. Rani *et al.* (2025), within a sustainable approach to inventory management, considered the integration of advertising and pricing strategies as a factor in cost optimisation under environmental and tax regulations. This approach is useful from the perspective of forming a long-term pricing policy, taking into account external constraints and sustainable development requirements. In turn, H. Ma *et al.* (2024) investigated the impact of reference prices and unconditional coupons on consumer behaviour in online-to-offline (O2O) services. The authors showed that previous buyer experience and expectations of discounts significantly influence price decisions, confirming the relevance of considering behavioural mechanisms when forming pricing policies in conditions of digital transformation.

Overall, the analysis of scientific sources indicates the multifaceted nature of approaches to pricing policy formation depending on the specific industry, product, or service. However, most works do not pay sufficient attention to the

peculiarities of pricing in the premium segment of the cosmetic market, where not only costs but also the perception of brand value, the emotional component of consumption, and a high level of individualisation play an important role. Furthermore, questions regarding the adaptation of pricing strategies to behavioural changes in consumers under conditions of digitalisation, personalised marketing, and demand instability remain insufficiently developed. In the context of a lack of research that integrates economic calculations with marketing analysis of consumer behaviour and price elasticity in the premium cosmetics segment, the aim of this work is to investigate the effectiveness of pricing decisions of L'Oréal Ukraine LLC and to identify the most appropriate approaches to pricing, taking into account the peculiarities of distribution channels and consumer typology.

## MATERIALS AND METHODS

To study the pricing policy and marketing strategies of L'Oréal Ukraine LLC, as well as to analyse the peculiarities of the Lancôme brand's performance in the Ukrainian premium cosmetics market, a set of methods for collecting and analysing information from official, analytical and practical sources was used. First of all, the study was based on the financial indicators of L'Oréal Ukraine LLC for 2020-2023. Data on net income, gross profit, expenses and profitability were obtained from official statistics published on the company's page on the American Chamber of Commerce in Ukraine (n.d.) website, as well as on the L'Oréal Groupe corporate website (n.d.a). Official data for 2024 remained confidential or had not yet been published at the time of writing; however, current market and forecast data for 2025 were additionally used to substantiate calculations, demand models and comparative tables in the study.

This information made it possible to assess the overall financial condition of the company and track the dynamics of its economic performance during a period of increasing competition and changes in consumer behaviour. In addition, analytical materials from L'Oréal Groupe on the global marketing strategy of "universalisation" (L'Oréal Groupe, n.d.b) were used to determine the conceptual basis for promoting the Lancôme brand. The marketing messages and positioning of Lancôme brand products, in particular L'Absolu Rouge Drama Ink lipstick, were researched based on the official Lancôme UK website (Lancôme, n.d.), the French website (Lancôme Paris, n.d.), the American version (Lancôme USA, n.d.) and the Ukrainian representative office (Lancôme Ukraine, n.d.). These sources made it possible to compare official prices in different countries.

In addition, the Lip Idôle Butterglow product was analysed separately to assess consumer value, cost price and calculate the optimal price based on market data. Actual retail prices, discounts and features of cosmetics sales were analysed using the EVA (EVA.UA, n.d.), BROCARD (BROCARD, n.d.), MAKEUP and NOTINO platforms. In particular, prices for identical units of goods were compared, as well as loyalty conditions, bonus programmes and the frequency of promotions. This made it possible to

identify the characteristics of pricing policy in Ukrainian retail chains. Loyalty programme conditions in chains such as EVA Mozaika (EVA.UA, n.d.) and Watsons Club (Watsons, n.d.) were also considered, which provided an understanding of additional marketing incentives for buyers in the form of loyalty programmes.

## RESULTS AND DISCUSSION

L'Oréal Ukraine LLC, part of the international L'Oréal Group, has been operating in the Ukrainian market since 2004, with the first product deliveries made in 2005 (American Chamber of Commerce in Ukraine, n.d.). The company's structure comprises four main divisions: the Consumer Products division, the Luxe Products division, the Professional Products division, and the Active Cosmetics division (L'Oréal Groupe, n.d.a). One of the key marketing strategies that L'Oréal implements globally is "universalisation" – an approach that combines a standardised product policy with adaptation to local cultural, social, and market conditions (L'Oréal Groupe, n.d.b). This strategy involves manufacturing products according to international quality standards while simultaneously considering the specific characteristics of demand in individual countries.

Within the Ukrainian market, this strategy was implemented through the localisation of communication practices, consideration of the social context, and adaptation of the assortment policy. Specifically, marketing campaigns for brands within the company's portfolio are conducted in Ukrainian and take into account local cultural peculiarities and public sentiment. In the post-war period, the company has also modified its content, emphasising local initiatives and social support themes. Furthermore, the product assortment is adapted to the demands of Ukrainian consumers by selectively introducing product lines that meet local demand, without directly duplicating the global offering.

In the realm of pricing, the universalisation strategy is realised through the use of flexible pricing approaches, oriented towards consumer purchasing power. At the same time, the positioning of individual brands in the premium segment is maintained, which is reflected, for instance, in the limited application of price discounts. Individual product items and sets are also formulated with local economic conditions in mind. These approaches create an operating model that sustains a unified global brand identity while adapting to the conditions of a specific national market. This contributes to enhancing the relevance of marketing actions, as well as the consistency of communication and pricing policies at the local level.

In 2023, L'Oréal Ukraine LLC demonstrated a significant improvement in financial indicators compared to previous years. The financial results of L'Oréal Ukraine LLC from 2020–2023 show dynamic changes in key indicators (L'Oréal Groupe, n.d.a). The company's net income in 2020 was 3.232 billion UAH, rising to 3.839 billion UAH in 2021, decreasing to 2.616 billion UAH in 2022 due to external circumstances (specifically, the war), but already reached 4.975 billion UAH in 2023. A similar trend is demonstrated

by gross profit: from 1.835 billion UAH in 2020 to a peak value of 2.903 billion UAH in 2023, after a fall to 1.514 billion UAH in 2022.

The cost of goods sold fluctuated between 1.1 and 2.1 billion UAH, with operating profit at 0.522 billion UAH in 2020, rising to 0.594 billion UAH in 2021, significantly decreasing to 0.087 billion UAH in 2022, and reaching 1.140 billion UAH in 2023. Net profit changed similarly: 0.422 billion UAH (2020), 0.480 billion UAH (2021), 0.069 billion UAH (2022), and 0.920 billion UAH (2023). The growth in the company's assets – from 1.327 billion UAH in 2020 to 4.248 billion UAH in 2023 – indicates an expansion of operations. Equity also grew until 2022, reaching 0.605 billion UAH, but figures for 2023 have not been released. It is worth noting the decrease in return on assets and equity in the crisis year of 2022 (to 3.50% and 14.30% respectively), as well as a reduction in net margin to 3.31%. Data for 2023 regarding these indicators are currently unavailable.

Overall, despite a temporary deterioration in financial results in 2022, the company demonstrated an ability to recover and strengthen its market position, indicating the effectiveness of management decisions and marketing strategy in unstable conditions. To analyse the specificities of pricing in the premium segment, Lancôme's L'Absolu Rouge Drama Ink lipstick was chosen. The product is positioned as an innovative decorative cosmetic item in the growth stage of its life cycle, as confirmed by active marketing campaigns. This allows for investigating pricing mechanisms, taking into account market trends, demand elasticity, and the influence of the brand component on consumer behaviour.

Demand for cosmetic products has several characteristics that shape consumer behaviour in the market and determine a brand's pricing policy. Firstly, it should be noted that demand for cosmetic products is primary, not secondary. This means that cosmetic products are end goods for the consumer, not components or additions to other products. The buyer purchases cosmetics directly for personal use, which differentiates them from goods used for production purposes. Secondly, price elasticity of demand plays an important role (Shtal *et al.*, 2023). The example of Lancôme lipsticks shows that when the price increased from 1,500 UAH in 2022 to 1,650 UAH in 2023, sales volume decreased from 50 thousand to 48 thousand units (Lancôme Ukraine, n.d.). Calculation of elasticity shows a coefficient of 0.4, indicating inelastic demand. This is typical for luxury products, where consumers are less sensitive to price changes, as the purchase decision is based not only on cost but also on brand image, quality, and the product's status.

Demand for L'Oréal Groupe products is cross-elastic due to the presence of numerous substitutes and complementary goods (L'Oréal Groupe, n.d.b). Demand is typically paired, as many cosmetic products are consumed in combination (e.g., shampoo and conditioner). Consumer choice tends towards rationalisation: quality, price, effectiveness, and brand reputation are all considered. Seasonal variability in demand, driven by weather, social, and marketing factors, is also observed. Precise information on

the cost of producing a single unit of Lancôme L’Absolu Rouge Drama Ink lipstick (3 ml volume) is confidential and not officially disclosed. However, by analysing the general principles of cost formation in the premium decorative cosmetics segment (McKinsey & Company, 2021), a typical cost structure can be determined. Its main components usually include costs for high-quality ingredients (in particular, water-oil emulsions, durable pigments, wax, silicones, and plant extracts), individualised packaging with premium design, quality control, logistics (delivery, storage, distribution), as well as marketing and promotion expenses. According to McKinsey & Company (2021), the share of direct production costs in the price structure of a

premium cosmetic product typically amounts to about 25-35%, with the remainder attributed to brand management, marketing, and distribution, depending on the sales region and distribution channel. Exact numerical data remain internal financial information for companies and may vary depending on production volumes and supply conditions. L’Oréal Ukraine LLC is represented in the decorative cosmetics market across all major price segments – from mass-market to premium. In the higher price segment (luxury), the company sells products under the Lancôme and Yves Saint Laurent (YSL) brands, which demonstrate consistently high price levels – around 1,500-1,800 UAH per product unit (Table 1).

**Table 1.** Reactions to price changes by the market leader for 2025

No.	Competitive behaviour strategy	Brand name (example)	Pricing strategy	Reaction to price change by the leader (Chanel, Dior, Lancôme/YSL)
1	Market leader	L’Oréal (YSL)	~1,600-1,700 UAH	Prices remain stable; absence of short-term corrections
2	Leader imitation	Estee Lauder	~1,500-1,600 UAH	Gradual price adjustment after leader change
3	Leader challenge	Charlotte Tilbury	~800-1,300 UAH	Entry with lower prices for similar consumer characteristics
4	Expert strategy	Lancôme (limited collections)	~2,200-2,300 UAH	Release of limited series with higher pricing
5	Stagnation strategy	Gucci Beauty	~1,400-1,500 UAH	Maintaining stable prices regardless of leader’s actions

**Source:** systematised by the authors based on data from L’Oréal Groupe (n.d.b)

For instance, the cost of Lancôme L’Absolu Rouge Intimatte lipstick is approximately 1,799 UAH, and YSL Rouge Pur Couture is around 1,592 UAH (Online Makeup Academy, n.d.). Factors contributing to this pricing include the use of advanced formulations, more intricate packaging designs, and high costs associated with brand development and recognition maintenance. In the mass premium segment, the company is represented by the L’Oréal Paris and NYX brands. Products from these brands typically cost 400-600 UAH. Specifically, the average price of L’Oréal Color Riche lipstick is around 460 UAH, and NYX Lingerie XXL is about 399 UAH (Brocard, n.d.). This segment is characterised by a combination of certified mid-range ingredients, simplified packaging, and large-scale production, which ensures a more affordable price while retaining the product’s basic qualities.

In the lower price segment (mass-market), the Maybelline brand operates, also belonging to the L’Oréal group. The approximate price per unit is 200-300 UAH (for example, Color Sensational is around 240 UAH, SuperStay Matte Ink is about 375 UAH, EVA.UA, n.d.). Price reduction is often achieved through simplified formulations, more standardised production technologies, and high production volumes.

An analysis of competitive strategies indicates that Lancôme and YSL, as part of L’Oréal’s portfolio, adopt a price leader strategy, maintaining consistently high prices and minimising short-term reactions to competitors’ actions. Meanwhile, Estée Lauder, which is not part of the L’Oréal group, employs a leader-follower strategy, gradually increasing prices in line with Lancôme/YSL. The

Charlotte Tilbury brand demonstrates a challenger strategy, offering products with similar characteristics at a lower price. Gucci Beauty, not belonging to L’Oréal, operates according to a stagnation strategy, maintaining a constant price. From a competitive strategy standpoint, a combination of two pricing approaches is appropriate for L’Oréal Ukraine LLC in the Ukrainian market: on the one hand, maintaining the premium positioning of brands such as Lancôme and YSL, realised through high prices, limited product series, and personalised offers; on the other hand, applying an adaptive pricing policy in the mid-range and mass segments, specifically through temporary discounts, special product bundles, and differentiation by sales channels (Lancôme USA, n.d.). Such price flexibility in the mass consumption segment allows for maintaining competitiveness under conditions of consumer price sensitivity, while the strategy of limited availability and stable premium levels in the luxury segment helps preserve high consumer perception of the brands and positions the company in the upper price range.

Thus, L’Oréal Ukraine uses price differentiation within its brand portfolio: from mass-market (Maybelline) to mass premium (L’Oréal Paris, NYX) and luxury (Lancôme, YSL). This allows for adapting the offering to different consumer segments and ensures pricing policy flexibility depending on the economic situation. For the company’s further development, it is advisable to maintain this multi-level model with the possibility of implementing mixed strategies – for example, expanding limited releases in the high-end segment and personalised promotions in the mass segment (Table 2).

**Table 2.** Example of price differentiation within L'Oréal brands for 2025

No.	Brand	Low price	Medium price	High price
1	Maybelline	Hydra Extreme (~200 UAH)	Color Sensational (~260-300 UAH)	SuperStay Matte Ink / Vinyl (~370-400 UAH)
2	L'Oréal Paris	Color Riche basic (~400-500 UAH)	Rouge Signature rare (~600 UAH)	Limited collections Color Riche (~630-650 UAH)
3	Lancôme	–	L'Absolu Rouge Drama Ink (~1,639 UAH)	Limited editions (e.g., Lancôme x Louvre) – up to 1,799-2,300 UAH

**Source:** compiled by the authors based on data from BROCARD, (n.d.), EVA.UA, (n.d.), Watsons, (n.d.)

In the mass market, it's possible to use loss leaders as an attraction tool (Watsons, 2025). For example, a basic L'Oréal Paris lipstick might be temporarily sold at a discount (below cost price) to draw customers to the brand. Subsequently, it's expected that they will purchase more expensive variations of the same brand. This is precisely how the assortment transition logic is created – the consumer tries an affordable product, is convinced of its quality, and is then willing to invest in a premium line. L'Oréal sets different prices for different consumer groups: for wholesale clients (EVA, Watsons, Brocard chains) – a discount for large volume purchases, for instance, Lancôme lipstick may be 30% cheaper than the retail price; for professionals (make-up artists, beauty salons) – special conditions under the “Pro Card” programme, allowing products to be purchased at a discount (OnlineMakeupAcademy, n.d.); for loyal customers – 10-20% discounts with Brocard (BROCARD, n.d.), EVA (EVA.UA., n.d.), and Watsons (Watsons, n.d.) loyalty cards; for mass consumers – gift sets at a price lower than if purchasing individual items (e.g., a set for 2,500 UAH instead of over 3,000 UAH); for collectors – limited editions with exclusive designs at an elevated price (e.g., Lancôme x Louvre – 2,300 UAH, instead of the standard 1,600-1,700 UAH, (Watsons, n.d.).

L'Oréal, and specifically its Lancôme brand, applies geographical price discrimination to products such as L'Absolu Rouge Drama Ink lipstick. This means that prices for the same product vary depending on the country of sale. For example, the cost of this lipstick in France is 1,327 UAH (Lancôme Paris, n.d.), in the USA – 1,452 UAH (Lancôme USA, n.d.), and in Ukraine – 1,639 UAH (Lancôme Ukraine, n.d.). L'Oréal sets regional prices taking into account delivery costs, local taxes, purchasing power, and other factors. A single global price is not applied (L'Oréal Groupe, n.d.a). In international practice, transfer pricing occurs according to Incoterms, and in Ukraine, these conditions are stipulated in the contract. L'Oréal implements a combined approach to pricing, blending fixed prices with elements of flexibility. For mass-market brands, such as L'Oréal Paris and Maybelline, temporary promotions and discounts are regularly applied, allowing for quick demand stimulation during specific periods, for example, during major sales (L'Oréal Groupe, n.d.a).

At the same time, premium brands like Lancôme and YSL generally adhere to a stable pricing policy, although a few times a year, the company runs promotions with discounts of up to 20-30%, timed for holiday periods.

During peak demand season, limited editions are released at a higher price, which may subsequently be marked down if unsold. Prices are also adjusted throughout the product's life cycle: new lipsticks usually launch at a higher price and are later reduced or replaced by updated lines. An analysis of L'Oréal's pricing strategy demonstrates a differentiated approach to brand portfolio management. In the mass segment, the company employs a tactic of price stimulation through regular promotional activities, confirmed by increased sales volumes during promotional periods. Concurrently, for luxury category brands (Lancôme, n.d.), a strategy of limited availability and selective price reduction is implemented, which theoretically should maintain a sense of exclusivity among the target audience. The company demonstrates adaptability in its pricing policy according to product life cycle stages and seasonal demand factors. Inventory management is carried out through markdown mechanisms for remaining stock, which helps minimise losses from unsold products, although the impact on brand reputation requires separate investigation.

For the premium Lancôme segment, a combination of value-based pricing and demand-based pricing seems appropriate. The first method involves assessing consumer value through a combination of the product's functional and symbolic attributes, while the second determines the optimal price level considering the low price elasticity of demand characteristic of this segment (a coefficient of 0.4 according to calculations). Based on calculations using the consumer value comparison method, the optimal estimated price for Lancôme Lip Idôle Butterglow lipstick, adhering to the recommended premium positioning, is 1,439 UAH (based on the base price of Drama Ink at 1,639 UAH). If actual market prices are used, the recommended levels may vary: around 2,227 UAH (Makeup), 1,890 UAH (Brocard), 1,853 UAH (Notino), and 1,682 UAH (Eva). These values can serve as the basis for a flexible pricing strategy, taking into account the sales platform and target audience. Based on the calculations of recommended prices using the value comparison method, a range of possible prices for Lancôme Lip Idôle Butterglow lipstick was formed. It covers price levels set on the MAKEUP (2,227 UAH), EVA (1,682 UAH), NOTINO (1,853 UAH), BROCARD (1,890 UAH) platforms, as well as the recommended retail price of the Lancôme brand (1,439 UAH). Expected demand at each price is determined based on statistical data on the popularity of the Lancôme brand, the characteristics of Lip Idôle Butterglow, and market trends in the premium segment

(Lancôme, n.d.). Thus, it is possible to determine which retail price allows for achieving maximum profit, considering

the expected demand established at the previous stage, and the cost of one unit of production – 480 UAH (Table 3).

**Table 3.** Calculation of income and profit based on expected demand for 2025

Price level	Price (UAH)	Expected demand (units)	Profit per unit (UAH)	Total profit (UAH)
Lancôme	1,439.00	230	719.00	165,370.00
EVA	1,681.46	210	961.46	201,907.00
NOTINO	1,852.68	180	1,132.68	203,882.40
BROCARD	1,889.56	160	1,169.56	187,129.60
MAKEUP	2,227.61	130	1,507.61	196,989.30

**Source:** compiled by the authors based on data from Lancôme (n.d.), BROCARD (n.d.), EVA.UA (n.d.), Watsons (n.d.)

When the price is set at 1,852.68 UAH (NOTINO level), the highest overall profit of 203,882.40 UAH is expected. This indicates an optimal balance between price and maintaining a sufficient level of demand. Although other price levels ensure higher revenue or a greater number of buyers, it is at the price of 1,852.68 UAH that L’Oréal will achieve the highest financial result from the sale of Lip Idôle Butterglow in the Ukrainian market. The results obtained indicate that an effective pricing policy in the premium segment of the cosmetics market is formed through a combination of economic, behavioural, and strategic factors. Such conclusions generally align with the scientific approaches presented in the literature but have certain specific features due to the digital context, segmental specialisation, and the specifics of the Ukrainian market. In particular, V.V. Obozna (2017) stated that price determination is a component of a company’s overall business strategy, aimed at profitability, quality, and competitiveness. In this study, this tenet received empirical confirmation, as the pricing strategy of the Lancôme and YSL brands was linked not only to the product’s cost characteristics but also to maintaining premium positioning in conditions of price sensitivity in other segments.

M.O. Pashkuda (2024) considered effective pricing as a tool for a company’s financial stability in strategically important industries. In this work, the mentioned approach was concretised through the calculation of an optimal price using the example of Lancôme Lip Idôle Butterglow lipstick, which ensures a balance between consumer expectation, cost price, and target mark-up. The author focused on the macroeconomic level, while this study deepened the topic by analysing psychological influence, distribution channels, and demand elasticity. I.B. Babukh (2024) emphasised that companies often lack a sufficient methodological basis for adapting prices to a changing market. In response, this work proposed a combined approach that blends classic financial indicator analysis with an assessment of behavioural and marketing factors, including digital positioning, the use of promotions, limited editions, and campaigns based on consumer segmentation.

M.M. Kochevoi *et al.* (2024) underscored the role of price as the main communicator of value proposition. The study, using L’Oréal’s premium products as an example, showed how price stability maintains brand trust, especially in the “luxury” segment, whereas in the mid-range

segment, adaptive scenarios using limited discounts and gift sets proved more effective. A common thread is the recognition of the importance of price transparency as a factor influencing purchasing behaviour. O.I. Andrus (2024) proposed viewing price not only as an indicator of market value but also as a stimulant for innovation and a mechanism for orienting business towards sustainable development. In contrast, this study demonstrates that a high price in the premium segment not only compensates for production and promotion costs but also funds innovative developments, formula improvements, and personalisation of offers, which are key elements in modern brand positioning.

N. Zhang *et al.* (2023), analysing pricing strategies for innovative products in supply chains, introduce the concept of anticipated regret, which influences consumer behaviour in pricing decisions. This tenet is also confirmed in this study: limited editions of Lancôme lipsticks stimulate consumer decisions precisely through the fear of missing out, highlighting the need for deeper consideration of behavioural triggers. A. Antoniadis *et al.* (2023) investigated companies’ reactions to external shocks (economic, social), which translate into changes in promotional policies, price reductions, or modifications of market entry points. Similar observations were made in this analysis of L’Oréal Ukraine LLC’s actions during 2022-2023: the company activated short-term incentives during periods of reduced purchasing power, while simultaneously maintaining its premium pricing policy unchanged.

I.M. Oklander (2023) highlighted the role of the digital environment in transforming pricing models. In contrast, this study confirmed this trend: a significant difference in prices depending on the sales channel (online platforms, retail chains, pharmacies) was found, indicating the active use of dynamic and personalised pricing approaches in the digital economy. The impact of promotions and discounts on consumer behaviour in retail was thoroughly examined in T. Watt *et al.* (2023), which indicates that promotions can change not only sales volumes but also demand structure. These conclusions fully correlate with the analysis of the use of promotional sets in the mid-range cosmetics segment in this article, demonstrating the high price sensitivity of Ukrainian consumers during periods of economic uncertainty.

P. Kumar *et al.* (2022) examined the modelling of product diffusion in the market, taking into account price sensitivity in different segments. This work shares a similar approach, as it is built on an analysis of differences in price perception depending on the consumer type (mass, professional, loyal) and the product life cycle stage, allowing for precise segmentation of the promotional policy. Special attention is deserved by the study of X. Meng & E.C. Jaenicke (2021), which dealt with the competition of private brands in the consumer goods market. The authors proved that aggressive price competition in the mid-range segment stimulates the development of private labels. In this study, this issue was not directly addressed, but it was concluded that maintaining price leadership in the premium segment requires clear positioning and avoiding participation in price wars. Thus, the results of this study confirm and supplement the main scientific approaches to pricing in the B2C segment, particularly in the cosmetics business. Common features include the recognition of the multifunctional nature of price, the importance of elasticity, adaptability, and the significance of consumer perception. At the same time, a distinguishing feature of this study is its emphasis on empirical calculations of optimal price using behavioural models, personalisation, channel differentiation, and analysis of a specific brand in the Ukrainian market.

### CONCLUSIONS

The analysis of pricing policy in the Ukrainian cosmetic market has shown that effective pricing is a fundamental tool for ensuring a company's stable development, maintaining competitive positions, and building consumer loyalty. The study of L'Oréal Ukraine LLC's operations confirmed that the successful implementation of a pricing strategy is based on a combination of premium brand positioning, adaptation to economic conditions, and a deep understanding of consumer behaviour in the market. The company employs a differentiated approach to pricing, effectively covering the mass, mid-range, and premium market segments through its brand portfolio including Maybelline, L'Oréal Paris,

NYX, Lancôme, and YSL. A detailed analysis of Lancôme Lip Idôle Butterglow's pricing, based on demand modelling and considering a cost price of 480 UAH, determined the optimal retail price to be 1,852.68 UAH. At this price, the maximum total profit of 203,882.40 UAH is expected, which confirms the product's successful positioning in the "affordable luxury" segment and the effectiveness of consumer value assessment methods.

The investigation into pricing mechanisms within the premium segment was conducted using two Lancôme brand products as examples: Lip Idôle Butterglow and L'Absolu Rouge Drama Ink. The analysis of the latter's pricing strategy revealed the specifics of positioning this product as a "premium standard setter", ensuring the stability of brand value perception regardless of seasonality or promotions. An analysis of the price range from 1,439 UAH to 2,227 UAH across various platforms (EVA, NOTINO, Brocard, MAKEUP) demonstrates that L'Oréal uses a strategy of price adaptation for different sales channels while maintaining its premium image. The combination of psychological pricing, seasonal discounts, gift sets, and geographical price differentiation forms a flexible pricing policy model aimed at maximising profit and strengthening the brand's position. A promising direction for further research is to expand the comparative analysis to include other cosmetic companies, taking into account the influence of external economic factors, particularly war, inflation, and behavioural shifts, as well as evaluating the effectiveness of personalised pricing in e-commerce, especially in the context of digital transformation.

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**Маркетингова цінова політика у косметичному бізнесі України:  
аналіз діяльності ТОВ «Лореаль Україна»**

**Анотація.** Актуальність дослідження зумовлена необхідністю ефективного ціноутворення в умовах зростання конкуренції та економічної нестабільності на ринку косметичних товарів України. Метою дослідження була оцінка ефективності маркетингової цінової політики ТОВ «Лореаль Україна» у преміальному сегменті та визначення оптимальних підходів до ціноутворення з урахуванням поведінки споживачів. За допомогою методів порівняльного аналізу, оцінювання, визначення цінової еластичності попиту, аналізу життєвого циклу продукту та аналізу цінових стратегій було досліджено підходи до ціноутворення в L'Oréal Group (Україна) у 2020-2023 роках. Проведено зіставлення фінансових показників, динаміки цін та характеристик преміальних помад різних брендів. Детально проаналізовано продукцію бренду Lancôme, зокрема помади L'Absolu Rouge Drama Ink і Lip Idôle Butterglow, включно з оцінкою собівартості, позиціонування, споживчої цінності та конкурентного середовища. Для визначення доцільного рівня ціни Lip Idôle Butterglow застосовано метод порівняння споживчої цінності (value-based pricing), що дозволило обґрунтувати орієнтовну оптимальну ціну як таку, що відповідає середньоринковим показникам преміального сегменту та забезпечує максимізацію прибутку. Визначено вплив психологічного сприйняття, сезонності, формату реалізації (онлайн, роздріб, аптеки) та типу споживача (масовий, професійний, колекційний) на цінову політику. Обґрунтовано оптимальне позиціонування з урахуванням етапу життєвого циклу продукту. Запропоновано алгоритм розрахунку оптимальної ціни нового продукту на ринку преміальної косметики в Україні. Розроблено комбінований підхід до оцінки ефективності цінової стратегії, що поєднує фінансові показники, споживчу поведінку та елементи поведінкової економіки. Результати дослідження можуть бути використані для розробки ефективних підходів до позиціонування продукції, підвищення прибутковості та споживчої лояльності в умовах конкуренції та економічної нестабільності

**Ключові слова:** стратегія; ціноутворення; ринок; еластичність попиту; споживча поведінка