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DEVELOPING OF A STRATEGY FOR INCREASING ENTERPRISE COMPETITIVENESS THROUGHT THE PROMOTIO OF INNOVATIVE PRODUCTS

The article focuses on the development of a strategy to enhance the enterprise competitiveness through the promotion of innovative products. Particular attention of Lustdorf LLC is given to the launch of microfiltered milk and the prospects of expanding the product platform by introducing high-protein milk aimed at athletes and consumers with active lifestyles. Based on the financial performance of 2022–2024 and key market trends, the study proposes three pricing scenarios and conducts a PESTEL analysis of the external environment. The theoretical basis relies on modern concepts of strategic management and innovation development. A strategic matrix was built to link external opportunities with the company's internal capabilities. The study emphasizes operational risks, integration of risk management into strategic planning, and the application of adjacent innovation strategies with low technological risk, which ensure faster market entry, cost optimization, and sustainable competitive advantages.

Keywords: *strategy, competitiveness, innovative products, innovation marketing, competitive advantages, strategic management, promotion tools.*

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ФОРМУВАННЯ СТРАТЕГІЇ ПІДВИЩЕННЯ КОНКУРЕНТОСПРОМОЖНОСТІ ПІДПРИЄМСТВА ЧЕРЕЗ ПРОСУВАННЯ ІННОВАЦІЙНОЇ ПРОДУКЦІЇ

Стаття присвячена формуванню стратегії підвищення конкурентоспроможності підприємства шляхом просування інноваційної продукції. Досліджено діяльність ТОВ «Люстдорф» щодо просування молока з підвищеним вмістом білка, орієнтованого на потреби спортсменів та споживачів із активним способом життя. Авторами проаналізовано динаміку фінансових показників ТОВ «Люстдорф» за період 2022–2024 років. Розглянуто інноваційну діяльність підприємства, як платформу для подальшого зростання в контексті запуску мікрофільтрованого молока в Україні. Авторами визначено розширення стратегічного вибору за рахунок використання технологічної платформи, що прискорює вихід нового продукту на ринок. Наведено інноваційні передумови підвищення конкурентоспроможності ТОВ «Люстдорф» як керованої комбінації технологічної бази та організаційних практик. Авторами досліджено фактори які впливатимуть на виведення інноваційного високобілкового молока на ринок, запропоновано три цінові сценарії для компанії. Проведено PESTEL-аналіз з урахуванням усіх основних блоків, ключових драйверів та очікуваного вектору. Теоретичним підґрунтям дослідження є сучасні концепції стратегічного менеджменту та інноваційного розвитку, які трактують інновації як базовий чинник формування довгострокових конкурентних переваг. На основі результатів PESTEL-аналізу побудовано матрицю вибору стратегій, що дозволила зіставити зовнішні можливості й загрози з внутрішнім потенціалом підприємства та виокремити доцільні напрями зростання. Важливою складовою є також аналіз операційних ризиків, що дало змогу визначити пріоритетні сфери управління. Такий підхід демонструє, що конкурентоспроможність підприємства визначається не лише технологічними інноваціями, а й здатністю інтегрувати ризик-менеджмент у стратегічне планування. Запропоновано використовувати стратегію суміжних інновацій із низьким технологічним ризиком, яка дозволить зменшити собівартість, використовуючи наявні ресурси компанії. Досліджено позитивні аспекти впливу даної страте-

гії на конкурентоспроможність підприємства. Результати дослідження окреслюють перспективи подальшого аналізу впливу інновацій на ефективність виробництва та конкурентні переваги підприємства.

Ключові слова: *стратегія, конкурентоспроможність, інноваційна продукція, маркетинг інновацій, конкурентні переваги, стратегічний менеджмент, інструменти просування.*

Problem statement. In the current context of economic instability and global competition, enterprises are compelled to seek new ways to maintain and expand their market positions. One of the key drivers of such development is innovation, which enables the creation of new products, improvement of their quality, and satisfaction of changing consumer needs. The promotion of innovative products is an essential area of strategic management, as it generates long-term competitive advantages and ensures the company's ability to adapt to market challenges. In this regard, the study of the processes of developing and implementing innovation strategies is of both scientific and practical importance.

At the same time, ensuring competitiveness is accompanied by a number of challenges, including rising costs of innovation processes, limited access to financial resources, and the necessity of rapid response to changing market conditions. An additional complication is the need to choose an optimal development strategy that balances innovativeness with economic feasibility while securing long-term stability. As a result, the search for effective strategies becomes a key task for both researchers and practitioners. This problem is particularly relevant for Ukrainian manufacturing companies, among which Lustdorf LLC holds a leading position in the dairy market. The enterprise actively implements advanced technologies, including milk microfiltration, which became the first example of such production in Ukraine [1]. This demonstrates the company's aspiration to occupy the niche of an innovation leader and provides a foundation for developing a strategy to enhance its competitiveness.

Analysis of recent research and publications. The theoretical foundations of innovation-driven development and strategic management of enterprise competitiveness are presented in the works of P. Drucker (Innovation and Entrepreneurship, 1985), C. Christensen (The Innovator's Dilemma, 1997), and H. Chesbrough (Open Innovation, 2003), which emphasize innovation as a key factor of strategic development. Significant contributions to the formation of methodological foundations of strategies were made by I. Ansoff (Corporate Strategy, 1965) and H. Mintzberg (The Rise and Fall of Strategic Planning, 1994). In the Ukrainian academic context, issues of innovation activity and its management in relation to enhancing enterprise competitiveness are highlighted in the research of S. Illiashenko [2].

Formulating the purposes of the article. The purpose of this article is to substantiate a strategy for enhancing enterprise competitiveness using the case of Lustdorf LLC through the promotion of innovative products, specifically high-protein milk designed to meet the needs of athletes and consumers with active lifestyles. The research objectives are to analyze the potential of the functional nutrition segment, assess the company's readiness to expand its innovative product line, and justify strategic pathways for introducing the new product to the market.

Presentation of the main research material. The theoretical foundations for developing a strategy to enhance enterprise competitiveness are based on the combination of an innovation-oriented approach with strategic management tools. Scholarly literature emphasizes that sustainable competitive advantages are achieved through the introduction of new technologies, the development of a diversified product portfolio, and the creation of unique value for the consumer. An essential factor is the focus on the long-term perspective, which enables enterprises not only to respond to changes but also to proactively shape new market trends.

Among the key strategic orientations are:

- product differentiation through unique characteristics that distinguish it from competitors;
- cost leadership achieved by optimizing production processes and improving efficiency;
- market segmentation, which allows for more precise satisfaction of target audience needs.

In the context of innovation, it is also important to consider global trends in functional nutrition, reflecting the growing demand for products designed for a healthy and active lifestyle. This segment is considered one of the most promising, opening opportunities for Ukrainian producers to strengthen their presence both in domestic and international markets [1].

Lustdorf LLC is one of the largest dairy producers in Ukraine with more than 25 years of history. The company manufactures over 100 types of products under the brands Selyanske, Na zdorovia, Burionka, Smachno Shef, Vesela Burionka, as well as special product lines such as Despicable Me and Green Smile. The production facility is located in Illintsi (Vinnytsia region), certified according to ISO 9001 and ISO 22000/FSSC 22000, licensed for export to the EU, and supplies products to more than 25 countries. The plant's processing capacity reaches up to 450 tons of milk per day, and it operates 13 Tetra Pak packaging lines [4].

Lustdorf's innovation base includes three key milk processing technologies: microfiltration, ultra-high temperature treatment (UHT, indirect heating), and steam treatment (direct heating). The company officially declares itself the first in Ukraine to have industrially implemented microfiltration; this technology removes not only bacteria but also their spores using ceramic membranes, enabling gentle pasteurization (≈72 °C) while preserving taste and nutritional value [4].

The commercialization of this innovation took place in 2023, when Lustdorf introduced the first microfiltered milk in Ukraine, which retains a "pure" taste and can be stored in a refrigerator for up to 21 days. Industry reports also note investments of over USD 1 million in the microfiltration line in 2021, which laid the foundation for the product launch [5].

The market context of recent years explains the strategic importance of innovations: the full-scale war severely affected the dairy supply chain – livestock reduction, logistics disruptions, and shifts in the structure of exports and consumption. According to FAS/USDA annual reports for 2023–2024, the industry experienced a major shock in

2022, partial recovery in 2023, and in 2024 was expected to face continued instability and changes in processing and foreign trade [6].

To assess the initial financial and economic position of Lustdorf LLC, a summary of the dynamics of key indicators for 2022–2024 is provided (Table 1).

The dynamics of 2022–2023 demonstrate revenue growth and the preservation of profitability, while in 2024 losses were recorded – most likely due to rising production costs and demand volatility amid market shocks. At the same time, a high level of assets and certified infrastructure, combined with the technological advantage of microfiltration, provide a foundation for further innovative growth, particularly in the development and promotion of high-protein dairy beverages aligned with functional nutrition trends.

The innovation activity of Lustdorf LLC should be viewed as a growth platform rather than a one-time modernization. The already implemented microfiltration technology has become a strategic asset: it ensures consistent quality, preserves taste, and opens opportunities for expanding the product portfolio. Its value lies in broadening the strategic options: extended shelf life simplifies logistics and cooperation with remote distribution channels, though it requires discipline across the entire ESL supply chain [7].

Within the framework of modern strategic management approaches, a technological platform is understood as the ability to identify opportunities and rapidly transform operations. Therefore, without marketing and distribution assets, even a strong technology cannot generate returns; innovation is monetized only through the combination of technology, brand, channels, and partnerships [8].

A logical step is the development of high-protein drinking milk as an adjacent innovation with low technological risk. It requires only complementing the existing platform with ultrafiltration (UF), which is considered the standard method for increasing protein content and reducing lactose. This approach ensures rapid market entry with predictable costs and clear positioning [9].

The application of an adjacent innovation strategy allows Lustdorf to minimize risks, accelerate commercialization, and respond to growing demand among consumers with active and athletic lifestyles. It creates a competitive advantage, reduces production costs due to a more efficient technological base, and provides a foundation for the sustainable development of the business model.

The introduction of adjacent innovations with low technological risk is an effective approach that leverages existing resources and knowledge, relying on the company's current technological platforms while minimizing innovation-related risks [3].

The strategy of adjacent innovations with low technological risk can positively influence the competitiveness of the enterprise by:

- Accelerated market entry, since the existing production platform is used with minimal technological modifications, enabling the company to occupy the chosen niche faster than competitors;
- Reducing innovation risks (both financial and technical), which strengthens the resilience of the business model;
- Cost optimization – implementing an additional ultrafiltration membrane stage does not require full-scale modernization of production, which helps control expenses and maintain a competitive product price while preserving profitability;
- Product range expansion, which contributes to reaching a broader target audience and establishing competitive advantage through differentiation.

The practical implications for the market entry strategy are evident: microfiltration ensures stable sensory characteristics for the premium segment and HoReCa, while ultrafiltration adds consumer benefits – "more protein, less lactose." This approach aligns with global trends in functional dairy beverages and modern practices of product portfolio renewal. The innovative foundations of Lustdorf LLC's competitiveness lie in the combination of its technological base (MF/UF), ESL discipline, and complementary assets such as brand, distribution channels, and partnerships.

The market conditions for launching Lustdorf PRO are defined by the retail price level (UAH 47.10 per litre as of July 2025) and the minimum cost threshold (UAH 16.2–17.2 per kg). European experience (a premium of approximately 102% compared to regular milk) confirms the potential of high-protein products, adapted to Ukrainian purchasing power. Distribution channels include both the mass segment (ATB) and the premium segment (Silpo), complemented by the rapidly growing HoReCa market, where high-protein milk is particularly valued in coffee beverages due to its stable foaming properties [10].

Based on the base price, three scenarios were modeled: A – "cautious" (+30%, UAH 61.2/l), B – "moderate" (+60%, UAH 75.4/l), and C – "European" (+102%, UAH 95.1/l). The choice of pricing strategy determines

Table 1

Dynamics of financial indicators of Lustdorf LLC, 2022–2024

Indicator (thousand UAH)	2022	2023	2024	Absolute deviation (2024–2022), thousand UAH	Relative deviation (2024–2022), %
Total assets	2162688	2451635	2515379	352691	16.31
Total equity	1472627	1649197	1646783	174156	11.83
Total liabilities	276244	277927	164885	-111359	-40.31
Net revenue from sales of products (goods, works, services)	4119807	4398816	4850159	730352	17.73
Cost of goods sold (COGS)	3094491	3293632	3901992	807501	26.09
Gross profit (loss)	1025316	1105184	948167	-77149	-7.52
Financial result before taxation: profit (loss)	221823	226250	-11473	-233296	-105.17
Net financial result: profit (loss)	181895	185515	-13385	-195280	-107.36

Source: compiled by the authors based on [4; 5].

positioning – from the mass segment to niche premium – balancing affordability, profitability, and brand image (Table 2).

To convert the retail price into an approximate supplier price (the amount received by the producer), a standard adjustment is applied: first, 20% VAT is deducted, followed by the retailer's margin (approximately 25%). Analytically, this is expressed as:

$$P_{ex-factory} = \frac{RSP}{1,20} \times (1 - 0,25). \quad (1)$$

Example for Scenario B (UAH 75.4):

$$P_{ex-factory} = \frac{75,4}{1,20} \times (1 - 0,25) = 47,1.$$

The procurement cost of raw milk is approximately UAH 16.6 per litre. Adding TetraPak packaging (≈UAH 6), energy/logistics (≈UAH 5–7), and marketing (≈UAH 4) results in a minimum variable cost of about UAH 32–34 per litre. This means that even under Scenario A (ex-factory price of UAH 38), the company maintains a profitability "cushion."

After outlining the product offer, sales scenarios, and financial benchmarks, it is appropriate to proceed to an analysis of the external environment. For this purpose, a concise PESTEL overview of key factors that may either support or constrain the implementation of Lustdorf PRO is presented, together with short recommendations for required actions (Table 3).

PESTEL analysis is a necessary tool in developing a competitiveness strategy, as it enables consideration of external factors that affect the implementation of Lustdorf PRO. It demonstrates how political risks, economic fluctuations, social trends, or technological changes can not only create threats but also open new opportunities. In this way, the table helps align the company's internal strategic decisions with market conditions, strengthening the positioning of the innovative product and ensuring its sustainability in the long term.

The strongest opportunities for enhancing competitiveness and successfully scaling Lustdorf PRO arise from social and technological factors (demand for functional nutrition, MF/UF and IoT), while the greatest uncertainty comes from political/security and economic aspects (logistics, raw materials, energy). To mitigate risks and accelerate scaling, it is advisable to maintain backup logistics routes, agree on price indexation with retail chains, develop "barista"/HoReCa channels, update packaging with LCA-based arguments, and ensure legal pre-clearance of labeling.

Based on the results of the PESTEL analysis, it is advisable to develop a strategy selection matrix that aligns key opportunities and threats with the company's internal potential (Table 4). This approach makes it possible to identify the most effective courses of action aimed at strengthening the competitiveness of Lustdorf PRO.

Table 2

Pricing scenarios for high-protein milk "Lustdorf PRO"

Scenario	Retail Price (RSP), UAH/l	Premium over base
A – Cautious	61,2	30%
B – Moderate	75,4	60%
C – European	95,1	102%

Source: compiled by the authors

Table 3

PESTEL factors and expected direction of impact (2026–2028)

Block	Key Driver	Expected Vector	Impact for Lustdorf PRO
P (Politics/Security)	War-related logistics risks	Volatile	Requires duplicated routes and an ESL cold chain.
E (Economy)	Raw milk price, energy costs	Moderate/Volatile	Pressures variable costs; advisable to include indexation clauses with retailers.
S (Society)	Demand for functional nutrition / HoReCa coffee	Stable	Direct driver for protein beverages and "barista" versions.
T (Technology)	MF/UF membranes, IoT cold-chain monitoring	Stable	Enhances quality and trust in the premium segment.
E (Ecology)	Packaging and recycling requirements	Moderate	Affects packaging choices and LCA-related communication
L (Legal)	Food labeling regulations	Stable	Legally correct benefit claims are required ("high in protein," "reduced lactose").

Source: compiled by the authors based on company data

Table 4

Strategy selection matrix for Lustdorf PRO

External Factors	Strengths (MF/ESL base, brand, export permits)	Weaknesses (limited finances, raw material sensitivity)
Opportunities (demand for functional nutrition, HoReCa, IoT, UF technologies)	Aggressive Growth Strategy: rapid launch of high-protein milk, premium positioning, partnerships with coffee shops and HoReCa	Focused Niche Strategy: introduction of a limited product line in selected retail chains, gradual expansion of the assortment
Threats (logistics risks of war, raw material and energy volatility, competition, regulatory requirements)	Diversification and Protection Strategy: backup routes, multi-channel distribution, legal pre-clearance of labeling	Cautious Adaptation Strategy: pilot launch batches, cost control, gradual scaling

Source: compiled by the authors

Thus, the strategy selection matrix helps transform external challenges into managerial alternatives and emphasizes that a company's competitiveness is determined not only by technological assets but also by its ability to choose an appropriate development trajectory. Further analysis should therefore focus on operational risks, which specify the practical implementation of the chosen strategies and define the conditions for their effective execution.

In implementing the competitiveness strategy of Lustdorf LLC, the key threats include fluctuations in raw milk and energy prices, which directly affect production costs, as well as potential disruptions in the cold chain, which are critical for ESL products and could undermine consumer trust in the brand. Another important risk is the possible cannibalization of core product lines, which requires clear differentiation between mass-market and functional segments. Competitive activity is also a significant factor, as rivals may respond quickly to innovations, making rapid retail entry and the development of HoReCa partnerships essential.

Legal risks require particular attention, especially the correctness of labeling functional product benefits, as these claims form the basis for differentiation and enhance competitiveness. Additional threats include exchange rate fluctuations affecting imported components (UF membranes, packaging), as well as potential logistics failures and power supply interruptions. To mitigate these risks, it is necessary to implement indexation formulas with retail chains, diversify suppliers, establish backup routes and warehouses, ensure strict compliance with temperature regimes, and conduct prior legal clearance of labeling.

A summary of these risks is presented in Table 5, which provides a concise register based on the "probability × impact" matrix, with the identification of responsible units and priority actions. This approach makes it possible to integrate operational risks into the process of strategic management and ensures a practical link between the innovation strategy and day-to-day managerial decisions.

$R \geq 12$ – Priority A; 9–11 – Priority B; ≤ 8 – Monitoring. The highest priorities are the raw milk price and cold chain integrity ($R = 16$ and $R = 15$), as these pose the greatest threats to margins and supply stability. Next are competitor activity and logistics disruptions/blackouts ($R = 12$), which affect the pace of ND expansion.

Recommended first steps include approving indexation formulas with retail chains, deploying temperature loggers and clear SOPs for write-offs, ensuring supplier and currency diversification, and conducting preliminary verification of labeling. The risk register should be reviewed quarterly, while for ESL and logistics, monthly incident dashboards are advised.

Conclusions. The study confirms that in modern conditions, a company's competitiveness is determined not only by pricing or production factors but primarily by its ability for innovative development and strategic management of this process. In the academic literature, innovation is viewed as a key driver for creating sustainable competitive advantages, enabling enterprises to form a unique value proposition, adapt rapidly to external changes, and stay ahead of competitors.

Using the case of Lustdorf LLC, it has been demonstrated that the combination of advanced technologies and the commercialization of innovations strengthens competitiveness. The launch of microfiltered milk has laid the foundation for further implementation of ultrafiltration, which will allow the creation of a high-protein product with a clear value proposition. This approach reduces risks, expands the product portfolio, and establishes sustainable competitive advantages.

Table 5

Key operational risks in the implementation of the Lustdorf PRO Strategy

Risk	P	I	R	Responsible Units	Response Measures
Raw milk price spike	4	4	16	Procurement, Finance	Indexation formulas with retailers, partial forwards with farmers, 2–3 suppliers.
Extended Shelf Life products (ESL)	3	5	15	Operations, QA	Temperature sensors along the entire route, rapid write-off procedures, store refrigerator checks.
Cannibalization of base milk	3	3	9	Marketing, Sales	Differentiate positioning, create price tiers, limit promotional overlap.
Activity of a strong competitor	3	4	12	Strategy, Brand	Accelerate retail entry, temporary exclusives, HoReCa/coffee shop programs.
Labeling/claims errors	2	5	10	Legal Department	Pre-print label verification, approved formulations, regular audits.
Exchange rate fluctuations / import material price volatility	3	3	9	Finance, Procurement	Multi-currency and multi-vendor sourcing, stock of membranes/ packaging.
Logistics disruptions, blackouts	3	4	12	Operations	Backup warehouses and routes, generators, flexible delivery schedules.

Source: compiled by the authors

The strategic analysis has demonstrated that the most effective direction for the enterprise is the use of an adjacent innovation strategy with low technological risk, which combines rapid market entry with the ability to control costs. The proposed pricing scenarios reflect different positioning options – from gradual entry to the premium segment – providing the company with flexibility in competitive rivalry. The strategy selection matrix confirmed that the combination of internal strengths (MF/UF technological base, experience in ESL product manufacturing) with external market opportunities (growing demand for functional nutrition, development of HoReCa) creates the prospect of aggressive growth. At the same time, external threats require adaptive implementation of the strategy through indexation mechanisms, supply diversification, and strengthened risk management.

Future research should focus on exploring opportunities for scaling the innovative product line into adjacent markets and on applying systematic risk management practices in the field of innovation activity.

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