

'Shrinkflation' now widespread in goods and services

4th April, 2022



A new phenomenon is taking hold across the world - "shrinkflation". This is when companies reduce the size of their products or range of services while maintaining prices. It is in reaction to the rising prices of raw materials needed in the production

process. Another tactic being used is to place smaller numbers of items in larger boxes, providing an illusion to shoppers that they are getting more for their money. Shrinking the size of products is in effect a cost-cutting strategy. Manufacturers are relying on psychology here. They know that consumers are more sensitive to price than quantity or quality. Most shoppers will still make a regular purchase, even if it has shrunk, as long as the price has not risen.

The chocolate bar maker Cadbury has resorted to shrinking the size of one of its flagship products by 10 per cent to maintain its bottom line. A company spokesperson said: "We look to absorb costs...in this difficult environment [so] we've had to make the decision to slightly reduce the weight of [chocolate] bars for the first time since 2012, so that we can keep them competitive." The service industry is also being inventive to try to refrain from raising prices. The hotel chains Hilton and Marriott have made daily housekeeping services "opt in". This means that guests must now request the cleaning of their room. Many other free services we have taken for granted are on the wane and being shrunk.

Sources: qz.com / ft.com / the guardian.com

Writing

Higher prices are preferable to shrinkflation. Discuss.

Chat

Talk about these words from the article.

phenomenon / shrinkflation / products / services / price / tactic / cost-cutting / quality / chocolate bar / bottom line / costs / competitive / hotel / housekeeping / cleaning

True / False

- 1) The article says shrinkflation is in all countries in the world. T / F
- 2) Shrinkflation is in part due to rising raw material prices. T / F
- 3) Manufacturers are using illusionary tactics to cut costs. T / F
- 4) Most shoppers will buy shrunken goods as long as the price doesn't rise. T / F
- 5) The chocolate maker Cadbury has shrunk all its products by 10 per cent. T / F
- 6) The last time Cadbury cut the weight of its products was in 2012. T / F
- 7) Some hotels are not automatically giving guests traditional services. T / F
- 8) Other hotel services we take for granted are not being affected. T / F

Synonym Match

(The words in **bold** are from the news article.)

- | | |
|------------------------------|-------------------|
| 1. range | a. deception |
| 2. reaction | b. to some degree |
| 3. illusion | c. answer |
| 4. relying | d. incorporate |
| 5. purchase | e. turned |
| 6. resorted | f. expected |
| 7. absorb | g. variety |
| 8. slightly | h. creative |
| 9. inventive | i. depending |
| 10. taken for granted | j. acquisition |

Discussion – Student A

- a) What do you think about what you read?
- b) What do you think about shrinkflation?
- c) Do you think chocolate bars should be a standard size?
- d) Do you feel duped by shrinking product sizes?
- e) What do you think of opt-in services at hotels?
- f) How could English schools shrink their products or services?
- g) What hotel services do you take for granted?
- h) What questions would you like to ask manufacturers?

Phrase Match

- | | |
|---|--------------------------|
| 1. A new phenomenon is taking | a. even if it has shrunk |
| 2. It is in reaction to the rising prices | b. line |
| 3. a cost- | c. products |
| 4. consumers are more sensitive | d. of raw materials |
| 5. shoppers will still make a regular purchase, | e. from raising prices |
| 6. one of its flagship | f. hold across the world |
| 7. maintain its bottom | g. wane |
| 8. We look to absorb | h. cutting strategy |
| 9. being inventive to try to refrain | i. to price |
| 10. on the | j. costs |

Discussion – Student B

- What do you know about shrinkflation?
- Has shrinkflation affected you?
- Would you prefer the same and pay more, or less at the same price?
- Why are we experiencing shrinkflation?
- How much smaller can things like chocolate bars be?
- What do you think of a small number of things in a big box?
- How price sensitive are you?
- What advice do you have for manufacturers?

Spelling

- A new n p n n m e o o e h
- providing an u l i n l i s o to shoppers
- a cost-cutting g t r y a e t s
- Manufacturers are relying on y c o g h o l y s p
- consumers are more s e e v t i i s n to price
- make a regular s c h p a r e u
- one of its i f s g a l p h products
- We look to b s a r b o costs
- h i l g l s t y reduce the weight
- The service industry is also being t n e n i v v e i
- i r r a e f n from raising prices
- taken for d e a r g n t

Answers – Synonym Match

| | | | | |
|------|------|------|------|-------|
| 1. g | 2. c | 3. a | 4. i | 5. j |
| 6. e | 7. d | 8. b | 9. h | 10. f |

Role Play

Role A – Chocolate Bars

You think a chocolate bar is the thing you would least like to shrink. Tell the others three reasons why. Tell them seeing a shrinkage in their things would not be so bad. Also, tell the others which is the least bad of these (and why): hotels, French fries or airlines.

Role B – Hotels

You think hotel services are the thing you would least like to shrink. Tell the others three reasons why. Tell them seeing a shrinkage in their things would not be so bad. Also, tell the others which is the least bad of these (and why): chocolate bars, French fries or airlines.

Role C – French Fries

You think French fries are the thing you would least like to shrink. Tell the others three reasons why. Tell them seeing a shrinkage in their things would not be so bad. Also, tell the others which is the least bad of these (and why): hotels, chocolate bars or airlines.

Role D – Airlines

You think airline services are the thing you would least like to shrink. Tell the others three reasons why. Tell them seeing a shrinkage in their things would not be so bad. Also, tell the others which is the least bad of these (and why): hotels, French fries or chocolate bars.

Speaking – Shrinkage

Rank these with your partner. Put the things or services you would least want to shrink at the top. Change partners often and share your rankings.

- | | |
|----------------|---------------------|
| • Healthcare | • Chocolate bars |
| • French fries | • Hotel services |
| • Cereal | • Gym benefits |
| • Coffee | • Internet services |

Answers – True False

| | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | F | 2 | T | 3 | T | 4 | T | 5 | F | 6 | T | 7 | T | 8 | F |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

Answers to Phrase Match and Spelling are in the text.