

The Incredible Shrinking Package

By JoAnn R. Hines, Packaging Diva



Has anyone noticed this lately? Your favorite brands are getting smaller yet the pricing remains the same. Consumers are really starting to pay attention to 'product shrink.'

I first noticed it in my yogurt cup but thought oh well its less calories any way but lately I'm seeing a lot of different products shrinking yet the prices remain the same and in some cases shrinking product contents combined with increasing prices.

This isn't the first time this has happened. If any of you have old cookbooks you will notice that the recommend amount of some of the products has changed. Especially when you are baking and you need one and a piece of something to complete the recipe. A cup of something is still however a cup so standard weights and measurements still apply.

We saw the shrinking of the detergent bottle (Ultra detergents) a while back along with the supposed claim of saving the environment with less packaging. The detergent is concentrated requiring less packaging material to make the bottle and less cost to ship it too. The real truth is however that it was a win for CPG companies and the packaging manufacturers not the consumer. You are actually paying more per wash with the new detergents rather than less. It looks good for the environmental packaging spin too.

But enough sour grapes on something that has become common place, packages are now shrinking to keep up with the cost of inflation. The price of raw materials is skyrocketing and companies are looking for ways to offset the increasing costs. One of the simplest ways is to reduce the amount of product inside while keeping the price the same hoping that consumers won't notice.

Sorry, but we now have an educated customer that's reading labels and taking notes. Not only are the reading them but they are comparing like products. Branded merchandise was already loosing ground to private label products, now even more so with the down turn in the economy. If your product shrinks and the consumer isn't happy they WILL look for alternative especially if they are less expensive.

There are however other cost saving options as it relates to packaging. Some companies are doing what's called 'light-weighting'. That is reducing the amount of packaging material that's used. I'm sure you seen how the thickness of your water bottles has decreased or how you can now squeeze your beer or soda can with one hand. That's because the manufacturers have figured out a way to take out packaging material while still keeping the structural integrity of the package. Packaging technology has new and improved materials that makes this possible. Its important to note however, that there is a fine line between reducing material costs and the failure of the package. If it doesn't get to the consumer in good condition then its a disaster.

Another way of reducing packaging costs is to re-configure the package to be more cost effective. That is to design a product in such a manner that it takes up less space on the store shelf or maximises palletisation and shipping or transportation by being a better shipping unit. A good example is the square milk bottle introduce by Wal-Mart where not only can the get more on the shelf a square bottle vs a round bottle but it also is more cost efficient shipping. This bottle redesign is a win for Wal-Mart considering the vast amount of money saved in making this change.

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A note of caution when contemplating a radical redesign of a common place item the jury is still out on consumer acceptance of the square milk bottle. Ever tried to pour one?

Considering consumer awareness of the incredible shrinking package a smart marketing person would be looking for ways to provide more value not less. Redesign, light-weighting or just simply keeping the product amount the same are all options in winning the hearts and minds in today's consumer brand loyalty isn't what it used to be and once they are gone they might never come back.

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