

Brexit bites: more than 200 products subject to shrinkflation, says ONS

1 Firms use stealth tactics to offset rising costs and competition on the high street.

More than 200 different consumer products, from toilet roll to chocolate, have shrunk in size as manufacturers and retailers use stealth tactics to offset rising costs and increasing competition on the high street.

- 5 According to figures from the Office for National Statistics, as many as 206 products were made smaller between September 2015 and June 2017 – more than double the number that increased in size. The analysis confirms a trend of “shrinkflation” – when goods are made smaller but still sold at the same price.

- 10 The ONS said the frequency of size changes was the same throughout the period analysed, which included the Brexit vote, even though some manufacturers have blamed the Brexit-linked fall in the pound for shrinkflation.

Richard Lim, the chief executive of the consultancy Retail Economics, said Brexit “was the cause of the sharp fall in value of the pound and retailers have to deal with those rising input costs. One of the levers at their disposal, absolutely, is around reducing packet sizes.”

- 15 Shrinkflation has become an established trend in Britain as firms eke out greater profits at the expense of consumers or try to keep on top of rising costs. Supermarket price wars have kept profit margins low, encouraging firms to reduce pack sizes to grow revenue.

- 20 Tim Rycroft, the chief operating officer of the Food and Drink Federation, said: “In recent years the industry has faced sharp increases in the cost of essential ingredients, packaging and other raw materials used to make food and drink. The falling strength of the pound since June 2016 has added to these massive cost pressures.”

Tropicana cut the size of its fruit juice cartons and Doritos shrank the weight of the tortilla chips in each packet; both cited foreign exchange rates among the reasons.

- 25 Food and drink products, as well as everyday household items such as toilet rolls, nappies, tissues and washing-up liquid, were the products examined by the ONS where most size changes occur.

Although the ONS figures did not show a correlation between the referendum result and shrinkflation, economists said manufacturers would take time to respond to the rise in import costs, making it harder to monitor.

Richard Partington, The Guardian, 21/01/2019

I. COMPRÉHENSION – 10 points

↔ Après avoir attentivement lu le document, rédiger EN FRANCAIS un compte-rendu en 200 mots (+/- 10%) afin d'en dégager les idées essentielles.

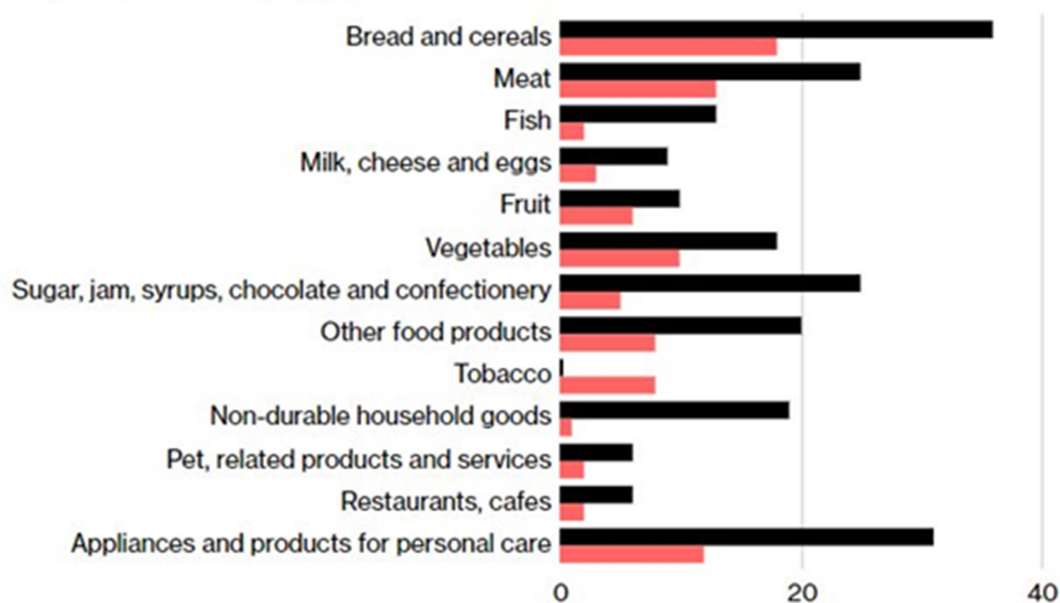
II. EXPRESSION – 10 points

2.1 – You will describe the chart below (100 words)

Shrinkflation

The size of products sold in the U.K. are smaller since the Brexit vote

■ size reductions ■ Increases



Source: Office for National Statistics

Note: frequency of size changes between July 2015 and June 2017

Source : Bloomberg.com

2.2 – In the event of high economic pressure, could shrinkflation a viable solution your line of business ? Explain why or why not, and if yes, which products would be concerned. (100 words)