

On store shelves, stealthy shrinking of containers keeps prices from rising



Steven Senne / Associated Press

A tape measure shows the depth of the indentation of a 16.3 ounce jar of Skippy peanut butter next to an 18 ounce jar of the same product.

Quantities of peanut butter, soap and other products are reduced to keep up with rising costs. Shoppers may not know they're getting less for their money.

By Jerry Hirsch
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It is hard to spot what happened this year in the peanut butter aisles of local supermarkets.

But a careful look at the jars of Skippy on the shelves may reveal a surprise. The prices are about the same, but the jars are getting smaller.

They don't look different in size or shape. But recently, the jars developed a dimple in the bottom that slices the contents to 16.3 ounces from 18 ounces -- about 10% less peanut butter.

The only way to know you are buying less is to look at the weight on the label and recognize it's lighter than before Unilever, owner of the Skippy brand, switched out containers.

Across the supermarket, manufacturers are trimming packages, nipping a half-ounce off that bar of soap, narrowing the width of toilet paper and shrinking the size of ice cream containers.

Often the changes are so subtle that they create "the illusion that you are buying the same amount," explained Frank Luby, a pricing consultant with Simon-Kucher & Partners of Cambridge, Mass.

To shoppers it may seem like getting less, but companies say cutting quantity is a common way to avoid raising prices.

It's an age-old dilemma for manufacturers juggling prices, container sizes and profits -- at the same time coping with rising prices for ingredients and greater competition on supermarket shelves.

At international food giant Unilever, "we have chosen to reduce package sizes as one of our responses" to rising commodity and business expenses, said spokesman Dean Mastrojohn. He said the new smaller sizes are clearly marked on labels.

Shoppers understand the manufacturers' dilemma but also say they feel deceived at times.

Kathy Yukl of La Crescenta says she's tired of going to the store and finding dimples in the bottoms of jars -- she buys Skippy only when she has a coupon. She is annoyed that containers that once held half a gallon of ice cream, or 64 ounces, now have only 48 ounces. And she's frustrated that cereal boxes are shrinking.

"What these companies don't realize is that their chronically deceptive marketing ploys tell us loud and clear that we absolutely cannot trust them for anything," Yukl said.

Other shoppers agree. "I think the whole thing is deceitful, and yes, it does irritate me, and I do feel they are tricking the consumer," said Bill Stone of Long Beach. "This practice, however, has been going on for many years and apparently the manufacturers feel it is to their advantage to try to slip these changes by the customer rather than announcing it."

Asked whether the new packaging is deceptive, Mastrojohn said only that the lower weight is clearly listed on the package.

Unilever also changed the shape of its Breyers ice cream containers, reducing the contents to 1.5 quarts from 1.75 quarts. Competitor Dreyer's Grand Ice Cream did the same, shortening its carton.

Reducing the size of the Dreyer's and Edy's Grand Ice Cream cartons was not an easy decision, spokeswoman Kim Goeller-Johnson said.

"We understand that consumers don't like to pay the same price for a smaller container," she said.

But the division of food giant Nestle had seen large increases in the cost of milk, cocoa, sweeteners and energy during a period when the average price of ice cream had "not really changed much," she said.

"We looked at raising prices to cover these costs, but at some point it just doesn't make sense to raise prices too high. . . . The ongoing feedback from our customers is that they aren't ready to pay \$7 or more

for a carton of ice cream," Goeller-Johnson said.

In June, Kellogg Co. reduced the weight of many popular cereals -- including Cocoa Krispies, Corn Pops, Apple Jacks, Froot Loops and Honey Smacks -- an average of 2.4 ounces per box to offset rising grain and energy expenses.

The reduction wouldn't be obvious to shoppers walking down the cereal row. From the front, the size of the box remains the same; only the depth was reduced, Kellogg told The Times.

Dial shaved its soap bars to 4 ounces from 4.5 ounces but kept the size and look of its packaging the same, spokeswoman Natalie Violi said.

Dial didn't want to increase the price of its soap but needed to do something to maintain its profits because of the skyrocketing cost of tallow. Made from beef and chicken fat, tallow is one of the primary raw materials of bar soap. Its price has doubled over the last 18 months, in part because of increased demand for it as a component of biodiesel fuel, Violi said.

Consumers are confronting similar packaging changes in the toilet paper aisle.

In its promotional materials, the Quilted Northern brand likes to talk about its history of innovation. In the 1920s, it was among the first bath-tissue brands to be sterilized. Quilted Northern went "splinter-free" a decade later and upgraded to two layers in the 1960s.

This year's innovation was to shave half an inch off the width of its Ultra Plush product. Quilted Northern owner Georgia-Pacific said the savings allowed it to make the tissue three-ply instead of two, but it means consumers are getting fewer square inches of paper.

Shoppers on the candy aisle will find that the formerly 8-ounce Hershey's chocolate bar is now 6.8 ounces, a 15% reduction.

Luby, the pricing consultant, said the move allowed Hershey's to keep the price from rising above 99 cents. The company worries that crossing the \$1 threshold could hurt sales, he said.

Many of these changes were made when food commodity and oil prices were surging to record highs. It's not clear what the companies will do now that the cost pressures have eased. Oil has fallen from more than \$145 a barrel in July to about \$61 now. Wheat futures are down from \$12.82 a bushel in March to \$5.21 now.

They're not likely to go back to the larger sizes because of the expense involved in changing packaging. And they are not interested in setting off a price war with competitors, Luby said.

"If the focus is on profit, food companies would be better off accepting flat volume or even a slight loss in market share in their more stable, mature products in order to make money," Luby said.

The big question is whether consumers who notice they are getting less for their money will stop buying the product. Any backlash is likely to be small, Luby said.

"Many people notice the change but they don't protest and stop buying their favorite brand of cereal," he said. "These brands are strong enough to overcome any backlash."

Stone, the shopper from Long Beach, agreed.

"If it is an old favorite, maybe from a highly reliable source, you will probably continue to buy it, especially if the price has not changed," he said. "In the case of bathroom tissue, one has to have a decent-quality product or else your hand goes right through it, and no one really wants that."

Hirsch is a Times staff writer.

jerry.hirsch@latimes.com