

# Shrinkflation - The Impact of Subtle Package Downsizing on Brand Sales

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## **Abstract**

This research examines the effects of subtle package downsizing as a price increase strategy (i.e., shrinkflation) on brand sales performance. We identified 457 shrinkflation occurrences in 62 product categories over 238 brands in the Dutch grocery market. Results showed positive effects of shrinkflation introductions on both SKU sales and volume unit sales. Additionally, we investigated the boundary conditions of this effect through moderators based on case, brand, and product characteristics. Results indicated that subtle changes (to either package size or SKU price) lead to better sales for the brand. Furthermore, shrinkflation proves more effective for private labels and brands with a larger assortment breadth, as well as hedonic (vs utilitarian), expensive, and high usage categories.

**Subject Areas:** *Pricing; Retailing*

**Track:** Retailing & Omni-Channel Management