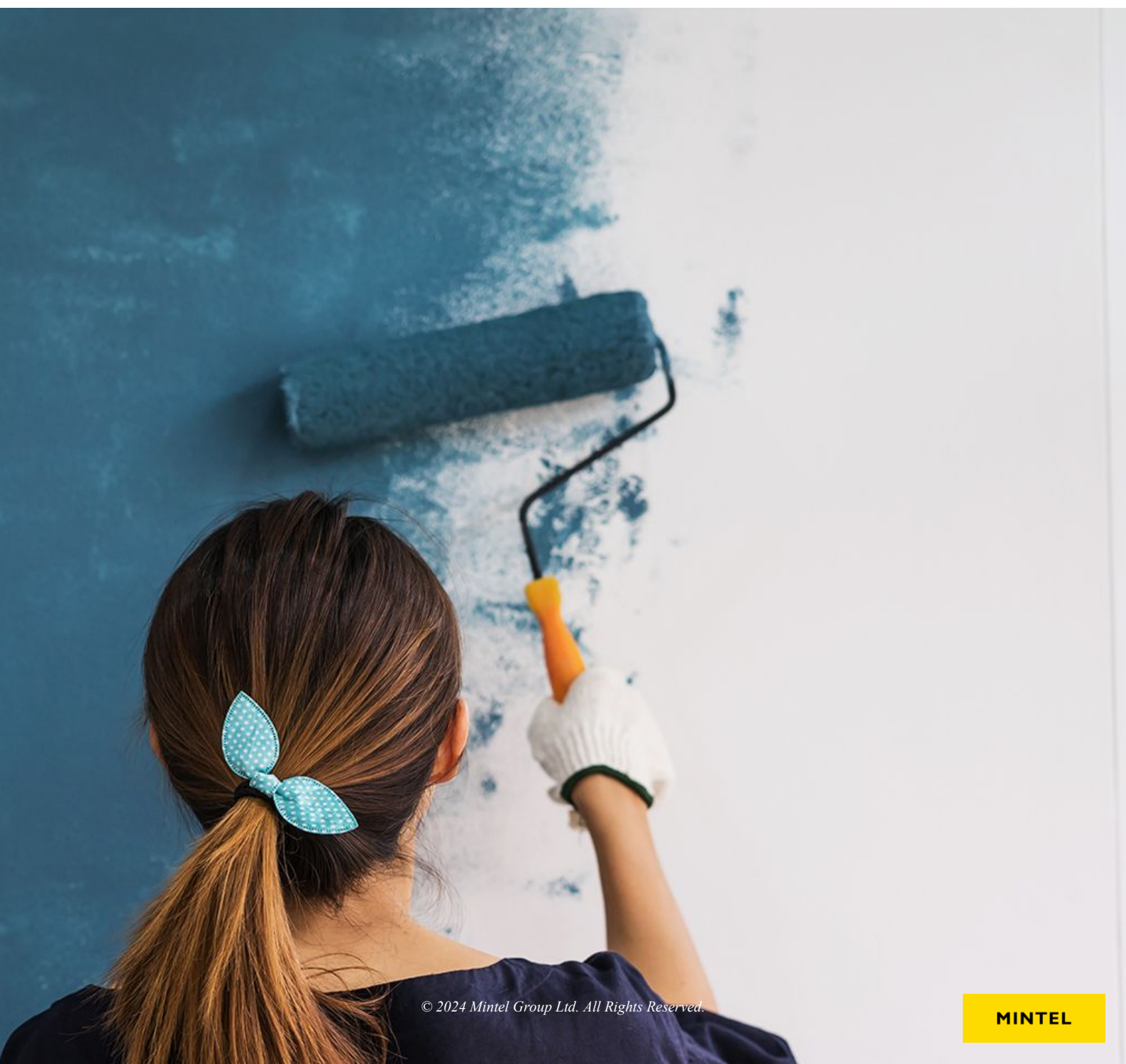


# CONSUMER SPENDING HABITS FOR THE HOME – GERMANY – 2020

Stores are a vital part of shopping for the home. But the in-store experience is being transformed as consumers increasingly start their research online.



Bettina Krechel, Research  
Director – German  
Reports



# Report Content



## EXECUTIVE SUMMARY

- Mintel's perspective

### Market context

- Challenges and opportunities in a changing market

### Mintel predicts

- Catering to the changing needs of the different demographics

### What consumers want, and why

- Consumers want: more style in their home
- Consumers want: More style in their home
  - Graph 1: reasons for spending on the home, December 2019
- Consumers want: the widest choice
  - Graph 2: reasons for choosing retailer, December 2019
- Consumers want: the widest choice
- Consumers want: a space to share
- Consumers want: a space to express their passions
- Consumers want: a space to express their passions

### Opportunities

- Seamless digital integration offers a way to stand out
- Adding services could encourage spending
- Fashion-forward homewares are growing
- Quick download resources

## MARKET DRIVERS

- Household spending keeps Germany out of recession
  - Graph 3: change in household final consumption expenditure (domestic concept), 2011-19
- Inflation remains low
  - Graph 4: consumer prices of household spending components, 2014-19
- One in five buy furniture or home furnishings online
- Online sales continue to rise
- Online sales continue to rise
- Online spending on the home

- Home ownership levels have dropped
- Home ownership levels have dropped
  - Graph 5: housing tenure, 2010–18
- An ageing population has implications for home retailers
  - Graph 6: change in population of age groups between 2014 and 2019
- An ageing population has implications for home retailers

## MARKET ACTIVITY

### Market Size and Forecast

- Slow but steady growth forecast
- Market growth could be tempered by demographic changes

### Market Segmentation

- A sector made up of a diverse range of products
- Furniture, lighting and carpets dominate the sector
- Glassware and tableware show strongest growth

## WHAT CONSUMERS WANT, AND WHY

### Purchases for the home

- Decorating is the most common type of purchase
  - Graph 7: types of spending on the home in the last 12 months, December 2019
- Spending peaks one-two years after moving in
  - Graph 8: projects spent money on, by time lived in current property, December 2019
- Spending peaks 1–2 years after moving in
- Buyers for the home are younger and more affluent than average
- Driving demand for affordable yet aspirational solutions

### Spending plans for next year

- 65% have plans to spend on the home next year
  - Graph 9: what consumers expect to spend money on in the next year, December 2019
- More have spent money on the home than plan to
- Decorating plans peak among young women
  - Graph 10: plans to spend money on decorating in the next year, by age and gender, December 2019
- Decorating plans peak among young women

### Reasons for spending on the home

- Replacements drive spending
  - Graph 11: reasons for spending money on the home, December 2019

- For young people, aesthetics matter
- Improving functionality also drives purchases for young people
  - Graph 12: reasons for spending on the home, by age group, December 2019
- Improving functionality also drives purchases for young people
- Renters seek better storage solutions
- Renters seek better storage solutions
- Decorating to reflect a sense of style

### Reasons for choosing a retailer

- Choice drives decisions for spending on the home
  - Graph 13: reasons for choosing retailer, December 2019
- Young people less interested in range or physical stores
  - Graph 14: reasons for choosing a retailer, by age group, December 2019
- Young people less interested in range or physical stores
- 16-24 year olds seek tech to visualise purchases
- 16-24 year olds seek tech to visualise purchases
- Inspiring ideas are most important for decorators
  - Graph 15: the importance of inspiring ideas in choosing a retailer, by what consumers spent money on in the past year, December 2019
- Inspiring ideas are most important for decorators
- Practice what you preach on the environment
- Practice what you preach on the environment

### Describing the home

- Creating a cosy home
  - Graph 16: how people describe their home, December 2019
- Luxurious and stylish living for the young and affluent...
- ...while renters live in cluttered conditions

### Home Lifestyles

- A space for sharing
  - Graph 17: attitudes towards sharing the home, December 2019
- Homes are increasingly on display to the world
- Homes are increasingly on display to the world
- Luxurious homes are most likely to be shared online
  - Graph 18: "I enjoy posting images of my home on social media", by how they describe their home, December 2019
- Luxurious homes are most likely to be shared online
- The home as a functional space
  - Graph 19: attitudes towards spending time at home, December 2019

- The importance of formality
- The importance of formality
- Space for working is most important for older people
- The home is a place to indulge in passions
  - Graph 20: attitudes towards hobbies at home, December 2019
- Cooking is a passion for the affluent
- Cooking is a passion for the affluent
- An ageing population is a worry for DIY retailers

## RETAILER ACTIVITY

### Leading retailers

- IKEA is the largest home retailer in Germany
- IKEA enjoys continued growth
- DIY retailers perform strongly
- XXXLutz expands presence in Germany
- H&M continues to expand
- Otto launches standalone online home store

### Retail innovation

- IKEA moves into the city
- OBI launches 'Create' store concept
- Amazon improves its furniture offering

## APPENDIX

### Appendix – products covered, abbreviations and consumer research methodology

- Products covered in this Report
- Abbreviations
- Consumer research methodology

### Appendix – market size and forecast

- Forecast methodology
- Forecast methodology – fan chart
- Market size and forecast – value
- Market size and forecast – value – best- and worst-case

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