

GERMAN LIFESTYLES – GERMANY – 2022

Germans are facing an extended cost-of-living squeeze. Brands that provide better value for money (eg through product longevity) will stand out.



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German Lifestyles - Germany - 2022

This report looks at the following areas:

- Changes in consumer spending patterns over the last year and the key factors driving these changes
- The impact of rising inflation on consumer behaviours
- Leading consumer concerns, including issues such as the cost of living, health and climate change
- How consumers expect their lives to look in five years
- Total consumer spending forecast over the next five years



Germans are facing an extended cost-of-living squeeze. Brands that provide better value for money (eg through product longevity) will stand out.

Overview

85% of Germans are very or somewhat concerned about the cost of living. While concerns about the pandemic take a backseat, German consumers are set for an extended cost-of-living squeeze. Consequently, in October 2022, **18% of Germans described their finances as healthy**, down from 24% in March 2022, and only **13% of German consumers** are confident about their financial situation over the next year.

Due to significant economic disruption caused by the Ukraine conflict, inflation rates reached an all-time high, putting significant pressure on household finances. After releasing pent-up demand **in discretionary spending categories** like travel and leisure, rising prices in essential categories negatively impact consumers' spending abilities. Consequently, **39% of Germans** are delaying purchasing a major item.

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Brands that support consumers in coping with financial pressure will win favour (eg by offering flexible payment options like retailer credit). Those operating in the German market are encouraged to **rethink existing business models** (eg takeback and resale) to support consumers in saving money on big-ticket purchases (eg [furniture](#), [smartphones](#)) and likewise communicate the eco benefits of these practices.

While consumers will appreciate **low-budget alternatives for everyday essentials** in food and drink, BPC brands can provide **better value for money** with longer-lasting formulas and customised products that can be proven to work better for the individual (eg [personalised vitamins](#)). Opportunities also arise for non-discretionary spending in travel and leisure; brands can tap into new consumer groups by **attracting digital nomads** with remote work travel programs and 'workation' packages.

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Report Content

EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview
- The five year outlook for consumer spending

Market context

- Population dynamics
- High inflation puts pressure on household consumption

Mintel predicts

- Consumer expenditure is expected to increase significantly in the short-term, followed by a more moderate growth
- Market size & forecast

Opportunities

- Help consumers deal with inflation
- Guide consumers to shrink their carbon footprint
- Travel and leisure: tap into new consumer groups as flexible working models arise
- Quick download resources

MARKET DRIVERS

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- Strong post-COVID-19 bounceback followed by a period of slower growth
 - Graph 1: key economic data, in real terms, 2019-24
- Economic slowdown fueled by conflict in Ukraine
- Inflation is the key concern in 2022 for consumers, brands and the economy...
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- Cater to dual-parent families with flexible travel options
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- Consumers will loosen self-imposed spending restrictions in the long-term

APPENDIX

Appendix – products covered, abbreviations, consumer research methodology and language usage

- Abbreviations
- Consumer research methodology
- A note on language

Appendix – market size and central forecast methodology

- Forecast methodology
- Forecast methodology – fan chart
- Market size and forecast – value
- Market forecast and prediction intervals – value

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