

GERMAN LIFESTYLES – GERMANY – 2024

As Germans are navigating through a time of polycrisis, brands that position themselves as a source of reassurance and support will be appreciated (eg by counting on familiar brand claims, offering moments of escapism).



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German Lifestyles - Germany - 2024

This report looks at the following areas:

- How satisfied Germans are with their life overall
- Which values are most important to Germans
- Expected changes in consumer spending habits in 2024 compared to 2023
- What qualities of a brand are most important to German consumers
- Behaviours in a polycrisis, including preference to focus on personal life instead of the state of the world and reconsideration of life goals due to expectations for more crises to come
- What Germans are most looking forward to in 2024



As Germans are navigating through a time of polycrisis, brands that position themselves as a source of reassurance and support will be appreciated (eg by counting on familiar brand claims, offering moments of escapism).

Overview

85% of Germans feel like **most people in Germany are in a bad mood at the moment**, which is reflective of the **polycrisis taking its toll** on Germans.

Even though inflation has finally eased, **financial confidence remains fragile** since many consumers **do not yet feel the relief**. Positively, the proportion of **Germans with healthy finances has increased** lately. These consumers are also more likely to report that their **financial situation has improved compared to a year ago**, while those who are financially struggling are more likely to be worse off. This leads to **higher wealth inequality**.

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Consequently, **affordability remains key** while Germans continue to **follow a cautious approach to spending**. Discretionary sectors like **furniture retail** and foodservice remain under pressure.

A **more progressive spending approach among better-off consumers** provides growing opportunities for discretionary categories, but brands will still **need to work hard to help consumers justify spending** (eg with products and services that make their lives easier or provide moments of escapism, thereby strengthening Germans' crisis resilience).

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Report Content



EXECUTIVE SUMMARY

- The five year outlook for consumer spending

Market context

- High inflation has eased, but is still affecting consumer sentiment
- Living in a time of polycrisis

Mintel predicts

- Consumer expenditure to return to more moderate growth after above-average increases induced by high inflation
- Market size and forecast

Opportunities

- Continue to embrace affordability
- Help Germans make their lives easier
- Position yourself as a trustworthy partner in turbulent times
- Support consumers in getting crisis-resilient

MARKET DRIVERS

The German economy

- 2024 is expected to remain challenging
 - Graph 1: key economic data, in real terms, 2019-25

Inflation

- Germany has seen unprecedented levels of inflation
 - Graph 2: consumer price index, 1975-2024
- The inflation rate is bouncing back to more conventional levels...
- ...but consumers do not yet feel the relief
 - Graph 3: selected household and lifestyle issues faced in the last two months, 2022-24
- Years of high inflation are having a lasting impact on Germans' price perceptions

Income and household finances

- Slight wage growth in 2023 for the first time in two years
 - Graph 4: development of real and nominal earnings and consumer prices, 2020-23
- Consumers' financial wellbeing indicates a positive trend
 - Graph 5: financial situation, 2022-24
- More affluent consumers are the first to emerge from the crisis

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- Graph 6: financial situation compared to a year ago, by financial situation, 2024
- Financial confidence has shown first signs of recovery...
 - Graph 7: financial confidence index, 2022-24
- ...but Germans remain cautious

Polycrisis

- Germans are navigating through a time of polycrisis

Population dynamics

- Germany's low home ownership rate is increasingly becoming an issue
- Birth rates are declining in Germany
 - Graph 8: total fertility rate, 2012-22

WHAT CONSUMERS WANT AND WHY

Overall satisfaction with life

- Many Germans are satisfied with their life
- Younger generations tend to be more satisfied with their life
 - Graph 9: consumers' satisfaction with life overall, by generation, 2024
- Support Germans in improving their life satisfaction
 - Graph 10: consumers who plan to spend more on selected discretionary categories, by overall life satisfaction (NET), 2024
- Learn from BIPA and help Germans appreciate the little things in life

Values that are most important to consumers

- Honesty ranks at the top among the most important values
 - Graph 11: values that are most important to consumers, 2024
- Champion transparency to appeal to honesty-loving consumers
- Capitalise on empty nesters' family orientation
- Take inspiration from Ferrero and celebrate family time
- Address Germans' demand for safety
 - Graph 12: consumers for whom safety is among the most important values, by generation, 2024
- Germans stand up for democracy and freedom

Expected changes in spending behaviour

- Germans continue to follow a cautious approach to spending...
 - Graph 13: expected spending changes in 2024 compared to 2023, 2024
- ...but the proportion of better-off consumers who are keen to spend is rising
- Justify spending with products and services that make consumers' lives easier
- flaschenpost calls for consumers to enjoy a free Saturday

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- Younger men are prepared to spend more on healthcare products
- Mintel expert view: consider younger men as an aspiring target group in healthcare
- Learn from Norwich City Football Club and de-taboo mental health in more male-dominated sectors
- Cutbacks in food indulgence are prevalent...
 - Graph 14: consumers who plan to spend less on selected discretionary categories in 2024 compared to 2023, by age, 2024
- ...promoting redirected spending in F&D
- Mintel expert view: money matters, but empathetic premiumisation efforts will resonate with savvy spenders
- The household care market proves to be more resilient, but consumers are still in search of savings potential
 - Graph 15: expected changes in spending on household care products in 2024 compared to 2023, by net monthly household income, 2024
- Mintel expert view: now is an opportune time for own-label brands to establish value beyond price in household care

Brand qualities that are most important to consumers

- High quality and affordability are top of mind...
 - Graph 16: brand qualities that are most important to consumers, 2024
- ...challenging brands to offer it all
- ALDI SÜD: from Mother Nature for you
- Get prepared for a lasting focus on affordability
 - Graph 17: consumers for whom affordability is the most important brand quality, by financial situation, 2024
- Learn from Carrefour x Netflix and combine forces to defend consumers' spending power
- Be aware of Germans' fluctuating relationship with sustainability

Behaviours in a polycrisis

- The polycrisis is taking its toll on Germans
 - Graph 18: consumer behaviours in a polycrisis, 2024
- Help Germans lift their mood with mood-boosting claims
- Milka encourages younger consumers to sing
- Help younger generations enjoy the pleasures of life
- Be a source of reassurance in turbulent times
 - Graph 19: consumers who say that being loyal to the same brand gives them a feeling of security, by age, 2024
- Tap into the pet market to capitalise on changing life goals
 - Graph 20: consumers who say that expectations for more crises to come make them reconsider their life goals, by age, 2024
- "Don't worry, you can afford it": IKEA stages rampaging pets to promote its new pet collection

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- Germans are keen to spend time with loved ones and in nature
 - Graph 21: activities consumers are looking most forward to in 2024, 2024

- Bring a piece of nature into Germans' homes
- Foodservice: leverage the potential of nature to win Germans over
- Tourism: place a focus on social health to resonate with the young
- Mintel expert view: leverage the social aspect of the sports event landscape in 2024

MARKET SIZE, SEGMENTATION AND FORECAST

- Total spending is expected to see recovery from high inflation in 2024
- Breakdown of consumer spending
 - Graph 22: predicted consumer expenditure in € bn, by sector, 2024
- Housing accounts for the largest share of consumer spending
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- Discretionary sectors remain under pressure...
 - Graph 23: percentage change in consumer spending in selected sectors, by sector, 2021-22, 2022-23 and 2023-24 (fore)
- ...while caution prevails
- Consumer expenditure to return to more moderate growth after above-average increases induced by high inflation
- Inflation levels off, but caution remains
- Recovery will continue in the medium-term, driven by the spending power of more affluent consumers
- Stable inflation rates will provide consumers with more confidence in the long term

APPENDIX

Appendix – 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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