

SUPERMARKETS – GERMANY – 2020

Boosted by the COVID-19 pandemic, supermarkets experienced a strong year in 2020, fighting a hard battle with discounters to remain relevant to consumers.



Carolin Jaretzke,
Associate Director, Retail,
Automotive, Finance,
Insurance, Germany



Report Content



EXECUTIVE SUMMARY

- Mintel's perspective

Market context

- Supermarkets gain market shares in Germany
- Digitalisation will lead to structural changes
- Current trends will strengthen supermarkets' position

Mintel predicts

- Growth opportunities for German supermarkets ahead
- Supermarkets will continue on a strong growth path
 - Graph 1: supermarket market size (incl VAT), 2015-25
- Private label will make gains in Germany

What consumers want and why

- Consumers want: redefined value
- Consumers want: compelling product assortment
- Consumers want: fulfilment of ethical expectations
- Consumers want: premium private label ranges

Opportunities

- Discounters pose a major threat to supermarkets
- Premiumisation will offer opportunities
- Ethical challenges go beyond sustainability

The competitive landscape

- Supermarkets outperformed discounters before COVID-19
- Edeka and Rewe dominate
 - Graph 2: leading grocers' share of all food retailers' sales, 2019 (est)
- Online competition is heating up
- Quick download resources

THE IMPACT OF COVID-19

- COVID-19's impact on the broader category
- Market size and forecast following the COVID-19 outbreak
- Second lockdown will further boost sales with Brexit having a limited impact

Supermarkets – Germany – 2020

- German consumers remain cautious, yet protective shopping behaviours have started to soften
 - Graph 3: statements that have applied to consumers since the start of the COVID-19/coronavirus outbreak, 21 April-1 October 2020
- Key shifts in consumer behaviours
- Interest in localism will rise
- New hygiene habits will continue to grow
- Supermarkets adapt with new hygiene initiatives
- Cooking and at-home treats rise during lockdown
- Private label ranges are big winners of the 'next normal'
- Embracing digitalisation is crucial
- Premiumisation will offer opportunities
- Maximise local ties
- The impact of COVID-19 on the marketing mix
- The impact of COVID-19 on the German economy
- Economy expected to bounce back in 2021
- Unemployment rates stabilised by Kurzarbeit scheme
- Outlook for the next five years

MARKET DRIVERS

- Positive economic growth forecast to resume in 2021
 - Graph 4: real GDP growth, 2008-20 (est)
- Optimism about a fast economic recovery still cautious
 - Graph 5: OECD consumer confidence index, October 2019-September 2020
- Germany's retail landscape is shaped by discounter culture, but supermarkets are gaining market share
- The rise of online shopping
- eCommerce leads to structural changes
- Despite the ageing population, it's essential to attract younger consumers
 - Graph 6: maximum total population by age, % share, 2020-30
- Germany's dependence on immigration
- The demographic change strongly impacts the grocery retail industry
- Socially conscious consumers focus on ethical lifestyles
 - Graph 7: food and drink launches with ethical/environmental claims, Q1 2018-Q4 2020

MARKET ACTIVITY

Sector size and forecast

- Supermarkets continue strong growth path
 - Graph 8: supermarket sales size (incl VAT), 2015-25

Supermarkets – Germany – 2020

- Current trends strengthen supermarkets' position

Consumer spending

- Consumer spending grows steadily
 - Graph 9: consumer spending on food, drink and tobacco, €bn, 2014-20 (fore)
- Reduced VAT was introduced to boost consumption
 - Graph 10: Consumer Price Index total, January 2018–September 2020
- Price war intensifies in Germany

Channels of distribution

- Supermarkets and discounters dominate the German grocery retail sector
 - Graph 11: retailers via outlet type, 2019
- Online share of retail sales has grown continuously
- Digitalisation of grocery retail is imminent

WHAT CONSUMERS WANT AND WHY

Who shops for groceries

- The majority of German households has a primary grocery shopper
 - Graph 12: responsibility for grocery shopping, August 2020
- Women dominate grocery shopping
 - Graph 13: consumers who are responsible for grocery shopping in their households, by gender, August 2020
- Home cooking growing with men
- Generation Z consumers are less frequent grocery shoppers
 - Graph 14: responsibility for grocery shopping, by generation, August 2020

Where they shop for groceries

- Discounters remain the most popular grocery shopping channel
 - Graph 15: store types where consumers regularly spend the most money in a typical month, August 2020
- Supermarkets have to emphasise value to prevent shopper migration
- Rewe and Edeka remain leaders for main shopping trips, yet Lidl and Aldi follow closely behind
 - Graph 16: grocery retailers consumers spend the most money with in a typical month, August 2020
- Edeka loses out as a main spending destination
 - Graph 17: grocery retailers consumers spend the most money with in a typical month, 2018-20

Who shops at supermarkets

- Young people are most inclined to shop at supermarkets
 - Graph 18: store types consumers typically shop at, by age, August 2020
- Supermarkets' more sustainable image resonates with younger shoppers
- Environmental awareness is high

Supermarkets – Germany – 2020

- Rewe attracts Millennials, while Edeka appeals to the older generation
 - Graph 19: consumers who spend the most with Rewe and Edeka, by generation, August 2020
- Urban lifestyles make Rewe appealing to younger shoppers
 - Graph 20: consumers who spend the most money with Rewe in a typical month, by age and gender, August 2020
- Edeka appeals to affluent consumers with a more premium offering
 - Graph 21: consumers who spend the most money with Edeka in a typical month, by financial situation, August 2020
- There is a big opportunity to target the 'silver economy'
 - Graph 22: job loss or furlough as a result of the COVID-19 outbreak, by age, 20-28 May 2020

Satisfaction with supermarkets

- Consumers' satisfaction with supermarkets is very high
- Product assortment and quality are most important to German supermarket shoppers
 - Graph 23: overall satisfaction with supermarkets, August 2020
- Private label can boost customer loyalty
- Ethical/environmental and suitable-for (free-from) claims are surging in the German private label market
 - Graph 24: private label product launches, by claim categories, 2015-20
- Transparency brings improvement potential for supermarkets
- Supermarkets elevate transparency with QR codes and regional references on pack

Attitudes of supermarket shoppers

- Consumers will champion local sourcing and community businesses
- Ethical expectations will fuel 'value with values'
- Wasting less food means wasting less money
- More consumers switch to private label
- Supermarkets' premium ranges are set to thrive

RETAILER ACTIVITY

Leading retailers

- Supermarkets outperformed discounters before the COVID-19 outbreak
- In 2019, supermarkets recorded the strongest sales growth among all food retail channels
- German supermarket network has reached its saturation point
- With the variety of store formats, sales per outlet figures vary significantly across retailers

Market share

- Edeka and Rewe dominate the supermarket landscape
 - Graph 25: leading grocers' share of all food retailers' sales, 2019 (est)
- Smaller players feel the squeeze
- Supermarkets increasingly focus on smaller stores

Supermarkets and online

- Increase in digitalisation
- The online grocery market is growing rapidly
- Rewe and Edeka are the leading players
- Rewe: the dominant market leader
 - Graph 26: leading food delivery retailers, turnover, 2019
- Millennial men are spearheading online grocery shopping
 - Graph 27: consumers who regularly spend the most money in online grocery stores, by age and gender, August 2020
- Trend accelerator: the COVID-19 crisis
- Online competition is heating up
- Amazon Fresh is still a threat to German retailers

Retail innovation

- Convenience is key for consumers
- Automated retail offers more convenience for consumers
- Taking the lead in health and wellbeing
- Health will become a bigger priority, presenting opportunities for innovation
 - Graph 28: consumers giving higher priority to eating healthily and doing exercise since the COVID-19 outbreak, by gender, age and parental status, 6-13 May 2020
- Organic is a point of differentiation
- Supermarkets of the future are centred around experience
- Locavore trend takes root
- German supermarkets create environmentally friendly solutions
- Opportunities exist to explore refill stations
- Tap into the renewed awareness of food waste

Advertising and marketing activity

- Supermarkets focus on low prices to compete for consumers' attention
- Leading supermarkets promoting price
- Edeka supports diversity and inclusion with new campaign
- Edeka's Christmas campaign promotes diversity
- Edeka looks to help Germans during lockdowns
- Rewe starts food donation campaign
- Supermarkets show solidarity in difficult lockdown times
- Exploring omnichannel is crucial to growth
- Voice opens up new advertising opportunities

Company profiles

- Edeka

- Rewe
- Bartels-Langness
- Bünting
- Dohle

APPENDIX

A note on COVID-19

- COVID-19's impact on online retailing and German consumer behaviour

Appendix – abbreviations and consumer research methodology

- Abbreviations
- Consumer research methodology

Appendix – market size and forecast

- Market size and forecast – value

About Mintel Reports: Germany

Access our reports now and get the most accurate, credible and powerful data, insights and analysis. Mintel Reports Germany gives you everything you need to know about what German consumers want and why.

In each report, we're analysing the market, new product innovations and the competitive landscape, as well as consumer behaviours across Germany. Our local analysts, supported by our team of global experts then translate it into what it means for you.

What makes us unique?

- ✔ A 360-degree view of German markets
- ✔ Experienced analysts based in Germany
- ✔ Expert-led support from global category experts

How Mintel Reports Germany will help your business grow:

01

Identify future opportunities by understanding what German consumers want and why

02

Make better decisions faster by keeping informed on what's happening across your market

03

See the trends and innovations impacting Germany both on a local and global level

BUY THIS REPORT NOW

€2600.00 | £2195.00 | \$2995.00*

store.mintel.com

Americas: +1 (312) 932 0400
China: +86 (21) 6032 7300
Germany: +49 (0) 211 3399 7411
India: +91 22 4445 1045
Singapore: +65 6653 3600
Thailand: +66 2 821 5122
UK: +44 (0) 20 7606 4533

*These prices are correct at time of publication, but are subject to change due to currency fluctuations.

MINTEL

Disclaimer

This is marketing intelligence published by Mintel. The consumer research exclusively commissioned by Mintel was conducted by a German licensed market survey agent ([See Research Methodology for more information](#)).

Terms and Conditions of use

Any use and/or copying of this document is subject to Mintel's standard terms and conditions, which are available at <http://www.mintel.com/terms>

If you have any questions regarding usage of this document please contact your account manager or call your local helpdesk.

Published by Mintel Group Ltd

www.mintel.com

Help desk

UK	+44 (0)20 7778 7155
US	+1 (312) 932 0600
Australia	+61 (0)2 8284 8100
China	+86 (21) 6386 6609
Germany	+49 211 2409023
India	+91 22 4090 7217
Japan	+81 (3) 6228 6595
Singapore	+65 (0)6 818 9850