

THE LOCAL CONSUMER – GERMANY – 2023

The vast majority of Germans buy local products or services. Global brands that celebrate 'glocalism' and partner with small local businesses will find appeal.



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The Local Consumer – Germany – 2023

This report looks at the following areas:

- How consumers define 'local' products and services
- Purchase of local products and services in the last year, and what types of local products and services Germans have bought
- Reasons for, and barriers to, purchasing local products and services
- Behaviours around localism
- Attitudes towards localism



The vast majority of Germans buy local products or services. Global brands that celebrate 'glocalism' and partner with small local businesses will find appeal.

Overview

88% of Germans purchased local products or services in the 12 months to March 2023, across various categories. While buyers of local products/services are more likely to agree that **buying from local businesses helps to improve the world we live in** (64%), 33% of non-buyers also do so.

Recent events like the COVID-19 pandemic and the Ukraine conflict highlighted the **vulnerabilities of global food supply chains**, putting localism in the spotlight. Consequently, **69% of German consumers** agree that the impact recent events have had on international supply chains has shown the **importance of supporting local businesses**.

High inflation is putting pressure on household consumption, and **price has become the main barrier** to local consumption. **Communicating the benefits of the higher quality that localism offers** (eg **freshness and taste of local groceries**, product durability) is key across

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categories, and **budget-friendly services** like repair and rental of durable goods (eg clothing) will also attract current non-buyers.

With the increasing significance of technology in consumers' lives, **digital tools provide tremendous opportunities to facilitate local buying**, such as one-stop local shopping, or [QR codes on product packaging](#) providing information about where an item comes from.

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Report Content

EXECUTIVE SUMMARY

Key issues covered in this Report

- Overview

Market context

- Reviving localism: a movement on the rise
- Sustainable lifestyles are here to stay

Opportunities

- Champion 'glocalism'
- Enable one-stop local shopping
- Travel & leisure: embrace younger Germans' desire for social interactions
- Quick download resources

MARKET DRIVERS

The German economy

- The cost-of-living crisis is holding back post-COVID-19 recovery
 - Graph 1: key economic data, in real terms, 2019-24
- Inflation remains the key concern in 2023 for consumers, brands and the economy...
- ...impacting financial wellbeing and consumer expenditure

Impact of the economy on local consumption

- The impact of the economy on local consumption
- Many working Germans earn good money, but rising prices prove a challenge
 - Graph 2: net equivalent income per year, by social status, 2021
- Many working Germans earn good money, but rising prices prove a challenge

Increase in local awareness

- Recent events have sparked interest in a return to localism
- COVID-19 increased emphasis on local consumption
 - Graph 3: consumers who are shopping more from local businesses since the start of the COVID-19/coronavirus outbreak, 2021-22
- Increasing importance of local communities in driving economic progress

Sustainability

- Climate change comes to the fore

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- Germans are aware of their impact on planetary health
 - Graph 4: consumers who try to act in a way that is not harmful to the environment*, 2019-23

Population dynamics

- The German population is ageing

WHAT CONSUMERS WANT AND WHY

Definition of local products and services

- About two in five Germans associate local products and services with their region
- Cater to young men by discovering new distribution channels
- Focus on local selling to resonate with German women
 - Graph 5: definition of local products, by gender, 2023
- Local provision is about independence, but opportunities for global brands arise
 - Graph 6: definition of local services, 2023
- Mintel's approach to defining the local consumer

Purchase of local products and services

- The vast majority of Germans buy local
- Capitalise on the local movement by acting 'glocal'
 - Graph 7: consumers who have purchased local products/services in the last 12 months (NET), by age, 2023
- Germans have a passion for local food
 - Graph 8: types of local products and services purchased in the last 12 months, 2023
- Wow better-off consumers with ingenious subscriptions
 - Graph 9: number of types of local products/services purchased in the last 12 months, by net monthly household income, 2023
- Wow better-off consumers with ingenious subscriptions
- Examples of products that champion local origin
- Innovate with the cultivation of fresh food
- REWE Green Farming sets new standards for a new generation of green supermarkets
- Promote the social aspects of local tourism and leisure activities
- Astonish younger Germans with super-fast local fashion delivery

Reasons for and barriers to purchasing local products and services

- Germans show a strong need to support local communities
 - Graph 10: reasons for purchasing local products and services, 2023
- Support consumers in making a positive local impact
- Consider consumers value creation partners to create sustainable change
- Marktschwärmer connects local producers with consumers in their communities

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- Build social gathering spots to sympathise with consumers in rural areas
 - Graph 11: consumers who purchase local products/services to engage with the local community, by area, 2023
- Tante Enso aims to bring supermarkets back to rural areas
- Satisfy younger men's hunger for local experiences
- Price is the greatest obstacle to local consumption
 - Graph 12: reasons for not purchasing local products and services, 2023
- Tap into the circular economy to make local buying more affordable

Behaviours around local consumption

- German consumers are hungry for knowledge
 - Graph 13: behaviours around local consumption, 2023
- Provide access to sourcing and manufacturing history
- Celebrate transparency to resonate with German consumers
- 'Heimat shoppen' campaign promotes local buying
- Cater to younger Germans with convenient all-in-one shopping
- Dorfladenbox makes local shopping easy

Attitudes towards local consumption

- Germans rely on local initiatives to shape a better future
 - Graph 14: attitudes towards local consumption, 2023
- Draw inspiration from Edeka and champion localism
- Act 'glocal': global brands to partner with local brands
- Act 'glocal': global brands to partner with local brands
- Learn from dm and provide authentic insights into social engagement
- Count on quality to make local buying reasonable
 - Graph 15: consumers who agree that it is worth paying more for local products than for non-local products, by reasons for purchasing local products/services, 2023
- Count on quality to make local buying reasonable
- Take influencer marketing to the local level to bond with younger Germans
- Brands capitalising on local influencer marketing

LAUNCH ACTIVITY AND INNOVATION

Advertising and marketing activity

- Netto ad campaign: "Die ganze Heimat an einem Ort"
- REWE ad campaign: #UMDENKBAR
- Flaschenpost promotes local partnerships
- Hornbach cooperates with 'meine ernte'

APPENDIX

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

- Products covered in this Report
- Abbreviations
- Consumer research methodology
- CHAID analysis – methodology
- CHAID analysis
- A note on language

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