



Weekly Brief

June 18, 2025

How Are European Consumers Feeling?

Consumer sentiment in many parts of the world is flashing warning signs. In particular, more than half of European consumers (54%) are pessimistic about their national economies, a 7 point increase from 2024, according to a [BCG survey of 16,000 consumers in nine European countries](#). The share of consumers who feel good about their personal finances fell by 4 points, to 40%.

The nine countries surveyed were Denmark, France, Germany, Italy, Norway, Romania, Spain, Sweden, and the UK. Consumer pessimism is not equally distributed among them. About 70% of consumers in France and the UK are worried about the economy, compared with 36% in the Scandinavian countries; consumers in Italy, Romania, and Spain fall in the middle.

In Germany, Europe's largest economy, [62% of consumers feel negative about the national economic situation](#)—a rise from 52% in 2024. The share of German consumers who feel bad about their personal finances rose from 25% to 31%.

These findings should be a wake-up call for executives in nearly all industries. Consumer spending generally makes up more than half of GDP in mature economies. As the consumer goes, so goes the economy.

Our recent survey is full of useful category insights for consumer

packaged goods companies, retailers, and other consumer-facing companies. For example:

- Household essentials—such as groceries and home care—was the only area in which consumers said they increased spending over the past six months. And it was price (i.e., inflation), rather than volume, that drove this increase.
- Conversely, in a continuation of a trend identified in our 2024 survey, consumers have sharply cut back on discretionary spending over the past six months. The most affected categories were apparel, alcoholic beverages, and snacks.
- Inflation has also intensified consumers' search for discounts. Denmark and Romania are the most deal-driven countries, with 68% of consumers seeking bargains, while Spain and Sweden are the least thrifty, with 59% seeking bargains. The four largest economies are in the middle: Italy (67%), the UK (64%), Germany (61%), and France (60%).

What Do Consumers Say About Other Trends?

In terms of how they shop, consumers prefer an integrated shopping experience across physical and digital channels, with nearly three-quarters saying that brick-and-mortar stores are important. The preference extends beyond Europe, including in the US, according to BCG's Center for Customer Insights. In Japan, consumers demonstrate even more affinity for physical stores in some categories.

And on sustainability, 45% of consumers consider it in their purchasing decisions, but only about 17% are willing to pay extra—perhaps an indication that they consider sustainability a core product feature rather than an add-on.

How to Operate in a Gloomy Market

In the short term, companies need to focus on profitable growth areas, create affordable options for consumers, and scale back exposure to underperforming segments. They should manage prices and margins by paying attention to trade spending, costs, efficiency,

and marketing.

But hunkering down is not a long-term strategy. Lean times never last forever, and companies need to be able to pivot gradually from resilience to growth. Years of cost cutting have hollowed out many companies' demand engines. Companies should reestablish foundational marketing effectiveness and accelerate innovation cycles to seize growth when consumer spending rebounds.

These are challenging times, and definitely so in Europe. Business leaders must act on the immediate urgencies, but they should also be preparing for a brighter tomorrow.

Until next time,



Christoph Schweizer
Chief Executive Officer

Further Insights



European Consumers Brace for More Uncertainty

Europeans are feeling gloomy, according to a survey of 16,000 consumers in nine countries. More than half, 54%, are pessimistic about the economy of their home country, a 7 percentage point increase since July 2024.

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Dirk Van de Put, the CEO of Mondelez, and Rich Lesser, global chair of BCG, discuss the value that AI can play in delivering value through transformation.

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