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WHITE PAPER

No turnaround yet - Swedish consumers rethink, not retreat

This article is part of the 2025 European Consumer Sentiment Report series, which examines consumers' shopping habits and preferences

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Nanna Gelebo and Fanny Grönlund



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Contrary to expectations and hopes of a recovery, Swedish consumers enter 2025 with further weakened sentiments. Households continue to feel the strain of higher prices and tighter budgets coupled with a general worry for the future. While concerns remain elevated compared to neighboring Nordic countries, Swedes are showing signs of adjustment—shifting priorities rather than panicking. Despite economic unease, their sense of control over personal spending has grown sharper and focus remains on the essentials.

These findings are based on the 2025 BCG European Consumer Sentiment Survey, conducted with over 16,000 consumers across nine countries—including 1,842 in Sweden.

Swedish consumers are continuously cautious, value-driven, and deliberate in their purchasing choices

Inflation remains top of mind for most Swedish consumers. More than 70% have seen rising prices affect their daily budgets, and many expect these pressures to continue. Recession concerns and stagnating incomes further dampen confidence. Notably, sustainability plays an increasingly important role in purchasing decisions, with 37% of consumers now regularly considering it—up from 33% last year. However, fewer consumers are willing to pay a premium for greener alternatives, dropping from 22% to 17% this year.

In response to the increased financial pressure, consumers are spending more deliberately. Essentials take priority, while discretionary purchases are trimmed or traded down. Swedish shoppers are increasingly driven by price, open to switching brands, and beginning to embrace private label alternatives, although private label penetration is still lower compared to the European average. Value—not just low cost—is emerging as the core purchase driver. In addition, Swedish consumers are not only deliberate in prioritizing their purchases, but also mindful of the ethical and political implications of their choices—with over 40% of Swedish actively boycotting or avoiding certain brands.

For Swedish retailers and consumer goods companies, the message is clear: focus where it matters most. Swedish consumers are calling for tangible value—competitive pricing, flexible formats, and seamless, often digital, shopping experiences. Particularly in discount-driven categories, pricing remains a critical decision factor.

To navigate ongoing economic pressure and shifting consumer behavior, Swedish retailers and CPG companies should focus on protecting margins through smarter trade spend, cost discipline, and portfolio optimization—especially by investing in value-focused and private label categories. At the same time, they must prepare for long-term growth by rebuilding marketing and innovation capabilities and remaining competitive on sustainability.

As household confidence dips, spending becomes more restrained and deliberate

Swedish consumers expressed increasing worry compared to last year across both the political and economic outlook for the country. 54% said they were concerned about the economic outlook, up from 45% in 2024. Potentially due to a growing focus on financial worries, the negative sentiment on the environmental outlook has somewhat dropped—though still from a high base—from 52% expressing worry in 2024 to 50% in 2025.

Swedes were significantly more negative compared to their Nordic counterparts in Norway and Denmark, where only 27% expressed concerns about the economic outlook. However, their level of concern remains below that of the UK (70%), France (70%), and Germany (62%).

Regarding their personal outlook, Swedish consumers also reported more pessimism. Consumers especially expressed concern regarding financial security, with 33% expressing concern—an increase of 5 percentage points from last year.

The worries do not only concern personal financial stability, Swedes are also growing slightly more concerned about their overall wellbeing. Respondents with concerns about physical health rose from 18% in 2024 to 20% in 2025, while people with negative sentiment about their mental health increased from 16% to 18%. Worry about the security of personal data also grew, rising from 22% to 23%. These shifts suggest that the atmosphere of caution extends beyond money management and into broader quality-of-life considerations.

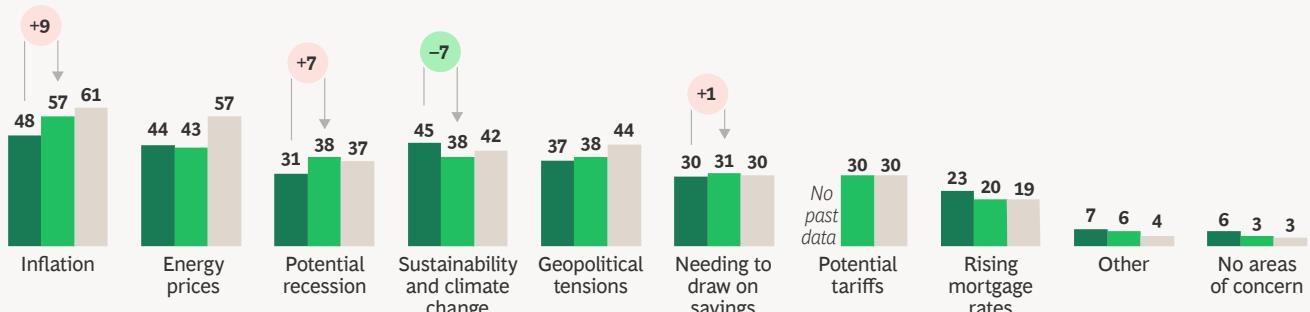
The fear of inflation has notably increased, with 57% of consumers expecting higher prices to continue—a 9 percentage point increase compared to last year. As a result, 38% of Swedes now expect an economic downturn, up 7 points year-over-year. These expectations are influencing overall sentiment, contributing to a heightened sense of uncertainty. This is further reinforced by the fact that over 70% of consumers have reported actual price increases in the last six months and expect that trend to persist in the near term. This concern stands in contrast to last year, when fewer consumers (56%) expected continued price hikes and there was a broader belief that inflationary pressure might ease during the latter part of the year—leading to a more optimistic outlook and even signs that some cost-cutting behaviors could be reversed.

The financial unease is also reflected in consumer intentions. Many are now dipping into existing savings and, if their income were to rise, would prioritize rebuilding those reserves over treating themselves with travel or increasing spend on everyday items. Taken together, these data points illustrate that Swedish consumer sentiment is increasingly shaped by external pressures—particularly inflation—and that this mood is shifting expectations and shaping the financial mindset.

EXHIBIT 1: SWEDISH CONSUMERS INCREASINGLY CONCERNED ABOUT INFLATION AND A POTENTIAL RECESSION

Concerns about inflation and a recession are higher than last year among Swedish consumers, but are still in line with the average of Europeans

KEY AREAS OF CONCERN (% OF RESPONDENTS)



MOST EXPECTED IMPACT ON SPEND (% OF RESPONDENTS)



Sources: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,842 Swedish respondents (16,412 total respondents across 9 European countries); 2024 BCG European Consumer Sentiment Study (Jul 2024); Question 2: Which of the following are you currently personally concerned by? Select all that apply. [Multi select]; Question 3a: How do you expect the development of the following factors to impact your spend in the next 6 months? (response options: Increase, decrease, or no impact on spend).

Consumer spend: Resilient habits shaped by price and practicality

The pressure of sustained inflation and higher cost of living have reshaped Swedish consumer habits. The change in habits has affected categories differently – creating ‘winner categories’ and ‘challenged categories’.

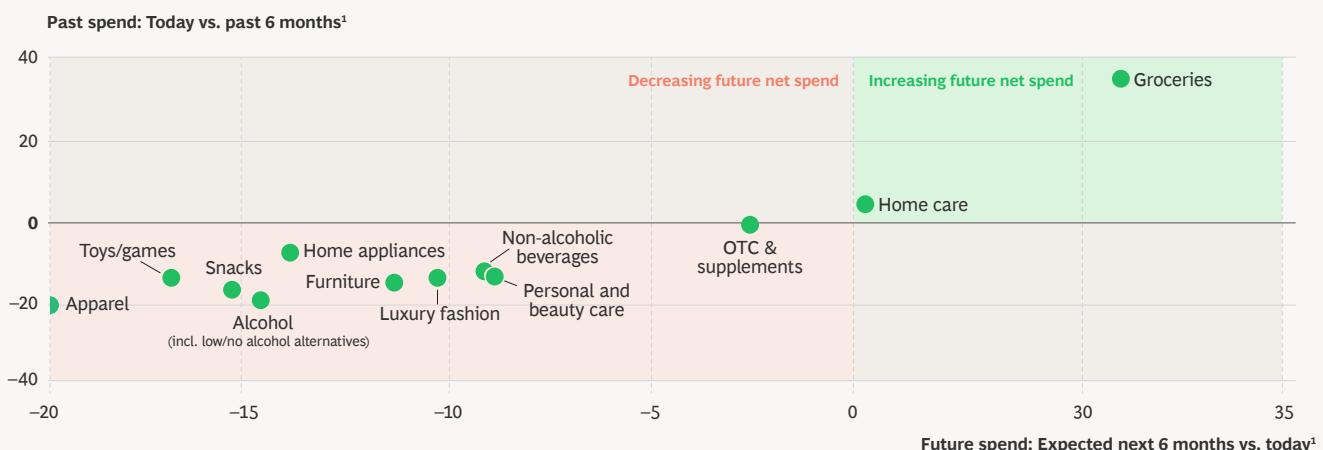
Winner categories are those where spending has increased, and growth is expected to continue. This includes groceries, home care, and to some extent OTC & supplements. Notably, the increasing spend on winner categories is largely driven by rising prices rather than increased volume.

Challenged categories include discretionary categories such as luxury fashion, toys, and entertainment, where spending has declined. Many consumers report that they are buying fewer items or actively trading down and expect this pattern to continue for the next six months. Within these challenged categories, the degree of impact varies with non-alcoholic beverages, personal and beauty care, and luxury fashion expected to be slightly less affected by future spending cuts than categories like apparel and toys/games.

EXHIBIT 2: INCREASING SPEND ON ESSENTIALS WHILE CUTTING BACK IN OTHER CATEGORIES

Swedes are increasing spend on household essentials due to price inflation, reducing spend by cutting volume or seeking deals in other categories

NET SPENDING CHANGE AMONG THE SHARE OF CONSUMERS (PP)



Source: 2025 BCG European Consumer Sentiment Study (April 2-21) with 1,842 Swedish respondents (approx. 300 respondents per category).

Note: Net spending change: difference between % of respondents indicating increase of spending - % of respondents indicating decrease of spending within a given category and time frame. Question C2.1: In the past 6 months, how much has your TOTAL spend on [category] changed? Question C2.2 (long cycle): How has your budget, or the amount you're willing to spend/pay for [category], changed over time?; Question C3.3/C3.4: You said you expect to spend [LESS]/[MORE] on [category] in 6 months (short cycle)/next year (long cycle) compared to today. What do you expect to change?

1. One year for 'long cycle' products, i.e., products that are often purchased less frequently: Luxury fashion, Home appliances, and Furniture.

2. Spend development surveyed only among consumers who had bought luxury items within the past year.

Consumer spend: Rising price sensitivity drives brand switching and growing openness to private labels

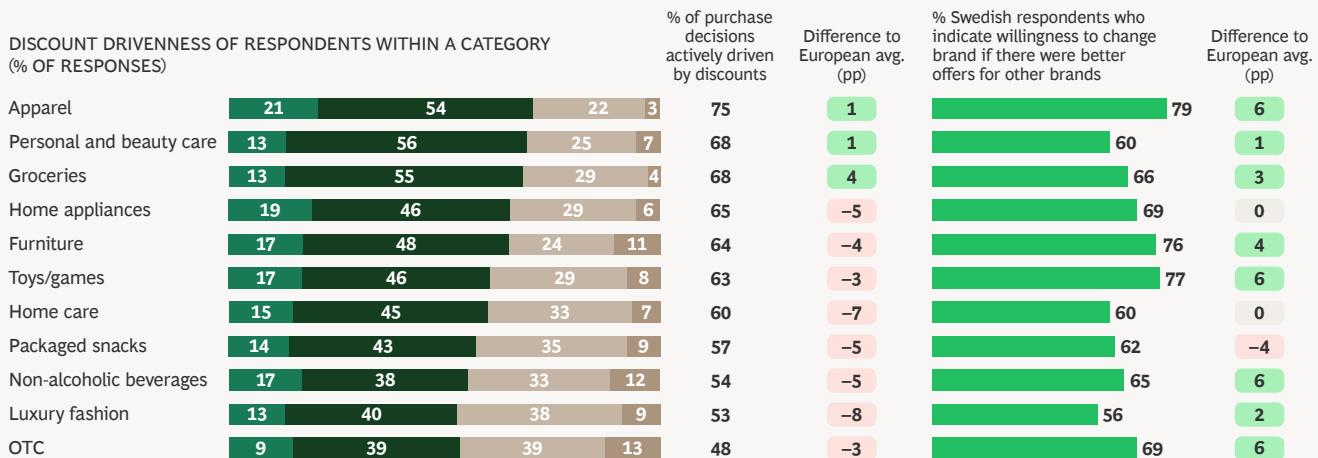
Price sensitivity has become a defining characteristic of the Swedish consumer in 2025. Up to 75% of consumers now say discounts actively drive their purchases across various categories. Furthermore, 55–75% of consumers express a willingness to switch brands for better deals. Consumers express the highest willingness to change brands when shopping for apparel (79%), furniture (76%) and toys/games (77%). For certain categories, the willingness is lower, with 56% expressing willingness to change brands when shopping for luxury fashion and 60% with the same sentiment for both personal care and home care.

While Sweden still lags behind some European markets in private label penetration, momentum is building. In groceries, the category with the highest penetration, ~30% of consumers shop private label products often or almost always, and ~40% of consumers shop private label sometimes. Yet, the share of consumers that often or almost always shop private label remains 8 percentage points below the European average.

In categories like food and household items, consumers are warming to the idea of private-label alternatives, especially when they perceive them to deliver comparable quality at a better price. However, in certain categories, a significant share of consumers still perceives branded products as superior to private label alternatives—particularly in personal and beauty care (40%), home appliances (39%), and packaged snacks (34%). This stands in contrast to categories like OTC medications and groceries, where only 17% and 23% of consumers, respectively, see branded options as better.

EXHIBIT 3: CONSUMERS ARE OFTEN DRIVEN BY DISCOUNTS AND MANY ARE WILLING TO SWITCH BRANDS

Up to 75% of purchase decisions are driven by discounts in Sweden, and 55%–75% of consumers are willing to switch brands for better deals



■ Only buying at discount ■ Actively seeking discounts ■ Not seeking discounts but may select discounted product if sees one ■ Does not pay attention to prices or discounts

Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,842 Swedish respondents (approx. 300 respondents per category per country, 16,412 total respondents across 9 European countries). Question C5.4: Thinking about [category], how would you describe your behavior regarding discounts within [category]?; Question C5.3: To what extent do you agree with the following statement: "I rarely switch brands for the [category] I buy, even if there were better offers for other brands" (agree/neutral/disagree).

Looking ahead, most Swedish consumers expect the inflationary environment to persist. Price increases are anticipated to continue across essential goods. However, the consumer response is unlikely to be reactive or impulsive. Instead, households appear poised to remain highly deliberate in how they allocate spending—focusing on essentials, postponing larger non-urgent purchases, optimizing for value wherever possible and, for many, also actively trying to reduce overall consumption and adopt a less materialistic lifestyle.

Shopping in person still matters in a digitally fluent market

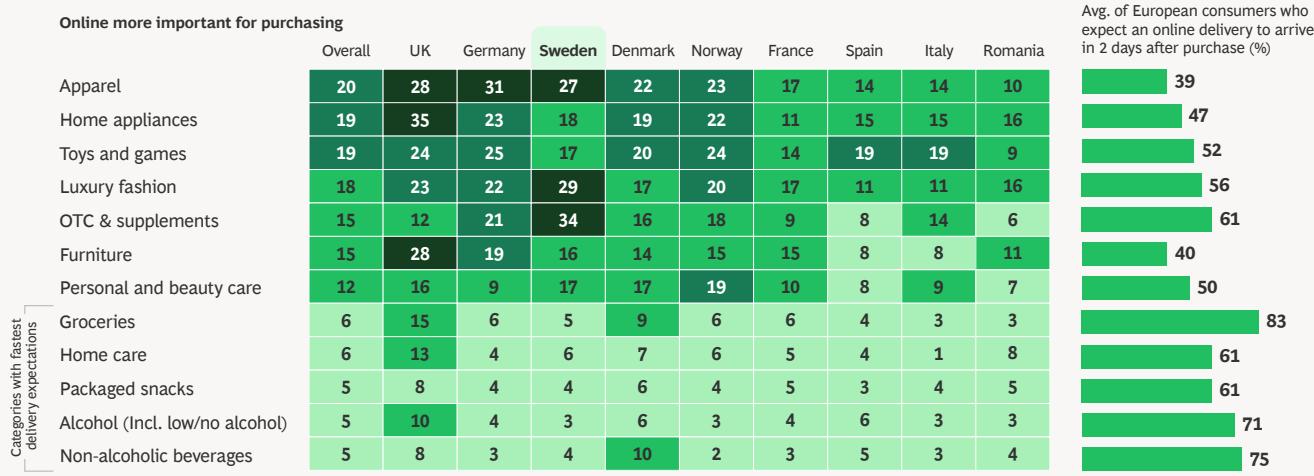
While Sweden is digitally advanced, physical stores still dominate most purchase decisions. Swedish consumers frequently use digital platforms for research and price comparisons, but high online conversion is limited to a few categories—such as OTC medications and luxury fashion—where 34% and 29% of consumers, respectively, make their primary purchases online. Online activity is often centered around convenience and accessibility, while tactile evaluation, delivery expectations, and the lack of dominant marketplaces limit broader online penetration.

Compared to consumers in the UK, the leading European country in online adoption, Swedish consumers remain more conservative in fully adopting end-to-end digital journeys, especially in categories like groceries, home goods, and luxury. Less than 50% of Swedish consumers have items usually delivered home or to a locker, and only 15% of consumers have majority of deliveries to their homes or parcel lockers which is 7 percentage points below the European average. In Sweden, marketplace penetration is relatively low, with e.g., Amazon only having ~2% market share, which may further explain the limited e-commerce momentum outside core categories.

EXHIBIT 4: SWEDEN WITH HIGHER ONLINE ADOPTION THAN MANY EUROPEAN PEERS BUT STILL LAGGING BEHIND LEADING UK MARKET

Compared with the overall European level, Sweden is among the countries with higher online adoption; but UK is still way ahead in many categories

CONSUMERS WHO USE ONLINE AS THE MAIN SOURCE OF PURCHASE (%)



Online less important for purchasing

Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,842 Swedish respondents (approx. 300 respondents per category). Question C4.1: Thinking about when you're deciding to purchase [category], how would you typically browse, research, or look for inspiration on what to buy?; Question C4.3: Thinking about when it comes to making a purchase of [category], what proportion of your spend is made online/digitally today (instead of buying products from physical stores)?

Sustainability still matters, but price comes first

Sustainability continues to be a consideration for Swedish consumers, but willingness to pay a premium has declined. In 2025, 38% of Swedes report concern about climate change—down from 45% in 2024—indicating that environmental issues are becoming secondary to more immediate financial pressures. Nonetheless, ~40% of respondents still say they regularly factor sustainability into their purchase decisions, a 4 percentage point increase from last year.

This value-conscious mindset has made cost-saving sustainable behaviors more appealing. A growing number of consumers are buying secondhand goods—particularly furniture (31%), apparel (24%), and toys (29%)—or opting for energy-efficient appliances and low-water household items. Donating clothes is also common, with 41% giving items to friends, family, or charity. In home purchases, it is also more common to avoid plastic furniture. Yet, Swedish consumers lag behind the European average when it comes to donating clothes (43%) and buying secondhand furniture (49%), apparel (58%) and toys (49%).

Swedish consumers are open to sustainable choices, but primarily when these align with financial practicality. While the pattern varies across categories, an average of only 17% are willing to pay a premium for sustainable products constituting a drop by 5 percentage points from last year. Hence sustainability remains part of the equation, but it must compete on price.

EXHIBIT 5: SUSTAINABILITY INCREASINGLY IMPORTANT FOR CONSUMERS BUT WILLINGNESS TO PAY PREMIUM IS DECREASING

Sustainability is considered more in purchase decisions vs. 2024; however, wallets are tight and willingness to pay any green premium has dropped



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,842 Swedish respondents (approx. 300 respondents per category). Question C6.1: Being completely honest, how often do you think about sustainability when you make decisions regarding the purchase of [category]?; Question C6.2: How much less or more would you be willing to pay in [category] products for sustainable alternatives that minimize your climate impact (vs non-sustainable alternatives)?

What this means for companies

With rising economic pessimism and continued pressure on consumer spending, Swedish retailers and consumer goods companies face prolonged volatility. In response, companies must first focus on securing margins through smarter trade spend, cost discipline, and portfolio focus. At the same time, they should prepare for future growth by rebuilding demand-generation capabilities and securing their sustainability competitiveness.

The primary focus for Swedish retailers and consumer goods companies should be getting through the turbulent times and doing so by **securing end-to-end profit margins**.

- **Optimize trade spend and markdowns:** With limited room for further price increases and rising trade spend, companies should shift focus from pricing alone to smarter, data-driven markdowns and promotions tailored to category and country elasticity. This will help retain value-seeking customers and attract brand switchers without sacrificing margins.
- **Continue cost resilience:** Rounds of cost-cutting within staff and supply chain have already been completed in many companies lately – however, in a reality where volumes continue to decline or stay flat, and where the few categories that experience rising spend do so because of price increases, continued focus on securing cost resilience is required.

- **Optimize business portfolio:** In the environment where everyone is fighting for the consumer share of wallet, firms should review their portfolio, invest in value-focused categories, and scale back or exit low-performing ones. The review should also consider the private label portfolio as Swedish consumers are warming to these alternatives, identifying relevant categories and investing in quality while deprioritizing segments where brand loyalty remains strong.
- **Intensify value offering:** Swedish consumers seek good value for money, low prices, functionality and ease of use. This calls for affordability and value innovation coupled with tailored marketing messaging: Emphasize quality-for-price and functional attributes.

Secondly, Swedish retailers and consumer goods companies need to act once the storm has settled, focused on 1) Recreating the demand generation muscle, 2) Positioning green as the rising norm.

1. Recreating the demand generation muscle: The past few years of cost-cutting have led to underinvestment in growth capabilities. As the focus shifts back to growth, companies must restore core skills in marketing, innovation, and consumer engagement:

- **Fix the marketing ROI (return on invest) blind spots:** Many firms lack visibility into what parts of marketing spend is actually working and rely on incomplete metrics. To get started, minimum viable ROI stack development is required to test and track spend vs. hard outcomes.
- **Activate innovation backlog:** Reignite new revenue and margin growth after years of margin-focused survival mode and underutilized innovation pipelines - fast track most prominent innovations in the pipeline in pilot market(s) to create traction.

2. Position green as the rising norm: Rising number of Swedish consumers consider sustainability in purchasing. Yet, a declining share are willing to pay a green premium – potential indication of mainstream consumers starting to expect sustainability as table stakes, not something you need to pay extra for, this means that companies must:

- **Ensure competitiveness:** Understand the sustainability must-haves in your offering to validate your brand among competition.
- **Win the mainstream value seekers:** Highlight resilience and efficiency of the sustainable products (e.g. durable, energy efficient, repairable goods) and make these attributes visible in mainstream products where applicable.



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