



## WHITE PAPER

# German Consumers: Saving Where They Can, Spending Where They Must

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

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New BCG research reveals that while sentiment toward the German national economy is increasingly negative, consumers are responding with pragmatism rather than retreat. German households are sharpening their value focus, rethinking spending priorities, and showing resilience in the face of persistent cost-of-living pressures. The trends are a snapshot of how consumers feel about national affairs and themselves, and of some of their consumer behaviours. It's based on a BCG survey of 1,800 people in Germany conducted April 2-21, part of a larger survey of consumers in nine European countries we did to capture people's feelings about current issues and their personal lives and how those sentiments affect shopping habits and preferences.

## Concerned About the Country, Confident at Home

German consumer sentiment in 2025 is marked by growing concern. According to our latest survey, 62% of German consumers feel negative about the national economic situation—a sharp rise from 52% in 2024. The share of respondents feeling bad about their personal financial situation has also increased, although less steeply, creating a national-personal sentiment gap of 31 percentage points. While smaller than the UK (44 percentage points) or France (42 percentage points), this gap still reflects an atmosphere of increasing tension and financial vigilance.

Economic pressure stems from multiple directions. 70% of respondents identified inflation as a key concern, with 73% stating they had perceived rising prices in recent months. Around 50% believe tariffs and energy prices will further increase spending pressure. These indicators collectively point to a consumer base expecting tougher financial conditions in the coming months.

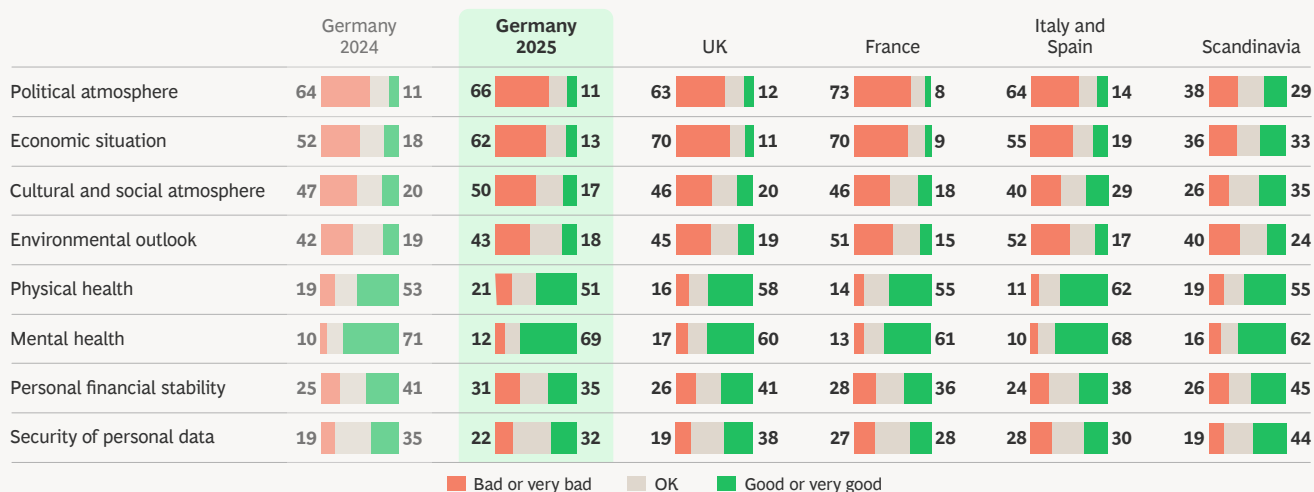
Among major economies surveyed, Germany shows a narrower gap between how consumers perceive the national situation and their own. While 62% feel negative about the country's economy, personal financial pessimism is slightly lower, resulting in a sentiment profile shaped less by resilience and more by realism. German consumers are not overly optimistic—but they are grounded, cautious, and deliberate in how they make decisions in 2025.

## EXHIBIT 1: WORRY AMONG GERMAN CONSUMERS IS GROWING FOR NATIONAL AND PERSONAL FINANCIAL ISSUES

### OVERALL SENTIMENT

## Worry among German consumers is growing due to national and personal financial issues

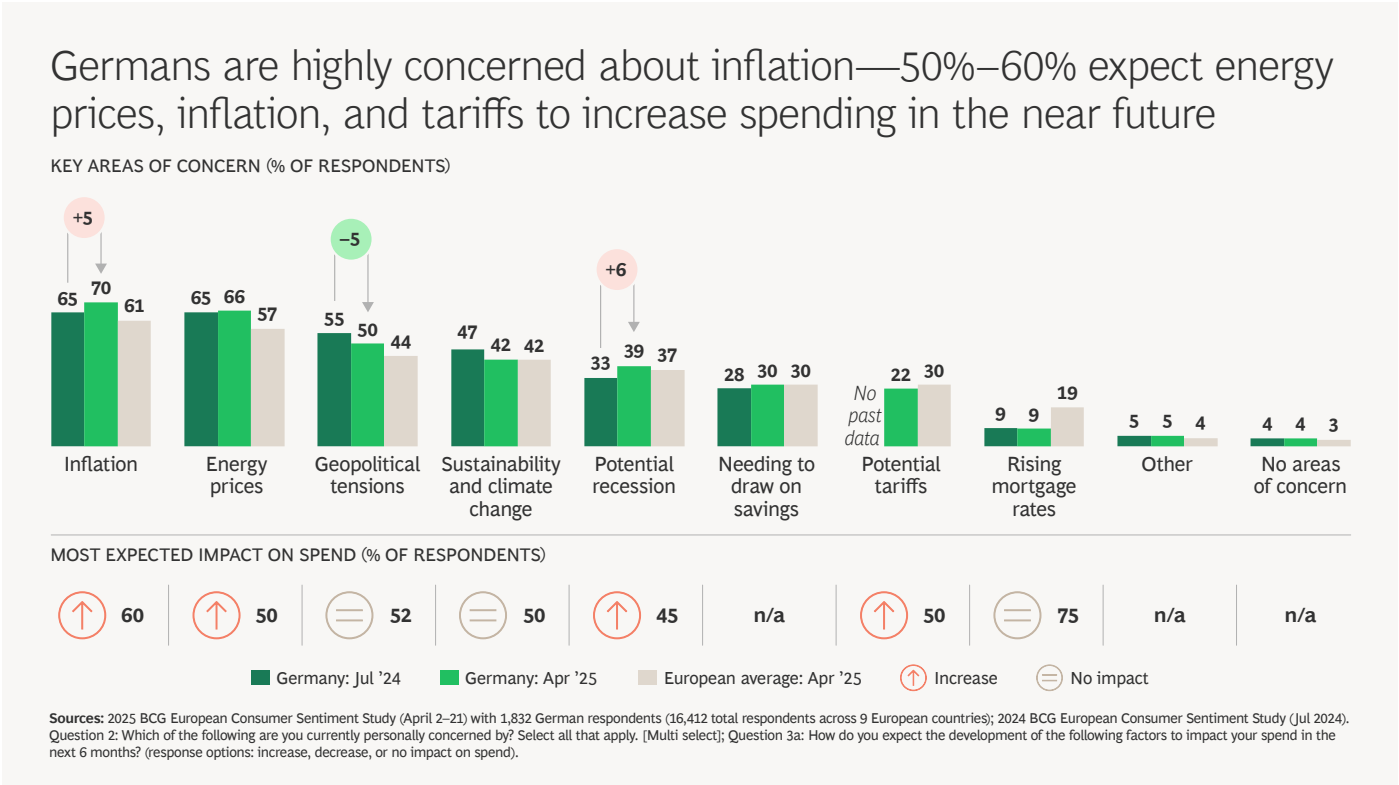
HOW CONSUMERS FEEL ABOUT NATIONAL ISSUES AND THEIR OWN CIRCUMSTANCES (%)



Sources: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German respondents (16,412 total respondents across 9 European countries); 2024 BCG European Consumer Sentiment Study (Jul 2024). Question 1: How do you currently feel about each of the following?

German consumers continue to report a wide range of financial concerns — and many are intensifying. Inflation remains the dominant issue, cited by 70% of respondents, up 5 percentage points from 2024. Energy prices follow closely at 66%. Concern about a potential recession has also increased by 6 points year-on-year to 39%. These anxieties are not abstract — they translate directly into spending expectations: 60% of Germans believe inflation will increase their spending in the coming months, 50% say the same for energy prices, and same goes for potential tariffs. Compared to the European average, Germans are notably more likely to anticipate inflation-related spending pressure. These findings underline that for German households, financial strain is not just persistent, but growing — reshaping how they budget, plan, and prioritize their consumption.

EXHIBIT 2: GERMANS ARE HIGHLY CONCERNED ABOUT INFLATION, AND BETWEEN 50-60% EXPECT ENERGY PRICES, INFLATION & TARIFFS TO INCREASE SPEND IN THE NEAR FUTURE



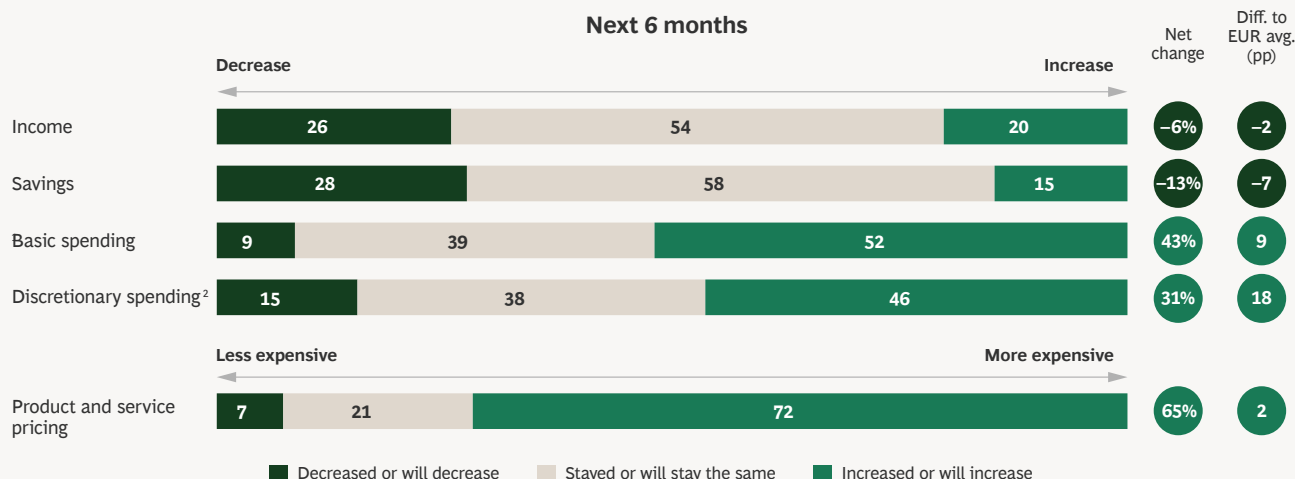
German consumers expect spending to continue rising, but without corresponding income or savings growth. While 52% foresee higher basic expenses, only 20% anticipate income growth and just 15% expect to save more. Discretionary spend is also set to increase, with 46% expecting to spend more — well above the European average. At the same time, 72% believe prices will keep rising. The result: consumers face rising costs without stronger financial means, reinforcing their focus on value and price sensitivity.



## EXHIBIT 3: GERMANS ANTICIPATE SPENDING TO CONTINUE GROWING MORE THAN THE EUROPEANS ON AVERAGE; SALARIES NOT KEEPING UP WITH THIS TREND

### Germans anticipate spending to continue growing more than other European on average; salaries not keeping up with this trend

SENTIMENT ON DEVELOPMENT OF OWN FINANCES AND PRICES (%)



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German respondents (16,412 total respondents across 9 European countries).  
 Questions: 4–10, 12–13: Which of these statements best describe your [income/savings/spending/sentiment on pricing] compared to 6 months ago/in the next 6 months?  
 1. e.g., housing, transport, medication, education, basic food.  
 2. e.g., clothing, dining out, concerts, entertainment.

For businesses, these findings signal a consumer environment defined less by volatility than by a steady, structural shift in how people manage money. The German shopper is still present, but their criteria for spending are tighter, their expectations more grounded, and their tolerance for anything that doesn't deliver clear value, low.

## Saving First, Spending Selectively

In 2025, German consumers continue to shift their spending patterns with a firm focus on essentials — and with clear caution toward most non-essential categories. Their forward-looking expectations show a market shaped less by expansion than by strategic cutbacks.

Grocery remains the only category with a positive net spend expectation over the next six months — and that growth is entirely price-driven. Consumers are not buying more; they're simply paying more. This reflects both elevated food inflation and the essential nature of the category.

In contrast, almost all other categories show net declines in expected spend: Apparel is most expected to experience a decline in spend, with a net decline of ~30 percentage points — driven purely by volume contraction. Furniture and snacks follow closely, both with significant declines (~20 to 25 percentage points), also volume-driven.

Alcoholic beverages (including low/no alcohol) and toys/games show strong negative trends as well, with net spend expectations falling between -10 and -20 percentage points. Luxury fashion and home appliances also face expected declines, but those are driven by a combination of price and volume pressure. For long-cycle products, even small shifts in consumer willingness to spend can signal larger hesitations.

Even traditionally stable categories like non-alcoholic beverages, home care, OTC & supplements, and personal & beauty care are showing neutral to slightly negative expectations, with volume playing a larger role than price.

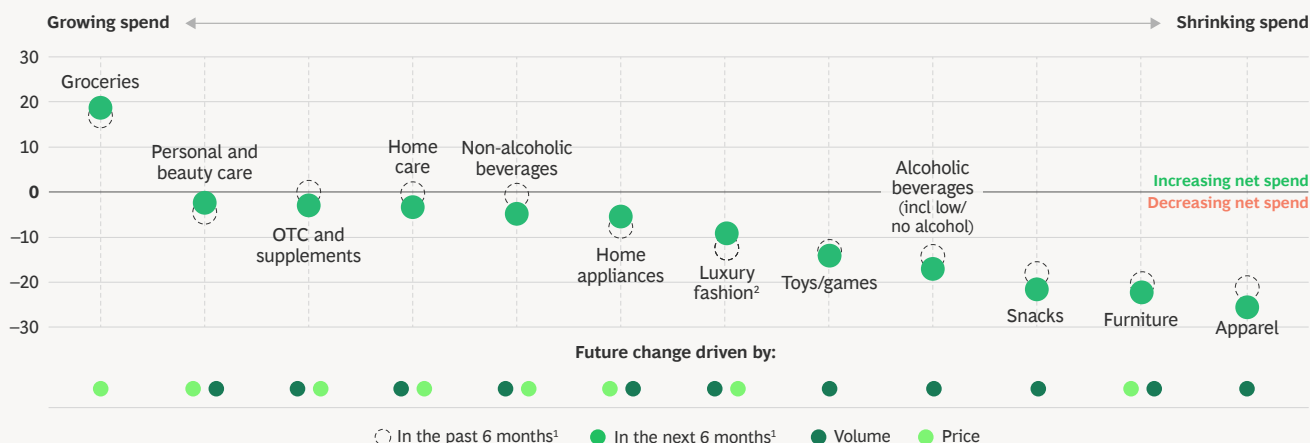
Of all categories surveyed, none apart from grocery show significant positive momentum. The net result: a German consumer landscape defined by targeted restraint, where nearly all discretionary and even semi-essential categories are under pressure.

This data reinforces a critical signal for companies: price inflation is sustaining nominal spend in select categories, but underlying volume demand is softening — and in most segments, real consumer appetite is declining.

#### EXHIBIT 4: GROCERY IS THE ONLY CATEGORY WHERE GERMAN SPEND IS GROWING, SOLELY DRIVEN BY INFLATION; SPENDING IN ALL OTHER CATEGORIES IS BEING REDUCED

Groceries is the only category in which German spend is growing, solely driven by inflation; spending in all other categories being cut down

NET SPENDING CHANGE AMONG THE SHARE OF CONSUMERS (PP)



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German 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?

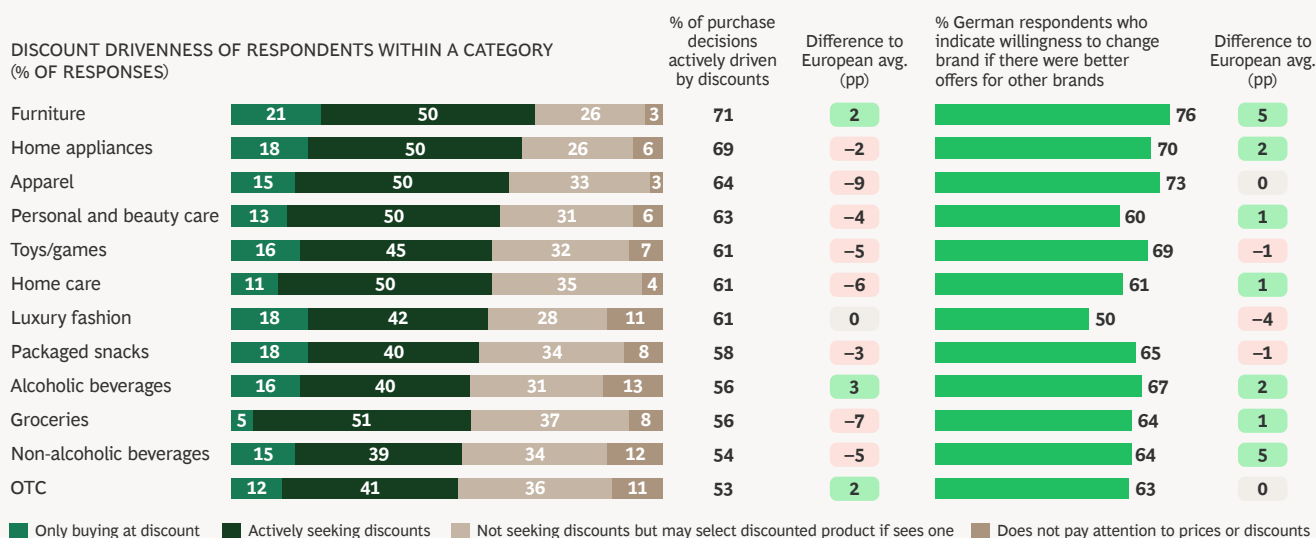
1. One year for 'long cycle' products, i.e., products that are often purchased less frequently: luxury fashion, home appliances, and furniture.

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

German consumers are highly price-sensitive: up to 71% say their purchases are driven by discounts — especially in furniture, home appliances, and apparel. Even personal care and toys show discount-driven behavior above 60%. At the same time, 60%–76% are willing to switch brands for better offers, with the highest switch-readiness in furniture, apparel, and home appliances. This points to a clear trend: brand loyalty is conditional, and value beats habit in most categories.

**EXHIBIT 5: UP TO 70% OF GERMANS' PURCHASE DECISIONS ARE ACTIVELY DRIVEN BY DISCOUNTS, AND ~60%–75% INDICATE WILLINGNESS TO SWITCH BRANDS FOR BETTER OFFERS**

Up to 70% of Germans' purchase decisions are driven by discounts, and ~60%–75% indicate a willingness to switch brands for better offers



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German 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).

German consumers show a strong openness to retailers' own brands across most categories. In groceries, 47% say they "often or almost always" buy private label — 8 percentage points above the European average. The gap is also large in personal and beauty care (+11 percentage points), home care (+7 percentage points), and non-alcoholic beverages (+8 percentage points). Packaged snacks (+2 percentage points), furniture (+1 percentage points), and home appliances (+2 percentage points) also show above-average private label adoption. OTC is the only category where Germany is slightly below average (-1 percentage points). These results suggest that German consumers are not only highly price-conscious, but also confident in the quality and value of unbranded products — particularly in everyday and household categories.

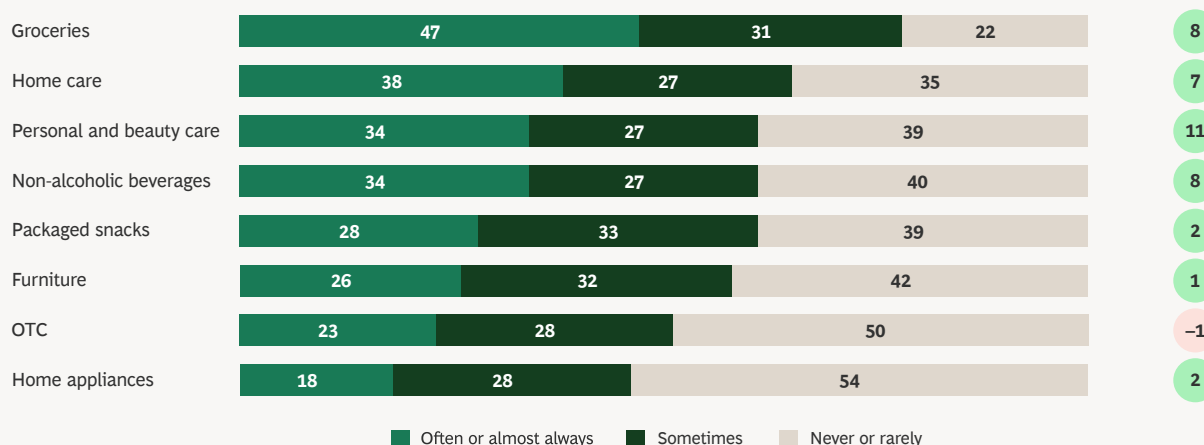


## EXHIBIT 6: GERMAN CONSUMERS SHOW A GREATER ACCEPTANCE FOR RETAILERS' OWN BRANDS THAN THE EUROPEANS ON AVERAGE

German consumers show a greater acceptance for retailers' own brands than other Europeans; 20%–40% still think branded products are better

LIKELIHOOD TO PURCHASE RETAILER'S OWN BRAND PRODUCTS  
WITHIN A CATEGORY (% OF RESPONSES)

Difference in "Never or rarely" responses to European avg. (pp)



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German 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)?

Altogether, these signals point to a consumer profile that is highly focused, disciplined, and discerning. German households are not withdrawing from the market, but they are spending with intent.

## Digital First, But Stores Still Matter

German consumers are using online channels more than the European average — especially for durable goods. For categories like home appliances (46%), toys and games (43%), luxury fashion (41%), and OTC products (36%), a significant share cite online sources as their main inspiration for purchasing, with differences to the EU average as high as +11 percentage points (OTC) and +9 percentage points (home appliances).

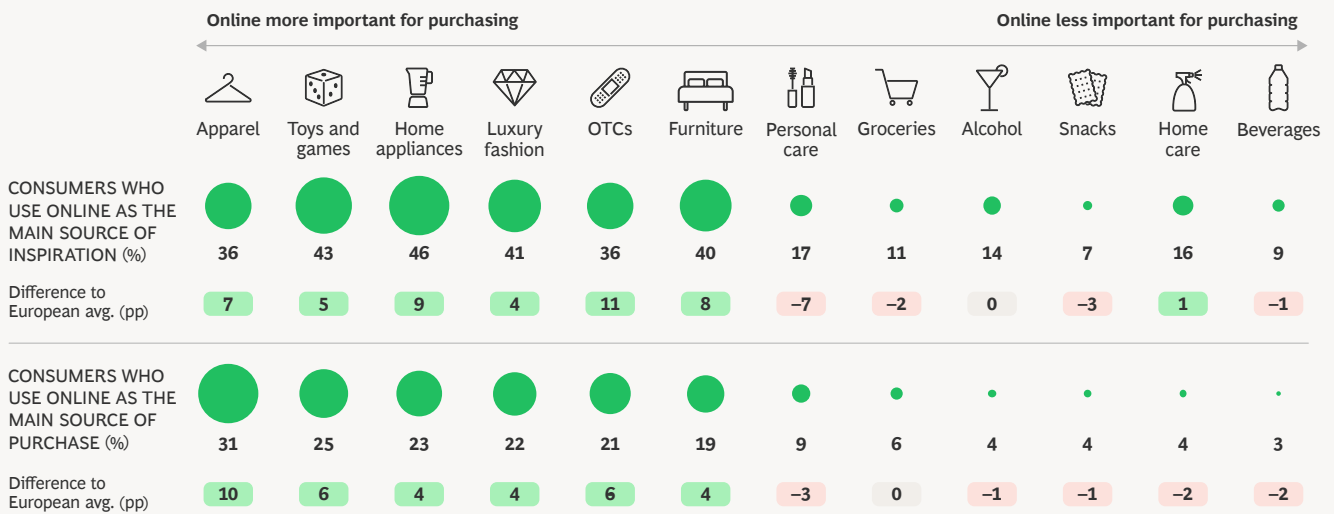
When it comes to actual purchasing behavior, Germany also outpaces Europe in several categories. 31% of Germans buy apparel primarily online (+10 percentage points vs. EU avg.), followed by toys (25%), home appliances (23%), and Luxury Fashion (22%) — all above-average adoption rates.

These patterns are driven by time efficiency, lower prices, and product availability — the core drivers of online behavior. Conversely, offline shopping remains relevant where service, tactile experience, or convenience matter most — as seen in lower online adoption for groceries (6%), personal care (9%), and beverages (3%).

This split highlights a pragmatic approach: Germans shop online where it adds value, but continue to rely on stores for everyday or experience-driven categories.

## EXHIBIT 7: GERMAN CONSUMERS ARE USING ONLINE CHANNELS MORE THAN EUROPEAN AVERAGE FOR PURCHASING DURABLE GOODS, ESPECIALLY APPAREL AND OTC, SURPRISINGLY

Surprisingly, German consumers are using online channels more than European average for purchasing durable goods, especially Apparel



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German respondents (approx. 300 respondents per category). Question C4.8: Thinking about when it comes to customer service for [category]-related purchases, do you typically do this online/ on phone or in-store?; Question C4.6: Thinking about when it comes to receiving the purchase of [category], do you typically have items delivered or collect them yourself?; Question C4.8a: If you were buying [category] products online, how fast, the latest, do you expect the products to be delivered to you, at normal delivery cost?

Together with the rising online adoption, German consumers are relying on online/phone customer service, especially in categories like apparel (53%), furniture (51%), and luxury fashion (51%). These values are well above the European average, highlighting the enduring role of stores in high-touch or high-value categories.

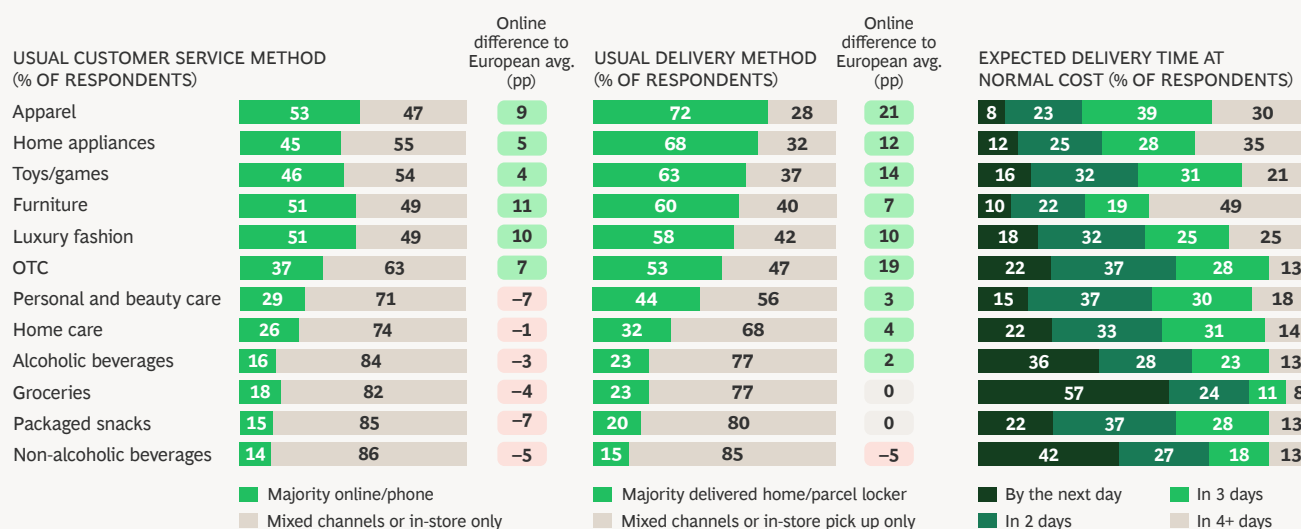
At the same time, Germans show a higher-than-average use of home or parcel locker delivery across nearly all categories. For example, 72% receive apparel deliveries at home or via locker (+21 percentage points vs. EU avg.), and 68% do so for home appliances (+12 percentage points). Categories like toys/games (63%), furniture (60%), and OTC (53%) also exceed the European norm.

When it comes to expectations, Germans are relatively patient: In groceries, only 57% expect next-day delivery, with 1 in 3 consumers expecting it in 2-3 days. For furniture, nearly half (49%) expect deliveries to take 4+ days — the highest among categories.

These patterns suggest a dual mindset: German consumers value physical store service for trust and advice, while embracing efficient home delivery, particularly in durable or bulky categories.

## EXHIBIT 8: STORE STILL PLAYS AN IMPORTANT ROLE IN CUSTOMER SERVICE FOR GERMANS; IN CONTRAST, USE OF HOME/PARCEL LOCKER DELIVERIES IS MOSTLY ABOVE EUROPEAN AVERAGE

For Germans, stores still play an important role in customer service; however, use of home/parcel locker deliveries above European average



Source: 2025 BCG European Consumer Sentiment Study (April 2–21) with 1,832 German respondents (approx. 300 respondents per category). Question C4.8: Thinking about when it comes to customer service for [category]-related purchases, do you typically do this online/ on phone or in-store?; Question C4.6: Thinking about when it comes to receiving the purchase of [category], do you typically have items delivered or collect them yourself?; Question C4.8a: If you were buying [category] products online, how fast, the latest, do you expect the products to be delivered to you, at normal delivery cost?

## Sustainability Still Matters — But Price Sensitivity Limits Impact

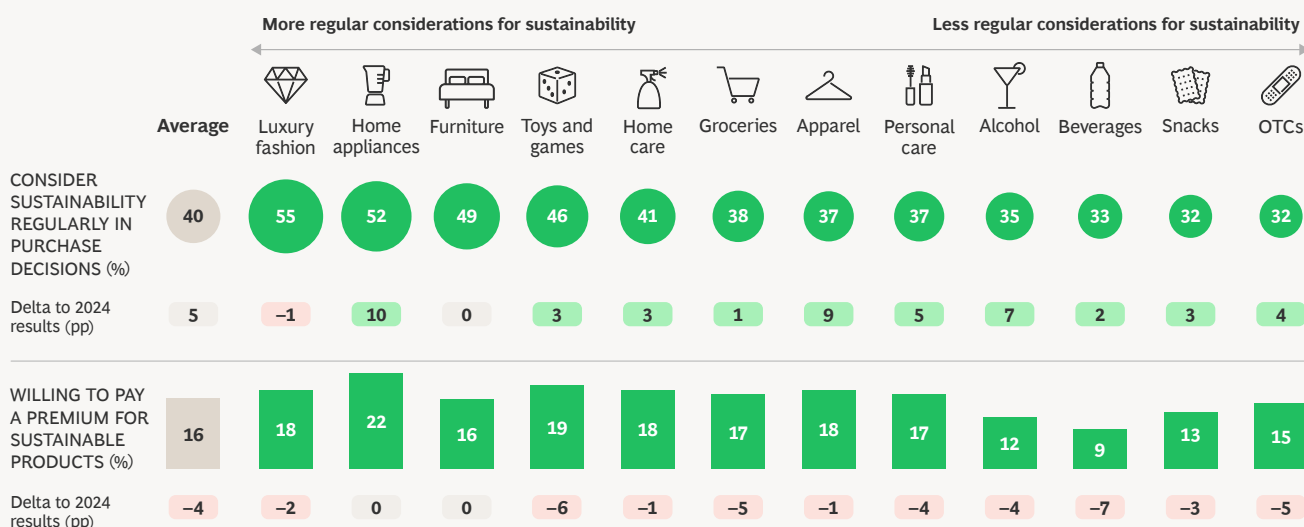
In 2025, more German consumers say they regularly consider sustainability in their purchase decisions: 40% on average, a 5 percentage point increase vs. 2024. Consideration is particularly high in luxury fashion (55%), home appliances (52%), and furniture (49%). Even lower engagement categories like alcohol (35%), and OTC (32%) show incremental increases.

However, the willingness to pay a premium for sustainable options is declining. Only 16% of consumers say they would accept a price uplift for greener choices — 4 percentage points lower than in 2024. Willingness is strongest in home appliances (22%), but drops to single digits in categories like beverages (9%).

This widening “say-do” gap highlights a key challenge: while climate-conscious intent is growing, tight budgets prevent many consumers from acting on their values — especially in daily and price-sensitive categories.

## EXHIBIT 9: SUSTAINABILITY IS CONSIDERED MORE REGULARLY IN PURCHASE DECISIONS VS. 2024; HOWEVER, WALLETS ARE TIGHT AND WILLINGNESS TO PAY ANY GREEN PREMIUM HAS DROPPED

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 1,832 German 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)?

## How Companies Can Respond To These Trends and Shifts

Faced with intensifying economic strain, German consumers are not retreating—they are reprioritizing. They are spending cautiously, trading down, embracing private labels, and heavily scrutinizing non-essential purchases. For companies operating in Germany, the imperative is clear: maintain margins while preparing for a more value-driven, sustainability-aware, and digitally engaged consumer landscape. The following priorities provide a practical path forward.

### Secure profit margins

German consumers are clearly signaling a “value-first” mindset. Businesses should react with precision in managing portfolios, optimizing pricing, and controlling costs to safeguard profitability.

#### Manage the Portfolio for Profitability

In a constrained demand environment, not all categories or products deserve equal focus. Companies should make deliberate portfolio choices, doubling down on profitable growth areas, innovating for affordability while scaling back exposure to underperforming or margin-dilutive segments:

- **Business unit and category level:** Assess the role of each business and identify what to grow, cut or exit. Prioritize investment in categories with margin resilience and strategic value.
- **Product level:** Innovate for affordability without diluting value through pack resizing and ‘value line’ innovations to meet quality thresholds while managing input costs

## Manage Price and Margins Aggressively

With consumers trading down and scrutinizing every purchase, companies should go beyond pricing levers to manage value holistically. This includes smarter trade spend, deeper cost efficiency, and sharper communication to reinforce quality and justify price points.

- **Optimize Trade Spend and Promotions:** Many companies have exhausted traditional pricing levers, and further price increases are unlikely to land given weak consumer sentiment. At the same time, trade spending has been rising. Rather than focusing solely on pricing, companies should shift towards optimizing data-driven markdowns and promotions tailored to country and category elasticity—helping to retain value-seeking customers, win over brand switchers, and avoid leaving margin on the table.
- **Continue Cost Rationalization:** Recent efficiency programs may be insufficient as volume pressures are expected to persist. Consider further right-sizing and strategic partnerships involving organizations, supply chains and go-to-market models to bring costs down
- **Reinforce value communication:** Price-sensitive Germans will pay for quality, but only if it's clear. Messaging should emphasize durability, performance, and essential benefits—especially in categories like personal care, OTC, and home appliances where functional quality matters.

## Rebuild for growth

Lean times never last forever. Consumer goods companies and retailers will eventually pivot from resilience to growth. They will need to rebuild their, in many cases neglected, demand-generation capabilities. At the same time, they will need to meet rising consumer expectations on sustainability by treating it as a core customer expectation rather than sideline business issue.

### Recreate the Demand Generation Muscle

Years of cost-cutting have hollowed out many companies' demand engines. Companies should re-establish foundational marketing effectiveness and accelerate innovation cycles to seize growth when consumer spending rebounds.

- **Fix Marketing Blind Spots:** Many companies often do not know what parts of marketing spend drives impact best. Establish foundational ROI (return on investment) tracking, test-and-learn mechanisms, and performance transparency to deploy marketing budgets effectively.
- **Accelerate innovation cycles:** Launch cycles must be faster and better tailored. In Germany, where brand switching is high, companies have the opportunity to gain share with well-priced, well-positioned innovations that signal value and trust.

### Position Green as the Rising Norm

While only 16% of Germans will pay more for sustainable products, the importance of sustainability in purchase decisions continues to grow. German consumers expect greener choices—without paying a premium.

- **Embed credible sustainability features in mass products:** Focus on functional green attributes like energy efficiency, durability, and reduced packaging—particularly in categories where sustainable features align with practical benefits.
- **Make sustainability a value story:** Communicate how green choices save money over time (e.g., energy savings, product lifespan) to align with the German consumer's pragmatism.



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