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Prepared By: Kseniya Bielinska

Approved By: Kimberly Sawatzki

Report Highlights:

Healthy lifestyle habits are becoming more and more pronounced in Germany, and consumers are striving for spiritual and mental well-being, in addition to physical health. Well-being is continuously seen as the key component of projecting a better and improved personal image. Consumers are paying more attention to what they eat and opt for products that make them feel good. This report provides overview of the main consumer types and trends in Germany.

Executive Summary

Germany has nearly 83 million of the world's wealthiest consumers. This makes Germany the second largest importer and third largest exporter of consumer oriented agricultural products worldwide, and by far the most important European market for foreign producers. Overall, Germany is a net importer of all major categories of food products. Grocery retailing reached an estimated USD 273.5 billion in 2018 and imports of agricultural products increased by 2.9 percent to USD 108 billion. Imports of consumer-oriented agricultural products totaled USD 64.4 billion in 2018. Between 2014 and 2018, disposable income per household increased from USD 43,090 to USD 46,992. The percentage of income spent on food, beverages, and tobacco constituted 13.8 % in 2017, and has remained stable up until now. German consumers remain optimistic about their financial futures and their expenditure continues to be quite stable. This is mainly a result of continued economic growth, rising levels of disposable income, and a strong job market.[1]

Health is the New Wealth

As a result of growing concerns about food quality, greater awareness of environmental issues and, among some, a distrust of modern farming and food production methods, consumers in Germany have become more conscious of the food they eat, giving preference to locally grown and fresh foods. A growing number of consumers spend time identifying and comparing the components of the food they buy, trying to limit or avoid added sugar, artificial ingredients, and fat.

Healthy lifestyle habits are becoming more and more pronounced in Germany, and consumers are striving for spiritual and mental well-being, in addition to physical health. Well-being is continuously seen as the key component of projecting a better and improved personal image. Consumers are paying more attention to what they eat and opt for products that make them feel good.

Generally, German consumers are becoming more health-conscious, drinking and smoking less and, and exercising. Most Germans think that including fruits and vegetables into their daily diet is extremely important for their health. The expansion of product choice and more affordable prices have recently driven greater demand for organic food products.

German consumers are also trying to have a positive impact on the environment through their everyday actions, including shopping habits. Thus, buying organic and regional products is becoming not only a political statement, but rather an attempt to financially support something that consumers believe to be correct and important. Buying into a product or service that represents a healthier and eco-friendly 'brand' is becoming the new status symbol.

Ethical Living: Mindful Consumerism

Consumers in Germany are increasingly mindful of their perceived ethics and moral values. This translates into decisions framed by concerns about the environment, sustainability, animal welfare, production and labor practices, as well as desires to positively impact communities and people. This developing trend is reflected in the emergence of waste-free/packaging-free supermarkets, and increased focus on recycling and renewable energy. The global market for ethical products will likely continue to expand, and Germany will play a leading role in this development. German consumers are increasingly motivated by ethical criteria when making purchases, whether shopping for food, making transport choices, or choosing leisure activities. They are buying more organic and fair-trade foods and clothing, using more green energy from renewable sources, and biking to work more often. Ethical concerns such as animal welfare are also growing. An increasing number of consumers take this into account when shopping for groceries, even if that means paying a price premium.

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[1] Euromonitor: http://www.portal.euromonitor.com/portal/StatisticsEvolution/index

TOP FIVE Consumer Types in Germany

By understanding how consumers view themselves, as well as what they prioritize as important, companies can create more tailored strategies, from product development and innovation through to sales and marketing.

According to Euromonitor International, German consumers can be segmented into these 5 main categories:

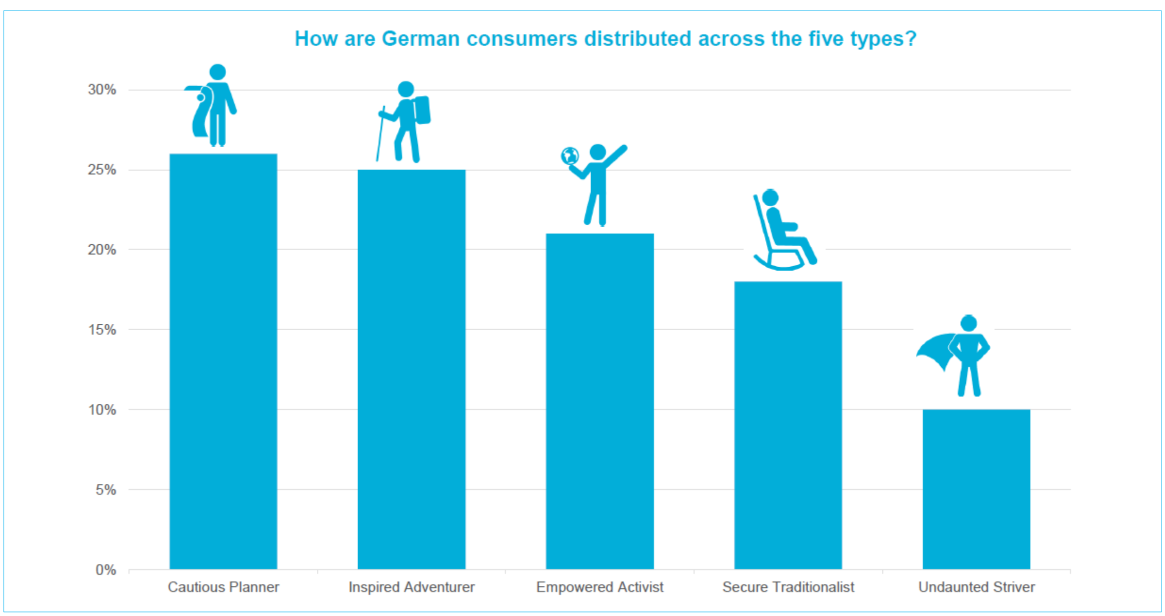
Undaunted Striver (10%)
- Enjoys shopping
- Tech savvy
- Image conscious
- High incomes and spending habits

Empowered Activist (21%)
- Enjoys taking charge
- Feels like they can make a difference
- Worried about global issues
- Indifferent to branded goods

Cautious Planner (26%)
- Less likely to spend or use credit cards
- Rarely makes impulse purchases and shops with lists
- Highly influenced by other consumers, friends and family

Secure Traditionalist (18%)
- Not concerned with image
- Avoids shopping
- Prefers to let others lead
- Usually has a lower income

Inspired Adventurer (25%)
- Usually younger
- Plans to increase spending
- Likes to try new things
- Least sceptical of green labels



Source: Euromonitor International Global Consumer Trends survey

Cautious Planner **Demographics:** 56% female Average age: 51 Average household income: USD 45,314	**Best ways to target** ▪ Cautious Planners carefully plan what they are going to buy before they make their purchases. Looking at price as well as quality features, they are most likely to focus on value for money or products that they trust. ▪ Cautious Planners are very future-focused, not only in their shopping habits, but also their health habits, closely reading nutritional labels before consuming food or beverages. Brands targeting this segment should facilitate easy understanding and more purchases by ensuring product ingredients and information are clearly listed on the packaging.
Inspired Adventurer **Demographics:** 58% male Average age: 37 Average household income: USD 41,332	**Best ways to target** ▪ Inspired Adventurers are most likely to be influenced by traditional marketing, especially through TV commercials and loyalty programs. ▪ Though they do seek out value for money, Inspired Adventurers are more open than other segments to experimenting and regularly trying new products. This opens a number of opportunities to target these consumers for new brands as well as private label brands. Inspired Adventurers are influenced by some green labels and ethical claims but are often skeptical of the credibility of these features.
Empowered Activist **Demographics:** 53% female Average age: 42 Average household income: USD 50,456	**Best ways to target** ▪ Empowered Activists are highly influenced by green labels and environmental claims; ensuring that these are easy to read and visible could help sway this segment's purchasing decisions. Though they are willing to spend more money on products that are eco-conscious and ethically sourced, there is also growing skepticism among Empowered Activists that these labels are just marketing ploys. Accordingly, these consumers seek authentic brands and products. ▪ Empowered Activists still heavily rely on in-person shopping; retailers should have up-to-date displays and offer in-store services to appeal to this segment.
Secure Traditionalist **Demographics:** 57% female Average age: 44 Average household income: USD35,922	**Best ways to target** ▪ Secure Traditionalists are often very set in their ways and therefore, it can be difficult to persuade them to try new products and services. However, since these consumers are driven by low prices and saving money, if new products and services are considerably lower in price than their usual purchases, this may cause them to sway. Unlike some of their German counterparts, Secure Traditionalist buying habits are not greatly impacted by green or ethical claims. ▪ Secure Traditionalists are not very influenced by traditional marketing. However, they are most likely to make purchases online via computers and tablets, particularly if the platform is convenient to use.
Undaunted Striver **Demographics:** 52% male Average age: 39 Average household income: USD 53,572	**Best ways to target** ▪ Undaunted Strivers are highly influenced by celebrity endorsements and social media, as these marketing sources often showcase the type of lifestyles they wish to replicate. For the same reason, they also seek branded and premium goods, which showcase exclusivity and a certain status, appearance, or lifestyle they seek to achieve. ▪ The impulse buying behavior of Undaunted Strivers can be reinforced through convenient shopping channels, especially across mobile platforms. Though they are impulsive and big spenders, these consumers still rely on various research channels prior to making a purchase, especially online.

Source: Euromonitor International Global Consumer Trends survey

TOP 5 Consumer Trends in Germany[2]

1. Healthy lifestyle is the driving force behind the organic boom in Germany

The German organic food market is the 2nd largest organic food market in the world, after the United States. Since 2000, sales of organic food in Germany have more than tripled. The German organic market is heavily dependent on imports to meet consumer demands, leading to higher import volumes (and values). The growing demand for organics in the EU creates trade opportunities for U.S. exporters. The EU offers market potential for U.S. organic sweet potatoes, fresh produce, dried fruit and nuts, specialty grains, so called "superfoods," and processed products. U.S. exporters will compete primarily on quality and price, but there are also good opportunities for innovative and premium products. For more information on the organic market in Germany please see GAIN report: Organic Market Germany

2. Growing impact of ethical issues on consumer food choice

The continued growth in awareness of health and environmental issues has prompted many consumers to adopt healthier, ethical, and 'greener' lifestyles, and this has been reflected in their shopping habits. For example, a growing number of households are driving increased demand for organic food, not only for family meals but for babies, as well. In addition, there has been a growing trend of food shoppers looking for food that it low in fat, sugar, and preservatives. Others, particularly younger consumers, are drinking less alcohol and smoking less, biking to work, and generally trying to live their lives in a more environmentally and ethically friendly manner. In particular, consumers have a great interest in issues related to animal welfare. Generally, German consumers are willing to pay more for meat products derived from animal-friendly processes.

3. German consumers are increasingly motivated to try alternative meats

Faux animal products boomed in Germany in 2019. Alternative meat is a favorite of "flexitarians," who salve their conscience by choosing the occasional Impossible Burger or the Beyond Meat version, that was sold out in hours after its May 2019 debut in Lidl's 3,200 German stores. The price for one package (227 grams) with two patties was EUR 4.99. The German food industry is reacting to customer demand for a less meat-heavy diet. The amount of plant-based foods and drinks on the market has quadrupled between 2014 and 2018. The projected growth of meat substitute sales between 2019-2023 is 5.8 percent Compound Annual Growth Rate (CAGR). There is room for future growth, but substitutes are usually seen as a transition food rather than a long-term staple of a vegan diet. Meat substitutes are the most popular processed vegan products in Germany, reaching US$ 200 million in sales last year. According to Statista, the UK and Germany are the leading markets for meat substitutes in Europe. Both countries were also among the top five countries, together with Italy, Sweden, and Spain, whose population were most likely to eat alternative meats.

4. Superfood Me!

The term "superfoods" generally references those foods perceived as "natural" while also being particularly healthy, and includes foods such as muesli, cornflake cereals, herb spreads, seeds, nuts, legumes, vegetables, and vegetable oils. Germany is one of the world's leading markets for superfoods with constantly growing customer demand and the second highest rate of new product launches. Market research company Mintel reveals that between 2013 and 2016, Germany witnessed a more than four-fold increase (+433 percent) in the number of new food and drink launches containing the descriptors 'superfood, 'superfruit', 'supergrain', 'supergreen' or 'superseed'. Innovative foods and hemp-based products are also on the rise. Hemp has been known for many years, but it has only become a 'trend' in the last 2–3 years. In Europe the "Hemp Hype" started in Italy and from there has spread over the Europe continent. Interestingly, in the EU hemp

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[2] Euromonitor International Global Consumer Trends survey and Euromonitor International from national statistics/Eurostat/UN/OECD

products must not contain more than 0.2 percent of THC, while in the US the limit is set to be 0.3 percent. Today the range of hemp products that can be purchased in-stores or online is quite extensive: protein powder, hemp oil, soft drinks and snacks. For more information, please see our latest GAIN report:
The Hemp Market Germany

5. Less is more: Veganism and Clean Label

In contrast to the common stereotype of Germans as big meat-eaters, an increasing number of consumers are becoming vegetarian or vegan. Apart from a rapidly growing organic market, the German capital Berlin is sometimes referred to as the "Vegan Capital of the World." The reasons for this trend are not only health-related, but also reflect the increased interest of many consumers in animal welfare and the environment. The vegan diet is increasingly popular among younger consumers, and canteens in many schools and universities now offer a vegetarian lunch option. This creates export opportunities for U.S. companies as most major vegan food producers are based in the United States. For more information on this topic please see our latest GAIN report:
Germany is Leading a Vegalution - Vegan Revolution - in Europe.

Consumers are also concerned that products are unhealthy and contain what many perceive to be cheap, synthetic ingredients. Avoiding artificial ingredients including sweeteners is increasingly popular, as truly natural products are considered healthier. Another way to look at healthy nutritional alternatives is through the 'free from' and organic lens. Consumers are increasingly avoiding artificial ingredients, as well as gluten, lactose, dairy, and other components, due to the rise of various allergies, food intolerances, or for ethical reasons.

FAS Berlin Supports U.S. Companies

Trade shows can help U.S. companies — especially those new to the export market — expand their reach to potential customers around the globe. The U.S. Department of Agriculture (USDA) endorses three shows in Germany in 2019, namely FRUIT LOGISTICA, BIOFACH and ANUGA. The Foreign Agricultural Service (FAS) in Berlin works with the Office of Trade Programs in FAS Washington and show organizers to create a USA Pavilion to highlight the variety and quality of U.S. products to potential foreign buyers. Furthermore, FAS provides participating U.S. companies with marketing and promotion services, market intelligence, logistical support, and on-site assistance. FAS Berlin is always looking for new shows that are interesting for U.S. exporters. Apart from the USDA-endorsed trade shows, the United States also has a strong presence at other non-endorsed shows, like ProWein or Health Ingredients Europe. The full list of trade shows in Germany can be found here.

To facilitate the contacts between U.S. companies and German importers at the shows, FAS Berlin also provides trade lists for different types of food. These lists are updated on a regular basis. FAS Berlin also assists U.S. exporters setting up meetings with potential buyers prior to shows.
If you are interested in specific trade lists, please contact the FAS Berlin office:

U.S. Department of Agriculture Foreign Agricultural Service
Embassy of the United States
Clayallee 170
14191 Berlin
Phone: +49(030) 83 05 – 1150
agberlin@fas.usda.gov
www.fas-europe.org

Attachments:

No Attachments.