



An NIQ  
Company



Nuremberg Institute  
for Market Decisions

# Press Release

## Consumer sentiment recovery is still a long way off

October 24, 2023

**Eva Böhm**  
Public Relations  
T +49 911 395 4440  
public.relations@gfk.com

**Nuremberg, Germany, October 24, 2023 – Consumer sentiment in Germany shows a mixed picture in October and therefore no clear trend. Economic expectations are increasing slightly and income expectations have suffered losses, while the propensity to buy remains almost unchanged. The forecast value for the Consumer Climate in November therefore falls to -28.1 points and is 1.4 points less than in the previous month (revised -26.7 points). These are the findings of the GfK Consumer Climate powered by NIM for October 2023. As of October 2023, it is published jointly by GfK and the Nuremberg Institute for Market Decisions (NIM), the founder of GfK.**

The renewed increase in the propensity to save this month from 8.0 to 8.5 points reinforces the downward trend in consumer sentiment. “With the third decline in a row, hopes of a recovery in consumer sentiment this year must finally be laid to rest,” **explains Rolf Bürkl, consumer expert at NIM.** “Above all, high prices for food are weakening the purchasing power of private households in Germany, so private consumption will not be able to support the economy this year.”

To reverse the trend in consumption, it is essential that the current decline in price inflation continues. According to the Federal Statistical Office, the inflation rate fell from 6.1 percent in August to 4.5 percent in September. However, the value is still a long way from the European Central Bank's target of around 2 percent.

### Income expectations on a downward trend again

After the brief stabilization in the previous month, the downward trend in income expectations continues. The indicator loses 4 points and drops to -15.3 points.

Income expectations remain firmly in the grip of inflation. Rising food and energy prices are eroding household purchasing power and preventing a sustained recovery in the indicator.

GfK SE  
Sophie-Germain-Str. 3 – 5  
90433 Nuremberg  
Germany

T +49 911 395 0

Executive Board:  
Emilie Darolles  
Joshua Hubbert

Chair of the Supervisory Board:  
John Blenke

Commercial Register:  
Nuremberg CRB 25014

## Propensity to buy stagnates at a very low level

The propensity to buy continues its stagnant development in October. This has already been ongoing for more than a year. The indicator is almost unchanged compared to the previous month and stands at -16.3 points. This means that it remains at an extremely low level. A lower value was last measured during the financial and economic crisis in 2008. The propensity to buy remains at this low level for about a year now and still shows no signs of improvement. In addition to high inflation, the fact that unemployment has recently increased slightly again may also play a role. As a result, many employees' concerns about job security will increase. The concern is also heightened by increasing corporate bankruptcies, which are also causing uncertainty. All of this is dampening the mood of German consumers to spend.

## Economic expectations are stabilizing

In contrast to the income outlook, economic expectations are not experiencing a setback. The indicator stabilizes with a small plus of one point. It is now almost 20 points higher than the corresponding value from the previous year.

Despite the slight improvement, the economic indicator does not yet signal a sustained recovery of the German economy. This is also reflected in the growth forecasts for this year. According to the EU Commission, Germany will record the worst economic development among the states of the European Union in 2023, with a decline of 0.4 percent.

The following **table** shows the values of the individual indicators in October compared to the previous month and the previous year:

Based on these 3 indicators  
the consumer sentiment is calculated

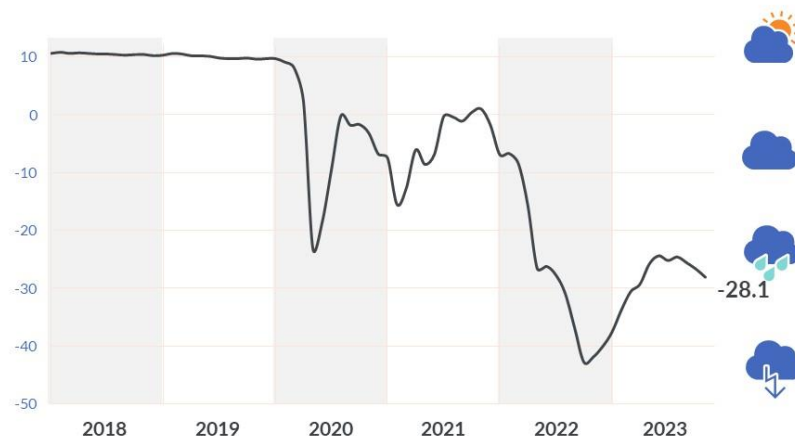
	October 2023	September 2023	October 2022
<b>Economic expectations</b>	-2.4	-3.4	-22.2
Income expectations	-15.3	-11.3	-60.5
Propensity to buy	-16.3	-16.4	-17.5
Propensity to save	8.5	8.0	4.0
<b>Consumer sentiment</b>	-26.7	-25.6	-42.8

Source: GfK Consumer Climate *powered by NIM* | Co-funded by the European Commission | 10/23D

The following **diagram** shows how the consumer sentiment indicator has developed over recent years:

### Consumer sentiment recovery is still a long way off

November 2023



10/24/2023

Source: GfK Consumer Climate powered by NIM | co-funded by the European Commission | 10/23

© GfK

### Planned 2023 publication dates:

- Tuesday, November 28, 2023, 8:00 a.m.
- Wednesday, December 20, 2023, 8:00 a.m.

### About our method

The survey period for the current analysis was October 5 to October 16, 2023. The results are extracted from the “GfK Consumer Climate *powered by NIM*” study and are based on around 2,000 consumer interviews per month conducted on behalf of the European Commission. The report presents the indicators in the form of graphics accompanied by brief comments. Consumer sentiment refers explicitly to all private consumer spending. Depending on the definition used, however, retail accounts for only around 30 percent of private consumer spending. Services, travel, housing costs, healthcare services, and the wellness sector as a whole account for the rest. Again, this does not apply to retail sales, but instead to total consumer spending. Like all other indicators, propensity to buy is a confidence indicator. It indicates whether consumers currently consider it advisable to make larger purchases. Even if they answer “Yes” to this question, there are two further requirements for making a purchase: The consumer must have both money required for such a large purchase and must also see a need to make this purchase. Furthermore, this only concerns durable consumer goods that also require a larger budget.



### **GfK Consumer Climate *powered by NIM***

The GfK Consumer Climate survey, which has been carried out monthly since 1980, is regarded as an important indicator of German consumer behavior and a guiding light for Germany's economic development. Since October 2023, the Consumer Climate data collected by GfK has been analyzed and published jointly with the Nuremberg Institute for Market Decisions (NIM), the founder of GfK. By joining forces, it will be possible to invest further in the analysis and development of the Consumer Climate study to gain an even better understanding of the background to changes in consumer confidence.

#### **Media Contact:**

**GfK:** Eva Böhm, T +49 911 395 4440, [public.relations@gfk.com](mailto:public.relations@gfk.com)

**NIM:** Sandra Lades, T +49 911 95151 989, [sandra.lades@nim.org](mailto:sandra.lades@nim.org)

### **GfK. Growth from Knowledge.**

For over 89 years, clients around the world have trusted us to provide data-driven answers to key questions for their decision-making processes. We support their growth through our comprehensive understanding of buying behavior and the dynamics that influence markets, brands, and media trends. In 2023, industry leaders GfK and NIQ have merged to offer their clients unparalleled global reach. With a holistic view of retail and the most comprehensive consumer insights, provided by forward-looking analytics on state-of-the-art platforms, GfK is driving "Growth from Knowledge." More information is available at [www.gfk.com](http://www.gfk.com).

### **Nuremberg Institute for Market Decisions**

The Nuremberg Institute for Market Decisions (NIM) is a non-profit research institute at the interface of academia and practice. NIM examines how consumer decisions change due to new technology, societal trends or the application of behavioral science, and what the resulting micro- and macroeconomic impacts are for the market and for society as a whole. A better understanding of consumer decisions and their impacts helps society, businesses, politics, and consumers make better decisions with regard to "prosperity for all" in the sense of the social-ecological market system.

*The Nuremberg Institute for Market Decisions is the founder of GfK.*

Further information is available at <https://www.nim.org> and [LinkedIn](#).