



An NIQ
Company



Nuremberg Institute
for Market Decisions

Press Release

Consumer Climate: Light at the end of the tunnel?

December 20, 2023

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

Nuremberg, Germany, December 20, 2023 – Consumer sentiment in Germany is improving at the end of the year: Income expectations and the willingness to buy show noticeable growth. The economic expectations are also improving slightly. In the forecast for January, the Consumer Climate rises to -25.1 points – an improvement of 2.5 points compared to the previous month (revised to -27.6 points). These are the results of the GfK Consumer Climate *powered by NIM* for December 2023. As of October 2023, it is published jointly by GfK and the Nuremberg Institute for Market Decisions (NIM), the founder of GfK.

These figures show that consumer sentiment is improving again after a recent period of stagnation. A slightly higher consumer sentiment was last measured in August of this year, at -24.6 points. "It remains to be seen whether the current increase represents the start of a sustained recovery in consumer sentiment," **explains Rolf Bürkl, consumer expert at NIM.** "Consumers still have major worries. Geopolitical crises and wars, sharply rising food prices and discussions around national budget for 2024 continue to cause uncertainty. As a result, the level of consumer sentiment is currently still very low."

For a lasting upturn in the mood of consuming, it is necessary to address the causes of uncertainty and find a solution here. In concrete terms, this means that further steps must be taken towards price stability and solutions must be found to the various crises.

Income expectations stop downward trend

The positive development of the consumer climate this month is primarily based on income expectations. In December the indicator increased by 9.8 points compared to the previous month, therefore climbing to -6.9 points. A better value was last measured in July 2023, at -5.1 points.

One of the main reasons for the increased income optimism is certainly the significant growth that is expected in the most important income source for private households: wages and salaries, or pensions.

GfK GmbH
Sophie-Germain-Strasse 3 – 5
90433 Nuremberg
Germany

T +49 911 395 0

Executive Board:
Emilie Darolles
Joshua Hubbert

Commercial Register:
Nuremberg CRB 42397

A more in-depth analysis recently carried out by the NIM confirms this: German consumers were asked why they expect their financial situation to improve. In this open question, around one-third of the respondents answered that recent or future wage/salary and pension increases are the reason for this positive assessment. It was by far the most significant reason mentioned. A number of other reasons were also given, such as job security or career changes/improvements, for example professional education coming to an end. However, approximately one in ten respondents also mentioned reducing expenses in order to make savings.

Willingness to buy with first signs of recovery

As the income expectations improve, the willingness to buy is also noticeably increasing: After a stagnation phase of around one and a half years, the indicator gained 6.2 points and now stands at -8.8 points. The willingness to buy was last higher in March 2022, at -2.1 points.

Despite the significant increase, willingness to buy is currently still below the level during the two lockdowns of the 2020/2021 Covid-19 pandemic. This fact confirms the current level of uncertainty among consumers, caused by the multiple crises.

Economic expectations are improving slightly

Economic pessimism among consumers continued to decline at the end of the year. The indicator for the economic expectations rises to -0.4 points. That is 1.9 points higher than in the previous month. Compared with the corresponding period of the previous year, the increase is just under 10 points.

Despite the slight increase, consumers are still very cautious about further economic developments in Germany. This is in line with views from the economy which are increasingly pessimistic about the prospects for growth in 2024. The current economic forecast for the coming year from the German Economic Institute (IW) expects a decline in gross domestic product of 0.5 percent.

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

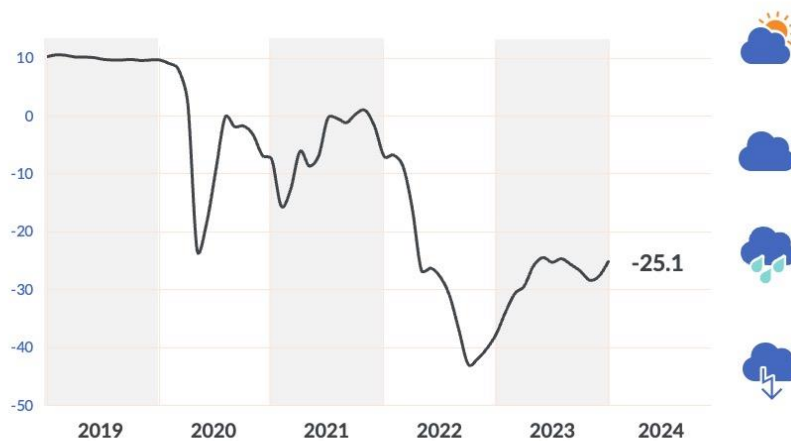
The Consumer Climate is calculated based on these three indicators

	December 2023	November 2023	December 2022
Economic expectations	-0.4	-2.3	-10.3
Income expectations	-6.9	-16.7	-43.4
Willingness to buy	-8.8	-15.0	-16.3
Willingness to save	7.3	5.3	3.9
Consumer Climate	-27.6	-28.3	-40.1

The following **diagram** shows how the Consumer Climate indicator has developed over recent years:

Consumer Climate: Light at the end of the tunnel?

January 2024



12/20/2023

Source: GfK Consumer Climate powered by NIM | co-funded by the European Commission | 12/23

© GfK and NIM

Planned 2024 publication dates (CET):

First half of 2024

Friday, January 26, 2024, 8 a.m.
 Tuesday, February 27, 2024, 8:00 a.m.
 Tuesday, March 26, 2024, 8:00 a.m.
 Thursday, April 25, 2024, 8:00 a.m.
 Wednesday, May 29, 2024, 8:00 a.m.
 Wednesday, June 26, 2024, 8:00 a.m.

Second half of 2024

Wednesday, July 24, 2024, 8:00 a.m.
 Wednesday, August 28, 2024, 8:00 a.m.
 Thursday, September 26, 2024, 8:00 a.m.
 Tuesday, October 29, 2024, 8:00 a.m.
 Wednesday, November 27, 2024, 8:00 a.m.
 Thursday, December 19, 2024, 8:00 a.m.

About our method

The survey period for the current analysis was November 30 to December 11, 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 is being conducted regularly since 1974 and 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

NIM: Sandra Lades, T +49 911 95151 989, 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.

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](#).