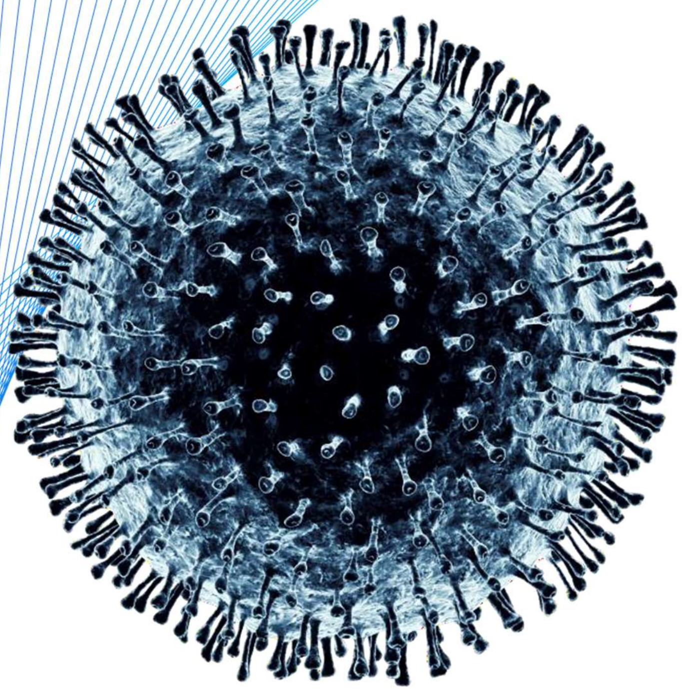
McKinsey & Company

Coronavirus COVID-19

Consumer insights from Germany

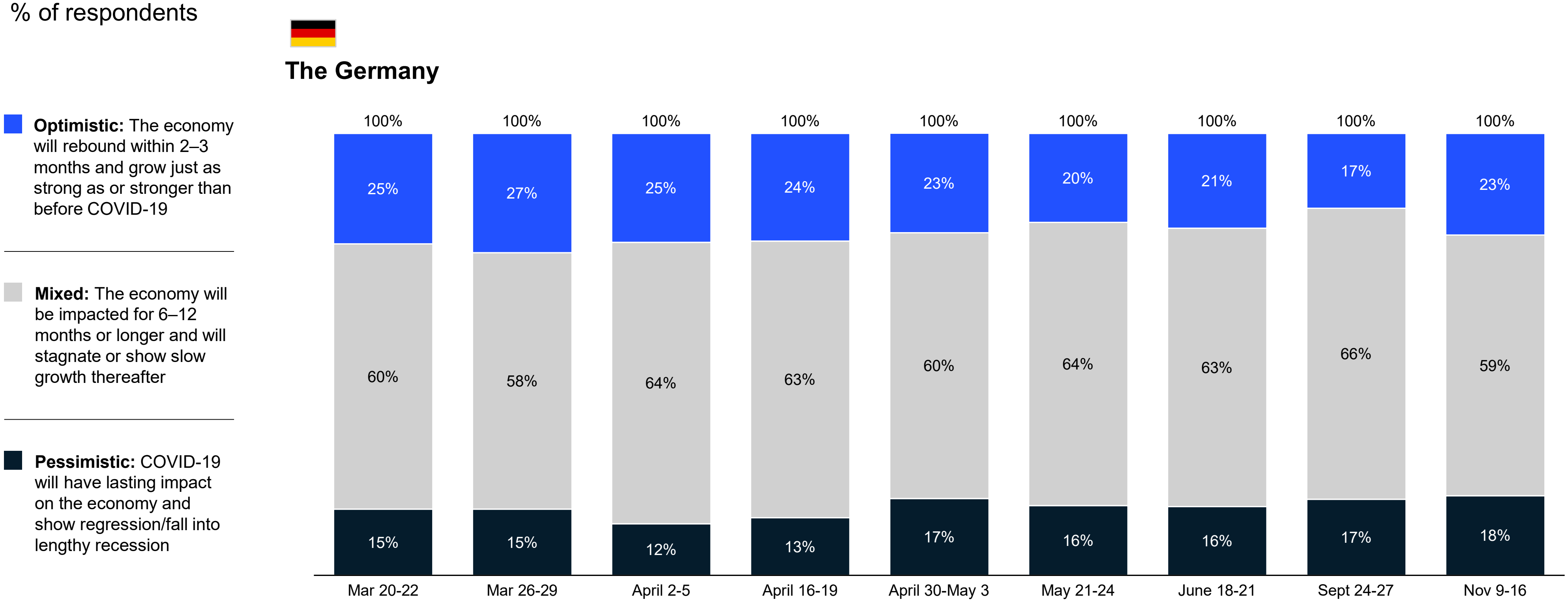
Results from consumer survey November 09–16, 2020



Despite new lockdowns optimism in Germany has increased and returned to levels last seen in end-April

Confidence in own country's economic recovery after COVID-19[1]

% of respondents



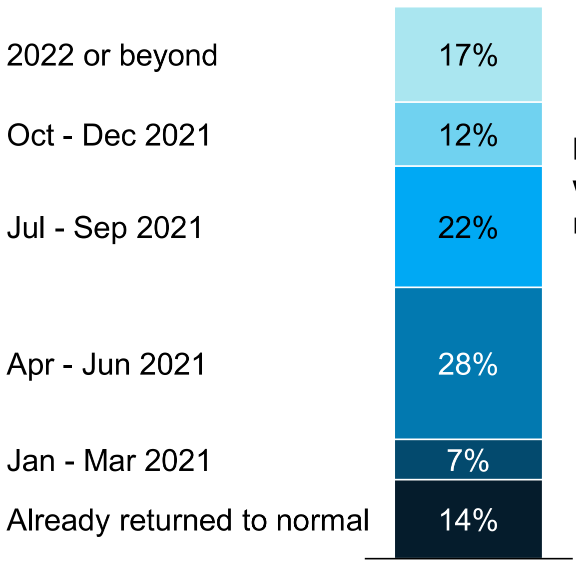
[1] Q: *How is your overall confidence level in economic conditions after the COVID-19 situation?* Rated from 1 "very optimistic" to 6 "very pessimistic"; figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053; 9/24–9/27/2020, n = 1,053; 6/18–6/21/2020, n = 1,011; 5/21–5/24/2020, n = 1,008; 4/30–5/3/2020, n = 1,002; 4/16–4/19/2020, n = 1,005; 4/2–4/5/2020, n = 1,010; 3/28–3/29/2020, n = 1,002; 3/24–3/25/2020, n = 1,014, sampled and weighted to match Germany's general population 18+ years

Shift to value and essentials

Germans believe that the impact of COVID-19 on routines will last longer than the impact on finances

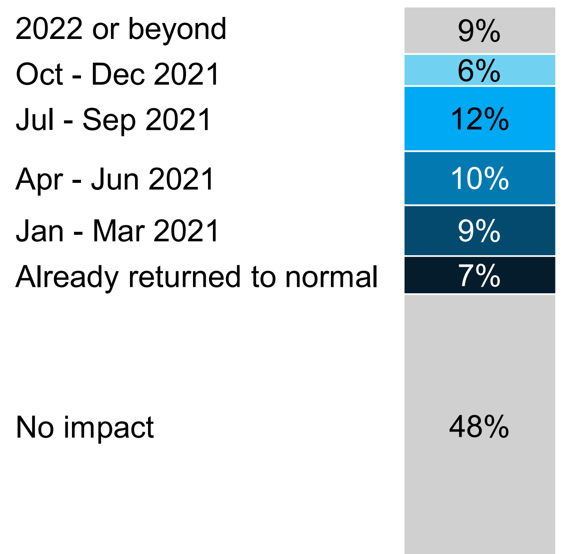
Expectations on routines returning to normal[1]
% of respondents



~51%

believe **their routines will not return to normal** until July 2021

Expectations on finances returning to normal[2]
% of respondents



~26%

believe their **finances will not return to normal** until July 2021

[1] Q: *When do you expect your routines will return to normal?*Figures may not sum to 100% because of rounding.
[2] Q: *When do you expect your personal / household finances will return to normal?* Figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, sample and weighted to match the Germany's general population 18+ years

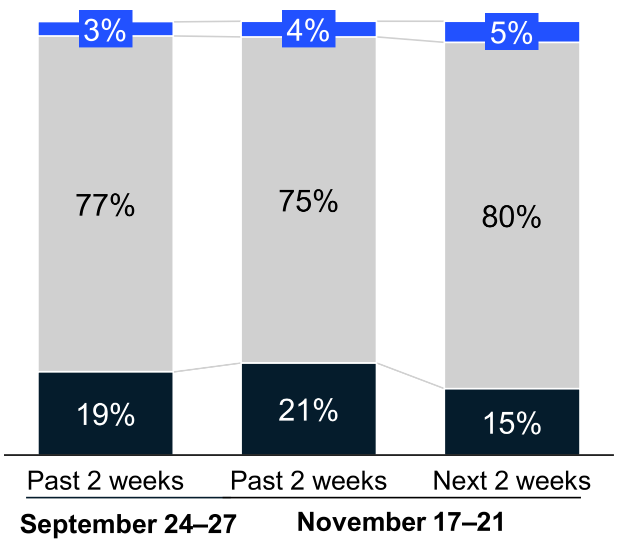
Shift to value and essentials

Impact on income, spending, and savings did not change notably compared to September

Reduce slightly / reduce a lot | About the same | Increase slightly / increase a lot

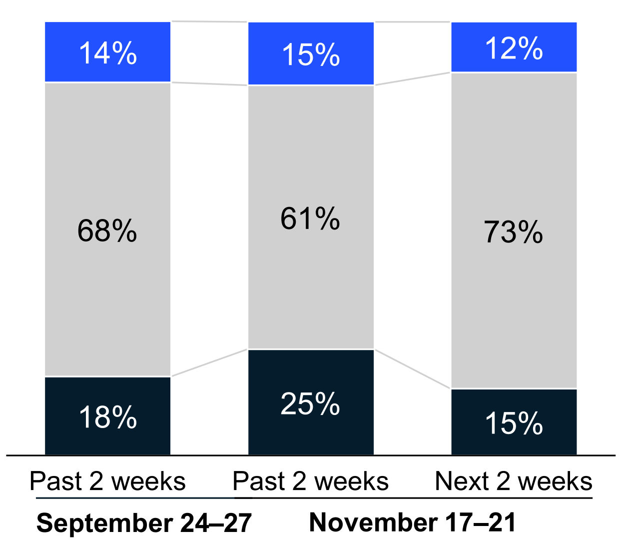
Household income[1,2]

% of respondents



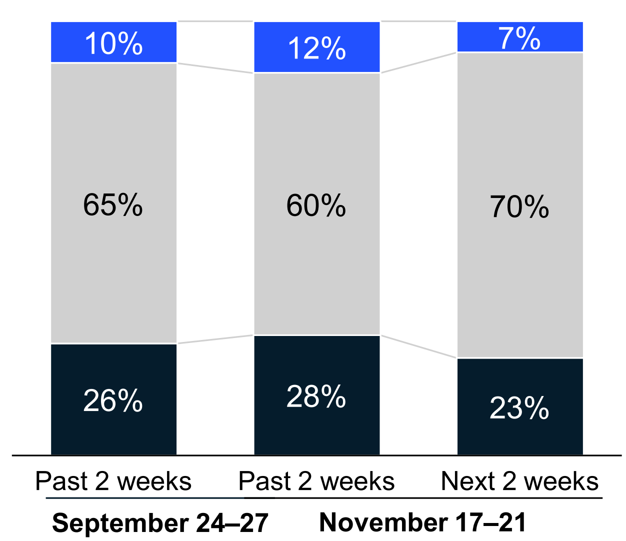
Household spending[1,2]

% of respondents



Household savings[1,2]

% of respondents

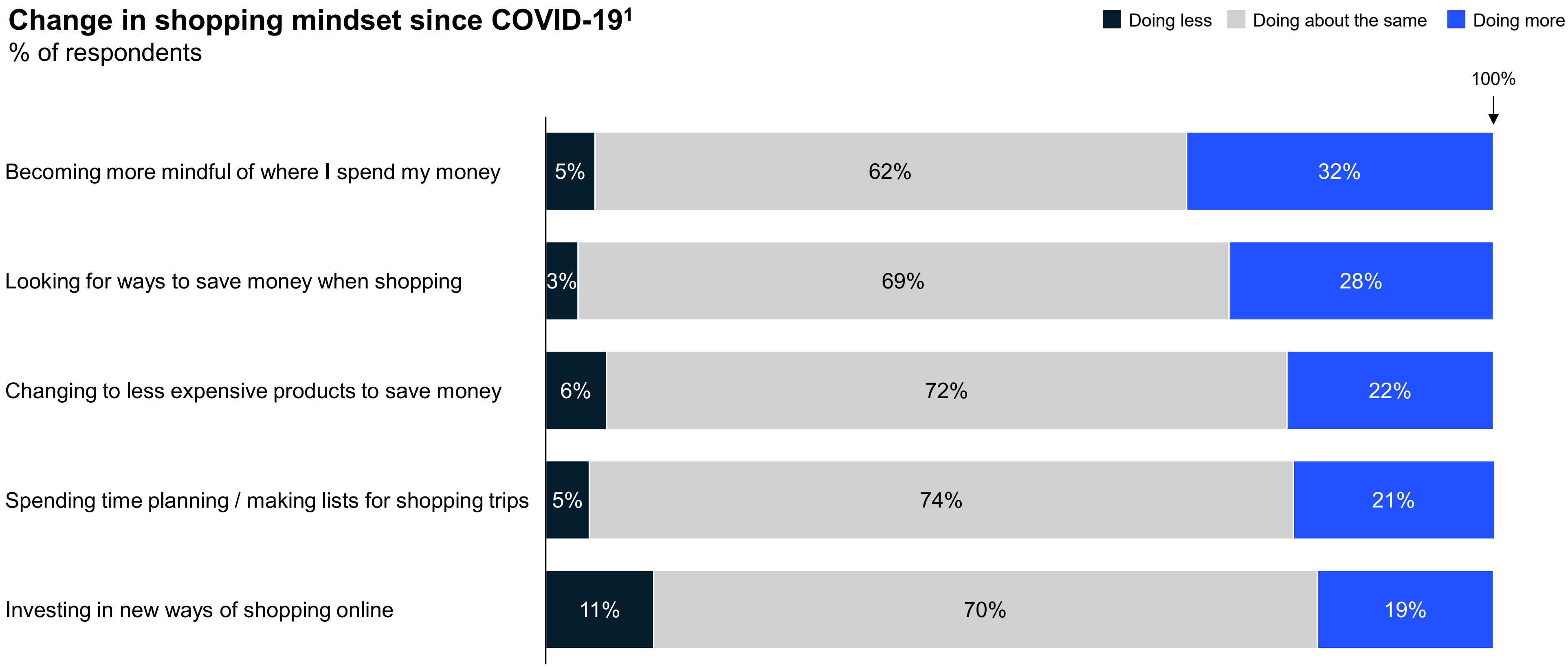


[1] Q: *How has the COVID-19 situation affected your (family's) overall available income, spending, and savings in the past two weeks?* Figures may not sum to 100% because of rounding.
[2] Q: *How do you think your overall available income, spending, and savings may change in the next two weeks?* Figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053; 9/24–9/27/2020, n = 1,053, sample weighted to match the Germany's general population 18+ years

German consumers are becoming more mindful of how they spend their money and adopting new habits to save money

Change in shopping mindset since COVID-19[1]
% of respondents



[1] Q: *Which best describes how often you are doing each of the following items?* Possible answers: “doing less since coronavirus started”; “doing about the same since coronavirus started”; “doing more since coronavirus started”; figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany’s general population 18+ years

Shift to value and essentials

While net spending intent has increased since March, consumers still expect to decrease spending across discretionary categories

Expected spending per category over the next two weeks compared to usual[1]

% of respondents

Net intent: Above +1 | Net intent: -15 to 0 | Net intent: Below -15

Decrease | Stay the same | Increase

Category	Decrease	Increase	Net intent[2]	Change since first survey
Groceries	5	18	13	+1
Snacks	21	9	-12	+6
Tobacco products	18	5	-13	-4
Take out/delivery	29	22	-7	+4
Alcohol	27	7	-20	+4
Quick service restaurant	57	5	-52	+19
Restaurant	81	1	-80	+5
Footwear	40	3	-37	+19
Apparel	37	6	-31	+18
Jewelry	55	4	-51	+14
Accessories	58	2	-56	+14
Non-food child products	15	9	-6	+7
Household supplies	8	5	-3	+2
Personal care products	5	5	0	+1
Skincare & make up	19	4	-15	+10
Furnishing & appliances	49	6	-43	+19
OTC medicines	16	7	-9	N/A[3]

Category	Decrease	Increase	Net intent[2]	Change since first survey
Vitamins / supplements	20	7	-13	N/A[3]
Entertainment at home	12	13	1	-11
Books/magazines/newspaper	19	10	-9	+5
Consumer electronics	37	9	-28	+8
Out of home entertainment	83	2	-81	+6
Petcare services	27	4	-23	+16
Fitness & wellness	58	2	-56	+6
Personal care services	44	3	-41	-40
Gasoline	31	6	-25	+24
Vehicle purchases	NA[3]		NA[3]	NA[3]
Short-term home rentals	80	1	-79	-11
Travel by car	64	4	-60	+14
Cruises	79	3	-76	-9
Adventures & tours	83	1	-82	-6
International flights	84	2	-82	-1
Hotel/resort stays	86	1	-85	+1
Domestic flights	74	4	-70	+16

[1] Q: *Over the next two weeks, do you expect that you will spend more, about the same, or less money on these categories than usual?* Figures may not sum to 100% because of rounding.
[2] Net intent is calculated by subtracting the % of respondents stating they expect to decrease spending from the % of respondents stating they expect to increase spending.
[3] Not included or insufficient sample (n = < 75) in first survey.
[4] Based on small subset (n < 100) of sample population.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053; 3/28–3/29/2020 n = 1,002 sampled and weighted to match the Germany's general population 18+ years

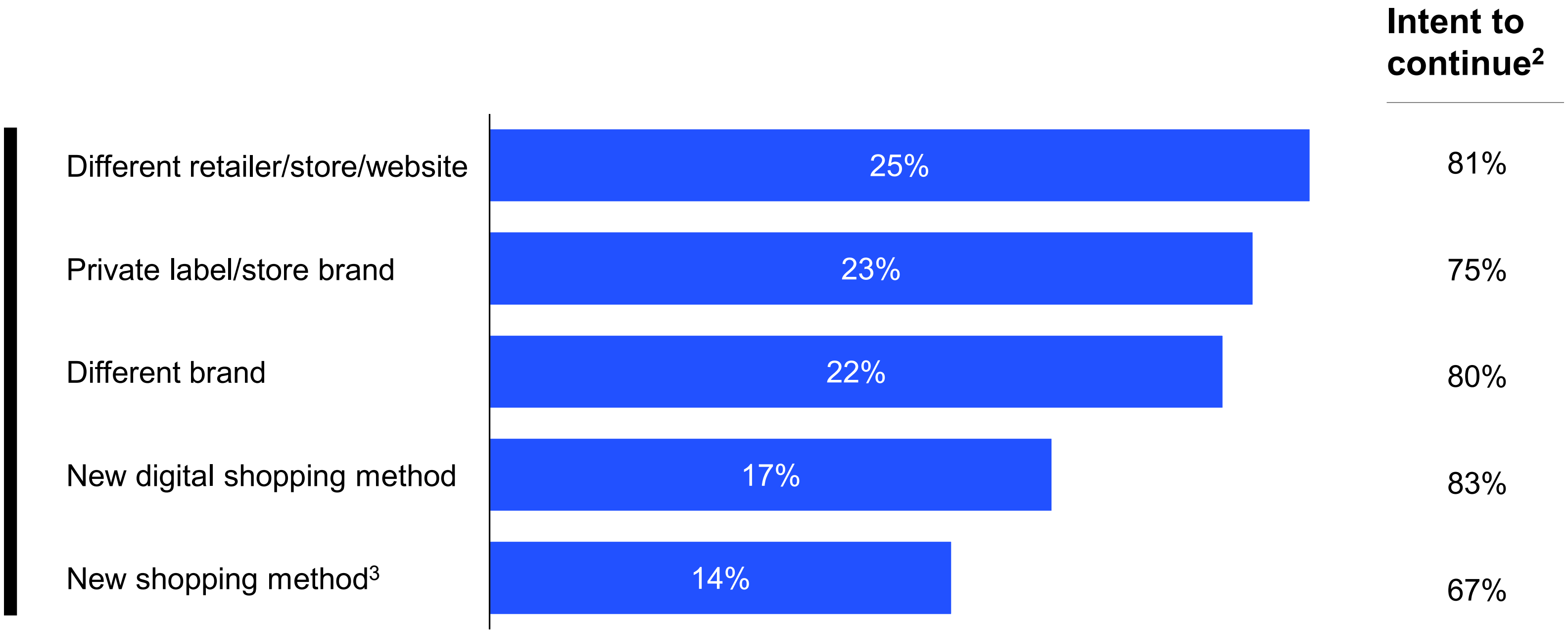
Half of Germans have tried a new shopping behavior and most intend to continue usage beyond the crisis

Have you used any of the following since COVID-19 started[1]

% of respondents

56%

Consumers have tried a new shopping behavior



[1] Q: *Since the coronavirus (COVID-19) situation started (i.e., in the past ~3 months), which of the following have you done?* 23% consumers selected “none of these.”

[2] Q: *Which best describes whether or not you plan to continue with these shopping changes once the coronavirus (COVID-19) situation has subsided?* Possible answers: “will go back to what I did before coronavirus”; ”will keep doing both this and that I did before coronavirus”; ”will keep doing this and NOT go back to what I did before coronavirus.” Intent to continue includes respondents who selected “will keep doing both this and that I did before coronavirus” and “will keep doing this and NOT go back to what I did before coronavirus.”

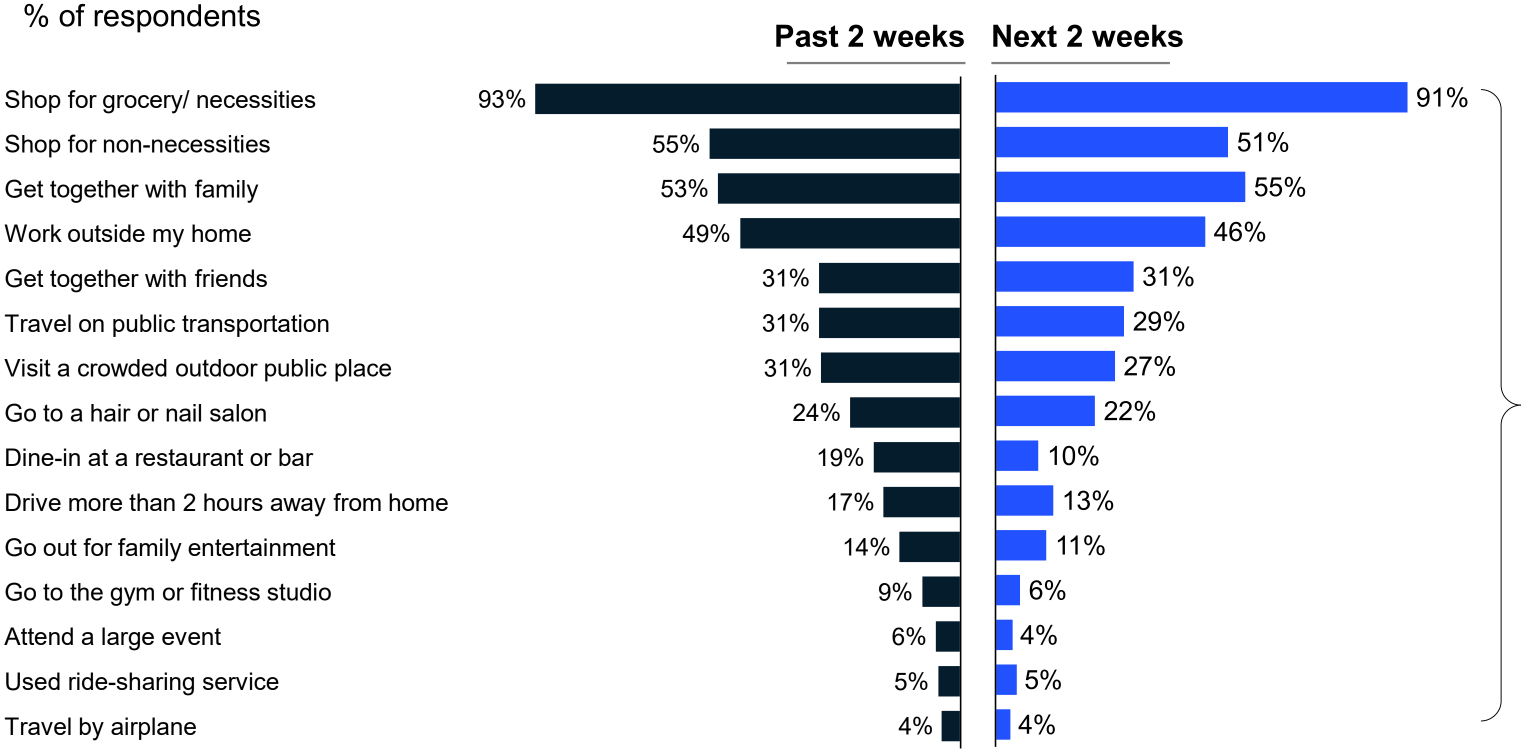
[3] “New shopping method” includes curbside pickup and delivery apps.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany’s general population 18+ years

Germans intend to maintain their current level of engagement with out-of-home activities for the next two weeks

Consumers' engagement with activities outside home[1,2]

% of respondents



There is a strong correlation between concern in participating in a particular out-of-home activity and intent to participate (R^2~1), suggesting that out-of-home activity engagement is driven by individuals' level of concern with the activity

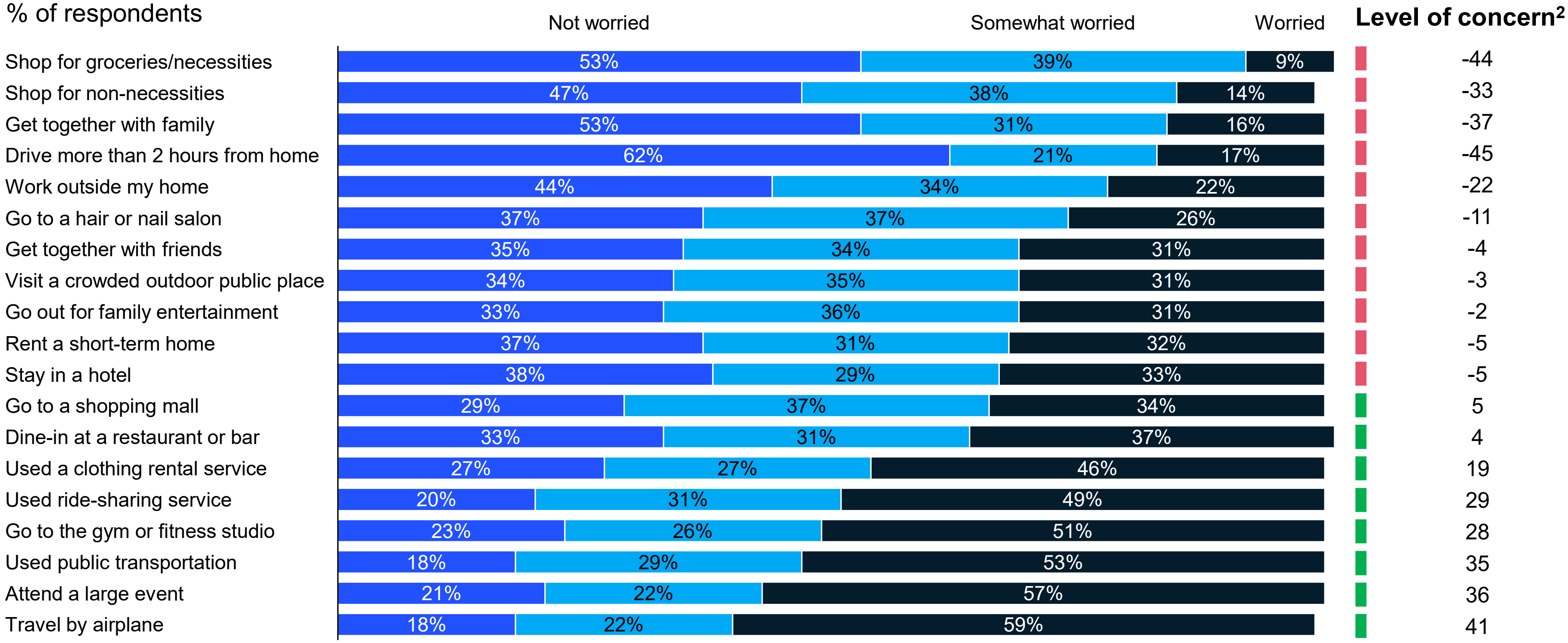
[1] Q: *Did you leave your house for the following activities over the past two weeks?* Chart represents the percentage of respondents who indicated that they left home at least once during the past week to do this activity.
[2] Q: *For which of the following activities do you intend to leave your home to do in the next two weeks?* Chart represents % of respondents who intend to leave their home to do this activity during the next two weeks.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Most Germans are concerned about traveling by airplane as well as other activities where it is more difficult to avoid crowds

Consumers' level of concern undertaking various activities[1]

% of respondents

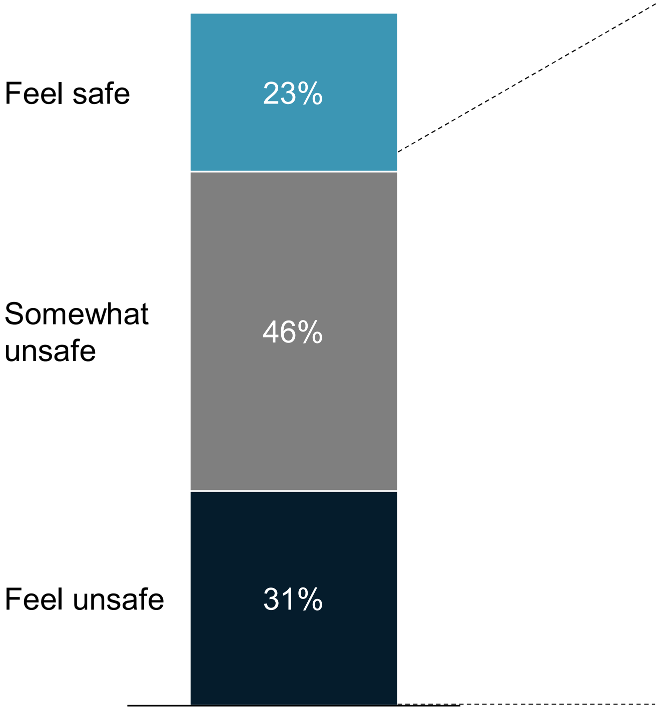


[1] Q: *How worried would you be if you were to do the following activities in the next two weeks?* Possible answers: "not worried at all"; "not very worried"; "somewhat worried"; "very worried"; "extremely worried."; figures may not sum to 100% because of rounding.
[2] Level of concern is calculated by subtracting the % of respondents stating they "not worried at all" and "not very worried" from "very worried" and "extremely worried."

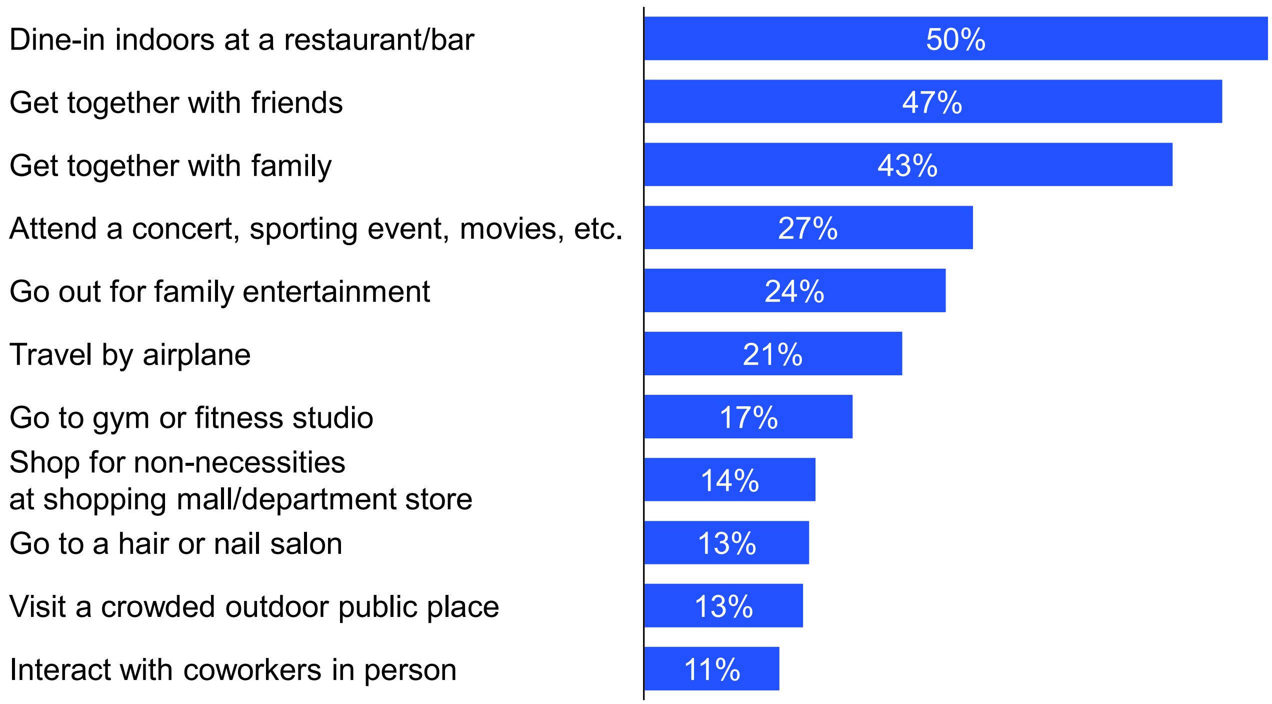
Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Germans are most eager to return to indoor dining and getting together with friends and family

Level of comfort with out-of-home activities, % of respondents



Top activities eager to get back to[1]
% of respondents for whom the activity is in their top 3 choices



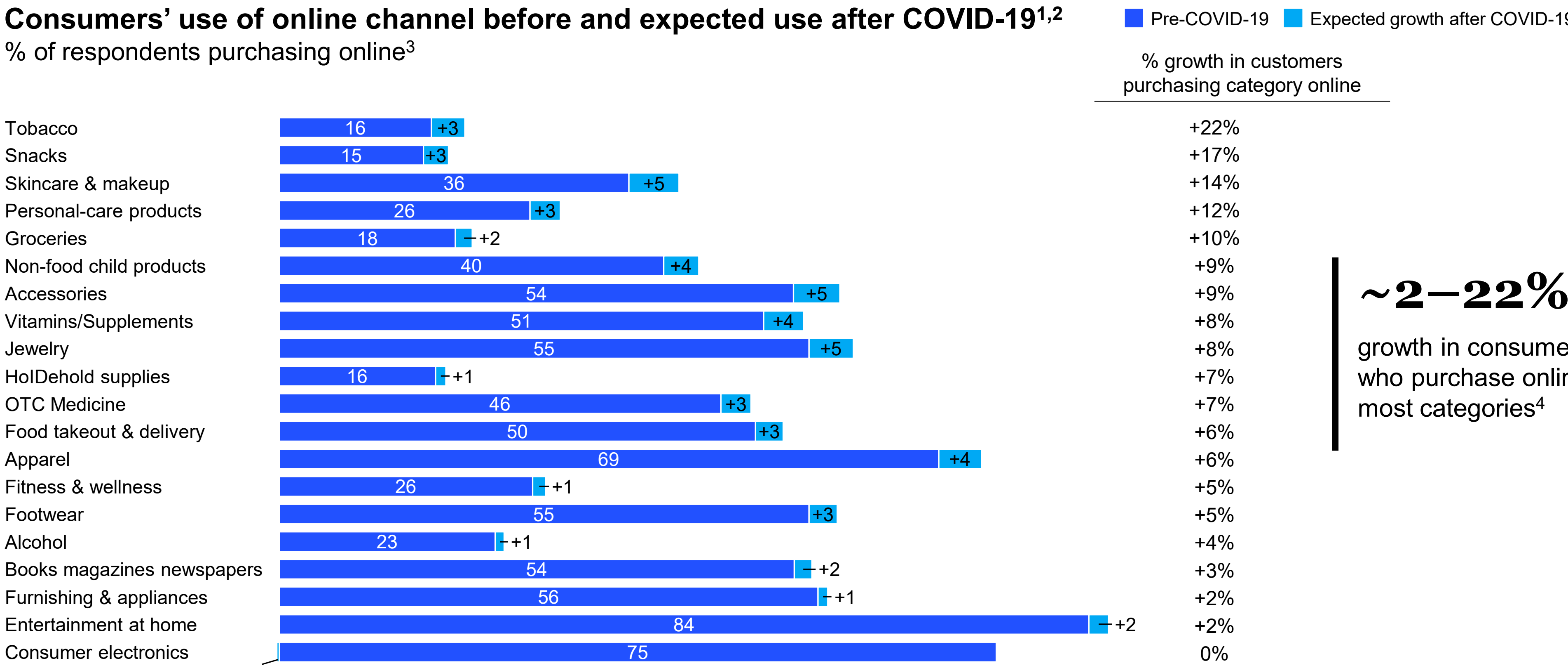
[1] Q: *What best describes your comfort participating in activities you did prior to COVID? Figures may not sum to 100% because of rounding.*
[2] Q: *What best describes your comfort participating in activities you did prior to COVID? If answered somewhat unsafe or unsafe, Q: Which of the following activities are you most eager to get back to on a regular basis? Select up to 3.*

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Flight to digital and omnichannel

More people expect to make a portion of their purchases online post-COVID-19 than before…

Consumers' use of online channel before and expected use after COVID-19[1,2]
% of respondents purchasing online[3]



~2–22%

growth in consumers who purchase online for most categories[4]

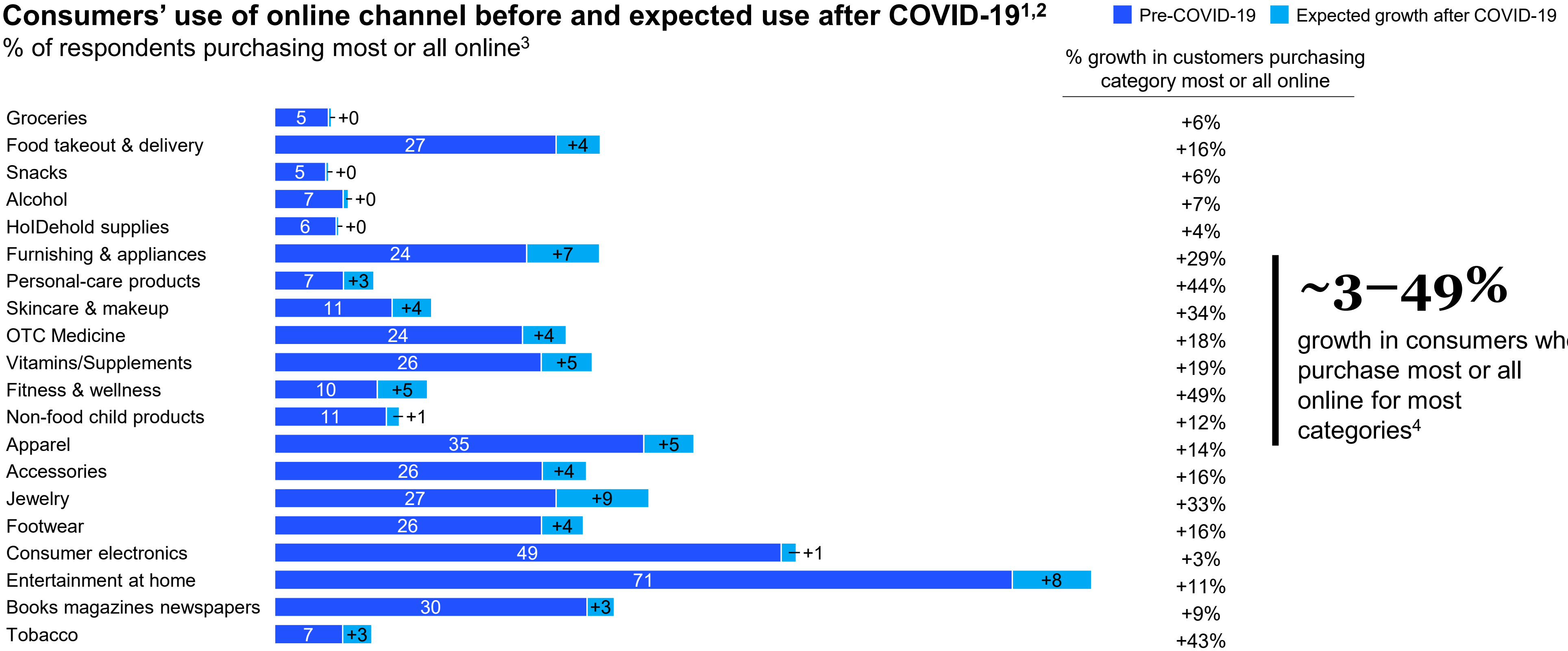
[1] Q: *Before the coronavirus (COVID-19) situation started, what proportion of your purchases in this category were online vs from a physical store/in person?*
[2] Q: *Once the coronavirus (COVID-19) situation has subsided, tell us what proportion of your purchases in this category you think will be online vs from a physical store/in person?*
[3] Includes respondents who chose "some online," "most online," and "all online." Respondents who indicated that they have not bought the category online and do not intend to do so in the next two weeks are classified as not purchasing online.
[4] Expected growth after COVID-19 compared to pre-COVID-19 slightly lower than previous waves due to respondents reporting higher online activity in pre-COVID-19 situation.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

…with some consumers planning to shift almost completely online

Consumers' use of online channel before and expected use after COVID-19[1,2]

% of respondents purchasing most or all online[3]



~3–49%

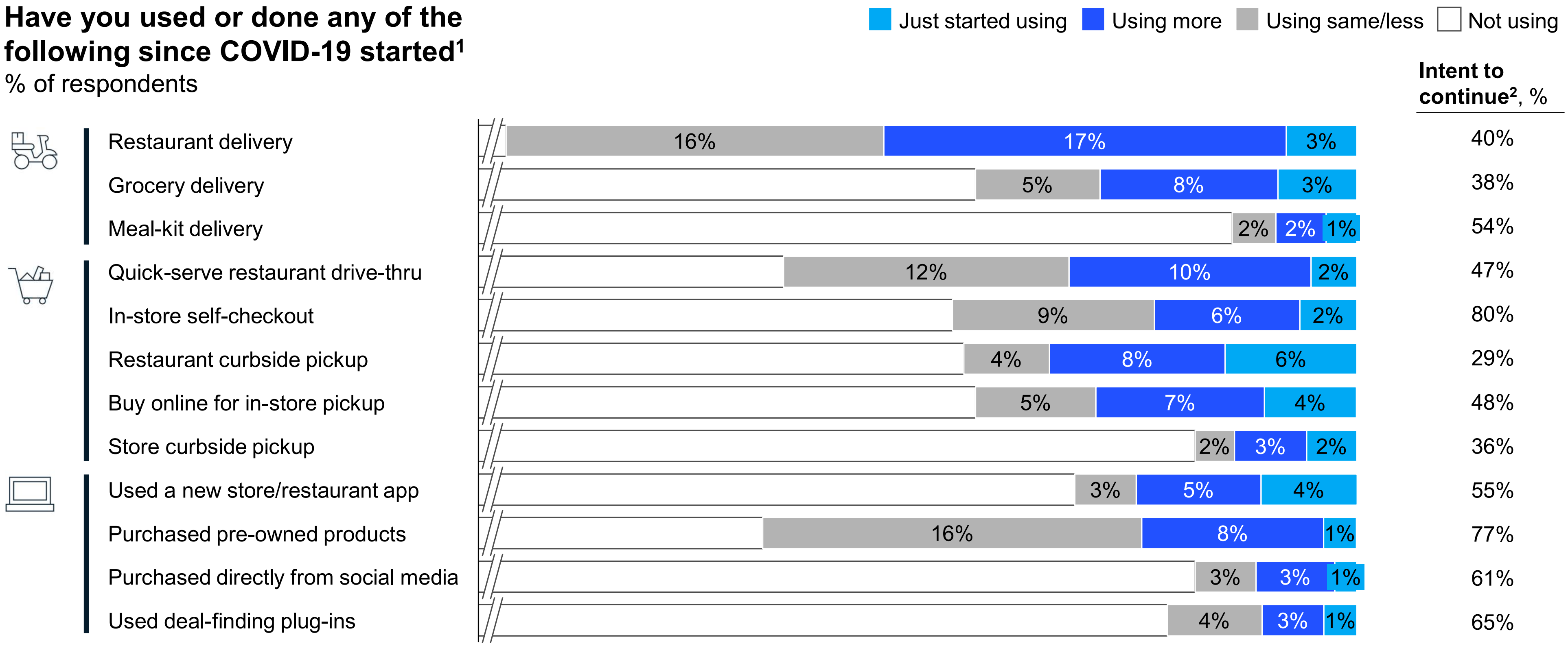
growth in consumers who purchase most or all online for most categories[4]

[1] Q: *Before the coronavirus (COVID-19) situation started, what proportion of your purchases in this category were online vs from a physical store/in person?*
[2] Q: *Once the coronavirus (COVID-19) situation has subsided, tell us what proportion of your purchases in this category you think will be online vs from a physical store/in person?*
[3] Respondents who indicated that they have not bought the category online and do not intend to do so in the next two weeks are classified as not purchasing online.
[4] Expected growth after COVID-19 compared to pre-COVID-19 slightly lower than previous waves due to respondents reporting higher online activity in pre-COVID-19 situation.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Germans have acquired new habits during COVID-19, including restaurant delivery and curbside pickup

Have you used or done any of the following since COVID-19 started[1]
% of respondents



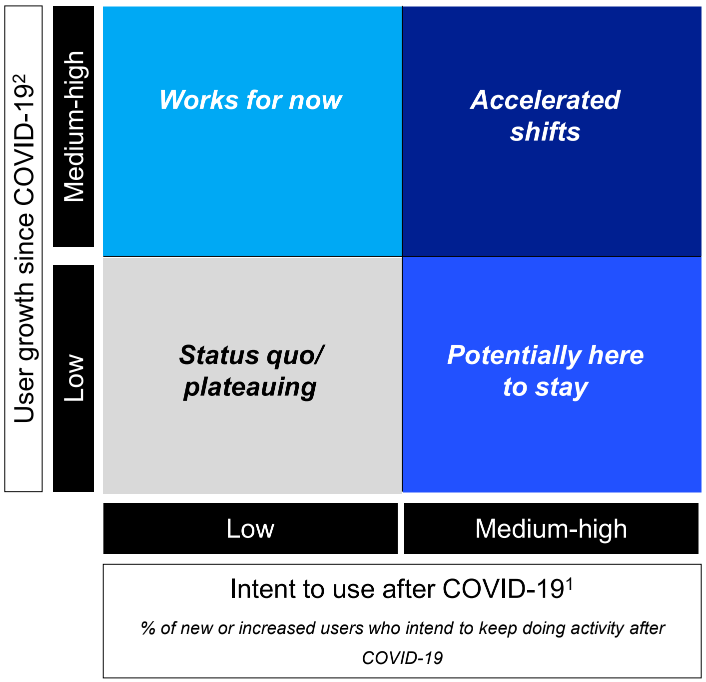
[1] Q: *Have you used or done any of the following since the COVID-19 situation started?* If yes, Q: Which best describes when you have done or used each of these items? Possible answers: "just started using since COVID-19 started"; "using more since COVID-19 started"; "using about the same since COVID-19 started"; "using less since COVID-19 started."
[2] Q: *Compared to now, will you do or use the following more, less, or not at all, once the coronavirus (COVID-19) situation has subsided?* Possible answers: "will stop this"; "will reduce this"; "will keep doing what I am doing now"; "will increase this." Number indicates respondents who chose "will keep doing what I am doing now" and "will increase this" among new or increased users.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Flight to digital and omnichannel

Digital delivery for food seems to work only for now, while digital retail seems to have staying power

Data not available | Accelerated shifts | Potentially here to stay | Works for now | Status quo/plateauing



	May	June	September	November
Meal-kit delivery	Status quo/plateauing	Potentially here to stay	Potentially here to stay	Accelerated shifts
Restaurant delivery	N/A	Status quo/plateauing	Works for now	Status quo/plateauing
Grocery delivery	Status quo/plateauing	Status quo/plateauing	Accelerated shifts	Status quo/plateauing
Quick-serve restaurant drive-thru	Status quo/plateauing	Potentially here to stay	Accelerated shifts	Status quo/plateauing
Restaurant curbside pickup	Works for now	Works for now	Potentially here to stay	Status quo/plateauing
Store curbside pickup (mostly grocery)	Works for now	Works for now	Potentially here to stay	Works for now
Used a new store/restaurant app	N/A	N/A	Accelerated shifts	Accelerated shifts
Buy online for in-store pickup	Status quo/plateauing	Accelerated shifts	Accelerated shifts	Works for now
In-store self-checkout	Potentially here to stay	Potentially here to stay	Potentially here to stay	Potentially here to stay
Used deal-finding plug-ins	N/A	N/A	Potentially here to stay	Potentially here to stay
Purchased directly from social media	N/A	N/A	Potentially here to stay	Potentially here to stay
Purchased pre-owned products online	N/A	N/A	Potentially here to stay	Potentially here to stay

[1] *Q: Compared to now, will you do or use the following more, less, or not at all, once the coronavirus (COVID-19) situation has subsided? Possible answers: "will stop this"; "will reduce this"; "will keep doing what I am doing now"; "will increase this."*
[2] User growth is calculated as % of respondents who replied that they are new users over % of respondents who replied that they were using the product/service pre-COVID-19 (using more, using the same or using less).

Source: McKinsey & Company COVID-19 US Consumer Pulse Survey 10/23–10/272020, n = 2,021; 9/18–9/24/2020, n = 1,026; 8/19–8/23/2020, n = 2,026;; 7/7–7/12/2020, n = 1,923; 6/15–6/21/2020, n = 2,006, sampled and weighted to match the US general population 18+ years

More than 50 percent of consumers cite value and convenience as drivers for trying new places to shop

Reason for shopping at a new retailer/store/website in the past three months[1]

% of respondents selecting reason in top three

(x%) Net % of respondents per category

Category	Net %	Reason	%
Convenience	60%	More easily accessible from my home	24%
		Offers good delivery / pick-up options	21%
		Less crowded / has shorter lines	18%
		Can get all the items I need from one place	18%
Value	63%	Better prices / promotions	36%
		Better value	30%
		Better shipping / delivery cost	24%
Availability	28%	Products are in stock	28%
Quality/organic	12%	Better quality	8%
		Offers natural / organic offerings	4%
Purpose-driven	20%	Supporting local businesses	16%
		The company treats its employees well	4%
Health/hygiene	16%	Cleaner / has better hygiene measures	16%

[1] Q: *You mentioned you shopped from a new retailer/store/website since the coronavirus (COVID-19) situation started. What was the main reason you decided to try this new retailer/store/website? Select up to 3.*

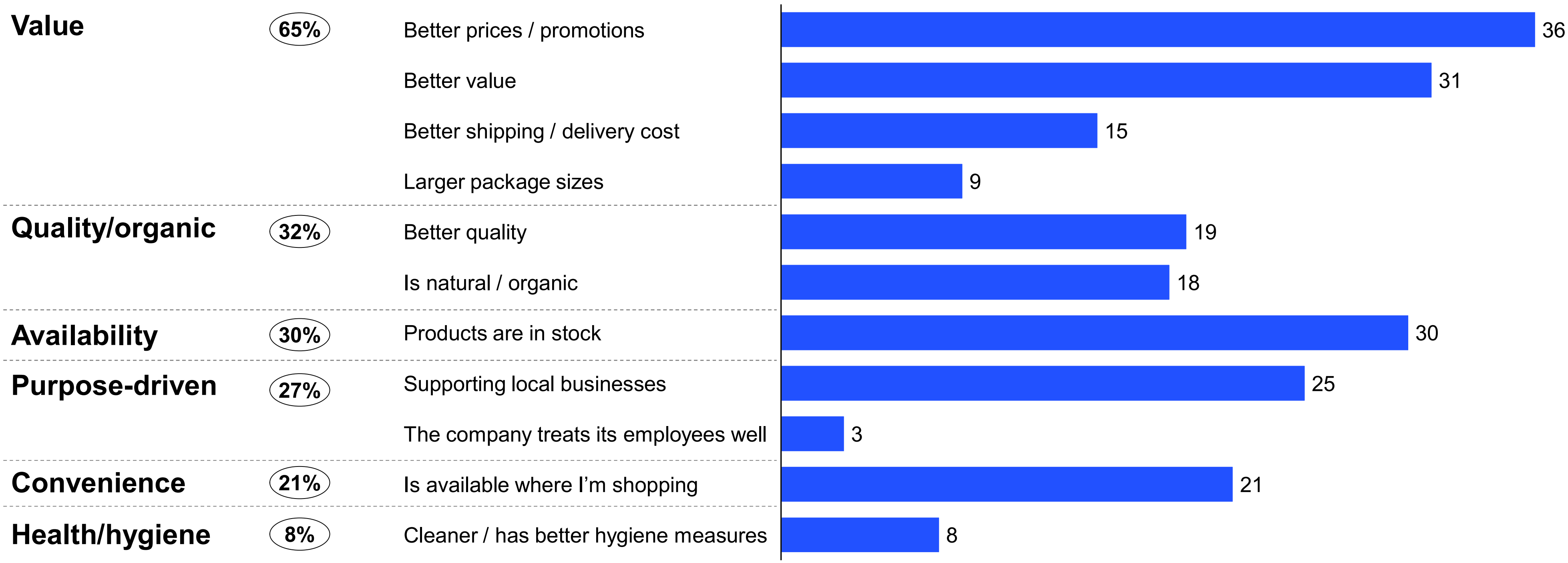
Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

More than 50 percent of consumers who tried a new brand cite value as a driver

Reason for trying a new brand in the past three months[1]

% of respondents selecting reason in top three

x% Net % of respondents per category



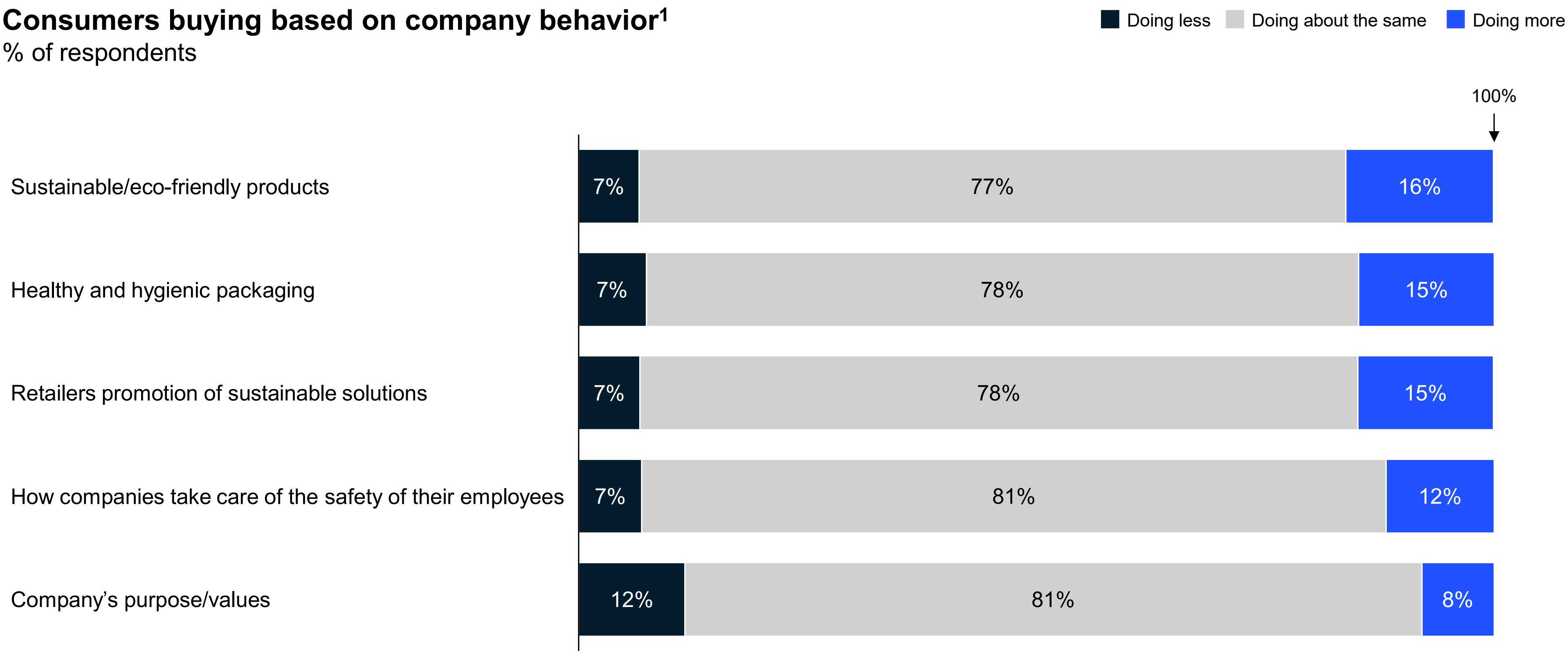
[1] Q: *You mentioned you tried a new/different brand than what you normally buy. What was the main reason that drove this decision? Select up to 3.* "Brand" includes different brand, new private label/store brand.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Consumers are paying increased attention to sustainability and healthy packaging

Consumers buying based on company behavior[1]

% of respondents

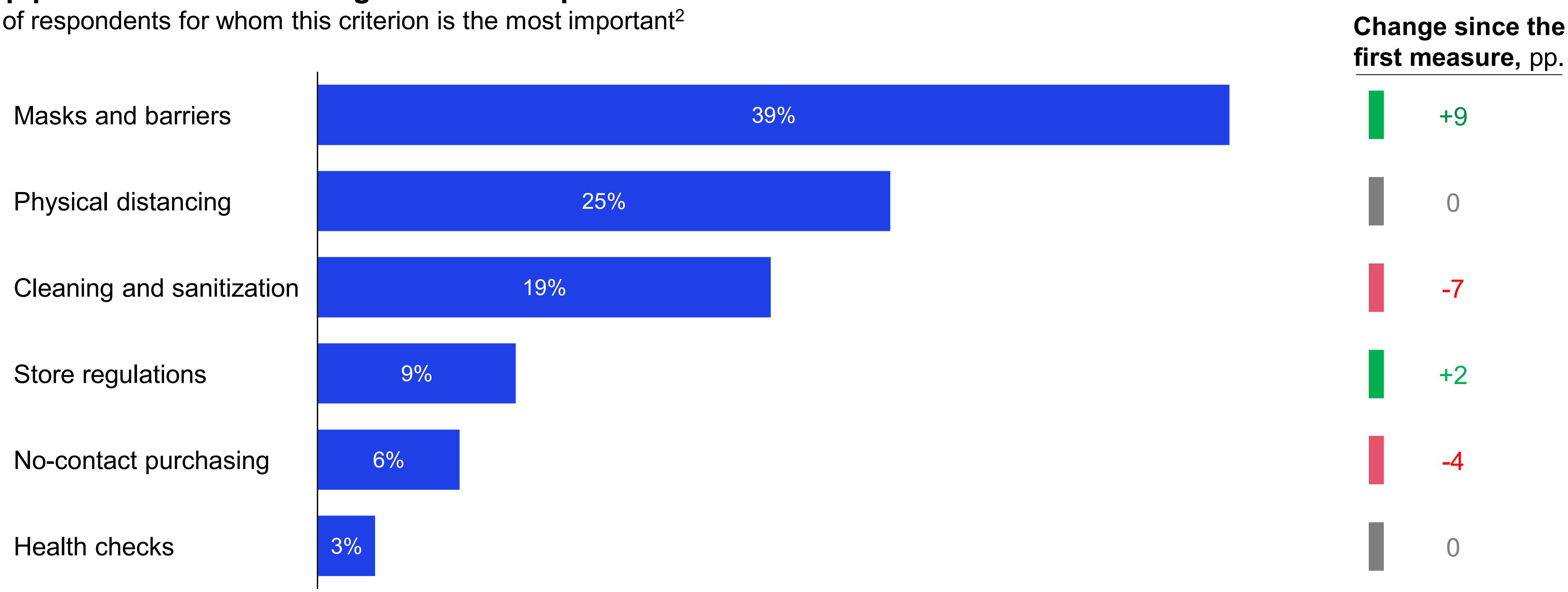


[1] Q: *Which best describes how often you are doing each of the following items?* Possible answers: "doing less since coronavirus started"; "doing about the same since coronavirus started"; "doing more since coronavirus started." Figures may not sum to 100% because of rounding.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany's general population 18+ years

Masks and barriers continue to be a priority to consumers as they decide where to shop in-store—up 9 percentage points since May

Top priorities when deciding where to shop in-store[1]
% of respondents for whom this criterion is the most important[2]



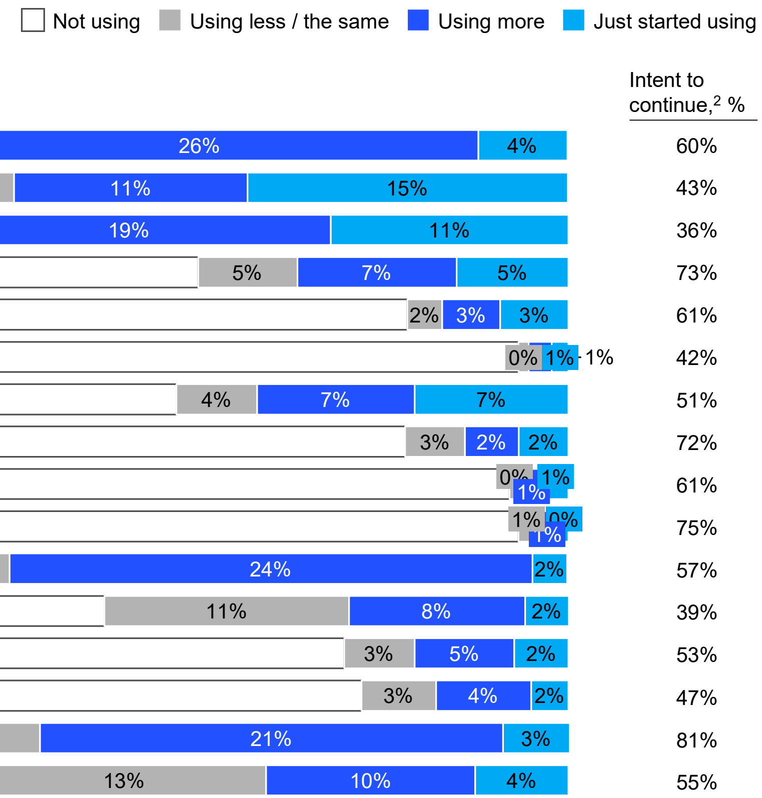
[1] Q: *Once restrictions lift, which of the following factors will be most important to you as you decide which of these places to visit in person?* Respondents were asked to select the most important.
[2] The following categories are included in each bucket: Cleaning and sanitization—increased cleaning, improved air filtration, availability of sanitizing supplies throughout the store; Health checks—customer wellness check (e.g., temperature) on entry, employees' wellness check (e.g., temperature) on entry; Masks and barriers—customers and employees wear masks, customers and employees provided masks and gloves, plastic barrier with cashier; No-contact purchasing—curbside pick-up, cashier-less checkout, no contact delivery, buy online for pickup in store; Physical distancing—customer number limit, distancing in customer line, reduced employee activity during shopping hours; Store regulations—no customer product testing, one-way store aisles, special hours for high-risk shoppers.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053; 05/21–05/24/2020, n = 1,008, sampled and weighted to match the Germany's general population 18+ years

Germans have acquired at-home alternatives to out-of-home activities, such as videoconferencing and video chat

Have you used or done any of the following since COVID-19 started[1]

% of respondents



[1] Q: *Have you used or done any of the following since the COVID-19 situation started?* If yes, Q: *Which best describes when you have done or used each of these items?* Possible answers: “just started using since COVID-19 started”; “using more since COVID-19 started”; “using about the same since COVID-19 started”; “using less since COVID-19 started.”

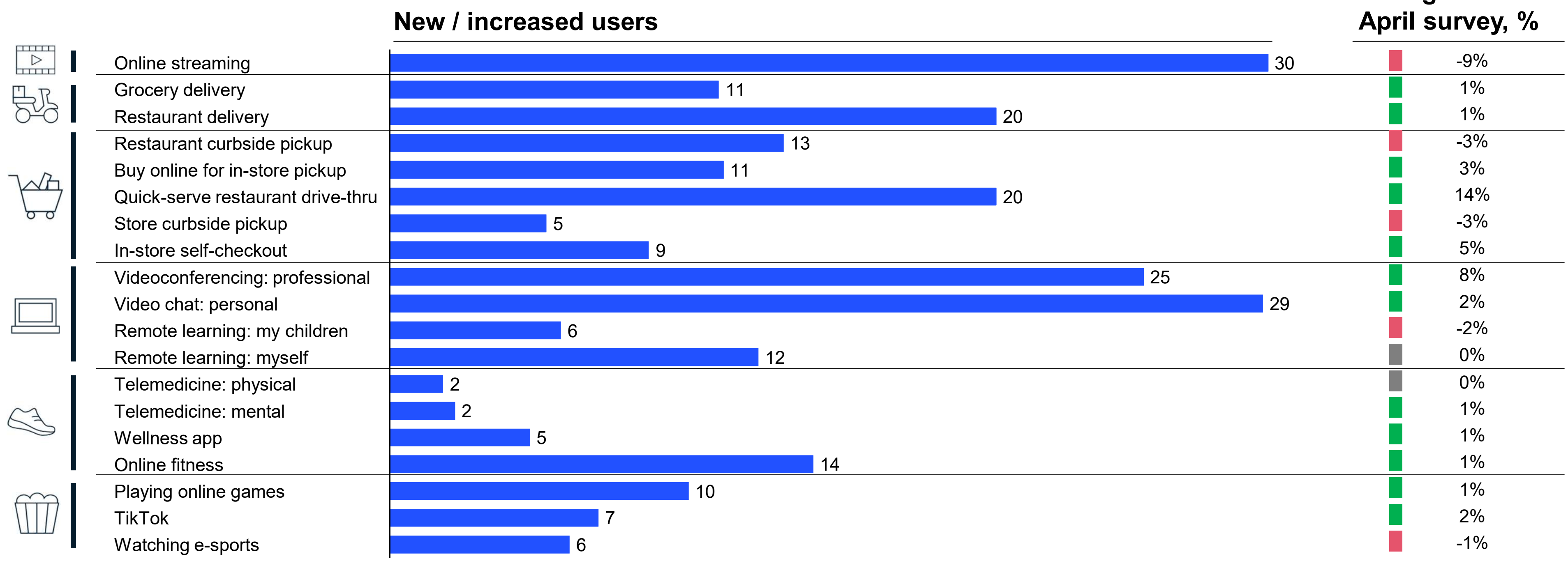
[2] Q: *Compared to now, will you do or use the following more, less, or not at all, once the coronavirus (COVID-19) situation has subsided?* Possible answers: “will stop this”; ”will reduce this”; “will keep doing what I am doing now”; “will increase this.” Number indicates respondents who chose “will keep doing what I am doing now” and “ will increase this” among new or increased users.

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053, sampled and weighted to match the Germany’s general population 18+ years

Quick-serve restaurant drive-through and self-checkout continue to grow, while remote learning and streaming has declined since April

Have you started / increased usage since COVID-19 started[1]

% of respondents



1 Q: *Have you used or done any of the following since the COVID-19 situation started?* If yes, Q: Which best describes when you have done or used each of these items? Possible answers: “just started using since COVID-19 started”; “using more since COVID-19 started”; “using about the same since COVID-19 started”; “using less since COVID-19 started.”
2 Q: *Compared to now, will you do or use the following more, less, or not at all, once the coronavirus (COVID-19) situation has subsided?* Possible answers: “will stop this”; ”will reduce this”; “will keep doing what I am doing now”; “will increase this.” Number indicates respondents who chose “will keep doing what I am doing now” and “will increase this” among new or increased users.
3 Change since first survey is calculated by dividing the difference in % new / increase users between Nov’19 and Apr’19 by the Apr’19 figure

Source: McKinsey & Company COVID-19 Germany Consumer Pulse Survey 11/09–11/16/2020, n = 1,053 ;4/16-4/19/2020, n = 1,002, sampled and weighted to match the Germany’s general population 18+ years

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