The ultralow inflation becoming entrenched in Europe is playing out in strikingly different ways across the eurozone’s 18 economies, complicating attempts to combat it.

In crisis-hit countries such as Greece and Spain, the detrimental effects of falling prices, known as deflation, are showing up clearly in strained profits and lower wages as companies try to adjust. But in healthier economies such as Germany and
Austria, where unemployment is low and incomes are up, the most obvious impact is a boost to consumers' purchasing power.

At 0.4% in annual terms, eurozone inflation is far below the European Central Bank’s target of close-to 2%. A survey of purchasing managers released this week showed manufacturers cutting prices for a second-straight month. The European Commission on Tuesday forecast inflation in the eurozone will remain below-target until at least 2016.

The ECB meets Thursday and is expected by analysts to refrain from new stimulus, but to keep the door open to dramatic measures such as government bond purchases if needed. Officials have signaled that they prefer to wait for recent measures including interest-rate cuts, bank loans and private-debt purchases to take hold before weighing additional steps.

The damage is clear in Spain, where industries are seeking to cut costs to restore their competitiveness and boost exports, and consumer prices have fallen in annual terms for four months straight. Wages for many workers have been flat or even shrinking recently. That puts an extra burden on financially stressed households.

María José Odriozola, a 51-year-old employee at a thermal-baths retreat in Cestona, northern Spain, is dealing with a €200 ($250) a month pay cut she got last year when management slashed costs. Forced to re-examine its spending, her family no longer eats out and only buys generic staples at the grocery. Her two children have stopped music and dance lessons.

María José Odriozola has worked for 25 years at the Cestona thermal baths in northern Spain. Last year, her pay was cut 10%. CHRISTOPHER BJORK/THE WALL STREET JOURNAL
As has become common in Spain, the family has to dip into its savings to service its debts: a mortgage and a home-improvement loan, which cost the same each month even as the family income has dropped.

“Even when you’re careful, at the end of each month you’re still in the red,” Ms. Odriozola said.

In Italy, low inflation and a contracting economy are making it harder for the government to stop the national debt from rising in relation to gross domestic product, despite years of budget austerity. Italy’s €2.2 trillion debt is already about 132% of GDP at present, and rising.

Whether Rome can lower that alarming ratio depends in large part on the country’s nominal GDP—the value in euros of all goods and services the country produces—which in turn depends on inflation and growth. Raising both is as important to Italy’s long-term solvency as budget discipline, economists say.

Italy’s government has promised to overhaul the economy to improve growth. But Economy Minister Pier Carlo Padoan said in a recent interview that he “cannot do much about prices.”

He said he would become concerned “if the trend toward negative price changes does not revert” to a more-normal rate of inflation.

However in Germany, where companies are healthier, the main impact of weaker prices has been in creating a boon to consumers.
“Low inflation is always very positive for me as a consumer,” said Jürgen Seeber, 61, who heads the workers council at the Darmstadt, Germany, plant of Horiba, a Japanese-based maker of specialty machinery and instruments.

“If I get a raise, which I expect, and inflation remains low, then I have more money to spend.” He opposes the ECB’s ultralow interest rate policy, which has depressed rates on bank deposits. “It isn’t worth it for everyday people to save at the moment.”

Germany’s 0.7% inflation rate is nearly twice the eurozone average, though still well below the ECB’s goal.

Jochen Ruths, co-owner of a century-old, family-run clothing retailer in Friedberg, a western German town where Elvis Presley once did his military service, says he is giving extra floor space to low-priced items and has even cut some prices. He said he is earning around €5 less per item than a year ago, but that rising sales volume makes up for that.

He said he had greater problems in the past when there was high inflation, or a sharp recession “when there was nothing one could sell.”

—Giada Zampano and Todd Buell contributed to this article.

Write to Brian Blackstone at brian.blackstone@wsj.com, Marcus Walker at marcus.walker@wsj.com and Christopher Bjork at christopher.bjork@wsj.com