



## China’s Watch Shoppers: Consumer Behaviour

According to the latest HKTDC survey [1], mainland middle-class consumers have, on average, three watches and would “wear different types of watches for different occasions”. Both casual/fashion watches and smart watches are popular with consumers. As their spending power rises, 59% of the respondents said they have bought watches on impulse and, in that group, casual/fashion watches make up the highest proportion of such purchases. In this article, analysis is focused on the watch purchase behaviour of mainland consumers, including the types and prices of watches they currently own, the types and prices of watches they have bought on impulse, as well as the types of watches they want to buy next time and the budget they will set aside for that purpose.

### The Average Respondent Has Three Watches

The survey reveals that on average each respondent currently has three watches. From this, it can be seen that mainland middle-class consumers are progressing from the stage of “having one watch for all occasions and for matching different clothes” in the past to “wearing different types of watches for different occasions”, and this should further drive watch sales.

When it comes to types of watches, the majority of respondents, irrespective of gender, have casual/fashion watches. It is worth noting that the average price of smart watches owned by female respondents (RMB5,025) is higher than the average price for male respondents (RMB4,026). While the proportion of female respondents who have jewellery watches is higher than for male respondents, the average price of those watches is lower than that of the jewellery watches owned by male respondents.

**Types of Watches Owned by Middle-class Consumers**

	Male Respondents		Female Respondents	
	Proportion that have this type of watch (%)	Average price (RMB)	Proportion that have this type of watch (%)	Average price (RMB)
Sports watches	54	4,309	49	4,321
Casual/fashion watches	69	4,609	83	5,755
Business watches	69	9,554	51	9,680
Jewellery watches	20	17,159	35	15,089
Smart watches	55	4,026	55	5,025
Average number of watches owned	3.05	-	3.17	-



The higher the monthly household income of respondents, the higher was the average number of watches they had. The survey reveals that, for respondents with monthly household income of less than RMB10,000, the average number of watches owned was 2.78, while for respondents with monthly household incomes of more than RMB40,000, the average number of watches owned was 3.64. Meanwhile, for respondents with monthly household incomes of more than RMB40,000, the proportion owning jewellery watches (49%) was significantly higher than that for all respondents (27%). As mentioned previously, the proportion of this group of respondents buying watches as for investment purposes (17%) was also higher than that for all respondents (6%).

**Types of Watches Owned by Middle-class Consumers**

Monthly Household Income	Overall (n = 2,000)	Monthly Household Income				
		Below RMB10,000 (n = 455)	RMB10,000- 12,000 (n = 406)	RMB12,000- 20,000 (n = 531)	RMB20,000- 40,000 (n = 421)	Above RMB40,000 (n = 187)
Sports watches	<b>52</b>	45	50	50	<i>58</i>	<i>59</i>
Casual/fashion watches	<b>76</b>	75	<i>79</i>	75	76	74
Business watches	<b>60</b>	53	58	<i>61</i>	<i>66</i>	<i>64</i>
Jewellery watches	<b>27</b>	22	27	21	<i>32</i>	<i>49</i>
Smart watches	<b>55</b>	53	55	51	<i>61</i>	<i>63</i>
Average number of watches owned	<b>3.11</b>	2.78	3.04	2.96	<i>3.48</i>	<i>3.64</i>

Note: Figures in red italics denote percentages which are higher than the average.

There were minor differences in the types of watches owned by respondents from different cities. For example, the proportion of respondents from Beijing owning sports watches (58%) was higher than that from other cities. The average number of watches owned by respondents from Beijing (3.28), Guangzhou (3.33) and Wuhan (3.17) was higher than the overall average (3.11).



### Types of Watches Owned by Middle-class Consumers

(%)	Overall	Beijing	Shanghai	Guangzhou	Chengdu	Wuhan	Dalian	Hangzhou	Harbin	Zhengzhou	Wuxi
Sports watches	<b>52</b>	<i>58</i>	52	51	45	50	43	43	42	49	50
Casual/fashion watches	<b>76</b>	75	68	<i>79</i>	<i>79</i>	75	<i>77</i>	73	<i>83</i>	73	76
Business watches	<b>60</b>	61	<i>62</i>	60	59	61	60	<i>61</i>	54	<i>61</i>	57
Jewellery watches	<b>27</b>	<i>28</i>	21	<i>34</i>	<i>28</i>	27	25	<i>29</i>	<i>28</i>	<i>28</i>	26
Smart watches	<b>55</b>	53	<i>58</i>	<i>61</i>	53	52	51	<i>56</i>	<i>56</i>	54	<i>59</i>
Average number of watches owned	<b>3.11</b>	<i>3.28</i>	2.95	<i>3.33</i>	3.02	<i>3.17</i>	3.05	3.10	3.11	3.02	3.10

Note: Figures in red italics denote percentages which are higher than the average.

For all types of watches, the average prices of those owned by Shanghai respondents were higher than those for all respondents taken together. In terms of watch types, the average prices of sports watches, casual/fashion watches, business watches and smart watches owned by Shanghai respondents were higher than all other cities. However, the average price of jewellery watches owned by respondents was highest in Beijing.

### Average Prices of Different Types of Watches Owned by Middle-class Consumers

(RMB)	Sports watches	Casual/fashion watches	Business watches	Jewellery watches	Smart watches
<b>Overall</b>	<b>4,315</b>	<b>5,244</b>	<b>9,606</b>	<b>15,833</b>	<b>4,527</b>
Beijing	<i>4,768</i>	4,979	<i>10,515</i>	<i>18,017</i>	<i>4,867</i>
Shanghai	<i>5,729</i>	<i>6,575</i>	<i>12,231</i>	<i>16,826</i>	<i>4,893</i>
Guangzhou	<i>4,495</i>	<i>5,382</i>	8,977	15,537	4,072
Chengdu	3,688	4,688	7,841	<i>16,237</i>	4,118
Wuhan	3,898	<i>5,445</i>	9,454	<i>17,250</i>	4,151
Dalian	<i>4,802</i>	<i>5,744</i>	<i>10,426</i>	<i>16,077</i>	4,159
Hangzhou	3,296	5,230	8,744	<i>16,516</i>	<i>4,535</i>
Harbin	<i>4,450</i>	5,130	<i>10,297</i>	13,862	3,883
Zhengzhou	3,859	4,287	7,988	12,420	<i>4,573</i>
Wuxi	3,976	5,104	9,448	15,676	<i>5,909</i>

Note: Figures in red italics denote percentages which are higher than the average.

### Women More Likely to Make Impulse Buys Than Men

As the spending power of mainland consumers increases, 59% of the respondents said they had made impulse purchases after coming across a watch they liked. The average amount spent on an impulse buy was RMB5,756. Among all respondents, 63% of women



said they had bought watches on impulse, somewhat higher than the proportion of men (56%) having done so. Nevertheless, the average amount spent by female respondents on an impulse buy (RMB5,678) was slightly lower than that of male respondents (RMB5,868). In terms of different cities, the proportion of respondents who had bought a watch on impulse was highest in Guangzhou (64%) and Harbin (64%) and lowest in Chengdu (53%). Price-wise, the average amount was highest for Beijing respondents (RMB6,251) and lowest among their Chengdu counterparts (RMB4,742).

**Proportion of Respondents Who Have Bought Watches on Impulse and Amount Spent**

	Have bought watches on impulse	Average amount spent (RMB)		Have bought watches on impulse	Average amount spent (RMB)
<b>Overall</b>	<b>59%</b>	<b>5,756</b>	Dalian	55%	<i>5,960</i>
Beijing	<i>63%</i>	<i>6,251</i>	Hangzhou	<i>61%</i>	<i>6,104</i>
Shanghai	<i>61%</i>	<i>6,044</i>	Harbin	<i>64%</i>	<i>6,036</i>
Guangzhou	<i>64%</i>	5,123	Zhengzhou	<i>61%</i>	<i>5,894</i>
Chengdu	53%	4,742	Wuxi	57%	<i>6,219</i>
Wuhan	59%	5,076	-	-	-

Note: Figures in red italics denote percentages which are higher than the average.

It is worth noting that the proportion of respondents who had bought watches on impulse and the average amounts they spent doing so did not increase with increasing monthly household income. For respondents with monthly household incomes in the RMB12,000-20,000 range, the proportion who had bought watches on impulse was only 56% and their average spend was only RMB4,278. A higher proportion (62%) of respondents in the monthly household income bracket of RMB10,000-12,000, said they had bought a watch on impulse, spending an average amount of RMB5,192. This shows that there is no correlation between household income and buying watches on impulse.



### Proportion of Respondents Who Have Bought Watches on Impulse and Amount Spent

Proportion who have bought watches on impulse (%)	Overall (n = 2,000)	Monthly Household Income				
		Below RMB10,000 (n = 455)	RMB10,000-12,000 (n = 406)	RMB12,000-20,000 (n = 531)	RMB20,000-40,000 (n = 421)	Above RMB40,000 (n = 187)
Proportion who have bought watches on impulse	59%	53%	<i>62%</i>	56%	<i>66%</i>	<i>66%</i>
Average amount spent (RMB)	5,756	<i>5,822</i>	5,192	4,278	<i>6,852</i>	<i>7,905</i>

Note: Figures in red italics denote percentages which are higher than the average.

Among respondents who have bought watches on impulse, more than half chose to buy casual/fashion watches, probably because such watches are easier to match with clothes and suitable for wearing on different occasions. It could also be that prices for casual/fashion watches are more in-keeping with impulse buying budgets. The survey shows that, among respondents who have bought watches on impulse, only 11% chose to buy jewellery watches. This is the case probably because jewellery watches are more expensive and most consumers would have to consider carefully before making purchases of that magnitude.

### Types of Watches Bought on Impulse

Types of watches (%)	Respondents who have bought watches on impulse (n = 1,189)	Monthly Household Income				
		Below RMB10,000 (n = 241)	RMB10,000-12,000 (n = 250)	RMB12,000-20,000 (n = 299)	RMB20,000-40,000 (n = 276)	Above RMB40,000 (n = 123)
Casual/fashion watches	59	58	<i>63</i>	<i>63</i>	55	52
Business watches	31	<i>33</i>	26	30	<i>33</i>	<i>34</i>
Smart watches	27	<i>30</i>	<i>30</i>	23	25	<i>28</i>
Sports watches	23	17	<i>24</i>	23	<i>27</i>	22
Jewellery watches	11	10	10	10	<i>12</i>	<i>20</i>

Note: Figures in red italics denote percentages which are higher than the average.

### Types of Movements of Watches Bought on Impulse

The survey reveals that, among respondents who had bought watches on impulse, 57% said they had bought mechanical watches, followed by quartz/electronic watches (40%)



and smart watches (33%).

**Types of Movements of Watches Bought on Impulse (by City)**

(%)	Respondents who have bought watches on impulse (n = 1,189)	City									
		Beijing	Shanghai	Guangzhou	Chengdu	Wuhan	Dalian	Hangzhou	Harbin	Zhengzhou	Wuxi
Mechanical (manual/automatic)	57	57	<i>60</i>	57	50	<i>59</i>	<i>64</i>	46	<i>63</i>	<i>60</i>	57
Quartz/electronic	40	<i>45</i>	39	38	<i>48</i>	<i>42</i>	33	<i>45</i>	<i>44</i>	34	38
Smart-watch type	33	27	<i>34</i>	<i>37</i>	33	28	31	<i>34</i>	28	<i>37</i>	<i>39</i>

Note: Figures in red italics denote percentages which are higher than the average.

Among respondents with monthly household incomes in the RMB20,000-40,000 range who had also bought watches on impulse, 64% chose to buy watches with mechanical movements, a significantly higher proportion than for other monthly household income groups. Among respondents with monthly household income of more than RMB40,000 who had bought watches on impulse, 45% said the watches they had bought in this way were smart watches. This was a significantly higher proportion than among impulse buyers in other monthly household income groups.

**Types of Movements of Watches Bought on Impulse**

(%)	Respondents who have bought watches on impulse (n = 1,189)	Monthly Household Income				
		Below RMB10,000 (n = 241)	RMB10,000-12,000 (n = 250)	RMB12,000-20,000 (n = 299)	RMB20,000-40,000 (n = 276)	Above RMB40,000 (n = 123)
Mechanical (manual/automatic)	57	<i>58</i>	54	54	<i>64</i>	55
Quartz/electronic	40	39	<i>43</i>	<i>42</i>	36	<i>42</i>
Smart-watch type	33	32	<i>36</i>	30	29	<i>45</i>

Note: Figures in red italics denote percentages which are higher than the average.

### Casual/Fashion Watches Most Likely To Be Next Purchase

The proportion of respondents (30%) saying their next watch purchase would likely be a casual/fashion watch was highest, and highest of all in Chengdu (40%). The second preference was for a smart watch, with 27% of all respondents planning to buy one the



next time they make a purchase, including 33% (the highest of all cities) in Wuxi. In other words, most respondents said they would buy either a casual/fashion watch or smart watch next time. Respondents from Shanghai, however, said they would buy either a business watch (32%) or a casual/fashion watch (30%); while respondents from Wuxi said they would buy either a smart watch (33%) or a business watch (29%). For all respondents, the average budget for the next watch purchase was RMB6,873.

**Types of Watch to Buy Next Time**

(%)	Overall	Beijing	Shanghai	Guangzhou	Chengdu	Wuhan	Dalian	Hangzhou	Harbin	Zhengzhou	Wuxi
Sports watch	7	6	9	5	7	9	4	8	8	12	6
Casual/fashion watch	30	33	30	32	40	30	27	26	32	30	18
Business watch	22	22	32	17	16	23	23	24	21	18	29
Jewellery watch	14	10	11	15	12	16	16	14	17	11	15
Smart watch	27	30	20	32	25	23	30	30	23	30	33
Average budget (RMB)	6,873	8,142	9,924	6,839	5,557	6,969	6,570	6,395	6,105	5,663	6,561

Note: Figures in red italics denote percentages which are higher than the average.

In terms of income, respondents with monthly household incomes of less than RMB20,000 said they would likely make a casual/fashion watch or smart watch their next purchase. Meanwhile, those with a monthly household income in the RMB20,000-40,000 bracket said they would likely buy a casual/fashion watch or business watch next, and those with a monthly household income of more than RMB40,000 intended to buy a smart watch or business watch.

**Types of Watch to Buy Next Time**

(%)	Overall	Monthly Household Income				
		Below RMB10,000 (n = 455)	RMB10,000-12,000 (n = 406)	RMB12,000-20,000 (n = 531)	RMB20,000-40,000 (n = 421)	Above RMB40,000 (n = 187)
Sports watch	7	7	10	6	6	6
Casual/fashion watch	30	27	29	33	33	21
Business watch	22	22	19	23	24	24
Jewellery watch	14	16	13	9	15	20
Smart watch	27	27	30	29	23	28

Note: Figures in red italics denote percentages which are higher than the average.



In terms of gender, a higher proportion of male respondents said they would buy a smart watch or business watch the next time they make a purchase, compared to female respondents who said they were more likely to buy a casual/fashion watch or smart watch.

**Type of Watch to Buy Next Time and Average Budget**

	Male Respondents		Female Respondents	
	Proportion that would buy this type of watch (%)	Average budget (RMB)	Proportion that would buy this type of watch (%)	Average budget (RMB)
Sports watch	7.6	4,110	6.7	5,312
Casual/fashion watch	24.8	5,484	34.4	5,393
Business watch	29.9	10,140	14.8	9,040
Jewellery watch	8.2	10,786	18.8	9,694
Smart watch	29.5	4,598	25.3	5,646

## Conclusion

On average, mainland middle-class consumers today have three watches. They have progressed from "having one watch for all occasions and for matching different clothes" in the past to "wearing different types of watches for different occasions". In general, casual/fashion watches are the most popular. This is borne out by the fact that currently most respondents owned casual/fashion watches and that among respondents who had bought watches on impulse, the proportion choosing a casual/fashion watch while doing so was also highest. It is also supported by the proportion who said they planned to make a casual/fashion watch their next purchase. Meanwhile, as 27% of all respondents said they were planning to buy a smart watch next time and more than half already own one, the smart watch craze looks set to continue.

## Appendix:

**Focus Group Discussions:**

City	Shanghai	Chengdu
Respondent Profile	Monthly household income: RMB20,000 or above	Monthly household income: RMB10,000 or above
	Monthly personal income: RMB10,000 or above	Monthly personal income: RMB5,000 or above
	Bought watches for RMB1,000 or above in the past year	
Sampling Distribution	2 groups in each city (a total of 4 groups): Group 1: females aged 20-35 (total: 8 respondents), bought watches for RMB1,000-5,000 Group 2: males aged 20-35 (total: 8 respondents), bought watches for RMB1,000-5,000	

**Online Questionnaire Survey:**

City	Beijing, Shanghai, Guangzhou	Chengdu, Wuhan, Dalian, Harbin, Hangzhou, Zhengzhou, Wuxi
Respondent Profile	Monthly household income: RMB12,000 or above	Monthly household income: RMB7,500 or above
	Bought watches for RMB1,000 or above in the past year	
Age Distribution	Sampling in each city: Females aged 18-35: 50, females aged 36-55: 50 Males aged 18-35: 50, males aged 36-55: 50 Total: 2,000 respondents: 1,000 females and 1,000 males	

**Average Monthly Household Income of Respondents:**

City	Average Monthly Household Income (RMB)	City	Average Monthly Household Income (RMB)
<b>Overall</b>	19,447	Dalian	15,700
Beijing	28,485	Hangzhou	16,075
Shanghai	28,360	Harbin	14,191
Guangzhou	29,065	Zhengzhou	15,301
Chengdu	16,615	Wuxi	14,054
Wuhan	16,620	-	-



[1] *HKTDC Research* conducted a survey of mainland watch consumers through a series of focus group discussions and an online questionnaire survey from February to May 2016 (see Appendix for details).

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