Jewelry, Watch Online Sales Growth to Slow, Survey Says

The double-digit sales growth for e-commerce won’t last forever, survey finds

June 29, 2016
Source: JCK Online.com

The growth in online jewelry and watch sales may slow over the next three years, according to a new survey of more than 3,000 Americans conducted by Boston Consulting Group (BCG).

Just 3 percent of respondents said they plan to spend much more on jewelry online, 7 percent said they plan to spend somewhat more, 55 percent said they will spend about the same, 7 percent said they plan to spend somewhat less, and 28 percent plan to spend much less, the survey found.

The numbers were similar for watches: 3 percent said they plan to spend much more on watches online, 6 percent said they plan to spend somewhat more, 55 percent said they will spend about the same, 6 percent said they plan to spend somewhat less, and 29 percent said they spend to plan much less.

The survey found some differences among the generations: 14 percent of milllenials plan to spend more on jewelry online, compared to 10 percent of Gen-Xers, and 5 percent of baby boomers.

The jewelry and watch businesses were not alone; in a variety of categories, respondents said they don’t plan to increase online spending in the next few years—a notable difference from past polls.

“We’ve done this survey periodically, and this is the first time we’ve seen such low future intention to increase online spending across categories,” said BCG senior partner Christine Barton in a statement. “[This] doesn’t mean that it’s game over for online and omni-channel retailers. But it does suggest that e-commerce growth will now be harder for most of them.”

BCG senior partner Michael J. Silverstein admitted that while consumers’ spending patterns can be “hard to predict,” these findings dampen expectations for continually rising e-commerce sales.

“Right now, online shopping growth is similar to the growth experienced in the 1970s and 1980s by catalog merchants,” he said. “E-commerce is a channel, like any form of distribution: Growth does not continue at a rapid, double-digit rate forever.

“Most consumer categories have been available online for several years. The ‘newness’ is gone,” he added. “Consumers are saying, ‘I’m happy with my current options.’ ”