

# 2019 CHINA WALL SWITCH AND SOCKET MARKET REPORT

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## PREFACE

The behemoth that is the Chinese economy is moving at its slowest pace in decades, and the wall switch and socket (WSS) market is set to face a precarious future as investment, new housing construction, and housing prices show worrying signs of stagnation. Combined with growing competition and consolidation of the WSS market, suppliers in this tough market will be facing great challenges and will need the most accurate outlook and assessment of the industry to not only survive during these lean years, but to thrive.

GIM Research's "2019 China Wall Switch and Socket Product Market Report" will empower executives and decision makers with comprehensive data and analysis that can help inform the best strategic decisions and see their organizations through the storm to come. This market report will include:

**Market size in 2017 and 2018**

**Positive and negative drivers**

**Market upheavals**

**Troubling indications and future predictions**

**Product and marketing trends**

**Product strategies from successful companies**

**Competitive analysis and brand consolidation updates**

**Channel development and reinforcement strategies**

**Consumer behavior and preference shifts**

**Price hikes and rationale**

**Market outlook for 2019 and beyond**

## COMPANY INTRODUCTION

Green Industry Market Research Company Ltd. (GIM Research) is a market research agency that specializes in conducting independent and exclusive studies focusing on the building efficiency and new energy sectors, and offers a comprehensive range of market research services to clients across the globe.

Established by a dedicated group of market consultants, GIM Research offers over many years of combined experience in the building efficiency and new energy sectors, and their personal network of researchers, consultants and insiders reinforces the strength and accuracy of all of our syndicated reports. The team at GIM research strives to give our clients the most precise and clearest evaluation of the market, and has the willingness and the know-how to guide them towards achieving success in the market.

***2019 China  
Wall Switch & Socket  
Market Report***

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# 1 MARKET AND STUDY SCOPE DEFINITION

## 1.1 MARKET DEFINITION AND STUDY APPROACH

### 1.1.1 Market Definitions

This section defines the product coverage and market size of this study, which will help the reader gain a better understanding of the scope of this research report.

#### **1.1.1.1 Product Definition**

For this report, the wall switch and socket (WSS) market has been defined by a broad range of products which includes ordinary switches, electrical sockets, and control buttons that are utilized in a diverse range of applications. These products are extensively used in residential, commercial and industrial buildings, and because of the substantially varied needs of these markets, the product quality, safety, price, and appearance of WSS products are highly specialized depending on the end users' intended use.

Please note that electrical sockets sold to residential end users and electrical sockets sold by the WSS business unit of each supplier are included in the WSS market as defined in this report. However, RJ45 or RJ11 information outlets sold by structured cabling companies to office buildings, commercial buildings, or data centers are not included in this report as these are defined as connectivity products within the structured cabling market. Similarly, switches/sockets with control modules, either wired or wireless, are not counted, as these products are classified as home automation or intelligent home products, which are usually supplied by a different companies or business units than WSS business units, and are therefore excluded from the scope of this report.

#### **1.1.1.2 Market Size Definition**

GIM Research has calculated market size by adding together the sales revenues of suppliers, excluding 17.5% VAT, however this estimate of market size does not take into account any value added by distributors and contractors, since this varies by case and is subsequently impractical to calculate.

Additionally, our market size figures include counterfeit products sold in the market. Counterfeit products, referred to as non-standard products, are quite common in the open market, as has been the case in China for many years. Various small-scale local manufacturers still exist, mostly in eastern and southern China, although the number of these manufacturers and the quantity of products sold by them has dropped significantly in recent years due to turbulent material price fluctuations, as well as increased competition from legitimate suppliers. Counterfeit products primarily target the lowest-end market segment and are sold through retail channels or for projects.

### 1.1.2 Research Methodology

The methodology we have chosen for this study is a hybrid of a structured approach and an unstructured approach: the former relies on a logical, sequential, step by step process that follows a research plan based on objectives, while the latter deeply explores the radical factors which have affected this market and seeks to gauge the marketing performance of different brands. The majority of the research carried out for this study relies on qualitative methods, face to face in-depth interviews and telephone interviews.

The results of this research project are based upon dozens of interviews with international and local WSS company suppliers, distributors, and retailers across the country in the beginning of 2019.

## 1.2 MARKET SEGMENTATION METHODOLOGY

In this report, we have subdivided the market into 4 tiers by analyzing 2 critical dimensions: product pricing and positioning.

**Tier 1 (T1):** the high end, luxury market, the majority of which is imported directly from the overseas market. The market price of a 1 gang 1 way switch in this tier averages over 100 RMB, and these products are usually installed in five-star luxury hotels, entertainment centers or very high end residential buildings.

**Tier2 (T2):** this tier consists of the high end and the middle high end, and consists of locally produced high end and middle high end products from international and local brands. The market price of a 1 gang 1 way switch in this tier averages between 25 RMB to 100 RMB. However, the majority of T2 products are priced between 25-40 RMB, with very few examples in the 40-100 RMB range.

**Tier 3 (T3):** the mid-range market includes mid-range and low end products, international brand products and the key category: local brand products. The market price of a 1 gang 1 way switch in this tier averages between 10 RMB to 25 RMB. These products account for the lion's share of quantity and revenue in a WSS company's product portfolio.

**Tier 4 (T4):** the low end market that caters to the cost-conscious, rural market. Local brands dominate this segment. The market price for the 1 gang 1 way switch is below 10 RMB. This segment even includes products which have zero branding on product packaging. These products are usually produced by small sized local manufacturers, and then sold in the remote rural market, or purchased by residential building developers to install into housing construction projects as a temporary measure until house buyers install their own interior decorations.

### 1.3 WSS PRODUCT COVERAGE

WSS products, also known as electrical accessories in China, refer to electric control devices for switches and sockets, and other related categories of electrical connectors for use in residential and commercial buildings (this excludes networking/connectivity products and intelligent lighting switch modules). We exclude these products because they are managed by differing business units and are sold through different channels.

In the Chinese market, we have several series/sized product series, including 80 series, 86 series and 120/118series.

- 86 series: measuring 86 mm x 86 mm, this series is the most popular standard sold in the whole Chinese market.
- 120/118 series: standard size: measuring 120 mm x 74 mm or 118 mm x 74 mm, this series is originally from Japan and is currently common in Zhejiang, Anhui, and Hubei provincial markets, but seldom seen in other regional markets.
- 80 series: European standard products that are usually imported from EU countries, used most often by high end hotels or residential buildings. These product are not available in the public market.

The products covered in this report include:

- 1 Gang 1 Way Switches
- 1 Gang 2 Way Switches
- 2 Gang 1 Way Switches
- 2 Gang 2 Way Switches
- 3 Gang 1 Way Switches
- 3 Gang 2 Way Switches
- 10A 3 Pin Sockets
- 16A 3 Pin Sockets
- 10A 2/3 Pin Sockets
- 16A 2/3 Pin Socket with Switches
- 1 Gang TV Sockets
- 1 Gang Telephone Sockets
- 2 Gang RG45 Sockets(residential use)
- Hotel Products: Door Bell Switch, Key Card Switch, Shaver Socket, etc.
- Blank Plate
- Others