

SQUARE SHUFFLE

As an Internet consumer segment, the seniors' dance market in China may already have peaked and moved on

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The World of Chinese

They are either health-conscious seniors or public nuisances, depending on whom you ask. But for years, to many 互联网企业家 (hù lián wǎng qǐ yè jiā, Internet entrepreneurs), China's "square-dancing dama" 广场舞大妈 (guǎng chǎng wǔ dà mā, middle-aged ladies fond of exercising to ear-piercing music) have represented millions of potential consumers.

Now, however, change is afoot.

The *dama*, found dancing in formation in the evening in any reasonably open space across China — public squares, parks, plazas, even basketball courts — are already known for their economic clout. A 2015 study by Fang Hui, founder of a square-dancing startup, said there are 80 to 100 million square dancers and more than 2 million square-dance teachers in China.

Facing an early retirement age, grown-up single children and rising disposable incomes, these women developed a reputation for "speculating gold" in 2013, once buying more than 300 tons in just 10 days. The close-knit congregations of empty-nesters are also hotbeds for peer-to-peer lending programs, stock trading and startup investment using funds pooled together by dancing troupes.

These stats have attracted entrepreneurs to make money from the *dama* market in a more systematic way. Chinese media dubbed 2015 the First Year of Square Dance Entrepreneurship. Since then, more than 60 apps have been launched targeting regular square dancers, who usually control the purse

strings in their families, according to *Beijing Daily*.

Cai Rongci, a 58-year-old leading dancer of a square-dance group in Wuhan, Central China's Hubei province, is a loyal user of these apps. Responsible for teaching moves to more than 20 dancers in her group, Cai relies on the videos provided by these apps to learn new choreography. "We have no teachers, but there are so many apps where you can find thousands of dances. I learn first and then teach others," said Cai.

However, after a short boom in 2015, there are not as many such apps left on the market. In 2017, *Beijing Daily* reported that most square-dance apps had already shifted target or shut down. "In the past two years, more than 60 square-dance apps have been launched, but now only three or four survive," the newspaper reported. "The square-dancing *dama* are still there, but it is more and more difficult to earn money from them."

Fan Zhaoyin, who founded the app Jiu Ai Square Dance (就爱广场舞 *jiù ài guǎng chǎng wǔ*, just love square dance) in 2015, was even less optimistic. "There are only two or three companies left in this market," he said. Though his own company is doing relatively well, Fan admitted that the whole industry is experiencing a reshuffle.

In 2012, when Fan was still working for an Internet company, he began to think about

starting his own business. He and a few friends founded an online square-dance-themed forum and organized dozens of QQ instant messaging groups for square-dance lovers to communicate. In less than two years, their registered users reached more than 100,000. By 2015, Fan felt it was time to become a full-time square-dance entrepreneur.

Fan was not the only player in the square-dancing market at that time. CBNDData, in cooperation with Alibaba, released a statistical report in 2015 stating that on average, a square dancer spends 437 yuan (\$69) on dancing, including 62 yuan for dancing shoes, 90 yuan for outfits, 151 yuan for costumes and 50 yuan for accessories.

In Fang Hui's report, the size of the market for dancing clothes and loudspeakers was already estimated at more than 2 billion yuan annually.

However, Fang became one of the first victims of the difficulties of conquering this audience. Targeting *dama* who may need mobile devices to learn dances, Fang and his team founded a company called Dafoo, which developed a tablet especially for elders to use to watch square-dance videos. However, with a price of 699 yuan each, sales of Dafoo tablets were only around 2,000 in total. The project failed just 18 months after it started.

Other entrepreneurs tried different approaches. In September 2016, 直播平台 (zhí bō píng tái, live-streaming platform) Youban was launched, aiming to build up a mobile-streaming community for the middle-aged and elderly. Youban provided videos of square dances to attract elderly users, but has seemingly stopped updating since February last year. Another startup, 99 Square Dance, raised tens of millions in funding from Yingke, a major live-streaming platform, but its live broadcasts ceased in April last year.

It seems the engagement of *dama* with these apps and their purchasing power had been seriously overestimated, and that an interest in square dancing does not equate to a demand for apps. "Generally, only leading dancers use these apps; the others just follow us to dance," said Cai. "For these apps, we only care about if they are 方便的 (fāng biàn de, convenient) or not."

Compared with those vanished apps, Fan's Jiu Ai Square Dance was lucky. Though just one of the few surviving players in this industry, it currently has more than 5 million users, Fan said.

He believes the key is more than just accumulating users. "The most important thing is

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square dancing

that we have found an effective channel for turning our user traffic into profits," he said. "Square dancing is just an entry point; you can use it to attract users, but should try to make money in other areas."

By other areas, Fan mainly refers to e-commerce business. Jiu Ai Square Dance's in-app and WeChat online stores provide not only square-dance-related commodities, but articles of everyday use, including clothes, food and household items preferred by their user demographic. By now, e-commerce has become the main resource of their revenues, and Fan said the rise of mobile payment is a contributing factor.

Paid content is another trend in the Internet industry. But Fan does not think it is the right time for square-dance apps to charge for their content. "It is exactly these free videos that attract *dama*, and there are so many free videos online. If you start charging, you are driving them away," he said.

In addition, the 热情 (rè qíng, enthusiasm) for square dancing seems to have reached a plateau. Many *dama* have found alternative ways to exercise. "Now we play ping-pong or badminton every day; sometimes we go to kick shuttlecock in the fitness center," said a former dancer surnamed Tian from Northeast China's Liaoning province.

Nonetheless, Fan said that although it is hard to see another boom in dance, it will not be hard for the square-dance market to maintain a certain scale at least for a few years. "I don't think square dance will come to the end in the near future, because old people will continue to work out in the square."

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A square-dance performance at the opening ceremony of a seniors' sports meeting held in Shaoyang, Central China's Hunan province.
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