

Weddings spur spending boom

Despite fewer people getting married, young people's high consumption demand is driving industry growth

By ZHENG YIRAN

zhengyiran@chinadaily.com.cn

China's wedding industry, which was valued at 1.46 trillion yuan (\$212.8 billion) in 2017, is estimated to surge almost 25 percent year-on-year to reach 1.82 trillion yuan this year, according to a report released by market research company ASKCI Consulting.

And by 2021, the spending is expected to surpass 3 trillion yuan.

The growth comes despite fewer people getting married. Statistics from the Ministry of Civil Affairs showed that last year 10.59 million couples registered their marriage in China, down roughly 7 percent from 2016.

That marks four years of consecutive declines.

But as the post-1990s generation becomes the backbone of the industry, their higher consumption demands are driving them to spend more on weddings. As such, the total consumption amount remains strong, industry insiders said.

"Although the demographic dividend is disappearing, the market potential is still huge as the nation possesses a huge population base," the ASKCI report said. "In addition, wedding industry demand remains at a high level. The increase in the amount per deal brings new impetus for the wedding industry."

Specifically, the industry is undergoing a transition toward a more fragmented model, covering wedding photography, honeymoon tour-



Wedding cars for hire are displayed at the China Wedding Expo 2017 in Beijing. CHEN XIAOGEN / FOR CHINA DAILY

ism, wedding planning, banquets and car rental, with each field stimulating consumption.

Jiang Xin, a 26-year-old office clerk in Beijing, held her wedding ceremony a few months ago, with a total cost of roughly 100,000 yuan. Jiang and her husband traveled to Indonesia to shoot their wedding photos. The four-day trip cost them 25,000 yuan.

According to Jiang, apart from the wedding ceremony and wedding photos, they also spent 170,000 yuan on their wedding car.

"Most of the spending was cov-

ered by our parents, and we were responsible for a small part. As both of us are the only child in the family, our parents want to give us the best wedding" Jiang said.

A 2017 report by online wedding service provider Hunliji revealed that 42 percent of newly married couples spend 50,000-100,000 yuan on their wedding, while 23 percent and 15 percent spend 100,000-200,000 yuan and 20,000-50,000 yuan, respectively. The remaining 5 percent spend over 300,000 yuan.

In terms of regions, newlyweds in

Beijing take first place for wedding costs, coming in at 280,000 yuan on average. Newlyweds in Shanghai rank second, spending 250,000 yuan on average, which is three times higher than the national average, according to the report.

Wedding costs have been rising continuously in recent years. Last year alone witnessed a 5 percent increase, the report showed. Among the costs, wedding ceremonies proved to be the most costly, taking up 40 percent of the total spending.

An average number of 21.5 tables

were set for the wedding banquet. Weddings in Wenzhou in East China's Zhejiang province ranked first with 52 tables, the report said.

For the dining cost per table, the average level was 3,385 yuan nationwide, although the amount varied in different cities. Shanghai took first place with an average price of 7,596 yuan per table, and Wenzhou and Beijing ranked second and third with average prices of 6,963 yuan and 6,542 yuan respectively.

The average cost per table in first-tier cities surged by 12.6 percent compared to that of 2016, the Hunliji report said. Apart from the wedding ceremony, wedding jewelry, planning and photography, which are usually a must for modern couples, also cost considerable sums.

Shi Kangning, secretary-general of the Committee of Wedding Service Industries under the China Association of Social Workers, said: "About four to five years ago, we found that the conventional wedding service model had taken a hit as a result of many factors, such as the internet, hotels, personal studios, capital and the changes in taste among post-1990s couples.

"Market competition is fierce. In the past decade, as the demographic dividend has disappeared, numerous wedding companies went bankrupt," said Shi, who was speaking in August at the 2018 Wedding Industry Forum of China, held in Suzhou, East China's Jiangsu province.

However, the wedding industry recovered from recession from last year, he said.

Marriage loans a blessing for couples

Market for financial products to cover wedding costs has huge potential, experts say

By ZHENG YIRAN

For low and middle-income young couples in China, getting married can cost a considerable sum of money, so "wedding loans" can be a blessing for them.

The financial products, initially issued by banks and later by e-commerce platforms, offer repayments in installments for couples who plan to get married.

Cao Qiang, chief risk control officer at Gome Finance, said statistics from the past two years show there were on average more than 10 million couples getting married in China every year.

"With all costs included, such as marriage home decoration, home appliances, a wedding car, the

wedding ceremony and the honeymoon, the average spending for a new couple is roughly 100,000 yuan (\$14,600)," Cao said.

"Multiplied by the 10-million-couple consumption group, this is a trillion-yuan market," he said.

As early as 2014, the Shandong branch of China Construction Bank launched a wedding payment installment service linked to its Long Credit Card for couples getting married in the East China province.

The service looks to consolidate all the wedding costs into one lump sum, which can be paid off in multiple installments.

Later, the Agricultural Bank of China joined hands with online wedding service provider bxhq.com to issue a special credit card for weddings.

In such structures, the banks are responsible for risk control and lending the money, while the wedding service platforms establish the connection with customers.

With the e-commerce market booming, many online platforms have also gotten involved.

In June 2016, online wedding service platform jj365.com.cn partnered with China Construction Bank to launch a wedding loan product. The limit can be as high as 300,000 yuan, and repayments can be made in up to 36 installments.

Next followed JD Finance, which worked with online wedding service provider Hunliji.com, to offer wedding repayments by installments. When conducting wedding-related purchases, couples could use JD

Baitiao, which offered credit of up to 50,000 yuan. The couples could repay in up to six installments.

But, the latter product is no longer available. Indeed, many market participants' optimism is cooling. Many players who had entered the market developed slowly, or have already closed. For example, jj365.com.cn now only operates in Shanghai.

The reason is that wedding resources are widely dispersed, as numerous businesses are related to wedding services.

With numerous intermediaries involved in wedding scenarios, the related risks also go up, Cao added.

However, some players remain confident. You Haike, cofounder of online wedding service provider Hunlimao.com, said the wedding

installment repayment market could grow as big as the financing market for cosmetic surgery.

"Limited by the low penetration rates among wedding service platforms and user habits, it is unlikely that the market boom will occur in the short term," You said.

"If leading internet service platforms can adjust their processes and conduct risk control, the market can yield high value."

Xu Liaoyuan, chief operating officer of 91fd.com, a fintech company operating in the wedding industry, agreed.

"The market for wedding payment installments is not only big, but safe as well. The clients that we serve are from young families, which are of high (credit) quality," Xu said.