

Covid unties the wedding business knot

Social distancing rules have taken a toll on the businesses that revolve around the marriage industry

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Sindoori and Krishna flew from New York to Chennai for their big fat wedding at their hometown on March 30. Nearly 1,200 guests were invited and one of the largest venues in Chennai was booked. But Covid-19 forced them to postpone the celebrations.

Thousands of other families across India took similar decisions as social distancing rules kicked in and state governments imposed restrictions on gatherings at weddings to no more than 10 people. But the search for alternative auspicious wedding dates is the least of the problems afflicting an industry that KPMG estimates is worth around \$50 billion a year.

At stake is the livelihood of millions of gig workers who provide wedding-related services — jewellers, designers, tailors, caterers, pavilion and tent providers and so on. This industry is highly fragmented, but employs a sizeable chunk of the gig workers.

Rough industry estimate suggests that India hosts 10-12 million weddings every year. Now cancellations are running into the thousands. Kanika Subbiah, founder, Wedding Wishlist, said her company was organising nearly 30 weddings in November. In March, the number slid to four and in April just one.

“The industry is feeling the pinch. Weddings have just stopped. Most people have postponed their plans and the few, who are going ahead, have made it a smaller event. The industry is seeing a big blip in terms of revenue. Thankfully, the weddings are only getting postponed, not cancelled,” she said.

This has had a knock-on effect on producers and retailers of garments and accessories, and even consumer durables, since high-end cars, and household appliances form a significant

portion of wedding sales. Kumar Rajagopalan, CEO of Retailers Association of India, said: “The business is fully impacted. I don’t see anyone getting a plan for any social occasion at the current lockdown stage. Nobody knows how long this will take, so I am not sure whether anybody can plan for two or three months, maybe someone who has plans for the end of the year may consider going ahead.”

It is not the start-ups alone that are feeling the pinch, even big and mid-size firms are taking the hit, mainly jewellery and travel companies. Somasundaram P R, managing director of World Gold Council, India, said that the current lockdown has hit jewellers hard as wedding demand accounts for around two-third of their annual business. Festival-driven demand has also been hit owing to uncertainty over future incomes. For instance, gold sales during Akshaya Tritiya, which usually falls in April, were distinctly subdued.

Indeed, N Anantha Padmanaban, Chairman of the All India Gem and Jewellery Domestic Council (GJC), said he was unsure if business would resume at the same pace even if stores open after the lockdown. The GJC data show retailers across India sell 50-60 tonnes of gold every month, which varies from season to season. Over the last two weeks, the industry has lost around 50 tonnes of gold business.

They are also worried on whether already placed orders will also be cancelled. Padmanaban pointed to the experience of China, another country where people stayed away owing to a combination of fear and hesitation to spend money. He estimates a 30-40 per cent drop in business over February and March last year. According to IBEF, gems and jewellery sector employs over 4.64 million people and is expected to employ 8.23 million by 2022.



TAKING A BEATING

10-12 mn Weddings hosted in India every year	₹ 458 bn The size of the market in 2020	4.64 mn employees in the gems and jewellery sector
8.23 mn people are expected to be employed in the sector by 2022	50-60 tonnes of gold is sold every month	

Covid-19 has hit Jewellery, textiles and match-making businesses

Industry expects recovery from July

because of the enforced idleness of the lockdown. Murugavel Janakiraman, chairman and managing director of Matrimony.com, said that engagement levels of customers have increased by nearly 20 per cent and profile acquisitions are growing in double digits because customers are sitting at home.

Most of those involved in the wedding business expect a recovery from July and August and definitely by Diwali.

“We are optimistic that focused economic reform measures, coupled with decisive medical solutions, such as a vaccine may accelerate growth and trigger an unprecedented positive sentiment,” says Somasundaram.

But things may not be the same for some time. As Rajagopalan predicts, “Social distancing norms will become part of how we have to behave going forward. These are unprecedented times when one may not know how things will pan out.”

Exploring the online selling option is also unlikely to help because of the trust factor; Indians of all income levels prefer physical sales of jewellery. Also, the ticket price in online jewellery is small: ₹10,000-15,000. When it goes up to ₹40,000-50,000, people prefer to visit the shop and examine ornaments for themselves.

The other major sector to feel the

impact will be what is known as “wedding tourism”, which includes travel companies, hospitality firms, state tourism etc. According to Statista, wedding tourism turnover across India was projected to be valued at about ₹458 billion in 2020, up from ₹234 billion in 2017. This is likely to fall close to zero.

If there are gainers in this business, it is the matrimony sites, mainly