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LONG STORY

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# BAND, BAAJA, BARAAT AND BIG BUCKS

The big fat Indian wedding is back, and more expensive than before



File photo of a wedding procession. In the last few months, several hospitality consultants as well as companies have shown their commitment to Indian weddings and expect their businesses to grow on the back of increasing revenue from these events.

Varuni Khosla & Pragma Srivastava  
varuni.k@mint.com  
NEW DELHI

**M**egha Israni set to fly down this month from Mumbai to the ritzy Rambagh Palace in Jaipur. It's a packed three-day trip but no, she is not on a holiday. Rather, she will be there on work, along with her 15-member crew, an array of 4K video cameras, drones and more—all for a splashy wedding photoshoot.

Istrani is director of Israni Photography and Films, a decade-old Mumbai-based company in the wedding photography market. Her client has pulled out all the stops, inviting 500 people, most of whom will be put up in the ultra-luxe erstwhile residence of Maharaja Sawai Man Singh II. Israni's studio, which employs about 70 people, is now recovering to pre-covid levels in terms of value if not volume. In 2019, it catered to 85-90 weddings, this season it has lined up 65 weddings, with a per-day bill of ₹2.25 lakh. "The last two years were hard. We did a similar number of weddings but at a much lower cost because clients were unwilling to pay. This year, weddings are back in a big way," she says.

In India, an estimated 10-12 million weddings take place annually. A survey by the Confederation of All India Traders (CATT) shows that over 3 million weddings are scheduled between November and mid-December, and expected to generate business worth nearly ₹3.75 trillion. Weddings in the same period last year were valued at ₹3.1 trillion, sharply up from ₹1 trillion in pandemic-hit 2020. In 2019, the figure was ₹2.5 trillion. "The estimates include the actual spend by families on weddings but the multiplier effect in the economy due to the number of vendors involved," says Fazeen Khan-dewal, general secretary, CATT.

But weddings are also coming with hefty bills. Hotel rentals are higher, vendors are costlier and related expenses like food, jewellery and travel have become pricier. Yet there has been little cutback in the spending, which goes to show, again, that weddings in India, save for the covid-era lull, remain recession proof. With wedding venues getting scarce this season, event managers and hoteliers are even rolling out expansion plans. But will this burst of consumption show up as a

significant boost to GDP figures? Economists say it certainly will, but it can't be quantified by how much.

**BACK WITH A BANG**  
Have money, will splurge, seems to be the mantra this wedding season. Israni, for instance, has a packed calendar over the next few months with wedding shoots in Indore, Pune, Bengaluru, Mahaballipuram, Goa as well as Thailand and Turkey.

WeddingWire.in, a company that works in the wedding tech space, too, is seeing a happy trend. It expects the market to grow by up to 20% till the end of FY23, based on current bookings. This is a tad lower than 2021 which saw a spike due to the pent-up and delayed demand from the pandemic year of 2020.

"We found that 21% of couples are willing to spend ₹5-10 lakh on their wedding, close to 20% are keeping their budget under ₹5 lakh, and 18.5% are spending ₹5-30 lakh. These exclude engagement rings and the honeymoon," says Anam Zubair, head of marketing at WeddingWire India, a part of The Knot Worldwide. Indians take their weddings seriously and Vikas Gutguttia knows this well. Gutguttia is the founder and managing director of gifting company Ferns N Petals Pvt. Ltd., and also FNP Weddings & Events India that leases and operates 11 wedding venues in and around Delhi-NCR. He is in the process of finalizing six new venues around the capital. By the end of next March, the company hopes to host about 650 weddings, with price tags ranging from ₹2-10 crore. ₹50 lakh-₹2 crore and below ₹50 lakh. This year, business is likely to be evenly split between the very expensive category and the other two clubbed together.

"We are optimistic about a rebound. The wedding business is recession proof. Considering our population along with the emotional parental attachment tied to weddings, I expect it only to grow further. We are also going to have 5-6 venues within the next year or so. But, on an average, things are 25-30% more expensive this year than they were during covid," says Gutguttia.

The staggering cost was an eye-opener for this 28-year-old professional from Delhi, who has chosen a December destination wedding back home in Kolkata. The venue is a 4-star resort on the outskirts and in attendance will be around 350 guests. So far, the bride and groom's

families have together spent about ₹1 crore. "We have now lost track of the expenses. People—and not just our families—lose all logic when it comes to weddings. With this money, we could easily have made a down payment for a flat in Delhi. Or bought a small holiday home somewhere in the hills. But we have to live up to our families' expectations," she says.

Mukta Kapoor, director of Delhi-based Yara Weddings, says this fiscal her company is likely to do 200 wedding functions, including pre- and post-wedding events—a jump of 12% over 2019. Unauspicious dates, the wedding market is akin to the airline business. When demand is high, prices also fluctuate. Skilled labour has become at least 30-40% more expensive in auspicious dates. We have to pass this cost onto the customer," she says.

Many of their vendors, especially hotels, have started to include a minimum guarantee or minimum billing concept—rather than charge per guest. Already, most indoor venues in Delhi-NCR, the focus of wedding businesses, are already booked. Several farmhouses, too, have increased their rentals by over 20%.

Similarly in Mumbai, Niyomi Zataika, founder of wedding planner Party Starters, says over 20% wedding expenses are 20-30% higher over 2019. "All the sub-industries were massively hit during the pandemic. There is a shortage of skilled labour and staff too. Each stakeholder wants to get a larger piece of the wedding pie. For instance, if wedding decor cost around ₹2-3 lakh pre-covid, it has now touched ₹20 lakh. Everyone, from dhol wallahs (wedding bands) to saaf wallahs (sugar makers), has increased their rates. But the cost escalation is most apparent in hotels where room rates have gone through the roof. And that can throw off the budgets of a destination wedding very quickly," she says.

Photographers, Israni says, constitute just 2-3% of a wedding bill. Hotel expenses take up a very large chunk. Rates have nearly doubled in popular 5-star locations like Jaipur and Goa with auspicious dates booked far in advance. "Decorators and hotels were the most hit during the pandemic. They have all doubled the cost of their existing inventory," she says.

But customers, too, are getting savvy, scouring social media platforms for the best services at competitive prices. They check out the rates directly from vendors on Instagram, YouTube, etc. "That wasn't the case before covid. Customers are far more aware, and know exactly what they want," says Geeta Raj Rawatni, founder of My Events in Mumbai, a business born in the pandemic.

## WHAT

Over 3 million weddings are scheduled between November and mid-December, and expected to generate business worth nearly ₹3.75 trillion. In 2019, the figure was ₹2.5 trillion.

## AND

Weddings are coming with hefty bills. Hotel rentals are higher, related expenses like food, jewellery and travel have become pricier. But that doesn't seem to dissuade consumers.

## BUT

Economists say even if the wedding industry has reverted to pre-pandemic growth trend, it would not have made significant changes in year-on-year GDP growth rate.

## DEMAND NIPS INFLATION?

While inflation has impacted several sectors, including the demand for jewellery, planners are not that fazed. "We made huge losses during the pandemic as weddings got postponed or happened at a much smaller scale. Prices of raw materials also skyrocketed. But with weddings back in full form, not only have we recouped our losses, we also plan to expand," says a wedding planner from Kanpur, whose team of 10-12 people is handling 6-7 weddings per day during peak season.

Demand for jewellery may not be as robust, but is expected to be 3% higher than pre-pandemic levels. In the current financial year, it is expected to grow 12% year-on-year on the back of healthy consumption in April-June and buoyant demand in the ongoing wedding and festive seasons, according to the latest report by ratings agency ICRA.

In the last few months, several hospitality consultants as well as companies have shown their commitment to Indian weddings and expect their businesses to grow on the back of increasing revenue from these events.

For 29-year-old Ayushi Raj, who is set to get married in early December, inflation was a pain point but finding a venue was a bigger headache. "When I tried to book a banquet 7-8 months ago, most places were already booked," she says. "But I was more than happy to pay extra, mostly in cash, as you don't get married every day."

Precisely the reason why French major Accor's Hotel Fairmont Jaipur is looking to host double the number of weddings, it expects to host 105 weddings this fiscal, more than twice the number from 2019. The company, on an average, expects business of ₹1.5-3.5 crore per wedding, depending on how sought-after the dates are. This only covers a two-night stay and food for over 500 guests in its 250-room hotel. Wedding decor and other entertainment costs are additional.

"Today, revenues from weddings have gone up from 60% to 85% in a span of three years. We know for a fact that weddings are resilient to recession in India," says Rajiv Kapoor, the hotel's general manager.

Seeing a spurt in the number of queries, publicly-listed Lemon Tree Hotels specifically designed and redesigned some hotels, mainly under its Aurika Hotels & Resorts and Lemon Tree Premier brands, to have larger banquet venues, with half-a-dozen hotels featuring about 20,000 sq ft of banquet space.

"We have over 150 confirmed weddings across our group properties till March 2023, and more queries are under discussion. From just the confirmed business, weddings will contribute 5-5% of total revenue, as 35 out of our nearly 90 properties now have large banquet spaces," says Vikramjit Singh, company president. The spend on weddings and related events at their properties differ, going up to over ₹1.5 crore in upscale resorts in metro and tier-1 cities.

## WHERE'S THE DATA?

At a time when there are concerns over a slowdown in the economy due to the global headwinds and high inflation, the busy wedding season offers hope. With people loosening their purse strings in what could be called the first normal year since the covid-19 pandemic, private consumption—the biggest contributor to the gross domestic product (GDP)—is set for a boost, economists said.

Historical data shows private final consumption expenditure gets a boost in the quarter ended December due to back-to-back festivals and wedding season. Last year in October-December, buoyed by pent-up demand and revival in spending, the share of private final consumption expenditure in the overall GDP rose to 61%, the highest under the current series.

While CATT's estimate of ₹3.75 trillion business this year translates to about 20-25% growth in the sector over the past two years, excluding the pandemic-hit year, several economists seem sceptical about the estimates in the absence of hard data. Speaking to Mint on the condition of anonymity, one of them said, "We cannot say if their estimates are right or wrong as high-frequency data on the informal sector isn't available."

"It is true the economic activities in the unorganized sector do not get captured but unless there is a significant shift in such activities, they are unlikely to make a big difference to GDP growth," the person added.

A lot of the wedding business remains unorganized and cash is still the king. Of the half-a-dozen wedding planners that Mint spoke to, most of them confirmed that cash is still prevalent in the wedding market. While most companies are GST-compliant and several of their clients too prefer bills, vendors prefer cash and tend to bill as little as possible in white.

"Many of our vendors, especially in the food and beverage space, hand-wallahs, and other smaller vendors prefer to take cash since they can evade taxes," says one Mumbai-based planner who did not want to be identified.

An old report by KPMG estimated India's wedding industry's size at \$50 billion (₹3.4 trillion), which is roughly 1.5-2% of full-year GDP. But economists say it is difficult to quantify the industry's contribution to the economy due to its informal and cash-based structure. Further, the wedding industry simply reverting to pre-pandemic growth trend of around 20-25% as per available estimates, especially when nominal GDP is also growing at a fast pace due to inflation, would not have made significant changes in the year-on-year GDP growth rate.

Nevertheless, for the players of this sector, the return of the big fat weddings marks the return of a season of big bucks.