

Research on Existing Risks in China's Entrepreneurial Wedding Planning Industry

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DOI: 10.32629/memf.v5i6.3352

Abstract: Today in the 21st century, holding a grand wedding is the best answer for all newlyweds. It can even be said to be the most important ritual in all aspects. In the past 10 years, there has been a mixed bag of wedding planning studios on the market, and new ones are constantly being added. An endless stream of wedding planning companies want to get a share of the wedding planning pot. So is now the right time to enter the wedding planning industry? How to start a wedding planning studio with the lowest risk? And what are the risks that need to be paid attention to after entering the wedding planning industry? This article will take the current status of the wedding planning industry as a starting point to explain the risks and countermeasures behind the entrepreneurial trend.

Keywords: entrepreneurship, wedding planning risks, countermeasures

1. Introduction

According to Qichacha data query, the number of wedding planning companies in normal operation in 2023 will exceed 1.1 million.

According to recent data released by the Ministry of Civil Affairs, there will be approximately 6.833 million registered marriages in the country in 2022. On average, each wedding planning company can only host 6 weddings per year. Even if the number of wedding planning companies under normal operating conditions is further halved, the average number of marriages per wedding planning company per month will be approximately 6.833 million. There is only one wedding. Based on general surface data analysis, it is obvious that there is a lot of competition in the industry, but the consumer group is decreasing year by year.

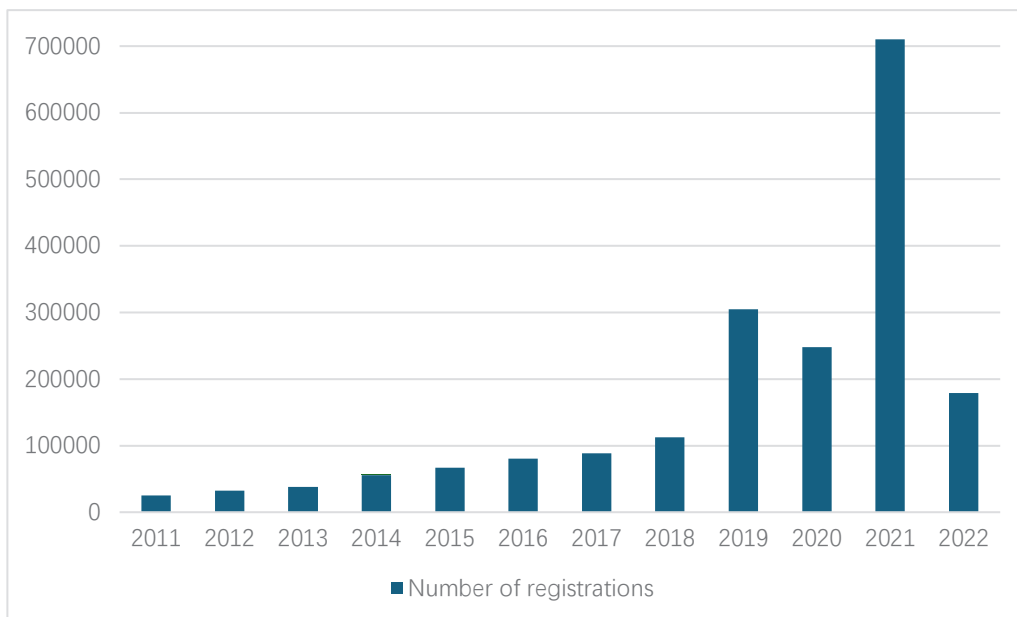


Figure 1. Number of registered wedding planning companies from 2011 to 2022

Although the number of marriage registrations in our country continues to decline, the desire for the most beautiful wedding ceremony remains unabated. Holding a wedding, whether it is a hotel wedding, an outdoor wedding or a homestead

wedding, costs at least 8,000 to 30,000 per wedding for a simple wedding. Due to differences with makeup artists, photographers, and stage styles, the cost of a slightly more complicated wedding industry ranges from 30,000 to 100,000. If it is a wedding with a wedding butler or a super luxury wedding, the price will be at least 100,000 yuan, and even million-dollar weddings are not difficult to see in first-tier cities. The reason why there is such a huge gap in wedding planning costs is that the biggest cost comes from the material vendors behind it.

2. Financial risks faced by China's entrepreneurial wedding planning industry

The most important problem that small companies or studios in the wedding planning industry need to solve in the early stage is cooperation with material suppliers. Material suppliers provide stage construction equipment, such as trusses, stage floors, background cloths, spotlights, LED large screens, and moving head light beams. Lights and so on. Due to the large number of people involved at the wedding venue, safety hazards are the first thing to consider. The choice of materials for stage construction equipment is very important.

Take trusses as an example. Most wedding planning companies on the market now use steel trusses. Steel trusses are heavy and have the best stability among trusses made of other materials. The good material also means that the production cost of steel trusses is high. So the purchase price is also high. The trusses required to build a medium-sized stage of 2 meters by 4 meters are approximately 8 square meters, and the steel trusses required per square meter are approximately 8 tons per square meter. Here, at least 64 tons of steel trusses are needed to complete a hotel-style medium-sized stage of 2 meters by 4 meters. The current market price of steel trusses is about 6,000 per ton, and the purchase price of the trusses required for a medium-sized stage of 2 meters by 4 meters is about 380,000.

In addition to the purchase cost of trusses, lighting support is also required. The average price of stage spotlights with better effects on the market is about 1,000 each, and a medium-sized wedding requires at least 30 spotlights, swing lights and other lights of various sizes. Material input costs For most start-up wedding planning companies, due to the tight flow of capital chains, it is difficult to have such a sum of money to purchase materials alone. Therefore, most small wedding planning companies choose to cooperate with material vendors and adopt the form of leasing. Since the purchase price of trusses is high, the price of leasing trusses is also relatively high. Furthermore, most of the funds in the orders of small wedding planning companies need to be used to pay for venue fees (hotels), stage construction costs (trusses), lighting costs, personnel costs (makeup artists, photographers, wedding butlers, hosts, florists, Designers, planners), etc. This is the reason why many small wedding planning companies only have very little net profit for an order priced at 30,000 yuan.

3. Potential competitor risks faced by China's entrepreneurial wedding planning industry

3.1 Hotel substitution risk

Times are advancing and information is changing. After seeing a large number of wedding scenes, major hotels have followed the example of wedding planning companies and contracted one-stop services for wedding planning in hotels. From the hotel's venue leasing, the supply of drinks and catering, warehousing conditions, etc., the hotel can be fully equipped. With the materials available, costs can be reduced from the source, and the cost reduction also gives the hotel room to make profits. Moreover, the hotel can achieve the effect that customers want at the wedding venue, and the total amount consumers need to pay is also lower. After consumers compared the cost performance, slowly, more and more people chose the hotel's one-stop service for wedding planning.

3.2 Material supplier substitution risk

The entry threshold for wedding planning is low. If you contact the venue rental, communicate with the stage builder, makeup artist, photographer, host, etc., you will reach the threshold to enter the wedding planning industry. The threshold for material dealers to enter the wedding planning independent business is even lower, because if the material dealer already owns the trusses, they can produce and sell them by themselves, maximizing profits. Furthermore, because the wedding order cycle is shorter, the time from deposit to final payment is also shorter, allowing the company to maintain constant cash flow. Low investment and quick reporting are the main reasons why the threshold for wedding planning industry is low. The level of the threshold determines the number of competitors, so there are many potential competitors, and the cash flow is recovered quickly. This is also the reason why people continue to enter the wedding planning industry when the entrepreneurial situation is so sluggish in modern times.

4. Business risks faced by China's entrepreneurial wedding planning industry

4.1 Raw material risks

4.1.1 Basic raw material risks

The textile industry, restaurants and hotels, and flower decoration are the three major categories that provide raw materials for the wedding industry chain. The prices of raw materials will change with the changes in the macro economy. The slight fluctuations in raw material prices every year will also cause greater changes in the wedding industry. The fluctuations have affected wedding planners the most. For example, in the flower market, the price of flowers will fluctuate with the price of chemical fertilizers. Assume that the upstream industry chain increases the wholesale price of each flower by 1 yuan to 2 yuan. How many flowers are needed for a minimalist outdoor flower wedding? And at least ranging from 800 to 1,000 flowers, the flower cost price of a single minimalist flower wedding will increase by 1,000 to 2,000 yuan. Then the flower costs required for other mid-range or mid-to-high-end flower weddings in the industry will show different ranges. growth. The indirect increase in costs in operating risks is also the direct decrease in profits.

4.1.2 Common material risks

After the wedding planning is finalized, a large amount of decorative materials need to be purchased when setting up a new creative wedding. Now, in order to reduce costs as much as possible, most businesses will choose to purchase online. There is a risk of material quality control here. The quality of online decoration products is uneven, and the problem of color difference cannot be completely avoided. The wedding venue decoration is another demanding visual feast. Any defective item on the stage will be infinitely magnified under the lighting. If the quality control of decorations is not good, it will bring a bad impression to the entire wedding scene. After the contract is signed, if you blindly pursue the effect of the wedding scene without calculating the cost and customize high-quality materials, even if the wedding effect is satisfactory, the investment cost will far exceed the budgeted cost. This kind of business risk is even more dangerous.

4.2 Natural risks

For outdoor weddings, the risks brought by nature are the most uncontrollable and extremely important. On the wedding day, a beautiful blue sky and white clouds were the highlight of the entire outdoor wedding.

4.3 Other risks

Risks of props. 2. "People" risks: Where there are people, there will be uncontrollable risks. During the wedding process, "people" are a force majeure factor. Whether there are safety hazards at the wedding site will directly lead to the interruption of the entire wedding. Serious safety accidents will affect everyone at the wedding site.

5. Countermeasures against existing risks in China's entrepreneurial wedding planning industry

5.1 Financial risk response measures

5.1.1 Reduce store rental costs

Entrepreneurial wedding planning companies don't need to be too entangled in the location of the company. The location of the company does not need to be prosperous and is convenient for travel. Usually, willing customers can be arranged to have meetings in a relatively quiet and comfortable place such as a coffee shop. You can go to the customer's home for an appointment. 2. The company area does not need to be very large. An entrepreneurial company can be equipped with a conference room (for negotiation and rest) and a dressing room (for makeup testing). But the interior decoration style is very important. Warm and beautiful decoration will enhance the couple's sense of trust as soon as they enter the house, because wedding planning is constantly dealing with "beauty". Planning "beauty", displaying "beauty", and good decoration style can make customers feel the company's aesthetic culture for the first time.

5.1.2 Material cost reduction

Try to control the initial material costs as much as possible, and when introducing planning plans to customers, focus on recommending wedding cases of the same style that have been completed and have achieved good results. In this way, the company can maximize the value of purchased materials, and ensure that the wedding process goes relatively smoothly even when doing repetitive tasks.

5.2 Supplier quality risk response measures

Entrepreneurial wedding planning companies can cooperate with multiple suppliers (hotels, floral arrangements, design, hosting, audio, photography, etc.) in the early stage. Select the regular suppliers with the most experience and the

best reputation for long-term cooperation. Good suppliers can ensure the service quality and effect of every wedding to the greatest extent.

5.3 Countermeasures against competitors

Create a unique wedding style: Since entrepreneurial wedding planning companies have meager starting capital and do not have a large cash flow to support different styles of weddings, and are known to be unable to meet the different needs of different customers, it is more appropriate to choose a niche track. For example, focusing on arranging outdoor weddings, in the process of constantly improving each outdoor wedding, and continuously serving customers every time, the accumulated reputation will be added to make customers feel focused, professional and special. Then it will definitely become the first choice for this niche track.

5.4 Measures to deal with contract performance risks

Before signing a contract, consult a legal professional institution as much as possible to ensure that responsibilities are clearly defined and that no ambiguous statements are allowed. It is necessary not only to ensure the safety of the company, but also to protect the consumer rights of customers, and to ensure the legality and validity of the contract under a series of authoritative principles. Avoid disputes arising from risks within contract terms.

5.5 Emergency response measures

The company should formulate an emergency plan in the early stage, which should also include emergency handling of various emergencies (activating spare props, setting up on-site inspectors, etc.), as well as emergency evacuation, etc., to ensure the personal safety of everyone at the wedding site.

5.6 Personal safety measures

Entrepreneurial wedding planning companies should purchase appropriate insurance (liability insurance, accident insurance, traffic insurance, etc.) to protect the rights and interests of everyone. Make sure that when an accident occurs, it can be dealt with promptly and compensated in a timely manner.

6. The beautiful current situation and future prospects of China's entrepreneurial wedding planning industry

6.1 The wonderful future of 2024 (wedding company orders have been scheduled until 2025! - Qichacha)

Beautiful environment: With the complete lifting of the epidemic, China's economy has begun to fully recover. More and more couples are gradually stepping out of the house and going deep into society, and weddings have also ushered in spring.

Beautiful tools: The development of society and the advancement of technology have prompted the Internet to derive various handheld tools. Popular apps such as Douyin, Xiaohongshu, and Weibo have become another indispensable pair of eyes for modern young people. As social media silently boosts the wedding industry, various forms of online weddings have come into people's sight. The short video era with advanced information technology has also made young people gradually realize that weddings can be different from the conventional ones and are "anti-traditional" The awareness of wedding gradually spreads among people's circle of friends. The speed of information dissemination has quickly pushed weddings into another public opinion boom. It is also this public opinion boom that has turned the wedding industry from passive to active, and consumers have also changed from following to leading.

6.2 New growth of wedding-related enterprises in 2023 is 46% (-Qichacha)

During the New Year period from 2023 to 2024, many couples with wedding needs began to check information online, search for reviews on various platforms, and check and compare wedding merchants. As couples prepare for their weddings in full swing, what becomes even busier is the wedding planning company that accompanies them throughout the entire process. An interview with a friend's company revealed that (Suzhou Shili Hongzhuang Wedding Planning) some weddings can have up to 20 weddings in a single day, and some wedding orders are even scheduled until 2025.

7. Conclusion

The economic environment of the wedding planning industry under the current macro environment is not optimistic, and the market is also becoming unstable. Before starting a wedding planning company, you need to truly enter the field of

wedding planning and truly feel the pain, fatigue, frustrations and challenges of being a wedding planner. It is also necessary to conduct comprehensive market research and analysis and analyze one's own current dilemma. It is also necessary to explore the development prospects from multiple angles, and to check whether the prospects are clear through multiple discussions and decisions. If the future continues to be unclear, continue to focus on accumulating experience in wedding planning, lay a solid foundation, and then decide whether to start based on a solid foundation.

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