eSERVICES:
DATING SERVICES

statista

DATA BASIS AND METHOD OF ANALYSIS

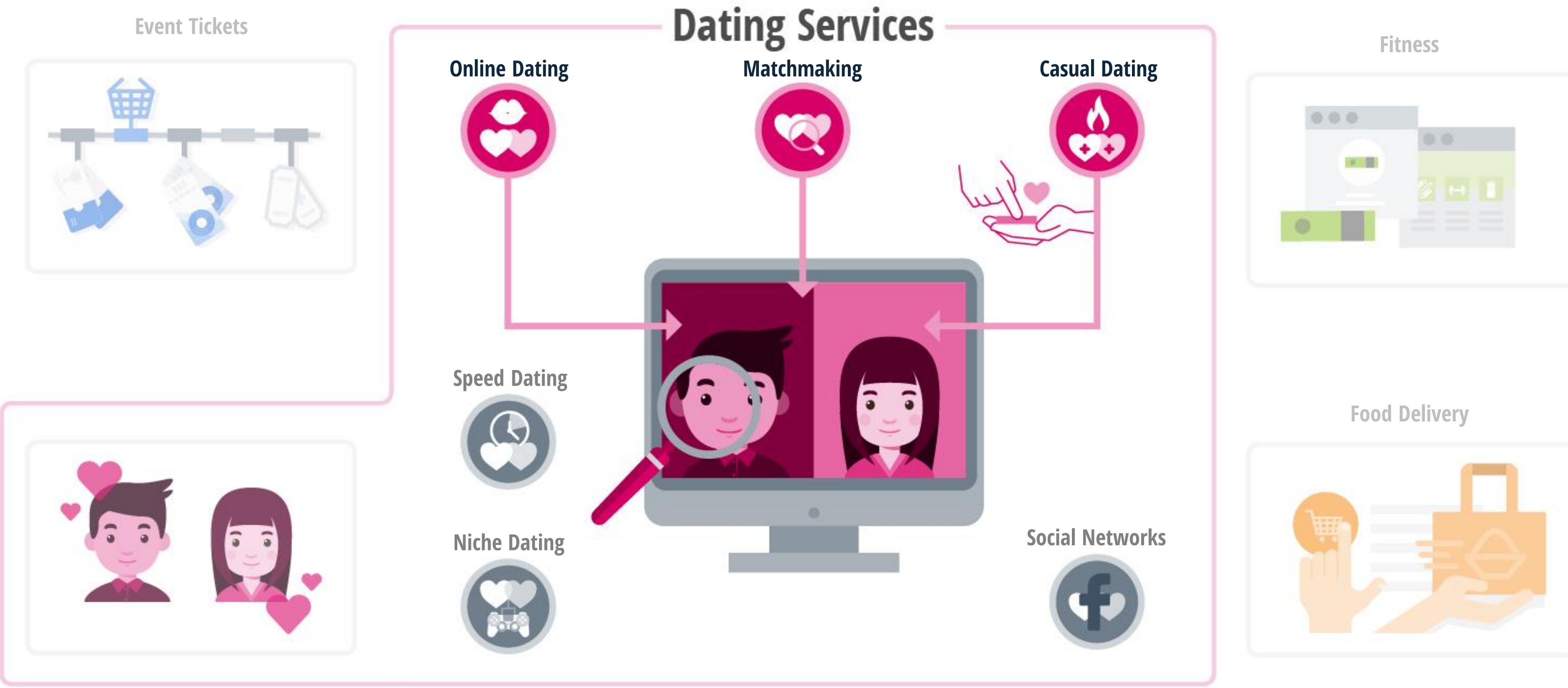
Overview

Pages	*Subject*	*Essentials*
03 – 05	*Detailed overview* › Market scope › Customer benefit, market size › Future developments, assumptions and sensitivity analysis	Online Dating Services allow users to access a bigger pool of prospective partners All segments (matchmaking, online dating and casual dating) are growing
06 – 08	*KPI-Comparison* › Market KPI comparison by region in the form of charts › Market KPI comparison by region in the form of tables › Key takeaways	Largest market is the US with US$1.9bn in 2016 China has the highest average growth rate (10.4%)
09 – 10	*Framework* › Dating Services segment within the eServices market › Dating Services vendor landscape	The eServices market has an average growth rate of 20.9% p.a. and the dating service segment has a CAGR of 5%
11	*Deep Dive* › Most downloaded dating apps by country	In Europe most countries are dominated by Tinder, followed by Badoo and Lovoo
12 – 14	*Market structure, contact and imprint*	

© Statista Digital Market Outlook

DATING SERVICES: PRODUCTS AND SERVICES

Market scope – Dating Services



Focus segment
Out of scope
Other segment reports

© Statista Digital Market Outlook

DATING PORTALS OFFER A VARIETY OF SERVICES THAT SUIT ANY USER AND THEIR INTENTIONS

Customer benefit

There are different groups of customers that benefit from using online dating services. These customers are **searching for a relationship (matchmaking), a flirt (online dating) or a sex partner (casual dating)**.

On dating portals or apps, users can meet a **wider circle of people.** Users get the chance to get to know all kinds of people they would normally not meet in their everyday life. Users are also looking at a **bigger dating pool of prospective matches** on dating websites.

Furthermore, dating portals have a variety of search options or filters (e.g. age) to help users **find what they are looking for**. This makes dating more efficient.

Dating portals help users with a **busy schedule** who have no time to go out and meet people by providing a forum for doing just that. Through dating services they can still get in touch with others that share their interests.

In addition, a variety of online dating services exist. Each **user can find a service that matches his or her interests** and intentions. Matchmaking services identify potential partners using complex matchmaking-algorithms based on the results of personality tests. Many portals also allow users to just flirt and chat without any kind of commitment. Customers who seek a lover can use casual dating sites. Dating portals used by married users looking for affairs have special features regarding discretion and data security (e.g. blurry pictures) to protect users.

> *"There are bad sides to everything but I think, for the most part, online dating is one of those things that is really solving one of society's problems."*
>
> *Gary Kremen, co-founder of Match.com (2015)*

Market size

The dating service market is divided into three service categories: **matchmaking, casual dating and online dating** (see page 12 for detailed definitions).

Dating apps offer flexibility and convenience as you can find potential partners everywhere and at any time on your phone. Hence, smartphone penetration has a major impact on sales. Due to the rise in **smartphone penetration**, too, dating services have become more sought-after. In addition, the stigma of online dating is diminishing, which drives the success of dating services.

However, some users regard the collection of their personal data with suspicion and are afraid that **third parties might misuse their data**. This hampers the growth of online dating services.

The **global revenue** in the dating services segment amounts to **US$4.6 billion in 2016**. Most of the revenue is generated by matchmaking services with a share of about 50%. However, the **user base** is **largest in the online dating** segment with a share of approximately 65% of total users.

Comparing figures globally, it can be noted that most of the revenue is generated in the **United States** (**US$1.9 billion in 2016**). The United States is followed by **Europe,** which had a revenue of **US$1.2 billion in 2016.** Revenues in **China** are the smallest in this comparison with **US$0.57 billion** in 2016.

Regarding **Europe**, the **United Kingdom** is the leading country with revenues of **US$0.24 billion** in 2016.

When it comes to **most downloaded dating apps in Europe**, **Tinder** dominates northern countries; **Badoo** is top in the East and South. In **German-speaking** countries, **Lovoo** is the number one app. The US is also dominated by Tinder, whereas **Momo** is the most downloaded dating app in **China.**

© Statista Digital Market Outlook

MOBILE DEVICES ARE PERFECT FOR LOCATION-BASED, REAL-TIME DATING SERVICES

Future developments

The **main global drivers** of the dating services market are **internet and smartphone penetration.** Smartphones enable ubiquitous and immediate access to dating services through apps. Besides, online dating is now much more culturally accepted.

As internet and smartphone penetration is already very high in the **US**, we expect the US to have the lowest growth with **an annual growth rate of 3.5%** (2016-21) resulting in a total market volume of **US$2.3 billion in 2021.**

Within **Europe**, Russia has the highest CAGR, lifting the whole region to an **average annual growth rate of 3.6%** and a market volume of **US$1.5bn in 2021**.

The fastest growing region is **China** with **10.4% CAGR[1] to 2021** resulting in a market volume of **US$0.9bn in 2021.** This fast growth is caused by an ongoing Chinese **internet penetration growth period** (new potential customers) and **increasing purchasing power** especially in urban areas.

We anticipate a shift to mobile dating and hence an increasing use of dating apps on smartphones rather than using desktop versions or dating portals.

In addition, we expect online dating to converge with social networks. Dating portals will be less focused on finding a partner for life and place more emphasis on meeting new people instead (like Badoo). This establishes a more relaxed atmosphere and users do not feel forced and pressured into finding a partner.

Furthermore, it is expected that dating apps will be used on smartwatches to access messaging functionalities faster.

> *"Online dating will be mobile only; that's where the trend is going"*
>
> *Arum Kang, founder Coffee Meets Bagel, (2015)*

Assumptions and sensitivity analysis

Our forecasts include the service categories matchmaking, online dating and casual dating. **Niche dating services are not considered** (e.g. WooPlus for plus-size singles). These websites are excluded as they have very low market relevance.

As online dating becomes more pervasive, **concerns** centered around **security** and **online safety** become **increasingly important** for both the industry and the users. We therefore expect a significant improvement with regard to security and data protection within the next years. However, should these issues be neglected in the future, **data breaches** like the **Ashley Madison** hack will negatively affect user growth and revenues. A group of hackers leaked more than 25 gigabytes of company data including user details.

Dating portals and apps will need to regularly add **new features**. With the **growth of free dating sites**, the subscription-based model of dating services is called into question by users. Therefore the industry will need to explore new revenue streams and add extra value to dating services; e.g. through services that provide additional benefits for the user.

The **user database** of dating service providers is a big asset. Demographic data, interests and attitudes allow **excellent targeting for advertisers** which makes advertising on dating portals very attractive. Hence, services that have a large user base can be fully financed through advertising revenues. This favors freemium business models.

In our forecasts, we consider both paying users and non-paying users (e.g. freemium models), which impacts the average revenue per user significantly. As the **online dating segment** has the highest share of free users, and because prices are significantly lower compared to matchmaking services, the **ARPU[2] is the smallest** in this segment.

1: CAGR: Compound annual growth rate/average growth rate per year
2: ARPU: Average revenue per user

© Statista Digital Market Outlook

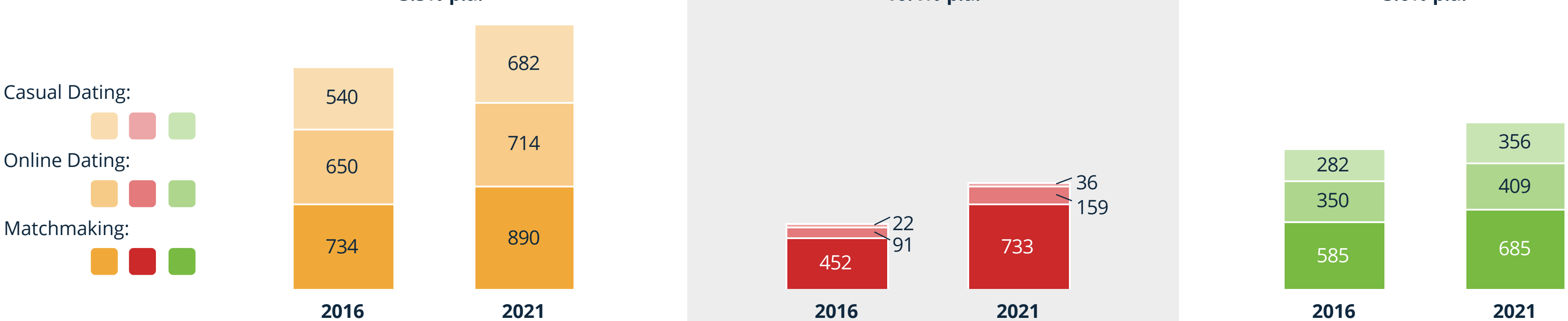
DATING SERVICES IN MAJOR REGIONS

Market KPI comparison by region

United States | China | Europe

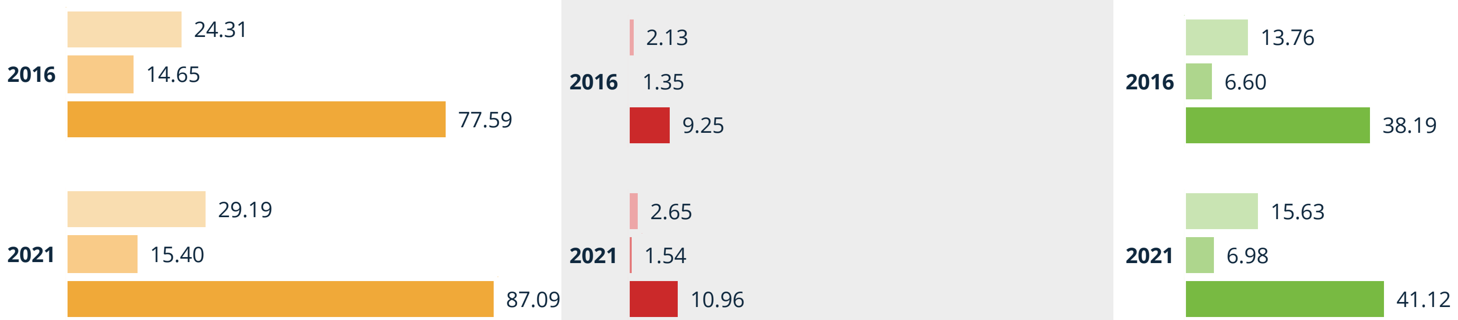
Revenue forecast

in million US$ by region



Revenue per user

in US$ by region



Source: Digital Market Outlook 2016

© Statista Digital Market Outlook

DATING SERVICES IN MAJOR REGIONS

Market KPI comparison by region

Dating Services revenue

United States

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Total	mUS$	1,924	2,012	2,093	2,167	2,231	2,286	+3.5%
Matchmaking	mUS$	734	774	810	841	867	890	+3.9%
Online Dating	mUS$	650	666	681	693	704	714	+1.9%
Casual Dating	mUS$	540	572	603	632	659	682	+4.8%

China

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Total	mUS$	565	642	719	793	863	928	+10.4%
Matchmaking	mUS$	452	508	565	622	678	733	+10.1%
Online Dating	mUS$	91	109	126	140	151	159	+11.7%
Casual Dating	mUS$	22	25	28	31	34	36	+10.6%

Europe

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Total	mUS$	1,217	1,270	1,319	1,366	1,410	1,450	+3.6%
Matchmaking	mUS$	585	608	629	649	668	685	+3.2%
Online Dating	mUS$	350	364	376	388	399	409	+3.1%
Casual Dating	mUS$	282	298	314	329	343	356	+4.8%

Dating Services paying user

United States

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Matchmaking	m	9	10	10	10	10	10	+1.5%
Online Dating	m	44	45	45	46	46	46	+0.9%
Casual Dating	m	22	22	23	23	23	23	+1.0%

China

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Matchmaking	m	49	53	57	60	64	67	+6.5%
Online Dating	m	68	78	88	95	100	104	+8.9%
Casual Dating	m	10	11	12	12	13	14	+5.8%

Europe

Segment	Unit	2016	2017	2018	2019	2020	2021	CAGR[1] 16 – 21
Matchmaking	m	15	16	16	16	16	17	+1.7%
Online Dating	m	53	54	56	57	58	59	+2.0%
Casual Dating	m	21	21	22	22	22	23	+2.1%

1: CAGR: Compound annual growth rate/ average growth rate per year
Source: Digital Market Outlook 2016

© Statista Digital Market Outlook

KEY TAKEAWAYS

Market sizing subjects for Dating Services

	United States	China	Europe
Market size	› Largest market globally with revenue of US$1.9bn in 2016 › Within the dating services market, matchmaking services generate the majority of revenue with about 40% in 2016 › The user base is largest in the online dating segment with 44m user	› Smallest market compared to US and Europe (US$0.57bn in 2016) › The matchmaking segment over-shadows the other segments sig-nificantly with a revenue share of 80% › China's average revenue per user is the smallest when compared to the US and Europe, with US$5 per user	› Europe has a market volume of US$1.2bn in 2016 › Similar to the US, matchmaking services generate the majority of revenue with about 40% in 2016 › The popularity of apps differs from country to country. Overall, Tinder, Badoo and Lovoo are most popular
Growth rate	› Revenue is expected to rise to US$2.3bn in 2021 › Across Europe and China, US revenue and user base is expected to have the lowest annual growth rate › This is due to its highly saturated dating services market	› Revenue is expected to increase and will reach a market volume of USD$0.9bn in 2021 › User base will increase and about 14% of the adult population in China will use dating services in 2021	› Europe is growing at about the same pace as the US market with a CAGR[1] of 3.6% › Revenue is expected to rise to US$1.5bn in 2021 › User base will rise to 89 million users in 2021 at an annual growth rate of just about 1%
Trend signals	› Mobile dating apps will continue to grow in 2016 as companies invest heavily in mobile technologies › Many different algorithms are being developed to find most compatible matches. For example, Tinder cooperates with Spotify to match potential partners based on their taste in music	› Chinese society exhibits a strong marriage pressure. Marriage websites, such as Jiayuan, Zhenai and Baihe, are therefore very popular. Baihe plans on offering wedding services and marriage counseling to its users › Yet, apps such as Momo or Tantan have become increasingly popular due to high smartphone penetration	› Consolidations will take place like the takeover of the Match Group (incl. >45 brands) which will help minimize the number of fake profiles and chat bots › Dating apps based on new concepts will be established, such as Whispar, where users can create an audio-profile, or Loveflutter, which connects users solely based on personalities

1: CAGR: Compound annual growth rate/ average growth rate per year
Source: Digital Market Outlook 2016

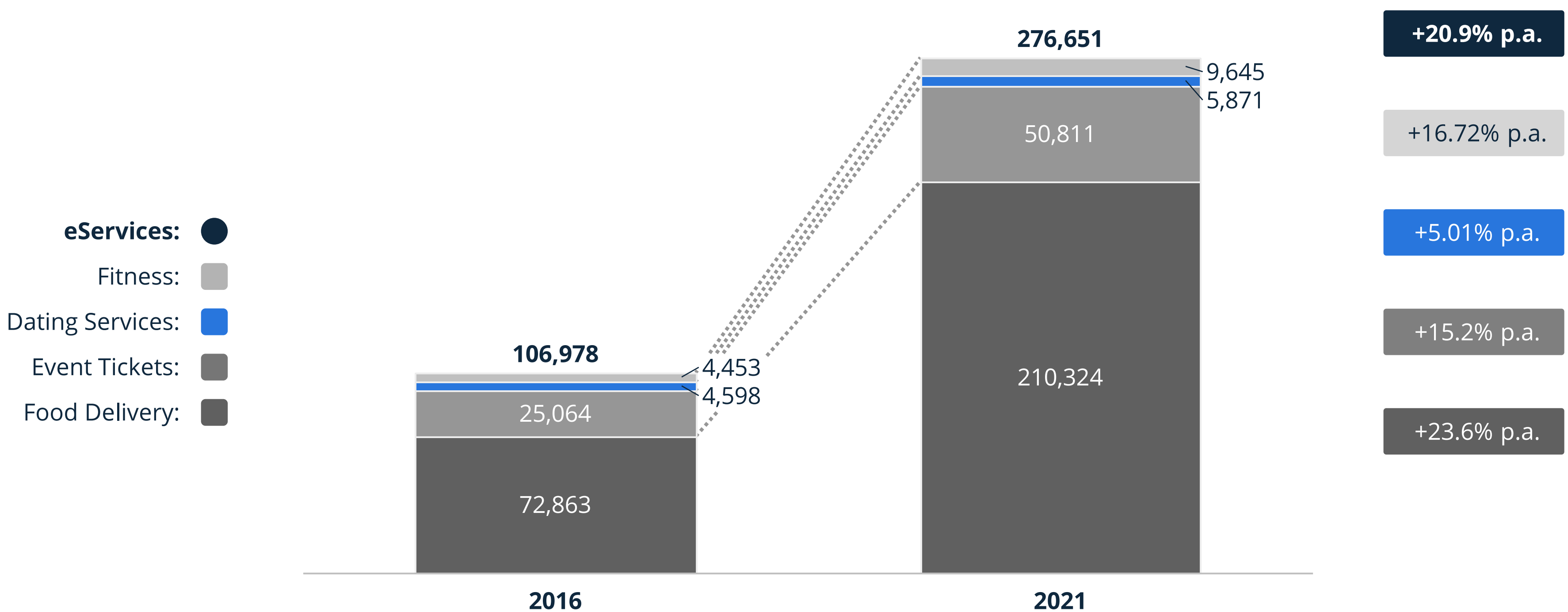
© Statista Digital Market Outlook

DATING SERVICES SEGMENT IN eSERVICES

Dating services global segment size and growth rates

Global[1] eServices market revenue — *CAGR[2] 16 – 21*

in million US$ by segment

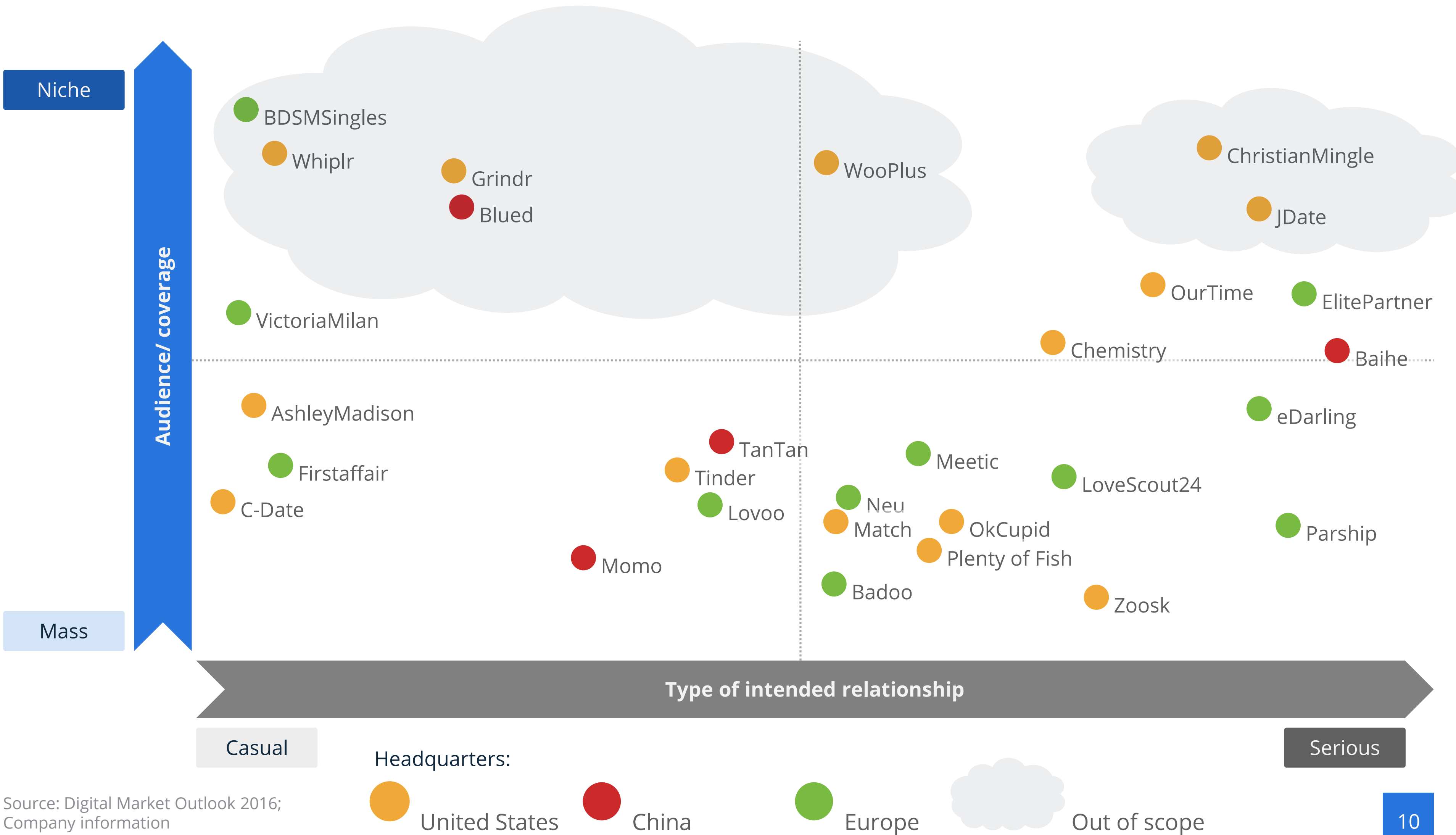


1: Only includes countries listed in the Digital Market Outlook
2: CAGR: Compound Annual Growth Rata/ average growth rate per year
Source: Digital Market Outlook 2016

© Statista Digital Market Outlook

DATING SERVICES VENDOR LANDSCAPE

Dating portals/apps segmentation of selected players

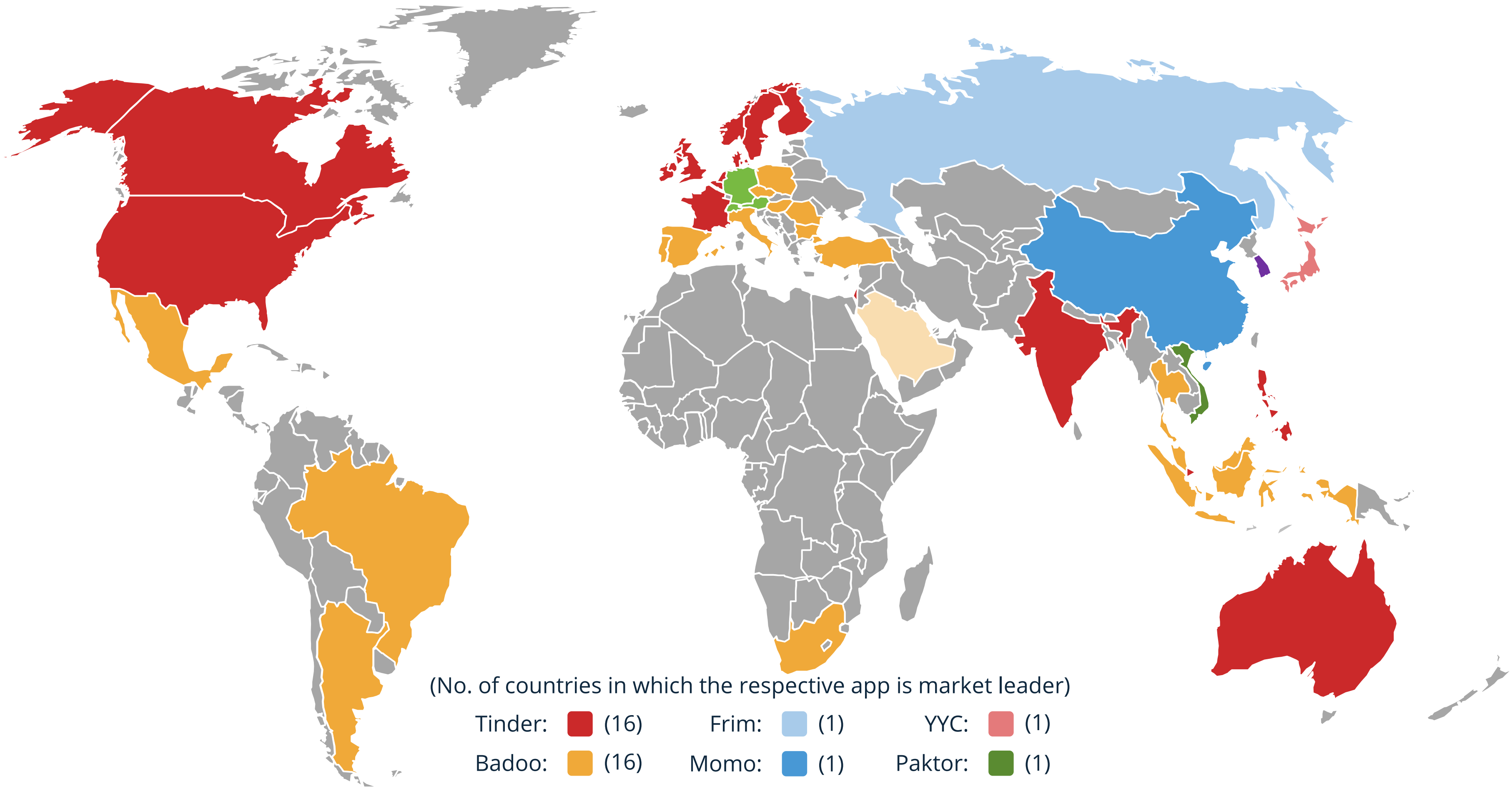


Source: Digital Market Outlook 2016; Company information

© Statista Digital Market Outlook

TINDER AND BADOO ARE TOP DATING APPS[1]

Most downloaded dating apps in 2015 by country



1: Considering 41 countries included in the Statista Digital Market Outlook
Source: BBC News; App Annie

© Statista Digital Market Outlook

DATING SERVICES REVENUE STREAMS

Market structure and definition

Segment	*Revenue stream*		*Out of segment*
Dating Services	**Matchmaking**	The "Matchmaking" segment contains online services for the search for partners by applying mathematical algorithms to match its users. The main characteristic of these services is the fact that registered members search for life partners who are willing to enter into a long-term committed relationship. Matchmaking services automatically recommend potential partners to their users.	**Niche Dating** Niche Dating, which includes dating apps like WooPlus (for plus-size singles) or VegLove (for vegetarians), is not considered .
	Casual Dating	The "Online Dating" segment includes online services that offer a platform on which its members can flirt, chat or fall in love (e.g. neu.de). In contrast to matchmaking services, online dating focuses on casual contacting and easy flirting among its members. The users normally carry out the search on their own. In doing so, they can apply search filters with regard to criteria such as age, location and other attributes.	**Offline Dating Services** Offline dating agencies are excluded from our forecasts.
	Online Dating	"Casual Dating" comprises online services for the establishment of sexually oriented contacts outside of romantic relationships. These are not exclusively addressed to singles, but also provide people with ways to enter into extra-relational affairs like Ashley Madison. These types of dating portals (e.g. C-Date or Secret.de) clearly focus on non-committal erotic adventures.	**Speed Dating** Speed Dating and similar events for singles are not included.

In scope   Out of scope

© Statista Digital Market Outlook

ABOUT DIGITAL MARKET OUTLOOK

9 Markets, 36 segments & 94 sub-segments

Digital Media
Video-on-Demand, Digital Music, Video Games, ePublishing

FinTech
Digital Payments, Business Finance, Personal Finance

eTravel
Online Travel Booking, Mobility Services

eServices
Event Tickets, Fitness, Dating Services, Food Delivery

eHealth
Diabetes, Hypertension, Heart Failure

Connected Car
Content & Services, Safety & Driving Assistance, Navigation Services, Diagnostics & Maintenance, Connectivity

Smart Home
Home Automation, Security, Home Entertainment, Ambient Assisted Living, Energy Management

e-Commerce
Fashion, Electronics & Media, Food & Personal Care, Furniture & Appliances, Toys, Hobby & DIY

Digital Advertising
Banner Ads, Video Ads, Search Ads, Social Media Ads, Classifieds

Exclusive part of the **Statista Corporate account**

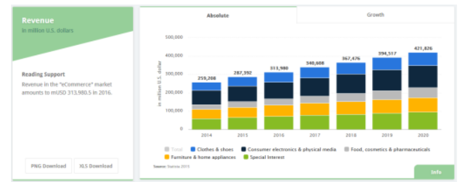
Access *to more than* ***1,000,000 statistics*** *and* ***all digital markets***

more information

from
$449
per month

Details

- **50 countries**
- **Direct access & downloads**
- **7-Year coverage: 2015 – 2021**
- **Revenue forecasts**



- **User count and demographics**

- **Comparable data**

© Statista Digital Market Outlook

IMPRINT

Contact and information on the author

Kathrin Schreiber

Analyst

Kathrin Schreiber graduated in Business Analytics and Management Sciences at the University of Southampton. In her studies she specialized in decision analysis & modelling and forecasting.

At Statista she works as market specialist on projects related to the digital economy and is also responsible for the development of forecasting models and tools.

E-MAIL

kathrin.schreiber@statista.com

WEB

statista.com/outlook

Released: ***November 2016***

Imprint

Statista ▪ Johannes-Brahms-Platz 1 ▪ 20355 Hamburg ▪ +49 40 413 49 89 0 ▪ **www.statista.com**

Disclaimer

This study is based on survey and research data of the previously mentioned sources. The forecasts and market analysis presented were researched and prepared by Statista with great care.

For the presented survey data, estimations and forecasts Statista can not assume any warranty of any kind. Surveys and forecasts contain information not naturally representing a reliable basis for decisions in individual cases and may be in need of further interpretation. Therefore Statista is not liable for any damage arising from the use of statistics and data provided in this report.