eSERVICES:
DATING SERVICES
# Overview

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<tr>
<th>Pages</th>
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<th>Essentials</th>
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| 03 – 05 | Detailed overview | 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 | Largest market is the US with US$1.9bn in 2016  
China has the highest average growth rate (10.4%) |
| 09 – 10 | Framework | 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 | In Europe most countries are dominated by Tinder, followed by Badoo and Lovoo |
| 12 – 14 | Market structure, contact and imprint | |
Market scope – Dating Services

Dating Services: Products and Services

- Online Dating
- Matchmaking
- Casual Dating
- Speed Dating
- Niche Dating
- Social Networks
- Event Tickets
- Fitness
- Food Delivery

Focus segment
Out of scope
Other segment reports
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.”


**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.
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% CAGR¹ 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”

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 ARPU² is the smallest in this segment.

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

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DATING SERVICES IN MAJOR REGIONS

Market KPI comparison by region

Revenue forecast

in million US$ by region

United States

Casual Dating:


c2016: 540
2021: 682

+3.5% p.a.

Online Dating:


c2016: 650
2021: 714

+10.4% p.a.

Matchmaking:


c2016: 734
2021: 890

+3.6% p.a.

China

Casual Dating:


c2016: 452
2021: 733

+22% p.a.

Online Dating:


c2016: 36
2021: 159

+41.12% p.a.

Matchmaking:


c2016: 282
2021: 585

+20.4% p.a.

Europe

Casual Dating:


c2016: 77.59
2021: 87.09

+10.96% p.a.

Online Dating:


c2016: 2.13
2021: 2.65

+24.31% p.a.

Matchmaking:


c2016: 13.76
2021: 15.63

+15.63% p.a.

Revenue per user

in US$ by region

United States

2016: 24.31
2021: 29.19

China

2016: 2.13
2021: 2.65

Europe

2016: 6.60
2021: 6.98

Source: Digital Market Outlook 2016
## DATING SERVICES IN MAJOR REGIONS

### Market KPI comparison by region

#### Dating Services revenue

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</thead>
<tbody>
<tr>
<td>Total</td>
<td>mUS$</td>
<td>1,924</td>
<td>2,012</td>
<td>2,093</td>
<td>2,167</td>
<td>2,231</td>
<td>2,286</td>
<td>+3.5%</td>
<td>565</td>
<td>642</td>
<td>719</td>
<td>793</td>
<td>863</td>
<td>928</td>
<td>+10.4%</td>
<td>1,217</td>
<td>1,270</td>
<td>1,319</td>
<td>1,366</td>
<td>1,410</td>
<td>1,450</td>
<td>+3.6%</td>
</tr>
<tr>
<td>Matchmaking</td>
<td>mUS$</td>
<td>734</td>
<td>774</td>
<td>810</td>
<td>841</td>
<td>867</td>
<td>890</td>
<td>+3.9%</td>
<td>452</td>
<td>508</td>
<td>565</td>
<td>622</td>
<td>678</td>
<td>733</td>
<td>+10.1%</td>
<td>585</td>
<td>608</td>
<td>629</td>
<td>649</td>
<td>668</td>
<td>685</td>
<td>+3.2%</td>
</tr>
<tr>
<td>Online Dating</td>
<td>mUS$</td>
<td>650</td>
<td>666</td>
<td>681</td>
<td>693</td>
<td>704</td>
<td>714</td>
<td>+1.9%</td>
<td>91</td>
<td>109</td>
<td>126</td>
<td>140</td>
<td>151</td>
<td>159</td>
<td>+11.7%</td>
<td>350</td>
<td>364</td>
<td>376</td>
<td>388</td>
<td>399</td>
<td>409</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Casual Dating</td>
<td>mUS$</td>
<td>540</td>
<td>572</td>
<td>603</td>
<td>632</td>
<td>659</td>
<td>682</td>
<td>+4.8%</td>
<td>22</td>
<td>25</td>
<td>28</td>
<td>31</td>
<td>34</td>
<td>36</td>
<td>+10.6%</td>
<td>282</td>
<td>298</td>
<td>314</td>
<td>329</td>
<td>343</td>
<td>356</td>
<td>+4.8%</td>
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#### Dating Services paying user

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</tr>
</thead>
<tbody>
<tr>
<td>Matchmaking</td>
<td>m</td>
<td>9</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>10</td>
<td>+1.5%</td>
<td>49</td>
<td>53</td>
<td>57</td>
<td>60</td>
<td>64</td>
<td>67</td>
<td>+6.5%</td>
<td>15</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>16</td>
<td>17</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Online Dating</td>
<td>m</td>
<td>44</td>
<td>45</td>
<td>45</td>
<td>46</td>
<td>46</td>
<td>46</td>
<td>+0.9%</td>
<td>68</td>
<td>78</td>
<td>88</td>
<td>95</td>
<td>100</td>
<td>104</td>
<td>+8.9%</td>
<td>53</td>
<td>54</td>
<td>56</td>
<td>57</td>
<td>58</td>
<td>59</td>
<td>+2.0%</td>
</tr>
<tr>
<td>Casual Dating</td>
<td>m</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>23</td>
<td>+1.0%</td>
<td>10</td>
<td>11</td>
<td>12</td>
<td>12</td>
<td>13</td>
<td>14</td>
<td>+5.8%</td>
<td>21</td>
<td>21</td>
<td>22</td>
<td>22</td>
<td>22</td>
<td>23</td>
<td>+2.1%</td>
</tr>
</tbody>
</table>

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1: CAGR: Compound annual growth rate/ average growth rate per year

Source: Digital Market Outlook 2016
## KEY TAKEAWAYS

### Market sizing subjects for Dating Services

<table>
<thead>
<tr>
<th>United States</th>
<th>China</th>
<th>Europe</th>
</tr>
</thead>
<tbody>
<tr>
<td>◀▶ Largest market globally with revenue of US$1.9bn in 2016</td>
<td>◀▶ Smallest market compared to US and Europe (US$0.57bn in 2016)</td>
<td>◀▶ Europe has a market volume of US$1.2bn in 2016</td>
</tr>
<tr>
<td>◀▶ Within the dating services market, matchmaking services generate the majority of revenue with about 40% in 2016</td>
<td>◀▶ The matchmaking segment overshadows the other segments significantly with a revenue share of 80%</td>
<td>◀▶ Similar to the US, matchmaking services generate the majority of revenue with about 40% in 2016</td>
</tr>
<tr>
<td>◀▶ The user base is largest in the online dating segment with 44m user</td>
<td>◀▶ China’s average revenue per user is the smallest when compared to the US and Europe, with US$5 per user</td>
<td>◀▶ The popularity of apps differs from country to country. Overall, Tinder, Badoo and Lovoo are most popular</td>
</tr>
<tr>
<td>◀▶ Revenue is expected to rise to US$2.3bn in 2021</td>
<td>◀▶ Revenue is expected to increase and will reach a market volume of USD$0.9bn in 2021</td>
<td>◀▶ Europe is growing at about the same pace as the US market with a CAGR(^1) of 3.6%</td>
</tr>
<tr>
<td>◀▶ Across Europe and China, US revenue and user base is expected to have the lowest annual growth rate</td>
<td>◀▶ User base will increase and about 14% of the adult population in China will use dating services in 2021</td>
<td>◀▶ Revenue is expected to rise to US$1.5bn in 2021</td>
</tr>
<tr>
<td>◀▶ This is due to its highly saturated dating services market</td>
<td></td>
<td>◀▶ User base will rise to 89 million users in 2021 at an annual growth rate of just about 1%</td>
</tr>
<tr>
<td>◀▶ Mobile dating apps will continue to grow in 2016 as companies invest heavily in mobile technologies</td>
<td>◀▶ 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</td>
<td>◀▶ Consolidations will take place like the takeover of the Match Group (incl. &gt;45 brands) which will help minimize the number of fake profiles and chat bots</td>
</tr>
<tr>
<td>◀▶ 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</td>
<td>◀▶ Yet, apps such as Momo or Tantan have become increasingly popular due to high smartphone penetration</td>
<td>◀▶ 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</td>
</tr>
</tbody>
</table>

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1: CAGR: Compound annual growth rate/average growth rate per year

Source: Digital Market Outlook 2016

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DATING SERVICES SEGMENT IN eSERVICES

Dating services global segment size and growth rates

Global\textsuperscript{1} eServices market revenue

in million US$ by segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2016</th>
<th>2021</th>
<th>CAGR\textsuperscript{2} 16 – 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dating Services</td>
<td>106,978</td>
<td>210,324</td>
<td>+20.9% p.a.</td>
</tr>
<tr>
<td></td>
<td>25,064</td>
<td>4,598</td>
<td>+16.72% p.a.</td>
</tr>
<tr>
<td></td>
<td>72,863</td>
<td>5,871</td>
<td>+5.01% p.a.</td>
</tr>
<tr>
<td></td>
<td>4,593</td>
<td>9,645</td>
<td>+15.2% p.a.</td>
</tr>
<tr>
<td></td>
<td>345,430</td>
<td>276,651</td>
<td>+23.6% p.a.</td>
</tr>
</tbody>
</table>

\textsuperscript{1} Only includes countries listed in the Digital Market Outlook
\textsuperscript{2} CAGR: Compound Annual Growth Rate/ average growth rate per year
Source: Digital Market Outlook 2016
Dating portals/apps segmentation of selected players

- **Type of intended relationship**: Casual, Serious
- **Audience/coverage**: Mass, Niche

**Headquarters**: United States, China, Europe, Out of scope

**Source**: Digital Market Outlook 2016; Company information
TINDER AND BADOOO ARE TOP DATING APPS

Most downloaded dating apps in 2015 by country

(No. of countries in which the respective app is market leader)

- Tinder: (16)
- Badoo: (16)
- Lovoo: (3)
- Frim: (1)
- Momo: (1)
- YYC: (1)
- Paktor: (1)
- Heartbeep: (1)
- WhosHere: (1)

1: Considering 41 countries included in the Statista Digital Market Outlook
Source: BBC News; App Annie
## DATING SERVICES REVENUE STREAMS

### Market structure and definition

<table>
<thead>
<tr>
<th>Segment</th>
<th>Revenue stream</th>
<th>Out of segment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dating Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Matchmaking</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Casual Dating</td>
<td>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.</td>
<td></td>
</tr>
<tr>
<td>Online Dating</td>
<td>“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.</td>
<td>Niche Dating, which includes dating apps like WooPlus (for plus-size singles) or VegLove (for vegetarians), is not considered.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Offline Dating Services, which are excluded from our forecasts.</td>
</tr>
<tr>
<td></td>
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<td>Speed Dating, which includes Speed Dating and similar events for singles are not included.</td>
</tr>
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</table>
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

Details

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

User count and demographics

Comparable data

Exclusive part of the Statista Corporate account

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

more information

$449 per month
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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.

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