

GlobalDating.com Insights

2013/14

INDUSTRY REPORT



FOREWORD



Welcome to the first ever Global Dating Insights Industry Report.

Over the next 12 pages you will find a snapshot of the industry in 2013/14, told by the executives from some of the top online dating companies.

We hear from the biggest dating brands like eHarmony, to startups The Dating Ring through to niche sites Christian Connection and white label providers.

2013 has been a very important year for the industry, and one which brought about many changes.

Tinder's massive success showed the possibilities of a mobile-only app and pushed

online dating further into the mainstream - tapping into previously elusive social groups.

And with the industry growing, and attitudes towards online dating changing, the industry has been thrust into the limelight - and with it comes a call for greater regulation, security and honesty.

Now estimated to be a \$4bn industry, it is one which is adapting and evolving to the times - new technological advances and fresh models are changing the landscape and in concurrence, online dating is shedding its stigma.

This report is a look at the state of the industry in 2013, and what we can expect to see in 2014 - we really hope you enjoy it!

Simon Edmunds - Editor

Global Dating Insights launched in September 2013 and has quickly become a key source of news, interviews, features and analysis for the online dating industry.

We are the only independent, editorially led news site and since we launched feedback has been overwhelming. I owe a huge thank you to each of our sponsors who make the site possible.

In the past month we have added free to advertise vacancies and an events listings section, showcasing the latest international conferences, jobs and events for the industry.

This is the first of our quarterly Special Reports. Each will focus on a different area of our industry and will be free to download. It seemed only right that our first report reviews 2013 and looks forward to what 2014 holds, collecting the thoughts and opinions of some of the leading brands in the industry.

Thank you to all of our contributors and my apologies for those we had to leave out on this occasion.

Enjoy the report, enjoy the site and thank you for your support.

Simon Corbett - Founder



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BIG DATING BRANDS

In 2013 there was a shift in the online dating industry, and while mobile apps took the headlines, the biggest players continued to expand and push innovation, having another year of significant growth.

New models, technologies, and greater user expectations are changing the industry, and every company, even those with the largest market share, must adapt to swim in new waters.

We have the thoughts of executives from some of the biggest companies in the industry: Geoff Cook, CEO of MeetMe, Shayan Zadeh, founder & CEO of Zoosk, Brett Harding, CEO and founder of Lovestruck and Romain Bertrand, Marketing Director of eHarmony UK.

HOW WOULD YOU SUM UP 2013 FOR THE DATING INDUSTRY AND FOR YOUR COMPANY?

We've seen tremendous uptick in acceptance of online dating this year, as noted by the Pew study that came out in October. As Big Data transforms all industries, including shopping (Amazon), entertainment (Netflix) and music (Pandora), 2013 showed that dating is no exception.

Zoosk improved its Behavioral Matchmaking™ technology this year, and as the underlying algorithm that powers all of Zoosk's products got smarter, singles found even greater success using our service.



Shayan Zadeh
Founder and CEO
Zoosk

2013 was the year when online dating was truly accepted and embraced by the public. The perception of online dating has changed to one where consumers clearly understand that it's a fun, effective and exciting way to meet someone.

As this has happened, the public have begun to make a stronger differentiation between online dating brands, understanding the different propositions of each. As such, only brands with a very

clear offering stood out.

Romain Bertrand
UK Marketing Director
eHarmony



With each passing year, singles are becoming more and more comfortable with the idea of meeting potential dates online, and 2013 has been no exception. It's been another excellent year of growth for the dating industry, despite the adverse economic situation. As for Lovestruck, we were ranked the fifth fastest-growing technology company in the UK by Deloitte (and one of the fastest growing in the EMEA region, too) capping off another year of substantial growth in the UK, Hong Kong and Singapore.



Brett Harding
Co-founder and MD
Lovestruck

"2013 WAS THE YEAR WHEN ONLINE DATING WAS TRULY ACCEPTED AND EMBRACED BY THE PUBLIC"

ROMAIN BERTRAND

WHO HAS IMPRESSED YOU IN THE PAST 12 MONTHS IN THE INDUSTRY?

At Zoosk, we consider ourselves both a dating company AND a technology company. In the tech industry, LinkedIn has demonstrated that big data can transform recruiting. We're hiring at a rapid pace, closing out 2013 with over 160 employees, and LinkedIn gets smarter and better every day in helping us identify and pursue great candidates.



Shayan Zadeh
Founder and CEO
Zoosk

Dating brands have been thinking more three dimensionally in 2013. We've seen some brands move into the experiential realm with their marketing, and some newcomers have even based their proposition entirely on what new technology can provide. One of the best developments has also been the formation of the Online Dating Association, by the key

\$4 BILLION

INDUSTRY GLOBAL WORTH

players in the industry. This is a great step forward for the industry as a whole.

Romain Bertrand
UK Marketing Director
eHarmony



Tinder. Although the product is essentially a variation of the much-maligned Hot or Not, Tinder have made it a simple, frictionless and fun experience, with instant profile completion via Facebook, a yes/no swiping mechanism and messaging restrictions. It has opened the world of meeting people online up to those

WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY FACES?

As one of the biggest online consumer industries, it's our collective responsibility to make sure we are protecting the data of our customers. More and more online businesses are targets of cybercriminals, and our industry is no exception.

Even if a few properties don't take this challenge seriously and end up losing customer information, we as an industry risk to lose the trust of our customers. At Zoosk, we invest an immense amount of effort on this front and I hope everybody else does too.



Shayan Zadeh
Founder and CEO
Zoosk

initially unwilling to join a more traditional dating service.



Brett Harding
Co-founder and MD
Lovestruck

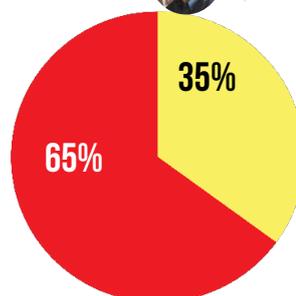
Tinder took the industry by storm by capturing college students and making mobile dating "cool". Still, they have their challenges with spam bots increasing on the network, which is a difficult thing to deal with, when all you have to judge a person's authenticity is a photo.

Geoff Cook
CEO
MeetMe



Dating sites that don't move with the times will be left behind in 2014. We've made sure that we're catering to the mobile and tablet generation, so that our customers can interact with us on their terms, and in a way that's convenient and fun for them. As the market becomes more competitive, it might be an easy solution to reduce service levels for customers and concentrate on enticing new members.

However, it's important to look after members and to make sure that they have the best chance at



WHERE DO PEOPLE MEET?

ONLINE ●
OFFLINE ●

meeting a partner on your site - after all that's what they are there for. A safe and secure environment is crucial for a long-term business.

Romain Bertrand
UK Marketing Director
eHarmony



Its reputation; 2013 saw the industry rocked by revelations involving a few unscrupulous companies' practices, so the Online Dating Association was established to provide consumers with a more informed choice about which sites to join. In a word - trust.

Brett Harding
Co-founder and MD
Lovestruck



One of the bigger challenges the industry faces is problems with "realness". It's commonplace to see people upload a photo of them from 5 to 10 years ago, even though they may look completely different now. People sugar-coat their profiles and change their profile photos to be an unreal representation of them, which can make first-time meetings more stressful and frustrating, when it should be fun.

Geoff Cook
CEO
MeetMe



15 MILLION MEMBERS OF
match.com

WHAT ARE THE GREATEST OPPORTUNITIES FOR THE INDUSTRY?

The best technology is completely invisible and intuitive to the user, but it makes a huge difference in the end result. Dating has traditionally involved a lot of extra work from singles to get to a meaningful relationship - long quizzes, complicated search filters, etc. I hope that dating

companies take a page from the best technology companies and create products that feel almost like magic, and get you to a relationship quicker and more pleasurable. It's certainly what we're striving to do.

Shayan Zadeh
Founder and CEO
Zoosk



"IT'S OUR COLLECTIVE RESPONSIBILITY TO MAKE SURE WE ARE PROTECTING THE DATA OF OUR CUSTOMERS"

SHAYAN ZADEH

The opportunity comes from the challenge of a more market-aware customer. Sites can no longer hope to grab a slice of the pie by putting a generic site out on the market - even if it does nod to a niche market segment through its branding or marketing strategy. Online dating brands will need to do as well as say - delivering great service, satisfaction and ultimately value for money, through a brilliant experience. Consumers simply won't settle for less.

Romain Bertrand
UK Marketing Director
eHarmony



As people are becoming more and more comfortable with

technology integrating deeper into their everyday lives, online dating has the ability to match people in the most incredible ways -

augmented reality, smartphone/watch geo-matching, Facetime dating, leveraging the real-time social graph into matching. In fact, anything that the online dating industry does to harness the incredible feeling of a serendipitous encounter would be warmly welcomed by the planet's 2.3 billion singles.

Brett Harding
Co-founder and MD
Lovestruck



One of the greatest opportunities is further using mobile to enable people to have quick interactions with people near them. When it comes down to it, a dating platform's job is to surface the right people and then get out of the way.

There are 50 million people aged 18 to 30 in the US, and more than a billion worldwide. Someone is

going to capture the entire market, because there is so much more you can do with people-matching if you have dramatic geographic density and deep data on people's interests and likes. We have more than 1 million people logging in every day and we look to dramatically expand this in the coming year.

Geoff Cook
CEO
MeetMe



WHAT TRENDS ARE YOU PREDICTING FOR 2014?

As people come to expect parity and even an improved experience on mobile devices, the dating experience will continue to evolve across many mobile platforms. We've certainly benefitted from this trend as the #1 dating app for Apple devices.

Shayan Zadeh
Founder and CEO
Zoosk



We think that the older market will be even more important in 2014. Younger users were the early adopters of online dating, but just like we've seen with the likes of Facebook, as older consumers become increasingly tech-literate, they will get behind brands they trust in a big way.

Many of these people will be "second-time-arounders", who turn to online dating as a means to find a partner, which may be difficult within their small social

circles, or a gentler way to get back into the dating game again.

Romain Bertrand
UK Marketing Director
eHarmony



In 2014, I think people will continue to want to be able to have quick engagement with applications to find dates, but I also think people will begin to look for more about a person than their profile picture when deciding to have a conversation with them, or meet for a date. People want to be more than their best profile picture. I think video could come into its own this year in dating, as Vine and Instagram have popularized social video in 2013. That's why we recently launched an app called Charm.

Geoff Cook
CEO
MeetMe



\$4.95

COST TO FILTER OUT CERTAIN MEMBERS ON MATCH.COM

GDI THOUGHTS

With fresh competition and new ideas in the industry - in 2014 we will certainly see the biggest brands experimenting with mobile and tablet, big data, as well as further attempts to crack the offline model.

And with brands offering, and users expecting, authentication features, the fight against scammers and fraudulent activity becomes an even more pressing concern.

An environment of competition can be a positive thing for the industry, driving brands to deliver improved products - which in turn increases trust and satisfaction amongst users.

We look forward to a year of inventive ideas, intuitive technologies and improved user happiness, that will push the dating industry forward into new and exciting places.

MOBILE

There is no denying that 2013 was the year of mobile.

While the promise of handheld dating had been bubbling away long before 2013 - last year dating leviathans POF and Match saw over 40% of users go mobile - this year we saw the unique strength of mobile brands take over.

With simple ideas and clever technology tailored for the user, dating apps captured the attention of new social groups and tilted the balance away from desktop - putting the dating world in the palm of your hand.

At the vanguard of this mobile revolution was Tinder.

It was the first mobile-only app to show the possibilities of mobile dating, and its stratospheric rise showed how a well-designed, simple and efficient app could stage a coup against the established dating models.

Tinder was a perfect distillation of what mobile dating did right in 2013 - by understanding and catering the functionality of the product to the user.

We have collected the thoughts of experts from some of the top dating apps out there - to see how they saw 2013, and what 2014 promises for mobile dating.

Enjoy the comments of Matt Verity, from London-based company TrueView, Colin Hodge from DOWN (formerly Bang With Friends), and Massimiliano Silenza from OneBip.

HOW WOULD YOU SUM UP 2013 FOR THE DATING INDUSTRY AND FOR YOUR COMPANY?

The proliferation of smartphones has made browser-based dating sites look quaint. Mobile is no longer the future, it's the present. People expect to be able to easily meet new people on the go and have an ability to meet up with them in person later.

The long, thought-out profile and the compatibility tests are a thing of the past. This sentiment

is made especially clear by the success of Tinder and other mobile-only dating applications.



Geoff Cook
CEO
MeetMe

At DOWN (formerly Bang With Friends), we had an absolutely huge year! We launched in late January with zero users, quickly grew to well over a million, and continue to see exciting momentum in our latest updates. We've shown that there is a lot of pent-up demand for more natural, safe, modern and simple dating, aided by technology. It's truly rewarding to hear the success stories and excitement from our users, and we're focusing on fuelling magnitudes more.

2013 was the year of the youngsters for the dating industry. Dating start-ups launched at a feverish pace and thankfully brought some necessary

"2013 WAS THE YEAR OF THE YOUNGSTERS FOR THE DATING INDUSTRY"

COLIN HODGE

innovations. We are happy to be one of the start-ups reviving and redefining the dating industry, especially helping to expand it more into the mainstream and for younger audiences.

The dating space grew very crowded and competitive following our rapid success, including many copycats, but it's exciting to see this attention chip away at the stigma of online dating.

Colin Hodge
Co-founder and CEO
DOWN (Bang with Friends)



WHO HAS IMPRESSED YOU IN THE PAST 12 MONTHS IN THE INDUSTRY?

Since I spent time in the trenches of the dating startup world before DOWN, I am most impressed by companies that are able to grow quickly to critical mass, despite all



of the noise in the industry.



Colin Hodge
Co-founder and CEO
DOWN (Bang with Friends)

Has to be Tinder. They just blew it wide open, they have started a revolution. The gap between social networks and online dating is closing rapidly and their growth rate is phenomenal. People don't realise how hard it is to launch a digital product or service, especially on a limited budget. The viral effect that Tinder created is what any company in any industry would envy.

Though my admiration is also attributed to what it has done for the industry. They have created a huge wave, which every company will feel. It has generated huge awareness that online dating is moving and changing all the time. With new innovative products launching all the time, this can only be a good thing for the industry, as long as they understand it's not only about the technology, but the business ethics as well.

Matt Verity
Co-founder and CCO
TrueView



WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY FACES?

My top three are: first, completely removing the stigma associated with online dating - lots of

progress is being made but there's much more to do. Second, making it safe and natural to use, while maintaining comfortable privacy. Third, removing the ceiling so we can be a high revenue growth industry on the

7% OF US ADULTS HAVE USED THEIR MOBILE PHONE FOR DATING

scale of Facebook, Google, and Microsoft.



Colin Hodge
Co-founder and CEO
DOWN (Bang with Friends)

I think with developments in technology comes huge behavioral shifts within industries. People expect business and services to align with that shift, otherwise they are left behind as people migrate to new and more intuitive systems that fit more comfortably into their daily lives - complimenting the technology they choose to use. We are in a world where expensive subscriptions can no longer be the moneymaking model. People download apps that they can't live without for 69p.

The industry needs to come around to this thinking. It is no longer an industry to make a quick buck and prey on the weak, it is about relevancy, useful and effective services with creative business models, that don't just front-load the

cost onto a customer to pay for extortionate TV campaigns. That is a scary cycle that I think a lot of companies are now faced with, and will have to quickly rethink

discover mutual interest and actually meet that person offline. It's a huge opportunity to become a crucial and ubiquitous utility for twenty-somethings, and future

parents. A new generation of people are emerging that have mobile, Facebook and Twitter ingrained into their everyday lives. This generation are more internet-savvy and have more confidence sharing content online. What used to be a really hard education process now already exists. Now it is just building the right product and having the right approach that excites. The creativity and

WHAT TRENDS ARE YOU PREDICTING FOR 2014?

A continuation of the slew of sites launching, with more and more consolidation and companies folding as the year goes on. I think the industry is already seeing some consumer fatigue with the heavy news coverage this year, so it's likely that users will shut off a bit and narrow down their top picks. Also, I hope to see more integration of dating tech into our daily lives in a socially positive manner, leading to more real-world meetings.



Colin Hodge
Co-founder and CEO
DOWN (Bang with Friends)

350 MILLION tinder SWIPES EVERY DAY

as more people follow the Tinder train.

With the social media and mobile boom also comes an attitudinal shift that all businesses have to take, not just those in this industry.

Customers now respond, comment and share opinions not only by the product or service, but all levels of how a business behaves. This can be hugely beneficial to a company if they choose to embrace it, however my feeling is that this industry has a lot of catching up to do, and it is the companies who are resisting this transparency and honesty that keeps the stigma of online dating alive.

In my opinion, people are more confident online than ever before, and as long as the companies in the online dating industry create a secure and trusted service that truly understands that they are dealing with people's feelings and emotions, then the industry can keep moving forward.

Matt Verity
Co-founder and CCO
TrueView



WHAT ARE THE GREATEST OPPORTUNITIES FOR THE INDUSTRY?

Creating an experience that feels natural and fits easily into all of our everyday lives. We don't believe our product needs to be boxed into just "online dating" in the future. We're making it mainstream to

generations, to get meaningful offline success.



Colin Hodge
Co-founder and CEO
DOWN (Bang with Friends)

It is a massively exciting place to be, as long as your company is prepared for it. My point being that Tinder is huge and is doing a lot to create a buzz around our industry, talking to people that previously

innovation that is now demanded of our industry is fascinating. It is starting to become a cool industry, and not just a stream of carbon copy sites with different names, who unfortunately now are being exposed for their lack of empathy towards the people who we aim to help.

Matt Verity
Co-founder and CCO
TrueView



"A NEW GENERATION OF PEOPLE ARE EMERGING THAT HAVE MOBILE, FACEBOOK AND TWITTER INGRAINED INTO THEIR EVERYDAY LIVES"

MATT VERITY

thought that online dating was only for their divorced

I think that the mobile device is both the biggest challenge and the most exciting opportunity for the online dating industry. It's a challenge because some small companies have managed to challenge consolidated leaders, by fully focusing on mobile.

The opportunities of mobile for online dating providers are immense. It enables the industry to provide their users with enhanced and real-time mobile experience, for example searching for people in the area using geolocation technology, or chatting on the move. And mobile provides a great way to monetize through carrier billing, with a high converting and user-friendly flow such as one-click payments.



Massimiliano Silenzi
Head of Onebip
Neomobile

Apps like Tinder have leveraged the way that people interact with their mobile compared to a desktop/tablet, and 2014 is going to be an extremely exciting one for the mobile dating user. But browsing hundreds of profiles on a mobile is still a compromised experience, meaning that 2014 will see native tablet apps sit alongside the more commonplace suite of website, mobile web and phone apps, as the more traditional dating sites take their visually-arresting and immersive desktop/tablet experience to a whole new level.

Brett Harding
Co-founder and MD
Lovestruck

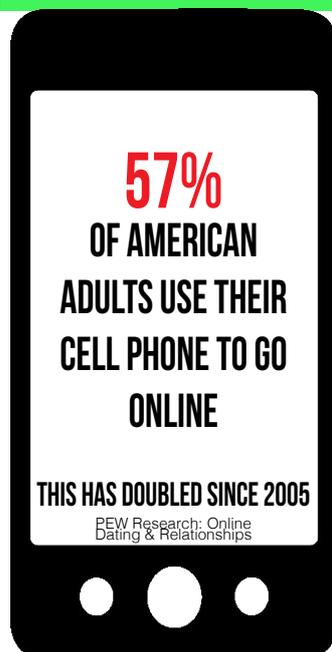


GDI THOUGHTS

Mobile has opened up a brave new world for the industry, and 2013 saw some harness its possibilities to great success.

Technology like location-based matching, social media authentication and easy sign-ups corrected some of the often complained about issues with online dating.

The vitality of having a model product is now undeniable, and in the year ahead it will be fascinating to see which innovative companies emerge, and how brands new and old evolve to survive in the new landscape.



START-UPS

In 2013, more and more companies saw the possibilities of the dating industry, using innovative technologies and subverting the past decade of industry trends, to breathe life into online dating.

A huge number of these were mobile, apps like Tinder helping to bridge the gap between online and offline, making it simpler and quicker to meet people.

One of the most feted aspects of online dating is that it widens a user's dating pool beyond the confines of their social groups - but in 2013, start-ups understood that in real life, an ocean of choice is often impractical.

New companies also connected through social media like Facebook, which added accountability and verification to help bypass constantly growing disillusionment over fake profiles and user authenticity.

And as Tinder forged new

on the scene.



Lauren Kay
Co-founder and CEO
The Dating Ring

2013 has been a year of awakening for the industry, it's finally getting to grips with our increasingly social and mobile world, and recognising a new landscape of users who demand more than the "browse, message and meet" formula of old. A new breed of start-ups are leading this charge, exploring new markets and harnessing innovative technology to make dating smarter, easier and more fun for the end user. And for Loveflutter, this philosophy has been pivotal to our successful launch this Summer across the US and UK.

Firstly, we've discovered an entirely new market of people who desire to be different and "quirky", being the first dating brand to

commitment to the importance of developing new differentiating products and services, in order to sustain the long-term growth of the company.



Ron Gonzalez
CEO
Instant Chemistry

WHO HAS IMPRESSED YOU IN THE PAST 12 MONTHS IN THE INDUSTRY?

HowAboutWe's content and couples product - among other things - have been very impressive. Grouper's growth and reach have also impressed us. OkCupid's new boost feature seems to have gone unnoticed, but I foresee it making big waves in the upcoming months.



Lauren Kay
Co-founder and CEO
The Dating Ring

Tinder for simplifying the experience (perhaps a little shallow though!) and other location-based apps like Highlight. HowAboutWe for their impressive US rollout and attempt at connecting the world of online and offline dating and Grouper, for exploring a new, but potentially niche, market for people that want to go on group dates.

Daigo Smith
Co-founder
Loveflutter



Markus Frind



Ron Gonzalez
CEO
Instant Chemistry

WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY FACES?

Providing a valuable enough service that people are willing to pay for.



Lauren Kay
Co-founder and CEO
The Dating Ring



To continue the fight against spam, fake profiles and scammers. As online dating becomes ever more pervasive, issues around security and online safety become increasingly important for users and the industry alike.

To monetize ensuring added value for the user. With the growth of free dating sites, the subscription-based model of online dating is called into question: why should I pay for online dating? The answer lies in exploring new revenue streams and adding extra value to your site through product features and services that truly help people date smarter.

To stay ahead of the technology curve. A new online dating landscape is rapidly taking shape where both technological innovation and big data are key tools to enhance both the online and offline dating experience - harnessing these for the benefit of the user is paramount.

Daigo Smith
Co-founder
Loveflutter



Changes in the behaviour and spending patterns of purchasers of the dating industry, products and services, will continue to challenge the industry. Maintaining a competitive advantage in this industry will require continual improvement and adaptation. With the emergence of new technologies, industry leaders will have an opportunity to

"TRADITIONAL ONLINE DATING ISN'T CUTTING IT WHEN IT COMES TO FINDING LONGTERM PARTNERS"

LAUREN KAY

ground, it provided influence, belief and inspiration to start-ups for the future that a well-designed, simple app could have the biggest players looking over their shoulders.

Here are the thoughts of Daigo Smith from London-based start-up Loveflutter, Lauren Kay from New York-based group dating company The Dating Ring, Shmuel Gordon from Neumate and Ron Gonzalez from bio-tech company Instant Chemistry.

HOW WOULD YOU SUM UP 2013 FOR THE DATING INDUSTRY AND FOR YOUR COMPANY?

We've seen a big move to mobile, with apps like Tinder and Let's Date, as well as mobile app versions of popular dating sites, taking the dating world by storm.

Our company launched in mid-2013, so for us it was a very great, yet hectic, first few months

connect with, and appeal to, an audience based on personality and outlook on life. Secondly, by harnessing new technology, such as interest-matching and location-based date suggestions, we've brought dating back to what it should be about: what you love in life, your interests and getting offline - on real dates!

Daigo Smith
Co-founder
Loveflutter



This year has seen incredible growth for Instant Chemistry. We have seen an explosion of interest in the field of "pairomics" - the science devoted to the study of mate choice. In the last 12 months we've launched a product that directly puts validated scientific tools in the hands of matchmakers. Instant Chemistry has established a strategic network of partnered matchmakers to achieve sustainable growth. New products are under development and this investment reflects our



differentiate themselves from the status quo, as well as increase the customer's willingness to pay. The rapid advancements of technologies such as "pairomics" will require industry leaders to be

well informed and embracing of change.



Ron Gonzalez
CEO
Instant Chemistry

With Neumate, the online dating industry is set to reach new heights. Challenges common to online daters of today have been addressed and it's only a matter of time before word spreads. The outlook is very bright for the online dating industry and more importantly, for singles.

Shmuel Gordon
CEO
Neumate



WHAT ARE THE GREATEST OPPORTUNITIES FOR THE INDUSTRY?

Branching out and providing additional services - monetizing through services, instead of messages.



Lauren Kay
Co-founder and CEO
The Dating Ring

The big one for us is seamlessly connecting the online and offline dating experience. Loveflutter has the perfect foundation for connecting these with its interest-based focus around a person's offline activities and interests, then actually helping people meet up (yes in real life!) by suggesting great date venues close by.

Daigo Smith
Co-founder
Loveflutter



There are number of new technologies on the horizon that can help the online dating community increase success rates.

There are great opportunities for bold industry leaders that embrace change to help develop the next generation of matching techniques. More and more, the biological and social sciences are delving deeper into the science of physical human attraction. I anticipate that the greatest

opportunities will come to those industry leaders that embrace change and adapt.

Much like the early days of the pharmaceutical industry, where snake oil peddling was the norm, I think that the dating industry will undergo a radical transformation in the next decade, that will see the widespread adoption of new "pairomics" technologies.



Ron Gonzalez
CEO
Instant Chemistry

online after going offline. Building a longer term relationship with a user, over a 2nd, 3rd and 4th date will be the key to success for dating brands of the future.



Daigo Smith
Co-founder
Loveflutter

I believe we will see wider adoption of "pairomics" technologies in the next year. As more people learn of new advances in matchmaking technology, we expect a large increase in demand from singles

"2013 HAS BEEN A YEAR OF AWAKENING FOR THE INDUSTRY" DAIGO SMITH

To eliminate gimmicks and inefficiencies common in online dating.

Shmuel Gordon
CEO
Neumate



WHAT TRENDS ARE YOU PREDICTING FOR 2014?

More high-touch, online bridging offline services. Grouper is leading the way as they're now in over 25 cities and just expanded to London.

There are a few start-ups in the space - including ours, of course. I think younger generations especially are looking for a new way to date, as while mobile apps can be great for hooking up, traditional online dating isn't cutting it when it comes to finding long-term partners.



Lauren Kay
Co-founder and CEO
The Dating Ring

Hopefully Loveflutter will be setting the trends in 2014! I can't give the game away of course, but expect us and other like-minded dating start-ups to be exploring new markets, spin-off products, gamification and creative and fun ways to engage daters back

who demand higher quality matches.

With a larger customer base, the cost of this technology will be driven down, thus making it more affordable and appealing to a larger market.

In addition, I anticipate that new technologies centered on privacy and authentication will also be hot areas of development. Biometrics is a field of rapid development that will also find its way into the dating industry. The embrace of "pairomics" and "biometrics" will represent a brave new era for the dating industry and an exciting time to be single!

Ron Gonzalez
CEO
Instant Chemistry



GDI THOUGHTS

Start-ups in 2013 looked to offer solutions to some of the age-old problems of online dating, and to repackage it to new generations by innovating and building models suited to their audience.

2014 will see many more companies enter the fray, and with attitudes changing, it is the perfect time to cater to, and enfranchise, new social groups.

59% - 2013

44% - 2005

THINK ONLINE DATING
IS A GOOD WAY OF
MEETING PEOPLE

PEW Research Online
Dating & Relationships

NICHE

Niche, like mobile, thrived in 2013 by offering an alternative to the sometimes overwhelming choice of the largest dating brands.

Just as mobile uses location-based matching to order the swathes of singles, so too does niche - offering a reduced pool based on interests or beliefs.

PEW Internet found that 42% of Americans know an online dater and 29% know someone who has used it to find a spouse or long-term partner.

As online dating grows, and stigma subsides, there will be more people who flock to try online dating, and niche brands have the ability to capture these new users.

HOW WOULD YOU SUM UP 2013 FOR THE DATING INDUSTRY AND FOR YOUR COMPANY?

We continued to experience international growth and have become one of the most global dating companies on the planet. In addition, like most everyone else, over 40% of our audience now comes from mobile devices, which has required considerable investment in development and design.



Noel Biderman
Founder and CEO
Ashley Madison

“LIKE MOST EVERYONE ELSE, OVER 40% OF OUR AUDIENCE NOW COMES FROM MOBILE DEVICES”

NOEL BIDERMAN

It's been a year of solid growth for us in the Christian niche, partly through incremental optimisation and we were certainly boosted by winning the iDate award in January for the best niche dating site.

I think this year will be seen to be the one where, in the UK at least, the industry is coming of age, with

the founding of the Online Dating Association. I believe that is a major step forward in the dating industry in the UK - developing a sense of responsibility and accountability.

Jackie Elton
Founder
Christian Connection



2013 was the year when smartphones replaced the desktop as the most important place for online dating. Having a large and liquid database of members remains the key to success in our market, but

having a mobile app became an increasing advantage.

2013 also felt a bit like 1984, as Google became Orwellian in using the word “Enhanced” to describe removing features from Adwords. This proved a massively time-consuming frustration, executed primarily for the benefit of Google shareholders.

For FBD Media, 2013 has been another year of significant growth, driven mainly by long-term investment in our core brands. With much of the growth in 2012 having come from Australia, this year has seen a return to focus on our core market in the UK.

Our key partner, WhiteLabelDating.com, reached

their 10th Anniversary in 2013 and we were very flattered to be named their Partner of the Decade.



Neil Stanley
CEO
FBD Media

WHO HAS IMPRESSED YOU IN THE PAST 12 MONTHS IN THE INDUSTRY?

Tinder is clearly the big winner for 2013 – it brilliantly combined

her influence will continue to grow in the years to come.



Neil Stanley
CEO
FBD Media

WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY FACES?

Major platforms, from Facebook and Bing to payment processors, still do not fully appreciate the reach and depth of online dating. Ultimately it is one of the foundations of the web and one of the critical e-commerce drivers and yet the legacy, notions and approaches towards our industry remain.



Noel Biderman
Founder and CEO
Ashley Madison

The industry's biggest challenge is reputation. The potential of the online dating industry is enormous. We address one of the most essential needs of the human being, but a large number of sites in our markets live on running databases full of fake profiles and on tricking people into subscription services.

So many users of online dating sites have suffered great financial and emotional damage that their voice is being heard even louder than those of the millions of success couples.

David Khalil
Managing Director
Affinitas GmbH



The move to mobile sites and apps. Maintaining their reputation and dealing with their critics. Really delivering on helping people to form real relationships, rather than just a form of entertainment. And of course, defeating the ever more inventive methods employed by scammers.



Jackie Elton
Founder
Christian Connection

Email is the biggest challenge.

40%

OF PEOPLE HAVE USED SITES FOR SHARED INTERESTS OR BACKGROUNDS

modern trends, new technology devices, and past inspirations to make one of the industry's biggest splashes in a long while.



Noel Biderman
Founder and CEO
Ashley Madison

I don't have enough time to study others in the industry as much as I should, but Lovestruck seem to have made great strides forward with both their technology and their marketing appeal.

Jackie Elton
Founder
Christian Connection



Lauren Barnes at WhiteLabelDating.com has been our partner manager for several years, and has been instrumental in the growth we have experienced in our business. She was quite rightly promoted this year to Head of White Label Dating in recognition of the great job she continues to do. Lauren is a key industry figure and I predict

Our industry relies on free sign-ups, followed by tempting email offers to return and pay. As a father of two teenagers, I see how little they actually use email. The declining relevance of email will therefore present real challenges for everyone in business that relies on email as we do.

Neil Stanley
CEO
FBD Media



WHAT ARE THE GREATEST OPPORTUNITIES FOR THE INDUSTRY?

Clearer synergies being explored within the industry, along with much greater respect for intellectual property being created.

Noel Biderman
Founder and CEO
Ashley Madison

The greatest opportunities will be dealing with the onset of technology. Whilst new apps such as Tinder have made headway

People thought you couldn't send private photos over the internet and Snapchat disproved this. The greatest opportunity we see is for the entrepreneur who brings genuine and selective privacy to use of a social identity in dating.

Neil Stanley
CEO
FBD Media



WHAT TRENDS ARE YOU PREDICTING FOR 2014?

There will likely be a migration from the "self publication" model of an online dating profile, to something both more image driven and possibly interest driven, based on much of the "big data" now being collected and shared.

Noel Biderman
Founder and CEO
Ashley Madison

So many trends in the industry, it is hard to keep up. There is a strong move to mobile which will continue as more and more

people access dating sites online. One will have to ask how that will affect the way, and type of relationships, people look for. As the economy appears to improve, it will be interesting to see whether this slows down the industry.

Many of us will remember how during the 2008 recession, our industry was one of the few that experienced a "bounce", so does this mean that more jobs and more activity in the rest of the economy will mean that people have less time to spend online?

Jackie Elton
Founder
Christian Connection



2014 will be the year when the major white label operators start to get serious traction in the USA. Whilst success is far from guaranteed, we will learn next year how likely that is going to be.

As our marketplace gets increasingly competitive every year, I expect significant consolidation in 2014. Many smaller players will give up investing in growth and accept

slow declines, as they extract cash from a shrinking database. Larger players will merge and acquire medium size players, ensuring the ongoing scale to dominate their marketplaces.

Neil Stanley
CEO
FBD Media

GDI THOUGHTS

The internet has long seen an awakening of niche and interest-based message boards, forums and communities whether it be for music, mothers, comics, or religion.

It follows that dating moved into these spheres, and as the market expands, niche can capture the spaces in between for those wanting a community feel from dating.

This market risks becoming saturated, but if brands deliver satisfaction to the 40% of online dating users who have tried niche, the opportunity is there to carve out a lucrative corner of the market.

"I THINK THIS YEAR WILL BE SEEN TO BE THE ONE WHERE, IN THE UK AT LEAST, THE INDUSTRY IS COMING OF AGE, WITH THE FOUNDING OF THE ONLINE DATING ASSOCIATION"

JACKIE ELTON



into online dating, private communication has been turned on its head by certain apps, most noticeably Snapchat.

Historically, it's been hard for social networks to have real penetration into the online dating market, because users want separate dating and personal identities. But as online dating goes from being acceptable to the norm, we are perhaps one technological step away from making it simple to combine social networking and dating.

WHO ARE THE ONLINE DATING ASSOCIATION?

The Online Dating Association is a new regulatory body that launched at the end of 2013. It is a great example of an industry doing the right thing at the right time, for the right reasons.

Online dating is part of everyday life. It's responsible for more new relationships than anything else and is enjoyed daily by millions. That is why 13 firms took a lead last Autumn, deciding to set up a new association, and why other leading players have welcomed the ODA and are working on becoming members. The ODA's number one priority is around setting and maintaining standards through a Code of Practice, along with giving advice and help for users. The Code is short and outcomes-based. It sets outcomes rather than prescribes what members must do at every turn. This matters given the variety we see with national brands, niche providers and white label set-ups.

We have had a warm welcome and practical help from the Information Commissioner's Office and will be producing guidance on data retention and pooled information on problem users. Workshops are planned this year on changes in consumer laws and data security.

We aim to be eyes, ears and voice for members; building political, media and regulatory understanding of the industry, influencing their actions and making sure members know of developments that affect their businesses. By George Kidd, Director and Chief Executive, The Online Dating Association. Visit us at www.onlinedatingassociation.org.uk.

WHITE LABEL

Like many in the industry, white label providers saw another very strong year of growth - gaining new clients, tailoring their services and expanding to new areas.

The market possibilities for such providers is shown by WhiteLabelDating seeing their annualised revenues hit £50m this year.

And with the industry growing, and people becoming more ready to use online dating, nearly every brand has a site - the Dating Lab counting The Telegraph and The Times among their clients.

These providers house a massive and growing database, and just like every other sector of the industry, must continue to wage war against fraud and scammers.

We have the comments of Matthew Pitt, Operations Manager at WhiteLabelDating, and Duncan Cunningham, MD of The Dating Lab.

HOW WOULD YOU SUM UP 2013 FOR THE DATING INDUSTRY AND FOR YOUR COMPANY?

In the last year, we've seen some fantastic new developments to dating technology, with the emergence of a number of interesting dating start-ups utilising mobile technology and complex matching algorithms. As the sector matures and continues to grow rapidly, the war on scammers has become even tougher - there are a number of innovative service providers, such as Scamalytics, successfully helping to combat this. Unfortunately, this will be an ongoing battle.

For WhiteLabelDating.com, 2013 has been a landmark year of sustained growth. We surpassed £50 million year in annualised revenues and welcomed our 20 millionth member on Valentine's Day. We also hit the 30 million member mark on 11th/12th December. What's more, our international expansion has further accelerated. We built on our success in Australia, using the same strategy to grow

aggressively in the US. In all, it's been a really successful year for us and we're very excited about the projects we have lined up for 2014!



Matthew Pitt
Operations Manager
WhiteLabelDating

2013 has been both a very promising and, at the same time, a very challenging year. For me, the promising side of things was the coming together of the sector as demonstrated by the formation of the Online Dating Association. I see this as a sign that the industry has reached a point of maturity which it will not step back from.

I am very proud that the founders of the ODA come from a wide cross section of companies, both large and small, yet they have all been prepared to set their own commercial priorities to one side, and to come together in an effort to craft the highest standards for the industry as a whole and



WHO HAS IMPRESSED YOU IN THE PAST 12 MONTHS IN THE INDUSTRY?

It sounds self-centred, but I would have to say our WhiteLabelDating.com partners. They consistently

For anyone working in London, the one company that has stood out is Lovestruck. They have put together some very attractive advertising campaigns and have slugged it out for market share with the market leaders, so I admire their creativity, focus and ambition. Running big campaigns takes courage in dating, as the return on investment is often measured over months. This means that you don't always know if a campaign has been cost effective until long after it has finished, which can make for a tricky few months in the early days.

“THE AUDIENCE IS FICKLE, WE NEED TO BUILD

TRUST TO ATTRACT NEW USERS”

DUNCAN CUNNINGHAM

to develop it in a responsible way. You have to remember that this process was well under way before any of the bad press surfaced, which of course leads me onto the more challenging side of the year.

2013 was marred by the actions of a few companies who brought the sector a great deal of negative publicity. There is a fine line between shrewd business and sharp practice and the actions of a few have badly tarnished the image of the industry. However, I believe that everyone recognises the need to put this behind us and to learn from the mistakes of the past, so we can move forwards and take the industry to a far better place in 2014.

Duncan Cunningham
Managing Director
The Dating Lab



rise to the challenges that both WhiteLabelDating.com and the ever-changing dating market throw at them. And despite this, they consistently deliver fantastic results on time, every time. Their dedication to growing their dating businesses is unwavering.

As our platform enters new and unknown territories, and even more diverse niches, they follow willingly and see great success. For me, that level of commitment and hard work is extremely impressive. Our partners really drive the direction of WhiteLabelDating.com forward; the rapid growth that we've seen this year is testament to our unique business partnership with them.



Matthew Pitt
Operations Manager
WhiteLabelDating

WHAT IS THE BIGGEST CHALLENGE THE INDUSTRY FACES?

As the online dating industry grows in popularity and value, now worth an estimated \$4 billion a year, sadly we are subjected to the unwanted attention of cybercriminals. One of the biggest challenges facing all e-commerce sectors, but particularly the dating industry, is the ongoing “war on scammers”. This has been going on for years, however, today's scammers are an entirely different breed. These are serious organised cybercriminals, using increasingly sophisticated methods to commit fraud.

Duncan Cunningham
Managing Director
The Dating Lab



At WhiteLabelDating.com, we invest heavily in anti-scammer technology and prevention measures.

As well as a dedicated online fraud team and a close partnership with Scamalytics, we also have a 24/7/365 highly trained human moderation team who manually assess every profile action uploaded to our platform. It's up to the industry to work together to keep on top of fraudulent trends and combat scammer activity, and to better inform consumers about staying safe online.



Matthew Pitt
Operations Manager
WhiteLabelDating

Scammers and their targeting of the dating sector will continue to be an ongoing, low-level challenge, but I feel this is manageable for most companies. The real challenge is how to grow revenue in what is already a mature market.

Attracting more users will remain the biggest challenge for each and every company and this will only be done at the expense of some companies/brands and to the benefit of a few. The audience is fickle, we need to build trust to attract new users.

Duncan Cunningham
Managing Director
The Dating Lab



WHAT ARE THE GREATEST OPPORTUNITIES FOR THE INDUSTRY?

Big data may seem like it's just a buzzword, but I truly believe that utilising data is the key to providing a good user experience. The old salesman proverb still holds true; "See the world through your customers eyes and sell your customer what your customer buys".

The dating industry is well placed to be data rich, but the challenge (opportunity) lies in transforming rational data insights into a

valuable, emotive and rewarding user journey. With the emergence of a number of new technologies, the dating businesses that master the art of data usage will be the dating stars of tomorrow. But only if they remember to keep the user experience fun and enjoyable - everything dating should be!



Matthew Pitt
Operations Manager
WhiteLabelDating

I think the ODA represents a big opportunity for the industry in the UK, and possibly further afield. Our hope is that as the press and public become more aware of the ODA's existence, then those companies that agree to abide by the ODA's code of practice will grow at the expense of those whose business model relies on questionable methods. It is all about building trust with the public and helping clean up any areas where the consumer is exposed.

Duncan Cunningham
Managing Director
The Dating Lab



WHAT TRENDS ARE YOU PREDICTING FOR 2014?

Following the precedent of 2013, mobile will become the definitive user access channel of choice in 2014. Consumers will expect a seamless "device agnostic" dating service and, as mobile usage evolves, dating providers will place greater emphasis on developing features and functionality tailored to users' needs and wants by device.

Mobile payments, whilst in their infancy, will continue to evolve. Ease of use through one-click billing will be key. The high fees still charged for direct carrier billing are a primary factor slowing mobile payment adoption for businesses. Those who combine ease of use with fees, more in

YEAR IN LAWSUITS



\$1.5BN

YULIANA AVALOS V MATCH

THIS FLORIDA MODEL IS SUING MATCH FOR UNAUTHORISED USE OF HER PICTURE ON MATCH AND OTHER IAC SITES. PART OF "ONE OF THE BIGGEST CONSPIRACIES EVER EXECUTED ON THE INTERNET" SAYS HER LAWYER, DENOUNCED AS "MERITLESS" BY MATCH.

\$20M

DORIANA SILVA V ASHLEY MADISON

THIS TORONTO WOMAN SUED THE EXTRA MARITAL SITE, CLAIMING SHE HURT HER WRISTS TYPING UP FAKE PROFILES. ASHLEY MADISON CALLED IT "FRIVOLOUS" AND SENT BUSINESS INSIDER PHOTOS OF HER RIDING A JET SKI AFTER THE CLAIM.

\$5.65M

SPEEDDATE V MATCH

SPEEDDATE CLAIM MATCH BROKE OFF A TWO YEAR CONTRACT 12 MONTHS EARLY, WHICH LED TO THE CANCELLATION OF 86 EVENTS. ALSO ACCUSE MATCH OF CANCELLING THE CONTRACT AS SOON AS THEY LEARNT OF CERTAIN SPEED DATE TRADE SECRETS, IN ORDER TO RUN THEIR OWN EVENTS.

\$1.1K

FELIPPO DE ALMEIDA SCOLARIV V LULU

BRAZILIAN MAN IS SUING THE MALE-RATING SITE AFTER HE SAW HIS 7.7/10 PROFILE RATING.

line with those charged by credit companies, will see rapid take-up.

Assisted searching via recommendation engines will flourish in adoption and popularity across the industry. "People who looked at this profile also looked at this one" is a proven winner with consumers... just ask Amazon. There is a wealth of untapped potential for dating providers here.

Site operators will invest more time and resources into profile validation, adapting to combat rising levels of scammer activity to further protect their members.



Matthew Pitt
Operations Manager
WhiteLabelDating

The big thing for 2014 is what effect mobile apps are going to have on the paid-for online sector. Everyone has heard of the meteoric rise of an app like Tinder, but there will no doubt be others and the question is, will these free apps make a material dent in the paid-for sector?

My own belief is that the mobile space will attract more of the casual users, whereas there will remain a strong need for well run online dating services supported by a greater range of mobile apps integrated with their parent sites.

Duncan Cunningham
Managing Director
The Dating Lab



GDI THOUGHTS

2014 will see further growth and expansion of white label providers, mobile dating services for their customers, along with tailored matching systems and utilising big data.

And with users expectations growing, these providers, as with all dating sites, can help to cut out the scammers that plague dating sites - making them a safer service for all their users.

"AS THE SECTOR MATURES AND CONTINUES TO GROW RAPIDLY, THE WAR ON SCAMMERS HAS BECOME EVEN TOUGHER"
MATTHEW PITT

CONCLUSION

Well it has been quite a year in the online dating industry, and an exciting time for Global Dating Insights to enter the fray.

The year has seen the dating industry move further into the mainstream and under the spotlight, with the successes of innovative brands like Tinder.

With this attention comes the need for the industry to be held to high standards - from start-ups right up to the biggest players - by using new technologies and intuitive designs that drive greater satisfaction for their users.

We would like to extend the warmest thanks to everyone who participated in this report, it has been brilliant to collect the thoughts of some of the top minds in the industry to build a picture of where the industry is at the turn of 2014.

For us, it has been a great year. We've seen fantastic response to Global Dating Insights, and we hope that this report, and our reporting over the past few months, confirms our belief that there is a demand for an independent editorial site for the industry.

Looking to 2014, we will be producing four more quarterly reports, which will focus on different markets and areas within the industry.

We also look forward to welcoming new writers and contributors, including industry expert Dave Evans, over the coming year.

From me, our founder Simon Corbett and all the team at GDI, we hope you enjoyed the report, and we look forward to another year in this fascinating industry.

SIMON EDMUNDS
EDITOR



GlobalDating Insights

CONNECTING THE ONLINE DATING INDUSTRY

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