Date Gate

**Introduction:**

Date Gate is a date planning service that gives people access to 30+ dating activities for a fixed monthly subscription fee. Venues offer Date Gate users tickets to experiences that would otherwise go unsold, thus helping venues reach full capacity while helping customers get quality experiences cheaply. The aim of Date Gate is to make dating cheaper and easier to plan for both singles and couples.

Companies such as Treat Well, Class Pass, Open Table, Movie Pass, Hotel Tonight, and even Airbnb all use a similar business model. They take advantage of the fact that venues often run at less than full capacity and they offer to help them reach that if they are willing to offer those companies’ users cheap last minute or less popular bookings that would otherwise have been left unsold. A similar concept is the London Pass that gives people access for 80+ attractions, however, the maximum a pass can last is one week, and the cost starts from a minimum of £71 per person, whereas a Date Gate membership lasts a month, and it starts from £50 per person.

Every business on the high street can reach full capacity if partnered with the right outlet. It so happens that dating involves all of the above activities and more, from sky diving to bowling to comedy to cafes, making Date Gate a business of enormous potential. At first, Date Gate will only be a date planning company because that offers a clearer customer base which means more focused marketing, and it solves a specific problem which is reducing dating costs and planning time without compromising the quality of the experience.

While a lot of dating activities are free, the truth is that those experiences rarely impress, and money saving attempts are frowned upon by dating mates because they signal poor financial status. However, with a Date Gate subscription, any money saving attempts are easily obscured by the fact that it also makes dating easier to plan, which not only signals a commitment to dating but also an appreciation for time efficiency, which we hope to impress daters not depress them.

Dating has been an industry where having more money means better chances at finding love because it gives you access to better experiences, which in a way encourages people to work hard, but it ignores the reality that women get paid less than men thus disadvantaging lesbians and transgender women. It also ignores those with ambitions who would rather save their money for something big but would still like someone to join them on their journey. Not to mention, it is scientifically proven that being single is more expensive than being in a relationship. This not only makes it harder for self-partnered individuals to find love, but it also makes it hard for couples to keep the spark alive without compromising other aspects of their lives such as finances or individual ambitions.

Of course, date planning is not a new idea, and there are several companies that are doing something similar. Websites such as Virgin Experineces and GroupOn aim to make experiences cheaper, while websites such as Design My Night, Eventbrite, Trip Advisor, and Time Out are all meant to make finding experiences easier. Even Google Maps could be seen as a competitor because anyone can search for an activity and decide to go for it.

So how is Date Gate different?

First, existing companies either make dating easier to plan or cheaper, but not both. For example, Trip Advisor, Design My Night, and Time Out all act as city guides but not money savers. On the other hand, GroupOn, Wowcher, and Virgin Experiences do act as money savers but they are specialized in dating per se. For example, some deals are not relevant to Date Gate’s customer base such as savings on toilet paper rolls.

Date Gate differs from deal-selling companies in the following ways:

1. Deal-selling companies are more couple and group friendly, whereas Date Gate also accommodates the self-partnered.
2. On deal-selling companies, customers can only choose from what is available on the website, which is often limited in variety and availability. However, Date Gate offers more choice and variety with customizable features such as interest, mood, and relationship status.
3. A lot of the experiences on deal-selling companies are still individually more expensive than a single Date Gate subscription which gives access to at least 3-4 dates a month.
4. Deal-selling companies only use a pay per use business model in which customers pay only for the experiences they use. Date Gate offers a pay per use model for non-frequent daters and a subscription service for frequent daters.
5. Date Gate users can enjoy experiences at their convenience without depending on availability or affordability and with minimal planning effort, thus providing flexibility and ease of use. Whereas on deal-selling websites users have to navigate through endless deals to find something suitable.

**Service:**

In this section I will discuss our target customers, the app’s main features, and how it will work. It is important to clarify that Date Gate is not a match making service, but a date planning service. To begin with, Date Gate’s customer base is quite niche, as only 30% of millennials aged 26-41 feel like dating is expensive (4.3m people). Our customers will be single or partnered with no kids aged 18-45 of medium to low income. People of all sexualities and genders can use the service and concessions will be made for students and unemployed individuals.

How it will work:

A monthly subscription to Date Gate will give users a certain number of credits, so for example, a £50 membership will give customers 25 credits per month. Users are free to use these credits on any experiences they wish, but experiences will be priced based on their popularity and location, which means that while dining at a restaurant can cost 1 credit, going to the movies can cost 4 credits, and visiting the arcade can cost 7 credits. Customers choose how they wish to split their credits between each experience. Memberships are designed to give users an average of 4 dates a month or 1 date per week. If users have credits left at the end of the month, they roll over to next month’s membership.

The subscription model will be split into 3 main categories: regular, fancy, and luxury. Each plan has increased number of credits, number of experiences, and quality.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Price** | **7-day trial**  **15 credits** | **Pay per use**  **No discount on experiences** | **Regular**  **25 credits**  **Average credits per date = 6** | **Fancy**  **120 credits**  **Average credits per date = 30** | **Luxury**  **280 credits**  **Average credits per date = 70** |
| Student Single/ unemployed (on benefits) | Free | Differs per experience | £45 | £120 | £280 |
| Student Couples/married | Free | Differs per experience | £90 | £240 | £560 |
| Employed Adult Single | Free | Differs per experience | £50 | £145 | £330 |
| Employed Adult couples/married | Free | Differs per experience | £100 | £290 | £670 |

This reduction is the commission paid by our business partners in exchange for free exposure, free marketing, and a chance to make extra money from underutilization. Anyone can become a business partner and offer their unsold tickets on our platform by filling in a 10-minute questionnaire providing their details such as name and registration number, location, type of business, and pricing. Once they are verified, we will let them know under which subscription plan they appear to customers and the credit value of their services. Then they can just list their experiences with a description of what is included in the experience such as food and drinks, the number of tickets available, and the time.

Customers can then book the experience. There will be a £10 cancellation fee for reservations cancelled at least 12 hours before the scheduled time and a £15 penalty for no shows, because after all, the whole point is to use underutilized spaces, so the point of the penalty fees is to reflect the opportunity cost that someone else might have used that ticket instead.

Once users are at the venue, business partners will use the QR code scanners provided by Date Gate to scan users’ QR codes in the app, this will confirm attendance and the number of attendees. There will be no need to check for student ID because this will have already been verified via Date Gate. Once confirmed, Date Gate will pay the business partners for the experiences minus the commission agreed.

The above process applies to single people. Couples will have two separate accounts that are linked to one credit card to ease transactions and all the experiences visible to them will automatically have a minimum of 2 tickets left. For those who are single but dating, they do not have to link accounts with their dates because that is impractical, rather, they have the option to book two tickets depending on the number of tickets available for double the number of credits.

Main features:

The apps main features include a sign in via Gmail, Meta, or phone number, a verification process, and a questionnaire thereafter to extract information such as full name, age, gender, sexuality, occupation, relationship status, whether they have any disabilities, and if they have kids how many. Users can also choose to use the app in any language they choose.

Once we have collected this information users are provided with the pricing structure of the pay per use model and the subscription plans while recommending an option most suitable for their income and dating needs, while also stating which plan has the best value. Of course, the luxury plan is the best value as it includes everything in the other plans and much more out of reach experiences such as helicopter rides and escape rooms. Once users choose an option, we will ask for their card details, then give them an option allow their location. Date Gate will include several payment options such as Visa, Mastercard, PayPal, Klarna, and Crypto UK.

Depending on users’ answers, they will see customized experiences (only for single people, those who are dating, couples…). This is the main reason why users cannot use the app until they go through the above process, because we believe showing everyone the experiences even if they are irrelevant or unaffordable will do more harm than good.

Other features of the app will include favourites to save experiences, a planner feature showing upcoming dates, a spontaneous wheel for those who like to roll the dice, an invite a friend feature that gives users 15 extra credits (the equivalent of a 7-day trial), a filters option to allow users to customize time of day, location radius, and number of credits, and an information section on how to make a first impression, reduce anxiety, and a list of questions to act as conversation starters.. Another feature is the option to top up their credits while their subscription is ongoing if they want to get an experience but do not have enough credits.

There is also a rent/buy option of our barbecue and picnic boxes and our stay-at-home experiences such as board games and building a fort. Even if users choose to rent the experiences at first, they can change their mind later and choose to buy instead of return by simply topping up their credits. Even these boxes are customizable for extra credits, for example, including food and drink in the picnic/barbecue boxes.

What to wear section.

Date blog.

Top 10 most loyal users.

Coach.

Matching service.

Pay Per Use vs Subscription:

The pay per use business model enables people to pay for what they use as they need it and can afford it. The use of the service is metered so that customers are charged each time they use the service. The challenges with this business model are first, it is hard to maintain customers, and second, it is hard to determine the costs and the profitability of each use, which can cause unpredictable revenues. On the other hand, the advantage of this model is that it accommodates non-frequent daters as it allows for one-time purchases without having to subscribe to a regular payment, making this option more flexible.

To mitigate the shortcomings of the pay per use model, we will introduce a subscription service which is designed to give users access to approximately 3-4 dates a month provided that each is worth 6 credits. Users can split their credits to optimize the number of experiences they go on, for example, a user only booking 1 credit experiences can potentially go on 25 dates a month with the £50 subscription. Moreover, people have the choice to switch their plans at any time, if for example, they become in a relationship.

The subscription revenue model benefits both customers and Date Gate. Customers enjoy the convenience of auto-renewals and having access to a high-value offer for a low ongoing investment. Meanwhile, Date Gate can scale with confidence with predictable revenue and deeper relationships with its customer base. The average repeat customer spends 67% more than a new customer, which makes the subscription model so powerful as its growth compounds over time with each new subscriber. As long as Date Gate acquire new subscribers faster than it loses them, revenue can grow exponentially.

The disadvantage of the subscription model is the “subscription fatigue” phenomena, where a single household spends around £300 a month on subscriptions from gyms to music and entertainment streaming, to food deliveries, to toilet paper, to dating boxes, and even coffees. This is excluding recurring payments on rent, taxes, insurance, and pensions. And with the inflation rising at 4% in one year, everything became at least 4% more expensive. Hence, customers are exhausted of subscriptions chipping away at their wallets at every turn, and seeing that dating is not a necessity of itself, there is a risk that people will hesitate to jump on the wagon when hearing about Date Gate. Therefore, Date Gate offers a pay per use alternative if users are not seeking a commitment, and it also has customized subscription plans to accommodate everyone’s income levels.

**Market information:**

The dating industry is estimated to each £315 million by 2023, and it is expected to grow at an annual rate of revenue of 3.8%. By 2025, this is predicted to increase to a staggering £6.7 billion. The dating industry itself contributes £5.89bn to the UK economy every year. This is due to the activities it involves such as eating out and going to the movies. Hence, Date Gate is tapping into a billion-dollar industry.

In terms of our customer base, there were 14.26 million millennials in the UK in 2020, all of which either single or in a relationship, but the ones of interest to us are the ones with no children. There is also a total of 2.75 million students in UK, 30% of which cannot afford dating.

In London alone, there are currently 4 million single people, 5 million couples, and 410,000 students, subtracting those aged under 18 and over 45, individuals with children, and high earning individuals/couples, we get around 3 million people in London, and 9 million in the UK all together. However, to calculate our subscription revenue for the first year, we assume that we only managed to attract 50,000 subscribers in London, which is only 1.7% of our 3 million target market.

It is scientifically proven that the single life is more expensive than that of a relationship. People living on their own spend an average of 92% of their disposable income, compared with two-adult households who spend only 83% of theirs. According to the Office for National Statistics, single people spent on average £21 a week more than individuals living as a couple in 2020, that is because they often go out more to avoid being alone, and they cannot share the burden of rent and utility bills. In fact, single people have to earn £3.35/hour more than couples to attain the same decent standard of living.

Not to mention, the world is generally geared towards couples, and this is demonstrated by the fact that a single person would pay £422 more than a couple for a holiday, a flight, car insurance and a monthly gym membership, simply because couples deals are cheaper. In fact, single people reported having little spending money left at the end of the month, which makes their dating budget very limited and thus makes it more difficult for them to find love. Even with a monthly budget, finding the one is not a cost-free process. On average, Brits spend £1,349 on dating every single year with an average of £110 per date, making London is the 8th priciest capital city for a date worldwide.

To get an affordable date, people have to actively look for mid-week specials, happy hours, and discounted set menus, which is an exhausting and time-consuming process. Dating should be fun not something tiresome or prohibitively expensive. The goal behind Date Gate is to allow people to introduce a reasonable monthly dating budget while saving them planning time without compromising the quality of the date.

**Internal and external growth strategies:**

Internal growth strategies include expanding to more diverse experiences, and the main way of doing so is to increase the number of our business partners. As a start, strong business partners will include the D&D chain of restaurants, Vue and Odeon Cinemas, Better gyms, Queens Skate Dine Bowl, Top Secret comedy club, Camden Market, and Platform for video games.

For luxury plans only, Date Gate plans to introduce exclusive experiences where users can order experiences especially designed for them, such as renting a beach trip with a romantic setting for a proposal, building them a tent in a forest for their birthdays, or making them a tree house for their anniversary. Date Gate will create these experiences in the user’s desired location even if they are non-existent. Another experience that we aim to introduce to the luxury plan is space tourism.

Another internal growth strategies involves the expansion of our customer base to include couples or single parents with children, which means including family friendly experiences, introducing corporate plans, including experiences that are more inclusive to older couples such as squash and swimming, as well as experiences to accommodate people of disability, different genders and sexualities, and different relationships such as throuples and polyamory. At that stage, we will introduce a double dating feature as well.

Another important demographic to appeal to is teenagers, which will require designing a different payment method for them without involving parental supervision or bank accounts, because dating can be a sensitive subject to discuss with parents. One way of doing so is to introduce a pay at the venue cash option or introducing a digital wallet designed specifically for the underaged, which will give us an opportunity to introduce our own crypto currency.

Additional internal growth strategies include acquiring competitors such to unify entertainment experiences, for example, owning all swimming pool venues, fisheries, video game cafes, arcades, and ice-skating rings and unifying all memberships under one Date Gate membership. We will also acquire important websites such as Design My Night and Time Out.

Alternatively, Date Gate could open the largest entertainment mall that is inclusive of all entertainment activities that is exclusive only to Date Gate members, this includes movies, restaurants, arcades, video games, skating rings, escape room, cart racing, sport courts, psychic rooms, gardens designed for BBQs, pools, gyms, a zoo, and a sand beach experience. This will enable us to detach from reliability on business partners and keep wasting time negotiating fee reductions, and it enables us to provide the dating services more cheaply.

Internal Growth will include upgrading our AI systems to study current trends and popularity of experiences to optimize customer experience and business partner revenues, as well as upgrading our software to maintain seamless service with increased memberships. Additionally, Date Gate will evolve to become a date matching service as well using a “find a date” feature which will work in collaboration with existing dating agencies in London as business partners to provide competitive credits over their services.

Moreover, there will no longer be QR codes at all, rather, we would install an Amazon Rekognition Video software in all the premises of our business partners to automatically recognize our users when they come in so they don’t have to scan anything or wait in line, they can just enjoy the experience and leave without payment or hassle. The cost would be about £1,500 a month per business partner, so one business partner can cost us £18,000 a year, and since we will have at least 1,200 partners in the first year, the cost will be a whopping £21.6m per year with potential to increase annually as we sign more partners.

Eventually, Date Gate’s end goal is to become an all-entertainment company for everyone to enjoy from daters to friends to family, which will involve substantial rebranding. Date Gate is the antidote to inflation and the next Amazon of the entertainment services industry.

Externally, Date Gate will acquire more business partners outside London and all over the UK, then expand to other cities worldwide to give anyone, no matter how remote they are, an opportunity to take someone they like out on a romantic date. The first country Date Gate will expand to is the US, as it has the largest dating market generating around $5.3 billion in 2021.

**Cash flow forecast:**

Each subscription plan is designed to make a profit. Single students subscribing to any plan will generate a £5 profit margin per plan, student couples and single adults will generate a £10 profit margin per plan, and adult couples will generate a £20 profit margin per plan. It is worth noting that the revenue is not inclusive of the revenue generated by ads or the pay per use model. It is also worth noting that our revenue relies on the discounts we manage to negotiate with our business partners.

The average cost of experiences per person are as follows: in a regular membership £10-£15, in a fancy membership £15-£30, in a luxury membership £30-£100. For Date Gate to make a profit, a £1-5 reduction in the price of the tickets is required, for popular business partners we can accept a £1 commission, but for everyone else £5 will be the standard. Business partners are likely to accept a commission because they will be promised increased sales, free marketing, and increased customer loyalty to support our business partner’s growth, bearing in mind that the commodities are tickets for experiences that would have otherwise been left unsold.

The start-up cost of Date Gate is £3000,000 and it is split as follows:

|  |  |
| --- | --- |
| Start-up Costs of Date Gate | |
| **Type** | **Cost (£)** |
| Discounted experience costs | 200,000 |
| QR code scanners. We can negotiate a discount with the supplier if one of our partners wants to buy one themselves. | 50,000 |
| Marketing | 30,000 |
| Legal fees | 10,000 |
| App and website development + maintenance + Annual cyber security insurance plan | 10,000 |
| **Total** | **300,000** |

Assuming that we manage to attract 50,000 users in London in the first year, our total subscription revenue will be £4.5 million, our total costs will be £4m (start-up + cost of experiences), and our profit will be £470,000. This means that Date Gate can break even in the first year. If we double our customers in year 2, we make a £900,000 profit, and in year 3, a £3m profit.

If Date Gate doubles its growth every year at a rate of 100%, we should be able to introduce a 7-day free trial of 15 credits as part of a customer acquisition strategy in year 6, where the profits made will equal the cost of the trial at £17.3m. However, the introduction of this plan completely relies on the amount of profit that we make. If during the first year we make over £17.3m in profit, then by the second year we will introduce the 7-day free trial, and so on.

The revenue, and thus the profit, we make depends on the number of customers we can acquire in the first year, which relies on effective marketing on buses, trains, taxis, social media (YouTube, Tiktok, Meta, Twitter…), as well as flyers in universities, restaurants, movie theatres, and post. The £30,000 marketing budget will be split as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Outlet | Cost (£) | Budget (£) | Duration of advert | Expected revenue as a result |
| Tiktok | £10 cost per 1000 views + $0.02 cost per click + minimum spend of $500 for a TikTok paid ads campaign. | 5,000 |  |  |
| Google | On Search Network: £1 and £2 per click  On Display Network: under £1 per click | 5,000 |  |  |
| YouTube | £0.30 per click + £1-£4 per thousand views. | 5,000 |  |  |
| Buses | Street liner £4,800 | 5,000 | 4 weeks |  |
| Trains | £4,500 | 5,000 | 2 weeks |  |
| Taxis | Side livery £2,900 | 4,000 | 4 weeks |  |
| Flyers | £50 for 5,000 A5 papers.  £1,000 for 100,000 A5 papers. | 1,000 | Till it perishes. |  |

OR reduce commission in exchange of marketing as hard as they can. OR reduce subscription if they become an ambassador. Let business partners own shares in exchange of commission and marketing and customers own shares in exchange of monthly subscriptions. Equity crowd funding. They get richer per subscription, per customer.

Make subscriptions cheaper for women to reflect the gender pay gap. Offer men cheaper subscriptions if they help with the gender pay gap, such as ask their boss to release how much everyone in the company/in your department is getting paid to see if women are getting paid equally or not. This increased transparency can actually make a difference. Ask for free tampons in the women’s bathrooms, let there be breast pumping rooms and baby changing facilities? Pay single mothers for their day care, reduce toxic work environments around pregnancy.

What kind of support do your companies offer women, pregnant women, mothers…How does your company handle sexual advances in the workplace? What is the ratio of male/female employees? Do they sign NDAs? The next time someone mansplains or takes credit for your female colleagues work or makes her feel underappreciated, stand up for her. If you feel like someone is blaming the woman in the team, stand up for her. How often do you take women’s opinion into consideration in the office?

How often do you force or guilt women into doing something they don’t want to do just because you know they need to prove themselves? How entitled are your male co-workers? Do you feel that you are being treated like an equal? Is the meeting room male dominated? Do you feel that your co-worker’s input is more considered just because they are males? How often do the men in your office get away with things that you know if you did you wouldn’t get away with? Are women recognized for their hard work and achievements? Do they get asked if they are married and have/want children when interviewing for a promotion? Does the workplace feel like a football locker room?

Transparency: put pay gap, employee satisfaction survey score, carbon footprints, existing sites, sites in construction, business partners, customer shareholders, business partner shareholders…See Brewdog. Put anonymous online surveys of what the team thinks of the company and how we can make it better.

**SWOT analysis:**

|  |  |
| --- | --- |
| Strengths:  1) Easy on the wallet  2) Time efficient  3) User friendly  4) Solves a problem | Weaknesses:   1. Dating is not a necessity. 2. Rise in inflation may deter people from using the app, especially that single people do not have enough money to date anyway. 3. Subscription fatigue phenomena. 4. There are other websites that already sell experiences such as London Pass, Virgin Experience Days, and GroupOn. |
| Opportunities:  1) An all-entertainment company.  2) Our own mall.  3) Acquisitions of similar or competing businesses. | Threats:  1) Another pandemic. We would still make money by our stay-at-home activities.  2) Competitors. |

**Appendix:**

Questionnaire:

1. Username, age, gender, sexuality,
2. Occupation:
   1. Student unemployed
   2. Student employed part-time
   3. Adult unemployed
   4. Adult employed + the level of income per year),
3. Disability
4. If they have kids and how many.
5. Relationship status:
   1. Self-partnered/single
   2. Seeking to date/currently dating
   3. Relationship
   4. Civil partnership
   5. Married
   6. Divorced/widowed
6. How much on average do you spend on dating a month? This will tell us their dating budgets.
7. How many dates do you go on every 3 months roughly?
8. If dating was cheaper, would you date more often?
9. How would you like to meet someone?
   1. Online using dating apps
   2. Using dating agencies
   3. In-person
10. How has inflation affected your dating behaviour?
    1. No affect
    2. I go on less dates than I used to
    3. I had to cut back on a few things to keep on dating
    4. I work more now to afford dates
    5. I do not go on dates anymore

Profit expected from each plan:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Plan | Subscription price (£) | Total cost (£) | Discounted cost (£) | Profit (£) |
| Regular | 30 | 32 | 25 | 5 |
|  | 60 | 64 | 50 | 10 |
|  | 35 | 32 | 25 | 10 |
|  | 70 | 64 | 50 | 20 |
| **Total** |  |  |  | **45** |
| Fancy | 45 | 60 | 40 | 5 |
| 90 | 120 | 80 | 10 |
| 50 | 60 | 40 | 10 |
| 100 | 120 | 80 | 20 |
| **Total** |  |  |  | **45** |
| Luxury | 165 | 240 | 160 | 5 |
| 330 | 480 | 320 | 10 |
| 170 | 240 | 160 | 10 |
| 340 | 480 | 320 | 20 |
| **Total** |  |  |  | **45** |