

Tinder - Panel: Online Dating

Interview conducted on August 31, 2023

Topics

Hinge, Match Group, Online Dating, Gen Z, Social Platforms, Growth and Plateauing

Summary

Experts in the online dating industry discussed the preferences and trends of Gen Z daters, noting the potential shift towards social platforms like Snapchat and Instagram. They acknowledged that dating apps still hold value for Gen Z due to their focus on authenticity and clear intentions, but mentioned concerns about regulatory issues and the need for a strong infrastructure to maintain user trust and safety. The experts also highlighted the challenge of monetizing dating apps for Gen Z, as they have less disposable income and may not see value in paying for traditional apps. They discussed the emergence of apps facilitating in-person meetings and events, as younger users seek more real interpersonal interactions. The conversation also focused on the growth potential and challenges faced by Tinder, including its ability to monetize effectively with a younger audience and the need to differentiate itself from other apps. The experts mentioned the difficulty of recommending people to each other due to the large user base and the two-sided market nature of dating apps. They emphasized the need for efficient management of the ecosystem and significant capital investment. The conversation also touched on the perception and potential growth of Tinder, Hinge, and Bumble in the dating app market, with experts discussing the challenges Hinge faces in monetizing its platform and the difficulty of changing Tinder's hookup app reputation. Finally, the conversation explored the potential growth and competition between Hinge and Bumble within the Match Group portfolio, noting that Hinge may struggle to reach the same level of payer penetration as Bumble but could surpass it in terms of total active users with the support of Match Group's marketing investment.

Expert Details

Moderator: Tegus Customer

Former Lead Product Manager at Bumble, leaving July 2022.

Former Head of Accounting / Sr Director, Accounting & Financial Operations at Grindr, leaving 2022.

Former Director of Corporate Strategy, Match Group Portfolio at Match Group, leaving in October 2022.

Former Sr. Product Manager Pricing & Yield at Tinder, leaving in October 2021.

Former Senior Product Manager at Tinder, leaving February 2020.

Moderator

Appreciate all of you taking the time to join. I'm really excited for today's discussion about online dating. So to get started, I will briefly introduce you all. We've got a former Lead Product Manager at Bumble. We've got the former Senior Product Manager of Pricing & Yield at Tinder. We've got a Former Senior Product Manager at Tinder. We have the former Director of Corporate Strategy at Match. And we have the former Head of Accounting at Grindr.

So you all had some very interesting answers to the screening questions. I wanted to ask one that had answers that were all over the place, and that is what are the trends of today's youngest aged potential customers? Like the people who are 18, 19 years old just getting on the apps.

Former Director of Corporate Strategy, Match Group Portfolio at Match Group

Sure. A couple points. I think one of the underlying concerns has always been if there is movement away from dating apps and towards social platforms like Snapchat and Instagram. Not to sound too much like out-of-touch millennial, but the sort of sliding into the DMs.

I think we are seeing some of that activity happen, but we haven't seen the wholesale erosion of the category among younger users that people have feared. I think there's a couple of reasons for that. Number one is I think with kind of a lot of focus for Gen Z on authenticity and just kind of clear intentions.

I think having a dedicated space for meeting new people is important, although I do think some of the specific feature sets aren't quite up to par with their expectations. So like the lack of ephemeral sharing, other kind of more safety and trust kinds of features. But I do think the overall concept is not completely outdated.

The other thing is just some regulatory concerns. I think once you get a critical mass of dating activity happening, whether or not you're an explicit dating service, you do start to get exposed to things like SESTA/FOSTA or other child protection acts in other countries. And I think what Match and Bumble and other online dating companies have done really well is kind of build a regulatory regime that really starts to kick in once you get a critical mass happening.

And so if you don't have that infrastructure built out, you maybe don't want that exposure and you have a disincentive to allow that to continue. So I think both from a customer user experience side and the regulatory side, I think that's going to keep online dating fairly robust for this next generation of users who are just aging into the category.

Former Sr. Product Manager Pricing & Yield at Tinder

Yes. Agree with everything Former Director at Match Group said, particularly some things about the difference in the way younger people tend to interact online. This is a generation that grew up with phones and access to social media. And so a product that was built for people largely who grew up before really engaging in social media and having more of a structured profile that's worked into a Facebook profile.

I signed up in Facebook in 2004. And so you had a wall, and you had your pictures, and you share your vacation stuff. And largely, that's kind of how the dating app profile is constructed. It's more formalized. And I think the younger generation now maturing is more used to a little bit more casual interaction and a little bit more of that ephemeral engagement that the apps in their interface doesn't really support as well as it could.

Former Senior Product Manager at Tinder

So I'm glad you agree around the concept that social media apps are increasingly important. To Former Pricing & Yield at Tinder's point about the sort of ephemeral interactions, or I guess, smaller scale micro interactions, for example, liking a photo of somebody or commenting on it or then sliding into the DMs, I think that is more prevalent with Gen Z or might be seen as more of a potential dating intent as opposed to millennials who may have treated that primarily as a social interaction, and dating was kept separate.

But I agree with Former Director at Match Group's point as well that the existing dating apps, the entrenched market leaders, are really well positioned, I would say, to continue their dominance in that space. Short of Instagram deciding to go on to dating and Facebook already has Facebook Dating, for example, I don't see that there'd be like a major disruption.

And we've already seen lots of apps, especially during and since the pandemic, that tried to cater to, oh, we're this niche Gen Z-focused product. Whether that's video dating, whether that's based around some other unique niche, maybe gaming, there hasn't been anything that's really broken out and become the most used or really even that popular.

So I think Gen Z is going to probably map to some of the trends we've seen of early adoption on platforms like Tinder, which tend to focus on younger users then maybe they age into platforms like Hinge and Bumble as they get older. I don't see that changing significantly anytime soon.

Former Lead Product Manager at Bumble

Yes, I broadly agree on the engagement forms and the fact that social interactions are really important for Gen Z users, but I want to touch on a different point slightly. So two things about Gen Z audience. They have significantly less disposable income. And they see, at least from my understanding and my experience, less

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value in paying for traditional dating apps such as Bumble, Tinder, Hinge or others, maybe less popular ones.

And one of the important things when it comes to social behaviors on other platforms that they use, they can instantly get to a connection, and they can quickly surpass the superficiality of exploration on the dating app. So when it comes to attracting younger audience, the traditional dating apps, yes, it could be done.

But in terms of monetizing it efficiently, I don't think I've seen super effective strategies from LTV and ROI point of view there. And this is one thing that I think major dating apps need to solve for it if they want to not just grow their Gen Z audience but also monetize them efficiently.

And at the same time, it's also a question of supply and demand. So as we said, matchmaking in traditional dating apps is a formula of how many people you have on one side of the marketplace and how many people you have on the other side of the marketplace. And when trying to add more Gen Z users to the overall bunch of people that you have on the dating app, it becomes a bit more difficult to provide those newly acquired users with the inventory of people that could be relevant for them because the overall audience is quite small.

So there are different strategies to go about that. You can go hyperlocal and try and make sure that there is enough supply for everyone that you're acquiring on a super local level. But it's difficult and there are special capabilities, both on the technical and acquisition front, in order to be able to do that. So I do think that apps that focus on more social engagements for younger audiences, they do pose not maybe a super significant, but at least a mild risk for incumbent players within the audience.

Moderator

Great. And then, Former Head of Accounting at Grindr, what are you seeing in the trends of the youngest cohort of online daters?

Former Head of Accounting / Sr Director, Accounting & Financial Operations at Grindr

From what I observed is due to the pandemic and then also the recent trends like some of the Gen Z they're going back to flip phone and they long for personal interaction. And there are a whole bunch of newer apps that facilitate partnership with the local restaurants for people to meet in person. And there are apps that have like single events every week to facilitate that.

I think that's one of the trends in younger people. They're longing for more real interpersonal interaction versus playing the game of the traditional dating app like Tinder, messaging and looking at many photos. So that's one trend.

But then, of course, there are many diversifications like there are people longing for more interpersonal interaction, and at the same time, there are people who are still enjoying the dating app game, like swiping left and right. So I think the market has become more diversified. But overall, the younger generation compared to before, they are longing more for interpersonal interaction.

Moderator

Very interesting viewpoints for everyone. And for the next question, I want to actually zoom in on something that Former Senior Product Manager at Tinder said. I think Former at Bumble, you also hit on this, but Former Senior Product Manager at Tinder, you mentioned that Tinder attracts a younger audience. And you talked about then graduation to a Hinge or a Bumble.

If I focus on just Tinder and the fact that they attract a younger audience, is the slowdown that Tinder has recently experienced in revenue just a hangover from the pandemic? Or is there something more? Does Tinder have a long runway for growth, or has it plateaued? And was that hiccup in Tinder about to hit Bumble and Hinge?

Former Senior Product Manager at Tinder

I think there's a couple of ways you could answer that question. So you could look at it and kind of slice and dice the demographics or the usage base in a couple of ways or you could look at, for instance, how Tinder compares relative to the market. So for example, Tinder was obviously the first major dating app and has had

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that first mover advantage for a long time. The largest user base, the largest network effect having become synonymous with online dating, especially with mobile apps.

And so Tinder was the market leader in a lot of those ways. And Tinder also led the way in developing a lot of the subscription style products that are now common throughout the industry. And they're the first ones to really diversify their tiers of subscription, for example, to have Plus, Gold, Platinum, et cetera.

And in answer to part of your question, yes, it's potentially possible that, that early sort of peak and then a subsequent decline in subscription trends could follow the other apps that were somewhat later to adopt those same products, those same types of subscription products and tiers. It could come for them as well.

Now there's reasons why it might not. For example, the initial part of the question, which is demographics, could it be that as older users, which we sometimes know are more likely to pay, if they are concentrating on these apps, could it be that they sustain and they are less likely to fall off paying. Whereas Tinder, and I'm actually curious on Former Director at Match Group's perspective on this, having worked in Match, Tinder has basically been positioned at the bottom end of the age spectrum where it's going to be.

Tinder is always going to focus on that youngest cohort and not necessarily going to grow up with them. So if you are 18 to 24, we've got Tinder, we've got those kind of Gen Z-focused marketing campaigns. We don't have as many filters for things like serious relationships or people who know exactly what they want and they're going to know the race and height and ethnicity.

And all these things that they're focused on, that might be that they want Hinge, for example, which we tend to associate with older daters who have dated around and now they want to settle down and they're getting more serious. So to answer your question, yes, I do believe Tinder is still positioned to focus on that younger cohort that could be a potential problem for its ability to monetize. Gen Z has less disposable income, lower propensity to pay as a potential problem for that.

And so if that trend continues and maybe Gen Alpha is even worse, who knows, in terms of their access to disposal income or their propensity to pay for products online, that could spell a problem for Tinder if it continues to focus on that younger cohort and isn't going to diversify or isn't going to try to be a bigger tent for older users who might be more serious in the way that products like Hinge and Bumble have tried to serve.

So I think it's a tricky question to how could Tinder get out of that. At the same time, while these other products have, I don't want to say commoditized entirely, but are strikingly similar in the types of offerings that are now being offered across Hinge, across Bumble, across Tinder in the types of features that you could pay to access, they're becoming increasingly similar. So how does Tinder further differentiate itself, I don't have the answer to that, but I do think it represents a struggle going forward.

Moderator

Got it. And Former Senior Product Manager at Tinder, just to follow up really quick with you. Do you think that the falloff in Tinder revenue from the last year, 1.5 years was a direct cause from the pandemic and young people just maybe never got into online dating because of the pandemic?

Former Senior Product Manager at Tinder

Well, I think earlier in the pandemic there was a very strong narrative, oh, this is online dating's moment because it went from online dating competing with in-person interaction to you can't do in-person interactions now, you have to go on online dating. Well, as our first question talked about, there are other methods of interaction online.

So yes, there was a spike in usage and spike in subscriptions in online dating. And then people also came on to other products like TikTok en masse. Discovered, oh, I can socialize there. I could potentially even date on there. There's an adage of any app that could be used for communication should be a dating app and that has sometimes borne out.

And so it could be that, yes, as online period usage increase, that potentially shifted the attention away from online dating and saying, oh, any product on the Internet could be used to meet people in whatever content.

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I think that's important to recognize that it's not just about meeting people for online dating. A lot of these platforms are meeting people.

If you want to use that for dating, that's fine. But you could meet them to talk about your favorite game. You can meet them to do whatever it is people are doing, you just go with the million things they can do on there. So I think the pandemic is partly responsible for that. But I don't know if it's necessarily the pandemic that drove people away from online dating.

Moderator

Got it. And I'll go over to Former Director at Match Group to hear their thoughts. Is Tinder in a position where they can return to strong levels of growth similar to historic levels? Or are they plateauing?

Former Director of Corporate Strategy, Match Group Portfolio at Match Group

Yes. I think in terms of overall usage, they're probably nearing market saturation in their core markets. I think as we've seen in the last, I think, one or two earnings calls, they're probably still underpriced in a lot of places. So I think the next levers they pull isn't necessarily going to be on new features or anything, but things more like pricing up, adding more a la carte purchases.

Really getting to the level of monetization, that sort of monetization treadmill that I think Bumble has done a really good job of in terms of not just focusing on subscriptions, but also adding a la carte revenues to really kind of uncapped the ceiling on essentially a Tinder Gold user.

But I also think that some of the slowdown is a little bit confined to Tinder. There's been a lot of internal churn at Tinder. I think that's been a pretty big headwind and you can see that empirically that at the same time that was happening at Tinder, it was not happening to Bumble or Hinge. So I think there are some things that are a little bit endemic to Tinder.

I also think that in terms of kind of the feature richness, that was another miss. That was, again, part of this internal churn. But if you look at video calls, Bumble had them beginning in 2019. Tinder lagged behind them until I think it was November of 2020. So some months into the pandemic when they even had that.

So I don't think Tinder is necessarily the best road map for looking at past performance. I think now that they've kind of got the feature and pricing parity with the rest of the dating world, I think you'll probably see them move a little bit more in concert, but it really was the case that everybody else was going up and Tinder was kind of plateauing. But I think based on the last couple of earnings calls, I think Tinder is returning to growth.

I don't think it will be quite as robust as it's been in sort of that 2016 to 2018 period just because all online dating apps are still so heavily concentrated in the core markets where now it becomes more of a fight for your share of the pie rather than growing the pie overall.

And I think external markets are not so much. A user in LatAm or APAC are not generally quite as valuable as they are in those western markets. So I think there will be slightly different tactics that they'll be able to use while they're waiting for those markets to develop.

Moderator

Got it. Very helpful. And Former Pricing & Yield at Tinder, if we could go to you next?

Former Sr. Product Manager Pricing & Yield at Tinder

Yes. I think I largely agree. One thing I do see some opportunity for growth is a little bit more localization than they've done in the past. I think it's also just like the size and scale of the team there. It's not a big team at Tinder. So it's difficult to personalize too deeply. But as Former Director at Match Group mentioned, one of the advantages Tinder has is the user base and being kind of the biggest place. And that network effect is really strong.

And even if you're going to use one of the other apps, a lot of times you'll also use Tinder just to broaden your reach. So I think that there is still opportunity not only on the pricing but kind of on the features and the

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monetization structure in some of those markets, but there's a lot of work to go into actually making that work. And I don't know if Tinder has the momentum or the will to do some of that stuff.

I also would say a headwind to the monetization is something that Former at Bumble mentioned earlier, which is the kind of the gender balance in a lot of those markets and even in the core markets as well. The thing that dating apps and Tinder specifically monetize is helping achieve success for men largely. Primarily the payers are the men and getting over that hurdle is what you're essentially paying for is a greater chance of success.

But if the gender balance is off, then the value proposition is lower. So if there's not as much opportunity for success, there's less opportunity to monetize that success as well. So getting the gender balance more in line would be an opportunity for growth, but it's also a big challenge.

Moderator

That is very interesting. And what are the opportunities for price optimization in Tinder? Are we talking meaningful or minor?

Former Sr. Product Manager Pricing & Yield at Tinder

You could raise the prices. All dating apps do have the ability to essentially A/B test prices, which you don't have with something like Netflix. As soon as you raise the price, there's a public announcement, you go to market, and you have to essentially guess or extrapolate based on smaller changes in other markets.

With Tinder, you can A/B test a price in a given market and you know exactly what the price elasticity is. And a lot of the tests we did showed income positive trade-off in terms of raising prices in many cases. Sometimes you would go to a reduced price in some of the income-constrained markets. But in a lot of the higher income markets, you can raise the prices and see a better revenue outcome.

We did a lot of optimization work in 2020, 2021 around increasing subscriber growth, like maintaining that type of momentum. And so we were willing to forgo some revenue upside in exchange for continued subscriber growth, that was the focus. And I think if you shift that focus, there's more of a monetization push instead of subscriber growth then there's opportunity to increase income by doing so.

Moderator

That's really interesting. And then, Former at Bumble, is Tinder growing or plateauing?

Former Lead Product Manager at Bumble

Well, based on the data we've seen that it has been plateauing and growing slightly in the recent periods. But I wanted to talk about this from a slightly different perspective while I broadly agree with the previous speakers. I think one thing that Tinder, has more than any other dating app, is an incredible scale of their user base and of their inventory.

And while it does provide strong network effects and strong opportunities for people for the perception of options that they have to match new potential candidates, it is also extremely difficult to recommend people to people. And it's more difficult to do it when there are loads and loads of them because recommending users to use a dating app is not just about finding the most relevant profile. It's about managing a two-sided market where each user is both part of the supply and demand.

And I think we've all seen this anecdotally that when you are a woman in the same-sex ecosystem on a dating app, as soon as you log in, you receive 150 likes and then you'll quickly get overwhelmed over the first few days. And when you're a man, you are likely waiting until you get your first like and match consecutively.

So in my view, in order to manage this ecosystem efficiently, you need to do something similar to what Uber does when they're matching their fleet and passengers in essentially a real-time economics model of the marketplace where it's extremely efficient in terms of activity distribution. And Uber is transactional, while dating apps are not transactional.

And so it's just really difficult to make this marketplace efficient. It requires a lot of capital investment in terms of teams and internal capabilities, in terms of infrastructure that's needed to support those types of recommendations. And to unlock the personalization of those recommendations, you also need a lot of capital investments and a lot of R&D.

I don't know to what extent Tinder invests into that, but I know that it is extremely difficult and expensive. And at the same time, I do think that this is one of the major potential unlocks for incumbent large-scale dating apps because this will enable them to monetize more efficiently. And by monetize more efficiently, I mean being able to provide or guarantee the user certain value when they try to monetize them.

And this, I believe, is absolutely crucial to change the growth trajectory of any dating app, not just any large-scale dating app, not just Tinder. I would love to hear perspective from people who worked at Tinder on how those things are done and managed because obviously I don't really have a lot of context into Tinder specifically on this.

Former Sr. Product Manager Pricing & Yield at Tinder

Yes. I think it was alluded to before, the kind of level of churn that there has been at Tinder in the last several years, most particularly at the leadership level. It's difficult to put together like a long-term visionary road map when you've got a new CPO like every six or eight months it seems like at Tinder.

So the support for something more large scale, like you've talked about, is likely not happening. I left Tinder in 2021. So it's been a little bit. And there might be stuff in the works there now that I'm not aware of. And like I said before, the number of employees for a company the scale of Tinder is not huge.

There's support from Match, obviously it's a bigger company. But the resources dedicated to Tinder and the development there, I think, is not as much as you would see at a place like a Lyft or an Uber or an Airbnb, one of those type of companies.

Former Senior Product Manager at Tinder

I'll build on that point about churn and management. That has sort of directly led to at least what I saw and I left actually a little bit before Former Pricing & Yield at Tinder did. But for lack of a better word, fiefdom within the company and everybody sort of had their own very focused area of ownership.

And so that meant frequently that the team that was in charge of the algorithm was solely focused on that, whoever they were talking to, revenue or growth or anyone else that it might relate to. And if they were talking, it was more, hey, heads up, we're building this and not let's strategically work together because that requires a pretty strong executive team that has a plan in place.

And to Former Pricing & Yield at Tinder's point, that wasn't happening when you had CEO turnover pretty much once a year for the last 10 years. And every time a new CEO comes in, they replace most of the management team, the executive team throughout the company. And that has a cascading effect on the various teams.

And so it was very difficult to have any sort of comprehensive, long term here's what we're doing this quarter and next quarter and the quarter after and next year that almost didn't exist because next year who knows who's like in that agenda. And so I think that did make it very challenging to address some of these longer-term structural problems that Former Pricing & Yield at Tinder also mentioned, building apps that provide value for men.

There have been, obviously, many attempts that are trying to provide more value to women to varying degrees of success. And I certainly haven't seen anything truly innovative, haven't seen in a while, that is solely focused on that or explicitly focused on that. So I do think that, that represents a significant challenge for Tinder to be able to innovate on any of these challenges by doing anything more than just something that might take a quarter.

Moderator

Very interesting. And then, Former Head of Accounting at Grindr, do you have any thoughts on Tinder? Are

they growing or are they plateauing?

Former Head of Accounting / Sr Director, Accounting & Financial Operations at Grindr

Yes. I basically agree with all the previous speakers that Tinder is definitely heading towards plateau. At first, when Tinder was first growing, what they do so amazing. They took the shame out of online dating and they made it like an interesting game, and everybody could easily date and just one click and your profile is set and everybody can interestingly date and find a hook-up partner.

And like the previous speakers, later they've done so many things trying to go certain niche population of certain niche user, niche market, but people still get the impression that they are just a fast hookup app. And just like I said, today in the market, there are a lot more choices for consumers. And also the dating users have a lot more diversified needs.

And so when they think of dating other than a fast hookup app, they may not think of Tinder as their first choice. And so I think they are heading towards a plateau. Their strategies could slow down the process like price optimization, get better advertisement to cater to a certain demographic, get better advertisements or expansion to different geographics. Those could slow down the process of plateau but cannot stop it.

Moderator

Very interesting. So something that a couple of you mentioned on the screening questions in some form of Tinder was the reputation it has as a hookup app. And just like rolling off of what you just said there, Former Head of Accounting at Grindr, would you be able to comment on your thoughts on how important it would be for Tinder to remove the stigma of a dating app as well as, one, how hard is it to remove that stigma? And two, how important for growth is it to remove that stigma?

Former Head of Accounting / Sr Director, Accounting & Financial Operations at Grindr

Number one, I think it's going to be quite difficult. They tried to get the app better for a certain demographic and was not successful. And the reason I say it's difficult is because the core reason that they got the reputation of a hookup app, it was a good thing.

It was good for their growth at the beginning because they're trying to promote this image, promote this fast hookup app as an interesting game that people don't regard online dating as boring or shameful. So it's like a two-bladed sword. They created that image, and it was so strong in everyone's mindset. Now to change it, it's even more difficult.

And how important it is to remove it to grow substantially, I think it is important because I basically said that was kind of the reason it's heading towards plateau. And if they cannot change that, it's just hard to regain a lot of market share.

Moderator

Got it. Former at Bumble, what are your thoughts? How hard is it for Tinder to ditch the hookup app reputation? And two, how important is that for growth?

Former Lead Product Manager at Bumble

Well, short answer, I do think it's hard and it is important. But this is my personal opinion. Why I think it's hard, it also comes to the size of the audience because the larger size you have, the stronger consumer perception lies within your audience and their adjacent audience as well because dating apps do have a strong word of mouth effect and people do discuss their experiences in dating apps. It's both a good and a bad thing.

I think that maybe like smaller scale things that prove to be successful in specific niche audiences, especially in new markets, although it's quite hard to find a market where Tinder is a completely unheard of dating app, those could work. But overall, on a large scale, I think repositioning a brand like that is really difficult.

And if you look at other examples of established large players in the dating game such as Badoo, which is also a Bumble portfolio company, there have been lots of efforts to rebranding of Badoo. But it does seem to

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not really grow on the audience, at least from the public perception of Badoo, because of the size, because of the scale and because of the history of the brand. So I do think it's really difficult.

And again, probably, from my perspective, it's likely going to be something that will develop slowly if Tinder finds a way to provide more value for people who come into the app. And if they provide more value combined with a new brand, with a new messaging that they find works with such audiences, it could slowly change over time. But I don't really believe in an overnight change of brand or an overnight change of perception that a product of that size could pull off successfully.

Moderator

Yes, absolutely. Former Senior Product Manager at Tinder, curious to hear your thoughts.

Former Senior Product Manager at Tinder

Yes. I'll actually take a bit of a contrary view, which is that I'm not sure it's entirely desirable for Tinder to go ahead and change that perception for a couple of reasons. I sat through a number of user interviews that we did while at Tinder and these were people who were users or former users. It's pretty hard to find somebody who was an online dating user of any kind who didn't use Tinder at some point in especially developed markets.

And you talk to them about the way that they perceive Tinder. And what you'll typically hear is something like, "oh, well, I was on Tinder and on Hinge and on Bumble." And very frequently at the same time or "I'm still on Tinder and on Hinge." Or you might hear this from people who say, "I match with the same person on Tinder and on Hinge. And on Hinge, they'll ask me a very serious question about something on my profile, but on Tinder they'll say, hey."

And so people use multiple dating apps simultaneously and frequently, and they'll use them for different contexts and different purposes. A lot of people might download Tinder when they just got out of a relationship and maybe they're not looking for something serious right now.

And that has allowed Tinder to sort of maintain a bigger tent in a way of not having to specialize. Any specialization you do to focus on any one part of the market by going after, let's say, very serious daters or LGBTQ daters, although Tinder does support that, you might end up boxing out other types of users. By focusing too much on one segment, you sacrifice the experience of another.

Or you make the onboarding too long, and that filters out people who are less serious about completing their profiles, for example. So while, yes, like the hookup reputation has persisted, I would say, one, the consequences of that specifically have gone down, especially over the last decade going from Tinder, which was up against like the reputation of Match and eharmony, totally different style of apps or websites really at the time.

Now we've moved into switching, and especially with Gen Z who doesn't like to put labels on anything frequently, maybe that's not the worst thing in the world to be a casual dating app. Or yes, people might complain that it's a hookup app, but they're on it.

So I just don't know how desirable it is to actually want to change the image, let alone all the challenges of actually changing that image should Tinder decide they want to. And also, they're entering, like I said before, a pretty crowded space in terms of serious dating apps, there's a lot of us. There's a lot of ones that say stop swiping, start dating. That's not what Tinder is going to be about. And so I think that's neither desirable nor is it really feasible.

Moderator

Very interesting. And Former Pricing & Yield at Tinder, curious to hear your thoughts.

Former Sr. Product Manager Pricing & Yield at Tinder

Yes, I agree with Former Senior Product Manager at Tinder. I think Tinder doesn't necessarily want to change that perception. There's kind of the broad reach you get from playing that role. Even if they did, which I don't think they do, it's not the approach I think they would take being part of the Match umbrella.

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Match has a portfolio strategy. They've got many brands. And if they wanted to pursue a shift, they would do so through a Hinge or OkCupid or even a new brand that's yet to be seen because they have that ability and they still are able to capture that broad types of niche solutions for people. With those other brands, they don't have to take on the probably impossible task of shifting the perception of a brand the size of Tinder.

Moderator

Very interesting. And then Former Director at Match Group, curious to hear your thoughts.

Former Director of Corporate Strategy, Match Group Portfolio at Match Group

Yes. I'm probably unsurprisingly around the same as Former Pricing & Yield at Tinder and Former Senior Product Manager at Tinder. I think just empirically looking at the entire dating category since 2012, everyone is trying to be the anti-Tinder, and nobody's really succeeded in getting nearly the same user-based revenue growth or whatever. So I think from that coldly capitalistic point of view, I think Tinder really shouldn't change that much.

I think it can, of course, optimize for certain things, but I think it makes sense. And it's kind of like the Donald Trump approval rating thing. Doing poor, but still got elected president. So some things work there even if it's not the most agreeable mechanism in the world.

Moderator

Very interesting. So if we shift gears over to Hinge and Bumble, specifically more so on Hinge, how early is Hinge in their international expansion? And will they eventually overtake Bumble and become bigger than Bumble?

Former Director of Corporate Strategy, Match Group Portfolio at Match Group

Very early on in their international expansion. They've just localized in a couple of big countries in Western Europe. I think there's a lot of opportunity to go into the Nordics, Spain, Italy. And they really haven't done anything in Latin America yet. Will they get as big as Bumble or Tinder? I think the biggest mechanism that basically any other dating app has is the see-who-likes-you function.

Hinge historically and probably will forever, does not monetize that. And so I think that is a little bit of a headwind on what they're going to be able to do in terms of revenue scale. I think also the serious dating, obviously it caps your ceiling for user base, but it also means your revenue floor is a lot higher because serious daters will pay more for it.

But I don't really think that even something like the Roses will ever be quite as large of a revenue channel as just see who likes you. So I think even if, like-for-like, the same number of users, same price points, everything, compared to a Bumble, I just don't think Hinge will ever be more than 60% to 70% of their size.

Moderator

Interesting. Former Senior Product Manager at Tinder?

Former Senior Product Manager at Tinder

I will agree with Former Director at Match Group that they're fairly early in their trajectory in that they've just localized in some of these markets. I haven't been part of a Match conducted survey in over three years. But I did hear a lot of users, a lot of women, that were dissatisfied with Bumble. And I do directionally feel that, that could have led to a shift towards something like Hinge where a lot of the complaints are around Bumble's score mechanic, I don't want to message first.

I do wonder how compatible that is with certain international markets and whether Hinge potentially stands to benefit as the alternative to Tinder in some of those places. Whether it can reach the same size as Bumble, I think, is an open question. So I think Former Director at Match Group might be right on the money in that it's 75%, somewhere around there, of the size eventually. And I also agree with his assessment of the monetization.

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Former Pricing & Yield at Tinder will tell you how much see who likes you matters as a revenue feature. And as long as you have the kind of volume the Bumble has, that's going to be a very valuable tool in your arsenal for monetization.

So I think it's a bit of an open question. I do think it's not outside the realm of possibility that Hinge could grow to overtake Bumble in some of these markets, especially internationally. But it's by no means certain and it's by no means even that probable.

Moderator

Got it. That's really helpful. Former at Bumble?

Former Lead Product Manager at Bumble

So I generally agree with Former Director at Match Group that it is going to be difficult for Hinge to overcome Bumble in size. So for several reasons. First, the monetization definitely is stronger in an app such as Bumble. And Bumble the app has not historically been in a lot of markets.

However, Badoo as an app has historically been in an enormous amount of markets. So the technical capabilities to localize and to enter and to grow the new markets within the Bumble group is definitely present and there is a certain level of playbook maturity, so to speak. And Bumble has been going and venturing into new markets, at least in the recent couple of years based on the public information that you can find.

And so basically what I'm thinking if Bumble is able to sacrifice some of the monetization while expanding into those other markets, they are able to afford that, which I don't really know whether Hinge can or cannot afford it being slightly weaker on the monetization front, and at the same time, pursuing expansion into other markets, I don't know how difficult it is for them to monetize.

And also basically, Bumble can turn the money printer in any market that they've entered quite easily and quite fast. And I don't think that Hinge, at least from my understanding, has that capability. So this is going to be a difficult battle for Hinge to win.

Moderator

Former at Bumble, just a follow up. Outside of the not charging to see who likes you, what are the reasons for Hinge's challenges to monetizing in new markets? Or is that it?

Former Lead Product Manager at Bumble

I think that's it. But the mechanics for Hinge, essentially engagement on Hinge is structured in a way that there is a bit less inequality in terms of activity distribution in the ecosystem. So all the actions in the app are more thought through. So there is overall less activity coming from men towards women.

And the activity distribution is slightly fairer, which makes it for better engagement, but makes it harder to monetize based on the see who likes you thing. So my understanding is even if Hinge wanted to monetize on the see who likes you type of feature, it would be more difficult for them to monetize on that front. So yes, that's just expanding on this point if it makes sense. But otherwise, essentially, there are other ways to monetize engagement on the platform like Hinge. So who knows?

Moderator

Got it. That's really helpful. And Former Head of Accounting at Grindr, what are your thoughts on Hinge and their ability to outgrow Bumble?

Former Head of Accounting / Sr Director, Accounting & Financial Operations at Grindr

So I'm not an expert on this topic. But my two cents is that like the previous speakers, there are some difficulties or some issues with the Hinge model now in monetization. So for now, it seems it would be difficult for Hinge to surpass Bumble or Tinder in terms of revenue.

But then from another perspective, we could see the reason for that is because Hinge, they structure

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differently than Bumble and Tinder. And that's also the reason that they gained popularity in some aspect and because they could distinguish themselves. And it wouldn't surprise me like they cannot work in the same way to monetize as Tinder and Bumble.

But what if they think of some other ways to monetize based on their structure, based on their module, maybe like increased subscription price because users get less distraction on their website versus, they go to another website. This is just some thought, like they could think of other ways to monetize based on their unique structures. So who knows, if by doing that, they may have hope to surpass Bumble and Tinder. But I don't have a crystal ball.

Moderator

That's really interesting. Former Director at Match Group, I want to follow up on one of the comments you made. So you've made a comment on Hinge maybe getting to 60% to 70% of Bumble's revenue. But what if I ask you to predict how big will Hinge relative to Bumble in terms of both total users and paying users.

Former Director of Corporate Strategy, Match Group Portfolio at Match Group

So I think we'll probably see similar levels of payer penetration. So one thing Bumble has done historically really well is their a la carte strategy. I think they probably have the most sophisticated monetization strategy, or at least in terms of when they deployed it, of any dating app.

And so I think Hinge, not just in terms of the structural element of not having the see who likes you, but also just in terms of they just launched a second tier, they don't really have any a la carte other than Roses that I know of. So that combination of factors really makes it a little bit harder to get to that sort of 20% to 25% payer penetration that we see with Bumble.

I think they'll probably see something more close to the 10% to 15% that I think Tinder has historically seen. So even though they do have an older, more affluent user base that has disposable income, they just have a lack of levers that they can pull to monetize them. So I think that's where we get in terms of payer penetration.

In terms of the overall user base, being a part of Match's overall portfolio, I think that means that they probably have access to more marketing dollars to expand in other places like Latin America where they haven't touched yet. I know Bumble has been expanding in APAC for a while. I don't believe Hinge has.

They haven't really done much in India. So I think there's probably a chance to surpass Bumble on total active users if they get the marketing investment. But in terms of monetizing them, I still don't think it will be kind of a like-for-like comparison.

Moderator

Got it. I wanted to ask a very specific question about Tinder to the formers on this call. From your time at Tinder, how do you think about Hinge just both the competition and as another piece of the Match portfolio? How does that impact Tinder?

Former Senior Product Manager at Tinder

So I was at Tinder from 2014 to 2020. And so I was there during the rise of Hinge from outside the Match Group and then the investment and subsequent acquisition by the Match Group. So we coexisted as brands inside the Match portfolio for the last two years that I was there.

And for most of the time, it wasn't necessarily a direct concern. I think we were much more focused on external competitors like Bumble in terms of how are they positioning themselves, what type of product features they're introducing. The Hinge model did become more interesting to us.

And by that, I mean the actual product in terms of how you interact with profiles. So just as most basic, Tinder and Bumble have always used the I swipe on the entire profile, swipe right or left. And then on Hinge, it's either pass on the entire profile or I like a photo, I like a component of the profile. And then that is ideally suited to start a conversation.

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I think, for us, that was a very interesting innovation in terms of how we thought about generating more engagement and generating specifically conversations is a huge part of it. Not the most monetizable thing in the world. Everyone here will tell you that 90%-plus of the monetization, 99% happens at the top of the funnel, at the discovery stage of swiping on more profile, see who liked you, super likes, roses, all of that is happening at the top of the funnel. Very little is happening after the match.

But the idea of, "oh, how do we actually generate more value out of a given match," of course, has more implication for, "well, then I want more matches." So I think Hinge did introduce a different way to think about that. And if you look at something like Tinder's activity feed, which was built to show, hey, here's like a match you had from six months ago, who you're very unlikely to talk to ever again, just uploaded a new photo. Maybe you can message them about it.

Those sorts of things were spuriously inspired, I would say, by the paradigm that Hinge introduced, which is actually more aligned to something like Instagram, like a photo on Instagram, I don't like an entire profile on Instagram. So I think that was probably its biggest impact was on that aspect of the product. Of course, that might have changed over the last few years, but that was the main way we focused on.

Moderator

Excellent. And then Former Pricing & Yield at Tinder, did you have any quick thoughts to add to that?

Former Sr. Product Manager Pricing & Yield at Tinder

Yes. I don't remember if I specifically worked with anyone at Hinge. I know, generally, Match Group keeps the relative autonomy among the brands, so they're run on their own strategically. But there is kind of some co-mingling of thoughts and ideas. We would have calls with the OkCupid monetization teams just to kind of understand what they're working on and what was working for them.

So there's definitely like a knowledge share. But in terms of strategic direction, it's much more like Former Senior Product Manager at Tinder had said, taking ideas, but you can take ideas from Bumble as well. So it's not like very strict separation but pretty much strategic separation with some interchange of ideas across specific teams in the different brands.

Moderator

Got it. Well, thank you all for joining. This has been a really helpful call, and I've enjoyed it.

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