

Bumble Inc - Senior Director in Business Development at Tinder

Interview conducted on March 29, 2023

Topics

LGBTQ Community, Subscription Rates, Competition, Monetization, Safety Issues

Summary

A Tegus Client spoke with a Senior Director in Business Development at Tinder about the dating app industry towards the LGBTQ user base. The Senior Director explained that at Tinder, their user base is about 15% to 25% LGBTQ, and they consider it part of their core business. They position themselves as a universal app, targeting both the straight and LGBTQ communities. The Senior Director also notes that the growth rate in subscriptions is plateauing, likely due to increased competition in the market. The conversation also touched on competition with Grindr, with the Senior Director noting that while Grindr is seen as more of a hookup app, Tinder is more associated with relationships among the gay community. However, both apps have similar strategic priorities of improving user experience and driving monetization.

Expert Details

Current Senior Director in Business Development at Tinder. The expert has confirmed they can speak to this project. The expert can talk about both US and Global.

Senior Director in Business Development at Tinder. The expert is responsible for leading Business Development and Partnerships; leveraging the global product and marketing resources to deliver successful collaborations with partners.

Prior to Tinder, the expert was the Head of Digital Strategy at FirstGroup, leaving in December 2021. Reporting to the Chief Commercial Officer, the expert was responsible for increasing e-commerce revenue, digital strategy and led a team of 11 to deliver marketing, product development, customer experience and partnership programmes. The expert created Group Partnership Strategy, to develop new sales channels and to enhance brand perception.

Q: Can you speak to how dating apps monetize (paying ratios, ARPU, etc.) LGBTQ users and how this compares to monetization for the straight community? What about your role makes you familiar with this?

A: Yes, I can talk about this at great detail. As I'm a Senior Director at Tinder, and part of the Senior Leadership team. I am very much aware of the differences in monetization approach and performance between the straight and LGBTQ communities.

Q: Which dating apps (Tinder, Hinge, etc.) would you be able to speak to on the above topic? Please list all.

A: Tinder, Hinge, Bumble, Grindr, Meetic, OK Cupid, Lex, Her, Thursday, Fruitz, Feeld, AdultFriendFinder

Tegus Client

Hello. Thank you for taking the time to speak with me today about the dating app industry towards the LGBTQ user base. To start off, I think it would be helpful for you to just highlight your key responsibilities while you were at Tinder and also kind of to what extent that they touched on some of the LGBTQ user base strategy, monetization and stuff like that?

Senior Director in Business Development at Tinder

Sure. So I'm a Senior Director at Tinder, where I'm primarily responsible for running business development

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and also growth marketing. And I'm also part of Tinder's senior leadership team. So in terms of my sort of experience around LGBT, it's quite significant because at Tinder, our user base is about 15% to 25%.

It's something that we think about pretty much as part of our business as usual because it's such a large percentage of our base pretty much everything that we do, when we're considering a product feature or considering pricing or we're considering our marketing campaigns. When we're thinking about what kind of partnerships we're looking for, we're always thinking about how does this, at a really high level, help us to acquire, retain and convert and in terms of who're the upsell users in the LGBT community.

I think at Tinder, LGBT is definitely seen as part of our core business rather than just as a little extra to the business, and then, of course, part of doing this role, we think about as well how are some of our top competitors in the LGBT space, we are competing against, if you like, I'll call them like your universal apps like Bumble or Hinge who try to cater for straight and LGBT. And then we're also competing against LGBT only apps.

So for example, like SCRUFF or Grindr, for example or HER, which is like a lesbian app. But I can definitely talk about the LGBT community, how we monetize them and also monetization trends. So I think one interesting thing is we find it actually a higher percentage of LGBT people end up making a subscription purchase versus the straight community, for example. So what I'm trying to say for us, LGBT is not only because we don't do it just for good PR. We do it because those are good business as well.

Tegus Client

Got you. I'm curious to understand how Tinder positions and maybe we can focus on kind of to the extent there are differences, we can focus on gay men and sort of that segment. How does Tinder position its engagement sort of business and strategy versus some of the other competitors that you mentioned?

Senior Director in Business Development at Tinder

Okay. So Tinder's brand positioning is, we are really trying to be this universal app. So what you see in all of our marketing and all of our PR and also plays out on the monetization side is we are trying to be this all things to all people. So this means that we are targeting both the straight community and the gay community or LGBT more broadly.

And although Tinder has this sort of brand perception being like a hookup app, our marketing trying to be very noncommittal and that's because we're trying to basically maximize our total addressable market. So what we say to potential understand our existing ones actually is whether you're looking for like a hookup or a serious relationship, you could find with that Tinder.

So we're trying to be as this universal app where regardless of your sexual preference or your relationship intent, you can't find what you're looking for. So why do we do that? We do that because we are the largest dating app in the world in terms of both miles and number of subscribers. We're part of a Match Group, which you guys probably know. So we're a stock market-listed company. So one of our advantage is that we try to go-to-market with this that we are the biggest app. We've got the most users. And therefore, we could be all things to all people.

Tegus Client

It sounds like in the LGBT space and focusing on gay community, it's similar kind of marketing message where you're trying to be everything to everyone. So whether people want to use it for a hookup app or the kind of serious relationship, whatever age demographic, you're really trying to spend the whole canvas.

Senior Director in Business Development at Tinder

Yes. That's very much the case for Tinder. We're trying to be all things to all people. And in terms of what we had actually do for the LGBT space, I think what Tinder does is that we will, as part of our corporate social responsibility, like make donations to LGBT NGOs or charities in different countries. But in terms of how we actually promote ourselves LGBT is part of it.

So to kind of illustrate the example, Tinder right now has just launched a brand-new global marketing

campaign. So if you guys get the chance, if you google Tinder global marketing campaign, you will see that we are running a number of different types of creative across the same billboards across the same digital media sort of outlets as well.

And you might have seen it already, but you'll see that some of the creators have a lesbian couples. Some have a gay male couple and then the rest are more kind of straight couples. So the reason I say this is to illustrate that with Tinder, the LGBT community, we basically don't have a specific marketing campaign that's only for LGBT rather when we do a mainstream marketing campaign, we also include LGBT as part of that.

And a big reason behind that, by the way, if you're wondering why does Tinder sort of include LGBT in the marketing campaigns? And why is it that we don't have a different price for LGBT versus straight people. It's the same subscription price is amongst other things, one thing that drives our thinking is roughly 50% of Tinder's base is Gen Z. So people aged 18 to 25. And as you might have already seen from your own research, this is kind of like the most gender fluid generation.

And so you have an increasingly large percentage of the population that's kind of comfortable with saying that I like guys, I like girls. So what I'm trying to say is maybe 10, 15 years ago, in society, people would very much say that, "yes, I'm very much straight or I am very much LGBT".

Tegus Client

I think that makes a lot of sense as sort of the lines are greater. It's more fluid and therefore wants to market an appeal to the broader audience and sort of the fluidity and the graying of the lines.

But can I just specifically confirm that when you're saying we want to be everything for everyone, whether it's hookups or serious relationships, et cetera, that's also specifically referring to the strategy within LGBT and there isn't a more nuance difference within LGBT. It kind of follows that net broader approach.

Senior Director in Business Development at Tinder

That's correct. So this is all things for all people sort of marketing positioning, we fight equally for straight people and LGBT.

Tegus Client

Got you. And I'm sure different dating apps try to encourage different types of use cases or user behavior by sort of tailoring the app in certain ways, setting certain features, et cetera. And I'm curious, again, focusing on LGBT and specifically the gay community, how does Tinder think about what are the types of user behaviors that they're trying to enable? And maybe you can highlight where these types of behaviors might differ from the straight community?

Senior Director in Business Development at Tinder

Sure. So pretty much every dating app is trying to drive engagement. So we're going to measure engagement in a very specific way. So we're not just looking at the amount of time or the amount of swipes that people are doing, although we obviously monitor that. We're trying to understand like what's the quality of engagement. So we look at how much detail of content are people putting into that profile.

So in Tinder, you can have as little as like one photo and nothing in your bio, but you could put up, up to like eight different photos and videos. We're monitoring how detailed is your bio in terms of like how many characters in your bio, how many photos and videos, are you linking your Spotify account or you're linking our Instagram to it, that's important because the more detailed someone's profile is, the better the user experience is for the guy or girl who is doing the swiping.

KPIs become a lot more important to us in the last six months is monitoring the number of messages. And actually, there's a slight difference between straight and LGBT. So we've just defined a new North Star metric at Tinder, and that's to see what's the number of messages that a woman sends every single month on Tinder.

And just to give you some context, and it's interesting because although what I've explained to you in the

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last 10 minutes is like Tinder's official policy is like we try to do all things to all people. This is maybe one thing that perhaps we're measuring a lot more the straight community than the LGBT one. So the North Star metric is number of messages that a woman is sending every single month.

The reason why we're doing that is most dating apps where Tinder's gender ratio, and this is across LGBT and straight like if you look at our entire user base, it's roughly 2/3 male, 1/3 female. And so running a dating app and the straight community is still a majority of our user base. But we know that if we don't get women enjoying the platform, then they'll leave and if there's not enough women on the platform, the straight guys will leave as well.

So in terms of what features we're adding or see that we think over-index and appeals to women, it's adding photos and videos to your bio. It is adding your Spotify and Instagram account, you can add your astrology signs. When you go in Tinder, there's this thing called Tinder Explore, you can add like 50 tags on to your profile. So I think that's something which unintentionally so because it actually got brought up in recent town hall meetings, Tinder is only 600 people globally.

So we meet up once a month in a town hall. It was like unintentional that this North Star metric and some of these features, we weren't trying to exclude LGBT. Because a majority of the user base is straight and we are having a challenge in terms of retaining female users, we've launched these new features, if that makes sense.

Tegus Client

Got it. How is your strategy different for the gay community specifically?

Senior Director in Business Development at Tinder

Okay. So there's not really a huge difference at Tinder in terms of, for example, monetization, in terms of how we market. I think what are the different steps in that process. So first of all, in terms of like our proposition. So what's the actual product, the look and feel of it. I'll tell you there's something that's coming up, which will change it a little bit. As it stands, the product features are identical, whether you're gay or straight.

Then secondly, when I look at user acquisition, Tinder, when we do our paid media campaigns, because gay and people consume the same media. Both communities use TikTok, for example, both communities use Snapchat. So we don't choose different marketing channels based on where someone is straight or gay. There's some niche gay publications or websites like Attitude in the U.K. So we'll run some ads there, but it's not like a big part.

And then once we've acquired these, people normally started with the free user, about 15% of our users are subscribers. But the message that we send enough messages to promote the subscription offer. So all the things you see in all sorts of apps, like if you join now, it's half price, that sort of stuff. The targeting, it's pretty much identical, whether you're gay or straight at Tinder.

What will change is we're hoping to launch later on this year is to do what Bumble has done and has been to include a lot more gender identity options. So on Bumble, for example, I think you can pick as many as, I think, it's 15 to 18 gender-identity options. And then you can then filter on the app like are you trans? Are you nonbinary? Are you poly and so on. But to go back to your question in terms of our product features, in terms of our marketing, planning, in terms of how we try to convince free users option, it's identical of Tinder.

Tegus Client

So their strategy is similar for the gay community. Can I move on and maybe ask about how the users differ? You talked about subscription rates. I'm just curious, could you clarify for us what is the size of the gay population on Tinder? And then how does the behavior of the group of users differ from your straight users?

Senior Director in Business Development at Tinder

Sure. So 20% of overall user base is LGBT. But I would say that roughly 25% of subscriptions come from the

LGBT community.

Tegus Client

Would you be able to break it up between the gay population and lesbian population?

Senior Director in Business Development at Tinder

I actually don't know what that split would be between gay and lesbian because in our internal metrics, we just kind of measured as LGBT. When we look at LGBT, you could say roughly it's like a majority is gay and then rest is labeled other. So we put the other categories sort of like lesbian, bisexual, trans.

Tegus Client

Got it. So that's 12% of the 75 million MAUs on Tinder will be gay?

Senior Director in Business Development at Tinder

Yes.

Tegus Client

Got it. Could you talk about how the user behavior might be different?

Senior Director in Business Development at Tinder

So I think what's interesting with the gay community from a monetization perspective is that community has a higher propensity to purchase a subscription versus a straight community. And they also remain subscribers for a bit longer on average than the straight community as well. So actually, financially speaking, it's probably the most lucrative segment of dating is the gay men actually.

Tegus Client

Can we dig into that a little bit? Why is that?

Senior Director in Business Development at Tinder

So it's a few things. So bear in mind, I am talking about Tinder now from a global basis because my remit is a global remit. So firstly in many parts of the world, whether it's the West or elsewhere, especially outside of big cosmopolitan cities, it's harder for gay guys to be each other than for straight people.

So if you're living in San Francisco, New York, London, you're living in a very liberal city in a very liberal pocket of the world. And rightly so, it's totally okay and totally normal to be openly gay in a city like New York or London. But of course, the majority of population doesn't necessarily in the super liberal city. You could be living in a red state in the U.S.A. You could be living in Poland, in Turkey and so on.

This cultural issues, which make it harder for gay guys to sometimes be open about the sexuality and then to actually go out and meet other gays. And so an app is obviously perfect because it's a very private way for you to meet somebody, so that's one.

And then two, again, within the gay community, men, to put it quite bluntly, they had the hunting mentality. So if you look at the straight relationships and we see this on Tinder as well, men generally are more proactive in pursuing someone while women can be more passive because they will get tons of messages. While with the gay community, obviously, it's two guys.

And so this helps us a lot with subscriptions because when you purchase a subscription, you've got a higher chance of getting matches and you get more matches. So when you add the cultural element and the fact that we're talking about a 100% male demographic, obviously, within the gay segment, it's private and the propensity for men to want to pay a relatively small amount of money because we're a low ticket item, which means they get more matches quicker. It's really great for us as a business.

Tegus Client

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Got it. I just wanted to clarify what do you think the subscription rates for gay population is specifically. And also how does ARPU for the gay population compare?

Senior Director in Business Development at Tinder

Sure. So if I take a look at our overall base, you've got 75 million monthly active users, of which 11 million are subscribers. That gives us roughly 10% to 20% of our audience is a payer. But amongst gay men, I would say that it's more like a quarter of our gay men actually subscribe.

Tegus Client

Got it. Is the ARPU different?

Senior Director in Business Development at Tinder

The ARPU is different in terms of the subscription length because the cost of being on Tinder Gold, Tinder Platinum, Tinder Plus is obviously the same, whether you're gay or straight. But what we noticed is in the straight community, the average subscription length is in the straight community roughly three months because what happens is people subscribe for a few months, after a while, they get bored, then they stop subscribing and then they may come back later on.

So it's not like Netflix. People kind of dip in and out of their subscription. So with the straight community, we've noticed that it's about three months. For the gay community, we see that, generally speaking, the average subscription length is more like four to five months. So in terms of ARPU, it's definitely a lot better. It's definitely a great segment to be in.

Tegus Client

Got you. Is there a higher mix of subscribers on the higher tiers. So you charge the same prices, but I just wonder whether a higher proportion of gay men subscribed for Tinder Gold versus Tinder Plus?

Senior Director in Business Development at Tinder

If we look at these stats, it's not so much that there's a huge difference that way it's more driven by the length of time that they're on the subscription plan.

Tegus Client

Got it. And I assume there's differences in income as well. Have you looked at whether the high-paying ratio is driven by higher average incomes in general? Or when you take out the income effect, there's a higher propensity to pay from the gay population?

Senior Director in Business Development at Tinder

Yes. That's a really interesting question genuinely because I get access to all sorts of research report to Tinder. We've never actually looked at income by sexual orientation. And it could be because we are a relatively low ticket item. So for example, in the United States, with Tinder Gold we're always running promotions, but it's normally like in the \$15 a month. So we haven't actually looked at income differences between different sort of groups like that. Have you guys seen a difference in income by different sexualities?

Tegus Client

Well, I think the gay dating apps like Blued in China or Grindr in the U.S. point towards higher average income for the LGBT for the gay population specifically. I would say there's a difference. I wouldn't know whether people confirm that or not.

Senior Director in Business Development at Tinder

We haven't done that research in terms of income by different sort of sexualities but it gets me thinking in terms of like disposable income and so on. In Europe, there's a big thing about the pink pound and because not every LGBT person is necessarily looking to have their own family and children necessarily. It does

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perhaps give them more disposable income because they're not necessarily thinking about having to save up for their future children's college education, for example.

So there could be some truth about slightly more disposable income, even if a gay person, a straight person are earning the same income, there can still be more discretionary income amongst LGBT, that is an interesting point. I guess we haven't really looked at it too much because Tinder Gold, it's only \$15 a month. It's not a super expensive product.

Tegus Client

Got it. Is the penetration rate or paying ratio changing over time? Is it growing faster or slower than for your straight population?

Senior Director in Business Development at Tinder

Okay. So I think what we are seeing with across the world actually is, the growth rate in our subscription is definitely sort of plateauing at the moment. So Tinder was a business which historically was growing at 15% to 20% per annum. And this is like in terms of revenue and so on. But what we've noted is as the market is getting increasingly more competitive.

So to kind of answer your question, the number of subscribers that we have it's kind of growing, but like way at a much slower pace than before. So what we're trying to do to is we're trying to put greater emphasis on our kind of a la carte features.

So in addition to buying a subscription, you can buy things like Super Likes or Boosts for your profile, you don't have to be a subscriber for it, but these are almost like one-off purchases that you can make on the app to improve the visibility.

Tegus Client

When you said the growth rate in subscriptions is plateauing, you're also seeing that in the gay community?

Senior Director in Business Development at Tinder

Yes, because the competition in the gay community, it's definitely increased so much now because we look at trends for the last three to five years. There's just been this real explosion of so many other competitors maybe they're doing a better job. So we're plateauing. And I think with Tinder, because we're the largest app overall.

Tegus Client

Yes, you're kind of taking shots from different directions, and you kind of have less time to grow into.

Senior Director in Business Development at Tinder

Exactly. You put it more eloquently than I could have. But that's a very good summary.

Tegus Client

Got you. Can I quickly jump back you're kind of sharing the two reasons why you think the gay community monetizes at a higher rates. One is friction outside in the cosmopolitan cities and two is sort of the hunter mentality. I'm curious if you saw any sort of empirical evidence within the company that kind of spoke to either of these points? Or these are sort of more conjectures?

Senior Director in Business Development at Tinder

No, it's empirical because we're able to drill down into our subscription penetration rates by different regions of a country as well of every specific country, whether that's like France or the U.S. So unfortunately, there's lots of parts of, if you like, the U.S. and also, obviously, parts of Asia, parts of South America, where gay guys prefer to have a private method of finding somebody because it's just unfortunately not so promiscuously, it's sad but true.

Tegus Client

Got you. And then on the second point, one thing as we kind of debate this topic, the other side of it might be, with the straight community gay men have more hunter mentality, they need to pay for features because women are tougher to reach. But because men tend to be sort of more open or promiscuous or however you want to call it, maybe using the free tier and free capabilities might already lead to a higher degree of matching.

Because men's swipe right more often than women do. So that would be sort of the potential counter-argument to the gay community monetizing at a higher rate. And I'm just curious if you had any pushback or thoughts on that?

Senior Director in Business Development at Tinder

Yes. So it comes down to well the quality of match. So if you think about promiscuous behavior and you can think about it being maybe based on quite superficial characteristics sometimes. So if you want to get matches with hotter people to put it very bluntly, the premium features enable you to do this. So for example, if you're on Tinder Platinum, you get some priority likes. So priority likes means that when you swipe right on somebody your profile is surfaced quicker.

It's almost like very discretely, we're promoting your profile to people like who always swipe right on so that hopefully, you're going to get a higher quality match. So whether someone you find like visually more attractive, for example.

The other thing that you can do if you've got a subscription plan, especially if you've got Gold or Platinum, it's like you can see who already likes you. So that kind of saves time because everyone who's been on the dating app complains that they can spend hours swiping but not get a high-quality match. So if you can see who like you already, that totally saves time as well and also you get unlimited likes. So on the free plan, there's only so many likes that you can give out in a certain week.

And then the last thing is a Boost. So a Boost means that you become one of the top profiles in your area for 30 minutes. So you're right to say that, yes, if you're promiscuous, and if you're reasonably attractive, you could get a match. But actually, you might want to get the best possible match to put it politely.

Tegus Client

Got you. It sounds like Tinder doesn't specifically introduce different features or subscription plans, et cetera that differentiate between the LGBT and the straight community. I'm not sure, have you guys explored internally on kind of what some of the low-hanging fruit might be or potential power leverage might be if you could introduce different features or plans or whatever it might be to increase monetization on the gay community.

Because it sounds like the app is right now more optimized for the straight community and sort of the gay communities monetization is what it is. Have you guys discussed or have there been insights around if you did XYZ, we could monetize the gay community much higher?

Senior Director in Business Development at Tinder

Got it. So we've never, in all of my time at Tinder and all of my senior leadership team meetings or we go on executive offsites a few times a year. When we think about the gay community, we never think about like having a different product features or having a specific marketing campaign for them because we're trying to be like all things to all people. And then because half of our base is Gen Z, they're very gender-fluid, it's kind of if you're looking at eliminating certain people.

If you start having this perception that you're treating one community better than the other, it can lead to a major PR backlash. And that's something that we try to avoid even though we realize that LGBT is very good for us as a business and also we are genuinely a progressive company. So we welcome everybody.

But where we've tried to improve our sort of is probably the best example, I suppose, is this global brand campaign where LGBT community and gay communities more specifically, it's reflected in all of our mainstream marketing. I guess we do that because we're trying to say to everybody, "Hey, we treat

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everybody the same. We don't care what your preference is. You're all welcome".

Tegus Client

Got you. Maybe switching gears to competition. And I think maybe we can start with Grindr. I'm curious, how does Tinder think about Grindr as a competitor? What are the concerns, how do you try to position yourself against them?

Senior Director in Business Development at Tinder

Yes. So interestingly enough, we believe we might actually have slightly more gay men than Grindr does because obviously, we are global and we're huge. So with Grindr, I think when we do our own user research, Grindr appears to have more of a hookup stigma than Tinder does amongst the gay community. So rightly or wrongly, whenever you work in a company, you always basically get the Kool-Aid given to you any way it works. So I would caveat my statements by saying that.

But what we basically get from our own research team is at a high level, Grindr is definitely seen as a bit more of a hookup. There are some safety what we believe are safety issues. So in Grindr, you can see how close you are to your match, like to a ridiculous level of details. So Tinder, you can swipe within people less than a mile from you. But on Grindr, you can see someone is like 100 meters away from you.

So we think that, that can come with some safety issues because like what if you match with someone who's a little bit crazy and they know that you're only 50 meters away, they could walk you down sort of thing.

And Grindr is, at the moment, I know it's available globally, but generally speaking, the vast majority of the user base as far as I'm aware, is the U.S. and Western Europe. And they're a lot smaller than that. So I think Grindr, I think, is 12 million monthly active users. And for us, our LGBT is about \$15 million. So although we are not specific LGBT app, we actually have more LGBT people than Grindr, which is interesting.

But it's a great business because I know they recently listed on one of the American stock exchanges a couple of years ago. So I know they're very successful from a sort of financial perspective as well.

Tegus Client

I'm curious so Grindr, from our understanding, kind of positioned more as a hookup app for gay men, if a gay man or some of the LGBT communities using Tinder, do you know if they then look to Tinder as more of a, "hey, if I want to look for a relationship, I'm going to use Tinder over Grindr and Grindr is sort of, if I'm looking for something more casual". I'm not sure as you can speak to how gay men in kind of their mind, it might be differentiating how they use hookups.

Senior Director in Business Development at Tinder

Yes. So broadly speaking, you're right to say that at least when we do our research, we run a bunch of research that specifically at the gay community. As a broad generalization, Grindr has seen is very much for hookups and Tinder is more about relationships, which is kind of weird because among people Tinder has seen as hookups and actually you'd go to something like Hinge to find.

So it's kind of funny that Tinder is almost seen a slightly more respectable amongst gay men than it is amongst straight people, which is really the majority of our user base. But that said, according to our own research, the average dating app user has on average 2.4 dating apps on their phone. So it wouldn't surprise me and this is a very similar in terms of trend for the gay community. It wouldn't surprise me if you like, the average gay app user has got Grindr and Tinder on their phone.

And especially if you're feeling more promiscuous, there may be times, if you like, when you want like a hookup, you may get that at Grindr because Grindr is a whole interface. You can find a guy very quickly on Grindr. So actually, it wouldn't surprise me if there's a huge overlap between Grindr and Tinder users.

Tegus Client

Yes. Is Tinder doing anything that specifically sort of address or counter the competition from Grindr or maybe it's more Tinder, which is going to be everything to everyone. We're going to mind our own business,

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and we're going to kind of let Grindr do what they do in targeting sort of hookup need amongst the gay community?

Senior Director in Business Development at Tinder

Yes. I think it's a great question. So of course, we study our competitors. We look at their features, we look at their marketing campaigns. So we do bear it in mind, but we don't really look to copy. And maybe we are slightly arrogant, maybe the wrong word, but when a rival launches another feature, we don't think, "we need to copy this" because each app whether it's Tinder, Bumble, Hinge, Grindr, they all have slightly different look and feel.

So what we tend to do is we're maybe more customer or internally-focused. But at a high level, I think both Grindr and Tinder have at a high level very similar strategic priorities, Grindr and Tinder both trying to improve their user experience and improving user experience is about getting more and better connections and it's about generating more chat messages at a high level.

And then the second thing that I think both apps are trying to do is that we're both trying to drive monetization. So we're doing that through trying to improve our subscription options. And both Tinder and Grindr have a la carte features too. So yes, I guess, we don't try to copy Grindr. I don't think Grindr tries to copy us either, but we just try to do focus on our USPs, our strengths. But funny enough, we have the same strategic objectives. Every dating app wants to badly improve user experience, and we definitely want to improve monetization and conversion.

Tegus Client

Got it. Is there any other emerging competition in the gay community?

Senior Director in Business Development at Tinder

So that's a great question. I think it depends a little bit from like a region to region as well. But I think within the actual gay community, interestingly, both Bumble and Hinge have stepped up the LGBT efforts in the last year. So actually, when we think about competition for the gay community, I think, for sure, Grindr is probably the biggest specialist gay app. There's GROWLr as well.

And then there's like a long tail of much smaller apps, like there's ones like there's Surge, there's BoyAhoy, there's GuysOnly, but they are like so small that we don't really safely consider them because if you study dating apps as an industry, there's often a bunch of apps that get launched every year, but there's also a high failure rate. So what we actually focus a lot more on is, I think competing increasing is Hinge and Bumble.

And you'll see this in Bumble's marketing strategy, where until about a year ago, Bumble has always accepted LGBT members, but all the marketing, all the PR, everything was 100% focused on straight community. And the same for Hinge as well actually, but both have since started to open up to the gay community.

So one example is eight months ago, on Bumble, when you set up your profile, you pretty much have to say whether you're a gay, lesbian or straight. Now they've got like 15 to 18 different variants of sexual preference. So that's an example of a product feature that Bumble is doing.

And Bumble, I think, has about 25 million monthly active users globally. So that for us is a much bigger threat to the gay. In terms of maintaining our market share amongst gay people, I'm actually more worried about Hinge and Bumble and Grindr than I am about if you like, a startup.

Tegus Client

Yes. Do you know the numbers for Hinge in terms of the size of the gay population on Hinge, the penetration rates and the ARPU?

Senior Director in Business Development at Tinder

Sure. So I think with Hinge change at the moment is around only 10% LGBT. I don't know how much of that

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would be gay, % because, again, gay guys tend to over-index slightly in this, but it's definitely a lot lower because if you compare that to Tinder, Hinge is definitely a lot lower. As you probably know, it's another Match Group brand. So it's kind of like a sister brand to Tinder.

Tegus Client

Do you know the paying ratios?

Senior Director in Business Development at Tinder

The pay ratio for Hinge is actually quite low on Hinge because they're only now starting to dial up their monetization efforts. So on Tinder, we know that it's about 15% of our base as a subscriber.

Tegus Client

And what is the guy population on Hinge?

Senior Director in Business Development at Tinder

That I don't know because I don't have access to that data. But what I can say the big trend for Hinge is over the next 12 to 18 months, they're really big push in monetization because, and this happens for every dating app. In recent years, they were just focusing on number of installs, like that was their #1 metric. But now there's a much greater focus on Hinge to actually grow its revenues as well because the revenues are currently relatively small at Hinge.

Tegus Client

Got you. Do you have any thoughts on where Grindr can take their monetization on to relative to, do you think it's going to be lower on par or higher than some of the monetization metrics that we're seeing in Tinder's gay community?

Senior Director in Business Development at Tinder

I think Grindr can take it potentially higher than Tinder because we know that the gay population is a higher propensity to take up a subscription product.

Tegus Client

I mean specifically, if you looked at Tinder's gay community, so I think you mentioned 20% to 25% paying ratios and longer subscription times. If you were to compare Grindr to that segment within Tinder, how do you think their monetization in the medium to longer term will compare? The question is do you think that Grindr's subscriber ratio could be higher than 20% to 25% in the future?

I think the short answer is ultimately, especially because the use case is very different for Grindr, which could drive people to pay, which my research indicates it's a kind of a hookup app. So if someone is wanting to hook up, but they want like the best possible match. That is a case where the user wants a high quality much very, very quickly, basically. So it's like it's Saturday afternoon, you want someone for Saturday night.

So if I'm looking at this totally objectively, yes, there's a very limited time window. Can I see gay men paying extra to get a high-quality match on the same day? Absolutely. The challenge for Grindr will be to ensure that they obviously develop the right product, they have the right user interface, they market with uplift.

And there's still this kind of safety feature because nobody wants to be matched with an X merger who's only 50 meters away from you. So fundamentally, given this kind of urgency to purchase, shall we say. "Yes, it's a great opportunity for them if they can find the right product and the right marketing".

Tegus Client

Yes. Do you see any empirical evidence of when you look at users within Tinder? And I know it's not a bright line, some people use it for hookups, some people use it for only serious relationships, but often it's a blend.

But I'm not sure if you've done any research that kind of speaks to, "hey, for the users that are kind of more

interested in using Tinder as a hookup app". You're seeing higher monetization for those users versus those who are only predominantly trying to use it to get into a serious relationship?

Senior Director in Business Development at Tinder

Yes. I think actually, the people who are more interested in relationship and the straight community seem to be the biggest drivers of ARPU because they stay on the app for longer and the straight community is kind of like three months and because if you're looking for relationship, you are going to invest time in trying to find the right person and find the right person takes a while for most people.

So generally speaking, people are on the hookup maybe more promiscuous even amongst their choice of apps, again, this is more kind of coming from focus groups, customer polls, this sort of thing. But generally speaking, someone who's a bit more promiscuous could have four or five apps versus someone who is in the relationships like there's just two apps that I really want to focus on. That's kind of how it often works.

Tegus Client

Yes. So you see that people who are more looking for serious relationships, do they monetize more or less than folks that are just more trying to use it for hookup?

Senior Director in Business Development at Tinder

I think the relationship is probably the people who are going to end up monetizing it for longer, price as well because in the relationship, you're a bit more discerning.

Tegus Client

Got it. You're saying they pay for subscriptions longer.

Senior Director in Business Development at Tinder

Exactly.

Tegus Client

Do the paying ratios differ?

Senior Director in Business Development at Tinder

What we're able to say is, well, generally, if you're looking for a relationship because it takes time, you end up having to subscribe for longer because it just takes time to find someone serious.

Tegus Client

Awesome. Thank you again for taking the time to speak with us today. Goodbye.

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