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Press Release

U.S. Dating Services Market Worth \$2.5 Billion. Big Deals, Consolidation, Leaves Match.com As Dominant Force

Tampa FL, February 9, 2016: Marketdata Enterprises, Inc., a leading independent market research publisher covering service markets since 1979, has released a new 227-page report entitled: **The U.S. Dating Services Market.** This is the ONLY business analysis covering both off-line and online dating services. The study presents a status report and outlooks for... solo matchmakers, dating coaches, dating websites and apps, chains and franchises, radio datelines, print personal ads, speed dating, singles events, and phone chat lines. The study estimates industry revenues from 1993 to 2020 Forecast.

"Matchmaking and online dating has become big business, with dating services estimated to be worth \$2.5 billion in 2015 and forecast to grow 5.1% per year to \$3.2 billion by 2020. The industry consists of much more than just dating websites, although these get the bulk of the media attention and account for 70% of the industry's revenues. America's 124 million singles are using mobile apps more often, but traditional services like matchmakers and dating coaches are doing well also.", according to Research Director, John LaRosa.

Major Findings:

- **Market Value...** Marketdata estimates that the total United States dating services market grew 24% between 2012 and 2015, reaching a value of \$2.55 billion. To 2020, we forecast slower 5.1% annual growth to \$3.2 billion. At \$1.76 billion, online dating--the 1,500+ dating websites, captured an estimated 70% of the total revenues, up from 53% in 2012.
- Leaders include IAC's Match.com with \$1 billion in revenues, eHarmony with \$275 million, and Spark Networks with \$49 million. The Match Group, now independent via a 2015 IPO, dominates the online space, acquiring rival Plenty of Fish for \$575 million, as well as other buyouts of Meetic, OK Cupid, Yahoo Personals, Our Time, and Tinder.

- It's estimated that 1,600 independent **matchmakers** operate in the United States—(grossing about \$200,000 per year each). Their numbers are rising, and the field is doing well. This is an easy business to enter (no license needed), with little investment capital and profit margins as high as 76% of sales. Most operate solo, in one city, but matchmakers that make \$1+ million will travel nationwide and internationally for clients. New entrants are being trained and certified by The Matchmaking Institute in New York City. This market segment was worth \$363 million in 2015.
- **Dating coaches** are growing in number, about 400 today. This is a \$29 million market segment. Dating coaches sometimes collaborate with matchmakers but often they compete with them. Most work part-time, earning \$30,000 or so, but two make more than \$500,000 due to extensive product lines including books, workshops and video courses.
- **Mobile dating** apps have taken off in the past year, but few are making any money. Most dating websites also don't make a profit, other than the large players.
- Two major chains operating brick & mortar offices (Together/The Right One, Great Expectations) went out of business, closing 120 offices nationwide. These "off-line" services typically charged \$2,000-6,000 and were guilty of deceptive and overly aggressive sales practices, and faced actions by various State Attorneys General offices
- **Dating websites:** This is a mature market in the United States and customer satisfaction could be a lot better. "Freemium" is the new model—some enticing basic services free and an upsell to more advanced, paid subscriptions. Mobile applications, Asia, Brazil, and niche sites are key drivers of future growth. Marketdata expects 7% annual growth to \$2.38 billion by 2020. The large players continue to acquire smaller competitors.
- **Phone chat lines** for singles is a mature \$200 million segment dominated by Teligence and Quest Personals, which primarily serve a young market. Competitors here say that there is still a very viable market for these services, which allow people to connect with real people via phone--more personal and engaging than viewing online profiles that are many times inaccurate.
- **Speed dating** is a tiny but popular \$5 million market, with three major competitors (Pre-dating, 8 Minute Dating, Hurrydate). There are an estimated 500 speed dating events per month in the U.S.
- The industry has its share of challenges. Fake and inaccurate profiles and fraudulent traffic at dating websites is a problem, with no solution. Unauthorized recurrent billing is another issue. In addition, there have been database breaches (Ashely Madison site), a call for more background checks, and more protection of personal information.

“ The Dating Services business is a fragmented but growing one, with both small entrepreneurial companies and billion corporations. There is no unifying trade association to police ethics and marketing practices. Some services are free, while others cost up to \$250,000 (elite matchmakers). It's still 'let the buyer beware'. The Internet and dating reality TV shows (The Millionaire Matchmaker, The Bachelor, others) have brought these services into the mainstream and taken the stigma out of the profession. There appears to be a service and price point for every type of lonely single person, in every age group. ”, according to John LaRosa.

Value of Industry Segments (\$ millions)

	2012	2015	2020 F	2015-2020 % growth/yr.
Online services, websites	\$1,425	\$1,766	\$2,384	7.0
Matchmakers	308	363	445	4.5
Dating coaches	25	29	35	4.0
Phone chat lines	225	200	200	0.0
Radio datelines	97	75	55	-5.4
Singles events	47	47	47	0.0
Speed dating	5	5	5	0.0
All other off-line (It's Just Lunch)	30	35	35	0.0
Total:	\$2,055	\$2,550	\$3,206	5.1*

Source: Marketdata Enterprises estimates

Editor's Note: The U.S. Dating Services Market, February, 2016, is an independently researched study that is 227 pages long, contains 35 company profiles, 45 Tables, and costs \$1,395. It is also sold by individual chapters. Study covers: how services operate, revenues/profits, operating ratios, market segment outlooks, \$ mkt. size 1991-2020 F, image problems, singles demographics, outlooks by consultants and Wall St. analysts, 2016 custom matchmakers survey, ranks of top dating websites, niches, ethical issues, technology, and more. Free brochure available. John LaRosa available for interviews.

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A 29 pp. Overview summary is available to the public for \$99, at: www.marketdataenterprises.com.

