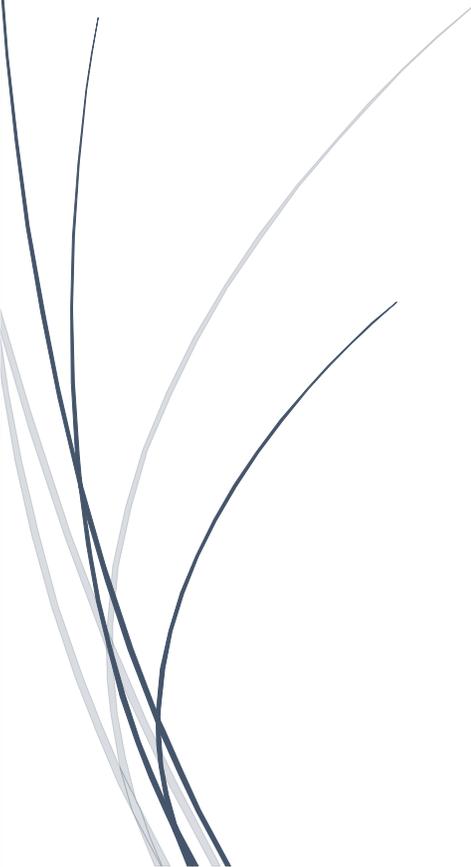




6/4/2018

It's a Date Business plan

By: Marcus Wood



Contents

- Mission Statement2
- Executive Summary.....2
- Industry Background2
 - Before Online Dating.....2
 - Online Dating.....3
 - Dating Apps3
 - Customer Need3
- Business Model.....3
 - Creating an Event3
 - User Created Events3
 - Featured Events4
 - Event Deadline.....4
 - Date Selection.....4
 - Finding an Event.....4
 - Cancellations.....4
- Competitor Analysis4
 - Event Based Dating5
 - Millennial Targeted Apps5
 - Sustainable Competitive Advantage.....5
- Market Capture Strategy.....5
- Market Size.....5
- Financial Projections5
- Team6
- References.....7

Mission Statement

It's a Date is an activity based dating app that fosters in person meet ups between people with similar interests.

Executive Summary

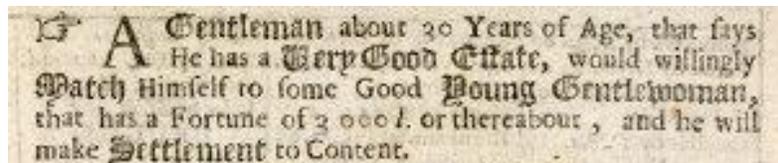
The proliferation of dating app usage throughout the US has opened the door to exploring creative ways to solving the need of meeting someone. Increased usage has brought many dating apps, but none have aligned their revenue strategy with the customer need being met. This division in strategy prevents them from sustaining their communities and inhibits the user experience they are able to offer their customers. It's a Date partners with local business to assist users in the dating process and limiting the paradox of choice users experience on other apps.

A core tenant of the It's a Date design is to limit app usage and convince users to meet in person as early as possible. This opinionated design will filter out casual users of dating apps to create a community of people looking to meet in real life. Developing this community will support the revenue strategy of affiliate marketing from business partnerships and drive repeat users to the app. Modern dating apps such as Tinder, Bumble, and the like make money off of a premium membership or ads shown as users spend time on the app. Their strategy fundamentally creates stress in the customer experience and prevents them from addressing the user's need. This foundational deficiency incentivizes them to keep users as long as possible to make more profit. It's a Date will launch serving singles and expand to couples in a later iteration. A user that's in a relationship generates the same amount of revenue as someone that's single. It's a Date will generate revenue immediately and expects to become profitable by the time 1,000 monthly active users are reached.

Industry Background

Before Online Dating

Since there has been a public forum to post, people have looked for love. The earliest documented cases of this was in 1685 when a man took out a personal ad in the newspaper to look for a "good young gentlewoman." In 1870, the first newspaper for singles was launched in Gold Rush San Francisco where men posted for 0.25 cents and women posted for free (PBS, 2013). Social pressures to get married before 21 and World War I once again spurred growth for personal ads in search of love and companionship. These 'lonely hearts ads' were suspected to be used by homosexuals and sex workers as well causing the British police to prosecute some people who placed them (Lee, 2016). Automated matchmaking services based on data launched in the mid-1900s where customers could pay a quarter to receive a suggested match's contact information. A few years later two Stanford students took this idea further by creating a punch card questionnaire that ran through an IBM 650 mainframe computer (Matthews, 2017).



In 1965, Harvard Students Jeff Tarr, Dave Crump, and Douglas Ginsburg tapped into the power of the IBM 1401 to read questionnaires from singles. For \$3, or roughly \$22 today, people could have the five potential matches it found mailed to them. Tens of thousands of people signed up and allowed the team to open up more offices throughout the country. "The team also started to notice patterns in the data

that let them draw conclusions about certain consumer demographics, like Old Spice was a hit with All-American gals, while the preppy types preferred something called Royall Lime” (Hernandez, 2014).

Online Dating

“The explosion of the Internet in the mid-to-late 1990s created a new context for personals, and by the end of the decade, they had become relatively acceptable. Services such as America Online, Prodigy, and Craigslist offered chat rooms, forums and online classifieds of use to singles” (Lee, 2016). These services were made it easier to meet offline, but Match.com revolutionized finding the one online in 1995. “As the first online dating site ever, Match was able to streamline the process, allowing singles to select things like their match’s preferred gender, age range, location, hobbies, and lifestyle habits” (Matthews, 2017). By the late 1990s, online dating had become more popular with even Hollywood getting involved with the launch of “You’ve Got Mail.” By the year 2000, a new online dating service launched focused on singles looking for a long-term commitment and took 29 dimensions of compatibility into account. eHarmony also delivered all of its matches directly to the users and is still in business today (Matthews, 2017). Other online dating sites sprouted up through the 2000s and by 2007 the industry had become second largest online industry for paid content (Lee, 2016).

Dating Apps

Colliding with the launch of smartphones to the masses in 2007, Zoosk was founded. This introduced many convenient features such as connecting to user’s social media profiles for easy account generation and a carousel of singles that one could say “Yes,” “No,” or “Maybe” to. Location based searching was a common feature of dating apps, but in 2012 the launch of Tinder made it real time. Users could swipe on images of people and if both parties swiped yes, they would be able to chat in the app (Matthews, 2017). Many other apps have launched since then to make finding people to date convenient. Bumble, Coffee Meets Bagel, The League, and many others have all taken their own unique spin on location based online meetups.

Customer Need

People find ways to seek out love on technological advancements nearly as fast as they pop up. Technology has made it easy to see thousands of singles and determine compatibility on nothing more than a few photos, a bio, and a swipe. The externality of this is the commoditization of the dating experience. The level of effort to get onto a dating app takes less than five minutes and then users are presented with hundreds of options located a few miles away. Low barriers of entry or commitment creates a flakey community and disadvantages the people who are seeking something more. That’s not to say it’s impossible to find someone on these apps, but there is a better way. The user experience needs to be centered around offline experiences with someone met through online means, not giving users infinite options with no guide to a real-life meetup.

Business Model

There are two paths a user can take in the app – creating an event or finding an event.

Creating an Event

User Created Events

Users will be able to select from a curated list of events specific to their area. Each event will be tested and approved by It’s a Date. Once they have found an event that works for the time they are looking for that they are interested in they can post it. These events are affiliate marketing partnerships It’s a Date will create local to each area. No payment is necessary to list or use these events. Once

confirmed, a QR code will be messaged to each user for use at the event location. They will provide that code to the location, which will notify It's a Date of a successful conversion. Without providing this code to the event location, users will not be eligible for the discounted offer. This mitigates any payments necessary in the app and enables It's a Date to provide an audit trail for payment from the event location.

Event Deadline

All events will have a deadline that is 48 hours before the event starts. At that time, the event will be taken off of the app and the user who posted it will choose the person to go on the event with or cancel the event. Users are able to cancel their event at any time, and can choose someone to attend their event with before the deadline. Upon selection, the event is taken off of the app.

Date Selection

People are able to view the event and the user who posts the event's profile while it is on the app. If they're interested in the event with the person they can indicate their interest. At that time, the user who posted the event will receive a notification and be able to look at their profile. Many people can indicate interest in an event, but only one person can be chosen.

Once the event creator selects an interested user, there is a notification sent to that user to confirm the date. The interested user has three hours to accept, otherwise the event creator can choose another user. Upon acceptance, a chat window will be created to allow them to talk and discuss logistical details before the event.

This is as far as It's a Date intends to go into the dating process. The mission is fulfilled by fostering a connection between people with similar interests. With the exception of the QR code used for featured events, the customer journey is completed.

Finding an Event

Events will be posted in a feed for the user to look at each day based on their interests. Each event card contains details about the event and the event creator's profile to be viewed. Users will be able to indicate interest in an event by <NOT SURE YET>. To limit the amount of interest per event and potential events a user can go on we will show one event daily chosen algorithmically by us. The goal is for users to take their time to get a feel of the event and creator.

Initially, this will be a feed for the users to scroll through, but as the app grows there will be search and filter functionality built in.

Users will receive notifications if they are selected for an event. In that case they will need to confirm within three hours of receiving the notification if they can attend. If they accept then a chat window will open up for the user to talk to the event creator.

Cancellations

In the unfortunate event of a cancellation, there is no immediately penalty given to the user. It's a Date operates on a two-strike policy to temporarily ban users who cancel or don't show two times in a row. The focus on community and design of the app is intended to deter flakey users.

Competitor Analysis

The dating market is competitive and saturated. There is no getting around that fact, but no dating app is aligning their revenue strategy with the customer need being fulfilled. The main competitors of It's

a Date are operating under a freemium price structure that incentivizes indecision and gamifies the dating process. It's a Date is intended to cut through the noise and provide results for the user.

Competitors fall into two buckets – dating apps that target the same demographics and apps that revolve around events.

Event Based Dating

	One on one	Can Create Custom Events	Featured Events	Notes
It's a Date	X	X	X	
Fortu	X		?	App doesn't work, potentially shut down
Venue	X		X	Couldn't find on either app store, potentially abandoned
HowAboutWe	X			Older target market, only on the web
The League			?	Group social events, but in my opinion the closest competitor due to their community

* ? denotes unsure due to lack of information or functionality in app

Millennial Targeted Apps

Tinder – Largely labeled as a hookup based dating app that you swipe on people within your area

Bumble – Similar to bumble with the exception that girls have to speak to you first in the case of a match

CoffeeMeetsBagel – Gives you a limited number of matches each day to choose from. In app currency allows you to buy more matches, rematch, and other functionality

Sustainable Competitive Advantage

The market is tough, and even the slightest design change in the user experience can be huge. For instance, Bumble is very similar to Tinder with the largest difference is that girls have to talk first. That fostered an entirely different community and gave them tremendous growth.

It's a Date is not a revolutionary idea, but the design and revenue strategy give it the best opportunity to succeed. It is imperative that It's a Date launch in new cities first and partner with the best local businesses to thrive. That will create a barrier of entry to any competitors that arise. Additionally, while the design, market strategy, and revenue pipeline can all be copied the community fostered through the design cannot due to being the first mover in a city.

Market Capture Strategy

Press, parties, refer a friend, and partnerships with local businesses.

Market Size

Update after target cities are added.

Financial Projections

The numbers:

- 1.6 million millennials in the Northern Virginia/DC area

- 27% of millennials use dating apps (I think this number is low)

DC Market Size: 432,000

Assumptions:

- Capture 0.25% of DC market in 6 months (~1,000 monthly active users)
- 60% of users use a featured event once a month
- \$5 affiliate marketing fee averaged per event

Average monthly revenue = \$4,050

Or in other words...

Each user is worth about \$3.75 per month in profit

Team

Marcus Wood – Founder and CEO. Full-stack developer, product lead, and operations specialist

Needs:

Director of Marketing – Preferably someone with previous dating app start up experience

Engineering Architect – Someone that understands backend technologies

Analyst – Forecast profitability, determine cities to expand into, pull insights from data gathered

Regional Territory Manager - In charge of a particular region in which the app launches – in charge of creating business partnerships and ensuring marketing material is correctly displayed

References

- Lee, Susie (2016, February 14). The History of Online Dating From 1695 to Now. *Huffington Post*. Retrieved from https://www.huffingtonpost.com/susie-lee/timeline-online-dating-fr_b_9228040.html
- Hernandez, Daniela (2014, August 8). Tech Time Warp of the Week: In the '60s, there was a Proto-Tinder that Ran on a 5-Ton Mainframe. *Wired*. Retrieved from <https://www.wired.com/2014/08/tech-time-warp-ibm-1401-dating/>
- Love & Technology: A History (2013, July 5). PBS. Retrieved from <http://www.pbs.org/pov/xoxosms/infographic-technology-dating/>
- Matthews, Hayley (2017, December 4). "The History of Online Dating" (A Timeline From Paper Ads to Websites). *Dating Advice*. Retrieved from <http://www.datingadvice.com/online-dating/history-of-online-dating>