

Problem

Validation

User Research

Solution

Wireframes

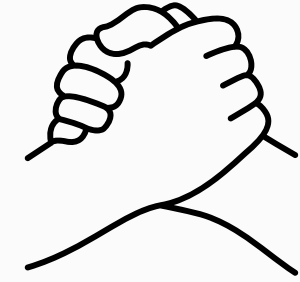
Metrics

Pitfalls

Problem statement

To increase ARPU (Average Revenue per User) of popular dating app Hinge

Hinge



What is the Problem?

People **use** dating apps to find compatible partner **Because** they don't want to waste their time shooting fish in the barrel **But** dating apps have become time consuming tools in order to develop meaningful connections **So** they end up being frustrated and dissatisfied

How do we know it is real problem?

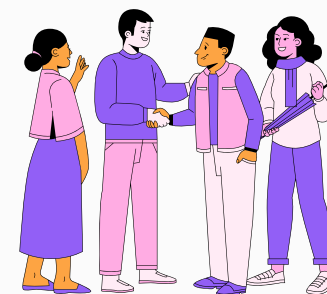


15%

Market Share among dating apps in US

\$284 Million

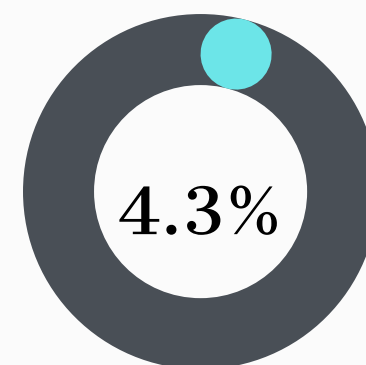
Revenue in the year 2022



23 Million

People use the app Worldwide

Source



1 Million or 4.35% of total registered users subscribe to premium plans



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What is the value generated?

Why should we solve this problem now?

The Market size of Dating apps is currently valued at **\$8.64 Billion** with annual **CAGR of 7.6%**, it is estimated to grow over **\$14.42 Billion** by **2030**.

For **Healthier Relationships** and **Better Society**, it is important for Long term relationship apps like Hinge to grow their Revenue and User Base Source

Problem Refinement

It is difficult to make progress towards increasing ARPU when users don't purchase premium plans or when they leave the platform if their goal is reached. We need to increase revenue from free users who are looking for long term relationship partners.

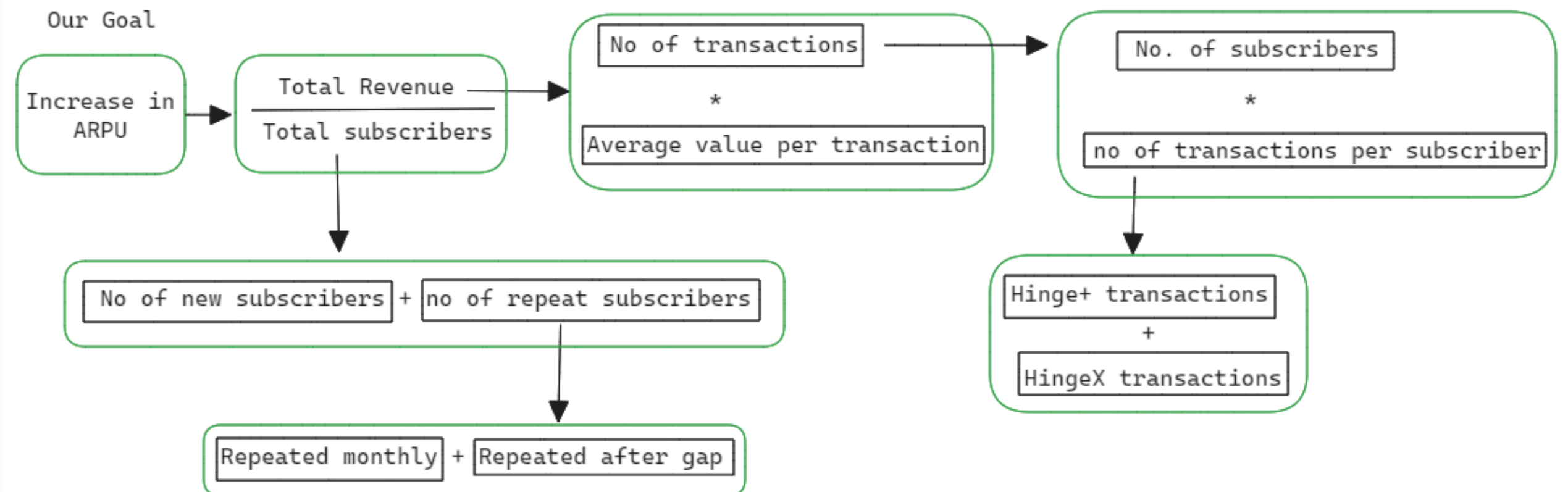
FOR USERS

- Get **enhanced recommendations** for long-term relationships
- Spend **less time stressing** over connections
- More **personalised suggestions** by giving dating preferences
- Low and simple premium plans

FOR BUSINESS

- Due to more options, there will be increase in **Engagement Rate** of user
- **Increase in Revenue** generated
- Decrease in **Bounce Rate**
- **Increase of User Base** over long term due to more successful users

Mapping Business Outcomes to Product Outcomes



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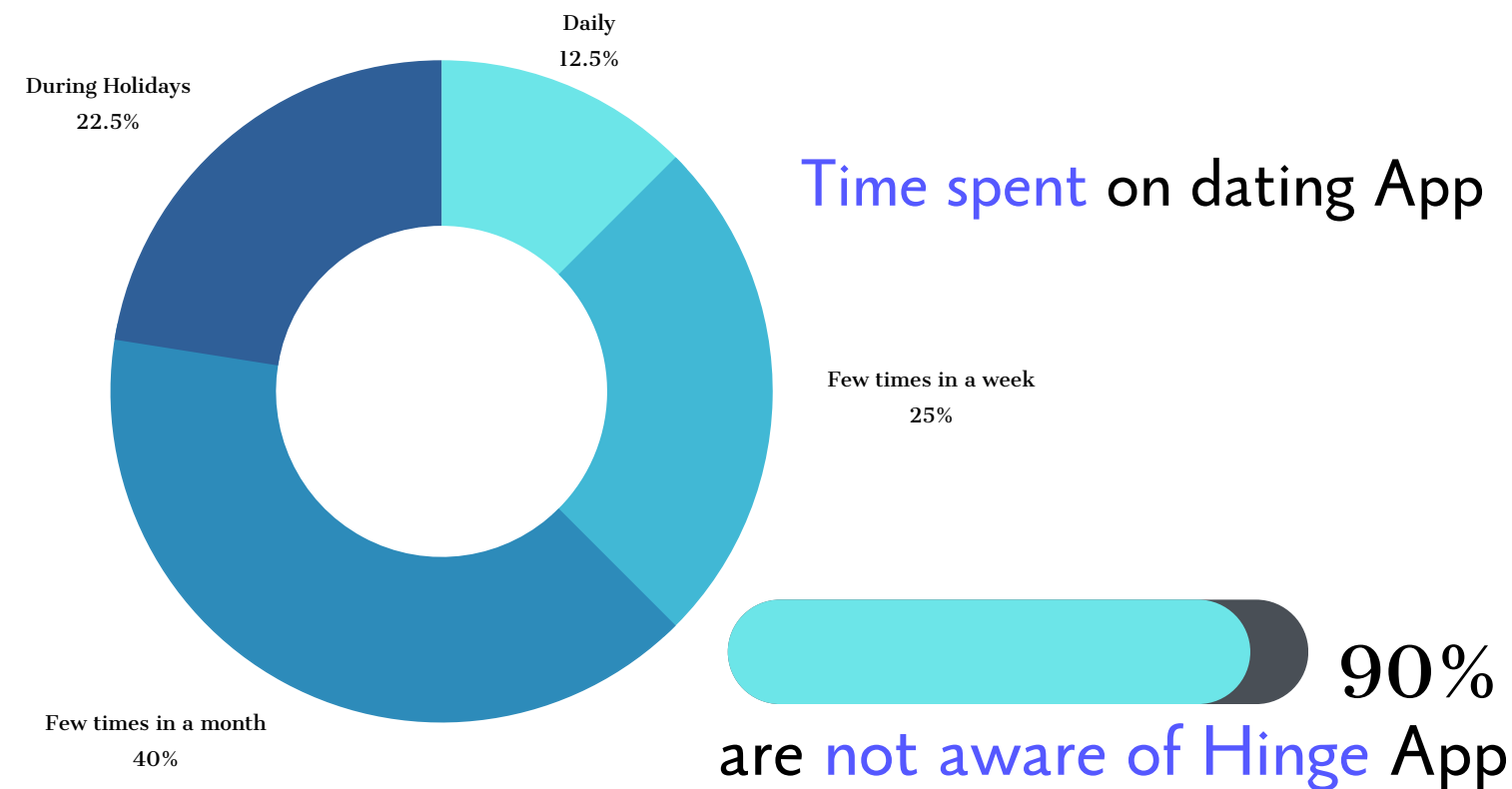
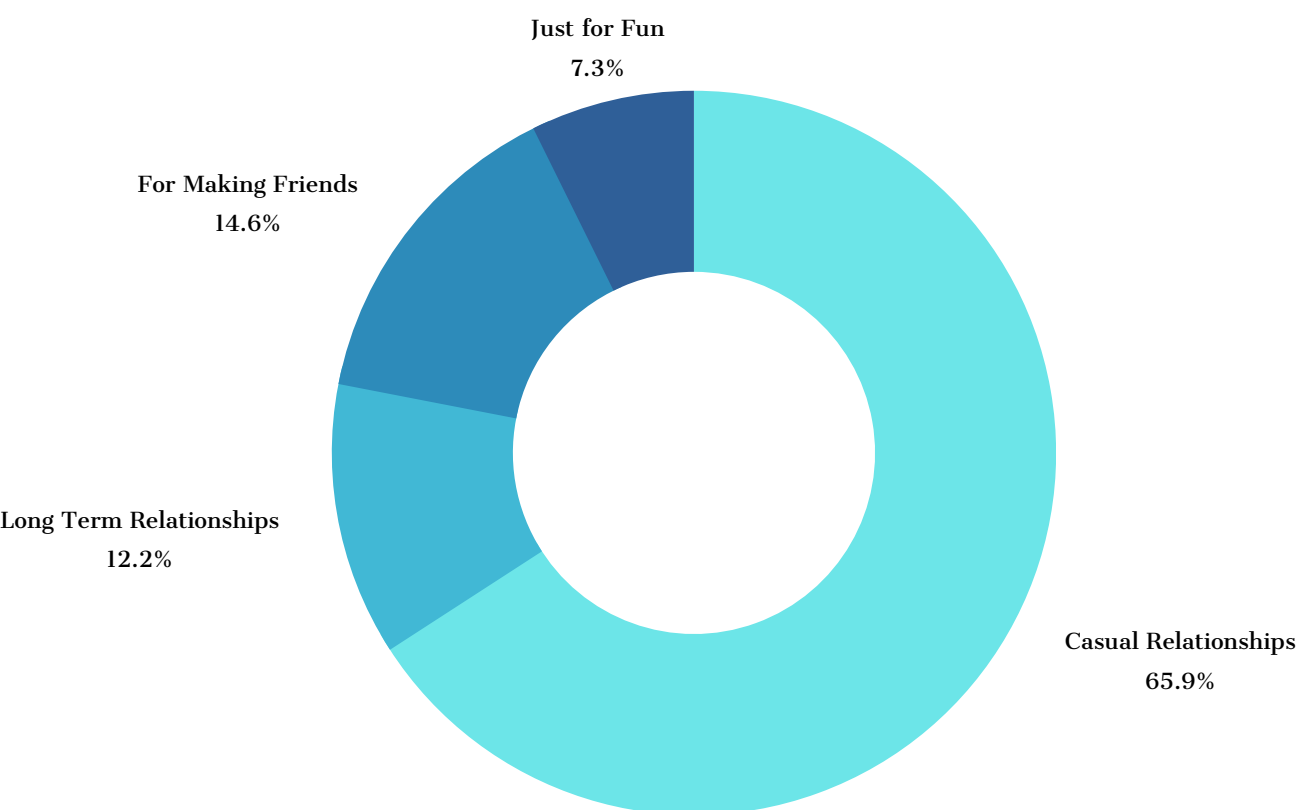
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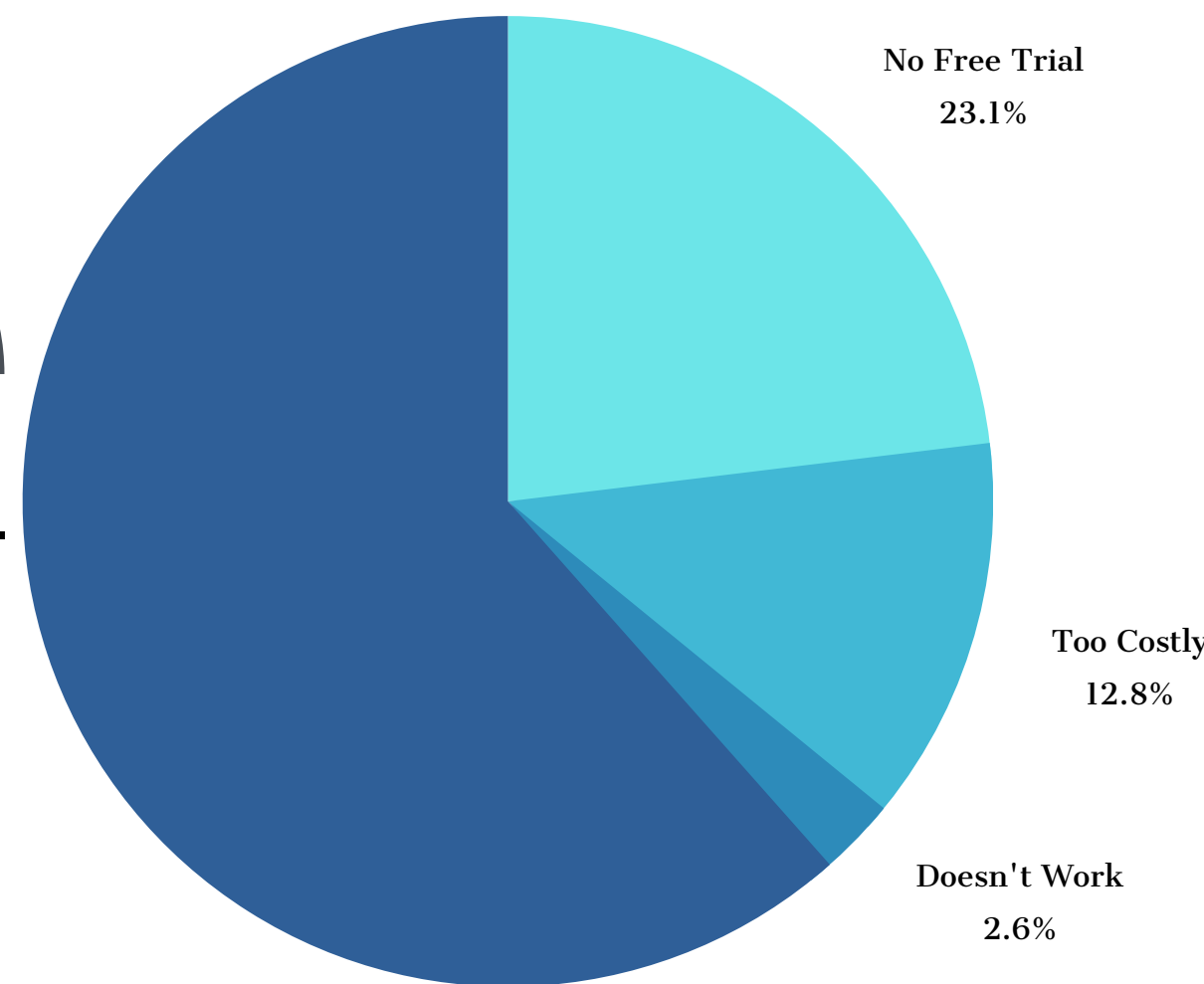
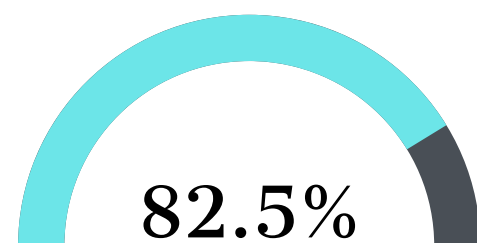
Pitfalls

Primary Research

Although many agreed to use Dating apps for Casual Relationships, they were surprised to know that dating apps can be used for long term relationship too

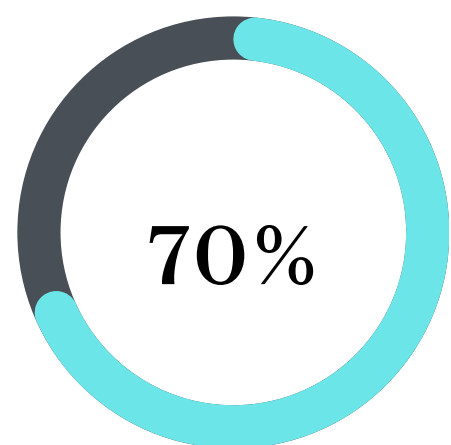


Agreed to spend money for getting a genuine options for long term relationship as a means of first step of Marriage. But 94% of the Hinge user Base are from US only compared to my responses from India



More than 60% were not interested in paying for dating apps. Since the app was designed to be deleted. We need to devise a plan to monetise Hinge app users of Free plan from other possible options which need to be analysed further.

Agreed to use free plan with few premium options if Company engages in some Monetary aspects



[Survey Link](#)

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Desires

- To figure out his chances of being accepted
- To use a service where he can delete account later

Pain Points

- No successful connections found
- Most of the options were included in premium plan which was expensive



Siva, 29
Business Owner
Chennai

Positive Aspects in App reviews

- Decent and genuine people compared to other apps
- Prompts with Video and Voice is nice feature to get compatible matches

Desires

- To look for a cute person who can love and take care of her
- To find out intention of others before deciding to meet

Pain Points

- Most were looking for casual physical relationships
- Not being to ascertain the authenticity of the profiles



Vaishnavi, 26
Private Job
Bengaluru

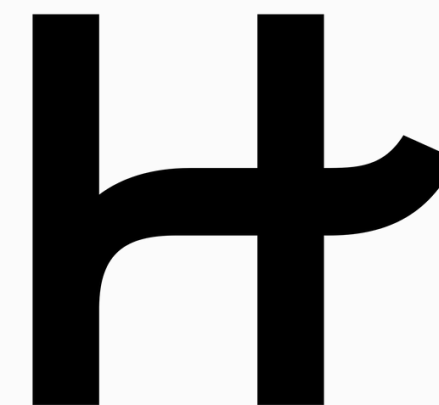


Negative Aspects in App reviews

- No possibility to send GIFs or Stickers in messages
- Takes time to receive message in iOS and other messaging bugs

JTBD Framework of Hinge App

When I want to establish a meaningful relationship for life, But I am unable to find a suitable service owing to casual dating and hook up culture. Please help me in finding a compatible partner, without stressing out So that I can delete my app and spend quality time with my partner for the rest of my life.



JTBD of Hinge app musn't change when presenting solutions

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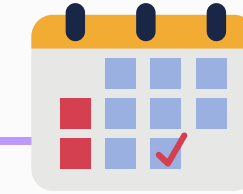
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Solution Prioritisation



	How many Users estimated to Reach? <u>Source</u>	How much of the User Base will be Impacted?	How confident are we to back our estimates?	How much efforts required to its launch?	(R*I*C/E) Score
<ul style="list-style-type: none"> • Custom Advertisements that embeds with App design like User profile, Settings and other options. • These should not be flashy or inconvenient. 	 <p>High number of Users among 6 Million MAU will be reached as this is a mandatory feature for all free users</p>	<p>26%</p>	<p>100%</p>	<p>1 Month to tie up with ad company and roll out to users in batches</p>	<p>15,600</p> 
<ul style="list-style-type: none"> • E-Commerce Store selling gifts, flowers, cakes, greeting cards and potted plants • It is designed for people meeting on dates and celebrating anniversaries 	<p>3 Million users are estimated to atleast try the new store over the span of 5 months</p>	<p>13%</p>	<p>70%</p>	<p>6 months to fully establish website, local sellers, inventory and supply chain in main cities of US only</p>	<p>455</p>
<ul style="list-style-type: none"> • Rewarded Video Ads that give coins • These can be further used to purchase boosts and give virtual gifts 	<p>Low number of users among 6 Million MAU use this feature who predominantly use only Hinge as dating app</p>	<p>26%</p>	<p>80%</p>	<p>1 months to tie up with ad company and roll out the feature in batches or test in different regions</p>	<p>12,480</p>

Other plausible solutions like [Affiliate Marketing](#), [Social Media](#) and [Content Partnership](#), [Games](#) and [Quizzes](#) are ruled out as they reduces the credibility and main purpose of the app

As per calculation through [RICE framework](#), it is clear that the [In-App Advertisements](#) is an effective way to generate Revenue for all existing non-Premium users which in turn increases Average Revenue Per User (ARPU)

How ads are used in the app?

The ads that were adopted in the app would not be handled by third party ad providers like Google AdSense, Bing Ads etc... Instead company itself would be handling **custom advertisements** so as to sustain the design and feel of the app mainly the motto of the company that the **app was designed to be deleted** after fulfilling the match of the prospective user

Are there any types of Ads?

The ads are categorised into 3 types

1. **Small** banner ads
2. **Medium** banner ads
3. **Full screen interstitial** ads with unstoppable timer

What about Rewarded Ads?

Strictly we are not using rewarded video ads that provide users a reward just by watching the ad. The additional features that we provide to free users for using custom advertisements would be limited and **full featured ad free version** would be available for premium users taking **Hinge+** or **HingeX** plan of their choice.



Is there any dating service using similar kind of Custom Advertisements?

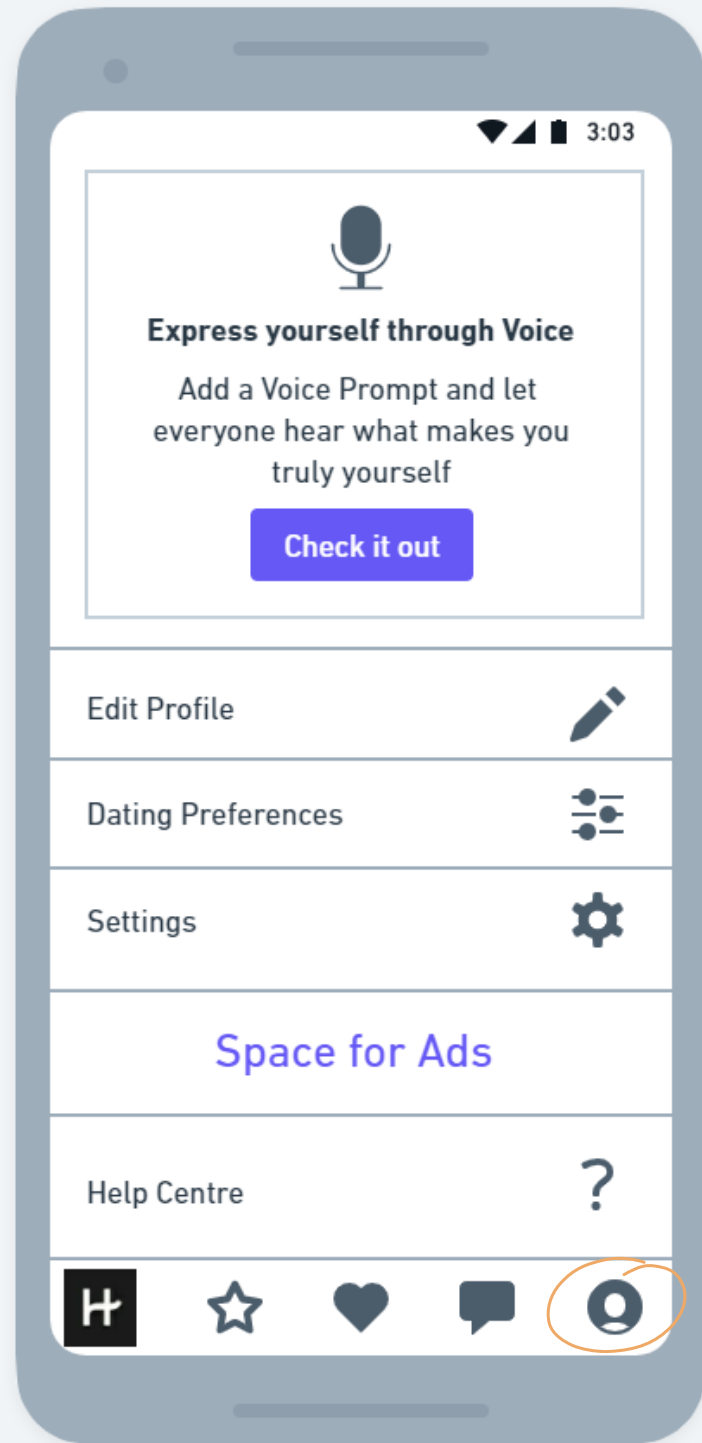
Yes, There was already a dating company called Grindr that successfully uses custom advertisements in its free plan and we will definitely replicate the success which inturn **increases ARPU**

Are ads based on Impressions or Clicks?

Currently ads are focussed on **impressions** in Small and Medium Banner ads and **Clicks** on Full Screen Interstitial ads

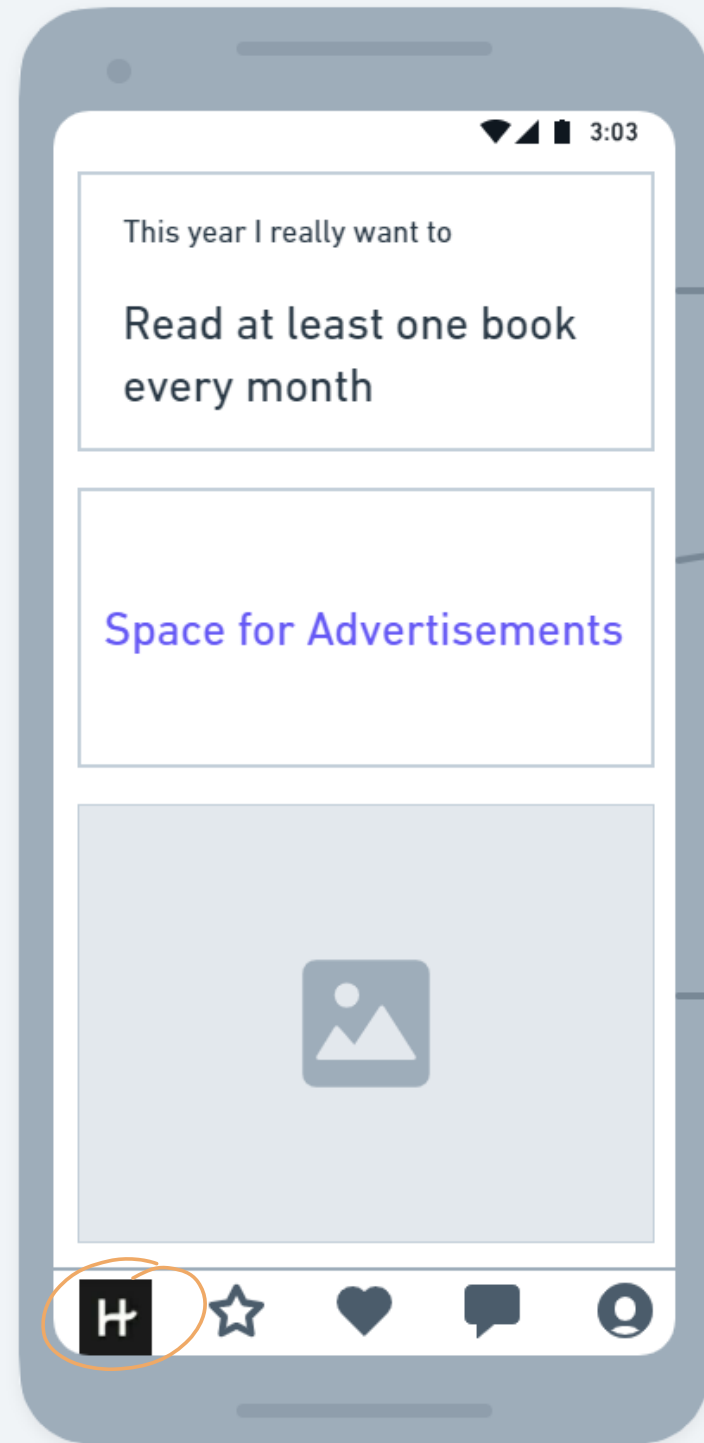
What are benefits of using In-App advertising?

1. **Personable** with refinement to Audience interests and location
2. Open to vast number of free users that will **drive advertising revenue**
3. **More opportunities** for the company to monetise their work
4. **More Engagement** from users as some premium option were given
5. Might become **key Revenue Stream** apart from Subscription plans, buying roses and boosts
6. **In-App targeting** by demographics
7. **High chance of conversion** into subscribers



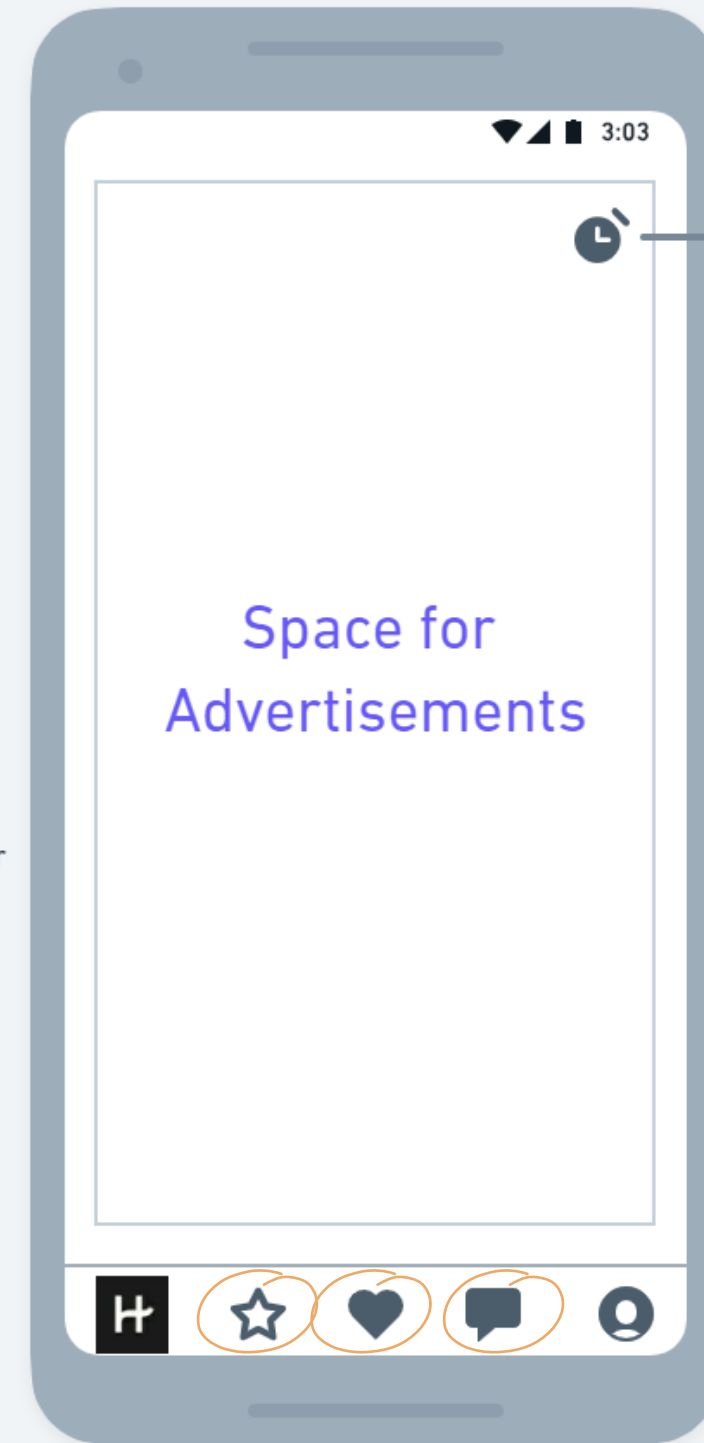
Small banner ads that hides subtly in Settings by showing some text and an icon similar to the options above it

These are shown in Settings only



Medium banner ads that are placed between prompts and Images of the matches

These are shown in Discover Page or when user sees a new match



These full screen interstitial ads are shown with unstoppable timer

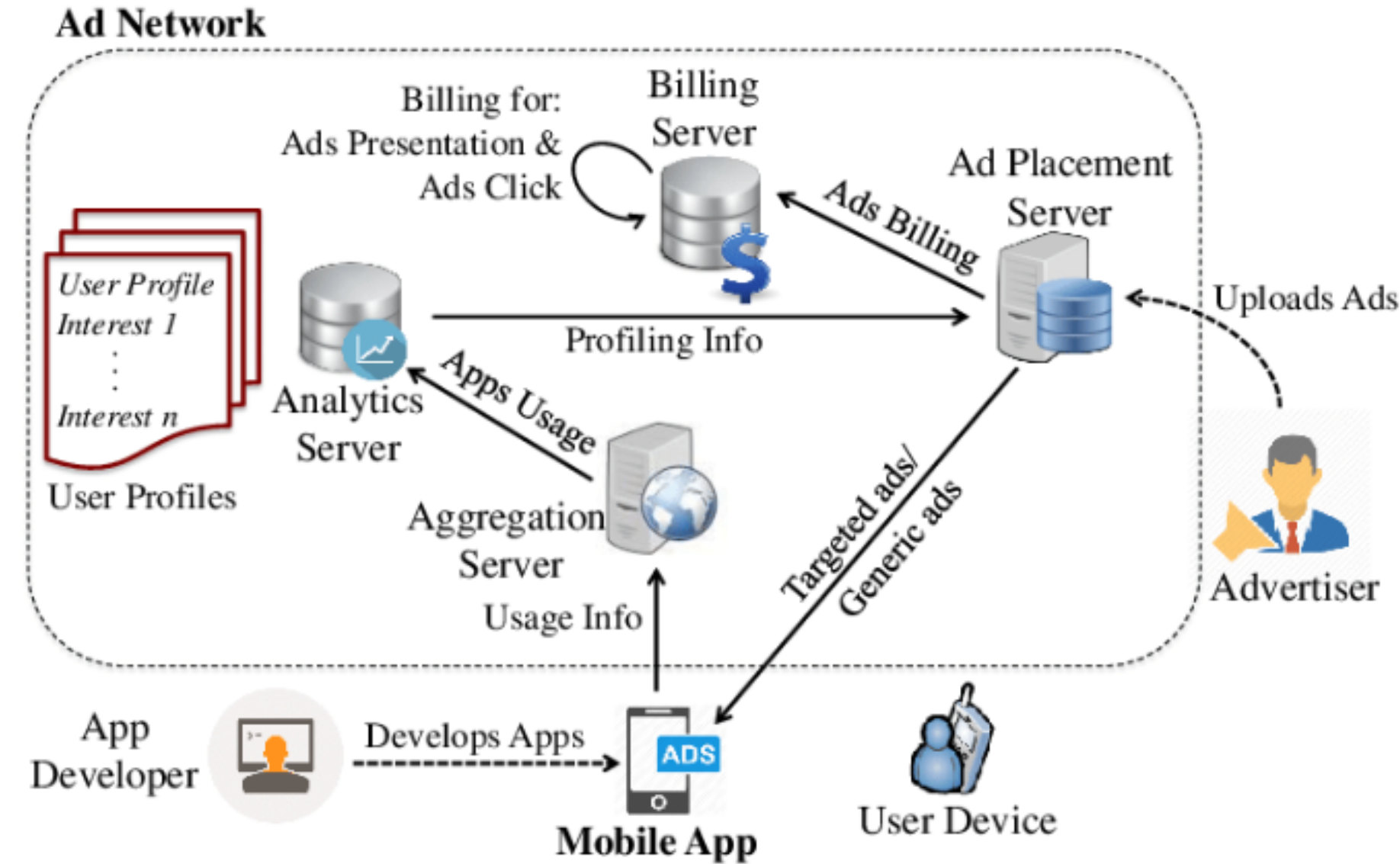
These are shown when user clicks on either Standouts, Likes or Chat which would be limited for free user



Clicked on the Option

Pitfall	Mitigation
User maynot be interested in the ads shown	Ads related to dating industry that will have some value and interest for the user will be shown in small and medium banner ads
Ads might be distracting to some	These ads are designed to be subtly arranged in the app without flamboyance and use of third party ad services
Typically, users browse for matches in their neighbourhood and may see the same adverts on each user's profile page.	We can mitigate them by presenting different ads for a user by considering Advertising ID of the user and showing variation in ads

System Design



Second Order Thinking

There is possibility of **Users dumping Hinge** for other dating platform due to ads

This feature would be **rolled out in batches** and **consistent feedback** will be taken to **avoid such possibilities**.

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NORTH STAR METRIC



Average Revenue Per User (ARPU)

	L1 Metric	L2 Metric	L2 Metric
Acquisition	# Users who updated the app	Appstore conversion rate	total no of installs / total # users on app store page
Activation	No of users who logged into app	Total # of signed in users / total # of installed users	Average Sessions per user
Engagement	ad impressions/ clicks per user	Click through Rate	No of clicks / No of ad views
Retention	Customer Retention rate	Users still using app after given time period say 3 months	(users at start - users at end) / Users at start
Satisfaction	User Satisfaction in using app	Net Promoter Score	Customer Lifetime Value