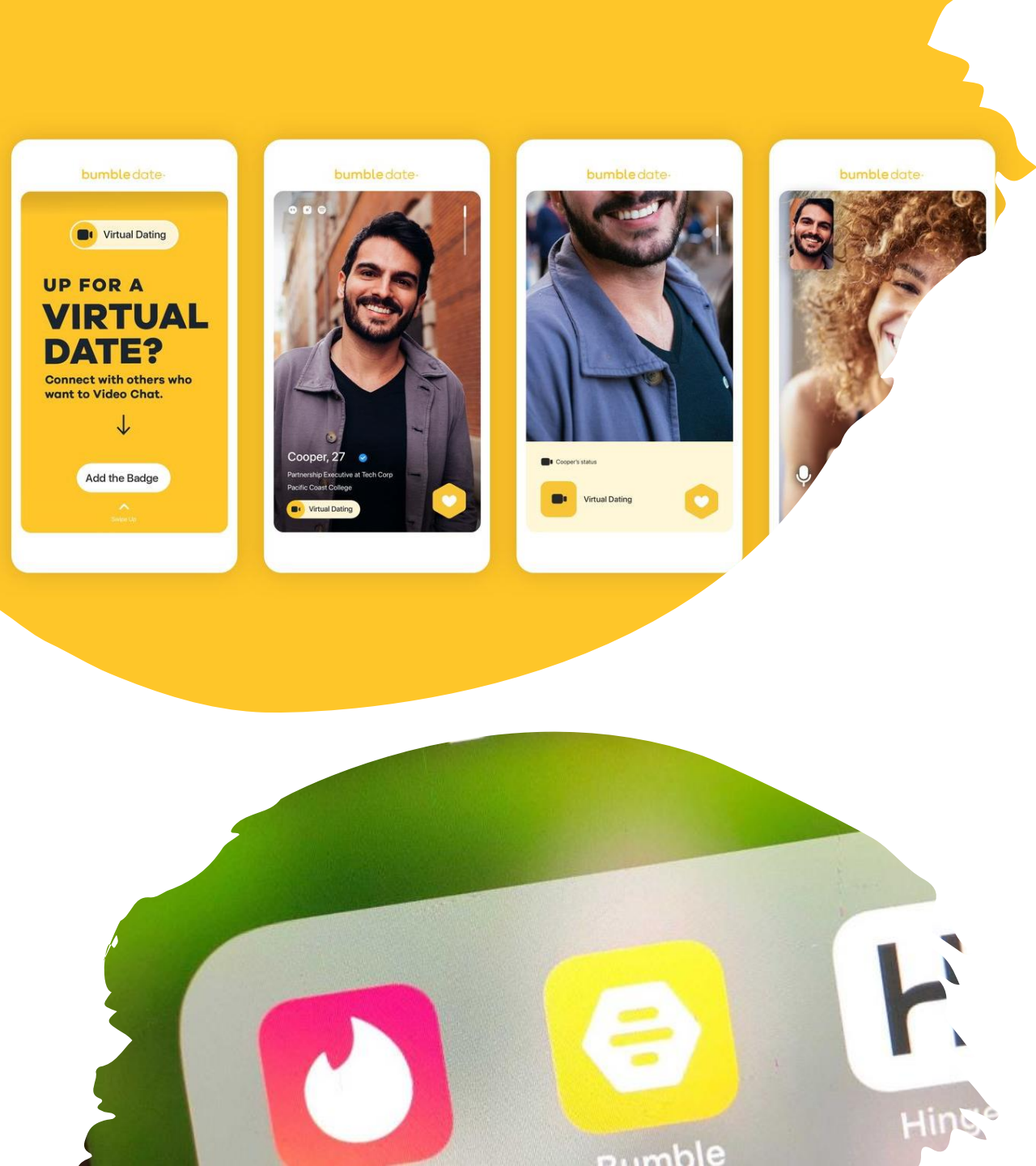




BUMBLE

Camilla Ardigo, Clemens Wolfram, Alberto
Raventos and Lotte-Maria van Rijen



Why did you choose this startup? What do you like most of it?

We choose the start up due to:

- **History of the CEO:** Which you will be able to see afterwards
- **Rapid growth:** Methodology they used to grow
- **Described as a “feminist dating app”:** Quite the opposite of the image of other dating apps like Tinder.
- **Users:** Some of the members of the group have successfully used the app

Being the history of the CEO what we enjoyed the most



Founders profile, who are the founders?

Short explanation about their bio

The founder and CEO of Bumble is Whitney Wolfe Herd, born on the first of July, 1989. Whitney Wolfe Herd is an American entrepreneur and became the world's youngest female self-made billionaire after taking Bumble public. She also became the youngest woman to take a company public, at age 31.

However, Whitney Wolfe Herd started Bumble together with Andrey Andreev, born in Moscow and based in London. Andrey Andreev is the founder and CEO of Badoo, an online dating network that is today the world's largest, with over 360 million registered users in 190 countries.

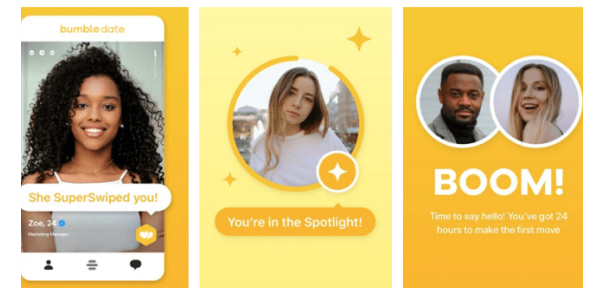
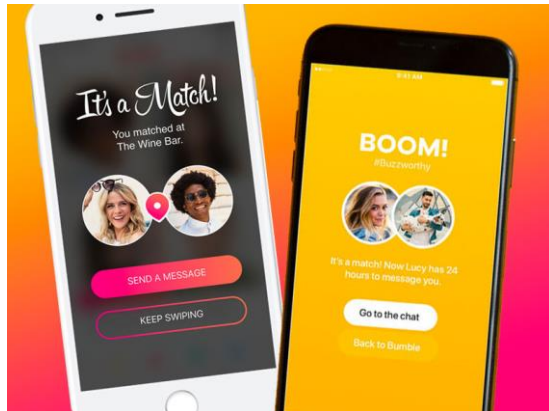
Andreev had made an initial investment of about \$10 million for launch marketing and commit additional funds to fuel growth, taking 79% of the company. Whitney Wolfe Herd be the founder, the CEO and a 20% owner, with all the autonomy those titles imply, while tapping into Badoo's infrastructure and Andreev's know-how.

Whitney Wolfe Herd:

At age 22, Wolfe Herd joined Hatch Labs → Got involved with the startup Cardify → Joined the development team for the dating app Tinder → Became VP marketing for Tinder → Left the company in 2014 due to growing tensions with other company executives and filed a lawsuit against Tinder for sexual harrasment → Won the lawsuit against Tinder → Started setting up Bumble → World's youngest female self-made billionaire!

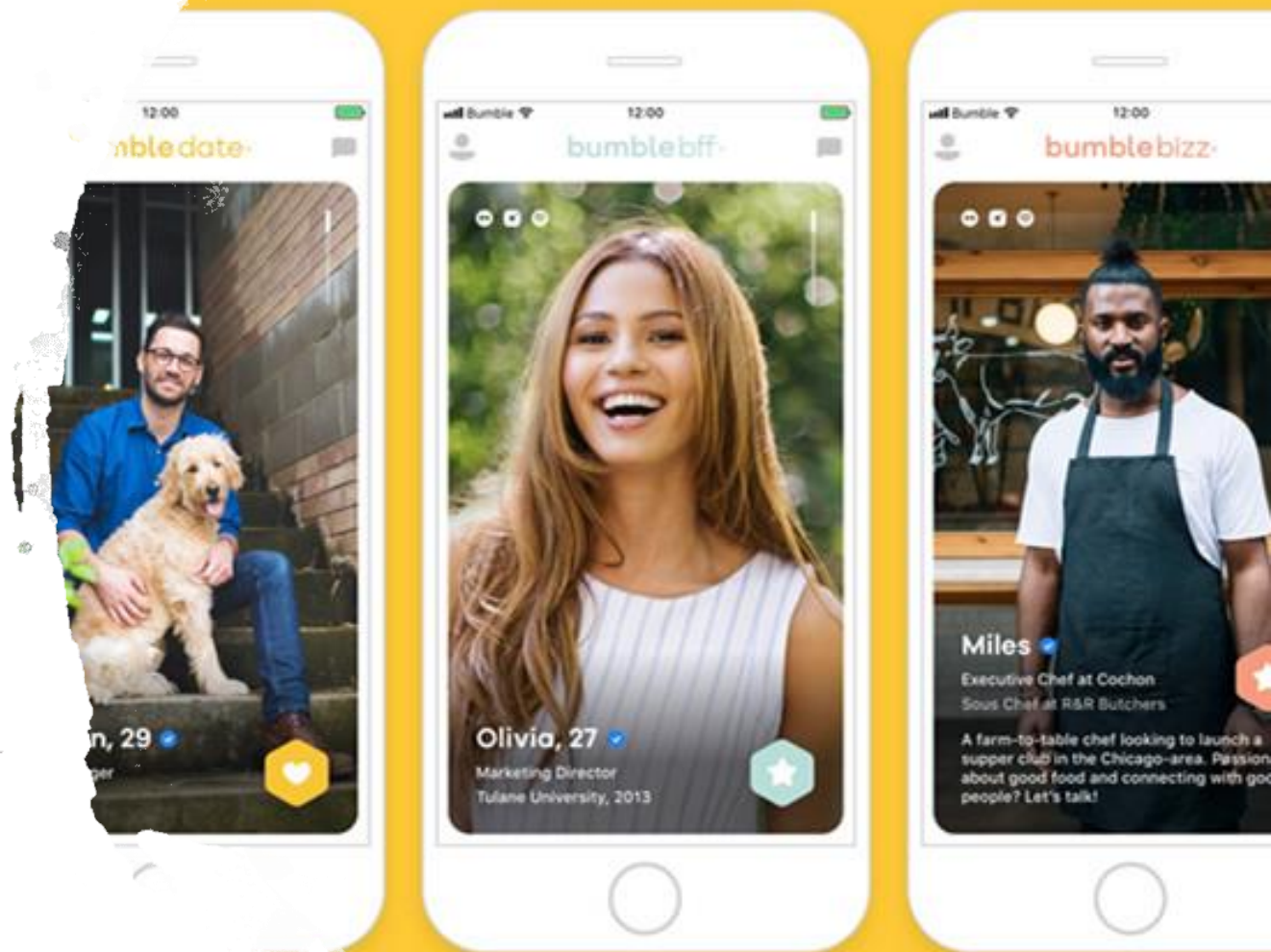
Andrey Andreev:

Early entrepreneur → founded different types of successful businesses → founded Badoo in 2006 (the largest social network in the world for meeting new people) → invested in Bumble in 2014 → set up MagicLab in 2019 (a holding company that builds and owns dating and social networking apps like Badoo/Bumble/Lumen and others in partnership with their founders) → Andreev was named on Forbes' global list of billionaires for the first time in 2018 and as of September 2019, his net worth was estimated at \$1.5 billion

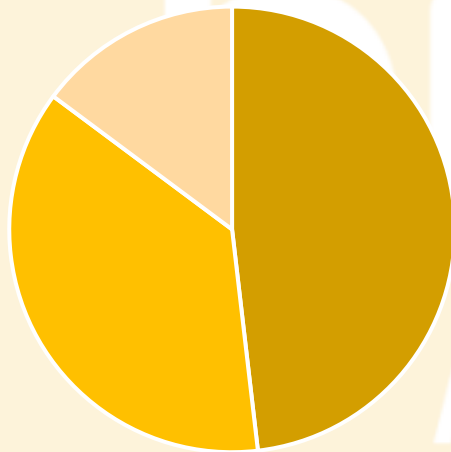


How/when/where did it start? What was the founders motivation? Why did they decide to start it?

- Bumble went live in December 2014 and garnered over 100,000 downloads in its first month
- Stunning comeback of Whitney Wolfe Herd after the sue against Tinder for sexual harassment
- Whitney Wolfe Herd was broken after the entire lawsuit, as many people were sending her the worst possible messages and she started receiving death threats
- She started "Merci", a women-only social network which would focus on positivity. "No compliments on physicality," she says. "Compliments about who they are."
- Best revenge? Success! And if success is the best revenge, then nine digits in three years flat offers the kind of vindication people make movies about
- For Whitney Wolfe Herd, Bumble is very much focused on women. "I always wanted to have a scenario where the guy didn't have my number but I had his." "What if women make the first move, send the first message? And if they don't, the match disappears after 24 hours, like in Cinderella, the pumpkin and the carriage? It'd be symbolic of a Sadie Hawkins dance--going after it, girls ask first. What if we could hardwire that into a product?" It was the kind of brilliant tweak that comes from someone who understands the target demographic because they're in it
- Right now, Bumble has more than 70 employees of whom approximately 85% women, including in all the top jobs
- Bumble BFF and Bumble Bizz. Hence BFF, an offshoot that focuses on platonic connections between women, and Bizz, which launched officially at the October party at the old Four Seasons in New York and offers a challenge to LinkedIn, with the same women-first interface that Bumble's users have grown accustomed to. "We're taking out the soliciting nature and the sexism that exists in networking," Herd says. "We think we have a chance."
- Right now, attempted buyouts are happening. However, Whitney Wolfe Herd wouldn't comment on the attempted buyouts, but selling to Tinder's parent and folding Bumble under the same corporate umbrella would, of course, serve as a poetic coda to the ugliness of 2014.



Market: who are their users? Explain the profile of their users. For example: young people, middle-income, mainly European, people who travel a lot...



■ 18-29 ■ 30-44 ■ 45-54

Bumble had a reported 22 million users as of November 2017, and 27 million downloads as of February 2018.¹ As of September 2019, Bumble was the second most popular dating app in the U.S., with a monthly user base of 5 million.

An April 2016 report by SurveyMonkey stated that:

- 49% of users went on the app daily
- 46.2% of users were female → Wolfe Herd has stated that within the app's first eight months it saw 5 million unique conversations initiated, all by women

In April 2018, Bumble reported that 85% of users were "looking for marriage or a boyfriend/girlfriend", while 4% of men and under 1% of women were "looking for a hookup".

According to April 2020 survey data of adults in the United States, 10 percent of respondents aged 30 to 44 years were currently using Bumble. Adults aged 18 to 29 years were most likely to use the social dating app, as 13 percent of respondents from that age group confirmed being current users.



GET ANDROID



GET IOS

Business model. How do you make money? Which is the price to use the service? Is there a premium service? Is there advertising?

Bumble's core features are free to use. That means people can swipe and chat free of charge. The way Bumble monetizes its user base is through premium add-on features called Spotlight and Boost.

- **Spotlight** works similar to Tinder's Boost function. By paying two Bumble coins, a user is put in front of the match queue and thus receives increased visibility. Once purchased, the Spotlight function lasts for 30 minutes. Users can purchase coins in the app. Notably, prices for coins vary across countries and regions.
- Another premium function is called **Boost**. This feature allows users to for example match again with old connections and swipe without limit.

These premium add-ons work across all three Bumble functions, namely BFF, Bizz and Date.

Boost falls under the subscription business model that charges users fees on a recurring basis, where users can use different price packages that are paid on a monthly basis.

The most recent reports have Bumble seeking an IPO valuation of \$1.1 billion.

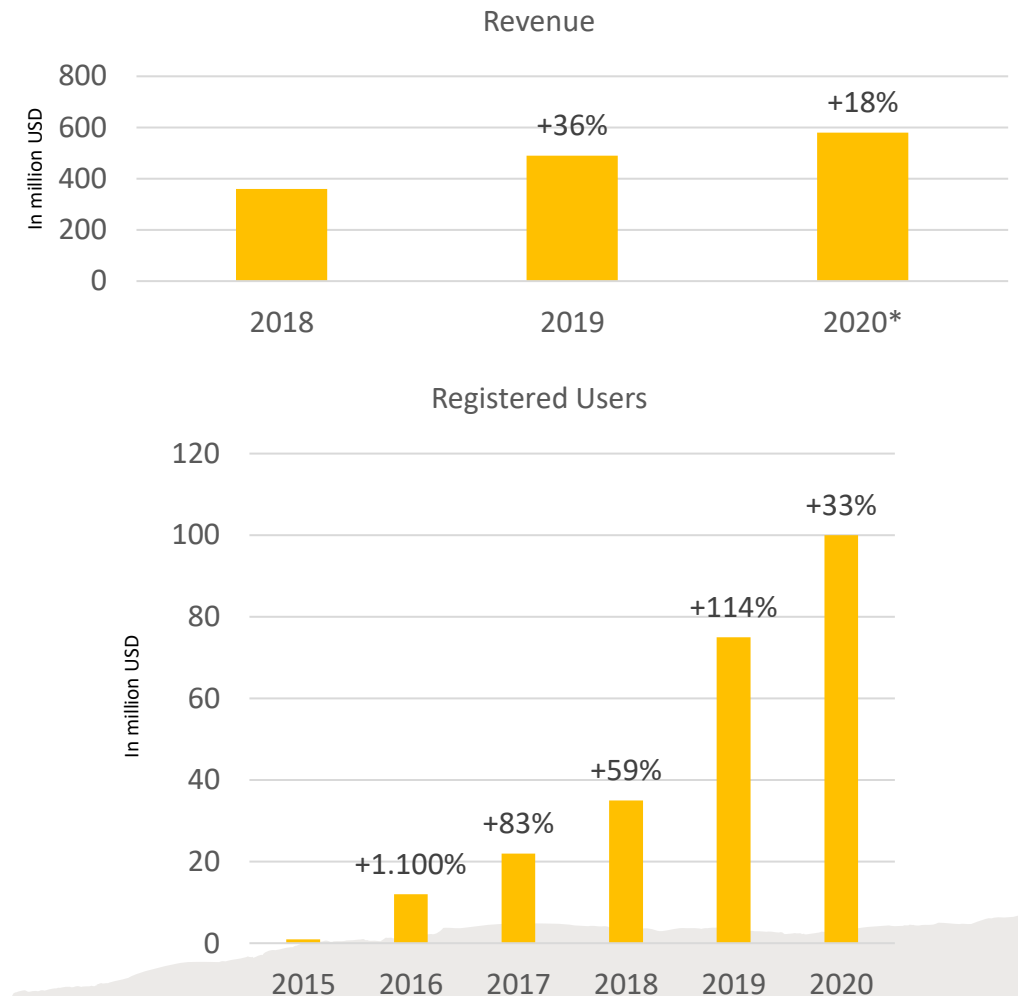
The company is doubling revenues and believed to be highly profitable. Its arch-rival is believed to have profit margins of roughly 40%, which given Badoo's technological experience, might be similar to the one at Bumble.

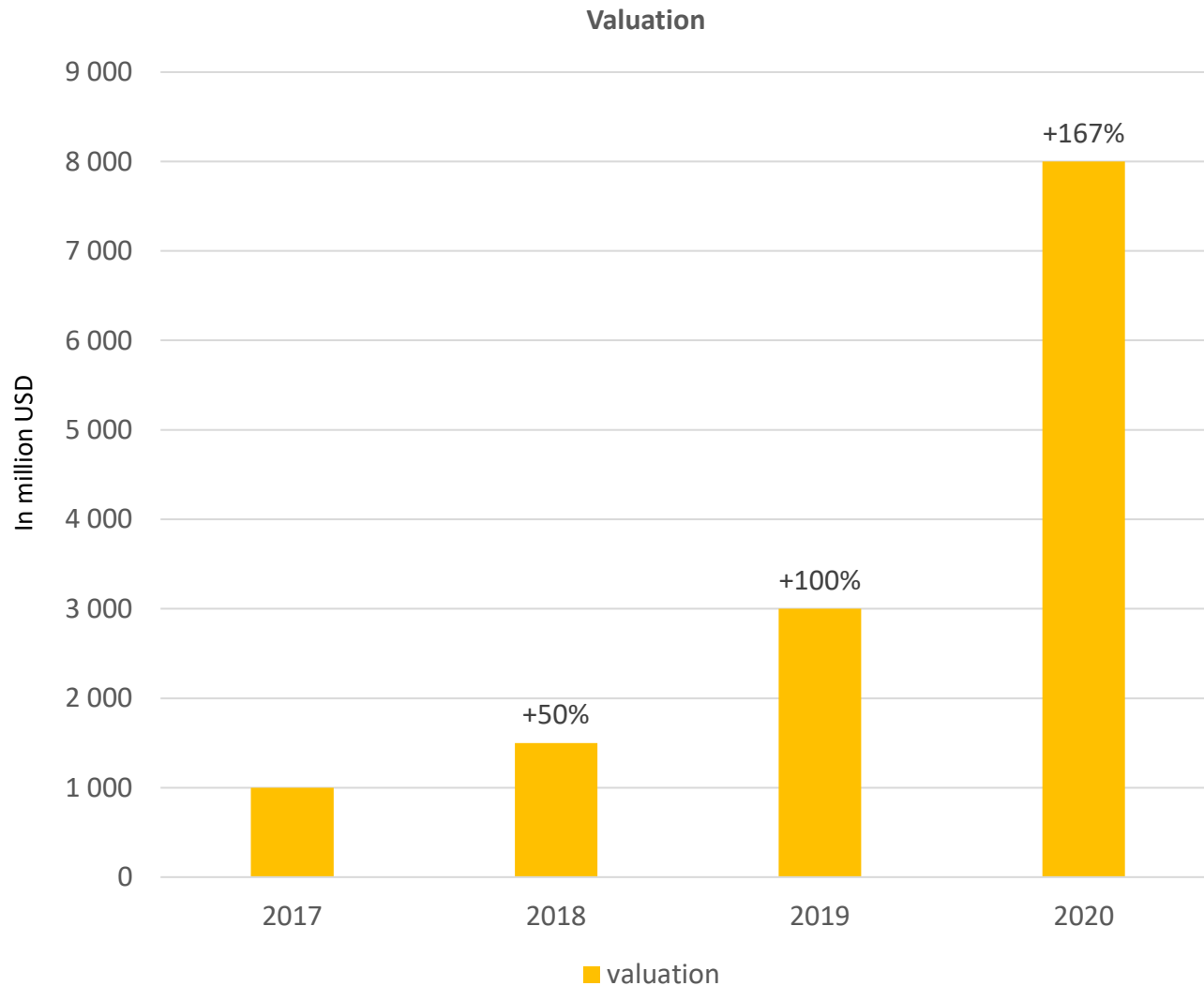
→ With a revenue target of \$300 million for 2019, Bumble would thus yield profits of about \$120 million.



Growth: how have their sales and number of users increased since its creation until today?

- Introduction of paid services/subscriptions in 2016
- 2.4 million paying users in 2019
- 100 million registered users in 2020 (+33% y-0-y)
- 25% user increase due to COVID
- Reached profitability in 2018*
- Estimated Revenue 580 million USD in 2020
- EDBITDA 152 million USD in 2020*





Investment: who has invested in the start-up? How much investing rounds have they done? How much money have they raised?

- 2015: Initial investment 10 million USD for 79% from Andrey Andreev & 20% Whitney Wolfe Herd (CEO)
- 2019: 3 billion USD majority take over Blackstone
- 2021: BUMBLE went public in February 2021 with a valuation of 8 billion USD
- Current stock price is at 65.37 USD (initial offer 43.00 USD)

Competitors: who are their main competitors? How are they different from their competitors?

Main competitors are:

- **Match Group** → Tinder, Hinge & Match
- **Grind**
- **Plenty of Fish**

Competitive Advantage through:

- **Feminine position** which attracts the general public (47% users are woman)
- **Quality of the product** (stop activity, combat ghosting, better algorithm = better matches)
- **Fast Innovation**, always ahead of other apps



Learnings. What 3 things have you learned from studying this start-up?

1. **You choose when to start:** The inspirational story of the CEO, how she left TINDER, an app which she co-founded is similar to the Steve Jobs, they got rejected and bounced back through determination.
2. **Small fish can beat big fishes:** Even if the company started on 2014, with almost all the market owned by Tinder, Bumble has gained a lot of market, reaching the 2 biggest user base in the market.
3. **Importance of leadership to attract the best in the market:** Something which the CEO did when creating the app. Being the hire of two of her best colleagues at Tinder the first thing she did.

