

Dating sites play the field

Approaches include no-fee and focus on text messaging; ad revenue is critical

BY AMANDA FUNG

RUBINA MADAN wanted to meet people online but refused to pay Match.com \$29.99 a month for the privilege. As a result, she could only post her profile on the site and browse others' profiles. Interested parties could contact her.

But when Ms. Madan began using a free service, OkCupid.com, in June 2004, she could contact whomever she was interested in. Additionally, the personality quizzes she took allowed the service to weed out incompatible people on her behalf.

"OkCupid.com's matching methodology is really accurate," says Ms. Madan, 23. The Columbia University graduate journalism student met her boyfriend on the site two years ago. Based on OkCupid's analysis of their test answers, the two were an 89% match.

A growing number of small Manhattan online dating companies—including OkCupid.com and

MeetMoi.com—are offering innovative services to lure people from larger and more established sites like Match.com, which has 1.3 million paid users. OkCupid.com now has 500,000 active users.

Competition is fierce among dating sites. As of January, the lifestyle/dating category had 1,463 sites, 61% more than a year ago, according to research firm Hitwise. Most of the sites fill niches by targeting, say, vegans or people of a particular faith. OkCupid.com, which



PASSING MUSTER: OkCupid.com lets users design their own screening quizzes.

recently raised \$6 million in angel funding, hopes to attract all types.

"Our goal is to become a household name and have more users than Match.com," says Sam Yagan, co-founder of OkCupid.com and a serial entrepreneur. He sold his previous startup, educational site SparkNotes, to Barnes & Noble in 2001.

Almost half of OkCupid.com's users previously used a paid service, Mr. Yagan says. The site has also distinguished itself from larger rivals by offering unique features. For example, users can create and post their own quizzes—like "The How Redneck Are You Test"—which others can then adopt.

Because OkCupid.com doesn't charge fees, it must make money from online advertising, which is projected to reach a total of \$19.5 billion this year.

Though there is no specific model for success at dating sites, analysts say they can be profitable with just a few thousand members. The costs for starting and maintaining such sites are relatively low because they have no content-related expenses.

Is there room for free sites?

MR. YAGAN has spent \$1 million on technology, labor and marketing for OkCupid.com so far. He says he is confident about advertising sales but declined to elaborate.

Nate Elliott, senior analyst at JupiterResearch, says: "There's room for free dating sites that focus on advertising and a certain level of disgust with rising prices for paid services."

OkCupid.com may be a long way from attracting the numbers it needs

WATCHING THE PHONE

MEETMOI.COM, A NEW DATING SERVICE for New Yorkers, hopes to attract people who like to text message and make dates according to where they are at that moment.



Users create profiles, both on the site and via cell phone. To find a date, they text message their street location and preferences to MeetMoi.com, which then **generates a list of potential companions** and sends it to the user's phone. When a user contacts someone, the site charges a \$1 fee.

MeetMoi.com's creator, Andrew Weinrich, is a high-profile Silicon Alley entrepreneur who started former social network Sixdegrees.com, a forerunner of Friendster. For this venture, he has **partnered with major wireless carriers**, including Cingular and Sprint Nextel. Some analysts are skeptical about mobile dating, but Mr. Weinrich argues that more people text message than e-mail. "Today, everything is instant," he says.

to be sustainable, however. The site got about 60 million page views in January. In contrast, many social networking sites whose profits depend on advertising have 70 million page views a day. Such traffic would generate about \$12 million in annual revenue, says David Evans, an industry specialist who has a blog called *Online Dating Insider*.

A host of sites still target serious daters willing to pay \$30 to \$100 a month for their services. Revenues of fee-based dating services are expected to rise 10% this year, to \$707 million, according to JupiterResearch.

Rudy Gaskins, co-founder and chief executive of Manhattan ad

agency Push Creative, wants to grab a piece of the action with Three Degrees, which he expects to launch this year. The fee-based site will combine dating services with social and professional networking features.

Mr. Gaskins, who is also a veteran director and producer, has been trying to raise \$4.8 million in seed capital. "There are people on Match.com and Yahoo Personals who would rather be in a unique club where they are far more guaranteed to meet people they are looking for," he says. "The differentiator for us is we will have a select, upscale clientele."

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