

CONSUMERS ARE HAVING SECOND THOUGHTS ABOUT ONLINE DATING

Are the Real Benefits Getting Lost
in Over Promises?

This Industry Report examines seven opportunities and seven threats facing online dating sites and the potential risk consumers face during this transition.

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This report has not been endorsed by Yahoo!Personals.

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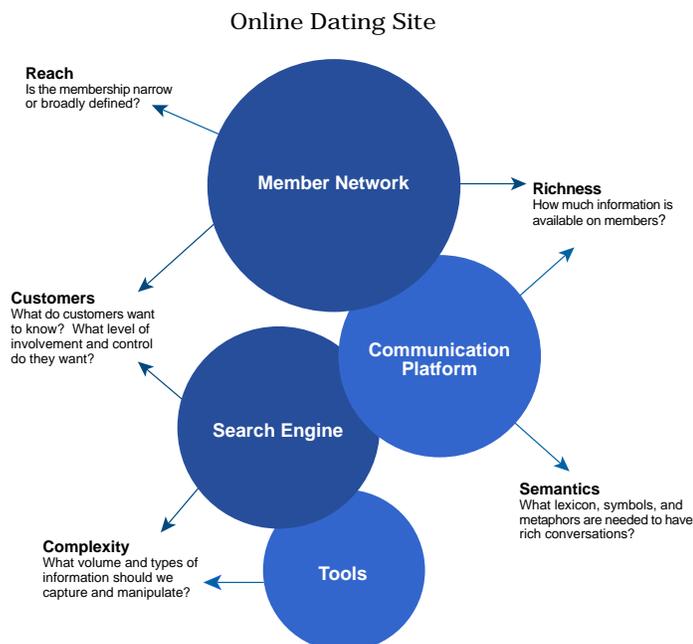
EXECUTIVE SUMMARY

Online dating has gone from “something fun to try,” to being advertised as the vehicle for finding the “love of your life,” your “soul mate,” or a perfectly compatible spouse. Log onto most sites and you’ll find big promises and probably a barrage of wedding photos and testimonials. The industry is pushing hard, because after ten years of booming growth, revenue is leveling off and some argue that the market is saturated.

To add insult to instability, consumers appear to be having second thoughts too. A new wave of consumers has entered the market with higher expectations. They also include a group of more vulnerable singles (who are very shy, neurotic, or sensitive to rejection). While online dating can still help people, we must also consider the fact that over-promising and inaccurate matching systems can hurt vulnerable people.

In this report, we map out **7 THREATS** and **7 OPPORTUNITIES** that present a crossroads to online dating players and have big implications for what consumers can expect. Our recommendations center on: (1) focusing innovation on specific components of the system (illustrated in the bubbles down below), (2) customizing services to users based on their relationship goals, love style, or specific needs for skills training or support, (3) broadening our focus beyond the introduction phase to look at the full life cycle of relationships and all the “touch points” where we can help consumers thrive.

There are enormous opportunities for the future, but we will never reach them if we pretend we’re already there. We make a case for involving qualified relationship scientists as part of decision making teams. Knowledge from decades of research on relationships is going to waste simply because most companies lack a way to access and make this information relevant. We recommend an evidence-based, scientific approach simply because it works. Companies who take this approach are going to survive and grow, while other players risk being replaced as basic services become cheap commodities.



FOR INDUSTRY

Industry leaders need to return to the “community mindset” that was an original part of online dating. We need to engage consumers and each other in a partnership to support our shared goals and protect the industry from behavior that could tarnish the industry as a whole.

1 Give your members a voice and a forum to be heard. We recommend that every online dating site open a forum for praise, criticism, and suggestions. We need consumers’ help to understand whether and how we could improve their lives?

2 Join in a June meeting to propose basic quality guidelines for the industry. Using an established methodology and an outside facilitator trained in the method, representatives will propose a set of basic guidelines that all sites can agree upon. From there, collaboration can expand to other topics such as standard indicators for quality and service.

3 Offer information on customer critical mass to consumers in September. It’s time to leave the total network size numbers behind and let consumers make informed decisions. Companies that would be interested in joining a common release date for sharing critical mass can contact us at criticalmass@weAttract.com.

FOR CONSUMERS

Given the amount of time and money involved and the importance of your romantic life, you have to be savvy consumers:

1 Ask tough questions: Find out how many people in your local area are on the site and fit your basic requirements. Don’t let the site hide behind a total membership number that is basically meaningless. Ask to see their customer satisfaction ratings. If a site hides behind advertising clichés, move on. Reward sites that help you make a rational choice.

2 Join in a dialogue to improve and transform online dating: No one knows better how to fix the system than you. Join other consumers in a dynamic discussion about how to improve online dating and help rank the best ideas. Go to www.weAttract.com/myvoice.

3 Make online dating part of a balanced strategy to meet new people. The key to success is doing a variety of things, especially things like monthly mixers or even going to your local coffee shop where you can have casual conversations and connect without pressure.

The good news is there are numerous realistic solutions.

IS THE INDUSTRY OVERPROMISING?

There is no evidence that online dating or scientific psychology is able to pair individuals who will enjoy happy, lasting marriages. Indeed, if one trusts the statistics offered by the sites to bolster their claims, simple calculations reveal that the odds of finding a marriage partner online are very low.

- When eHarmony recommends someone as a compatible match, there is a 1 in 500 chance that you'll marry this person. If you went on a date with a new person every night for 346 days, you'd only have a 50/50 chance of marrying one of them along the way. Given that eHarmony delivers about 1.5 matches a month, if you went on a date with all of them, it would take 346 dates and 19 years to reach the same 50% chance of getting married.
- Match.com promotes that they are responsible for over 200,000 relationships in 2003 (according to subscription resignation reports). Based on industry assumptions of subscription levels, it implies that 1 in 10 subscribers who cancelled said they found a relationship on Match.

For every 1 match on eHarmony that actually resulted in marriage, there were **999** "compatible" matches that did not.

Are these good results? Are these what the public expects when they see the commercials and advertisements.

Unfortunately, most sites we reviewed made an exaggerated or misleading remark.

No site we reviewed fit the requirement of the Federal Trade Commission, to make information behind claims easy to find. The FTC cautions against the use of testimonials without recognizing that this is not the typical experience for members.

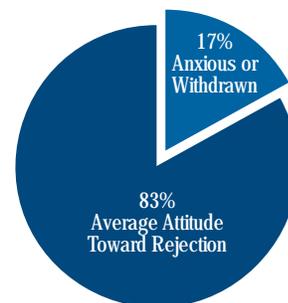
ONLINE DATING CARRIES A UNIQUE RESPONSIBILITY

Because online dating directly intervenes in consumers' personal lives, companies have a special responsibility to avoid harming their members by overpromising, misleading, and failing to account for the needs of more vulnerable members. Why does online dating carry this unique responsibility compared to other product or service sales? We focus on three key reasons:

1. The line between the product and the goal of the product (love, soul mates, self-worth, etc.) are easily blurred.
2. Deep emotional needs, and often insecurities, can make consumers especially vulnerable to manipulation.
3. Sites require you to change your life and stop doing some things and invest time in doing others.

Vulnerable consumers are prone to blame themselves for problems, give up easily, and feel crushed by rejection. Current sites are still designed for the early adopters and do not take into account the diverse population they now serve. We should be especially cautious about disempowering consumers by implying their preferences or instincts are wrong.

PERCENTAGE OF PEOPLE SENSITIVE TO REJECTION



Our job is to make the consumer the ultimate expert and **AUTHORITY** on his or her own life.

INTRODUCTION

It appears that consumers are having second thoughts about online dating, and maybe for good reason. After a decade of record growth, the online dating industry isn't used to getting bad news. It's had a string of it recently though, with mediocre growth, disappointing earnings, and hints of a potential consumer backlash.¹

Online dating has gone from, "something fun to try," to the way to find, "the love of your life." Many sites now prominently feature wedding photos and the number of marriages they have arranged.

But can the industry deliver on these promises? As you will see, there's a considerable gap between the advertising claims and the evidence behind them. We'll ask, for example, whether a single person looking to settle down would join a "marriage club" where only 1 in 1000 will marry. The findings from decades of psychological science would also suggest the industry start with more modest goals.

One could argue that consumers aren't holding up their end of the partnership either. Consumers demand detailed information when they buy cars, computers, phone plans, gym memberships, etc. However, consumers are not showing the same savvy and assertive style when it comes to shopping for online dating sites. It seems odd that consumers would approach a costly purchase and major time investment in such a lackadaisical way. Yet, we will describe some of the psychological factors behind this tendency and ways that certain websites appear to exploit them.

If consumers and the industry were a couple dating, this would probably be a good time to have a "long talk" and decide if it makes sense to stay together. We will argue that this relationship can still be saved. Both sides need to learn more about the other and work as partners to make more informed decisions.

Who is this written for?

We wrote this with both the consumers and industry decision makers in mind. The details within the **7 THREATS** and **7 OPPORTUNITIES** are going to be most relevant to the industry. However, in every section we state the implications for both consumers and the industry.

The industry is at a crossroads

A little disruption is to be expected for the online dating industry at this particular stage of market growth. It's always difficult for any new technology or service to transition from serving the forgiving early adopters to the more demanding mainstream consumers, who expect to see real results. The opportunity to help people build healthy and loving relationships is still incredible. Online dating has helped millions of these people and has the potential to make an even greater contribution to society.

But the possibility that online dating may also hurt many vulnerable people must also be considered. We will make a case for why online dating is unlike any other product or service sold on the Internet. Consumers are entrusting the most intimate and private parts of their lives to these companies. As such, the industry must be held to the highest standards of ethical

responsibility. We hope to motivate consumers and consumer advocates to work with the industry to reduce the risk of harm and hold accountable any company that violates the public's trust.

In Part One, we identify **7 THREATS** to the online industry and its consumers. These are not possible future trends. These are current shifts in industry behavior and market conditions with potentially destructive consequences. We will argue that the industry is in many ways "stuck" and will be unable to innovate and grow until these issues are recognized and addressed.

We still see reasons for optimism, for both business and consumers. We identify **7 OPPORTUNITIES**, which can dramatically improve the variety and quality of services being offered. Taken together, these **7 OPPORTUNITIES** can potentially transform the current business model into an entirely new industry focused on "relationships," rather than simply "dating." Instead of serving people in brief 3-month cycles, this new industry could help individuals and couples throughout their lives.

In order to move forward, we start paradoxically by going backwards, and discuss ways to resolve, or at least recognize, the implications of the **7 THREATS**. We pay special attention to issues that threaten to destroy consumers' trust in the industry as a whole. In Part Two, we turn to the central question: *What must the online dating industry change in order to live up its full potential?* We end by recommending specific steps websites, consumers, journalists, and consumer advocates can take to help steer the industry in the right direction.

Who appointed us hall monitors?

We are psychologists and members of the founding team of weAttract.com, Inc. The company started in 1998 with the goal of applying cutting edge research from mathematics and the social sciences to the design of decision making tools, search engines, preference assessments, and interactive education tools. We launched our first system for online dating on Match.com in 2002 and then launched our second-generation system in 2004.

Obviously, we are not impartial observers. We have worked closely with the two largest players in the Industry, and probably have our share of both fans and detractors. However, to our knowledge, we are the only independent research and development firm in the industry.

We have an annual workshop with our diverse team of advisors. Given the tumultuous past year, our workshop topic was: Should the online dating industry continue to evolve or should we abandon it and start over? What follows originated in part from the debates on this hypothetical ultimatum.

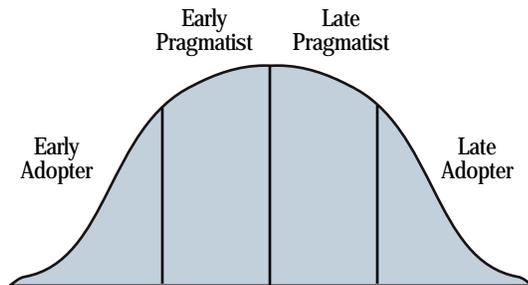
For the record, we continue to stand on the "*should continue to evolve*" side of the online dating debate. We realize that no one asked us to be industry critics or hall monitors. Therefore, we do our best to frame criticism in a constructive manner. However, we call certain players to task, but do so only because consumers and journalists do not understand the context well enough (yet) to challenge them directly.

BACKGROUND ISSUES FOR INDUSTRY TRENDS

The growth plateau that online dating has encountered is similar to slowdowns other new technologies have faced after an initial boom period. In fact, when researchers examined the growth of a variety of products and services (including color TVs, cell phones, health clubs, and fast food), they observed strikingly similar patterns of growth...and eventual decline.

Figure A illustrates the classic life cycle model that has been applied to almost every “growth industry” in the past 100 years.² Each new wave of consumers, as it turns out, brings a new set of expectations that inevitably change the competitive landscape.

Figure A



Consumer Segment	Seeks	Avoids
Early Adopter	<i>Fun</i>	<i>Boredom</i>
Early Pragmatist	<i>Assistance</i>	<i>Unreliability</i>
Late Pragmatist	<i>Solutions</i>	<i>Risks</i>
Late Adopter	<i>Convenience</i>	<i>Fads</i>

Based on market trends, the online dating industry is arguably perched at the middle of the adoption curve. Personals and dating is still the largest category of paid content online, but growth has leveled off over the past two years, from 19% in 2004 to only 9% expected this year (with \$516 million projected revenues). This is a painful shift following growth rates of 70-80% during the boom years, and earlier projections that the market would double by 2007.

Harvard University Professor and innovations researcher, Dr. Clayton Christensen describes this plateau as an especially precarious stage for new technologies and growth industries. As illustrated in Figure B, pressure to improve performance and the simultaneous demand for lower prices intersect creating an unstable marketplace.

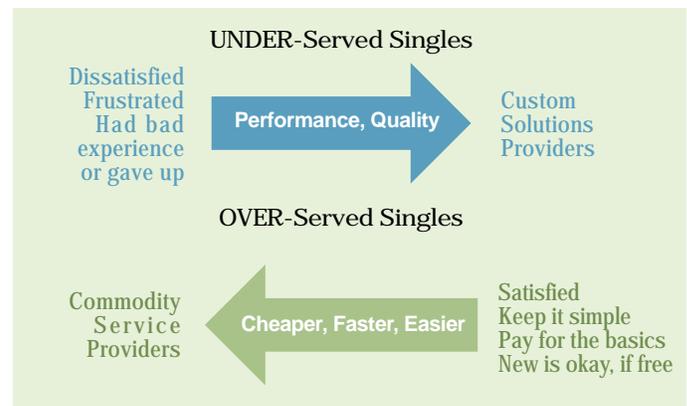
Christensen’s model suggests that online dating consumers can be segmented as follows:

Under-Served Consumers: Have used online dating and were dissatisfied. Needs are not met by the current sites

Over-Served Consumers: Have used online dating and were satisfied. Wants core site functions for a low price.

Non-Consumers: Have not used online dating, for reasons including expense, computer access, or seeing the sites as irrelevant to their unique needs.

Figure B



The contrasting points of view that are supposedly common at this stage of growth help explain the mixed and confusing reports we hear from singles. One recent focus group insisted that online dating sites should, “Keep it simple!” In contrast, the group that immediately followed reached the opposite conclusion, suggesting that sites offer more in-depth service and support for singles. In fact, consumers give notoriously misleading advice at this particular transition. In the 1970s, Detroit automakers spent millions on research, which indicated that Americans didn’t want smaller cars, which left them totally unprepared for the success of Toyota and Honda’s small cars. Unfortunately, consumers cannot tell us how they will react to a product or service they have not seen.³

The trends Christensen and others describe will inevitably transform the industry. The “over-served” will switch to affordable options, whereas the “under-served” will demand more innovative solutions. The ability of the current industry to adapt to these emerging trends depends in part on how they respond to the following **7 THREATS**.

SEVEN THREATS

We believe the 7 threats are systemic, potentially harmful to consumers, and ultimately threaten the industry as a whole. We do not believe they will “self-correct.” In one way or another, each

of the threats involve the industry’s failure to recognize limits concerning what it can provide and the unrealistic promises to consumers that have resulted.

<p>1 Commoditization</p> <p>Basic services and access to singles have become commodities.</p>	<p>What’s at Stake:</p> <p>For Consumer: Potential for prices to drop.</p> <p>For Industry: If competition focuses on price only, new players will usurp most major websites.</p>
<p>2 Unaware</p> <p>Companies are often unaware of their unique responsibilities.</p>	<p>What’s at Stake:</p> <p>For Consumer: Will the industry put your best interests first?</p> <p>For Industry: Consumers’ trust could evaporate, if even a single site acts unethically.</p>
<p>3 Over Promising</p> <p>Promises to arrange happy marriages are ungrounded.</p>	<p>What’s at Stake:</p> <p>For Consumer: When you’re ready to many (or that biological clock is ticking) there’s no time to waste.</p> <p>For Industry: Your reputation and Consumers’ trust in the industry are at stake.</p>
<p>4 Manipulation</p> <p>Social influence techniques should not be used for manipulation.</p>	<p>What’s at Stake:</p> <p>For Consumer: Are your decisions intentionally being manipulated by how advertising is presented?</p> <p>For Industry: When is it ethical to use persuasive tactics and when is it manipulation?</p>
<p>5 Risks of Harm</p> <p>Online dating can harm vulnerable consumers.</p>	<p>What’s at Stake:</p> <p>For Consumer: Online dating can be hazardous to consumers who struggle with esteem, anxiety, or rejection.</p> <p>For Industry: Online dating causes members to feel hopeless, have low self-esteem, or doubt their own instincts.</p>
<p>6 Limited Knowledge</p> <p>Our knowledge of relationship science is limited.</p>	<p>What’s at Stake:</p> <p>For Consumer: Ignorance of existing research can lead to misleading advice.</p> <p>For Industry: Are industry strategies based on scientific research?</p>
<p>7 Critical Mass</p> <p>Absolute network size has been replaced by critical mass.</p>	<p>What’s at Stake:</p> <p>For Consumer: Total member size doesn’t tell you about your odds for success on a specific site.</p> <p>For Industry: Competing on critical mass can level the playing field for small and large players.</p>

1 Commoditization

Basic services and access to singles have become commodities.

What's at Stake:

For Consumer: Potential for prices to drop.

For Industry: If competition focuses on price only, new players will usurp most major websites.

What do the beef, steel, telephone, medical instrument, restaurant, and computer industries all have in common? They never thought commoditization would happen to them! However, innovation researchers have shown that when barriers to create a product or service drops, competition goes up, and demand levels off, a "basic" version of the product or service inevitably becomes a commodity.

This could be good news to many cost-conscious online dating consumers and a large population of non-consumers who have been locked out of the market because of the high costs. Industry players are, understandably, not as enthusiastic about this trend.

Neither the industry nor consumers want to see a one-size-fits-all basic service become the only option. This would be a step backwards in time. Consumers are counting on the industry to create a mixture of options, including a low cost basic service as well as a more expensive, high-quality set of services.

Trends that level the playing field

The forces that fueled a 70-80% growth rate for several years, such as improved functionality and social acceptance, have had their full impact. Although these factors are still present and make it possible to maintain previous gains, they are not likely to drive further growth.

Trends Fueling Growth	
↑	<i>Website Functionality</i>
↑	<i>High Speed Internet</i>
↑	<i>Brand Awareness</i>
↓	<i>Social Stigma</i>

Meanwhile, other forces serve to reduce market differentiation. Software for dating site functionalities has become widely available, saturating the market with 800 dating websites.

With the exception of more reliable functionality, one could argue that the industry's value proposition hasn't changed in over 10 years. Most websites offer little more than personal "ads" that are filtered using the same profile information as newspaper classifieds.

Even personality tests and personality searching, the industry's only major innovations, were ultimately positioned in a way that extended the basic model rather than offering a new value proposition.⁴

Reduced Differentiation	
↓	<i>Barriers to Entry</i>
↓	<i>Switching Costs</i>
↑	<i>Number of Sites</i>
↑	<i>Similar Features</i>

As new waves of consumers enter the market, they bring higher expectations than the early adopters. The industry is also encountering a cohort of singles, who have struggled with dating and relationships. They are deciding to give online dating a try. Unfortunately, these new consumers typically encounter "one size fits all" websites that offer nothing in the way of customized information or services.

Not surprisingly, customer satisfaction with online dating has dropped. Plus, word of mouth, which had contributed to the industry's growth, is now more bad than good.⁵ The most popular websites may be especially vulnerable since stories (good and bad) tend to "stick" to their brands.⁶ Thus, the same forces that shifted industry perceptions in a positive way are now apparently pushing in the opposite direction.

Customer Satisfaction	
↑	<i>Expectations</i>
↑	<i>Dating Difficulty</i>
↑	<i>Negative Word of Mouth</i>
↓	<i>Customization</i>
↓	<i>Customer Satisfaction</i>
↓	<i>Customer Loyalty</i>

Who drives commoditization?

Taken together, it's not surprising that consumers may value the services less, and that competition may drive prices down. Christensen and his colleague Scott Anthony have described this combination of stagnant growth, increased competition, reduced differentiation, and reduced customer satisfaction as a formula for commoditization of the product.

If you don't know anyone who feels that way about the industry, Christensen's research would point you toward these customer segments that typically drive commoditization:

- Current and former subscribers who were "over-served," or did not use the richer features of the service;
- Non-consumers who have not subscribed but have visited and not been sold on the value enough to join.

It's important to note that they all believe the service is worth paying for. However, they are not loyal to a specific brand and are comfortable with quality that is "good enough."

Who will be the K-Mart of online dating?

Investors and executives don't like to hear the word commodity, because it is often the epithet of companies who were unable to be profitable and differentiate their products and services. For a large player, who views its membership base and communication platform as its core value, and who spent millions acquiring smaller sites for their customer base, commoditization threatens to make their offerings much less relevant and valuable to cost-conscious consumers. Reductions in the meaning and value of total network size (see Threat 7) further threaten their value.

As the industry shifts toward commoditization, expect to see:

- Increased switching across websites;
- Reduced duration of memberships;
- Reduced revenues;
- Narrower profit margins.

Also, watch for new players to emerge who offer basic value at an affordable price. These would typically be entirely new companies, analogous to K-Mart and Wal-Mart, who usurped the role of big department stores in the retail market over the past 3 decades.

As we discuss in the Opportunities section, the commoditization of the core functionality could potentially be a positive event for consumers and the industry overall. It largely depends on whether companies compete based on price alone or shift to competition based on quality. The future also depends on the impact of the next six threats, and the industry's ability to curb the damage.

As new waves of consumers enter the market, they bring higher expectations than the early adopters.

Bottom Line for Consumers
Insist on quality. Having affordable online dating sites is great, but quality is important too. Imagine if you could only shop at K-mart!

Bottom Line for the Industry
Find a way to offer innovative AND affordable options.

Unaware

Companies are often unaware of their unique responsibilities.

What's at Stake:

For Consumer: Will the industry put your best interests first?

For Industry: Consumers' trust could evaporate, if even a single site acts unethically.

We believe that the greatest failure of the industry is a lack of genuine appreciation for the profound role that dating and mate selection play in a single person's life. Online dating is not merely a transaction in the marketplace. Our services, practices, and policies have a major impact on the most personal and private aspects of their lives. Yet, few in the industry act in a way that suggests they appreciate this responsibility.

What do online dating sites do – Are we selling pipe dreams?

It may be unsettling to acknowledge, but, the fact is online dating sites prescribe interventions with the promise of receiving an extraordinary reward.

Let's consider online dating sites more carefully:

- **Prescribe** - the voice of the site is not passive; it speaks with authority telling you what things to do and then how to do them
- **Intervene** - users are encouraged to take risks and make changes, which can result in minor events, like bad dates, or major events, such as getting married
- **Promise** - claims are made with authority and certainty
- **Extraordinary reward** - you are taking these steps in order to gain the most fundamental of human needs and ecstasies, including "the love of your life," "your soul mate," "the best sex you've ever had," and the list goes on

It's important to be honest with ourselves about why the positioning has evolved in this way. Let's start by noting what the positioning does not reflect:

- It does not reflect the average or most common experience of people who use online dating sites. Indeed, our research found that only 1 in 5 who subscribed to a site, met someone they dated for at least 2 months. At the time, we didn't even think to investigate the chance of meeting "the love of your life."
- It does not reflect what decades of scientific research on dating and marriage would suggest is possible (or even plausible).

We also doubt the positioning emerged from any formal strategic planning or marketing research, for that matter. It's probably the result of relatively small movements in advertisement and copy editing, without any individual consciously deciding to promise the impossible. On the other hand, stating the obvious, the positioning evolved as it did in order to convey sufficient value so consumers will get out their credit cards and subscribe.

How is this any different from buying shampoo or wrinkle cream?

Examples of advertisements that make promises for extraordinary rewards (e.g., skin care products, shampoo, sports drinks, etc.) abound. It's also common to see love, sex, beauty, and companionship associated with products or services in order to sell them. But online dating differs from these products in three critical ways:

1. Line between the product and the goal of the product are easily blurred. Online dating sites do not sell something associated with love and marriage. An increasing number of sites appear to be directly selling love and marriage.
2. Deep emotional needs, and often insecurities, make this a unique type of purchase. Decision-making is never completely rational or conscious. However, when deep emotions are involved, it is easier to be misled and influenced.⁷ As one of our team puts it, "They're selling water in the desert." Indeed, selling bottled water at a grocery store and selling it in a desert are two different experiences and call on different yardsticks for fair and reasonable selling behavior.
3. You are joining an organization that requires you to change your life—start doing new things and stop doing others. You are told to invest your time and energy into a new activity, with the promise that the more you invest, the more you will benefit.

You don't really expect your shampoo to give you an orgasm

Here's an intentionally exaggerated example: If a consumer sees a commercial for Herbal Essence Shampoo, the association between the shampoo and sex is obvious. The actress in the commercial experiences an orgasm-like excitement while shampooing her hair. However, the consumer does not expect that by buying this shampoo versus another brand, she will actually experience an orgasm. She is also unlikely to change her life and stop doing other things that used to lead to this pleasure.

In contrast, a consumer who sees a commercial featuring a doctor promising to find "the love of your life" based on a scientifically patented new system and sees a parade of loving couples who all credit the site for bringing them true love and happiness...She is not going to think she's buying something *associated* with love. She's buying help from a doctor who is going to succeed where she has failed. Because she spends an average of 3 hours a week taking tests and corresponding with matches, she decides against taking a class at the local community college. Because she is so confident that the doctor's matching system works, she stops going to her alumni's singles mixers, which always made

her a little nervous anyway. After 6 months, she writes to the doctor and asks, why it's not working, and the doctor tells her to be patient because her match could come any day. At his advice, she subscribes for a full year.

What's being sold is different. What they are asking you to do is different. The implications of it are different.

Are your decisions in line with your values? We want to encourage decision makers in online dating to consider how their responsibility in this business may differ from other online businesses. We specifically recommend that decision makers dedicate time in their schedules to:

- Reflect on the unique role your site has in your subscribers' lives,
- Read a mixture of emails from subscribers that reflect both positive and negative experiences,
- Ask yourself (and ask your staff) what responsibility you have as stewards of your subscribers,
- Look at your advertising and marketing plan and consider whether it reflects this responsibility,
- Look at your goals on multiple levels (mission statement, quarterly performance, weekly to-do list) and ask if these efforts reflect your responsibility to your subscribers.

In this business, values matter. If your values are in line with the best interests of your consumers, all the other steps are manageable.

Serving people who are LONGING for Hope, Love, and Meaningful Connections requires a COMPASSIONATE response.

Online dating has a promising future, but we'll NEVER realize the potential if we pretend we're already THERE.

Bottom Line for Consumers
Be a savvy consumer. Treat it like any other important purchase.

Bottom Line for the Industry
Online dating is in danger of going the way of diet pills, infomercials, and hypnosis.

Over Promising

Promises to arrange happy marriages are ungrounded.

What's at Stake:

For Consumer: When you're ready to marry (or that biological clock is ticking) there's no time to waste.

For Industry: Your reputation and Consumers' trust in the industry are at stake.

There is no evidence that online dating—or scientific psychology—is able to pair individuals who will enjoy happy, lasting marriages. Indeed, if one trusts the statistics offered by the sites to bolster their claims, simple calculations reveal that the odds of finding a marriage partner online are very low.

eHarmony.com

The online dating industry owes a great deal to eHarmony.com and its founder Neil Clark Warren, Ph.D. The commercials featuring Dr. Warren reach out to a hidden population of singles who are not interested in surfing through innumerable profiles. Dr. Warren understands that this subgroup of users is not interested in tools that assist them as they search. They want him to do the searching

for them. Dr. Warren knows these men and women aren't looking for pages of options. They just want one person—their soul mate. And he promises to deliver that person directly to them.

As psychologists, we were first struck by the marketing genius of the commercials, as well as the ethical issues they raise. Nevertheless, at the time, we understood that eHarmony was articulating a *vision*, rather than an actual *capacity*. We hoped that in future commercials he would make this distinction clear.

eHarmony raised the stakes further in November, 2004 when it began to advertise the number of marriages generated by its service and claimed superior effectiveness relative to other sites.

eHarmony.com	
Advertisement	Comments
More marriages than any other website... eHarmony.com Pop-Up Ad 12/15/04	<ul style="list-style-type: none"> Superiority in absolute number of marriages is unlikely, as several major online dating websites have operated nationally (and internationally) for over 10 years.
It will work for you...we create more marriages per match than any online service.	<ul style="list-style-type: none"> The advertisement promotes their "marriages per match." Here's what we found based on their statistics for numbers of marriages and numbers of matches. <p>The Data:</p> <ul style="list-style-type: none"> eHarmony reported 10,000 marriages from their site. The following information on the total number of matches was also taken from their website the same day: <i>"We are pleased to report that since eHarmony began operations in August of 2000 we have created over 10,000,000 such matches."</i> <p>Interpretation:</p> <ul style="list-style-type: none"> There are two ways of looking at this information. The first is looking at the proportion of success for any given match or recommendation they made. When talking about matches, you are talking about pairs of people. The second interpretation is from the individual user's point of view and the proportion of success relevant to him or her. Matched Pairs: 10,000 matched pairs out of 10,000,000 matches ultimately married, or 0.001 or 0.1%. Thus, for every 1 recommended match that actually resulted in marriage, there were 999 matches that did not. Individual Users: Viewed from the perspective of the individual user, 20,000 people (10,000 marriages X 2 people) had the experience of going out on a date with someone from eHarmony, who they actually ended up marrying. Stated differently, out of 10 million matches that were made, 20,000 people (0.002 or 0.2%) walked away with a success story they could tell on an eHarmony commercial. Thus, for every 1 person who goes on a date and meets their future spouse, 499 went out that night and did not.
From eHarmony.com Website (1/5/05)	

For every 1 match on eHarmony that actually resulted in marriage, there were **999** "compatible" matches that did not.

For every 1 person who met their spouse on a date, 499 ended the date still single.

eHarmony.com	
Advertisement	Comments
<p>With over six million users, eHarmony is the Internet's premier relationship service... With over 10,000 known marriages to date.</p> <p>From Jan. 10, 2005 Press Release</p>	<ul style="list-style-type: none"> • This advertisement highlights two numbers: (1) total eHarmony users, and (2) total number of marriages. Understandably, they want both numbers to be big. However, the larger the number of users, the worse the marriage number looks. <p>With their user numbers:</p> <ul style="list-style-type: none"> • With their definition of users, this would mean 10,000 marriages (or 20,000 users) out of 6,000,000 users to date or 0.0033 or 0.33%. <p>With an estimate of subscribers only:</p> <ul style="list-style-type: none"> • This proportion is an underestimation, because closer reading of the site information clarifies that only paid subscribers would have had the opportunity to meet and potentially marry. This number will be substantially lower than the number of "users." • However, they do not report the cumulative number of subscribers. • As an exercise, we estimated this number by mapping the total users reported in each press release along with two public references to their conversion and chum rates. • We arrived at the back-of-envelope estimate of 1.36 million subscribers to date. If this number were correct, it would mean 10,000 marriages (or 20,000 users) represented 0.015 or 1.5% of all subscribers.

The higher number they advertise as "total users," the worse their marriage results look.

In the most favorable scenario for eHarmony, 1.5% of all subscribers will find a spouse.

If eHarmony has six million users, only 1 in 333 has found marriage on their site.

There's a lot of information here to digest. So, we've asked the single guy among us, Mark, to be our guinea pig. What can Mark expect if he joins eHarmony?

- When Mark signs up for eHarmony and takes their 45-minute personality test, he should know that out of 6,000,000 that have done this, only 20,000 got married. So, if he's looking to get married, he needs to ask which group he expects to be standing in: The 3 who found a spouse or the 997 who did not.
- He was impressed by the commercial, when Dr. Warren said, "*There's a reason so many eHarmony matches result in marriage. At eHarmony we match you based on the deep dimensions of compatibility essential for a meaningful relationship. And with over 6 million members your chances of finding a perfect match has never been better.*"
- Mark decides to join. On the site, Dr. Warren recommends signing up for a full year. Mark's a busy guy, so he only signs up for 3 months.
- Mark receives his first set of 3 matches. He's a little surprised, since 3 doesn't seem to be very many out of 6 million. He's quirky, but is he that hard to match up?
- 2 of the 3 are not Mark's physical type, but he finds one appealing. Mark should realize that of all the matches eHarmony has made so far (10 million of them), 1 in 1000 ended up getting married. Mark's questioning whether he should bother shaving.
- Trying to make Mark feel better, we ask him to think of this another way. If we assume that he has the same chance of marrying any match he has been sent (since they all fit the deep dimensions of compatibility), and if he committed to going on a date with 346 matches, or approximately 1 date a night for a year, at the end of it, there's a 50% chance he'll have married one of the matches along the way.⁸
- "Do you have any idea how much that would cost?!" Mark asks.
- We remind him that it would be spread out, because on average, he receives 1.5 matches from eHarmony a month. If he goes on a date with all of them, the dinners would be spread out over 19 years, and he would still reach the same 50% chance of getting married.
- Mark's reaction to this would depend on a lot of factors. He may remind himself that when he goes to a party, he doesn't know the odds of meeting his future spouse. On the other hand, there are lots of reasons to go to parties; he's doing this for a particular purpose. He wonders if it's worth the effort. The answer depends on his values and priorities. It also depends on his social anxiety level and willingness to take risks. When Mark was younger (much younger) and more extroverted, he would have taken the chance and enjoyed meeting someone new. Now, it looks like more of an investment.

Match.com

Match.com responded by promoting the total number of relationships, not marriages, they achieved in 2003. They calculated this from reports subscribers made when they cancelled their accounts. Both eHarmony and Match.com say that their numbers are “estimates,” but do not expand on the formula they used to make their conclusions.

If you say love has nothing to do with statistics...then you can't use statistics when they are convenient and flattering.

Match.com	
Advertisement	Comments
“Twice as many marriages as any other site in the world.” weddingchannel.com #1 site for love Featured on an online ad for Match.com (01/05/05)	Note that Match.com is not making the claim, but simply promoting weddingchannel.com’s claim regarding Match’s success.
What are the odds of meeting someone I’m interested in on Match.com? A. Sorry, but neither dating nor love has a formula or statistical equation you can use. However, over 200,000 people met that special someone on Match.com last year....So, put the protractor down, fill out your profile by clicking here, and let the probability distribution functions work themselves out. From FAQ on their website	Match does not report the number of subscribers during this period or the number of resigned subscriptions, which would be required to put the 200,000 relationships in context. However, Match VP of Romance reported in a 2003 press release that Match had 766,000 subscribers. As with the above example, we will make some assumptions as an exercise. Let’s assume the subscriptions were constant each month. If Match has a churn rate near the industry average rate, 20%, it would suggest 153,200 cancelled per month. If 200,000 who reported a relationship left evenly over the year that would result in 16,667 a month. That would mean 11% of those exiting reported finding a relationship on the site.
Subscribing...is our most successful way to meet people...In fact, all 200,000 members who found their match last year were subscribers. So subscribe now to get started on your own happy ending. From FAQ on their website	Claiming that subscribing increases the chance of a relationship is circular logic. Only subscribers were considered in counting the 200,000 in the first place. Match does not compare the odds of finding a relationship with and without a subscription, which this implies.

Our estimates suggest 1 in 10 subscribers who cancelled found a relationship on the site

Match offers no evidence that subscription increases the odds of finding a relationship

Routine rates of relationships and marriage

Two new programs recently launched promoting the ability to deliver marriages or long-term relationships, a premium product by Tickle.com and the new site PerfectMatch.com. Thus, it’s important that research get underway to test the effectiveness of what is becoming a national non-random experiment paid for by participants.

For sites already promoting their success rates, it’s important to emphasize that some proportion of the subscribers would have married during the same time period had they not subscribed to the website. It’s similar in medicine, where most diseases are self-limiting and so you can always count on the fact that some of the patients in the intervention group will get better even if the treatment is ineffective. That is why randomized control trials are the only true test of effectiveness. Ideally, one would compare volunteer couples that were introduced at random (but told they were compatible) with those matched by a compatibility system. In this way, both the intervention group and the comparison group would have similar demographic characteristics and all be interested in forming a serious relationship.

Both sets would be introduced by the expert authority (be it an expert person or a special program) that gives the couple a “stamp” of compatibility. This endorsement alone (regardless of its true accuracy) may prove to be enormously influential. Indeed, social psychology research tells us that a couple will like each other more and find each other more attractive if they are both told beforehand that they are compatible or that the other person found them attractive.⁹ The power of suggestion and the “placebo” effect in general is a powerful psychological phenomenon. It explains at least 50% of the impact of most interventions, including medical treatments and medications.¹⁰

There are other options including a case-control study or simply comparing success rates with the normal incidence of marriage or relationships in a similar random population. Regardless, the point that consumers need to understand is that the success rates quoted by existing programs are artificially elevated and include a proportion of success that has nothing to do with the intervention.

Tendency to exaggerate

Although we've put eHarmony and Match.com in the spotlight, every website we reviewed presented a claim that was misleading, unsubstantiated, or at least exaggerated. For example:

Advertisement	Comments
<p>"It's more rigorous, more detailed and more comprehensive than any other system commonly used for relationship matching. That's why it's also the most meaningful and effective."</p> <p>From Tickle.com Website</p>	<p>In fact, the assessments offered by the major sites are all derived from one of two bodies of literature in personality. They offer no empirical evidence for this claim. A claim to be more "effective" than "any other system" should reference the other systems to which it was compared and how to learn more about the study.</p>
<p>Better first dates. More second dates.</p> <p>Advertising tag line for Yahoo! Personals</p>	<p>They aim to set more reasonable expectations, than most other major sites. Nevertheless, we could not find a reference to any research, which has established this claim empirically. If it is intended as a "mission statement" rather than a current capacity of the site, this should be clarified. Nevertheless, the statement has the benefit of being testable.</p>
<p>Superior Matching for Compatible Singles Guaranteed Ad from PerfectMatch.com</p> <p>"You'll find someone with whom you're truly compatible!... Finding the right person for you and getting to know them can take time. Collaborating with us for three-12 months is the best way to increase your chances of locating your perfect match!"</p> <p>From FAQ on PerfectMatch.com</p>	<p>Offering a money-back guarantee and competing based on outcomes can both improve the quality of services for consumers. A consumer might want to know more about how much his or her "chances of locating" a perfect match would increase before agreeing to a multi month commitment. As a new site, obviously they cannot say, but they are asking for a big leap of faith without recognizing it as such.</p>
<p>It's not how you look - It's how you feel. Meeting people online lets you get to know each other's attitudes and humor and what you love about life before deciding whether or not you like each other's hairstyle. So, let the real you shine and get to know people in more meaningful ways.</p> <p>From FAQ on AmericanSingles.com</p>	<p>They suggest that meeting online via AmericanSingles.com is superior and more "meaningful" than meeting face-to-face. Although we certainly agree with many of the advantages of online dating, there is no evidence that it offers superior outcomes to face-to-face meetings. In fact, research suggests that most of the variation in who enjoys first dates and wants second ones is due to physical attraction.¹¹ This "reality" does not negate the importance of online dating, but it does draw into question its superiority over other methods.</p>

What does the FTC have to say?

The Federal Trade Commission (FTC) has a great deal to say about the types of claims that can be made and where back-up information should be located. We encourage you to visit their site as we did. We were struck by how far the industry's current advertising approach is from their regulations. Here's a quick overview of FTC's truth-in-advertising laws:

1. Advertising must be truthful and non-deceptive; in other words, it should not contain a statement or omit information that would mislead customers and would be relevant to the consumer's decision to buy or use the product.
2. Advertisers must have evidence to back up their claims and this must be presented clearly and conspicuously. The regulations for Internet advertising were surprisingly specific, including guides for placement, size, and labeling of the back-up evidence.

3. Advertisements cannot be unfair, cause consumer injury, or be harmful if it is not outweighed by the benefit to the consumer.

As one important first step, websites should present information associated with their advertisements "clearly and conspicuously."

Testimonials

On almost all online dating sites, testimonials and photos of happy couples are now prominently featured. Again, we were surprised by the clarity of the FTC's regulation regarding testimonials:

Endorsements by consumers must reflect the typical experience of consumers who use the product, not the experience of just a few...the ad must clearly disclose either what consumers can expect their results to be...

Bottom Line for Consumers
Don't put all your eggs in one basket. Your true odds of meeting a spouse on any specific site are small.
Bottom Line for the Industry
Articulate the value without over-promising.

4 Manipulation

Social influence techniques should not be used for manipulation.

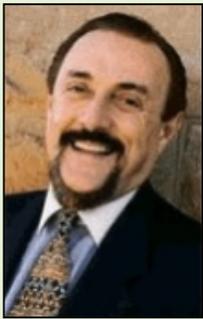
What's at Stake:

For Consumer: Are your decisions intentionally being manipulated by how advertising is presented?

For Industry: When is it ethical to use persuasive tactics and when is it manipulation?

Virtually all advertising is directly focused on causing us to want certain things—most of which we don't really need. Sophisticated marketing and advertising firms employ established techniques from social psychology to optimize the sale of any product or service, regardless of the content of its claims. So, having covered the claims in Threat 3, we now turn to how the industry is making these claims.

The social psychology techniques and the promises they support are the most noticeable aspect of the online industry. In fact, we are concerned that the industry has applied more social psychology research to selling its products than to making products worth selling.



Phil Zimbardo, Ph.D.
Professor of Psychology
Stanford University

I am often asked about the ethical considerations that must go into any real-world application of psychology. The question usually comes up in reference to The Stanford Prison Experiment. This project certainly gave a unique appreciation of the power of social influence and the precautions we must take in applying them.

Although advertisers and people who use persuasive tactics are currently viewed with suspicion, it was not always so. A pioneering psychologist wrote in 1937 that "the whole destiny of human society depends on the influencing of human behavior." Dale Carnegie popularized persuasion as the art of "winning friends and influencing people." I would agree that social influence techniques can be used to help people and improve, as they have in national public health and safety campaigns.

The distinction in ethics has to do with the balance of interests between the buyer and seller:

- Ethical Persuasion promotes mutual benefit for both the seller and buyer. The consumer gets something of value and the company profits from it.
- Unethical Persuasion occurs when the buyer has been deceived into purchasing a product when:
 - the product doesn't do what it claims to do;
 - the purchaser didn't really want to buy it; or
 - the product or service only delivered the first part of what it promised.

Clearly, online dating services cannot tolerate any degree of unethical persuasion or allow devious practices to lure the socially needy into their web. The industry will not survive if sites do not deliver on their promises. Customer satisfaction starts by laying out a set of realistic expectations and helping the user clarify what he or she wants to gain and whether the service can deliver.

Honesty must be the best policy with online dating services. The industry should grow from a large consumer base of satisfied users. They should look back on the service and believe they received true value for their money, which could not have been achieved on their own.

“She loves me, she loves me not...”
Anonymous, Lovesick Petal Picker

Although we are skeptical of whether most online dating sites work as they claim, we have no doubt that the advertisements promoting the sites work. The commercials for eHarmony.com, for example, masterfully illustrate the power of social influence

and the six principles of persuasion—a cornerstone of social psychology research. As outlined in Table C, it's clear someone at eHarmony did their homework in designing the messages.

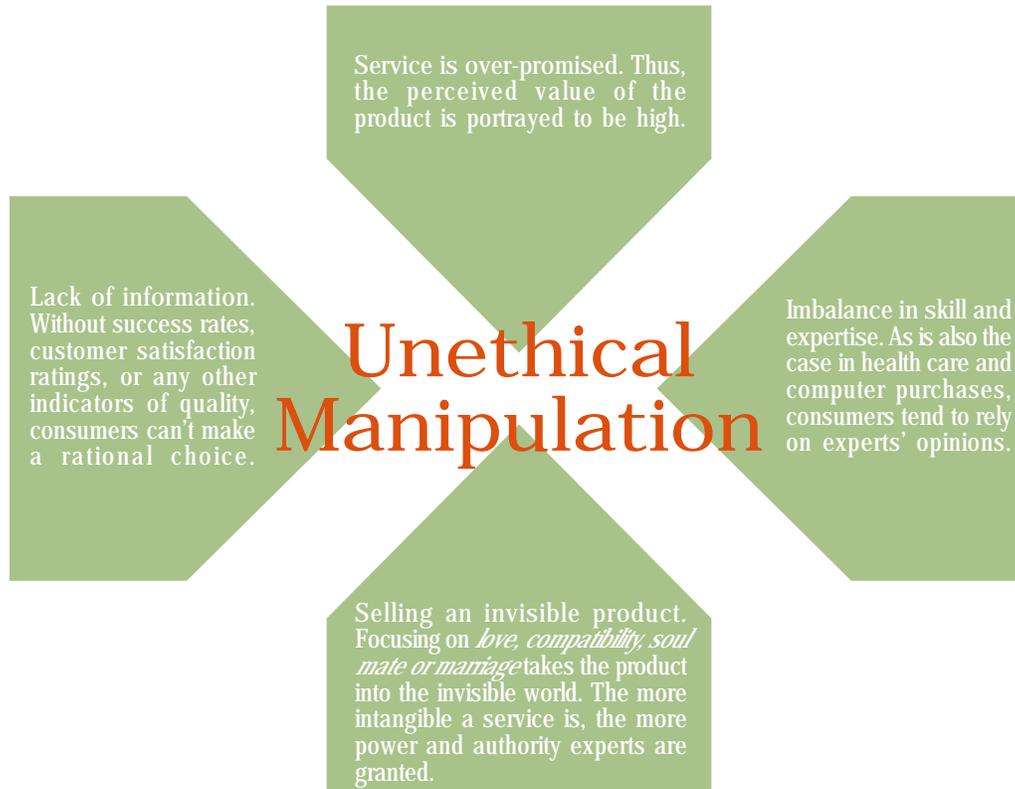
Table C

Six Principles of Persuasion	How eHarmony Uses Them
<p>Expert Authority = Credibility A spokesperson's title, credentials, experience, and appearance symbolically convey that he or she has special access to information and insight that the average consumer does not.</p>	<p>Dr. Niel Clark Warren is featured as the founder of eHarmony.com in their commercials. He speaks with confidence that their "patented system" can predict "deep compatibility and happier, more lasting relationships."</p>
<p>Social Consensus = It Works Seeing other people do something and enjoy or benefit from it signals that it is safe or effective to do, especially if they are similar to you.</p>	<p>Commercials feature images of couples who met on eHarmony embracing, and in recent versions couples talk about their experience and the benefits of eHarmony.</p>
<p>Consistency = Commitment When people make a public commitment a need to be consistent is activated that keeps them working at tasks, giving money, staying on course, etc.</p>	<p>Visitors to the eHarmony website are invited to take their personality test, which takes 45 minutes. In order to see the full report or see how eHarmony would match you based on the results, you have to subscribe.</p>
<p>Reciprocation = Obligation When people are made to feel obligated to someone, some agency or even some cause, they reciprocate by doing what is asked of them, returning the favor in kind.</p>	<p>Dr. Warren invites viewers to visit their website and take their personality test "a \$40 value, yours absolutely free."</p>
<p>Liking = Trust When people feel that they are dealing with someone who is friendly or acting like a friend, it inspires a feeling of liking that generalizes as a positive impression to whatever this person is promoting, selling, or professing.</p>	<p>Dr. Warren is an infinitely likable person. He's handsome, well dressed, silver-haired, and always smiling.</p>
<p>Scarcity = Competition If a person is made to want something, denying it only increases their desire for it even more. This is especially the case if they are competing with others for a scarce resource or if "time is running out" to have access to the item.</p>	<p>While other sites allow open access to search all singles, you cannot do your own search or look through profiles on eHarmony. Members are given 1-3 matches a month. This is presented as a quality, over quantity approach.</p>

**"The great enemy of truth is very often not the lie--deliberate, contrived and dishonest--but the myth--persistent, persuasive, and unrealistic.
 -- John F. Kennedy, 1962**

Advertising can serve many important functions including increasing public awareness of an issue and educating consumers of the options available. The use of the six principles of persuasion for these purposes would constitute ethical persuasion. In contrast, the current advertising approach appears more focused

on manipulating the consumer into a specific position, regardless of their exact needs. We are concerned that the industry has unintentionally created a “perfect storm” of potential manipulation of consumers, with the intersection of:



Taken together, the consumer is at a great disadvantage. Without information and expertise, consumers tend to rely on heuristics or “short cuts,” like the Six Principles of Persuasion. Therefore, the consumer is made even more vulnerable to advertising tactics.

Bottom Line for Consumers
Don't be biased. Learn to recognize and see the techniques in practice.

Bottom Line for the Industry
The use of persuasion tactics while limiting the consumer's choice is unethical manipulation.

5 Risks of Harm

Online dating can harm vulnerable consumers.

What's at Stake:

For Consumer: Online dating can be hazardous to Consumers who struggle with esteem, anxiety, or rejection.

For Industry: Online dating causes certain members to feel hopeless, have low self-esteem, or doubt their own instincts.

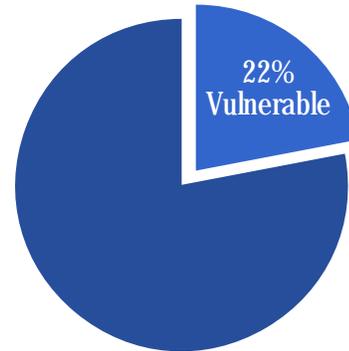
It shouldn't surprise us to learn that subscribers can leave online dating sites feeling worse than when they came in. The industry often describes how important love and romance are to happiness and how difficult it is to find that deep connection given our hectic lives. So, when a man or woman subscribes for 3+ months, invests an average of 3 hours a week on the site, and goes out on 2 to 4 dates, it's understandable that they would be disappointed if their plans fail.

Among a population of more "vulnerable" men and women, it would not be the plan that failed, but a personal failure. In our studies of over 1 million singles that subscribed or registered on an online dating site, approximately 1 in 5 could be described as particularly vulnerable to this negative interpretation, including men or women who are:

- Chronically shy,
- Very high in neuroticism,
- Very low in self-esteem, and/or
- High in negative self-views.

This is a surprisingly large group of men and women. Yet, if new waves of consumers are entering the market, with hopes that the product offers real solutions, it makes sense that vulnerable people, who probably need help the most, would try it.

Percentage of Vulnerable Singles



A. Self Blame

Indeed, while most people tend to attribute disappointing experiences to external factors (like technology or bad timing) and see them as temporary set-backs, people with one or more of these vulnerabilities tend to interpret disappointing experiences as personal failures, due to internal flaws, and that the failure suggests they will never succeed.

Unintentionally, the way the industry tends to advertise and promote their sites can further exacerbate these effects.¹² For example:

<p>FROM I'm trying the best website...</p> <p>It will work for you. ...In fact, we create more marriages per match than any online service.</p> <p>Why Not Start Now? It's risk free, so there's nothing to lose.</p> <p>From eHarmony.com Website (1/5/05)</p>	<p>...TO I failed at my only chance.</p> <p>By raising the subscriber's expectations, the let down is even worse when they fail.</p> <p>By picking a website that says they are more effective than any other option, a vulnerable person can conclude that this was their "best shot," and thus close off exploring any other options.</p>
<p>FROM I can succeed like others...</p> <p>Real couples have been featured in the last 2 eHarmony campaigns, talking about how the site had changed their lives. Match's 2002 campaign used actors, but centered on portraying normal people talking openly about online dating.</p> <p>Matchmaker.com and Yahoo Personals.com stand out as examples of sites that emphasize photographs of "real people" within their site. Yahoo uses a pool of single people selected to represent a diverse population. Matchmaker features a scrolling set of small pictures of real couples, who met on the site.</p>	<p>...TO I am different from everyone else</p> <p>Commercials and testimonials that show people who look similar to you and say they were once where you are now, is an effective way to increase hope. However, if the plan fails, the ads remain a constant reminder of how different you are from most people, which further intensifies your sense of isolation.</p>

B. Helplessness

Although folk psychology encourages the idea that good psychology is really just good common sense, empirical research routinely uncovers unexpected and often paradoxical effects that would not have been uncovered unless systematically tested. For example, common sense would argue: *Why should we be concerned about giving single people encouragement and hope? It may not help, but how could it hurt?*

In fact, empirical research has found the impact of optimism and encouragement depends on the person's ability to achieve the goal.¹³

As we discuss in the **7 OPPORTUNITIES** section, the process of relationship formation involves many steps and calls upon many competencies. Unfortunately, a person who struggles with even one step in the process (e.g., initiating contact) is at risk for failing, and may never make it further than this step. Therefore, a vulnerable person can be undermined from two directions:

1. Breakdown in social and relationship skills
2. Sensitivity to loss of confidence, self-blame, hopelessness, and other negative attributions.

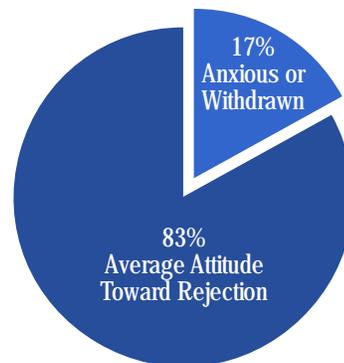
On the web, with millions of users, even a rare risk or side effect is going to affect thousands to hundreds of thousands of people.

C. Rejection

From one point of view, dating is all about rejection. Most singles date 6 to 8 people seriously before marriage. So, everyone experiences their share of rejections, disappointments, and the exquisite pain of unrequited love. Although most singles are incredibly resilient in the face of these ups and downs, a vulnerable minority of singles:

- a. Are vigilant to signs of rejection,
- b. Either become clingy or go to the opposite extreme of emotional detachment,
- c. Experience longer periods of distress after a failed relationship, and
- d. Can develop a "love style" or schema that expects love to be damaging and painful.

Percentage of Singles Sensitive to Rejection



<p>FROM there has to be at least one...</p> <p>Looking For Your Perfect Match? Meet REAL Attractive Local Singles For Chat And More! Thousands Of New Members Join Everyday. Your Perfect Match Is Waiting - FREE Sign Up Now!</p> <p>Google Text Ad for True.com (02/02/05)</p>	<p>...TO there's no chance I'll find someone on my own.</p> <p>Whether the website says they offer access to millions of singles or carefully pick only the best to introduce to you, they claim their value comes from supplying you the means to find your ultimate desire. This site says they can find your perfect match and she's real and attractive too (but not "really attractive"). With thousands a day, one would think there has to be someone in there for me one of these days. So, if you fail despite all the advantages, success in the "real world" seems even less likely than before.</p>
<p>FROM optimism and hope...</p> <p>They found love on Matchmaker. You can too. Here's how...</p> <p>This is a heading above photos from couples who met on Matchmaker website (02/01/05)</p>	<p>...TO hoplessness and helplessness.</p> <p>Although we tend to assume that encouragement and optimism are always beneficial, the research on optimism adds the caveat that encouragement helps if you have the capacity and skills to succeed. If you do not have those skills, and fail you may be worse off than if you had not tried at all.</p>

D. Disempowerment

Disempowerment comes in at least two forms. The first is ...

Paternalistic Disempowerment: The expert presumes to know what's best for you, without even asking you what you want. It's the, "I know best, because I'm your mother," approach.

PerfectMatch.com.

This new site is actually not paternalistic in style. However, the following text is taken from the FAQ.

FROM I know what's best for you...	...TO what I want must be bad for me.
Our Compatibility Profile test...the only one grounded in research on the individual characteristics that matter. Better yet, it's the only one that tells you which traits your partner should share and which should be different.	Vulnerable singles are typically confused about why they fail at dating. Dates rarely give feedback. So, when no one calls you back, you're left in uncertainty. Thus, statements that exclaim the importance of a product and its unique value can be misinterpreted as claiming definitive answers. This is problematic when the recommendations of the expert about what's "right" to want or feel are different from your own. The possibility of certainty and a blueprint are so tempting that the vulnerable person may try to change his feelings to fit the blueprint.

In the next FAQ, they go on to explain that you can also adjust your preferences and deal breakers. They are rightfully proud that they do not hide their process in a "black box." Indeed, in the original design of all of our systems, the search process was transparent and allowed for user controls.

Nevertheless, as we discovered in testing our system with vulnerable consumers, an isolated statement like the one above can become the focus of attention, to the exclusion of other information. There are no simple answers. One could argue that sites should never tell consumers "which traits your partner should share and which should be different." As we expect Dr. Pepper Schwartz (their relationship scientist advisor) would agree, this statement is not firmly grounded in research, as the statement claims. Frankly, even if we were confident we knew the answer, significant ethical questions would arise. Would we ever have the right to negate a consumer's belief system or deny them the right to find "the truth" on their own?

A second form of disempowerment is...

Intuitive Disempowerment: The authority, which claims special access to intuitive and spiritual insights, challenges your instincts and intuitions (especially when they oppose authority) and leads you to doubt your own judgment.

eHarmony.com was the only website we found, which included questions and answers with letters from consumers that expressed dissatisfaction and concern. They are to be applauded for this openness. It's also clear that Dr. Warren has genuine compassion for every person who writes to him.

We would argue, however, that his comments could be misinterpreted by a vulnerable person, as negating their instincts which are telling them the system doesn't work for them. He proposes new views, which do not challenge his beliefs.

Any site that claims to know the secret formula for who will be most compatible with whom falls in this category. We will pick on a new player, who brings a very impressive new site and team, and let's you know with their name that they won't be putting up with anything messy:

Vulnerable Singles
are prone to
blame themselves,
give up, and to be
crushed by rejection.
Every online dating site
should look at their
services and messaging
to do what they can to
recognize, respect, and
support their more
vulnerable members.

FROM Maybe your feelings mean something else...

Dear Dr. Warren:
eHarmony HURTS!...the pain and rejection I've felt over the past two months with eHarmony have really hurt my self-esteem.... I feel like I'm a pretty good catch, and yet... the seven women I've really liked all eventually said, "No thanks." Let me tell you, Dr. Warren, that hurt. So, I'm not sure I can continue like this. Putting myself out there and being rejected makes me dread logging on to your site. What do you think?

Dear William,

I can certainly hear the pain in your letter. You describe a very hurtful set of experiences, and I'm sorry you've had to go through this... the risk and the pain of rejection are real. eHarmony can even magnify that pain. Because we bring you several compatible people in a relatively short period of time, in a matter of weeks...the opportunity to experience the pain of rejection is increased. If it happens that several women in a row end the relationship, you're going to start wondering what's wrong.

The most important point I'd like to make is this: As long as you let us, we will continue searching for your soul mate.... I'm confident that if you will stay with it and greet each new match with a positive attitude, we offer the best chance on earth to end up with a soul mate. What reward that would be!

My best wishes to you,
Neil Clark Warren

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...TO I can't trust my own instincts.

William is telling Dr. Warren that the women he met were not compatible. Dr. Warren replies that eHarmony brings you compatible matches and that they may reject you. Warren may wonder if they both mean the same thing by compatible.

William is wondering if the system may not work since, because in his opinion, he's a good catch, it shouldn't be this difficult. Dr. Warren never considers the possibility that the system may be failing or that William should try other options.

William is saying he is putting himself out there emotionally and feels like he's experienced lasting damage to his self-esteem. Dr. Warren's reply is to "stick to it." He takes a, "If you're suffering, it must be good for you" approach.

William wonders whether out of self-preservation, he should stop. Dr. Warren promises him that if he continues to subscribe, he will find his soul mate. Indeed, Dr. Warren says this is the best chance on earth. So, where else could he go?

FROM You need to let go of childish expectations...

Dr. Warren,
I have been a member of your website for 2 years now and have been matched with almost a hundred people. Nothing seems to work... receive lots of matches in my geographic area, but none seem to measure up. I am interested in men with professional jobs, preferably a doctor or attorney. Most all of the men I have been matched with were in their late 40's and I am 44. I am only willing to accept a gentleman within the 42-46 age range. Some of my matches have been teachers, business people, and one was a baseball coach - not the professional men that I desire... I can't bring myself to compromise and settle for something less than I deserve...I just really wanted to ask you: what is wrong with me? What happened? What am I not doing? Should I move? I just don't understand why it seems to be impossible for me to meet someone who "fits" me and who I "fit" as well.
Thanks for listening;
Jenny

Dear Jenny,

Thanks for your letter. You've asked me a great many questions which can all be summarized into one - "Am I being too picky?". I am fond of telling singles that you can't be too picky. But in your case, I may have to make an exception. I want to explain why I believe this is so. As young people we often create fantasies about what married life will be like...For most people these fantasies slowly fade as they grow into maturity and start to enjoy real relationships...Your letter would lead me to believe that you held onto many of those childhood fantasies.
My experience at eHarmony has taught me that many times your soul mate is not the exact type of person you would have expected. The notion that you must marry a "professional" and therefore refuse to meet other accomplished, promising men is an example of holding on to an expectation that only hurts your chances of finding a compatible man to love you... Reach out to every man and try to find out why eHarmony has brought you two together...

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...TO I have to accept the expert's expectations and beliefs.

After 2 years and 100 matches, and no boyfriend...Jenny is wondering what's wrong with her. Dr. Warren replies that there is something wrong with her. It's not the system. It couldn't create 100 matches and not a single good one. So, Jenny must be holding on to childhood fantasies.

Jenny wants to meet a man age 42-46 who's a professional (doctor or attorney). Dr. Warren thinks this is unreasonable. eHarmony doesn't let members search through the database to find if anyone meets their criteria for a reason. He doesn't think Jenny knows what she really wants or needs.

Jenny is thinking she needs to move because eHarmony can't bring her a man who fits her requirements. He doesn't suggest she go do a search on Match.com to find 30 or more men in her local area within the age range who are professionals in her local area. She doesn't need to meet men who fit her personal criteria. He recommends instead that she reach out to ALL the matches, not less.

Advice can be dangerous, especially if people actually listen. As psychologists we know from painful experience, that people rarely do as you suggest or take your advice. The people who are most likely to listen to experts are vulnerable and influenced easily by everyone around them. Although he offers good advice, Dr. Warren unfortunately seems to counter or turn upside down every belief or intuition Jenny and William have.

One has to wonder whether there is ever a point where Dr. Warren would conclude that the system isn't working for an individual. If the Industry denies failure, it can never learn and evolve to better serve customers.

E. First, do no harm...

How do we know that vulnerable consumers are being hurt? They're telling us. eHarmony shared several letters on their site, but there is no forum for consumers or industry decision makers to view the "minority reports." The industry appears to deny the possibility of failure altogether.

In addition, vulnerable consumers would be the least likely to complain, because they are ashamed and blame themselves.

It's true that dating is challenging offline and online. However, ethical concerns arise if we invite singles to subscribe to a service we know brings some degree of risk to their well being and do not give them the choice to weigh the potential pros and cons. Consumers face trade-offs all the time, including no-win medical situations every day.

For online dating sites, this is another example of the special responsibilities that come with services that intervene in people's intimate lives. Interventions include actual behavioral experiences using the site, as well as the use of persuasive messages to change the attitudes and expectations of the user.

Prevention and life enhancement guidelines
These questions are common in the fields of medicine, psychology, and public health, especially when it comes to interventions among a population that is not significantly diseased or impaired. All medical treatments involve a balance of potential benefits and potential adverse effects.

With preventive care or life enhancing interventions (of which online dating is an example), Hippocrates admonition to "help but first do no harm" is a pre-requisite. Indeed, the US Preventive Services Task Force goes so far as to say that it is not sufficient for there to be evidence that the intervention is beneficial¹⁴ Any known risks for harm must be documented and any other potential risks must at least be identified.

Decisions that harm are not being made intentionally, but are preventable
In fact, having met most of the major players in the industry we believe they are truly dedicated to both running a good business and helping people. Executives are busy running the business. Decisions get made at a fast pace, and even when relationship scientists are available on staff or as consultants, executives are not typically aware of the types of issues that require discussion. True.com stands out as a site that invests in having a full-time relationship scientist in a management role (Jim Houran, Ph.D.).

We do not wish to imply that only psychologists can play this role. We intentionally use the term "relationship scientist," because it is a multi-disciplinary field, including sociologists (Pepper Schwartz, Ph.D. of PerfectMatch.com), anthropologists, educators, and physicians as examples. Indeed, we have involved representatives from all of these disciplines (and several others just to keep us on our toes), because it encourages creativity and sharing of insights across disciplines.



Mark Thompson, Ph.D.
President &
CEO, weAttract.com, Inc.

It's tempting to assume that good psychology is really just common sense. Fortunately, my mentor, Kenneth Heller, Ph.D. (Professor of Psychology, *Indiana University*) believed in putting his cherished theories to the test.

I started working with Dr. Heller in 1992 on a "telephone buddy" program funded by the *National Institute on Aging (NIA)*. Lonely and isolated older women were paired with each other and given free telephones to call each other every day. The program was enormously popular, made common sense, had waiting lists for participants, garnered big grants, and even caught the eye of a major telephone carrier. There was only one problem: *It didn't work*. Shockingly, the "little old ladies" who were given phone buddies actually became *more distressed* and were *worse off* than the random set of isolated women we simply left alone.

The program was enormously popular...
There was only one problem:
It didn't work.

Dr. Heller was disappointed, but didn't sweep the findings under the rug. He published the results and invited critiques from other academics.¹⁵ Although you are never certain why your study had null results, we went back to the drawing board and this time designed interventions with more sophisticated matching schemes that took into account the "little old ladies" personalities, social skills, and communication styles.¹⁶

What if the "telephone buddy" program had been an "Internet buddy" program with a waiting list of subscribers and sponsors? Would it have been fast-tracked for national (indeed, international) rollout? It certainly would generate good publicity and maybe even a catchy new slogan ("*More buddies than any other site?*"). It would be difficult to be the voice of skepticism when everyone else viewed it as a huge success—at least until a sexier project came along to distract us.

We emphasize the word “scientists” because not every professional within psychology or these other disciplines received training in an empirical discipline, has conducted rigorous research, and is trained in making evidence-based decisions. It may sound like a tall order. However, it’s crucial that online dating sites who are dedicated to communicating honestly with the public, protecting their members, and offering quality service have a relationship scientist at the decision making table. This person is only one of several possible roles filled by professionals trained in quantitative and qualitative analysis. Indeed, many of the difficulties the industry faces could be addressed by a better partnership between marketing experts, advertising analysts, and relationship scientists.

One step every website can take is to seek review by an external professional. True.com was the first to do so, and we are grateful that they “pulled” us toward this added rigor. Here’s one of the remarks by UC Irvine Professor Karen Rook, Ph.D., who’s the nation’s foremost expert on loneliness:

Regardless of training, it should not be too surprising that online dating may have unanticipated consequences. In fact, studies of major technologies and inventions (from cell phones to antibiotics to cars) have found a repeated pattern of:

- Intensity of spread and excitement
- Disaster or highly publicized damage is observed
- Reform occurs in the industry
- Vigilance by industry and consumers become necessary.¹⁷

If online dating follows this trend, we can expect problems to arise that will bring the “intensity” period to an end. This is not an inevitable cycle. The question for the online dating industry is: What level of “disaster” will it take to lead to reform and new guidelines in the industry? Will the “disaster” have to occur on your own site before you make changes?

It’s hard for outgoing and generally happy people to appreciate the way certain vulnerable people see and experience the world...Online dating websites involve a lot of uncertainty and mixed signals. What most people interpret as neutral, a vulnerable person will interpret negatively...Even receiving a search result that says “Zero Matches,” can reinforce that person’s fears...Most people will simply come back another day, but a vulnerable person may not show the persistence that most of us take for granted.

Karen Rook, Ph.D
Professor of Psychology
UC Irvine

Bottom Line for Consumers
If online dating is hurting you, FIND a more intimate approach and possibly help with the problem that trips you up.

Bottom Line for the Industry
Involve a relationship scientist to help you protect your members from harm.

Limited Knowledge

Our knowledge of relationship science is limited.

What's at Stake:

For Consumer: Ignorance of existing research can lead to misleading advice.

For Industry: Are industry strategies based on scientific research?

The reason to use science and empirical research to guide innovation in online dating is simple – IT WORKS.

Science is more than a word

We recall a turning point in our business when the “idea” of applying science in the field became popular. Our own research had shown that consumers were interested in scientific approaches to building healthy relationships. Indeed, a single person’s *technology optimism* (or confidence that science and technology could improve the way things work) was the most significant predictor of willingness to join an online dating site and how much they would pay.¹⁸

When marketing in the industry caught onto this trend (2 years later), Match.com, eMode.com, and others featured “PhD Designed” and other symbols of scientific credibility. Obviously, this tag says nothing about the qualifications of the Ph.D. Would consumers be equally confident to find the Ph.D. who designed their matching system was a Paleontologist? However, we were so pleased to find some momentum that we did not scrutinize the nature of the commitment. As it turned out, there was great interest in the *word* science, but not in the commitment to *do* science and *maintain* scientific development.

Science is fundamentally an ongoing process. Any release of a technology based on scientific research has to be viewed as one step in the journey. Yet, outside of academia, few organizations are set up to manage this type of iterative process. Where the mechanisms do exist, in the Pharmaceutical industry, for example, research and development is viewed as their core business.

Danger of Symbolic Plans

There are enormous opportunities for the future, but we will never reach them, if we pretend we’re already there.

Lee Clark, a sociologist at Rutgers University, would describe the industry’s current approach to online dating as a symbolic plan.¹⁹ Many sites may have a plan that looks good on paper, but it does not hold up to scrutiny. Clark adds:

Symbolic plans are...charades. They’re touted as workable but, in fact, they’re not based on actual expertise or experience and, by definition, they over-promise.

In this case, pretending to know more than we do is stifling innovation and giving the industry a false sense of security. Clark has studied the repercussions of these plans in a variety of industries, and he warns that once failure occurs, they “inevitably generate cynicism and distrust” that can permanently damage the industry. His advice based on the wisdom of other people’s painful experience is:

Make bold plans, but be realistic.
Above all, be honest with yourself
about what you know and don’t know.



Glenn Hutchinson, Ph.D.
Vice President of Scientific
Development
weAttract.com, Inc.

I’m very concerned about the impact of false advertising claims on vulnerable users. eHarmony’s claim that they can provide users a “soul mate” is among the most egregious of the over promises I’ve encountered.

Due to what psychologists call the “base rate” (like the rate of incidence) of happy, lasting marriages and limits to the accuracy of current psychological measures, it’s easy to mathematically demonstrate the impossibility of reliably identifying single individuals who would be happily married to one another. Nevertheless, eHarmony reports that they attempt to do this by focusing on the patterns of scores on their questionnaire observed among real-world married couples who are in the top 25% on measures of marital satisfaction. Not only would this strategy fail to reliably create happy couples, it would also likely be biased against their more vulnerable users. Researchers have known for some time that moodiness and nervousness are associated with relatively high levels of interpersonal negativity as well as low levels of marital satisfaction. Thus, eHarmony’s strategy of pairing individuals based on similarity to couples who are in the top 25% on marital satisfaction is likely to be particularly unsuccessful for these individuals.

Two additional factors make me particularly concerned for eHarmony’s more vulnerable users. First, the sheer probability of finding a marriage partner through eHarmony is very small as described in previous sections of this paper, and as just noted, the odds are likely worse for those who experience high levels of negative affect and are emotionally vulnerable. Second, I believe eHarmony’s perpetuation of the myth of “soul mates” probably does a lot of damage to many people. What is frustrating to most of us may be particularly injurious to those who are already lonely and hurting.

Will you do empirical research and make evidence-based decisions?

Therefore, if you do not currently have a strategy for making evidence-based decisions in product development, implementation, and marketing design, we encourage you to consider what type of company you want to be.

Addressing Threats 3, 4, and 5 requires building competence in research and development or at minimum being able to make evidence-based decisions drawing from outside empirical work. As innovation researcher Joel Arthur Barker has put it:

If you do not have the components of excellence--- statistical process control, continuous improvement, benchmarking, the constant pursuit of excellence, the capacity of knowing how to do the right thing the first time...then you don't even get to play the game.²⁰

What can the industry gain from existing bodies of research?

As a first step, attention is needed to take advantage of existing bodies of research, relevant to industry's goals. As noted in Threat 3-5, evidence-based reviews of the relevant literatures can:

1. Optimize the effectiveness of existing interventions;
2. Increase awareness of supporting and contradicting research to current claims in order to offer fair information to consumers;
3. Enhance the relevance and effectiveness of new interventions;
4. Identify and reduce the potential harm of interventions.

Given the critique, a consumer may question whether we see any value in online dating. We do. Communication researchers talk about the value of reach and richness. As a means of meeting others, the Internet brings us reach to people like us, beyond the limits of what has ever been possible before. However, the richness of the communication has been limited. Attraction and compatibility are complex processes, most of which occurs without our conscious awareness.²¹

We see value in giving people tools to help them articulate their preferences. Our tools are designed to capture explicit and implicit preferences and one's own sense of self, drawing from existing research. We did not see adequate scientific evidence to prescribe a formula for who should and should not be matched. Therefore, we created search systems that acted as personal shoppers. We have tried to add richness to the conversations and explorations people make. With each new generation of products, we expand the breadth (adding physical attraction) and depth (adding relationship styles and skills) of the potential communication.

Buyer beware before surrendering control of who you should and should not marry

We see an important distinction between helping consumers with dating, which is by nature an exploratory process, versus helping people find a spouse. Even though we questioned the scientific grounding of claims to arrange happy marriages, the industry can still gain important insights and ideas from the extensive research on marital satisfaction and divorce. For example, research suggests that the factors which predict who will make happy couples before marriage are different from the factors that are predictive of satisfaction and stability after marriage.²²

When two people create a life together, the synergy is more than the sum of the parts. Patterns of communication and conflict, which are the most profound measures of marital satisfaction and stability, are factors that emerge from and can only be measured after the couple is together.²³ Similarities in interests and values may indeed correlate with marital satisfaction. However, these arguably have no predictive value once you take into account how a couple manages their similarities and differences.²⁴ This is one of the reasons why we shifted our focus more toward relationship styles and skills in our second-generation products.

Buyer beware of any online dating website which claims to have special insight into who a consumer should and should not consider for marriage based on personality self-reports. Although we believe personality measures can be valuable tools in helping consumers find better dates and get off to a good start dating someone, we doubt that self-report personality measures alone will ever be valuable in predicting whom one should or should not marry.²⁵

Even if one performed sophisticated assessments on potential couples and could predict the likelihood of divorce with extraordinary accuracy (to rival most medical screening tests), the test would inevitably result in more false positives (predicting a divorce that would have never happened) than true positives (accurately foreseeing a divorce).²⁶ The mathematics of prediction and decades of research on predicting disease or disorder among asymptomatic people makes this a certain conclusion. Therefore, industry decision makers and the relationship scientists that advise them should be cautious in limiting consumers' choices regarding marriage.²⁷ The ethics of this behavior is especially questionable, when consumers are asked to surrender control without being informed of important risks and limitations. Indeed, although our systems do not claim to predict marital compatibility, we realize now that we need to disclose more to consumers about the limits of any system we release.

We don't even know what we don't know
Perhaps in our enthusiasm to prove our relevance, relationship scientists working with the major sites (ourselves included) may have raised expectations and confidence too high.²⁸

We are discouraged when we see online dating sites claim to have "the only true scientific" system or "the only one grounded in research on the individual characteristics that matter."²⁹ As the relationship scientists working with these sites know, our assessments are drawn from similar and overlapping bodies of research. WeAttract has invested millions of dollars in testing the validity and reliability of our systems and calibrated our assessments against the prominent academic measures in the field.³⁰ Rather than swapping rhetoric, the research scientists across sites need to find ways to collaborate and benefit from a common body of knowledge. If competition is based on quality rather than advertising, cross-company collaboration can be mutually beneficial.³¹ In the end, the big winner is the consumer.

The debate over personality tests is only the tip of a much larger iceberg—there are a multitude of unanswered questions about how to bring people together and how to support and enhance couples' long-term satisfaction. There is actually a rich body of research on a variety of cognitive, emotional, and behavioral factors that may be relevant to specific points in relationship development. In the Opportunities section, we present a model for mapping the full scope of relationship development.

Place your bets

Dr. Thompson: Put my bets on our second-generation system for testing physical attraction preferences and physical attributes. Physical attraction explains approximately 65% of the variability in why some couples want to have a second date and others do not.³² Yet, physical attraction is ignored in all of the current matching systems. Our second-generation Mutual Physical Attraction system will be the first to match consumers with someone who they'll find sexy and attractive and who'll find them sexy and attractive too.

Our tests show consumers are much more likely to initiate contact with someone (and say they would pay to do so) if the physical attraction system says that the other person will find them attractive. Fear of rejection, especially rejection because of one's appearance or body type, turns out to be a significant barrier to using online dating. The good news is that people like different things, and even among groups of men and women who expect no one will find them physically attractive, there are a significant percentage of candidates who do find them attractive.

If online dating only helps those who are already successful in offline dating, then I don't believe we are offering a meaningful service. The unique opportunity is helping people who would not otherwise connect with someone find someone they genuinely find sexy and who'll find them sexy too.

Dr. Hutchinson: I'm putting my bet on the value of brief video segments (known as "thin slices" in the scientific literature) as a way of capturing interpersonal attraction. Even if a current site provides a user a good match on personality and the user finds the still photo of the individual attractive, he may instantly know the person is not for him when they meet for the first time. Our gut reaction to the way a person looks, moves, and carries her/himself is tremendously powerful. Fortunately, research suggests that viewing a brief video clip often allows us to form a very accurate impression of someone. Frankly, I think online sites' success rates (and user satisfaction) may take a quantum leap forward once each user profile includes a good quality 5-10 second video clip. At minimum, this should drastically reduce the chance of ending up on a first date with a stranger that just isn't attracted to you or vice versa.

I'm also a strong believer in feedback. Most people have no idea how friends, dates, and co-workers view them. Online sites could easily allow users to obtain such information in a manner that is non-threatening to users and safe for all. For example, users could have the system send very brief questionnaires to a set of people he or she has met online, requesting anonymous feedback. Respondents would never be identified to the user, but after he or she goes out with 5 or 10 people, the user would receive a report that presents the feedback in an aggregate and constructive manner.

Dr. Zimbardo: Put my bets on a system that can help people when they are looking for short-term connections, as well as long-term relationships. Given how often people travel for business or live for periods of time away from their friends and family, the Internet could help connect people who want to enjoy a single outing (sports game or a symphony performance) or find activities buddies. The vision of the industry is very limiting if it focuses only on serious relationships. In fact, we have a much sounder foundation in social psychology for connecting people who will like each other and enjoy each other's company for friendships and short-term connections.

As the senior member of this team, I will go out on a limb and say that sexual connections should not be ignored or exiled to pomography websites. There needs to be a place in the mainstream online dating industry for supporting healthy sexual connections, even if the people involved are at a point in their lives where they are interested in a sexual connection without a relationship commitment. We serve everyone's interests if people can be honest with themselves and each other about what they want and for this to be acknowledged and respected by the industry.

Align your investment with your values

There can be no future without commitment and investment. If the industry decides that science is going to be valued, then commitments and investments will have to be realigned to fit the values. We agree with Dr. Berscheid's comment in regards to the self-help and self-promotion industry:

"If only the tiniest fraction of those billions were used to support the development of the knowledge domain upon which such therapeutic advice presumably depends, the future of a science of relationships would look a good deal brighter."

Ellen Berscheid
Professor, Department of Psychology,
University of Minnesota

Bottom Line for Consumers

Beware of experts who say they know THE answers or tell you who not to marry.

Bottom Line for the Industry

Pretending to know more than we do can lead us and our consumers down a dead end road.

7 Critical Mass

Absolute network size has been replaced by critical mass.

What's at Stake:

For Consumer: Total member size doesn't tell you about your odds for success on a specific site.

For Industry: Competing on critical mass can level the playing field for small and large players.

The seventh Threat brings us back to where we began, with the issue of network size and its value. First, it's important to note how network size is currently used (incorrectly), and then, why a shift to talking about "critical mass" is approaching.

Size matters to the online dating sites, but not to the public

The industry inherited its obsession with size from its early roots in newspaper classifieds. Back then, you paid for ad space, and the cost differed depending on the newspaper's circulation.

In the early stages of online dating (until about 4 years ago), the size of the network had a big impact on the quality of the consumer's experience. Because the value proposition was about "trying something new and fun," network size and how often the website crashed was the consumer proxy for quality. Over time, network size also implied increased social acceptance.

This fueled pressure to promote larger and larger membership numbers, with less and less information about where the numbers came from. Although the source and meaning of the advertised "millions" are rarely defined, it usually represents the cumulative number of profiles or registrations ever completed.

Consumers do not benefit from the absolute size of the network, despite what many websites still claim. Consider for example, this ad on match.com's website:

Subscribing is your all access pass to our 15 million members...subscribe now to get started on your own happy ending.
Source: *How it Works*Section (1/21/05)

To further complicate the matter, on the same page, Match.com goes on to report a different membership number:

With over 8 million members, someone's sure to catch your eye.
Source: *How it Works*Section (1/21/05)

Regardless of the exact number, the ad promises "all access" to a population that primarily consists of inactive users. Only a small fraction of this big population would be active subscribers and be able to pursue unrestricted exchanges.

Critical mass is about relevancy
Consumers want to know the number of potentially relevant people in the network. Consumers should be able to learn the number

of people who fit basic demographic and location requirements before they decide whether or not to subscribe. This is possible on most major sites if the consumer is willing to do some work (specifically, doing several quick searches and counting up the relevant people on their network). However, these sites can easily make this information relevant to consumers before they subscribe. If I live in Raintree, Montana, for example, the critical number for me is the 10 people within 100 miles that fit my criteria, rather than 1 million of them internationally.

In fact, despite Metcalfe's law on the exponential value of large networks, for dating sites, there's a point when the number and complexity reduces the value unless there is enough information on the members and an effective search tool to find what I'm looking for. Otherwise, it's like trying to find a needle in a bigger and bigger haystack.

Critical mass is about odds

Several large players imply that their millions increase your odds for success, but offer no explanation or means to calculate your odds. The major players increasingly imply a link between the size of their network and your chance at success. Match.com argues that with their 8-15 million, "someone's sure to catch your eye." Now that eHarmony is a big player, it features its size as an added value as well:

With over 6 million members your chances of finding your perfect match have never been better.
Source eHarmony.com (1/23/05)

There is no further information on the association between membership size and my chance for success. In fact, there were no membership number breakdowns available on the site. If we follow the ad's logic, would my odds of success improve if I wait until they grow to 7 million members?

Defining two kinds of critical mass for the consumer and for a website

Critical mass is the point when a network is sufficiently large to satisfy the needs of the specific stakeholder:

- Consumer Critical Mass is the point when the relevant local network has a sufficient number of people fitting your specific needs.
- Website Critical Mass is the point when the "average" user can achieve satisfactory results and is willing to subscribe for the service.

In our patent-pending system, each of these definitions involves a set of pre-specified factors. For illustration, this is one of our models, using our company's lingo:

- **Consumer's needs:** This consists of the degree to which the user's preference vector fits with the available attribute vectors in the network, as compared against a yardstick for adequate fit that is customized to that user's "pickiness."
- **Sufficiently large:** For the consumer this is the minimum number of potential candidates it will take to find a set number (for example, 5 candidates) who I will like and who will like me as well.
- **Website average user:** This depends on the marketing strategy of the website, but could literally be a model of a prototypic user or the process of finding critical mass for a series of segment averages. Regardless, this occurs by repeating the individual user's calculations and finding the central tendency.
- **Satisfactory results:** This could mean the critical mass when the average user would meet or exceed his or her minimum network number. Since this preference varies widely, data mining can identify points where the fit of the network had the greatest impact on subscription rates.

It sounds much worse than it is. Indeed, we have automated the process and expect others will create other approaches.

Who will this benefit?

1. **Customers:** It will definitely benefit consumers, since they can shop for networks with a real yardstick for the quality of the fit.
2. **Intermediaries:** It could drive the creation of a new player, an intermediary, who shops across various networks to find the one that best fits what the consumer is looking for. It could also potentially open networks, such that intermediaries could pay for access to several specific candidates without the consumer having to pay for membership.
3. **Smaller Players:** With a focus on critical mass, a small site could become the best site for a certain market group, and easily beat out larger players in regards to consumer's odds for success. Critical mass allows smaller players to compete on the same playing field.
4. **Large players:** They can still add to their "millions served" billboard. However, if consumers are educated, they will demand that customized network data be available when shopping. Larger networks have a huge advantage for mainstream consumers with mainstream tastes. Given their size, there would be a large number of any group. However, as more verticals and niche sites play on this level playing field, it will be hard to keep up with niches. Larger sites would have the advantage of offering flexible costing plans based on fit.

Intermediaries could shop across various networks to find the one that **BEST FITS** what the consumer is looking for...

Bottom Line for Consumers
Demand to know the odds that an online dating site has in members who match your basic requirements.

Bottom Line for the Industry
We can no longer hide behind total membership size. Members want to know consumer critical mass.

SEVEN OPPORTUNITIES

As noted earlier, the industry is at a unique transition point in its growth. The market forces driving better performance are running up against market forces pushing in the opposite direction toward affordability. The “over-served” consumers reward companies that offer “basic” services at an affordable price. In the online dating industry, this trend is leading to the commoditization of basic functions and access to member networks.

Paradoxically, although this shift is driven by price, it creates market conditions that can ignite innovations to improve quality and performance. Typically, this occurs when commoditization

forces various functions and types of services to be unbundled. In our industry, this would mean functions such as relationship search engines and assessments could become targets for their own businesses and innovation. Once these higher quality modules are combined, other expertise emerges for customizing combinations of service components to meet the special needs of the “under-served” population.³³

Most of the opportunities that follow center on improving the modules or systems and the advantages of customizing services.

<p>1 Goals</p> <p>The same website can host different customized experiences based on relationship goals and love styles.</p>	<p>What's at Stake:</p> <p>For Consumer: Continue with one-size-fits-all or have custom options for different relationship goals and styles.</p> <p>For Industry: Potential to expand relevance and service quality to wider audience..</p>
<p>2 Voice</p> <p>Customization can pick the best source and efficient form of information.</p>	<p>What's at Stake:</p> <p>For Consumer: Customization of how and from whom you receive information and searches.</p> <p>For Industry: Potential to offer a unique experience to each Consumer.</p>
<p>3 Change</p> <p>Interventions can be customized to specific relationship stages and tasks.</p>	<p>What's at Stake:</p> <p>For Consumer: Can online dating help you with more than simply introductions?</p> <p>For Industry: Potential to expand beyond introductions only to focus on skills and change.</p>
<p>4 Systems</p> <p>Innovation in the component systems is needed to improve the overall service.</p>	<p>What's at Stake:</p> <p>For Consumer: Services based upon your unique goals and needs.</p> <p>For Industry: Potential to spark expert innovation in component systems.</p>
<p>5 Lifespan</p> <p>Moving beyond online dating to online relationships.</p>	<p>What's at Stake:</p> <p>For Consumer: Potential for ongoing support and training at every relationship stage.</p> <p>For Industry: New scope of opportunity and revenue model.</p>
<p>6 Community</p> <p>Innovative uses of basic services can return the industry to a community focus.</p>	<p>What's at Stake:</p> <p>For Consumer: Change in context of where and how online dating could occur.</p> <p>For Industry: Total change in landscape of online communities and other brands that decide to play.</p>
<p>7 Action</p> <p>All stakeholders must be engaged to improve the quality of service.</p>	<p>What's at Stake:</p> <p>For Consumer: Potential for the Consumer voice to have a significant impact on options and quality.</p> <p>For Industry: Creation of guidelines and standards to elevate the industry to provide quality to Consumers.</p>

1 Goals

The same website can host different customized experiences based on relationship goals and love styles.

What's at Stake:

For Consumer: Continue with one-size-fits-all or have custom options for different relationship goals and styles.

For Industry: Potential to expand relevance and service quality to wider audience.

Customization creates a context for the user to experience and benefit from the service modules. Fittingly, the word *context* is derived from the Latin *cum texere* meaning “to weave together.” Effective customization weaves together each service component to create a seamless experience for the user.

The obvious place to center the experience is on the user's relationship goal. Historically, online dating sites have either assumed all members were pursuing the same goal or the interface remained generic enough to allow flexibility. A third way is for the website to be the common host to several different configurations of goals. Each of the following goal categories, for example, would offer different tools and service options.

Meaningful variations could be customized within a particular goal as well. Shoppers who say they are “not looking for a serious

relationship” may include those who are looking for brief physical flings as well as those who are looking for physical affection, but not necessarily sex. One could argue that these are more than “preferences” and would more appropriately fit on different sub-sites. At a future point, when goals change, the person can enter a new arena, but still be comfortable with the interface.

We are also advocates of customizing based on Love Style.³⁴ Knowing that a consumer is a *Buyer* with a *Pragmatic* love style versus a *Leaser* with a *Romantic* love style is arguably more important to both the consumer and the website in matching and receiving other tools and support than knowing detailed personality information.

Relationship Goals	
Shopper	Enjoys casual dating, meeting a variety of people, and keeping options open.
Renter	Wants a fun and low-key relationship, with low demands and no commitment.
Leaser	Looking for a serious relationship, willing to make sacrifices, but not ready for a lifetime commitment.
Buyer	Looking for a spouse, willing to compromise and make sacrifices, and ready for lifetime commitment.

Bottom Line for Consumers
Tell dating sites what you really need. Don't adjust your goals to meet their model.

Bottom Line for the Industry
Customize or prepare to compete against those with more than a single template.

Voice

Customization can pick the best source and efficient form of information.

What's at Stake:

For Consumer: Customization of how and from whom you receive information and searches.

For Industry: Potential to offer a unique experience to each Consumer.

Regardless of the relationship goal, further customization could aid in the enjoyment, relevance, efficiency, and impact of the overall experience.

One particularly interesting issue is from *whom* people wish to hear their information. Across multiple studies over the past 5 years, we have learned two things. First, consumers are divided into three equal groups in how they want to receive advice about self-help or health promotion: one-third want advice from an expert, another third prefer advice from trusted organizations, and a final third want to hear the information and draw their own conclusions. Second, regardless of the source of information, the majority of consumers prefer to attach a face and voice to a narrator or host in the tools and systems we've developed.³⁵ However, our partners have faced challenges incorporating an expert or even a diverse set of non-famous hosts with their existing brand.

FAVORITE SOURCE OF ADVICE



The success of the eHarmony commercials, which featured Dr. Warren, reminds us of the powerful sales impact of a personalized connection. Nevertheless, we have persisted in promoting the

idea primarily because consumers express greater understanding and attach greater value to our products when they experienced them through a personalized host. Our work and the work of B.J. Fogg, Byron Reeves and Paul Edwards at Stanford University remind us that people naturally attach human qualities to their computers and react differently when male versus female voices narrate applications.³⁶ Our work suggests that this odd and very human tendency could be leveraged, through customization, to improve customer loyalty and enhance the overall impact of services.

Customization is about removing, not adding, information we attract developed the first fully customized personality report in the industry. Although the reports consistently receive positive ratings,³⁷ the reports are only information, and *saying* information was helpful is not the same thing as it *being* helpful. The promise of customization is to say less and do more.³⁸

We are especially enthusiastic about the potential of decision-making styles as a means of customization. Especially when it comes to picking a potential spouse, the research on decision-making has enormous implications for the type and amount of information users want to see.⁴⁰ The type and amount of information a consumer will want to receive would likely differ if she seeks out and accepts only the best dates versus sticks to her key criteria and can be happy with someone who is "good enough."⁴¹

"The value added is the information extracted."

Eli Noam

The Center for Telecommunications and Information Studies
Columbia Business School.³⁹

Bottom Line for Consumers

Reward sites that give you options in who and how you receive information.

Bottom Line for the Industry

Prepare to compete against personalized experiences. Brands are nice, but they don't have faces.

3 Change

Interventions can be customized to specific relationship stages and tasks.

What's at Stake:

For Consumer: Can online dating help you with more than simply introductions?

For Industry: Potential to expand beyond introductions only and focus on skills and change.

With a relationship goal and an effective context in which to communicate, we turn to the specific segments of the experience that can become targets of customized intervention. Thirty of these Touch Points, where the service could potentially assist the member, are listed in the Tables on this page. The length of the list, and the sub-tasks that fall within each step, remind us of the considerable breadth and depth of the issues involved.⁴²

Although they are listed in a linear sequence, the real dating process (as you may recall) is anything but linear. A single man or woman may be exploring two or more romantic interests, each at different stages, and balancing both an online and “offline” set of dating strategies. Since most singles date about 6 to 8 people seriously before they marry, the whole process is repeated multiple times—each time with its own unique flavor.⁴³

Websites interject a series of new steps, and provoke a variety of emotions, before the *Meeting* phase (step 14), where offline relationships usually begin. Through this lens, it's easy to see how dating online could add hassles and distress to your life—especially if it fails to meet your expectations. If on the other hand, our services are helpful, the consumer's dating life should improve and seem simpler. So, our goal is somewhat paradoxical: Add complexity to the full process so we can make the total experience simpler.

In doing so, it's important to study our potential interventions at each step. Table D lists ways in which misguided intervention could actually harm rather than help the person at each stage.⁴⁴

**Table D - Early Touch Points with Consumers
Hidden and Revenue Potential 1-5**

	Steps	Driving Emotion	Touch Points	Possible Interventions
HIDDEN				
1	Uninterested	<i>Detached</i>	Currently satisfied, Sees no relevance, Doubts it could work.	Helps = Good industry reputation Hurts = Industry mistrust
2	Considering	<i>Suspicious</i>	Gathering information, Asking for advice, Listening to word-of-mouth.	Helps = Good word-of-mouth Hurts = Bad word-of-mouth
REVENUE POTENTIAL				
3	Exploring	<i>Curious</i>	Look at recommended sites, Click through on ads, Take free tests and tours.	Helps = Brief engaging task Hurts = Rushing
4	Trying	<i>Playful</i>	Register, Look at search and profiles, Judge personal relevance.	Helps = No risk trial Hurts = Time or complexity barriers
5	Deciding	<i>Ambivalent</i>	Gauge personal value, Compare to other options, Weigh trade-offs.	Helps = Relevant information and assurances Hurts = Sales pressure

**Table D - Early Touch Points with Consumers
Assess Value 6-9**

	Steps	Driving Emotion	Touch Points	Possible Interventions
ASSESS VALUE				
6	Assessing	<i>Pensive</i>	Complete main profile, Refine self-presentation, Take psychosocial tests.	Helps = Awareness of strengths and challenges Hurts = No control over what results to share
7	Learning	<i>Curious</i>	Learn about your personality and styles, Learn about your stated preferences, Learn about other matching approaches.	Helps = Awareness of strengths and challenges Hurts = No control over what results to share
8	Searching	<i>Absorbed</i>	Try out search options, Interpret search results, Evaluate profiles.	Helps = Teach the system what you like Hurts = No understanding or control of search
9	Communicating	<i>Attracted</i>	Email exchanges, Telephone chats, Judging interest.	Helps = Custom conversation tips Hurts = No community conventions

Looking at both lists reminds us that the current industry focuses on a relatively narrow part of the dating process. In truth, financial incentives keep the industry focused primarily on steps 3-5 (*Exploring, Trying, and Deciding*), since in this window, consumers decide if the offering is worth paying for. Almost always (93% to 97% of the time) the answer is: No.

Fortunately, a deeper understanding of these Touch Points can create new strategies to inform and motivate consumers that want to join, but are blocked in some way. For example, we've applied a body of research on "motivational interviewing" to help consumers (in the Deciding phase) address both their mental and emotional ambivalence.⁴⁵ When millions visit a Website each month and

only a few thousand ultimately stay, a system that enhanced motivation, even modestly, could offer significant financial returns. Our own field studies, for example, found 30% to 50% reductions in ambivalence when messages were tailored to the visitors' specific concerns and emotions.⁴⁶

During the next sequence of tasks (starting with step 6 Assessing), consumers who subscribe expect to reap the benefits they've been promised. These mid- to late-adopters take good graphics, functionality, and reliability for granted. They want us to help them invest their time and psychological energy wisely, Search effectively, and Communicate successfully with one or more of the recommended candidates.

Given it's already complex nature, it's important to recognize that rather than simplifying our lives...

**Online dating adds to the
complexity of the process.**

The current online dating industry pays little attention to the final set of tasks (starting with step 10 Skill Building). It's worth noting, however, that these are points of real need and emotions, which occur while the subscriber, is under the site's watchful eye. Dating, Waiting, and Rejecting are repeated cycles for men and women actively using the sites. Even when a relationship gets started, she may not cancel her subscription and then re-emerge 3 months later after exiting the relationship, and decides to start looking again. Her rejected ex-boyfriend is now back On the Market (step 23) ready to date and may or may not return to Consider (step 2) whether to give online dating another try.

An important next step for online dating is focusing on skill building. Not all skills are easily taught. And not all skills will be easily taught given the medium. The challenge is finding skills that are important, but also fit the reach and richness that the Internet can offer. We currently assess conflict style and certain aspects of "emotional intelligence". Although we may not be able to teach someone "empathy," we can potentially use skill training to show the importance of listening and asking open-ended questions and test improvements in their ability to listen to the layers of meaning in video vignettes.

Table D - Early Touch Points with Consumers Pursue Goals 10-20

	Steps	Driving Emotion	Touch Points
PURSUE GOALS			
10	Skill Building	<i>Frustrated</i>	Identifying specific skills one wants to learn and practice based on tests and feedback.
11	Initiating	<i>Anxious</i>	Making the first "move" with a phone call or asking someone out on a date
12	Sharing Online	<i>Having Fun</i>	Finding ways to cruise the Web, play games, or other shared activities before meeting in person
13	Feeling Safe	<i>Fearful</i>	Being reminded and following recommended safety steps. Teaching men to respect concerns.
14	First Meeting	<i>Hopeful</i>	Making a good impression, learning about your date, and enjoying your first meeting.
15	Follow Up	<i>Cautious</i>	Knowing how and when to follow-up after dates and the importance of pacing
16	Dating	<i>All of the above</i>	Learning how to make every date fun, a chance to learn, and a chance to gain comfort
17	Sex	<i>Joy and Fear</i>	Discussing when to have sex, your different drives and interests, and STD/pregnancy protection
18	Waiting	<i>Uncertain</i>	Tolerating uncertainty between contacts and knowing appropriate pacing to build a relationship.
19	Rejection	<i>Guilt and Shame</i>	How to handle being rejected directly or indirectly and how to reject others in a sensitive way
20	Getting Feedback	<i>Defensive</i>	Learn how to ask for and receive feedback to avoid repeated mistakes or be aware of patterns

An important step for online dating is focusing on skill building.

weAttract has focused on conflict styles and emotional intelligence.

**Table D - Early Touch Points with Consumers
Serious Relationship 21-30**

	Steps	Driving Emotion	Touch Points
SERIOUS RELATIONSHIP			
21	Forming	<i>Happy</i>	Creating shared routines and intimate mental, emotional spiritual, and physical bonds
22	Storming	<i>Angry</i>	Disequilibrium in relationship due to minor or major conflicts
23	Norming	<i>Hopeful</i>	Creating explicit and implicit rules to maintain relationship equilibrium
24	Committing	<i>Afraid</i>	Agreeing to specific boundaries and expectations for the relationship
25	Coping	<i>Stressed</i>	Managing the impact of major and minor life events
26	Supporting	<i>Concern</i>	Offering emotional support and practical assistance
27	Resolving	<i>Dispair</i>	Making adjustments either to sustain and or the relationship
28	Exiting	<i>Overwhelmed</i>	Dissolving your bonds and (ideally) finding acceptance and closure
29	On the Market	<i>Insecure</i>	Taking steps to start dating again after a break up
30	Sustaining	<i>Lonely</i>	Learning to thrive as a single person, while still looking for a relationship

Couples go through many cycles of forming, storming and norming as their relationship grows
Storming is EASIER if the couple shares the same conflict style.

Bottom Line for Consumers
Look for patterns where you struggle in the dating process and focus on this weak link.

Bottom Line for the Industry
Promoting successful dating requires you to help at multiple transition points.

4 Systems

Innovation in the component systems is needed to improve the overall service.

What's at Stake:

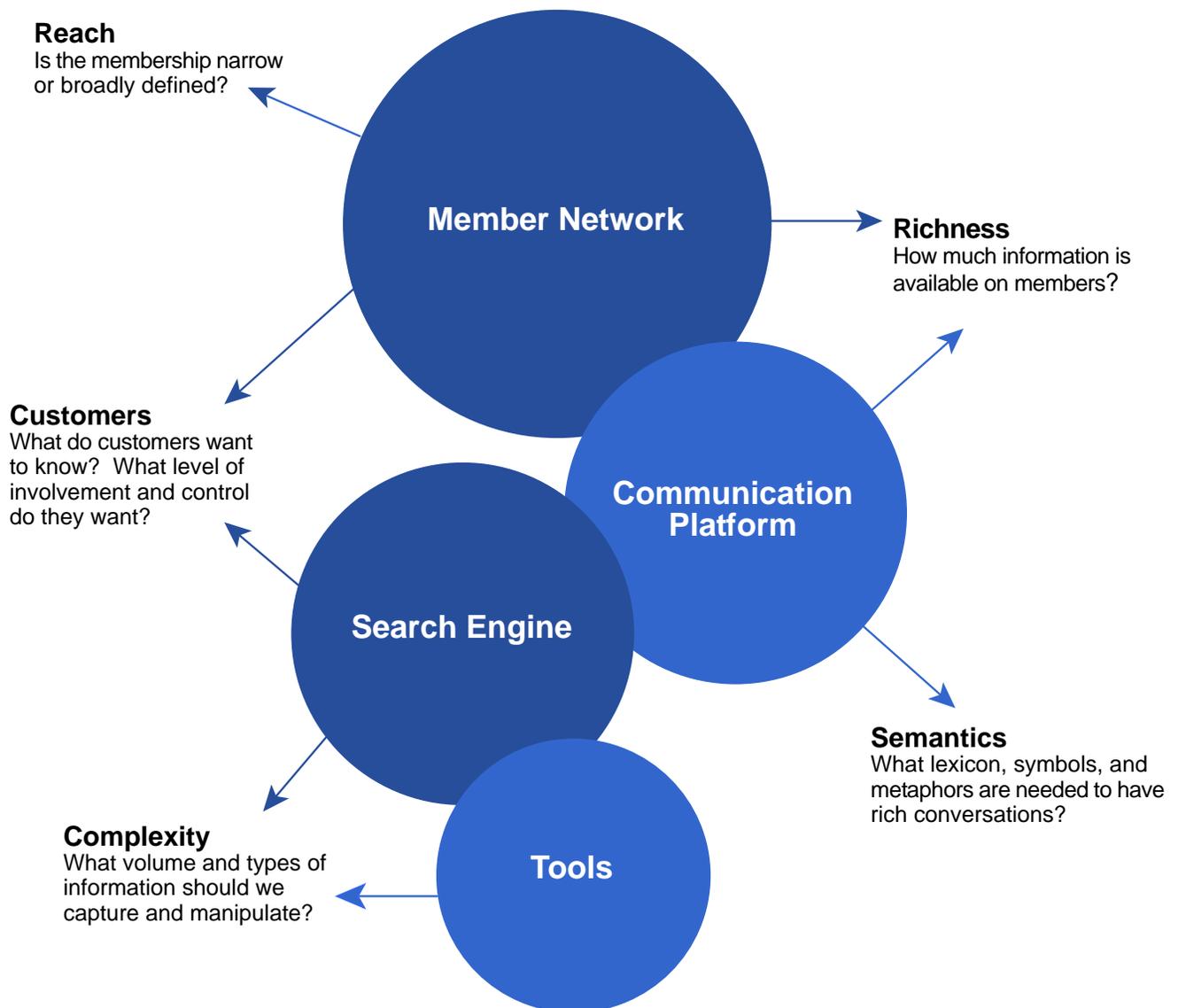
For Consumer: Services based upon your unique goals and needs.

For Industry: Potential to spark expert innovation in component systems.

Unbundling the standard services of online dating, opens the possibility of configuring different elements based on each person's unique goals and needs. As illustrated in Figure 1, a basic online

dating website requires access to a network of members via a search engine and usually a set of basic profile tools or tests and a means to communicate.

Figure 1 - Online Dating Site Components



The complexity of the system depends on other factors, including the *reach* and the *richness* of the member information. The complexity of the tools and the user's role in controlling or managing the system can also vary.

Interventions at the right place in the process, at the right time

weAttract still builds general system elements, like search engines, but we are especially enthusiastic about the potential utility of small 'bridge' tools that are designed only to help a person or a couple advance from one stage to the next.

For example, rather than have a general training module on "conflict management skills," imagine a module specifically for couples that are facing their first Storming phase. This is a period where many relationships fall apart and skill and self-esteem differences have a big impact on outcome. The types of challenges in this situation are also unique in many ways from the situations faced by long-term couples. Therefore, this mini-module would be tailored to the unique needs and challenges at this milestone and evaluated based on its efficacy at this juncture as well.

Separate components can be tested experimentally

The process of unbundling the components and testing them independently is more prone to innovation than the status quo. For example, when components are separated, it's easier to experiment with issues like levels of complexity to test their impact on satisfaction or performance. In contrast, when multiple components are entangled and tested at once, it is hard to know the source of specific problems, which can bog down and frustrate the innovation process.

Horizontal integration promotes innovation by experts

From an organizational perspective, Dr. Thompson has been an advocate in health care and technology for moving from a vertical top-down structure to a horizontal structure precisely because horizontally linked "focused factories" appear to be better contexts for effective and efficient innovation.⁴⁷ Part of this is due to inherent limitations in the scope of skills a vertical team can possess. As we innovate with a personality test, for example, a vertical management team may manage the overall website well, but be ill equipped to make appropriate decisions regarding test construction. Given the human tendency to over-estimate our skills (especially in areas like marketing or psychology where everyone assumes too much insight), vertical teams can do more damage than good.

Increasingly, an innovating system should support "cottage industries" that develop specialty in specific components. As noted earlier, given the vast expertise and innovation in search engines, investing in building complex systems internally probably does not make sense.

Evidence-based decisions

As the systems involved in online dating become more sophisticated, teams will need to possess a common set of skills in evidence-based decision making. A certain core level of skill is needed even if you will be buying rather than building your own components, since you want to be a savvy research-driven purchaser. See Table E for steps on building your evidence-based decision making skills.

Imagine a suite of customized tools and mini-modules for skill-building that

FOCUS

on getting you from one specific step to the next.

Bottom Line for Consumers

Expect and ask for better search engines, tests, and tools.
Don't settle for mediocrity.

Bottom Line for the Industry

The ability to customize best-in-class components is key if you're going to compete on quality.

TABLE E - Why Make Evidence-Based Decisions? IT WORKS!

Whether you plan to build or buy the components to your system, we recommend formalizing your decision-making system and increasingly expand the role of evidence in key decisions. The reason to use evidence-based methods is not because they are rational, traditional, or morally superior! The reason to use them is because they work. You are more likely to design, launch, and market better products when you take this approach.

A variety of professionals can contribute to this process including sociologists, psychologists, marketing strategists, statisticians, and others who can contribute to one or more of the following steps.

First, it's important to take stock of the company's current decision-making process and the role research evidence plays in the process.⁴⁸

1. Describe how decisions are currently made.

- Describe the generic process or write separate descriptions for each decision involving product design, implementation, marketing, and evaluation.
- Specifically, reference the points where research evidence or expert opinion is consulted.
- Start with descriptions only, without attempts to evaluate or change.

2. Review the fit of the current structure with organizational goals.

- Are the right people being involved at the right point in the process?
- Do decision meetings follow an agenda? Are they sufficiently structured?
- Are different points of view being expressed? How are differences resolved?

3. What are the organization's knowledge assets?

- When decision makers have a content knowledge question what do they do?
- Do you have direct or indirect connections to content experts in social, cognitive, or clinical psychology, marital or sex therapy, marketing, anthropology, sociology, research methods, human factors, or advanced statistics?
- What internal empirical research or literature reviews are conducted?
 - What is the capacity for internal analysis of consumer data?
 - What regular and special analyses are done with the consumer data?
 - How are research or literature review results stored and referenced for the future?

The next steps depend on the size of the company and resources. It makes sense to invest in research expertise as the value proposition of the industry changes.

4. Build on the expertise of your existing marketing and product teams to involve other professionals with relevant research expertise in the decision making process. The following are especially likely to have relevant skills sets:

- Researchers with content expertise in the multiple research literatures referred to as the relationship sciences, include studies of: relationship formation, social support, loneliness, shyness, marriage, communication, social influence, and social epidemiology.

- Research librarians or others specially trained in conducting literature searches and evaluating the evidence-quality of studies.
- Social scientists with a background in applied research, evidence-based decision-making, or the scientist-practitioner model, and have specific training in translating empirical research into local business applications.
- Statisticians with graduate-level training in multivariate and nonparametric statistics and use of advanced statistical packages.
- Researchers with training in research methodology and measurement design.

Of course, adding staff or consultants alone is unlikely to improve how decisions are made. Thus, the decision making process has to be reconfigured to ask the right questions and draw the most appropriate conclusions. Indeed, scientists and physicians are as prone to biases and blind spots as any professionals.⁴⁹

5. Adjust the decision making process to make research insights available at essential points.

- Convert information needs into specific questions to explore in a literature search.
- Grade the evidence quality of relevant studies and extract consistent findings across studies.

6. Anticipate ways to make decisions based on imperfect and inconsistent research findings.

- Even when findings do not affirm a specific choice, it may offer strong evidence for removing an option from consideration.
- Use a common bulletin board or other means to track knowledge issues that have not been answered.

7. Promote an "experimental culture" where alternative ideas are tested.

- Nevertheless, the conclusions of externally validated studies should carry special weight, given the potential biases and limitations within company research.

Even with the best intentions, a shift toward evidence-based decisions can encounter serious cultural and organizational obstacles.⁵⁰ In establishing quality improvement programs at multiple medical centers, for example, Dr. Thompson was struck by the variations in which different disciplines defined the word "quality." Even though we were pursuing the same goal, some groups felt their viewpoints and approach to decision making were being judged by the standards of other groups.

8. Create a common set of *mutual knowledge*, while continuing to accept and encourage different viewpoints.

- Evidence-based decision-making should not be the parlance of only a few people or a specific team.
- Knowledge is power, so everyone should have access to a core set of resources and references.

Indeed, political scientist, Diana Richards has found that in any complex system, the parties are more likely to arrive at a stable "common choice," when the contributors share certain common beliefs and a minimum set of skills to understand the underlying issues.⁵¹

Lifespan

Moving beyond online dating to online relationships.

What's at Stake:

For Consumer: Potential for ongoing support and training at every relationship stage.

For Industry: New scope of opportunity and revenue model.

Underlying every business is an implicit set of assumptions about how the world works, about what matters, and about what consumers want. Since online dating evolved out of the quirky world of newspaper classifieds into the equally eccentric world of the Internet, we should be open to the possibility that our guiding framework is somewhat distorted.

We noted earlier, for example, that online dating focuses on only one stage in a much broader system.⁵² It fits a fairy tale that centers on finding the right prince or princess and ends with “happily ever after.”

Online relationship business

We believe it's time to retire “online dating” and focus on the role the online community can play in building and maintaining relationships. Although we're sure a clever name can emerge, saying we are in the “online relationship” business would certainly be a step in the right direction.

With a fresh start, we can also steer clear of some of the threats listed in Part 1.

	Problems to avoid	Online Relationship Business Potential
1	Core functionality and access to singles have become commodities.	<i>Customers and providers would form lifetime relationships. Value would increase over time, as the system learns more about your needs and preferences.</i>
2	Companies are often unaware of their unique responsibilities.	<i>Values that put the needs of customers and their relationships first would shape the industry from the start.</i>
3	Promises to arrange happy marriages are ungrounded.	<i>Although matching services would be available, the focus would be on building relationships formed inside or outside the system.</i>
4	Social influence techniques should not be used for manipulation	<i>The system will offer a variety of perspectives, but focus on making you and your partner the true authorities on your relationship.</i>
5	Online dating can harm vulnerable consumers	<i>A full spectrum of skills and coaching services will ensure that vulnerable customers will not be encouraged to make changes if they do not feel ready or are unprepared.</i>
6	Our knowledge of relationship science is limited	<i>There is considerably more empirical research on other relationship stages, than there is on dating.</i>
7	Absolute network size has been replaced by critical mass	<i>Matching services can serve as an intermediary and search a variety of external networks.</i>

New revenue models

The old business model would punish any innovation that succeeded in finding you a loving and lasting relationship (because you'd leave too soon and not come back). In contrast, the online relationship business could offer services relevant to every relationship stage and thus greet you at the earliest relevant point and invite you and your new partner to remain involved.⁵³

New revenue models could emerge from this lifelong connection:

- Low monthly, annual, or even lifetime subscriptions could be offered.
- It could become a value-added feature for existing subscription products like AOL or monthly cable packages.
- Basic subscriptions could be free, and then the members could purchase fee-based modules for specific stages or needs, as they are relevant.
- A solutions-focused value proposition might charge users only if the specific goal (e.g., learning conflict management skills, having 5 good dates in 2 months, etc.) was reached, or offer a money-back guarantee.
- In exchange for a free subscription, members could agree to receive customized ads or information.
- Insight into users' psychological and interpersonal patterns across the lifespan could be profoundly valuable. The insight management or data mining value could potentially pay for the entire enterprise.

*" Professionals are measured
not by the tasks they perform
but by the results they achieve.*

Thomas A. Steward
Fortune Magazine Editor⁵⁴

Bottom Line for Consumers

Watch for more holistic, relationship-focused services.

Bottom Line for the Industry

Online dating is an inherently limited and flawed business model.

Community

Innovative uses of basic services can return the industry to a community focus.

What's at Stake:

For Consumer: Change in context of where and how online dating could occur.

For Industry: Total change in landscape of online communities and other brands that decide to play.

While typically bad news for established players, the commoditization of business functions is often good news for consumers and innovative companies. The unbundling of network access and the communication platform from the online dating business model could create new opportunities for how these services are configured, by whom, for what purpose, and under which business umbrella.

Consumers could benefit from a wave of innovative new ideas brought to the challenges of online dating. Community settings online have the added benefit of being fun to hang out with on their own, and do not have to self-consciously focus on looking

for a new romance. Men are most comfortable forming relationships through shared activities, and many of the less verbally focused consumers would welcome less focus on essays and emails and more on meeting people while having fun.⁵⁵

What if existing online communities entered online dating?

The core online dating functions could become affordable (or even free) elements of a variety of online communities. In other words, if communities will no longer come to the online dating sites, online dating must go to the communities:

Online Dating Meets 4 Types of Communities	
	<h3>eBay Personals</h3> <ul style="list-style-type: none"> • Example of: <i>Transaction Community</i> • If an existing network like Match.com were to add a feedback system like eBay and make it voluntary, consumers (especially women) might feel more secure and see the unique information value of the network. • Community norms could pull reluctant members to join the feedback system if they were rewarded with more and better dates. • Alternatively, eBay might choose to add the core components to their existing site, build on their strong brand of trust and service, and leverage their enormous membership base.
	<h3>Sports Dating</h3> <ul style="list-style-type: none"> • Example of: <i>Interests Community</i> • Online dating functions could join a wide variety of separate interest communities or serve as a bridge across multiple related communities. • Ideally, the network would have an existing large base of men and women members. • Imagine if a web of sports-related websites created an online dating network. Couples could meet, play fantasy football or chat about the latest tennis, baseball, or football scores.
	<h3>Victoria Dating Secrets</h3> <ul style="list-style-type: none"> • Example of: <i>Product Community</i> • Newly single men and women tend to be ardent consumers, especially if they feel they have been wronged. • They buy things to ease their heartbreak, look more attractive, and assert their individual style. Men buy cars and electronics; women buy apparel, jewelry, and cosmetics. • So, perhaps companies with popular websites will want to offer free dating services. • Imagine if Victoria Secret, which aspires to sell lingerie "to the most beautiful women in the world," were to tie their sexy brand to a sexy online dating site?
	<h3>PlayStation's Date Station.com</h3> <ul style="list-style-type: none"> • Example of: <i>Fantasy Community</i> • Online dating is at risk of becoming terribly serious. Maybe we should focus on making it fun! • Women and (especially) men like to get to know each other while DOING things, rather than writing emails back and forth. Online games may offer a playful context to get to know other people. • Singles could post their profile publicly or have it as a hidden layer below their fantasy persona. [Some would say this isn't that far from what happens on current sites.] • Imagine if a company like EA, Sony, or Playstation could leverage their product hardware and Internet connections to connect singles in a fun and creative way.

The “locked out” young adults
 The online dating industry could certainly use a wave of new ideas. Using the innovation template we introduced earlier, we outlined another idea, centering on young adults.⁵⁶ They represent the clearest example of a “non-consumer” segment, locked out by costs.

Table F and Table G explore the possibility of a low cost network that might go-around existing players.⁵⁷ We considered how MTV might leverage its assets (consumer trust, brand name, large mailing lists, scalable Internet infrastructure, etc.) and combine with other existing communities, such as college associations, to create a new online marketplace.

Table F - Illustration of a Template for Exploring New Markets

MTV's SouthEastern Conference Matching Network	
Innovation	
Value Proposition	Young adults join affordable and hip network linking regional colleges and affinity groups for casual dating, fun events, and networking
Market Innovation	Realigns business to meet needs of large “over-served” and non-consumer markets. Primary clients are college groups, who are incentivized to channel subscribers.
Product Innovation	Can re-purpose existing (or acquired) basic infrastructure and functionality. Primary changes are in the graphic user interface (GUI).
Business Innovation	Substantially lower subscription costs open a large market. Revenue loss is offset by advertising and affiliate synergies.
Unique Opportunity	Launch by non-industry player with access to and credibility with young adults, college campuses, and the Greek system. For example, MTV, who has marketing, links with most major universities and hosts high visibility “Spring Break” TV specials.
Unique Challenge	Can the site have the legitimacy of college associations, a community and networking mission, and openly facilitate the use of the site and profiles for very casual hook-ups (aka Sex).
Barriers to Entry	Very Low: Speed to market and strong local ties are essential.
Customers	
Customer Target	College-aged young adults, age 18-24
Customer Statistics	Frequent online dating website visitors and test takers, but very low subscription conversion.
Customer Acquisition	Channel visitors off existing sites, cross-advertising as part of affiliate deals, low cost college town advertising, incentives partnerships with college affinity groups.
Performance Changes	
To Optimize	Visual Customization: Staged plan to customize basic GUI "skins" to colleges, affinity groups, gender, and possibly "persona" groups (traditional vs. alternative).
To Abandon	Less Marriage, More Casual: Realign focus to casual and fun dating rather than serious or marriage-focused.
To Add	Community Network Layers: Ideally it is a bundle of separate verticals for each major affiliate, with the ability to have within groups exclusive contacts and still enjoy external contacts.

Table G - Illustration of a Possibly Disruptive Market Innovation

MTV's SouthEastern Conference Matching	
Return-on-Investment	
Upfront Investment	Low: Product redesign is low or can be staged, and marketing and business development will depend on scope.
Revenue Model	33% Low subscription fees (\$5-\$10/mo), 33% Advertising, 33% Affiliates (publishers, travel, tickets, etc.)
Life Time Customer (LTC) Value	Medium to High: Push to subscribe the majority of freshmen, since affiliate revenues from textbooks, travel, concert tickets, etc. would continue during full 4+ years, even after ending subscription.
Organization	
Essential Skills	Attainable; Marketing and business development in the youth and college market
Big vs. Small Players	Small. Both small and big players would face similar challenges entering a new market. Partnering with companies and clubs with existing networks could be pivotal.
Customer Acquisition	Channel visitors off existing sites, Cross-advertising as part of affiliate deals, Low cost college town advertising, Incentives partnerships with college affinity groups.
Information	
IT Infrastructure	Unchanged (depending on external links)
IT Functionality	Unchanged
User Interface (UI)	Graphic UI (GUI) customized to market

Young adults are locked out of online dating due to cost.

Bottom Line for Consumers
Look for fun options for dating and other options for serious relationships to emerge

Bottom Line for the Industry
You have to be more than your mailing list and core services to survive.

7 Action

All stakeholders must be engaged to improve the quality of service.

What's at Stake:

For Consumer: Potential for the consumer voice to have a significant impact on options and quality.

For Industry: Creation of guidelines and standards to elevate the industry to provide quality to Consumers.

You may feel discouraged about a future with so much "baggage" and so much work to do.⁵⁸ The good news is there are numerous realistic solutions that can be enacted to remove or minimize the **7 THREATS** and optimize the **7 OPPORTUNITIES**.

So, here are some bold moves to get the ball rolling. Similar to what has been successful in consumer movements in other industries, including healthcare,⁵⁹ we recommend stakeholders from each group begin to enact change simultaneously.

CONSUMERS

1. Ask tough questions before you join.

For Singles...	
TOUGH QUESTIONS TO ASK BEFORE YOU SUBSCRIBE	
1	How many active subscribers do you have in my area? Specify your demographic requirements.
2	What are your customer satisfaction scores? What's the highest rated and poorest rated areas?
3	Who does your website help or work best for? Why do some people not benefit?
4	What are the factors other than demographics that I can use in searching and matchmaking?
5	Do you offer a money back guarantee if the program fails to work? Demand a refund or do a credit card charge back if you were misled.

2. Join in a dialogue to improve and transform online dating

No one knows better how to fix a system than the people that have had to struggle through it.

We need to create a forum for online dating site users and non-users to join us in a creative dialogue about how to improve the industry and enhance the quality of the service. There are several excellent independent sites where people can create open suggestion boards. If you open one, please invite us to join.

We would like to kick this off by inviting consumers and people within the industry to join a suggestion board we started at www.weattract.com/myvoice.

3. Learn to be a savvy consumer

The key task for most people is to apply savvy shopping and decision-making skills you use with other purchases in this domain as well. You should also keep in mind the six principles of persuasion (covered in the Threats section), and watch for times when attempts are being made to influence you. This persuasion is not inherently bad, but it should be seen as manipulation when an advertiser focuses on this sort of influence as a distraction from more critical information.

4. Develop a well-rounded approach to dating and relationships

Online dating can be a great part of any single person's overall dating strategy. The key is variety. Do not become so caught up in the advertising claims of a website or your own excitement that you stop doing things that normally bring you into regular contact with people.

We recommend that online dating be one of three things you are doing to meet new people. Eating lunch or having your daily coffee at a place where you can have repeated contact with (such as, monthly mixers or a singles program at your Church or Temple) potentially interesting people is another example of diversifying your dating approach.

5. Hone your dating and relationship skills

As we mentioned in reviewing the 30 relationship steps, most single people can identify one or more steps that repeatedly “trip them up” when dating (e.g., inviting someone out, small talk during the first dates, conflicts during the storming phase, etc.). If you don’t see a pattern, ask your close friends for their honest (but gentle) opinion regarding one thing you could work on to be a better “dater.” Then find a source of advice or information that you trust, via a book or tape series or the advice of a friend who is especially skilled. Knowledge is only the first step, since the key to building skills is practice. Practice with friends or in other settings where this skill is relevant. By the time the issue comes up in your next dating relationship, you want your new pattern of behavior to be routine. If you typically face trouble in a later stage in dating, tell the next person you date who makes it past the early steps about this challenge and tell him or her what he or she can say or do when the issue comes up to help you put your new skills in use.

INDUSTRY

1. Give your members a voice and a forum to be heard.

Not too long ago, online dating sites often described themselves using the term, “community.” The word, and we would argue the core philosophy, has left the industry. When you only post marriage testimonials, it sends a strong message about who controls communication and what you do and do not want to hear.

It’s time for a “community comeback.” As with any communication breakdown, one side needs to take a risk and reach out with a bold gesture. We recommend that every online dating site open a forum for praise, criticism, and suggestions.

Decision makers need a better understanding of their consumers. We need their help to understand whether and how we could improve their lives.

Using any kind of public forum for support means that a company will be faced with disgruntled customers. But much of the time, disgruntled customers are right—and they are giving you valuable feedback. Make disgruntled customers happy, and the process will improve the quality of your product.⁶⁰

Craig Newmark
Founder of Craigslist.org

2. Join in a June meeting to propose basic quality guidelines for the industry and the emergence of an industry advocacy group.

Following the path the healthcare industry took 10 years ago to establish a common set of quality safety nets and goals, a group of representatives from online dating sites would identify a set of recommendations or guidelines as a first step toward common standards of quality service and consumer protection.

weAttract.com is willing to host a workshop to tackle this challenge in June in Dallas, TX. We would use established guidelines methodology with a professional facilitator trained in the method. This approach has worked in healthcare and other fields to find areas of common ground and then build upon this foundation over time.

After the workshop, the draft would be circulated to all interested companies and consumer advocates for feedback. A final version will then be circulated and companies willing to comply and stand behind these guidelines would be founding members of our first industry collaboration.

The workshop would also lay the ground work for two additional industry initiatives: (1) identify a common set of indicators to capture quality, service, and satisfaction; (2) identify an appropriate existing (or possibly new) non-profit organization that could conduct periodic comparisons across participating sites on quality, service, and satisfaction indices.

To request more information and contribute to pre-workshop planning, please email us at guidelines@weattract.com.

3. Move in the next 60-90 days to make all advertisements comply with FTC regulations.

Even efforts to make supporting and explanatory information easily accessible to consumers would be a big step forward.

4. Offer information on customer critical mass to consumers in September.

It’s time to leave the network size numbers behind and let consumers make informed decisions. Companies that would be interested in joining a common release date for sharing critical mass numbers with consumers can contact us at:

• criticalmass@weattract.com

5. Expand beyond dating introductions.

Online dating sites are encouraged to expand their scope beyond initial introductions to a more holistic approach addressing several stages of relationship development (as in the 30 Steps presented here). At minimum, we recommend that all sites (1) inform consumers that dating challenges can arise from a variety of factors including skills issues, which can be identified and improved with education or coaching; (2) offer recommendations for resources where consumers who encounter these problems can find information and more intensive help if needed; (3) similarly encourage consumers who experience persistent anxiety or depression that interfere with their ability to form or maintain relationships to see their healthcare provider and also learn more about treatment options via links to appropriate referral sites.

JOURNALISTS and ADVOCATES: Five Questions to ask Websites

- 1 Do you have evidence that your service works?
- 2 Who benefits most? Who is least likely to benefit?
- 3 When have you had external expert input or review?
- 4 How are you different from your competitors?
- 5 What do singles really need but aren't getting right now?

The good news is
there are numerous
realistic solutions.

Bottom Line for Consumers

Be pro-active and provide feedback to the industry on what is and isn't working for you.

Bottom Line for the Industry

Engage consumers with open exchanges of ideas and information and cooperate with competitors to establish basic guidelines.

Endnotes

- 1 From Alex William (12/04/04) New York Time's article; "In 2002 the industry's revenues rose 73 percent over the previous year's, according to industry reports, and in 2003 they grew again by 77 percent. This year the growth has cooled, relatively speaking, to 19 percent, and tepid increases are forecast for coming years."
- 2 An overview of the variety of adoption curve and product life cycle models can be found in Christensen's (1997) book *The Innovator's Dilemma*. A more recent discussion can be found in G.A. Moore's (2004) *Harvard Business Review* article.
- 3 Elegant functionality is always preferred, but occasionally consumers become very engaged and devoted to technology that was frustrating and challenging at first (e.g., TiVo, MP3 players). We were very surprised, for example, that consumers saw the length of the eHarmony personality test as a potentially positive factor. We had invested an enormous amount of work to create a reliable and short personality test (via adaptive testing). Yet, eHarmony subscribers thought the long and cumbersome nature of the eHarmony test would weed out people who were not serious about the process. This is one of many ways eHarmony was able to turn to "negative" into a consumer "positive."
- 4 Our original personality test and search system was designed to be part of an integrated system that indeed offered a new value proposition. Despite favorable market research, industry leaders have shied away from alternative models.
- 5 This is particularly bad news since marketing research has found that negative word of mouth is the most powerful predictor of future revenue decline. In fact, it's a much better indicator of true customer sentiment than satisfaction ratings. Frederick Reichheld reported in his 2003 *Harvard Business Review* article, that the number of net promoters (those who recommend you) minus the number of detractors is the best predictor of revenue growth.
- 6 Having worked in the healthcare industry during a similar shift in sentiment, I (Thompson) saw this process in action with the Kaiser Permanente brand. Although the health plan had the highest customer satisfaction and quality of care in California, consumers were more likely to remember or mistakenly associate negative incidents with the brand. Thus, we observed the opposite of "a rising tide lifts all boats." In this situation, sinking ships tow the bigger ships down first.
- 7 See: Schwartz (2004), Tversky (1992),
- 8 If the probability of any random match being a future spouse is 1 in 500, then the probability of the match not being a future spouse is 499/500. For this exercise, we assumed that each of the dates were independent, although this would probably not be the case in reality. The probability of finding your spouse after 2 matches would be $(499/500)^2$ and after N such encounters would be $(499/500)^N$. Since $(499/500)^{346}$ is 0.50, then one runs a 50% chance having not found a spouse and 50% of finding a spouse after 346 matches. Good statisticians would want us to remind you that the probability of any given date along the way being a future spouse doesn't change, even if one seems overdue to have a good date (aka, the "gambler's fallacy"). This probability is meant to reflect what we can say about where you are likely to be a year from now, and the probability says that somewhere along the way you have a 50/50 chance of getting married.
- 9 See Zuckerman (1993) and Harris (1993).
- 10 See Kirsch & Sapirstein (1999) for an in-depth review on placebos and anti-depressant effects.
- 11 The landmark study remains Walster, E. et al. (1966). Also see for example: Zuckerman (1993), Buss (1994), Feingold (1990).
- 12 Reise (1991) and others have observed individual variations in the expectancy for and sensitivity to negative evaluation, and that those with higher sensitivity predicted future fear and avoidance of situations where they could be viewed negatively. Also see Schoenberger (1993).
- 13 Salvatore (1993).
- 14 USPSTF (1996).
- 15 See Heller, Thompson, et al. (1991) for findings from the telephone buddies story.
- 16 Among the follow-up articles from that study were Heller, Thompson, Vlachos, et al. (1991) and Thompson & Heller (1993)
- 17 Tenner (1996).
- 18 Our study followed Forrester Research's model for technology optimism (see Modhal, 2000). Results we cite are from a telephone survey of 400 random, demographic stratified, active internet users in 2002.
- 19 Clark (2004)
- 20 From Reichheld (1996).
- 21 Humans have difficulty recognizing and expressing the complexity of our desires and preferences. Indeed, when we do try to articulate them, verbalizing them tends to distort their meaning and does not correspond well with our behavior.
- 22 Huston & Houts (1998)
- 23 See Gottman (1979, 1994) and Gottman et al. (1989, 1998, 2000)
- 24 See Gottman (1994) for how this has been noted across his studies.
- 25 Low predictive value of personality into long-term marriage has been noted by Houston & Houts (1998) and others. The exception to this may be the independent influence of Neuroticism (Leonard & Roberts, 1998), though it has been questioned whether Neuroticism is a proxy for depression, which is known to have a serious impact on marital stability.
- 26 It is important to distinguish between the nature of screening tests (which are for asymptomatic people) and diagnostic tests (which are calibrated among people already showing a disease, disorder, or problem behavior). Online dating is basically conducting a screening test on a non-existent relationship to predict its likelihood of developing into a good marriage or a bad one. False positives outnumber true positives with every screening test in medicine and psychology. Because screening tests are not 100% accurate and are performed on asymptomatic and unlikely to be in the situation being considered (i.e., date, get engaged, get married, and then divorced), the risk of a false-positive result is significant. As with all tests, the interpretation of the result depends upon the prevalence of the disorder in the population being tested (Bayes Theorem). For example, if in a pool of potential dating candidates, 1% is a potential divorce (meaning I'd likely want to date this person, marry her, and years later decide to divorce). This would be the only value of the test, since if I would exclude the remaining people from consideration myself, only this 1% is worthy of concern. If the hypothetical "divorce detection device" has a sensitivity and specificity of 90%, the positive predictive value (i.e., the probability of true disease if the screening test is positive) is 8.3%. Thus, 11 patients will receive false positive results compared with every one true positive (or true potential divorce predicted). This is only a concern if one of the false positives is a person I am very interested in meeting and would be a wonderful match and spouse. Thus, the impact of "saving" people from negative events has to be balanced with how the false conclusions might change the course of the future in unanticipated way. False negatives would also be an issue, since such couples would have "false reassurance" and not take steps to address underlying problems along the way. Although most of us expect we could ignore such findings if we disagreed with them, research suggests that false tests results in medicine (such as being inaccurately diagnosed with hypertension or high cholesterol) resulted in lasting disability, even though the false positive test results was corrected relatively quickly. For future background see the in-depth mathematical treatments by evidence-based medicine champion David Eddy (1991), USPSTF (1996), and for unanticipated effects of screening tests see Croyle, RT (1995).

27 We have been advocates of telling consumers when a particular match is not a good fit according to the matching system. Before our first generation system was released on Match.com, search results were ranked, such that the best available person, no matter how poor the fit was at the top. With our systems, we are telling the consumer that based upon what they have said their preferences are, a specific person is considerably off what you way you wanted. If the user wishes to disregard this, they are simply over-riding their own opinion. We see a clear distinction between labeling someone as a bad fit based upon the user's articulated preferences in a dating context (where the risk of a False Negative or False Positive are low) versus the same absolutes in prediction when marital outcome is at stake.

28 If we have contributed to the impression that personality is the necessary and sufficient cornerstone for matching and predicting outcomes, this would be a case of our using persuasive tactics too well.

29 These statements have been featured on True.com and PerfectMatch.com.

30 We have conducted "gold standard" calibration studies with each new measure with the MBTI, NEO-PI, and a set of other dimension specific indicators. We have used classical and IRT-based criteria for measurement construction. We have also fine tuned our products based on user feedback on the reports. Looking at the feedback that has been given to us on four tests and reports to date, the average proportion of the content that consumers have rated as accurate has ranged between 86% and 94%.

31 For example, the intense competition between Visa and Mastercard actually pushed them to collaborate on a credit card infrastructure, since they could not.

32 See for example: Zuckerman (1993), Buss (1994), Feingold (1990). See MIT Professor Nancy Etcoff's (1999) for an accessible but scientifically grounded book.

33 One example of this shift comes from the computer industry. As the core functions of IBM and Hewlett-Packard's hardware became commodities, industry "clones" pushed down prices. At this point, the microprocessor and desktop software became important differentiators. Thus, Intel and Microsoft become the primary players. Later, Dell and Compaq gained market value because of their skill at customizing modules to meet market needs. Similar trends and particularly the value of abandoning a "one size fits all" philosophy have been noted at Hertz, American Express, MBNA, Westin Hotels, and Toyota.

34 We have made *Love Style* a central factor in our tests. Our research (which stands "on the shoulders of giants" Robert Sternberg and John Alan Lee) has identified multiple sub-varieties of love style. However, we believe a simple division between the romantic styles and the more pragmatic styles is sufficient for customizing services and information. We may discover that the best ways to represent variables for behind-the-scenes customization are quite different from how they are represented for reports and searching. Robert Sternberg and Michael Barnes, 1988 edited book, *The Psychology of Love* (New Haven: Yale University Press) offers excellent summary chapters from the period when research in this area was at its peak. It's fascinating to follow the evolution of Dr. Sternberg's theories of love in his formal methodological work *Cupid's Arrow*, 1998 and his more daring qualitative work published the same year, *Love is a Story*, 1988.

35 Results we cite are from a telephone survey of 400 random, demographic stratified, active internet users in 2002. These same three buckets have been noted in 3 other consumer surveys on topics in health care, as noted in Thompson (2000).

36 Reeves, B. & Nass, C. (1996). *The Media Equation*. Stanford, CA: Cambridge University Press.

37 On a 9-point scale with 9 being the highest satisfaction and usefulness, our tests have received an average rating between 7.6 -8.1.

38 Obviously, your *Satisficers* are going to be tempted to join a commodity service, but *Maximizers* place great value on help in making the best decision, especially in such an important area of their lives.

39 Eli Noam quotation is from p. 172 in Stewart (1999).

40 For an excellent and recent review of the decision-making literature, we recommend Barry Schwartz's *The Paradox of Choice*, 2004. He calls the two decision making types we describe, *Maximizers* and *Satisficers*.

41 Schwartz (2004). Obviously, your *Satisficers* are going to be tempted to join a commodity service, but *Maximizers* place great value on help in making the best decision, especially in such an important area of their lives.

42 Fortunately, the details of the process are invisible to most of us, since we are primarily guided by tacit knowledge and the support and "meddling" of friends and family. We only try to deconstruct the when we encounter major obstacles or repeated failures. This fits with a large body of research on social skills, which has found our performance is often only as good as the "weakest link" in the chain of skills or tasks involved.

43 Hutson & Houts (1998)

44 If ignorance is bliss for most daters, managers and designers of online dating sites don't have this luxury. Just as one would insist on seeing the blueprints to an assembly line before you tinkered with the machinery, it's equally crucial to have a scientifically grounded model and testable strategy before we tinker with people's lives. Table XX, for example, lists both potentially helpful and harmful interventions. A disruption at any step could alter the flow of events and change the person's future.

45 See Miller & Roonick (1985). *Motivational interviewing: Preparing people to change addictive behavior*.

46 This finding has been replicated in custom health promotion reports and in tests with dating reports. Reference to the health promotion reports can be found in Thompson et al. (2001) and Thompson & Freedman (2000).

47 See Thompson (2000)

48 Since product decisions are usually made in a series of formal and informal social exchanges, try to capture these too. For example: Who is involved? What are their roles and responsibilities? Who is *not* involved? Are discussions formal and structured or informal and spontaneous? Do the important decisions get made in "offline" or within the group? How are differences in opinion or conflict addressed?

49 Scientists "were once thought to be immune from the biases and blind spots that distort the perception of others. Then along came Thomas Kuhn, a Harvard-trained theoretical physicist turned science historian who noted that scientists were typically so entrenched in their viewpoints (regardless of evidence) that the prevailing paradigms shifts only when the defenders of the old ways of thought can "no longer evade anomalies that subvert the existing tradition."

50 See John S. Brown and Paul Duguid's (2000), *The Social Life of Information* for an insightful look at the realities of applying technology and technological perspectives within organizations.

51 See Richards, D et al.'s (1998) article: *Collective choice and mutual knowledge structures*.

52 To take this a step further, we believe the fundamental "problem" the industry is trying to solve is misguided. Even in an (impossibly) perfect form, an online dating service could only help courier people one small leg on the journey. The process of meeting a potential partner is challenging (especially for shy or quirky people), but it is hardly the only or even the most difficult obstacle in building a good relationship. In reality, the success or failure of a romantic relationship is shaped by the dynamics that emerge as the two of them grow together (or apart) over time.

53 The online relationship business could also offer services to help people enjoy their single life before they find a relationship and then during any other period when they wish to remain (happily) single.

54 This quotation is from p. 48 in Thomas A. Stewart's (1999) *Intellectual Capital*,

55 Among the studies where this has been observed is Martin & Anderson (1995). See discussions of technology and friendship formation also in Heller, Thompson, et al. (1991).

56 With every test we have released, young people under age 24 have been the most avid fans and key in spreading the products virally. However, they are the clearest example of an “over-served” consumer segment. They like the basic functions of online dating, but see them as too expensive. Given the other outlets young people have to connect, the *need* for the product is also not as compelling.

57 We emphasize this possibility not to suggest the current players lack value, since their experience and infrastructure is certainly a competitive advantage. Our goal is to motivate the larger players to innovate and create new visions. If not, other companies that share many of the same assets (consumer trust, brand name, large mailing lists, scalable Internet infrastructure, etc.) may decide to enter the market on their own.

58 In writing this report, Dr. Thompson has been reminded of a study he did where he tracked patients before, during, and after psychotherapy (see Thompson, et al. 1995). There too, most patients seem to have as many negative signs as there were positive ones. “We reached the crucial mid-point in the study and looked at the results, and it was a chaotic mess. My career was over! But when I stopped looking at the averages and looked at how each patient changed over time, a pattern became clear.” As it turned out, patients who had 2 or more major ups and downs in therapy (which was at the time seen as a bad sign) were the most likely to recover and stay well 6 and 12 months later. The moral of the story is that if we look at averages in the industry it will look chaotic. What’s impressive is that there is movement and variability. Players are stepping forward to take bold moves. Even with some big ups and downs, I expect those that are innovating and changing will ultimately thrive and be around the longest.

59 The following action steps follow in part from actions that have been successful in the healthcare consumer advocacy movement. Dr. Thompson was involved with both physicians’ evidence-based guidelines initiatives and parallel work with consumers. However, if the online dating industry situation parallels healthcare, Dr. Thompson recalls two studies where he found consumer empowerment was as or more effective than trying to change physician behavior or health plan policy. See Thompson, Gee, Larson, et al. (2001). One key principle is to push for change from every angle with every stakeholder. Fortunately, patterns are not as deeply entrenched with the online dating industry, and consumers are more likely to know whether a service is working or not with dating, as opposed to many medical treatments. See Zellman & Berenson (1998). Also see Thompson & Nussbaum (2001) and Thompson (2000).

60 Craig Newmark’s quotation is from an interview in 2000. Katharine Miezowski “Are you on Craig’s List?”

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