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Press Release

U.S. Dating Services Market Worth \$2.1 Billion, Held Up Well During The Recession

Tampa FL, January 30, 2012: Marketdata Enterprises, Inc., a leading independent market research publisher covering service markets since 1979, has released a new 280-page report entitled: **The U.S. Dating Services Market.** This is the ONLY business analysis covering both off-line and online dating services. The study presents a status report and outlooks for... solo matchmakers, dating coaches, dating websites, chains and franchises, radio datelines, print personal ads, and singles phone chat lines. The study estimates industry revenues from 1993 to 2015 Forecast.

"Matchmaking and online dating has become big business, with dating services estimated to be worth \$2.14 billion in 2011 and forecast to grow 4.7% per year to \$2.54 billion by 2015. The industry consists of much more than just dating websites, although these get the bulk of the media attention and account for 53% of the industry's revenues. The last recession actually helped this business, as America's 100+ million singles looked for economic and emotional support in these tumultuous times..", according to Research Director, John LaRosa.

Major Findings:

- **Market Value...** Marketdata estimates that the total United States dating services market contracted by 2.9% in 2009, as the recession took hold. We estimate that the market grew by just 2% in 2010 and 4.2% in 2011. To 2015, we forecast 4.7% annual growth to \$2.54 billion. At \$1.33 billion, the 1,500+ dating websites captured an estimated 53% of the total revenues. Leaders include IAC's Match.com with \$480 million, eHarmony with \$270 million, and FriendFinder Networks with \$233 million.
- It's estimated that at least 1,800 independent **matchmakers** operate in the United States—about 2,600+ worldwide (grossing about \$200,000 per year each). Their numbers are rising, as this is an easy business to enter (no license needed), with little investment capital and a profit margin as high as 76% of sales. Most operate solo, in one city, but the matchmakers that make \$1+ million will travel nationwide and internationally for clients.

- There are approximately 250 physical offices run by “**off-line” dating service chains or franchises** where one sees the client in person. This includes companies such as eLove (formerly Together & The Right One) with 56 offices, It's Just Lunch (150), Matchmakers Intl. (13) and Great Expectations (32), as well as speed dating firms. Some of these services typically charge \$2,000-6,000 and are able to verify a person's appearance, weight, age, etc.—an advantage over dating websites. They also perform background checks. However, Great Expectations has been guilty of deceptive and overly aggressive sales practices and faced actions by 3 State Attorneys General offices in WA, WI, and KS, and lots of negative PR—resulting in the closure of 20 offices since 2008.
- **Dating websites:** This is a mature market in the United States and customer satisfaction could be a lot better. “Freemium” is the new model—some enticing basic services free and offering an upsell to more advanced, paid subscriptions. Match.com, Yahoo, and eHarmony are hoping clients will trade up to premium memberships and are finding increased competition from free sites like PlentyofFish and Craigslist, and social networking sites (Facebook). Mobile applications, Asia, Brazil, and niche sites are key drivers of future growth. Marketdata expects 7.2% annual growth to \$1.76 billion by 2015. The large players continue to acquire smaller competitors.
- **Matchmakers** are not very marketing or Internet savvy but do very well, usually earning \$50,000-200,000/year. Top names make millions. This is a \$293 million market, expected to grow 6-7% per year to \$352 million, as new matchmakers enter the business. There is even an organization in New York City that certifies and trains new matchmakers. It has certified 400 so far, and provides webinars, networking and other tools.
- In a few years, single Americans will represent the majority, 51%, of all adults. That's a lot of people looking for dates and long-term relationships.
- Support staff and ancillary services are important and include: dating coaches, background checking services, image makeover consultants, wardrobe experts, photographers, psychologists, and therapists. Some dating coaches make \$500,000/year.
- Phone chat lines for singles, a mature \$350 million segment dominated by Teligence (Live Links, other lines) and Quest Personals, primarily serves a young market. Competitors here say that there is still a very viable market for these services, which allow people to connect with real people via phone--more personal and engaging than viewing online profiles that are many times inaccurate.

“ The Dating services business is a fragmented one, populated by small, privately owned and entrepreneurial companies. There is no unifying trade association to police ethics and marketing practices. Some services are free, while others cost up to \$250,000 (elite matchmakers). It's still ‘let the buyer beware’. The Internet and dating reality TV shows (The Millionaire Matchmaker, The Bachelor, Eliminate, Match-off, and others in development) have brought these services into the mainstream and taken the stigma out of the profession. However, consumers are not always happy with results, and state authorities sometimes get involved.”, according to John LaRosa.

Value of U.S. Dating Industry Segments (\$ millions)

	2009	2010	2011	2012 F	2015 F
Dating websites	\$1,151	\$1,236	\$1,326	\$1,425	\$1,766
Off-line chains	129	108	105	105	105
Independent matchmakers & dating coaches	257	270	293	307	352
Personal ads, radio station datelines	110	105	99	94	80
Phone chat lines	350	332	315	299	254
Total:	1,997	2,051	2,138	2,230	2,544

Source: Marketdata Estimates

Editor's Note: The U.S. Dating Services Market, January, 2012, is an independently researched study that is 280 pages long, has dozens of company profiles, 65 Tables, and costs \$1,895. It is also sold by individual chapters. Study covers: how services operate, revenues/profits, market segment outlooks and effects of the recession, \$ mkt. size 1991-2015F, image problems, singles demographics, outlooks by consultants and Wall St. analysts, matchmaker survey, ranks of top dating websites, niches, ethical issues, technology, and more. Free brochure available. John LaRosa available for interviews. Contact: Marketdata Enterprises, 8903 Regents Park Drive, Suite 120, Tampa, FL 33647. (813-907-9090). Email: marketdataent@yahoo.com

A 32 pp. Overview summary available to the public for \$79, at: www.marketdataenterprises.com.