

Love at first site

Online dating services in China are making love – if not much money

By Jeremy Goldkorn and Maya Alexandri

Online dating in China is hot. The industry – if not the users it serves – is attracting merger partners. In May, market go-getter Marry5.com teamed-up with Microsoft's MSN, which now links to the online dating site off the MSN China home page. Private equity firm SAIF Partners has invested US\$12.5 million in Marry5.com's parent company, and Marry5 announced earlier this year that its monthly revenues had reached US\$300,000 (€220,000).

Marry5.com isn't the only dating site generating interest. Last year, Beijing-based Yeeyoo.com sold a US\$20 million stake to leading European dating site Meetic.com. In addition, a trio of venture capital companies – Bridger Capital from the US, MC Capital from Japan, and Seavi Advent from Singapore – reportedly committed US\$8 million to a dating site called Sinofriends (96333.com).

Going back to 2005, venture capital funds GSR Ventures and Mayfield invested US\$2 million in Baihe.com, a site that uses personality tests to find suitable matches for its users. Baihe.com has since raised as much as US\$11 million according to some sources.

Of all the internet sectors poised for explosive growth, online dating seems among the most promising. According to 2007 figures released by China Internet Network Information Centre (CNNIC), 162 million netizens populate China's cyberspace, and more



Looking for love in all the wrong places

than 70 percent of them are between the ages of 18 and 40.

This age range includes the prime marrying years for Chinese netizens. "Often after you reach a certain age, you quickly just go look for a husband or wife. Our society is like this: If you're over 25 and not married people look at you in a funny way," reads one post at the bilingual Web 2.0 blog Wang Ren.

Moreover, Chinese internet users have years of experience socialising and making friends online. Bulletin board services, like Tsinghua University's Shuimu BBS, and forum sites, like Tianya.cn, have long been mainstays of the Chinese internet. CNNIC reports that more than 65 percent of Chinese netizens go online for forums, BBS, discussion groups, school BBS, and friend/match-making or community clubs.

Other social trends also suggest that Chinese lonely-hearts would be receptive to online match-making. The long work hours that, for many, are a product of China's roaring economy leave little free time for meeting new people and dating. The massive migration of rural Chinese people to coastal cities has disrupted the traditional social mechanisms by which parents and match-makers found spouses for eligible singles. And the gender disparity resulting from China's one-child policy ensures that – even in the best of circumstances – millions of Chinese men will be unable to find brides.

Lacklustre performance

Nonetheless, online dating in China thus far doesn't appear to be living up to its potential. Chinese people haven't flocked to online dating services in the expected numbers. Yeeyoo.com boasts more than 10 million people, while Baihe.com says it has 8.8 million members and a 30 percent success rate. Love21cn.com – whose founder, Gong Haiyan, met her husband online – claims more than 7.5 million members. Before its partnership with MSN, Marry5.com touted 6 million registered users, while Sinofriends advertises that it has matched up 50,000 people.

In China, of course, these numbers are tiny, indicating little more than a niche market. Even compared to smaller markets, the numbers are

weak. Match.com, the market leader in Europe and the US, has had more than 42 million registered users in the 10-year span between 1995-2005. US-based competitor eHarmony claims more than 12 million users. Even JDate, an American specialty dating site for Jewish singles, has snapped up more than 600,000 members, approximately 5 percent of the world's Jewish population.

The big issue for Chinese singles seems to be trust. Baihe.com's CEO, Jason Tian, has said that deception and physical danger are among the greatest obstacles facing China's online dating industry. Indeed, a recently released "dating security" handbook has become a big hit.

The online dating sites have tried to deal with the trust issues by requiring registered members to submit their national identifications cards, driver's licenses, residence permits and other forms of identification, along with copies of their university degrees. Finding such information difficult to verify, Baihe.com began conducting background checks with the assistance of the Ministry of Public Security earlier this year.

The perception remains, however, that online dating is risky because of the high rate of misrepresentation. A China Computerworld Research report found that 53 percent of people who had used online dating services felt cheated, and as many as 75 percent had discontinued contact with other online daters because of mistrust.

Finding viable business models has also proved troublesome. In Europe and the US, online dating sites make their money from subscription fees, among other revenue sources. But most Chinese dating sites are constrained in their ability to do the same. Chinese netizens are poorer than their counterparts in Europe and the US, and their expectations are that

online socialising will be free. There's no shortage of free social networking sites, like Xiaonei.com, where Chinese people can meet and get to know one another.

Can't buy me love

Although Chinese online dating services have begun offering fee-based services, like relationship counsellors and VIP membership, online payment models still hinder fee collection. Baihe.com, for example, uses an internet banking system to collect fees, but access to the system is remains limited.

Finally, there are cultural factors. "Dating" is not an activity indigenous to traditional Chinese society. Young Chinese people are often serious about marriage at younger ages than their Western counterparts, and they may also be less interested in casual relationships preceding marriage. For online dating sites, this situation means a smaller pool of prospective customers, and it's likely that fewer users will return to such sites over a long period of time.

However, cultural factors can and do change. Modesty has long been considered a virtue, but not one that a certain marriage-seeker – who posted on both Marry5.com and Love21cn.com – seems to have heard about: He described himself as "the most outstanding man in Guangdong!" His screen name? "God." What's not to love? ■

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