

E-harmony

Business, Management



E-Harmony Case study Porter's Five Forces Analysis Rivalry In the matchmaking industry, the rivalry among competitors is high as there is a large number of firms operating within the sector, low costs of advertising, fast growth of industry and same size of the direct competitor. Moreover, the products offered are generally undifferentiated by the customers.

Threat of substitutes

There is high threat of substitutes as there is abundance of matchmakers available on offline avenues, social networking sites, traditional dating and freely accessible do-it yourself sites. Even there is a low switching cost for the users which ignites this threat severely.

Bargaining power of suppliers

The suppliers have low bargaining power as there is a minimal cost requirement for the inputs.

Bargaining power of buyers

Also, the buyers have high bargaining power as there is an increasing number of substitutes available and they show sensitivity to the prices charged to them. Moreover, they are looking for special customized services so that they feel valued.

Threat of new entrants

New entrants have medium to low intensity as there are low barriers for industry in general but relatively high barriers for specific target market. The enterprises have to invest huge amount of money in Research and there are patented algorithms. Additionally, there is strong requirement of having a strong brand name to compete effectively.

E-Harmony's value proposition

In order to analyze E-Harmony's value proposition or business model, the core competencies and value creating constituents are discussed. The core competency of the firm is in its highly integrated system which comprises of three components i. e. Personality Profile, Matching Algorithm and Guided Communication. This entire procedures has been designed in such a way that the customers are contended with the value for their money invested in availing the service. Also, this procedure has been incorporated after extensive research so that the matchmaking is undertaken with perfection. In addition to these three crucial elements, the other value generating activities are openness in communication, creation of E-Harmony labs, singles only policy, sufficient allocation of funds in marketing techniques and premium prices for memberships.

E-Harmony's Business Level strategy

After a detailed review of E-Harmony's internal and external environment, it is apparent that it is following a differentiated strategy for attaining the competitive advantage. The company is mainly targeting the niche market which comprises of highly competent pool of candidates. Although the process of registration is time-consuming but eventually the customers are satisfied as they find the most compatible spouse.

Furthermore, the enterprise has allocated adequate amount of funds in marketing campaigns so that it can employ appropriate promotional tools. It has even made sure that the customers are provided genuine and credible services so that they become lifelong members of the website. The business strategy of E-Harmony is to align its practices and values with the desires of those people who are in search of a long-term and loyal commitment with a

compatible spouse.

Another major advantage of the firm in addition to the Matching Algorithm is the selectivity criteria. By providing the services to only single members, there is high probability that a successful relationship is created and it enhances the chances of seeking a harmonious partner with effectiveness. Hence, the firm has been able to provide genuine and competent services due to clarity about the vision and core purpose of the business.