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The power of the invitation-only effect

aSmallWorld's CEO discusses his network's elite audience and business model

Entrepreneur interview by [Rebecca Weeks](#)
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These days, it seems there's an online social community for every niche – from pet owners, to married people looking for flings, to gadget freaks. But few of these startups take advantage of what I call the "invitation-only effect," a marketing technique that ignites demand and causes members to value their membership even more. I can recall my friends begging me to send them a Gmail account invitation and dozens of online salespeople bribing me for an invitation to the elite [iMedia Summits](#) attended by the nation's biggest ad buyers.

Erik Wachtmeister, founder of [aSmallWorld.net](#), believes this technique is one of his company's key strengths. His fast-growing online network, currently with almost 300,000 members, aggregates affluent world travelers who enjoy sharing suggestions about shopping, restaurants, local sights, nightlife and more.

Wachtmeister has been smart to add additional services so that the site isn't limited to just profiles and forums. Members can now buy and sell items (need a vintage Bentley?), find rental property, view 65 detailed "city guides" and read through the ASW emagazine that covers film, automotive, fashion and events.

From what I've experienced over the past year, the network appears to be a fairly trustworthy circle of intelligent professionals and friends of friends, but unless I've been planning a trip abroad, I haven't found the need or desire to frequently log on. Curious about the future of this elite society, I reached out to Wachtmeister to learn how the business is doing and what's up his sleeve.

Weeks: You started aSmallWorld by inviting a small set of affluent and global trendsetters to join, and then allowed some of those to invite their like-minded friends. Did you do any marketing or did the interest mostly grow through word-of-mouth? How many members does the community currently have and will you ever cap the membership level in order to maintain its prestige?

Wachtmeister: The interest in ASW has grown through word of mouth and through the press. We have never actively sought out membership nor have we ever placed any advertising. The community has grown 100% organically. The community currently has 285,000 active users. We evaluate growth daily and are vigilant about how and when the community grows. I don't think we would ever grow larger than one million people.

Weeks: Publishers and social communities have been disappointed by advertisers' scaling back their interactive media budgets due to the slowing economy. Are you seeing lower ad rates or a decreasing fill rate?

Wachtmeister: Not at all. We have had a very successful year in terms of advertising revenue. We have an incredibly desirable audience and now more than ever advertisers are looking for integrated ways to connect with this group.

Weeks: Do you have any other approaches, outside of advertising, for bringing in revenue?

Wachtmeister: We have certain revenue-share deals and are always looking for interesting brand partnerships. Of course, these partnerships must deliver significant value to our community. For example, we have a successful revenue sharing deal with the Kiwi Collection. On the site we have a feature called ASW Hotel Finder, which is powered by Kiwi. Through booking a reservation through this booking agent, members can receive special perks that are unique to ASW members only such as lower prices, the opportunity to upgrade, late check-out, a bottle of champagne upon arrival, etc.

Two brand partnerships that have worked particularly well for ASW members are Mercedes and Net-A-Porter. These brand partnerships add to our members' experience on the site. As examples, Mercedes offered our members tickets to exclusive events like Nelson Mandela's concert in Hyde Park London, the Formula 1 in Monaco, and the opportunity to race a Mercedes SLR at Le Castellet in France, and Net-A-Porter has edited special collections for ASW members as well as offered free shipping and personal shopping.

Weeks: What is your ultimate financial goal for aSmallWorld? When do you expect to get there?

Wachtmeister: The ultimate financial goal is to create as much value as possible for our members, partners and shareholders. We have an extraordinary position as the leading global online community. We are building a very exciting business!








Weeks: Does ASW incorporate online dating tools or applications?

Wachtmeister: The whole purpose of ASW is for people to meet on and offline in an intimate and trusted environment. Our members meet for networking for both business and social purposes. We have never overtly promoted any form of dating, but we realize anecdotally that people meet on the site all the time. Many of our members have met and gotten married. The intimate environment on ASW creates an ideal setting for people to meet, as everyone is already connected by a few degrees – similar to how people invariably meet their future partners at weddings and benefits without there being any separate singles sections.

Weeks: Have you considered opening up your platform to developers?

Yes we have thought about this – we're open to it but are unlikely to create an open API that any developer could drop widgets onto. We would first want to vet applications to make sure that they are appropriate for our community. In theory, the process could become more scalable based on a curated vetting system by members of our community.

(Image source: Cache.daylife.com)

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