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# Offering Web Buyers a Thrill of Discovery

By PAMELA RYCKMAN

Many consumers would say the Internet has improved shopping, bringing books and fashion, groceries and electronics to our doors with ease.

But have we lost the thrill of discovery? Faced with a deluge of content, do we need a trusted adviser to steer us toward products that are special or unique, that we would otherwise never know to search for? Shauna Mei, an entrepreneur with an impressive list of investors and contributors, thinks so. Last September, she [introduced AHAlife](#), a Web site that offers niche products suggested by a variety of “trendsetters and tastemakers.”

Ms. Mei, who had worked previously in leveraged finance at Goldman Sachs, raised \$3 million in three months from a list of angel investors that included the chairmen of a global bank and a management consulting firm, as well as the chief executive of one large luxury retail operation and the chairman of another. Ms. Mei counts Diane von Furstenberg, Wendi Murdoch, Tina Brown, Tim Gunn and Lauren Bush among her tastemakers.

Ms. Mei, 28, recently talked about why online retail should be more like real-life shopping, how she met her investors and why AHAlife, which is based in New York and has 10 employees, is projecting annualized revenue this year of more than \$4 million. A condensed version of the conversation follows.

**Q.** *What inspired you to start AHAlife?*

**A.** I had this aha! moment. Both online and in stores, companies market to men. Only the fashion industry targets women, but we make most purchasing decisions.

**Q.** *Is that true? Target and supermarkets don't market to women?*

**A.** When products are more generic, like cars, companies tend to market more to men. Apple is the only technology company that knows how to market to women. When other industries target women, they market to a woman my mom's age who's in the kitchen wearing an apron. She's

frumpy and her hair is in a Scrunchie. Who aspires to look like that? The fashion industry, however, does a great job of making women believe they'll feel fantastic if they buy a \$3,000 handbag. I want to feature all sorts of products, using that same idea.

**Q.** *That sounds like the format of many women's magazines.*

**A.** In print I'm sure it's covered, but I haven't read print for three years and neither have my friends. None of these magazines do a good job engaging the online viewer. There's a ton of content online, but it's not curated. We can't separate the good from the bad.

**Q.** *How is this different from, say, Martha Stewart?*

**A.** She's quintessentially American and more home-oriented. Her audience is housewives. We're completely global; almost half our products are foreign. We want early adopters, people willing to pay full price for the coolest new thing.

**Q.** *Don't other retail sites do that?*

**A.** Internet shopping was designed by men and reflects the way men like to shop. It's all about practicality and efficiency.

**Q.** *What about Zappos? Is returning 10 pairs of shoes and keeping two efficient?*

**A.** No, but I'm talking about the way e-commerce sites are set up. Men go shopping when they need a pair of boxers. They find it in a department store, they buy it, and they leave. For women, shopping is about discovery. Girls go shopping as a pastime, not because we're looking for anything in particular. We buy things because our stylish friend recommends them. Take something like a hand-blown glass paperweight from Italy. You don't search for that on the Internet, but when you find it you're inspired by its beauty or craftsmanship. We're trying to recreate that aha! moment, as if you'd stumbled upon something in a street fair or out-of-the-way place.

**Q.** *Can you give us other examples?*

**A.** One of our best-selling items is a high-end, high-design vibrator. Maybe women wouldn't normally search for that on the Internet, but we show you things that make your life better without you asking for it — which is exactly how off-line shopping works.

**Q.** *How do you find these things?*

**A.** Sometimes we find them because one of our curators recommends a product directly to me, like Daniel Boulud did with preserved roses. The other way is that our staff tries to identify a pain or problem, and then find a way to solve it. Right now, I'm looking for a nicely designed surge protector because I'm constantly looking at the ugly ones in my apartment.

**Q.** *Do you pay your curators?*

**A.** No.

**Q.** *How do you know how much of a product to buy?*

**A.** We don't buy products; we hold them on consignment. We try to anticipate how much we'll sell, which is part art, part science. Our e-mail to subscribers goes out at 11 a.m., and we can tell by the number of purchases within the first hour how much of a product we're going to sell. If something is selling like hotcakes, we call the vendor and order more.

**Q.** *How much of a markup do you take?*

**A.** We're like any standard store, and we get paid like a wholesaler does. The markup is about two times on fashion, beauty and jewelry, but on food and technology it's a lot lower.

**Q.** *Has your concept evolved since the company's start?*

**A.** Every day we give people an opportunity to talk about something new. We don't feature that much fashion, but we're getting fashionista subscribers to talk about other things like food, art, design, travel and philanthropy. As a result, I realized AHAlife is not an e-commerce company. It's a media company. As the C.E.O., I'm now thinking about whether I should feature a product because it will sell well or because it will start the most conversations.

**Q.** *How did you find your angel investors?*

**A.** I left Goldman because I felt like taking a leap, but I always understood the power of the Goldman network. I made a huge effort to stay in touch with Goldman people. They became my initial investors.

**Q.** *How did you pitch them?*

**A.** I didn't really pitch the first few people who invested. I went asking for advice and they said, "If you do this, I want to invest." I had such positive feedback that I felt confident I was sitting on

something big.

**Q.** *What has been your biggest problem?*

**A.** The dirty little secret of **flash-sale sites** is that brands now make cheaper products directly for the sites. You're not actually getting inventory Saks couldn't sell, and it's not 80 percent off. They're selling items that are cheaply made and cheaply priced, things Saks would never consider carrying. But these sites convince people they're getting a deal, which attracts customers. So we have a harder time with customer acquisition. It's harder for people to discover us.

**Q.** *On April Fool's Day, AHAlife offered two tickets to the British royal wedding and a package that included a hotel room, a Rolls Royce with driver and other high-end accoutrements for about \$25,000. Was this a joke?*

**A.** We did it as a test to see if we could sell unique, once-in-a-lifetime experiences. Instead of offering a direct sale, we put a wait-list button and in no time we had 15 people on the wait list. People were frantically calling the office and offering to pay a higher price. We ended up telling them it was a joke and giving them a free gift. It convinced us there was demand.