

Social Commerce with a Twist

ShopClub is a company that would literally like you to shop until you drop.

An internet social commerce startup with an eye toward replacing such social shopping models as Groupon and Living Social, ShopClub has added a different twist to the mix: they want to pay you for shopping and they want to do it with their own form of currency.

ShopClub is banking on new currency models and tiered shopping rewards to make shoppers gear their efforts toward making actual profits from their favorite past-time. "It's deceptively different," said CEO Gary Norden. "You sign up with ShopClub and then you tell us where you like to shop and we put that as a hot spot in our network. Then, you invite your friends to shop with you there – online or offline – and when you do, you earn points which convert to our currency - Wollars – or World Dollars. You shop, your friends shop and you make real money in the deal." Norden says that the value of one Wollar can be cashed out of the system at any time for one dollar – or applied to any merchant in the system for purchases at greater value with discounts.

Norden dismisses the idea that ShopClub is in any way a form of social couponing like Groupon.

"It's not a coupon, it's actual money," he says. "Like Bitcoin and Ven, but with our own method of valuation based on a contribution of merchant dollars into a pool." Bitcoin, is a currency based on a decentralized, peer-to-peer network over which users make transactions that are tracked and verified, while Ven first appeared as an application in Facebook on 4 July, 2007. In late 2008, Ven became tradeable to anyone with an email address, making it the first currency to move from an online social network into the real world. The Wollar is purely merchant-backed value, but not dedicated to any one particular store, or one type of currency, but a pooling of these values on a peer-to-peer network, tracked like Bitcoin, but transferable like Ven.

The primary idea behind Internet currency companies was that the customer would buy or earn credits, which could then be used to purchase items and services from either a variety of vendors or one particular store – but ShopClub wants to take this concept to the point where online and offline shopping conduct and payments become interchangeable.

The idea is fairly simple: your social shopping network increases your buying power by building up cash earnings from your friends shopping behavior, and how often they go back to the same stores. "A network of "Co-Shoppers," Norden calls it, and the points given for return purchasing - "Loyalty Dividends." The Wollar gives value converted from activity and social connections tracked by ShopClub, so essentially, referring your friends to network Merchants will potentially, in the ShopClub system, give you tiered income for life – even so far as receiving payments from referral's referrals . "As long you sign up early enough on the system," cautions Norden.

The cliché of a catchy website or new Internet approach to shopping revolutionizing e-commerce is well worn, but in this case maybe not. Even in its early stages, ShopClub seems to have the inside track on a

methodology that could change the face of how merchants and customers do business together on the net- literally making bottom-line profits the motivating factor in common for both.