

New Startup Makes Social Shopping a Matter of Touch and Go

ShopClub, a startup social media provider based in Wellesley MA, is set to ramp up new NFC (near field communication) technology applications into its model just as Research in Motion rolls out the first fully-enabled NFC Blackberry phones for the Christmas 2011 shopping season, and Nexus Phones have had the configurable app available for the better part of a year.

NFC, a technology that first appeared in Taiwan in 2007, allows short-range communications between an NFC antenna or SIM card and a receiver. These short-range Blue Tooth-style communications are especially adaptable to instant, point of presence shopping transactions

“This is where we want the social shopping model to go,” says ShopClub CEO Gary Norden. “We don’t want shoppers in our network to be passive at home online, we want them to be out shopping together, actively, in groups.”

NFC is slated to become the new standard in shopping technology. And this doesn’t mean online shopping from a remote location, but real time, in-store transactions at the point of purchase.

What’s the attraction? NFC enables instant transactions wherein a user connects to his or her credit card or bank account through the phone to make purchases with a swipe or touch of that phone. The communication is good only up to a couple of feet, which makes it a de facto secure connection because security violators need to get next to users in order to gain any data. Another security feature is that credit and debit card data is sent directly to the payment processing company and doesn’t have to be stored on the vendor’s website, making it far less hackable.

As Norden points out, NFC is a close match to ShopClub’s “Co-Shopping model - allowing social shoppers to meet at their favorite stores, swap information just by tapping phones, and get instant discounts, rewards and more importantly points..

“The points are especially important,” says Norden, because they translate to real money tracked and accounted for within the ShopClub system.

The idea behind ShopClub is not only to make shoppers more motivated to buy, but to become shopping entrepreneurs by making negotiable points off their social network friends and then more points from their friends’ referrals, all of whom become “Co-Shoppers.

“NFC will make it possible for people who don’t even necessarily know each other to become Co-Shoppers in our network just by touching phones.

Apple, Google and credit card issuers Visa, Mastercard and Wells Fargo are already developing methods of deploying the technology. Google was first in the market when it teamed up with Citigroup and Mastercard in May 2011 to create Google Wallet, which allows users to enter a credit or debit card in the software which allows the phone itself to become a de-facto payment card.

ShopClub already claims the inside track on a methodology that could change the face of how merchants and customers do business together on the net by literally making bottom-line profits the motivating factor in common for both, instead of just for one. The addition of the instantaneous shopping and “group” join technology of NFC would take that methodology to another level.

“It’s a matter of getting everything up and running and merchant acceptance of the technology,” says Norden. “But once that’s done – and we think users will have no problem adapting to it - we’ll be offering a more successful approach to social shopping than Living Social and Groupon offer now.”