

Social Shopping Comes Down to a “Shared Bottom Line”

The Social Network may rule the net, but social shopping is quickly catching up.

Not only are social network users resorting to twitter for exclusive shopping deals and discounts tweeted by [@woot](#), [@bingcashback](#), [@slickdeals](#), [@fatwallet](#), but sites like Groupon and Living social are offering daily deals that become sweeter as long as you bring your friends with you. American Express and Federated Media announced in August 2011 a free iPhone app called Social Currency, built on the Foursquare platform. Kaboodle and ThisNext, are social shopping sites that rely on discovery through user recommendations and Shoptogether mocks up real-time synchronized online shopping with friends, simulating a physical group shopping expedition.

Social shopping sites are popping up everywhere. And it's this fact that makes it hard for new sites and business models to differentiate themselves.

ShopClub, a new, social shopping startup, boasting features like NFC capability and its own brand of social currency, may have found the key. Far from wanting to emulate a physical group shopping expedition, ShopClub actually wants to improve upon and refine the real-time offline shopping experience by using a highly adaptable Web Interface.

ShopClub is working a concept its CEO calls a “shared bottom-line interest.”

The idea is fairly simple: you establish a social shopping network of friends from a site like Facebook, then you use your social shopping network to increase your buying power by building up cash earnings from your friends' shopping behavior. How often they go back to the same stores determines how many points you get on the ShopClub System, and those points translate into social currency, or money.

“A network of “Co-Shoppers,” Norden calls it, and the points given for return purchases from that network - “Loyalty Dividends.” ShopClub gives value converted from activity and social connections tracked online as convertible points, so essentially, referring your friends to network merchants will give you tiered income for life – even so far as receiving payments from referral's

referrals . “For life? Well, only when you sign up early enough on the system,” cautions Norden. “As an introductory incentive we’re offering that to build our userbase, but it won’t last forever.”

ShopClub separates itself from other social shopping sites by putting merchants and buyers on a more level playing field. “The Merchants want to make money and gain more foot traffic in stores and virtual traffic on their sites,” explains Norden. “The buyers, or users, want better prices on goods, sure, but in ShopClub they actually make money, not just by shopping, but by building their network of co-shoppers, and then having them shop with them – so the users too want to make money and get more foot traffic into the stores and onto their sites.”

The introduction of new NFC (near field communication) technology gives a boost to the ShopClub for model for social shopping.

NFC allows short-range communications between an NFC antenna or SIM card and a receiver, basically turning your phone into a swipeable credit card the you don’t have to swipe – just get it close enough to the cash register.

“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. We don’t necessarily want users at home online – we want them out in the stores, shopping.”

Apple, Google (with its new “Google Wallet”) and credit card issuers Visa, Mastercard, Wells Fargo and Citigroup are already jumping on the NFC bandwagon, which is good news for sites like ShopClub, whose model is dedicated to bringing group, virtual shopping back into the physical world where shoppers will have the power to make profits just as merchants do.

“A shared bottom-line interest between merchants and users could change the face of everything,” says Norden. And with refinements in payment and data sharing technology like NFC, he may be right.