

# Facebook buys startup aimed at loyal shoppers

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Facebook on Friday confirmed that it bought a San Francisco startup that helps merchants court shoppers with rewards for checking in with smartphones during visits.

Facebook's acquisition of Tagtile for an undisclosed sum came on the heels of a billion-dollar deal to acquire the startup behind wildly popular [smartphone](#) photo sharing application Instagram.

"We're happy to confirm that Tagtile's founders are joining [Facebook](#), and that Facebook is acquiring substantially all of the company's assets," the world's leading social network said in reply to an AFP inquiry.

"We've admired the engineering team's efforts for some time now."

Tagtile was created by former VMware engineer Abheek Anand and one-time [Google](#) engineer Soham Mazumdar.

The entrepreneurs created a system that lets customers use iPhones or Android-powered smartphones to check in at shops and get rewarded with discounts, coupons or loyalty points.

To check in, customers need only to tap smartphones on small white cubes that swap information with handsets using sensors.

"We started Tagtile with a simple goal -- to help local business owners build better relationships with their best customers," the founders said in

a post at the company's website.

"We are happy to announce that we are joining Facebook," they continued. "It is an opportunity for us to take our goal and do it on a much bigger scale than we could have on our own."

Facebook has been building its [mobile services](#) and capabilities as lifestyles increasingly revolved around smartphones and [tablet computers](#)

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More than 10 million Instagram applications tuned to Apple or Android-powered gadgets have been downloaded since the acquisition by Facebook was announced on Monday, raising the total number of users to about 40 million.

Facebook in February filed for a stock offering and could raise as much as \$10 billion in the largest flotation ever by an [Internet company](#) on Wall Street.

Facebook -- the leading social network in all but six countries, notably China and Russia -- claims more than 845 million users.

Facebook's value has been estimated at between \$75 billion and \$100 billion.

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