

Social Finance (SoFi)

SoFi is the merging of the principles of social media and DeFi (Decentralized Finance). SocialFi platforms offer a Web3 approach to creating, managing and owning social media platforms and the content generated by its participants. The main appeal of SoFi is monetizing interactions, this is achieved mainly by allowing users to trade shares of their accounts. The value of the shares is calculated based on a pricing curve that takes into account how many shares have been bought and sold, this usually means that if a lot shares of a particular account are being holded (this doesn't necessarily means that a lot of accounts hold that share) then the price of that share will be high, inversely if there are very few shares being hold by a particular account then the price of that share will be low.

This model comes with an immense amount of scams or strategies that aim to drain unknowing or naive users of their money, so if someone wishes to interact with SoFi and wants to invest on some shares they should be wary and do their research to not be scammed.

Holding a share usually comes with a few perks, mainly having access to that account's private group chat, this allows the user to have a closer connection with a celebrity or to have access to insider information (or alpha) before the rest.

Overall SoFi is fairly new to the market and all the potential functionalities and benefits haven't been explored, it is a huge market with incredible potential but also immense risk.