Market Trends

Takeaways from Digital Wealth Summit 2023

Kicking off the panel sessions at the Digital Wealth Summit was the popular Market Trends panel, made up of experts in the retail investing space who shared the latest innovations and trends. The discussion revolved around what's shaping brokerage platforms offerings, with concepts like personalization, social influencers and the ease of access.

Moderated by

Theresa Carey
Industry Expert

The panel consisted of

Steven Orr
Chief Strategy Officer @ Money.net

Renee Spampinato
Head @ Markit Digital

Kyle Branden
Business Intelligence Lead of Direct Platforms @ iShares by Blackrock

Rob Carrick
Commentator @ The Globe and Mail

The Evolution of Self-Directed Investing

Pricing, alternative assets and removing barriers to access

It's been four years since zero commission trading disrupted the US brokerage industry, prompting many to follow suit. Since then, full-service brokers have lost a chunk of their traditional customer-base as increasing numbers flood to self-directed platforms amid increased affordability, growing digital influence and a more holistic wealth building experience.

Rob Carrick from The Globe and Mail provided insight into the Canadian market, explaining that price trends for brokerage services have been relatively stagnant, with only a few brokers offering zero commissions for stocks and ETFs. Despite dissatisfaction with high fees, there's limited demand for a zero commission model, suggesting that price may not be the primary driver for these investors.

The concept of free trading among younger generations raises questions about its influence over investment behavior. Studies examining trading frequency and the influence of commission-free suggest age and gender based differences.

- There's been a shift in thinking beyond traditional stocks. Exploring other opportunities like cryptocurrency, NFTs and options are gaining traction amongst retail investors.

Interest is rising for fractional shares and the advancements of in-app research. Collectively, these have lowered the barriers to access, enticing younger investors and those with limited capital to open an account and get started trading. While moving assets between brokerage platforms has always been a challenge, the panel expressed fractional shares increase this complexity raising the question whether they present a retention benefit for these newer investors. Alongside a strong retention strategy, brokers should think about their onboarding and offboarding process with the goal of offering a seamless experience.

Building a Digital Relationship

A user's interaction with their broker is scattered across a larger variety of digital channels today than in the past. This trend illustrates the importance of building a consistent, personalized and memorable experience that supports users across both desktop and mobile platforms. To achieve true personalization, brokers need to go beyond basic segmentation and consider factors like market trends, user portfolios and search behavior. These customized factors enable brokers to better bridge the gap between the different groups they are serving.

Social media and the impact of influencers is growing, especially amongst younger investors. It's wise for brokers to work alongside social influencers to create relevant, short snippet content that captures attention and maximizes engagement. The panelists cautioned it's best to have clear, direct communication with influencers, ensuring there's strong credibility and that they have a solid understanding of financial concepts.

About Digital Wealth Events

Digital Wealth Events brings industry leaders together to discuss emerging trends, share experiences and decompress the latest research.