KEEPING THE ***INVESTOR*** SATISFIED

Brokerage firms offering online trading platforms to their clients find themselves facing a lot of competition. Some try to attract investors by waiving fees on trades, others offer access to premium research or innovative strategy tools, and others again advertise unique products. In fact, the range of features, products and services provided by trading facilities is manifold. However, while attracting and winning over new clients is key, it's no less important to retain the existing clients – especially when considering how hard it can be to win them over in the first place.

In principle, every company should have a customer retention strategy in place. The faster-moving, the more innovation-driven and competitive the environment it operates in is, however, the more important such a strategy becomes. In other words, for any online trading platform provider it is inevitable. The following aspects should be part of any expedient customer retention game plan:

Getting to know the investor

Brokers need to have a clear understanding about their clients' needs, goals and expectations:

What kind of tools do they find useful?
What information are they looking for in order to make an investment decision?
What products are they interested in?
On which device and at what times do they usually access their platform?

Data resulting from questions such as the above needs to be analysed and contrasted with the clients' actual experience or journey using the trading platform, products and services. Necessarily, this includes the onboarding process.

Gathering feedback from the investor

Getting the aforementioned data requires a tested and streamlined feedback process. A common way of collecting information are form-based surveys. They are usually sent to clients via email but can also be conducted over the phone (the latter can be significantly more time-consuming for both parties). Form-based surveys should not include more than ten questions, so that they can be answered in a reasonable time.

Shorter surveys can be conducted via the trading platform's app. They can, for example, be automatically prompted right after the investor has used a specific feature on the app or placed an order for a particular product for the very first time. In-app surveys ensure direct and quick feedback.

Just like when gathering information on the investors' needs, goals and expectations, their feedback should be analysed and, whenever meaningful and possible, be implemented. Crucially, investors need to be informed accordingly.

Interestingly, numerous consumer psychology studies have shown that being asked for feedback improves the clients' perception of the company. The request in itself – even if they don't provide any answers – often makes clients feel more valued and therefore more likely to stick with the company. Also, even a simple satisfaction survey can help to increase the investors' awareness of certain features, products or services of the relevant trading platform.

Being accessible to the investor

When trading, investors can face all kinds of challenges and issues – whether perceived or real. In such cases the trading platform needs to be immediately available and accessible online or over the phone, so that clients have a chance to address their problems and ask for support. Obviously, in an ideal world any issue can be resolved quickly. However, if that's not possible, investors need to be assured that their request will be treated with high priority. This is particularly important in the trading business where a few lost moments – for instance, due to a technical glitch – can decide success or failure.

Communicating with the investor

In general, communicating with clients on an ongoing basis is key to strengthen the relationship. Requesting feedback, as outlined above, is not the only good reason to reach out. Providing support, helpful hints, training and trading platform news – all of these and other offerings can be put in a regular newsletter, distributed via automated email. Depending on the facility's individual communication strategy, social media can also be an option for distributing certain information.

A more personalised approach should be considered when investors reach a milestone, such as their first-year anniversary on the trading platform, a specific number of trades or a great win. These are grand opportunities for the platform to show its appreciation and to celebrate the relationship.

Obviously, a vital part of the communication with investors should be the introduction of new features, products or services. After all, clients need to learn about alterations and improvements, so that the facility stays competitive and differentiates itself.

Thanking the investor

At a time when investors can compare online trading platforms quickly and easily with a few clicks and are often stimulated by specific features or cost savings, loyalty programmes can be a pivotal tactic to promote clients' loyalty. Such schemes can, for example, be designed to show gratitude for an extended number of trades, an increased investment or the recruitment of new investors. There are numerous ways participating clients can be thanked – from the access to an exclusive webinar series to the invitation to a training course.

Loyalty programmes usually allow for a more frequent communication between the trading platform and the investor which in turn is helpful when it comes to getting to know the investor as well as gathering feedback, as discussed above.

To repeat that aspect, some of the above has become mandatory in the course of a stricter regulatory regime, anyway. Here, the establishment of a complaints handling mechanism (and publishing an accompanying policy) or the avoidance of any misleading, unfair or unclear communication in front of clients could be cited. A consistent retention strategy, however, is much more than the avoidance of misconduct (that, by the way, a client can only be sure of where the service provider is subject to financial regulation). It entails, and starts with, a strong commitment not to alienate or repel the client in the first place.

Spectrum Markets

Spectrum, a regulated trading venue by the way, is designed to meet the needs, goals and expectations of today's demanding investor community. The trading venue provides cost-efficient, seamless market access with the ability to trade a range of highly liquid indices, currency pairs and commodities continuously – literally day or night, five days a week, based on a frictionless operating infrastructure that has proved resilient even in turbulent times and coming with non-stop, time-zone-spanning support.

Get in touch today to discuss how we can help to grow your retail client business.

Please don't hesitate to get in touch if you wish to receive further detail.

spectrum-markets.com

By phone
+49 (0) 69 4272991 80

By email
info@spectrum-markets.com