



WEALTHTECH RESEARCH & ADVISORY SERVICE |
SELF-DIRECTED INVESTING SERIES

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WANING CONSUMER LOYALTY REQUIRES AN INDUSTRY RE- THINK



ABOUT PARAMETERINSIGHTS' WEALTHTECH RESEARCH & ADVISORY SERVICE

Innovation in the North American financial services market is fast approaching a point of inflection. Near-ubiquitous mobile access, multi-channel delivery, and technological evolution are rapidly altering consumer attitudes, behaviors, and expectations.

Annual subscription to ParameterInsights' WealthTech Research and Advisory Service comprises two separate reporting series. The first is a three-part series covering the evolving wealth advice category with a focus on modernization of wealth advice. The second is a three-part series covering self-directed investing via online brokerages.

BOTH SERIES PROVIDE TIMELY AND RELEVANT ANALYSES THAT SURFACE UNMET CONSUMER NEEDS, EVALUATE CURRENT MARKET PARTICIPANTS, AND PROVIDE IN-DEPTH DISCUSSION AND IMPLICATIONS OF KEY RESULTS AIMED AT GIVING OUR SUBSCRIBERS AN EDGE.

ABOUT PARAMETERINSIGHTS

**PARAMETERINSIGHTS IS WHERE DATA MEETS STRATEGY:
SIMPLY AND RELIABLY.**

We combine deep sector expertise with custom research to provide our clients with data-driven and highly consultative solutions.

INTRO / PREFACE

THIS REPORT PRESENTS IMPORTANT CONSUMER-DRIVEN INSIGHTS FOR PLAYERS IN THE NORTH AMERICAN SELF-DIRECTED INVESTING SPACE.

Core topics are divided into three broad themes:

- 01** How is brand loyalty trending for the self-directed investing category? Which firms are winning and losing in the battle for customer delight and brand evangelism?
- 02** Which dimensions of service should be optimized in order to drive loyalty for firms offering self-directed investing platforms? Which platform features have the strongest impact on overall satisfaction and net promotion?
- 03** How are trends in consumer attitudes toward saving and investing affecting engagement in self-directed investing? How are consumer behaviours for engaging in an investing experience trending over time?

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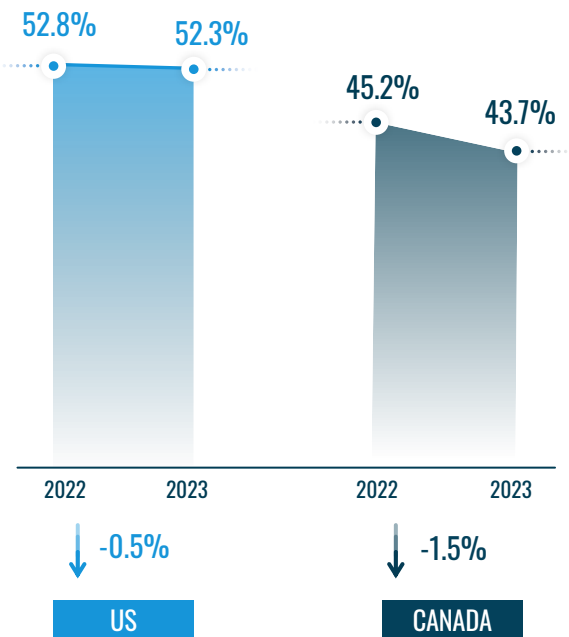
01

MIXED RESULTS FOR SELF-DIRECTED INVESTING FIRMS AS CATEGORY LOYALTY WANES

Early 2023 featured a surprisingly strong yet complicated environment for equity returns. As such, it is interesting to see that loyalty measures for the self-directed investing category are flat or down year-over-year in North America.

In the US, overall satisfaction is unchanged year-over-year (down slightly from 52.8% in 2022 to 52.3% in 2023) whereas category net promotion decreased from 37.1% in 2022 to 34.3% in 2023. In Canada, however, both satisfaction and net promotion are down for the self-directed investing category. Overall satisfaction dipped by 1.5% (from 45.2% in 2022 to 43.7% in 2023) whereas category net promotion fell by 6.7% (from 21.9% in 2022 to 15.2%).

Category-Level Overall Satisfaction for Online Brokerages



02

THE TIME IS NOW FOR SELF-DIRECTED FIRMS TO IMPROVE PERFORMANCE ON KEY LOYALTY DRIVERS

Overall measures like category satisfaction can be further unpacked in terms of how customers view specific dimensions of service for trading apps and online investing platforms. For the most part, satisfaction scores for specific features are

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03

AS CONSUMER ATTITUDES CLOSER ALIGN WITH SELF- DIRECTED INVESTING, HOW CAN FIRMS EVOLVE THE EXPERIENCE TO MEET THE NEEDS OF TODAY'S DIY INVESTORS?

The saving and investing choices consumers face in 2023 are no doubt being shaped by steep increases to interest rates with no view to reductions on the horizon. Other macro impacts include a frothy job market, higher treasury rates, and significant rebounding in equities with suggestions of pullbacks looming. In the midst of all this, how are people feeling when it comes to their attitudinal orientations toward wealth management?

In both the US and Canada, attitudinal profiles are quite similar for the average consumer. More importantly, many strong attitudinal skews are

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APPENDIX: TABLES AND FIGURES

01 – MIXED RESULTS FOR SELF-DIRECTED INVESTING FIRMS AS CATEGORY LOYALTY WANES

Figure 1: Trends in self-directed investing category satisfaction and net promotion: Total users

■ US

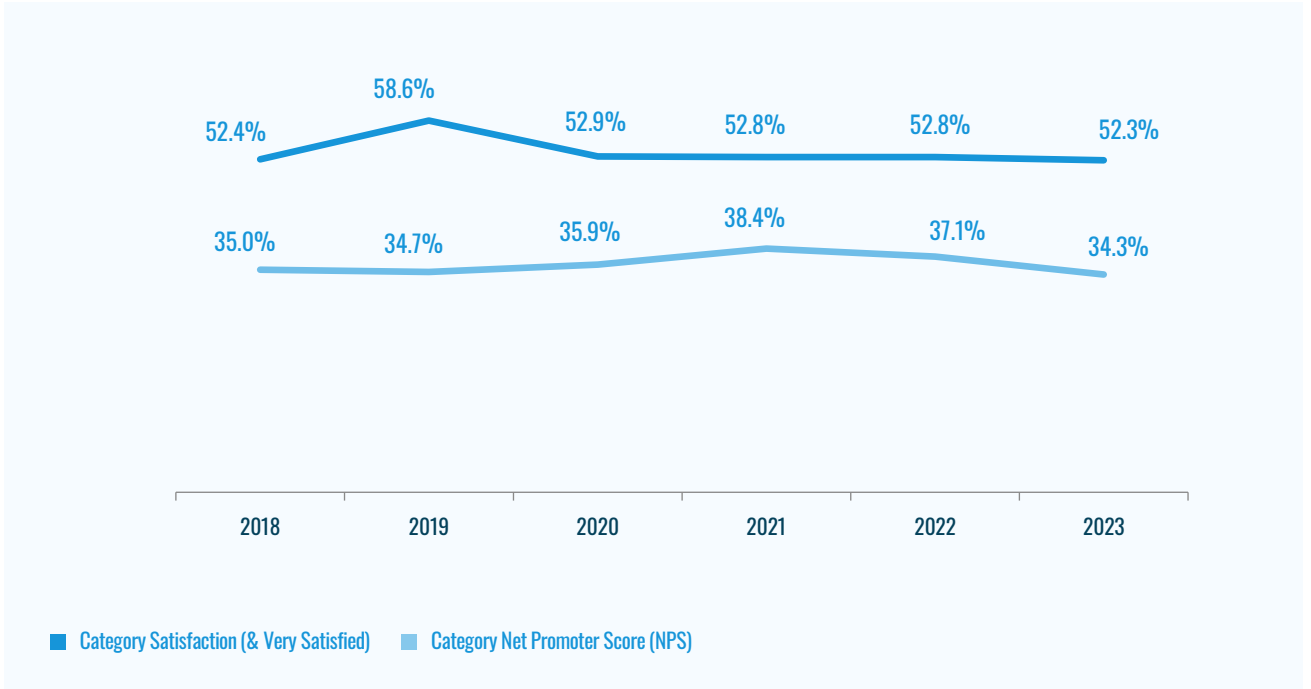
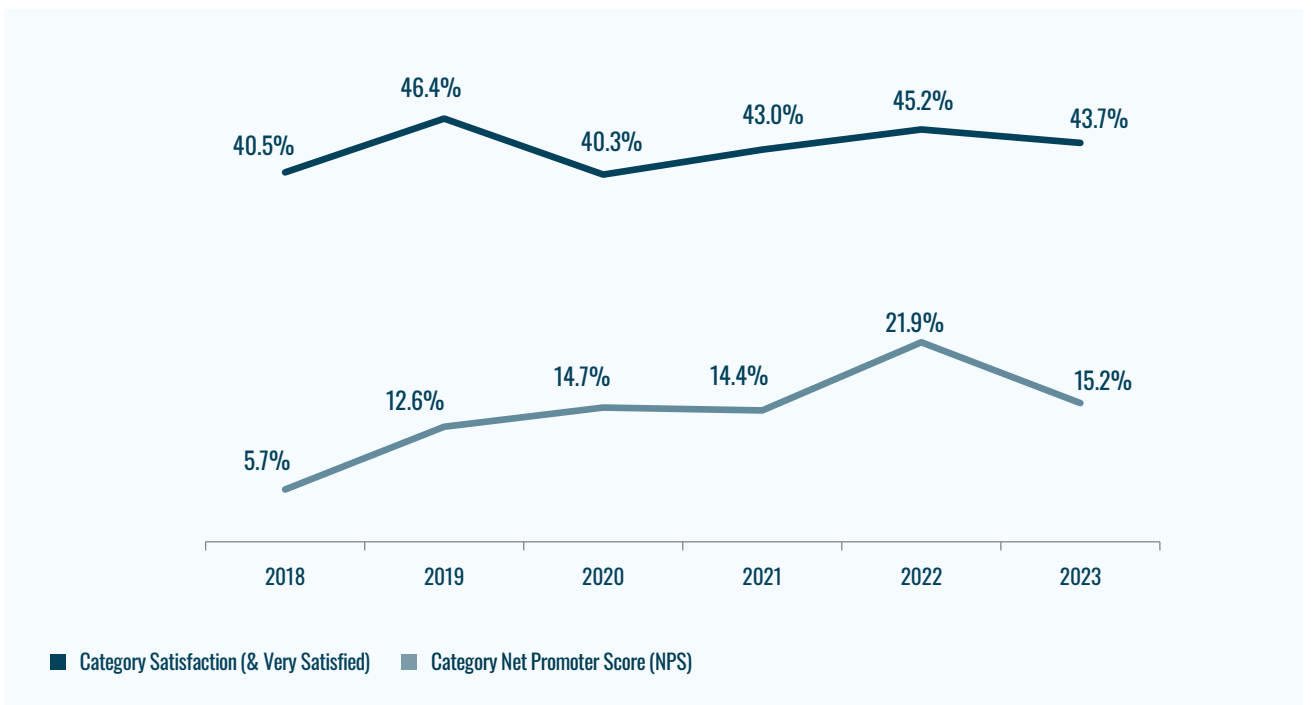


Figure 2: Trends in self-directed investing category satisfaction and net promotion: Total users

■ Canada





+1 416 809 3671



info@parameterinsights.com



www.parameterinsights.com



439 University Avenue, Suite 500,
Toronto, Ontario M5G 1Y8, CA