

## Internet Strategy Shows Leading Online Brokerage Firm the Road to Success

### Challenge

At the time of this engagement, there was tremendous room for improvement in the online discount brokerage industry. Customers were dissatisfied with the levels of functionality and service they were receiving from brokers, often having to work with slow interfaces, poor order execution and limited trading times. Consequently, customer retention rates were low, and firms were not maximizing their revenues.

The company that could effectively improve its offering to better meet customer needs would be able to significantly improve its customer retention levels, gaining market share and boosting revenues. One such firm saw this potential and engaged Molecular® to tackle the challenge and develop a strategy to give the company a competitive edge.

### Approach

Working closely with the online brokerage's stakeholders, Molecular conducted a strategy session that yielded informative results in several areas.

#### *I. User Experience*

Over all, Molecular recommended that the firm make its trading interface more engaging by applying a visual and information architecture redesign to the existing site. In developing the new experience, Molecular placed high importance on user testing. Results of this testing showed that the majority of customers wanted to see all of their trading information displayed on a single screen. There was also strong customer and competitive demand for real-time account information, including buying power, gain/loss, and margin calls.

#### *II. Performance*

Poor performance of its online channel was one of the firm's most significant challenges. The biggest complaints from the broker's most valued customers revolved around slow page loads, particularly as customers were placing time-sensitive trades. Molecular recommended that the firm critically evaluate the trade process and identify sections that could be optimized for better performance.

#### *III. Order Execution*

In order for the user experience redesign to be truly successful, the firm needed to make significant improvements in the speed and execution of customer orders. Users believed that they were not getting top-of-the-line functionality in order execution and, therefore, were losing out on best prices. Molecular recommended that the broker offer Smart Order Routing—an application that continually scans all markets on which a security is trading, and automatically routes an order to the market offering the best price.

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### **IV. E-Customer Service**

The firm's customers wanted to be more autonomous, having access to self-service mechanisms such as electronic funds transfers among accounts. They also wanted the ability to instant message customer service professionals and others at the brokerage firm—functionality that would be especially important when investors needed to dispute trades. Requests for this feature were especially strong among the most active traders.

### **Benefits**

Should the firm choose to implement Molecular's suggestions, it could expect the following potential benefits:

- (1) Increased customer retention levels
- (2) Increased revenues
- (3) Increased customer satisfaction
- (4) Decreased calls to customer service
- (5) Improved brand perception
- (6) Increased volume of trades
- (7) Enhanced flexibility and scalability

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### **Industry Background**

With the proliferation of online discount brokerages over the last few years, Internet-savvy and time-conscious investors have flocked to their computers to take advantage of the convenience of the online trading environment. Online customers demand low prices, good service and quick transaction times to fit into their busy schedules.

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*Molecular, a technology consulting firm, designs and builds Internet-based solutions to help companies increase revenues and decrease operating costs. For over 10 years, Molecular has directed successful web initiatives for the nation's top companies, including Staples, Blue Cross Blue Shield of Massachusetts, Fidelity Investments, and Analog Devices. For more information, contact Molecular at <http://www.molecular.com> or at 617.218.6500. Molecular is located in Watertown, Massachusetts.*