

6 things to consider when choosing a trading solution



A year or two ago, the norm was face-to-face contact with your clients, combined with online services that were often somewhat outdated. Covid changed all that. The firms that have come out ahead after the pandemic are those that have had an effective online presence with digital services to support their clients. New online brokers have seen an opportunity in the absence of modern offers from established wealth managers and have been gaining market share.

The trend is clear: bank customers - whether wealthy private bank customers or equity savers at a retail bank – want to take control of their investments. With the world being increasingly online, investors expect their broker to have a digital presence and that you provide them with online

trading tools where they can monitor the markets and execute orders, quickly and easily whenever it suits them.

If you are one of the many financial firms that needs to invest in order to meet your customers' expectations and stay competitive, how should you go about digitizing your offer? We've summarized a few of the most important factors to consider when looking to set up a trading service for your customers.



Build is not necessarily better or cheaper than Buy

Historically, larger banks have spent a lot of time and money on developing their own business critical systems. This was recognized as a secure approach, keeping the expertise within the bank's own IT department. But building internal systems has its downsides. Developing a proprietary trading solution and having to maintain and update it usually entails significant costs. Additionally, experts must be hired to ensure requirements – from internal sources and end users as well as regulatory requirements – are continuously met. This is no small feat, with technical developments and new requirements associated with using such a platform changing just as quickly as the associated risks.

Software-as-a-service (SaaS) is a whole new ball game. With SaaS, you can outsource the development and maintenance of your trading solution while incorporating the solution in your own infrastructure. This reduces operational risks and ensures that you always offer your customers the most up-to-date solutions. Furthermore, teaming up with expert partners can give you support in integration and maintenance, and potentially deliver functionalities that you could not provide or afford on your own.



Focus on UX to serve different end-user categories

An adequate trading solution service for professional and private investor clients can help boost sales, while increasing order flow. But different end-user categories require different trading solutions. Some may require charts, news and order books. Others may need more sophisticated add-ons such as equity analytics, consensus estimates or an Excel plug-in module to export relevant data. Servicing all these requirements from one platform is a significant effort. To serve different end-user categories, a trading solution needs to be flexible enough to provide the right information as well as the necessary functionality to each user. Customizable front-ends and easy to manage user administration are key to offering a positive user experience.

Users have come to expect quick access to online services for all their needs, and trading is no exception. Furthermore, they want to be able to trade on any device, in a matter of seconds. That means whether mobile, web or desktop application, the trading tool must be secure and stable. And since banking customers have the same expectations on their trading tool as they do for e-commerce, video meetings, or other digital services, the trading solution must be easy to access, and intuitive and easy to use, delivering the best possible user experience. It must meet the needs of customers who only use the trading tool occasionally as well as meeting the needs of active investors. Achieving this balance is tricky.



A trading application is only as good as its integration capabilities

A trading system is never a standalone solution and has to fit into your digital landscape. The capability to integrate easily into the existing system environment should be top priority when choosing a trading application. Key integration points include:

- Integration to brokers
- Integration of market data and reporting tools to meet market data compliance or exchange audits
- Integration between the trading systems and internal systems, where back office is extremely important
- Integration of proprietary content into trading applications
- Integration with user authentication systems

When providing new and improved services to customers, short implementation times and easy integration into existing system landscapes are crucial. Well defined integration interfaces allow you to enhance your solutions in a safe, timely and predictable way.



Content is king – but it has to be the right content

Customers expect simple and rapid access to real-time market data. Many of today's traders are active investors, who expect swift access to analysis tools, charting tools, technical analysis studies, electronic trading, click trading, display of portfolio holding and much more at the click of a button. Banks who cannot offer broad content and functionality to trading intensive clients will soon be left behind. Just as important as what content is provided, is how it is provided. You must consider how you distribute your content (e.g. market data, news, and analytics) in a controlled and cost-effective manner. Additionally, you must comply with regulations and, for example, report the data usage to providers like exchanges or regulators.

So yes, content is king, but equally important is the way in which and to whom it is presented. Customers expect attractively designed, streaming financial market widgets with the content they want that can be customized to suit their needs in an intuitive and appealing package for the optimal end user experience.





There's no compromising on stability and security

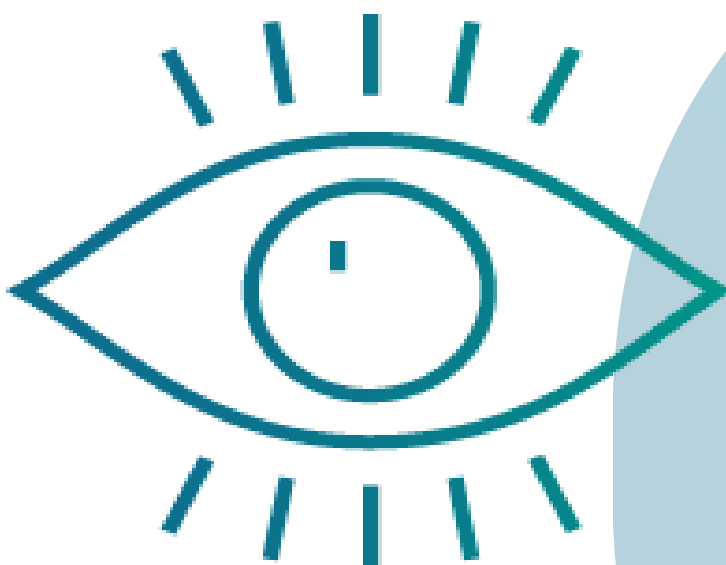
Keeping business-critical systems highly available and stable is of great importance, and is a huge challenge. Trading systems are no exceptions to this. A service interruption may cause not only a short-term headache but more importantly, it may have a long-term negative impact on the company reputation and its brand. In your continuous efforts to provide better and more cost-efficient solutions, you must always consider key issues such as system stability, information security, and compliance.

Building a technical architecture with high scalability and built-in redundancy demands extensive resources. Over time, conditions such as regulations or requirements change. Consequently, new domain knowledge needs to be acquired and new best practices have to be established and documented. With more mature generations of Software-as-a-Service, you need to consider what core business solutions you should focus on and which of your services are better outsourced to specialists.

Your trading solution is a perfect tool to showcase your brand

The company brand is a significant asset. A trading solution can be an important part of the bank's branding. Therefore, it is important to choose a solution with an easily customizable user interface that can be designed to match the bank's brand look and feel. This allows banks to share news, research, market prices and more, and develop tailored direct communication with your customers, all using the bank's brand, thus creating new brand value.

You can no longer rely solely on your face-to-face contacts. The key is intuitive, effective technology that puts your clients in the driver's seat as well as communicates your message and services to your end clients. It's still about trust, but today you build trust by investing and providing modern, easy-to-use technology that's easily accessible to end clients.



Infront trading solutions for every need

Whether you're looking to offer your professional investor clients a premium trading platform or to modernize your online trading offer to thousands of private customers, Infront gives you the tools to do it.

Equip your professional investor clients with premium electronic trading tools, or create a customizable online trading platform for your private customers quickly and flexibly, and get a competitive edge. Infront Investor Solutions are easy to integrate and quick to onboard, so you shorten your time to market, reduce operational risk, and lower your total cost of ownership – all while increasing your order flow.



More about our trading solutions please find here.

About Infront

Financial professionals across Europe and South Africa rely on Infront for flexible financial market solutions. Driven by curiosity, we innovate solutions to help you find the information you're looking for and make more informed decisions – faster, easier, smarter.

We offer a powerful combination of global market data, news, analytics, and trading together with integrated solutions for data feeds, portfolio management and advisory services, and regulatory compliance and calculations.

Our solutions serve 3,600 customers with over 90,000 professional users. With support for your complete workflow, you can manage investment decisions, reduce costs, adapt to fast-changing market requirements, and work more efficiently with ever-increasing amounts of information. Infront is simply the smart alternative.

As European leaders, we know local financial markets and have financial data experts near you. More than 500 employees in 13 countries across Europe and South Africa apply their expertise to meet the challenges of our clients, ensuring they continuously receive the best solutions and services.

Infront

Mainzer Landstrasse 178 – 190
60327 Frankfurt am Main
Germany

infrontfinance.com