

How are Millennials Changing the Face of Trading?

Millennials have been given responsibility for a lot of things (the rise of avocado toast to name but one), but as this group ages and turns to financial products, trading and investing, they are having a clear impact on how brokers need to position themselves.

We spoke to Finalto's Head of European Sales, Paul Groves, to find out how Millennials and older Gen Z are trading, and how brokers can position themselves to tap into that market.

There has been a lot of talk of an increase in Gen Y (millennials) and older Gen Z moving into trading – is this something we/our clients have seen?

As Finalto face only B2B clients this is not something we have generally seen but the Retail broker clients we provide Liquidity, Risk Management and Technology Services to have indicated they are seeing a growth in client procurement from these age groups.

What do you think attracts these consumers to particular trading partners?

I think its two-fold. The corporate image the broker projects and the product base they offer. Brokers that project a young, technology-savvy appearance will always attract the younger audience.

Brokers that have a good understanding of the impact of social media and the ability to use this medium to the best effect whilst still appearing professional will be successful. You will notice that in recent advertising campaigns they focus on products that are relevant to the younger audience ie Tech stocks and Digital assets

How are millennial/Gen z traders different to the typical market audience?

They tend to shy away from the historically traded products like FX and Bullion and focus on 'new' products that in most cases are younger than the client themselves.

Their trading decisions are also motivated for different reasons. There is probably less chart trading now and more copy trading or following or trading on the ideas of social media influencers.

Do you think brokers should be working to attract these consumers?

Yes, these consumers will be their main-stay over the coming years. Markets and consumers mature and change so a broker needs to keep up with this and ensure they are always future proofing their business

How can brokers improve/develop their offering to attract Millennials/Gen Z traders?

Be aware of trends. Be mindful that Green and social issues are important to younger consumers. Ensure you have products that they feel comfortable trading with that reflect their beliefs. Always be prepared to offer the next 'in' product whether that's a Crypto, NFT or a stock.