

FX Providers Turn to Influencers to Keep Clients Happy

The battle for traders' hearts and minds can only intensify in the years ahead.



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This article was written by Eva Diaz, co-founder and Managing Director of Profile Booster.

In the ultra-competitive world of FX and CFD trading, [client retention is getting more challenging each day](#).

Not only are traders becoming more demanding when it comes to platform efficiency and trade execution, they are also looking to their providers for a more well-rounded trading experience.

And as online trading becomes more commoditised and execution focused, platform providers are trying to find ways to keep their clients loyal, happy and actively trading with them.

Traders are switchers

In the [latest FX industry survey](#) in Australia, research firm Investment Trends reported a high percentage of switching activity among FX traders. The survey estimated that 10,000 FX traders left a provider and continued trading elsewhere during the survey period.

This represents 21% of the Australian FX market (up from 19% the previous period), and places Australia third by switching levels, after France (28%) and the UK (26%).

The report pointed out two key factors behind the switching trend:

- Increased trading activity
- More seasoned and demanding client base

The report suggests that the high level of switching activity is likely to continue and accelerate further. Now, depending on which provider you talk to, this could be a threat or an opportunity.

The battle to keep clients

Dr. Irene Guiamatsia, senior analyst at Investment Trends, said: “The clear opportunity for all FX providers is that nearly one in two of those looking to move to a new provider this year does not know who to go with next.”

“And this is where the opportunity lies for those FX providers who are focused on providing not just trade execution but first class client service. They need to have [strong retention strategies](#) in place to avoid losing clients,” Guiamatsia added.

In Australia, a review of the client retention program of some FX providers shows a combination of tactics are being implemented at varying levels.

For example, most FX brokers now provide client education through webinars and platform tutorials. The advent of technology has allowed FX providers to deliver webinars in a much cheaper, faster and more efficient manner compared to holding seminars and conferences.

Regular market analysis from in-house research and analyst teams are also the stock-standard offering from most FX providers. Though the frequency and quality of market analysis may vary from one provider to another, at the very least, traders are getting [regular market analysis](#) and views from their providers instead of spending extra money for research.

Using influencers for client retention

On top of these day-to-day services made available to traders, some FX providers also offer some high-value and at times exclusive events to their clients. There’s no doubt that these events are aimed at attracting new clients as well as keeping existing clients happy.

For example, CMC Markets recently brought [Dr. Marc Faber](#), world-renowned economist, on a multi-city tour of Australia to present and meet with clients.

During his talks, Dr. Faber shared his views and forecasts of different market segments including commodities, currencies (FX), equities, bonds, interest rates and overall trading opportunities in the current global market environment.

While Dr. Faber did not have one-on-one chats with the more than 300 traders in the audience, the fact that he presented to an exclusive group of traders is an experience that the traders will remember, courtesy of their platform provider.

Earlier this year, OANDA took Kathy Lien, a professional FX trader and author, on a multi-city tour in Asia (Hong Kong and Singapore) and Australia where she met and presented to OANDA clients.

Both events attracted large numbers of traders who took advantage of the opportunity to meet and mingle with high-profile market personalities.

And while those personalities did not give actual trading advice or tips, the experience of meeting with them is something of value to traders.

Matt Lewis, Head of CMC Markets Asia Pacific, said: “From our perspective, events such as the Marc Faber event are more than just client retention. Education and trader development is in our DNA as a company and a key part of our overall proposition.”

Trading education comes into focus

Lewis added that CMC is always looking for ways to add value to existing and new clients whether it be from the platform tools, order execution or education both internal and external.

He said: “Tapping Marc Faber is a perfect example of a well-known market expert complementing our existing in-house educators. It’s the 4th time we have brought an international expert to Australia and client feedback has confirmed that we will continue to deliver in this area.”

Stephen Andrews, Managing Director of OANDA Australia, also pointed out the role of trading education to their clients.

“We’re firmly committed to helping our clients on their journey towards becoming successful self-directed traders. We have widened our webinar and tutorial program to ensure that our clients get up-to-the-minute market commentary and market analysis,” Andrews said.

From his perspective, Andrews said OANDA’s trading technology is also one of the key factors that help OANDA retain their clients.

“In the last two years, we have invested heavily in our platform so that we can deliver institutional-grade trade execution. OANDA has a solid track record when it comes to technology and innovation. And as technology continues to improve and deliver efficiencies in the markets, we will continue to deliver cutting-edge technology, which is at the core of our client retention program,” Andrews said.

As markets continue to be volatile and traders continue to be picky with their providers, the battle for traders’ hearts and minds can only intensify. And as FX providers fight for bigger market share, expect to see more aggressive and out-of-the-box client retention programs in the years ahead.