

The customisation conundrum: Are investing apps in need of a personal touch?

Customisation and personalisation have become the norm in many industries, but the same level of service is lacking in the retail investing space. Here, Daniel Gold, CEO and Founder of Stratiphy looks at the issue in more detail and gives his thoughts on what could be next for the broader sector.

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In today's consumer-driven landscape, customisation and personalisation are more important than ever. While many sectors are harnessing these two principles to generate increased customer satisfaction and improved retention rates, others continue to lag behind. Unfortunately, retail investing is one such field. Despite some superficial advancements for individual investors, the finance industry has reserved truly tailored investment strategies for more affluent, high-profile, and corporate customers. Thankfully, there are now signs that this long-standing issue is finally beginning to change.

Whereas personalisation is all about tailoring an experience for the user, customisation is about giving the user control over their experience. A good example of customisation is when purchasing a car you are given countless options to select specific features and trimmings.

Personalisation is perhaps best demonstrated through on-demand TV streaming services, such as Netflix, which tailors its "For You" page to recommend programs that align with your personal preferences.

Wherever they are implemented, solutions that leverage these powerful consumer benefits seem to be delivering results. I believe a lot of this is underpinned by the desire for autonomy. When you shop at a supermarket, you naturally have the freedom to choose your food items individually. Imagine if your local supermarket only offered ten pre-packaged grocery bundles tailored to your specific "lifestyle". That would seem quite absurd. Unfortunately, in the world of retail investing, it's pretty much the norm.

So why does personal finance lack the same level of choice? Many financial companies market their services as something customised, but in reality, they tend to provide a few different options that cater to a broad audience. Considering the vastness of the personal finance market and the rapid advancements brought about by new technology, it is surprising that genuine customisation hasn't fully materialised yet. While there have been some advancements, such as custom indexing, these options remain inaccessible to everyday investors due to their complexity.

Ultimately, everyone has different goals, time horizons, and risk tolerances. Without control over how investments are selected, investors may find themselves in portfolios that are either too conservative, hindering their potential returns, or too aggressive, exposing them to unnecessary risks. A one-size-fits-all approach overlooks the nuanced financial situations and objectives of each individual. What's more, it is a major contributing factor to a growing investment gap between different investor groups. In an era of financial democratisation, investments sadly seem to be progressing far too slowly.

Similarly, although some financial companies have attempted to introduce personalised features, they face significant challenges in terms of the user interface complexity and the bespoke computations required for each individual customer. These factors make it particularly difficult to offer a truly personalised product in the retail investing market. Despite

what many see in the public realm, behind the scenes there is often a frustrating aversion to new technology, which gets in the way of innovation, and in particular prevents the introduction of truly personalised investment solutions for mass audiences.

That is not to say these companies are unable to make positive steps in this direction. More affluent clients already receive tailor-made investment strategies that align with their values, budget, and preferences as standard. This is how banks have approached investing for years. However, this courtesy has never been extended to all retail investors. If we truly want a level playing field in the world of investing, then we need to bridge this gap as a matter of urgency. However, to do so, we may need some new tools at our disposal.

Thankfully, there are emerging solutions that specifically aim to address this lack of customisation and personalisation for retail investors. Businesses innovating in this way help all investors to build investment portfolios that fit their clients' unique needs and characteristics. Crucially, these much-needed solutions are enhancing the ability of retail investors to diversify their investments and manage risk more effectively, which can help in improving performance and stability over time. Simply put, they are helping to break the space out of a period of stasis and improve the investing quality within the mass market.

At *Stratiphy*, we are looking to spearhead groundbreaking advances to address this problem, offering the first truly mass-market approach to sophisticated personalisation within the world of retail investing. Our powerful solution empowers everyday investors to define their own investment preferences and systematically follow professional-grade techniques. We have the backing of industry experts across the banking sector and other relevant fields who have helped to shape the product. Crucially, we maintain a focus on simplicity and accessibility because we believe this approach can benefit a wide range of investors with different

levels of sophistication and experience.

There has never been a more critical time to approach investment with caution and thoughtfulness. Having the opportunity to adopt proper portfolio construction techniques and rigorous risk management practices might not sound exciting, but it should be a priority for all of us. That's why Stratiphy is bringing this suite of powerful yet simple tools to the mass market. We are now offering what we set out to do when we first started this initiative - with the complexity out of sight and an elegant interface, our investment app lets users create AI powered investment strategies that are more customised and personalised than ever before.

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