The Future of Online Trading

**History**

The oldest viable stock exchange is said to have been founded by John Castaing in London in 1968 at a coffee house. The exchange at this time consisted of a small number of local business men, and a short list of stocks and commodities. One hundred shares traded hands in a given day, this was considered to be exceptionally high volume; a far cry from the millions of shares traded daily on exchanges throughout the world. In 1792, sixteen years after America declared independence from Britain in the New York Stock exchange was founded. Originally the well known Wall Street ran alongside a defensive wall constructed by the Dutch in 1653 in a concerted effort to thwart attacks from the British and Native Americans. Since colonial times, the New York Stock Exchange and others have developed rapidly in both size and efficiency. Such improvements are certainly attributable to the advent of technology and the internet which in turn has facilitated the evolution of the online discount broker and provided a greater number of individuals with investment opportunities.

Traditionally investors wanting to buy or sell stocks were required to make a phone call to their broker who in turn would execute the trade on their client’s behalf by routing the order to an exchange. This method of trading securities resulted in significant transactions costs and busy telephone lines, thus making it difficult for both brokers and investors to execute trades in a timely and efficient manner.
Then in May of 1975, the New York Stock Exchange eliminated its fixed commission structure, creating a new niche which came to be what is commonly referred to today as a discount broker. Charles Schwab is one of the best known brokerage firms to capitalize on the opportunity presented by the suspension of the fixed commission structure. Subsequently, in 1983, E*Trade revolutionized the brokerage industry by becoming the first online discount broker. Since 1983, other firms have capitalized on this opportunity as well providing a great number of online discount brokers for investors to select from. Some examples include T.D. Ameritrade, Fidelity, Charles Schwab, Scottrade, Interactive Brokers etc. The advent of the online discount broker has forever altered the landscape of personal finance and has placed greater possibility in the hands of the independent investor.

Historically barriers such as high transaction costs and accessibility limited the investing population to a select group of wealthy business men. The less wealthy were detoured from exploring the world of investing as they were required to incur substantially high costs of entry. It was also incredibly difficult for the independent investor to access valuable, relevant, and timely information on which to base their investment decisions. Much of this information was kept within a select group of financial professionals and the elite making it difficult for the independent investor to gain a competitive advantage and prosper trading stocks and other securities in the early financial markets. Online discount brokers offer both a reduction in transaction costs and an increase in accessibility. The number of independent investors has been growing exponentially due to such increases in accessibility and more affordable commission and fee schedules. This increased accessibility and affordability has also made trading more efficient and lucrative for the professional trader.
Certainly the substantial reduction in commissions and other transaction fees made possible by the elimination of the fixed commission schedule and the advent of the online broker, has made trading stocks more attractive to the average individual. We must also however consider a dramatic increase in the accessibility and recognize its role in influencing the attractiveness of investing as well.

**Evolution of Brokerages**

No longer must investors struggle to connect with their brokers via telephone as a result of busy phone lines. Investors can simply place a variety of very specific trades online via their desktop/laptop computers or even their PDA devices as a result of sophisticated and reliable wireless technology. Investors can place very specific orders instructing their broker to acquire a specified number of shares as a specified price and within a specified period of time. Investors can effortlessly perform transactions at home, work, school or even while having lunch on their mobile device or smart phone.

Online discount brokers as well as other websites such as Yahoo! Finance, provide their clients with access to a plethora of valuable, accurate, and timely financial information and data that when used properly can assist independent investors in making informed and profitable investment decisions. While discount brokers do provide clients with the same level of guidance of a full service broker, they do provide access to a large amount of financial information and data, including reports from ratings agencies such as Standard & Poor’s, technical and chart analysis, as well as industry/sector trends and other pertinent information regarding a specific company’s stock or any other security. Vast amounts of vital and valuable data are now at the investor’s fingertips and readily available for viewing at the investors convenience. The amount
of financial information readily available to anyone is enormous and would have been incomprehensible and unimagined by an investor on the London Stock Exchange in 1968.

Seeing as investors no longer must interact directly with brokers it is logical to assume that the broker could potentially in theory be eliminated from the equation, and the investor permitted to route their orders directly to an exchange for the transaction to be executed. In reality this is not currently possible due to legislation which permits only registered stock brokers to buy or sell shares on exchanges they are registered with. For now the role of the traditional stock broker remains the same for those providing full brokerage services, however discount brokers could feasibly be removed as middlemen should investors someday be permitted to interact directly with exchanges to buy and sell securities. Such modification of the existing structure could further reduce the costs of trading by reducing commissions entirely and thus increasing affordability to a greater number of individuals.

Information systems and supporting technology are evolving at an alarming rate. In today’s competitive business environment it is those who are most successful at innovation and the introduction of cutting edge technology and ideas that prosper. The world’s youth are successively being exposed to more sophisticated technologies and it is fair to state that the young business professionals of tomorrow will be the first to take full advantage of the evolution of the online discount broker as they are a relatively new phenomenon. This being said, young up and coming business professionals and others seeking to be independent investors will be pivotal in influencing the evolution of brokerage services and supporting technologies.

An interesting concept in discussing the evolution of the online discount broker is the potential or perhaps untapped business opportunity, to incorporate aspects of social networking
with the online discount broker in an effort to increase interest and further the knowledge of investors or those seeking to begin investing. Such resources could be utilized by interested young adults to decode the seemingly complex world of finance and markets through the sharing of information and other educational forums. A great number of networking possibilities is created and friends able to quickly share valuable research and information without having to take the time to place phone calls. This also enables independent investors to work cooperatively and gain a competitive advantage in a financial world in which large fund managers and institutional investors reign supreme.

**Online Brokerages**

As mobile technology improves and evolves, more investors will utilize smart phones and PDAs to trade. E*Trade is currently the online discount broker who is most aggressive in advertising and developing PDA and smart phone compatible software which allows their clients to trade on the go without the use of laptops. The software known as E*Trade Mobile Pro, allows investors to monitor their investments conveniently and frequently, and enables investors to exit or enter positions anywhere to take advantage of substantial stock moves as a result of either favorable or unfavorable news. The ability to trade on a mobile handheld device certainly provides users with a competitive advantage and the ability to fully capitalize on opportunities thus maximizing gains and minimizing losses. This technology will certainly be enhanced and developed further by E*Trade as well as other discount brokers as mobile technology becomes more sophisticated and as a larger majority of the population begins to fully utilize the capabilities of smart phones. The possibility also exists for collaboration between smart phone makers and online discount brokers as well as their clients in a concerted effort to develop and
market a device which will provide traders with the greatest satisfaction by enhancing their “on-the-go” trading capabilities.

Thanks to the advancement of technology there are numerous discount on-line brokerage firms available. The different brokerages each have a specific niche and appeal to all investors differently. However, if we were to discuss each brokerage in detail we would have written an encyclopedia by the end of this project, so for the purposes of being concise, the following paper will analyze the three largest and most well known discount on-line brokerage firms.

**T.D Ameritrade**

T.D Ameritrade is an On-Line discount broker with internationally presence and over six million United States based customers. T.D Ameritrade is owned by T.D Ameritrade Holdings Corporation based out of Omaha, Nebraska. The company is commandeered by chief executive officer Fred Tomczyk and Chairman Joe Moglia. The company employs 3,947 people and has reported revenues exceeding $2.6 billion and has net income exceeding $645 million. T.D Ameritrade was founded in 1971 and was then known as First Omaha Securities Inc., the company his since undergone several mergers to expand to its current size. T.D Ameritrade gained the respect of the public eye in 1996 when it unveiled it first on-line investing system called Accutrade for Windows. After the successful launch of its internet based investing platform the company went public in 1997 for an initial public offering price of about $15 per share.

T.D Ameritrade now focuses the majority of its business on its online discount brokerage which can be accessed from [http://www.ameritrade.com](http://www.ameritrade.com). The online service empowers its users to manage their own portfolios at the click of a button. Their on-line platform has evolved
drastically from the first version of Accutrade for Windows and does not even require you to
download any specific software. T.D Ameritrade’s investing platform can be used from any
remote locations and just requires a username and password.

Users of Ameritrade’s on-line brokerage have the power to invest in common and
preferred stocks, ETFs, option trades, mutual funds, fixed income and can also utilize services
such as margin lending, and cash management services.

Commission Schedule and Fees

Equity Trades (Stocks and ETF’s): Flat $9.99, no volume minimum or maximum

Mutual Funds: $0.00 for no transaction fee funds and $49.99 for all other funds

Options: Depends on contract volume, Ranges from $38.99 to $49.99

Margin: 7.75% + or – 1.50% depending on account balance

E-Trade Securities, LLC

E-Trade Securities LLC is owned by E-Trade Financial Corporation and was founded in
1991 in Palo Alto, California. E-Traded primary business is their discount on-line brokerage but
the company also has a bank holding division which has FDIC insured checking, saving,
certificate of deposit, and money market accounts. The company is currently headed by CEO
Donald Layton and has its corporate headquarters in Manhattan, New York. E-Trade currently
has 3,249 employees. The company’s latest financial statements showed it had $3.13 billion in
revenue and recorded net income topping $500 million. The founder William Porter started E-
Trade Securities with a few hundred thousand dollar venture capital donation from his then
current employer, Pico Trade Inc. E-Trade has revolutionized in-line brokerage firm by creating
a very user friendly and helpful trading platform. E-Trade is very popular amongst new investors
because it provides you with an abundance of tutorials and user friendly pop-ups when you begin trading. E-Trades although simple platform is the most favored in the industry due its versatility and ability to do anything you can imagine before you make your trade. Their website includes free real time news updates, real time company earnings announcements and the ability to listen to shareholder meetings through pod casts right on their web interface. E-trade is also well known for their marketing campaigns which continually reminds you that they are “opening over 1000 new accounts per day”. Users of E-Trades platform can easily access it remotely from any computer on their website http://www.etrade.com. Another unique feature about E-Trade’s on-line brokerage is that it allows you to download a proprietary software called “MarketCaster”, this program allows you to receive NASDAQ level II quotes, which are real time quotes seen just as if you were on the floor at the exchange yourself.

Commission Schedule and Fees

Equity Trades (Stocks and ETF’s): $7.99- $12.99, no volume minimum or maximum
Mutual Funds: $0.00 for no transaction fee funds and $49.99 for all other funds
Options: $.75 per contract
Margin: 6.99% + or – 3.50% depending on account balance

Scottrade

Scottrade is a privately owned discount on-line brokerage firm. The company was founded in Scottsdale, Arizona but is currently headquartered in St. Louis, Missouri. The founder and currently active CEO is Rodger Riney. Scottrade is an evolutionary company and is regarded for having the lowest transaction costs in the industry and prides itself on having a fixed $7.00 per trade commission. Unlike many other on-line brokerage firms Scottrade is privately owned, but don’t let that fool you into thinking it is by any means a small company. Scottrade currently
employees over 2,500 people and recently reported revenues of $1.03 billion. Scottrade differs significantly from E-Trade and T.D Ameritrade in its business model because although its product line is focused on its online brokerage service it also has 483 retail locations to assist its national customer base. Scottrade is favored by investors with intermediate to advanced knowledge of trading because its $7.00 trades allow active traders to buy and sell continuously without having a large fixed cost affect their bottom line profits. Scottrade’s interactive on-line investing platform allows individuals to place trades in over 40 world markets and trade securities and derivatives of all natures.

**Commission Schedule & Fees**

Equities (Stocks & ETF’s): $7.00, no minimum or maximum  
Option Contracts: $7.00 plus $1.25 per contract  
Margin: 8.00% + or – 2.50% depending on account balance  
Mutual Funds: $17.00 per trade

**Information Systems in Online Brokerage Industry**

The discount online brokerage industry is only viable because of the great technological advances we have been able to accomplish in recent history. As noticed all online brokerages vary in the way they operate for the end user but in the background they all have several common similarities when it comes to the technology that fuels this powerful industry. In order for online brokers to exist the company needs to have a large team of programmers and content design web developers, highly sophisticated hardware, state of the art security, referential databases, and bug free software to run complex algorithms and denote millions of trades to the correct exchanges.
Programmers are the heart of an online broker because it is their duty to write thousands of lines of code, which tells the computer what to do and when to do it. Programmers have no room for error when it comes to third party financial information and it is their responsibility to ensure that the program written is able to execute a trade almost immediately in order to insure the stock position is opened or closed at the correct price. This part of the business operation is quite difficult because managers need to strategically manage which programmer is responsible for what task and needs to mandate deadlines for new code to be submitted and actually deployed for use.

The hardware component of an online brokerage is essential for efficient operation. An on-line broker needs to employ state of the art equipment to insure no customer data is lost. The hardware used for an online broker includes:

- Multiple servers utilizing redundancy to insure backup’s
- Enormous amount of Raid hard drives with swap capability in the case one goes awry
- High speed broadband internet connection with high load variance
- Hardware firewalls to protect customer data
- Computers with quad processor capability for fast data processing

The software used by an online brokerage is proprietary and complex. The software is not off the shelf and needs to be custom designed by a team of programmers. This necessary component is very complicated because there are so many transactions that need to be recorded and not one can be missed. Online brokers need to have software in place which can gather information from the exchanges real time and provide customers with NASDAQ Level II quotes. Some of the software on-line brokers use is licensed directly from the exchanges in exchange for
a large fee, which is why brokers charge a commission to off-set their high fixed cost. Also, many brokers provide their customers with software which can be downloaded to their computer to make trading more interactive, this software processing a lot of data in a very short amount of time and demands for the coding to be impeccable in order to deter any system bugs or imperfections.

On-line security is a key concern of all people who conduct business on-line and is especially essential to people who perform financial transaction over an internet connection. Many of today’s leading online brokerages emphasize their website is safe and secure and this requires an immense investment into security features. Some popular actions which on-line brokerage’s do today include having SSL encrypted websites, providing customers with tokens which change their password periodically and employ a large array of firewalls. SSL encryption stands for secured sockets layer. This technology segments network connections so hackers cannot obtain your IP address or view a webpage you were previously on without having your username and password. Another popular security measure online brokerages are starting to implement is to give customers an electronic security token which connects wirelessly to a database and scrambles every so often a portion of your username or password. This token is similar to having an RFID tag but without being in a specific vicinity.

**What’s missing?**

One critical component that many investors seem to find current online brokerages lacking is the ability for users to network with others. It is human nature to want to connect and “belong” to a group. We are social creatures. Therefore, it only seems logical that giving people the ability to network with others will always be successful, in any setting. Granted, there are always concerns about the context in which the networking is taking place, but generally
speaking, it is safe to say people always want to feel “connected.” A recent online phenomenon has paved the way for sites such as the aforementioned online brokerages to add these networking capabilities to their own sites to not only increase their traffic and thus revenue, but to improve the overall experience of all of their visitors.

Social Networking

In 1997, a website was created that would eventually lead the way for this online revolution known as social networking. The first “social networking site” (SNS) was www.sixdegrees.com. The technology and concepts Sixdegrees.com incorporated into their website was not in itself revolutionary. It was the combination of already existing ideas that created the first social networking site. A social networking site is defined as having 3 components. These rules are that a site must give the user the ability to: “1) construct a public or semi-public profile within a bounded system, (2) articulate a list of other users with whom they share a connection, and (3) view and traverse their list of connections and those made by others within the system.” Many websites and programs already allowed users to create personal profiles and to view a list of their connections. However, many sites lacked part of the third rule. They didn’t allow users to view connections made by others within the system. Instant messengers, for example, allowed users to create a profile and add “friends” with whom they could exchange messages.

Now, a decade later, there are hundreds of social networking sites, each as unique and distinct as the millions of members that visit these sites every day. There are SNSs for just about every imaginable interest, occupation, and hobby. Many of these sites are created by those looking to fill a niche; however some are pretty generic and are created solely to generate ad
revenue. Some of the biggest players include: Facebook, Myspace, Twitter, Hi5, LinkedIn, and Flickr, to name a few. The hits for these websites number in the millions every day!

In addition to the three abovementioned rules, there are many commonalities that social networking sites share. Most SNS allow their users to upload and share photos, initiate relationships or “friendships” with other members, and some form of messaging. Some SNS actually focus on photo sharing, however most simply allow the user to upload photos and send them to friends or post them to their profile so they can be commented on. The relationship initiation consists of two users agreeing to form a connection. Generally, this is done by one user finding the profile of an individual he/she wants to be “friends” with. Users can find other profiles by searching directly for the individual’s name or by simply browsing through a list of profiles by city, state, or all available profiles. Then the user sends a request to the profile he or she wants to befriend and awaits a response. If the user of the profile receiving the response says yes, then a relationship is initiated. This simply means that the two individuals can see what the other is doing and their “friendship” will be available for all to see.

The messaging function on SNS can range from a direct private message to a public comment on a person’s “wall.” Some websites even have instant messaging functions on their websites. The messaging function is important because this is the part of SNS that allows users to communicate with one another. It is this function that separates SNS from the majority of websites on the internet. It is also what contributes to the feeling of connectivity that users experience on SNS. Being able to let friends know what you are doing and in return, to know what they are doing offers immense appeal to people of all ages. In addition, people feel a sense of worthiness and belonging when they log onto their accounts and see that they have several messages. These messages make people feel “loved.”
Evolution of Social Networking

The significance of the popularity of social networking websites has several implications for online businesses. First, it tells them that the standard business model of online businesses may already be obsolete. Rather than an information type website that has no user functionality, businesses should try to incorporate the customers into the website as much as possible. Even a chat room could accomplish this. Also, businesses need to recognize that as long as they are not doing anything they’re not supposed to, it is to their advantage that their customers talk to one another and share information. In the example of online brokerages, if Scottrade for example really wanted to increase the number of users of their website, they would take a good hard look at successful social networking sites and try to find some common ground.

Most investors want to learn and share information with other investors. In fact, that’s the only way investors make money. Investors buy and sell stock from information they gain about a company from other investors or directly from the company’s financial statements. Imagine how much more knowledgeable investors could be if they all pooled their knowledge together into one source. Any investor at any time could log onto the website, either browse the message boards, message his friends to ask a question, or enter a chat room to gain some information about any company and their stock. Unfortunately, the way the information about publicly traded companies exists today is in scattered clumps throughout periodicals and some message boards. Websites like Yahoo Finance or Google Finance try to pool information from various sources, but what they lack is the critical component of user input.

Another important, yet often overlooked component of websites is user trust. This means that the users who use the website feel comfortable disclosing their information to the website and are reasonably assured that their information is safe from either intentional or unintentional
misuse. The element of trust is especially important for websites which require financial information, such as bank accounts, social security numbers, identification numbers, etc.

Companies like Scottrade and E*Trade have gone to great lengths to ensure that their security systems are top of the line and constantly monitor their systems for problems. It’s easy to trust an online brokerage like Scottrade because they have been around for a few years and their sole business objective is to assist their customers in the trading of stocks. However, if Scottrade were to change their focus, users would be less trustworthy and thus, less inclined to share their information. Imagine McDonald’s creating an online trading platform on their website. How many users would trust a fast food restaurant with private financial information? Therefore, if a company wanted to combine two or more business objectives, they must be careful to not overlook the importance of retaining their business identity.

**Drawbacks**

Of course, as with any business endeavor, there will be complications. Some problems can’t even be foreseen at this point, some however are more obvious. Online security is a perfect example of something that most people can foresee having problems with, yet are unaware of the specific issues that may arise. In order to understand how we can detect future issues and stop any problems before they arise, it is important to have a general understanding of online security.

Online security is a key concern of all people who conduct business on-line and is especially essential to people who perform financial transactions over an internet connection. Many of today’s leading online brokerage’s emphasize their website is safe and secure and this requires an immense investment into security features. Some popular methods online brokerages currently utilize include having SSL encrypted websites, providing customers with tokens which
change their password periodically and employing a large array of firewalls. SSL encryption stands for secured sockets layer. This technology segments network connections so hackers cannot obtain your IP address or view a webpage you were previously on without having your username and password. Another popular security measure on-line brokerages are starting to implement is to give customers an electronic security token which connects wirelessly to a database and scrambles every so often a portion of your username or password. This token is similar to having an RFID tag but without being in a specific vicinity.

Security is a significant concern for stock trading online. The wide range use of the social investment site can expose users to security vulnerabilities that many active users may not be aware of. Many online social -Investment Companies encouraged their members upload personal photos, and share investment information with others. User information posted online could be used for identity crime. The most important and challenging task for online brokerages is to provide a friendly and safely platform to serve their investors’ financial transactions. Although many online brokerages use high –end encryption to transmit data, there is still no perfect tool to prevent cyber crime. Traditionally, if a financial organization suspect’s fraud, they can easily place a hold on this transaction and freeze the criminal’s account.

However, security is not simple for online stock trading. Online stock transactions involve real-time, and no online stock firm has the ability to monitor each transaction and detect fraud in real time. Technically, a cyber criminal makes a transaction and uses fraud techniques to drive stock prices up and down, which causes the firm and other investors to lose millions of dollars in the process. These attacks appear by stealing investor passwords and accessing the victims account on an online trading firm. For example, a hacker can gain huge profit by buying or selling stocks on a victims’ account, which they never authorized (Porter John). It is important
for online trading firms to implement safeguards to help protect investor online stock trading account information.

On the other hand, investors need to pay attention and make sure the security measures are operating while they make a transaction. Although the responsibility lies with the brokerage, everyone should exercise due care when performing financial transactions on the internet. In addition, many online trading websites provide message boards and brokerage blogs, where anonymous posters can discuss their favorite stocks. It is nearly impossible to know if the posters are being honest. Besides, investors must be familiar with the online trading platform before they enter the market because online trading involves real-time and ultimately, their own decisions are the only ones that determine whether they win or lose. Users of stock trading SNS must be aware that the opinions of other are merely that…opinions.

Another concern is that their members must be willing to share their trading with others. The idea of course is that the users will not only rely on their broker’s suggestion, but also consult with their friends and other stocks holders to make investment decisions. Theoretically, that seems like a logical statement. The reality, however, is that few people want to expose their trading activity and account balances to the public. The truth is that online trading is a double-edged sword and traders can become too aggressive. The advantage of online trading is that users get more access and more trading tools. However, the downside is that investors may not be willing to divulge such personal information and that online brokerages may not have been meant to perform social networking functions.
Merging Social Networking and Online Brokerages

Obviously, many online trading companies believe that it is a great idea to combine social network and financial features on one place. Unlike giant online trading companies, such as Scottrade.com and E* Trade.com only advertised their business on Facebook and Twitter to increase young investors’ awareness. Stockpickr.com was the first web site to combine social networking with stock investing. The company was created by TheStreet.com, and A.R Media. Stockpickr allowed its members to compare their portfolios to others in the network, scan portfolios for investment ideas and open a dialogue with like-minded investors in a secure environment. This new strategic relationship will allow both companies to bring more investment ideas to their readers by increasing the number of channels through which content can be accessed. James Altucher, the CEO of Stockpickr, said “it turned out to be even a stronger platform for investing knowledge once we opened it up to a community of active investors”(The street.com).

Other small online trading companies such as Cake Financial and Zecco.com and TradeKing.com, went further, made social-investing site a cornerstone of their platform with collaborative Web 2.0 capabilities. Even though their website concept may differ slightly, TradeKing, Zecco active users have seen a steady increase. For example, Zecco announced that they have opened over 70,000 brokerage accounts and added over 115,000 community members. Zecco allowed investor tracking of stock performance and share investment with their friends before making a buy or sell decision. Nevertheless, the blog feature allowed users to provide advices and ask for advices from their network community. Cake Financial had special security features to protect investor information (CrunchBase.com). For instance, to prevent hackers from stealing passwords, users can choose anonymous usernames while comparing and sharing
investment performance without disclosing their real names. Correspondingly, TradeKing promised that they will review every blog entry and remove harmful comments. Gabriel Dalporto, Zecco's chief strategy officer emphasized that while the Dow Jones Industrial Average is down over the past year, many of our members are up 30 percent, 40 percent, or more (Bogoslaw, David).

**Suggestions**

That being said, it seems obvious that the advantages to merging the two businesses outweigh the disadvantages. Social networks are gaining a lot of ground in today’s society because they allow for the quick transmission of important information. If an on-line broker empowers its users to have a social network on its site it would give individuals the ability to seek investment advice and ideas on future investments in addition to offering them the sense of “connectivity” and “belonging” that people can only attain through SNS. This would benefit the brokers business because people would spend more time on their website, make more securities trades, and in turn generate more profits for the online brokerage.

As the discount on-line brokerage industry expands we recommend they implement a social network aspect to their trading platform. Social networks are gaining a lot of ground in today’s society because they allow for the quick transmission of important information. If an on-line broker empowers its users to have a social network on its site it would give individual’s the ability to seek investment advice and ideas on future investments. This would benefit the brokers business because people would spend more time on their website, make more securities trades and in turn generate more profits to the on-line brokerage.
Although there are websites already seeking to do what we propose, there appear to be many shortcomings of the sites currently available. Either they lack the full functionality of most social networking sites or they lack the full range of options available to users of online brokerages. Either way, we have yet to see something hit the nail on the head. However, it certainly is promising that they are doing well and continue to see increased site traffic. Perhaps, as we have proposed, if a website could find a way to evenly incorporate both concepts it would be a surefire success. After all, for those that trade stocks, a reliable discount online broker is a must, but that doesn’t mean they have to sacrifice the enjoyment of social networking sites. One might even go so far to say that if the SNS functions of the brokerage site were implemented well enough, it might even attract people who don’t trade stocks, but want to check out the site anyway.

In the end, the point is to draw in as much traffic as possible, even if it means creating an interest that didn’t already exist. So, even though there are some drawbacks to the social-investment sites currently available, we feel these shortcomings can be eliminated by implementing the suggestions we’ve discussed. Our goal is to create an opportunity for future trading and provide a site that is functional, practical, and fun to use for current and future customers.
Bibliography


