

User-friendly technology - Key to overcoming barriers in Retail FX



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With the world's financial markets still engulfed in the global economic crisis, the appeal of the forex market has never been greater. In addition to the major advantages of 24 hour activity and virtually limitless liquidity, forex is a market that continues to provide significant speculation opportunities while other markets are struggling to maintain stability. These advantages are apparent and thus raise the question: why aren't more people trading forex?

Logically, there can only be two reasons: either people are unaware of the forex market, or they are deterred from trading in it. Judging from the amount of exposure given to forex today on the internet alone, the first option is likely out of the question. Online forex brokers and affiliates have done a marvelous job of making sure that no page online goes without at least one banner ad advertising one forex provider or another. Therefore, we can conclude that there are aspects of forex trading as most know it today, that discourage people from participating in it.

FX survey

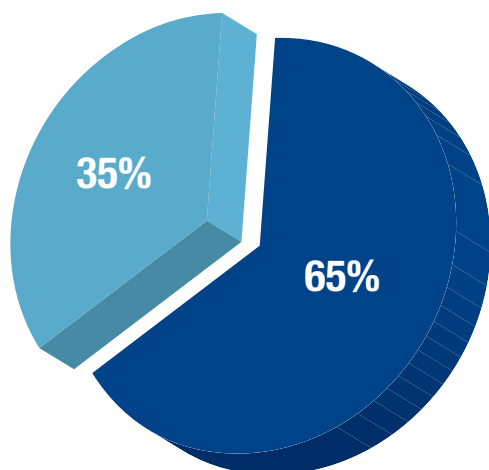
Shedding some light on what these deterring factors actually are, Chicago market researcher Synovate,

together with the leading online forex technology provider eToro, have conducted an impartial survey among 1000 online consumers asking the question: "What, in your opinion, is the greatest obstacle for consumers to begin trading foreign currency online?" One of the key findings of the survey is that 75% of the survey participants agreed that the online technology's lack of user-friendliness is the single most significant obstacle to joining the ranks of forex traders worldwide. Among the 75% that cited usability as an obstacle, nearly 40% said that they perceived forex to be too complicated, one in four consumers admitted to a difficulty in reading the technical charts and graphs on a typical forex trading platform, and one in six consumers claimed that forex trading is "too boring" to get involved with.

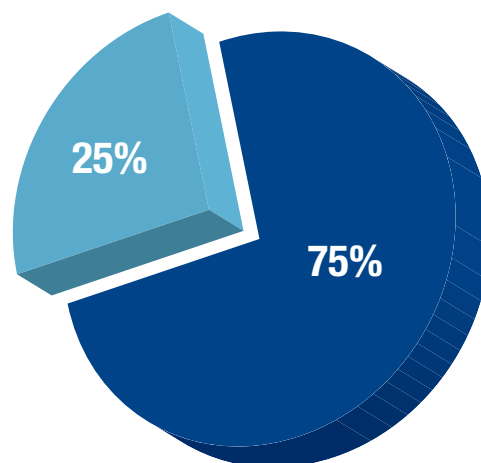
These findings may come as a shock to experienced foreign currency traders who would protest that forex is anything but "boring" and that with a relatively narrow selection of trading instruments the forex market is decidedly less complicated than any other financial market out there. If there is one clear conclusion that we can draw from the gap between

the findings of the Synovate/eToro survey and the reality as we know it, it is that presentation is key.

The overwhelming statistics of the survey are a loud and clear wakeup call to all forex brokers and technology providers out there: if you hope to attract new clients your forex trading platform, the platform must be user-friendly. Indeed, if you look at most trading platforms out there through the eyes of a



65 percent perceive the cost of starting forex trading to be out of their reach.



75 percent of total respondents claimed forex trading will be too complicated and/or uninteresting to understand.

novice trader you will see nothing but a scary and dark jungle of data, numbers and lines piled up one on top of the other desperately attempting to squeeze in as much information as possible per square millimeter. This may be useful to the handful of seasoned traders who are ready to spend hours of their time going through the numbers with a magnifying glass, but for the overwhelming majority of inexperienced or novice customers this display signifies “too complicated”, “boring” and “not for me”.

Apparently, what the public desires is a different approach to forex trading, one that’s focused on the user experience rather than on the abundance of data. Forex trading is exciting stuff that can be learned relatively easily. Forex trading platforms need to start putting an emphasis on these points. This does not imply that forex platforms should give up professionalism in favor of presentation; there are certainly numerous ways of eliminating presentational obstacles without eliminating valuable information.

Clarity and magnification of data presentation

A lot of these obstacles of presentation are only a matter of size. For some unknown reason, developers of forex trading technologies have always assumed that all forex charts, rates and indicators need to be squeezed in on one trading screen, making the data so

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small that it is almost illegible. This is a classic example of ignoring the usability factor of the platform in favor of making it appear more professional due to its abundance of data. Clearly, the presentation of this data would become much more user friendly if the data was split into different screens where it could be magnified for the user’s convenience.

The separate screens make it easier for any trader, whether a novice or a seasoned forex expert, to monitor the market’s activity, to keep track of their trades and to have simultaneous access to more charts and other useful analysis tools. This suggestion may seem trivial, but the fact remains that this manner of presenting data is far from being common practice among online brokers today.

Simpler user interfaces

The above suggestion is useful in making the technology's appearance more user-friendly; however, it is mostly applicable to traders who can already make sense of a technical chart. What about those first time users who haven't the slightest clue about how forex trading is done? Here we encounter a problem of comprehension, because unless properly demonstrated and explained, the mechanics of setting up a trade will remain a mystery to the first time trader and will most likely drive him away by seeming too "complicated".

There are several tried and proven ways to overcome this obstacle that still aren't widespread in the industry. Once again, the core of the problem is the size of the interface: the user needs to be able to make out clearly what the function of each button is. It also helps to arrange the buttons in a logical sequence so that the trade is set up step by step, from choosing the currency pair to selecting the leverage and on to more advanced decisions such as trade orders. In many cases a good solution may be to simply file the more advanced options such as trade orders and rollover options in an advanced tab.

The goal is that the novice trader is presented with the most basic choices for setting up trades in a clear and simple way, while the advanced trader can still utilize advanced trading options.

Never underestimate the value of tool tips. It is a tried and proven method of explaining the function of each interface detail without having the user read a long, tedious manual. Tool tips must sum up the function of each utility briefly and clearly, thus sparing the user the preparation for trading by studying texts, which to many novice users' would appear "boring".

Engaging look

Unlike most other online user technologies, forex platforms have often been, for a lack of a better word, neglectful of the way the platform generally looks. When it comes to trading technologies there is usually no evident attempt at making the platform look even the least bit exciting. This oversight can be witnessed in the form of drab colors, old fashioned design or, in most cases, a complete lack thereof. Once again the root of the problem lies in a focus on data accuracy and abundance at the expense of presentation.

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It is of utmost urgency that forex providers realize that their platform is the face they're putting on the forex market for the user to see. A boring looking platform in the mind of the novice user translates to the forex market being boring, leading them to abandon not only the specific platform -but the entire idea of trading forex in general. On the other hand, a platform with a modern design, exciting colors and eye catching graphics translates to forex trading being exciting and worth trying. After all, user-friendliness is mainly a question of design.

Trade Visualization

Several forex trading platforms are already trying ground-breaking visual strategies that are drawing

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novice crowds to their sites. These forex providers have wisely assumed that the basic mechanics of forex trading are not difficult to master. Although reading a short manual explaining the basic concepts of forex would be sufficient for most novice traders, most people don't have the patience to do even that. Their solution was to invent technologies that would visually demonstrate the way the forex market works while the user is trading.

This approach is more revolutionary than it sounds, simply because it is based on the assumption that the Retail FX market is composed mostly of novices and relatively only a handful of pros. For this reason, these forex providers went to the trouble of inventing brand new technologies for accommodating the novice traders rather than focusing on the professionals. One of the finest examples of such an

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approach is the technique of trade visualization which utilizes engaging and often amusing graphics to demonstrate the progress of the trader's positions in the market. These playful animations may seem superfluous to the pros, but they are an excellent way for novices to learn the basic ins and outs of trading. A great way of integrating visualizations into forex trading platforms without scaring off the pros is to simply make them optional. This way, new traders can integrate more easily into forex trading, and then smoothly take off their training wheels without having to switch trading platforms.

Web 2.0 capacities

Whether they like it or not, online forex trading providers are a part of the vast internet community and broad changes in the fabric of the internet necessarily affect online forex trading as well. There's no escaping the major shifts that the web 2.0 movement has made in the online world. Community and user-generated content have long become pillars of online activity, and yet there are very few online forex providers out there who have made sure to utilize these elements in their technology. Simple

additions like trader chat rooms and interactive forums can bring traders a much lacking sense of community and make them feel more at home at any trading platform.

For novice traders this is yet another opportunity to learn in a fun and interactive way, this time from their own peers in the business. Similarly, just seeing that a platform has an active community around it can bring with it a sense of security and comfort that may help overcome the barrier of the "complexity" of forex trading.

To sum up...

The retail forex market today is brimming with potential traders that are being turned away from forex due to obstacles that are mainly cosmetic, and as such can be easily removed by forex providers performing bits of cosmetic surgery on their online trading technologies. It is this author's opinion that any forex provider that invests in the user-friendliness of their platform will shortly reap rewards that they previously couldn't imagine. It would be to the immense benefit of both the forex provider and the potential forex trader if forex technologies dare to step out of the past and tackle the present obstacles in order to shape the future of the retail forex market.



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