



Increasing Trade Activity with Recognia Market Newsletters

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Contact:

sales@recognia.com

1-866-765-6842

www.recognia.com

INTRODUCTION

A Chief Marketing Officer from a North American brokerage, catering to self-directed investors wanted to demonstrate that marketing could indeed change trading behaviour. The goal they set for themselves was just that – definitively prove that the right independent investment research, in the right format, could positively change the trading behavior of those receiving the content.

The strategy was to deploy Recognia's Market Newsletter to stimulate trading activity. Recognia's Market Newsletter provides daily actionable trade ideas to account holders and is emailed to recipients each evening so they can decide, in advance, which trade ideas are best suited for them. The content is based upon chart patterns identified by Recognia's proprietary algorithms. All Technical Event™ opportunities in the newsletter can be clicked through for a full in-depth story of that particular pattern and its meaning.

Recognia's actionable investment content and the simple email newsletter format provided an easy method to launch an A/B test campaign (a comparison of a control group and a test group with similar characteristics). Key performance goals were set and the A/B test campaign would run over a three month period to see whether Recognia's Newsletter would in fact increase the trading activity of the recipients. At the conclusion of the three month period all data was collected for a post trial analysis of key performance indicators.

CLEARLY IDENTIFIED GOALS

In advance of the campaign key performance goals were set with three areas in mind; opt-in rates (how many chose to receive the newsletter), correlation of trades to the actual securities shown and an increase in incremental trades over the campaign versus control group. Where possible, specific target numbers were set so there was no ambiguity as to the measure of success.

The following were the targets set:

1. Subscription base target
 - Goal: 7% of all clients opt-in to receive the daily Recognia Market Newsletter
2. Trades correlation target
 - Goal: A positive correlation between Recognia featured securities and trades made by the subscribers to the Market Newsletter
3. Incremental trades target
 - Goal: An increase of one incremental trade, per client, per month over the entire test group, versus the control group.

The two groups would be similar in trading style.

KEY PERFORMANCE GOAL 1: SUBSCRIPTION TO MAKRET NEWSLETTER

It was decided that the “test” group would be an opt-in group, meaning the account-holders signed up to receive the content.

Target: 9% of clients opt-in to receive the daily Recognia Market Newsletter.

Result: The result after minimal marketing (two email invitations, social media and website notices) was a 17% opt-in rate, or 183% of target.

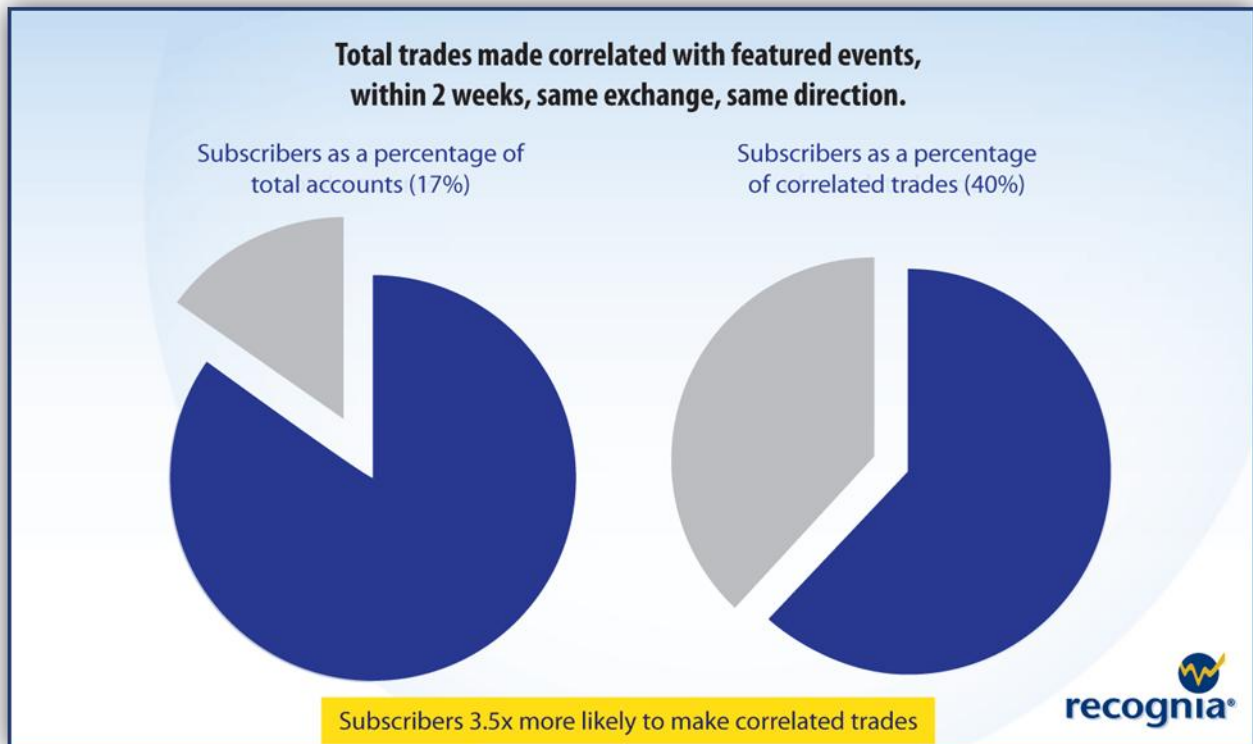


KEY PERFORMANCE GOAL 2: TRADES CORRELATION TARGET

The second key performance goal was to determine correlation between trades being made and the featured securities in the newsletter. Recognia Market Newsletter subscribers would be compared to all the equity clients’ trades. A correlated trade was defined as having traded a security that was featured in the newsletter, trading that security on the same exchange in the same direction (long or short) within two weeks.

Target: A positive correlation between featured securities and trades made by subscribers to the Recognia Market Newsletter

Result: A strong correlation. Recipients of the Recognia Market Newsletter (test group) were 3.5 times more likely to trade the securities featured in the Market Newsletter, than those not receiving the Newsletter (control group).

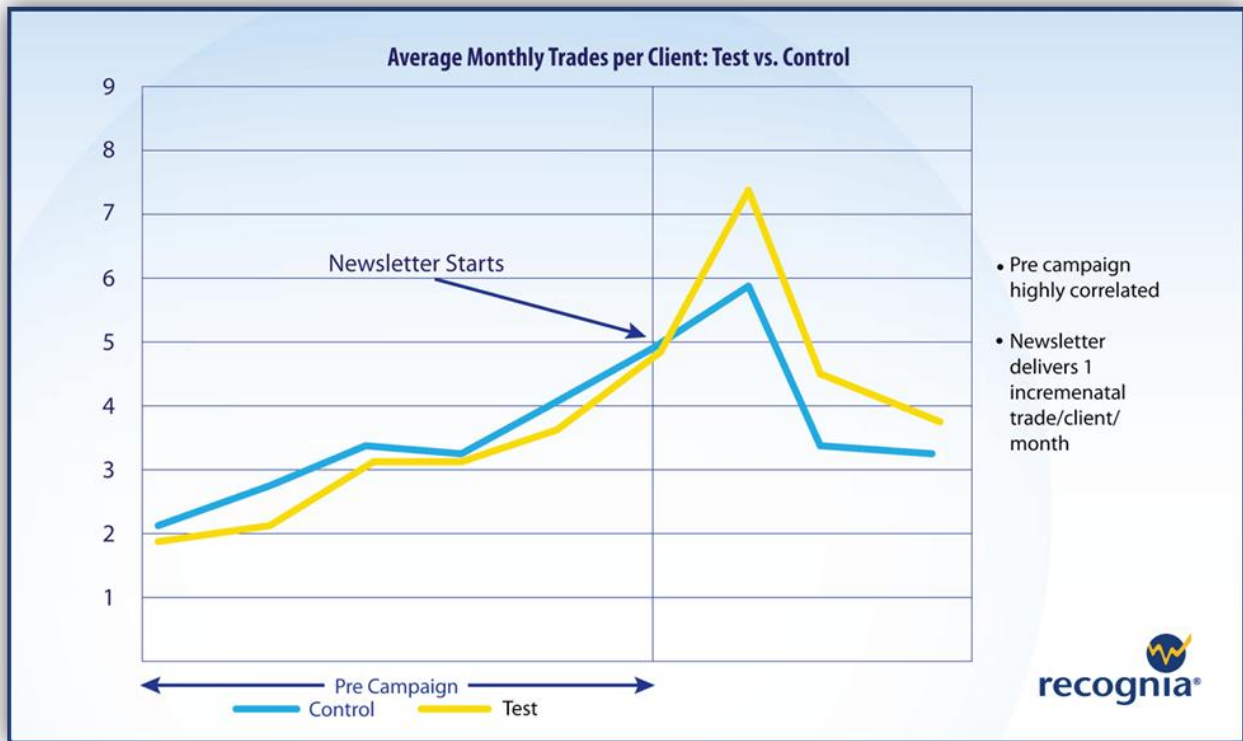


KEY PERFORMANCE GOAL 3: INCREASE OF ONE INCREMENTAL TRADE

The third key performance goal was to determine if the Recognia Market Newsletter increased trading. The methodology was to compare the total trades of the test group versus the total trades of the control group. The two groups compared had consistent trading behavior prior to starting the campaign. The groups were selected such that prior to receiving the Market Newsletter, they had the same trading history and same distribution of trading activity. To ensure results were not skewed, three groups were excluded from both the test and control groups, these were; new clients, extreme traders and erratic traders.

Target: An increase of one incremental trade, per client, per month within the test group, versus the control group.

Result: The results identified an increase of one more trade per month per client for the test group.



CONCLUSION

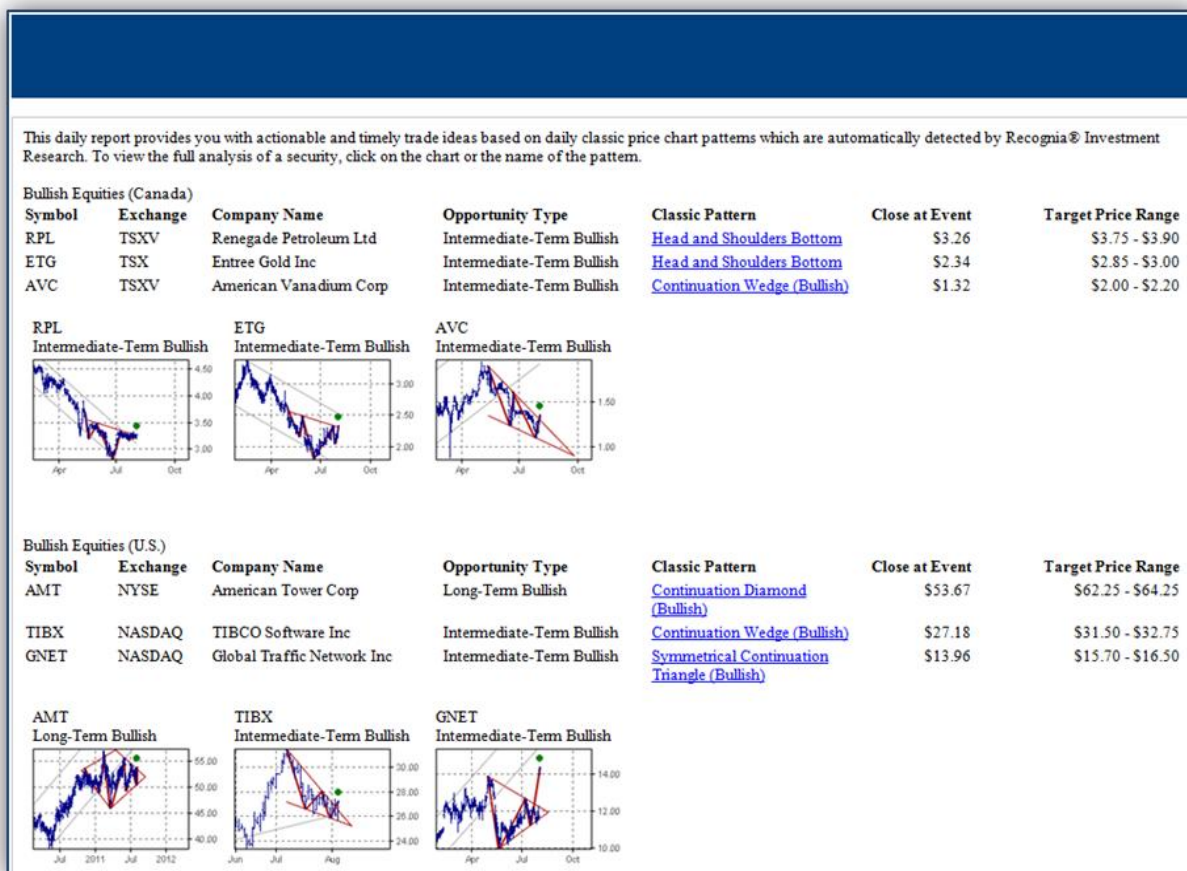
A three month campaign to monitor the behavior and trade activity of recipients who opted-in for the Recognia Market Newsletter, showed not only a higher than expected opt-in rate, but also a direct correlation to the trades made by those traders. In other words, the clients receiving the newsletter were 3.5X more likely to trade the securities featured in the newsletter than those not receiving the newsletter, and the recipients of the Recognia Market Newsletter traded on average one (1) trade more per month.

The brokers' investment for one year of Recognia's Market Newsletter was recouped by the beginning of the third month.

Today this client continues to use the Recognia Market Newsletter to stimulate trading activity and they have deployed other Recognia products to compliment the research within the Market Newsletter.

SAMPLE NEWSLETTER

For this campaign a Market Newsletter covering North American equities was chosen. It highlighted six bullish and six bearish equities daily on both Canadian and US exchanges.



ABOUT RECOGNIA

Recognia is the industry leading provider of actionable investment research for self-directed investors and traders. Our compelling product suite uses automated interpretation of technical, fundamental and value based analytics to find trade ideas, help validate investment decisions and manage risk. Recognia supports the investment decision process by offering dynamic and action-oriented research for all trader types and provides coverage of more than 55 exchanges worldwide, including equities, indices, ETFs, currencies and commodities.

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