

# Digital Investor **Survey 2020**

Summary Report

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# Goals

- > Understand investor use of digital media sources
- > Track and compare investor usage of digital media against previous survey waves
- > Develop investor engagement strategy based on results found

## Methodology



### Audience

- Buy-side investors (52%)\*
- Sell-side analysts (48%)\*



### Sample Size

- Total: n=422



### Mode & Field Dates

- Mode: Online survey
- Field Dates: Oct. 24 – Nov. 8, 2019



### Global Distribution

- North America: 40%\*
- Continental Europe: 26%\*
- UK: 14%\*
- Asia: 20%\*

\*Regional and audience composition is weighted to be consistent with past waves of the survey

# Key Findings

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# Key Findings

## 1 How Often are Digital Sources Used?

Investors frequently use digital sources in their work. **75% of investors have used digital sources to make an investment decision.** Investors use digital sources to gain a deeper understanding of the news and to follow key executives.

## 2 What Specific Sources are Investors Using?

When making a final investment decision, investors are most likely to rely on search engines, blogs, newsletters, and podcasts.

## 3 What Actions do Investors Take?

**Information sharing is the most common activity** for investors to take after using a digital media source. Among buy-side investors, **one-in-three will buy or sell a specific stock** based on the information they learn.

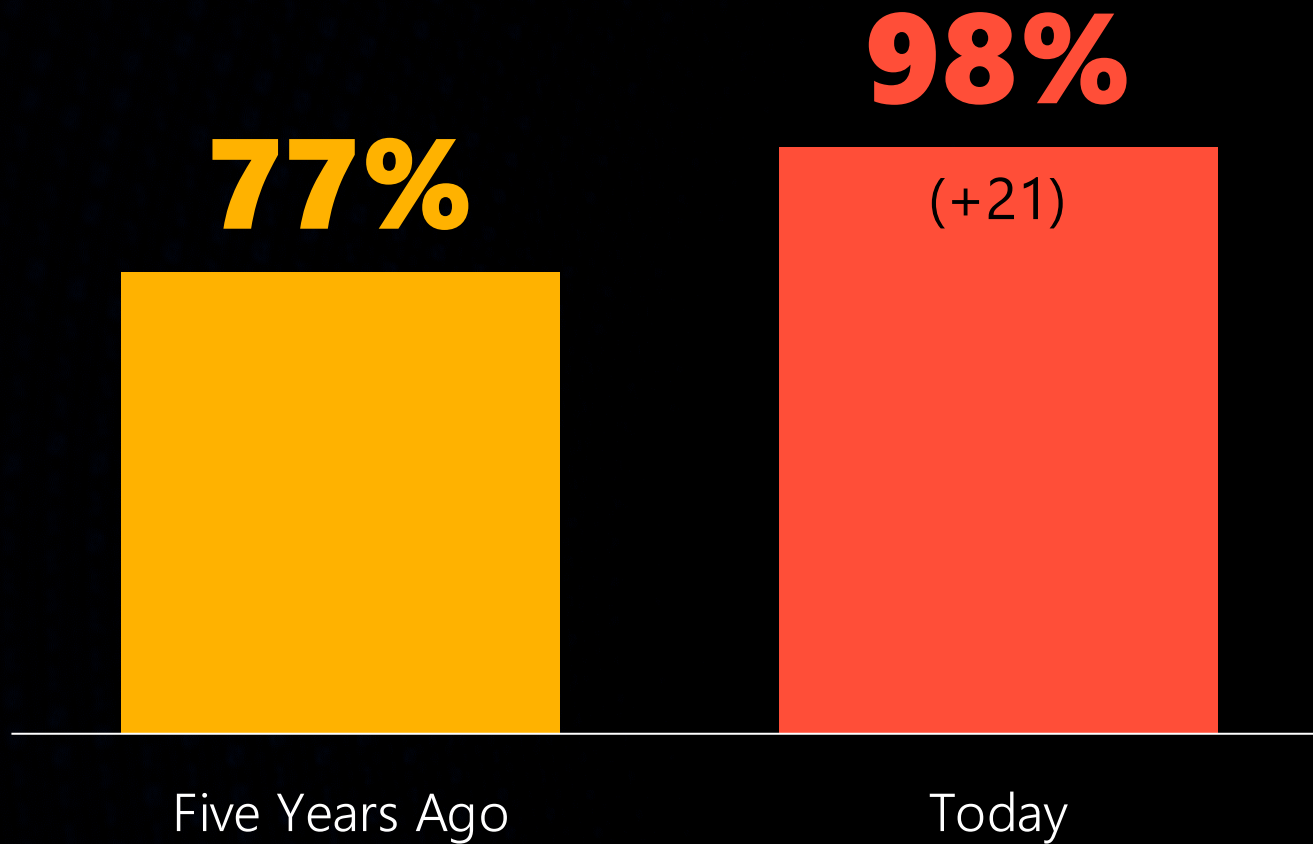
## 4 How Much do Investors Trust Digital Sources?






Investor trust in digital sources is **comparable to several prominent investor-oriented media** sources. Compared to the previous year, **investor trust has increased more for podcasts than for any other outlet or source.**

# How Often are **Digital Sources Used?**

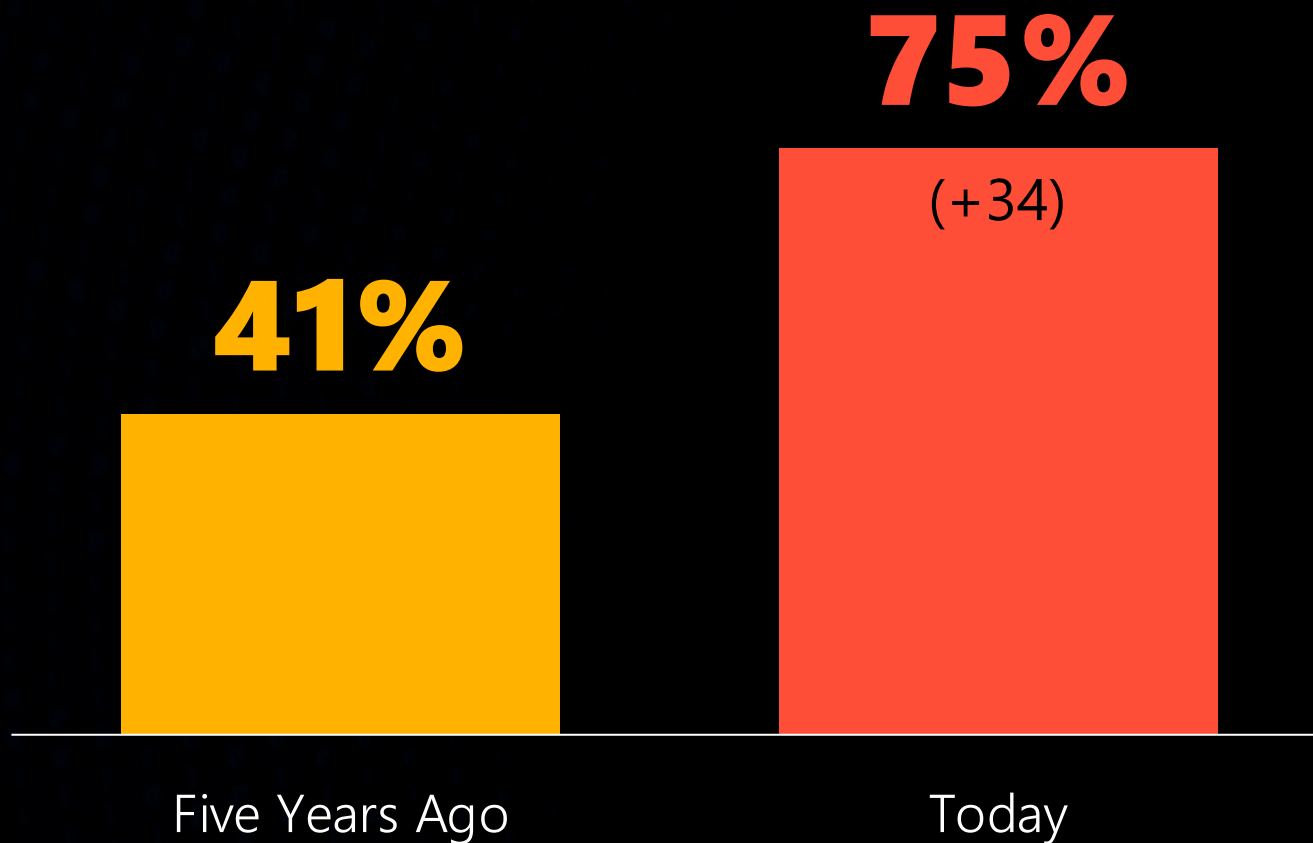







# Digital Sources Are Core to How Investors Investigate an Issue



	Initial Use	2019 Use
 <b>Blogs</b>	47% (2009)	70% (+23)
 <b>LinkedIn</b>	46% (2016)	55% (+9)
 <b>Twitter</b>	11% (2010)	45% (+34)
 <b>YouTube</b>	23% (2016)	35% (+12)
 <b>Facebook</b>	11% (2009)	13% (+2)

# Digital Sources Are Core to How Investors Make Final Investment Decisions



	Initial Use	2019 Use
 <b>Blogs</b>	20% (2009)	38% (+18)
 <b>LinkedIn</b>	4% (2016)	20% (+16)
 <b>Twitter</b>	15% (2010)	20% (+5)
 <b>YouTube</b>	9% (2016)	14% (+5)
 <b>Facebook</b>	5% (2009)	5% (+0)

# Investor use of digital sources varies globally

## > Country



## > Region



**Key** ■ Investigate an Issue ■ Make an investment decision



Investors primarily use digital sources for **research, to go outside traditional media, and to gain insight** into the C-Suite

What are the reasons you use digital media platforms as part of your work?

**83%**

**Gain a Deeper Understanding** of specific industries and to keep up to date with specific companies

**68%**

**Go Outside Traditional Media** sources to find new information and to get news faster

**38%**

**Follow and Learn About Executives** including CEOs, board members, and the rest of the C-Suite

**31%**

**Learn About and Follow Activist Investors**

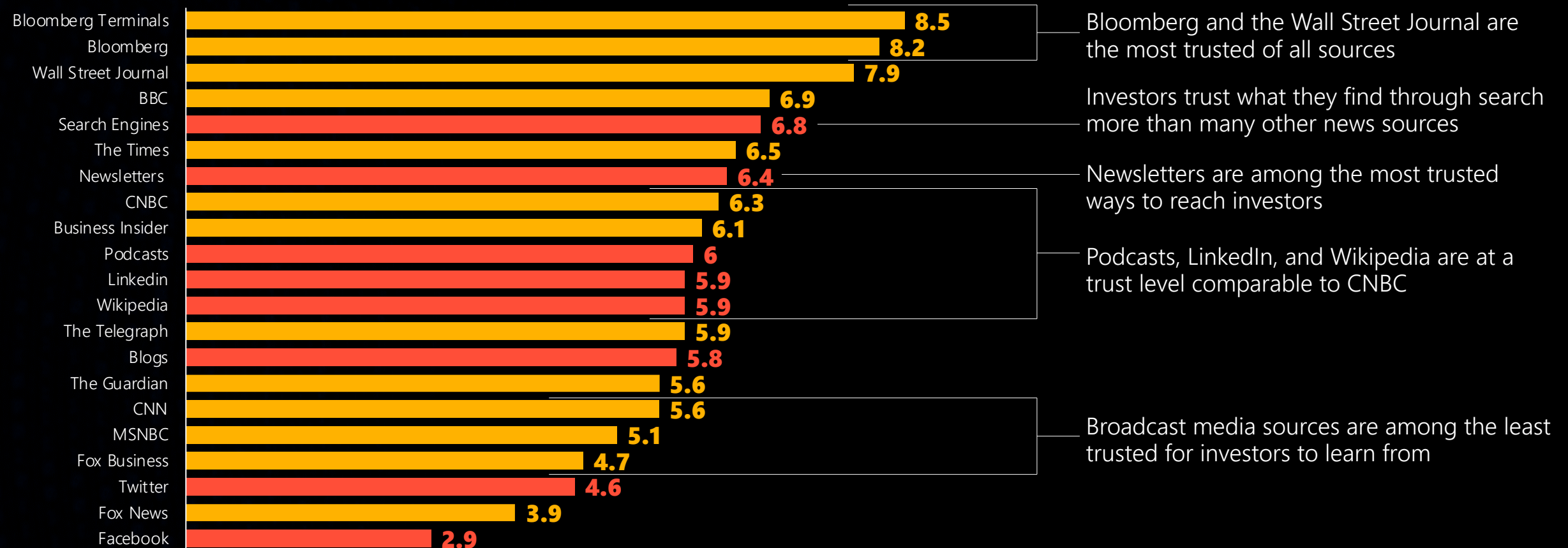
**25%**

**Network With Other Investors**



How Much do Investors  
**Trust Digital Sources?**

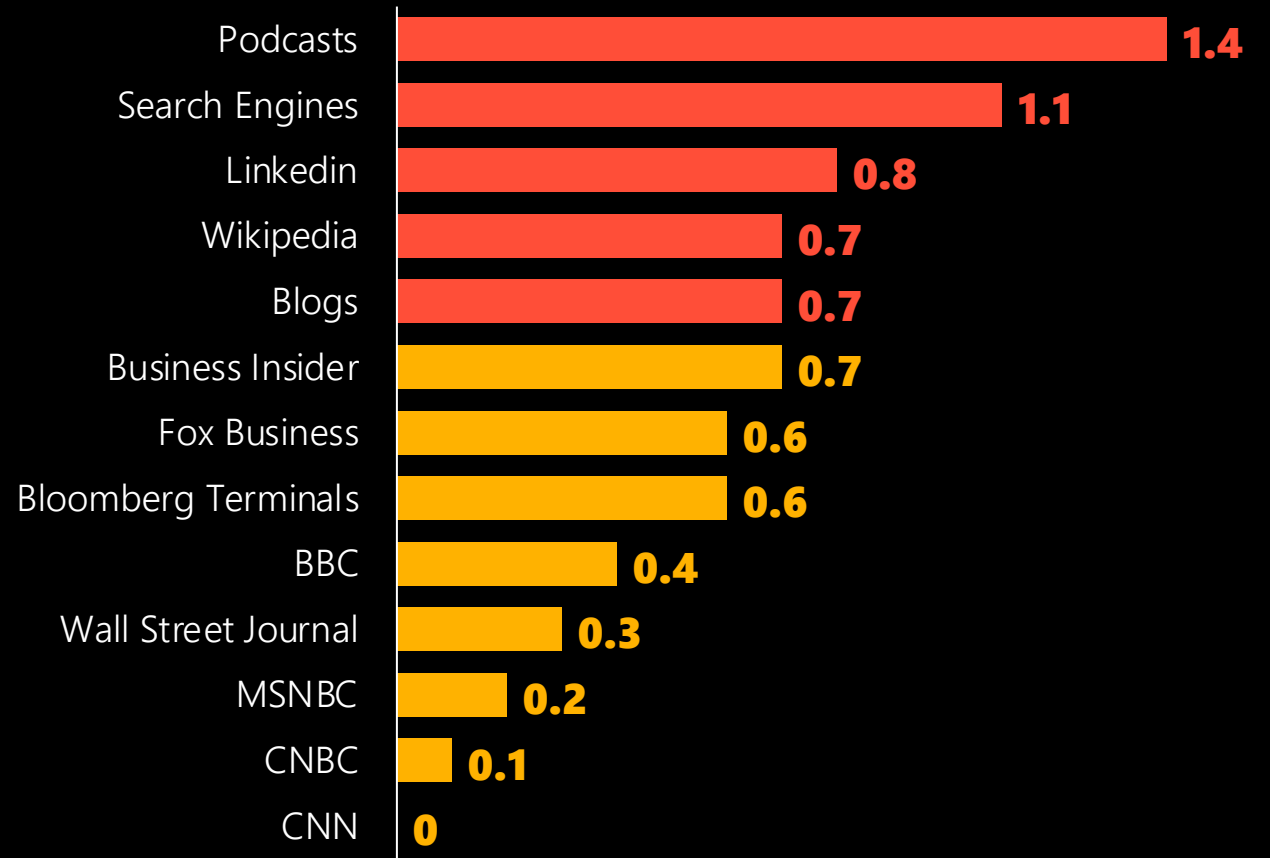
# Digital sources are among the most trusted means for investors to get their information



**Key** ■ Traditional Media ■ Digital Media    0 = least trustworthy 10 = most trustworthy

**Trust increased for key digital sources in 2019** particularly for podcasts; trust in traditional outlets increased only minimally or remained stagnant

Increase in Trust Score for Key Sources

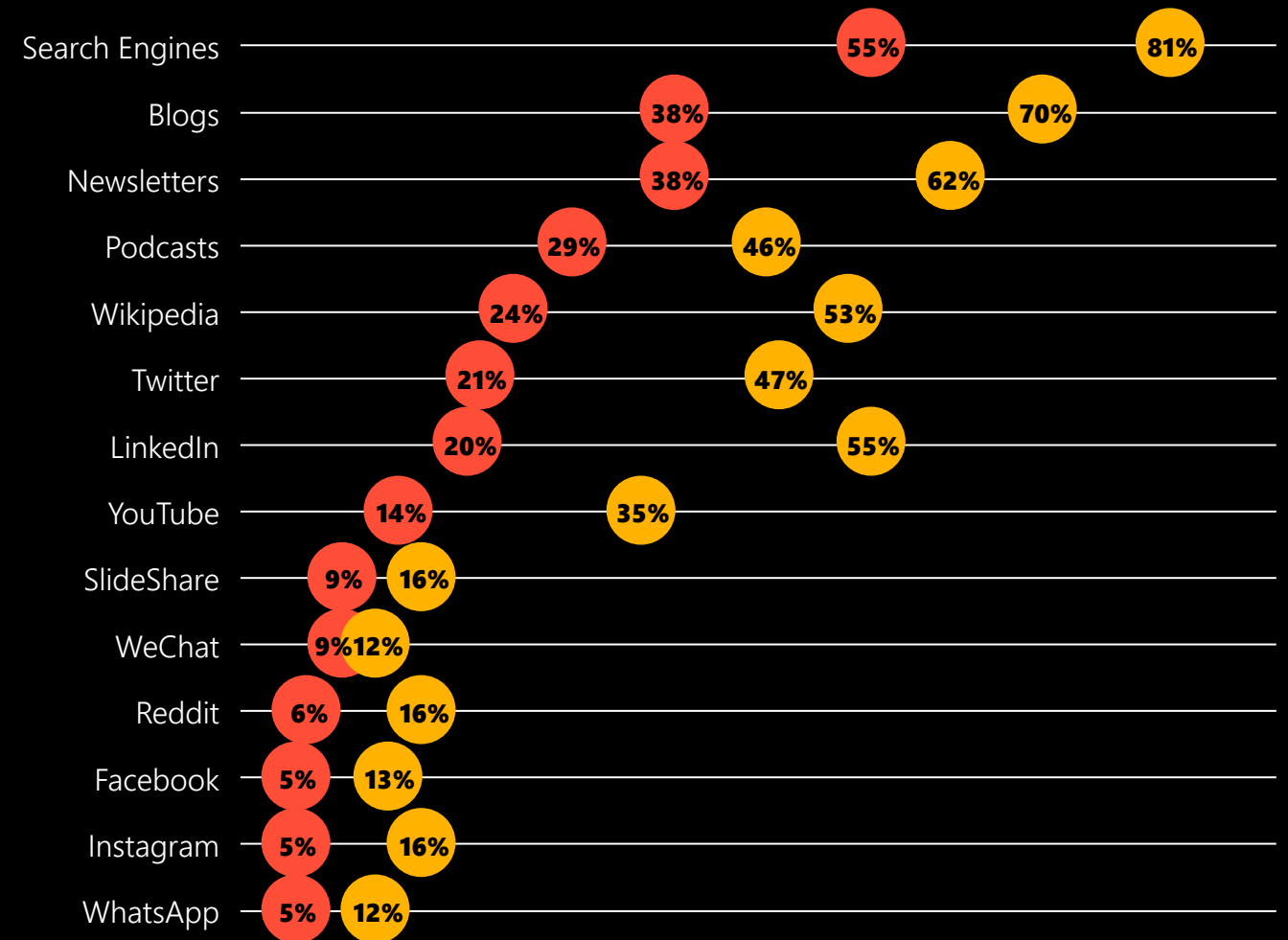


Key ■ Traditional Media ■ Digital Media



What **Specific Sources**  
are Investors Using?

Search engines, blogs, newsletters, and podcasts are **the leading sources** investors use to make their final investment decision



**Key** ■ Investigated an issue ■ Made an investment decision or recommendation

# Seeking Alpha is the most frequently cited blog source used by investors

Seeking Alpha<sup>α</sup> 34%

ALPHAVILLE 7%

 **VIC** 5%  
Value Investors Club

 ZeroHedge  Bloomberg Professional Services 4%

**FACTSET** 2%  Citron RESEARCH  MORNINGSTAR<sup>®</sup> 1%

Bronte Capital  **STRATECHERY** > 1%  
The sometimes eccentric views of John Hempton



Audiences Likely to Use Blogs to Make an **Investment Decision**

**59%** CIO (Chief Investment Officer)

**58%** Investors in the US

**51%** Buy-Side Investors

**42%** Investors in Germany

**X%** = Percentage of investors who use Blogs citing that specific source

# Use of Reddit is limited but more common among younger investors in the US



**Lose money with friends!**

r/investing

**843k**

Members

**1.7k**

Online

**14%**



**Value Investing**

r/SecurityAnalysis

**60.0k**

Security Analysts

**322**

Online

**10%**



**wallstreetbets**

r/wallstreetbets

**750k**

Degenerates

**4.8k**

Buying FDs

**8%**



**r/weedstocks - Let's Ride The Green Rush**

r/weedstocks

**r/Blockchain**

**> 1%**



**Stocks - Investing and trading for all**

r/stocks



**Value Investing**

r/ValueInvesting



Audiences Likely to Use Reddit to Make an **Investment Decision**

**8%**

Investors in the US

**13%**

Investors Aged 18 – 29

**10%**

Investors Aged 30 - 39

**10%**

Title: "Analyst" or "Strategist"

**38%** of Investors cited a source that no other investor mentioned.

**X%** = Percentage of investors who use Reddit citing that specific source



# Podcasts are most popular with American investors and executives



7%



4%



Audiences Likely to Use Podcasts to Make an **Investment Decision**

37%

Investors in the US

36%

Investors Aged 30 - 39



3%

22% of investors cited a source that no other investor mentioned.

**X%** = Percentage of investors who use Podcasts citing that specific source

# Investors use a wide variety of newsletters, no single source is dominant

**Bloomberg**  
5%

WALL STREET BREAKFAST 

GRANT'S  
INTEREST RATE OBSERVER®

4%

Bloomberg Opinion  
Money Stuff  


 **ADVISOR PERSPECTIVES**

  
CAPITAL ECONOMICS

**electrek**

Healthcare **IT** News

**The Online Investor**  
insight • research • data

Single Mentions



Audiences Likely to Use Newsletters to Make an **Investment Decision**

**45%** Investors in Asia

**43%** Investors in the US

**49%** Investors aged 50 - 59

**52%** Investors aged 60+

**36%** of investors cited a source that no other investor mentioned.

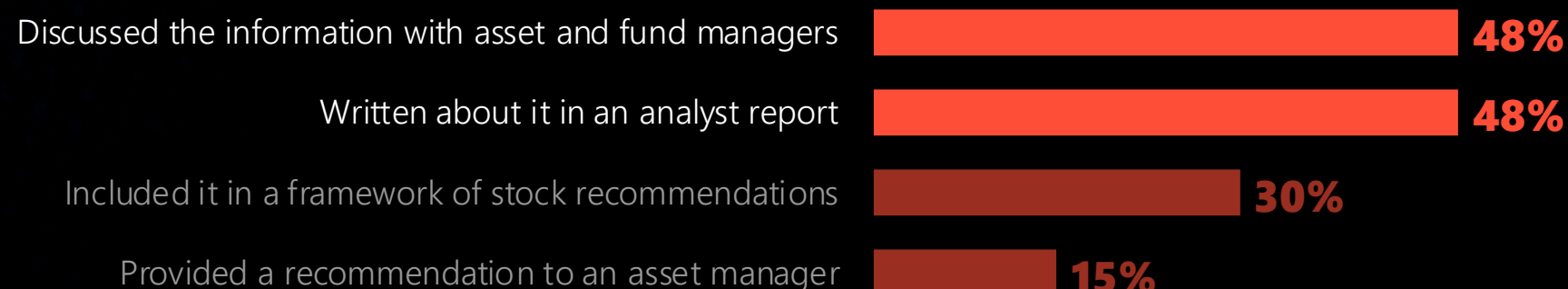
**X%** = Percentage of investors who use Newsletters citing that specific source

What **Actions** do  
Investors Take?

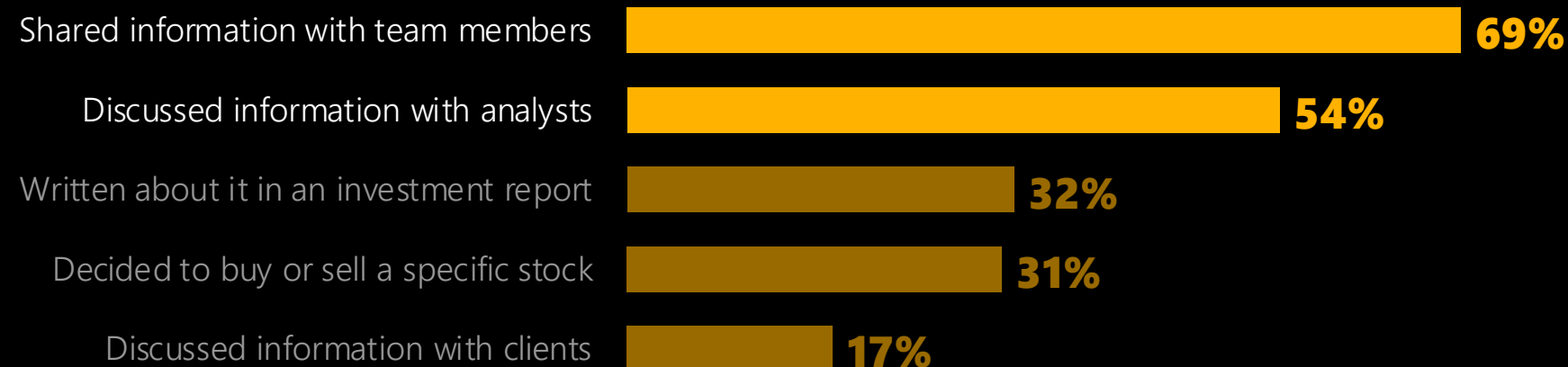


# Investors will discuss and share the information they learn from digital sources

## > Sell-Side Analyst



## > Buy-Side Investor









Notable Country &  
Regional **Differences**



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# US Investors make more use of blogs, podcasts, and newsletters

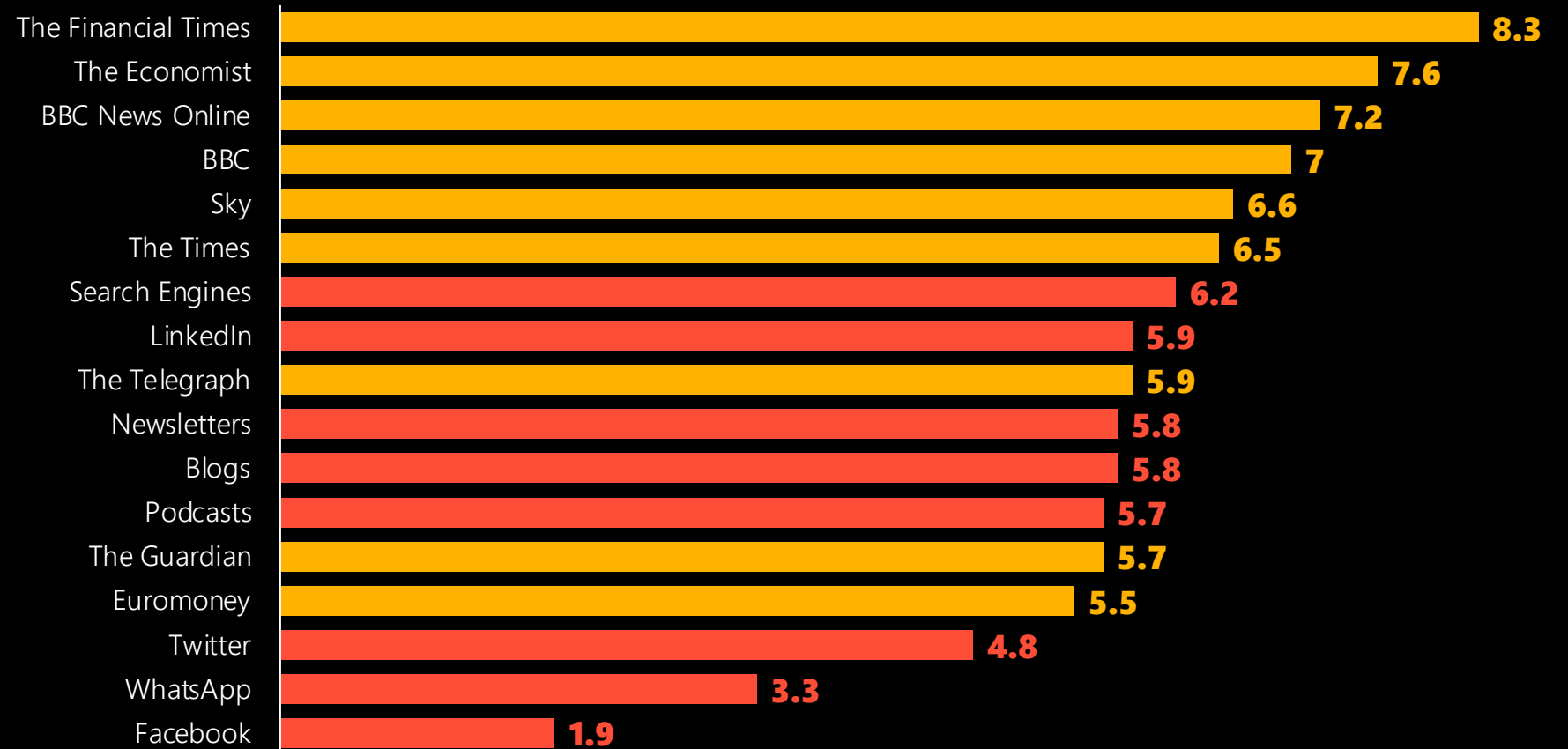
## > Use of Key Sources to Make an Investment Decision

	 Globally	 US
 <b>Blogs</b>	38%	57% (+19)
 <b>Podcasts</b>	29%	37% (+8)
 <b>Newsletters</b>	38%	43% (+5)
 <b>Reddit</b>	6%	8% (+2)

# UK Investors trust in digital sources is comparable to many UK-based publications



## UK Investor Trust in Key Sources



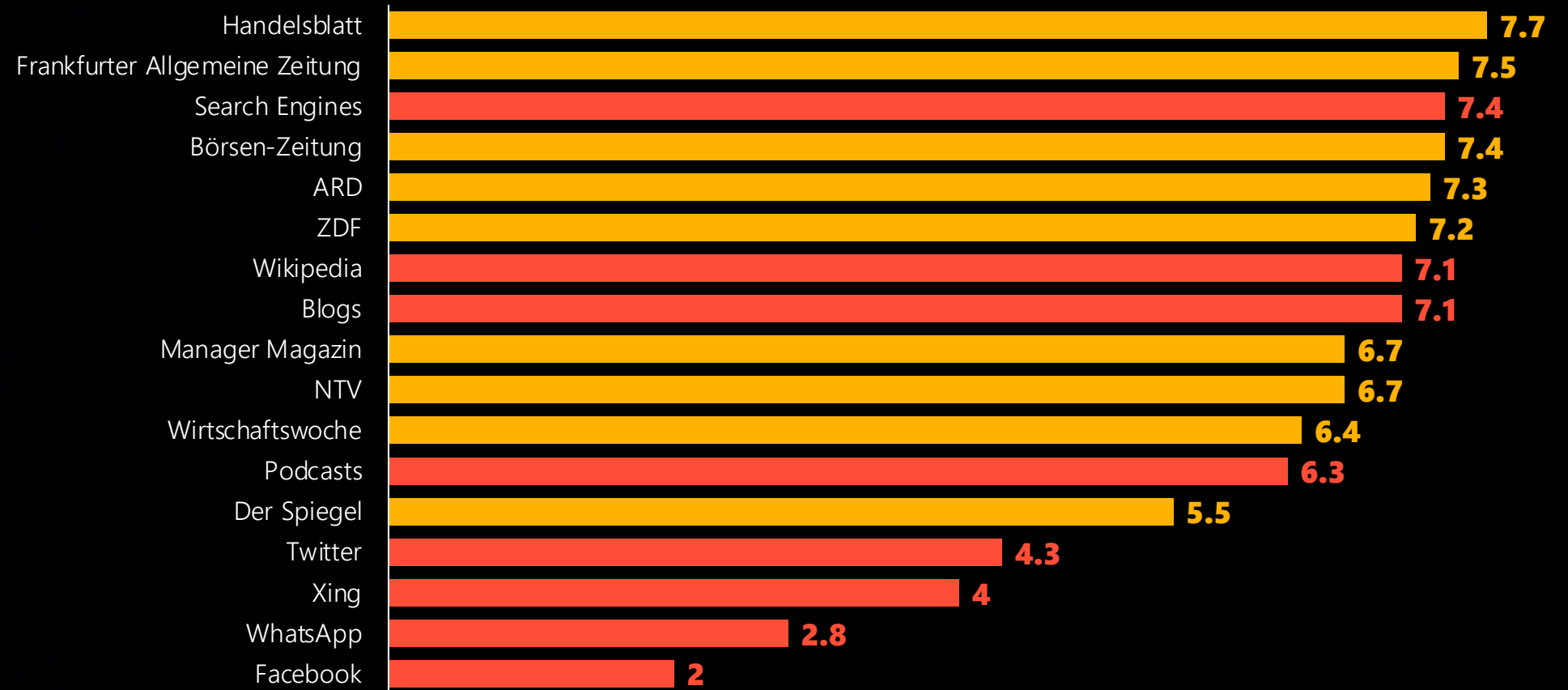
**Key** ■ Traditional Media ■ Digital Media

**0** = least trustworthy **10** = most trustworthy

# German trust in digital sources is comparable to their trust in traditional media outlets



## Germany Investor Trust in Key Sources



**Key** ■ Traditional Media ■ Digital Media

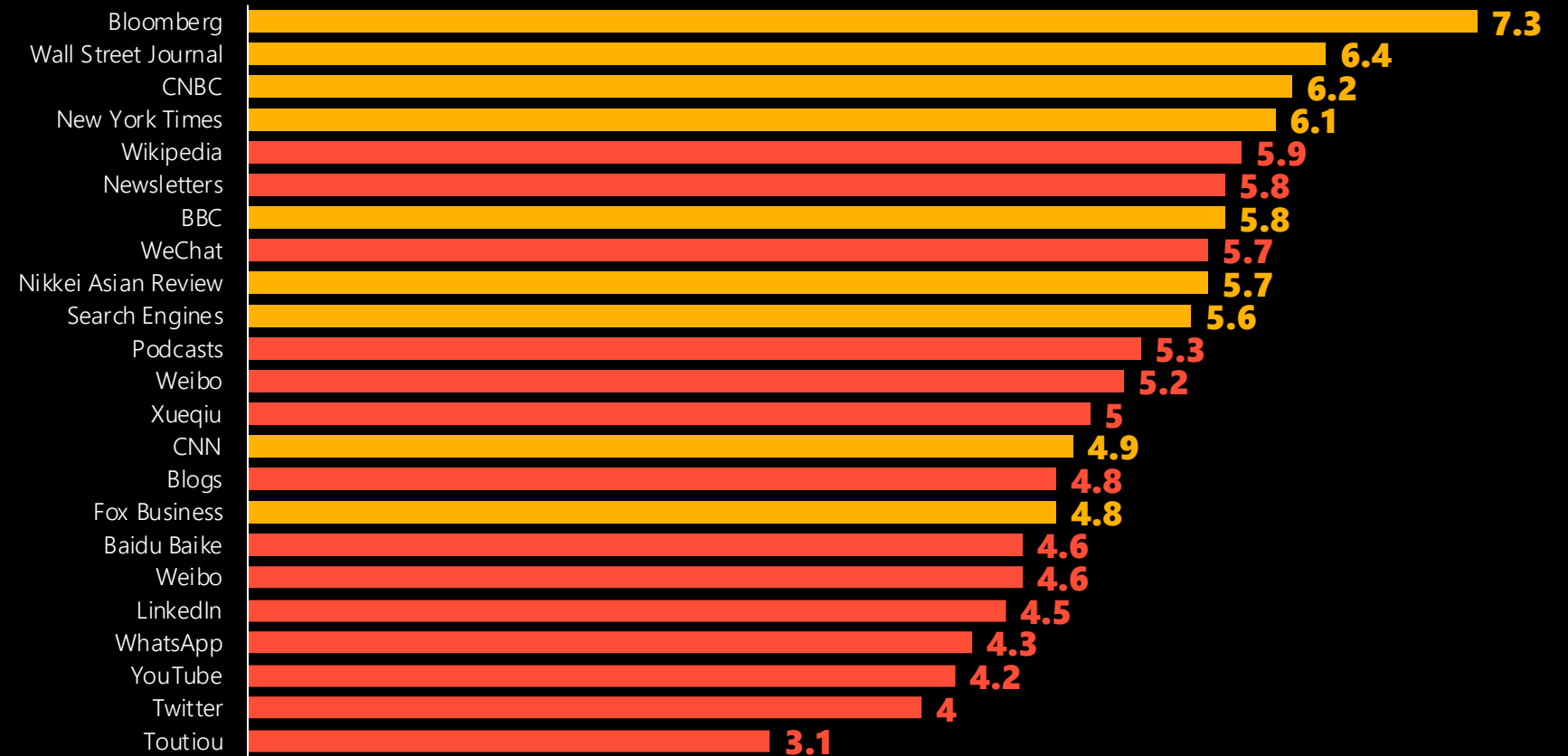
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# Investors in China and Hong Kong place a high trust in WeChat relative to other sources



## China/Hong Kong Investor Trust in Key Sources

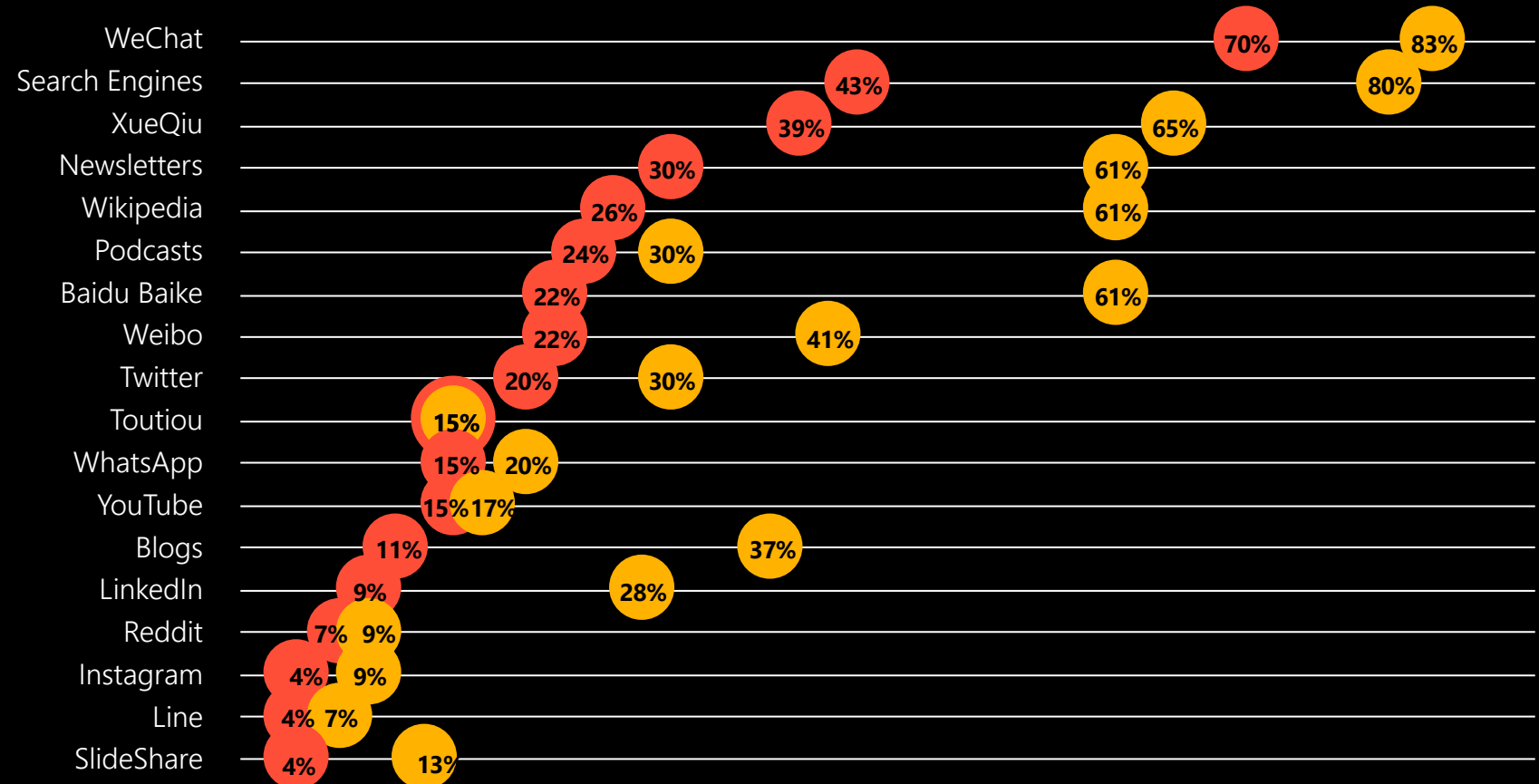


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# For investors in China and Hong Kong, WeChat emerges as the most critical tool



## China/Hong Kong Investor Use of Key Sources

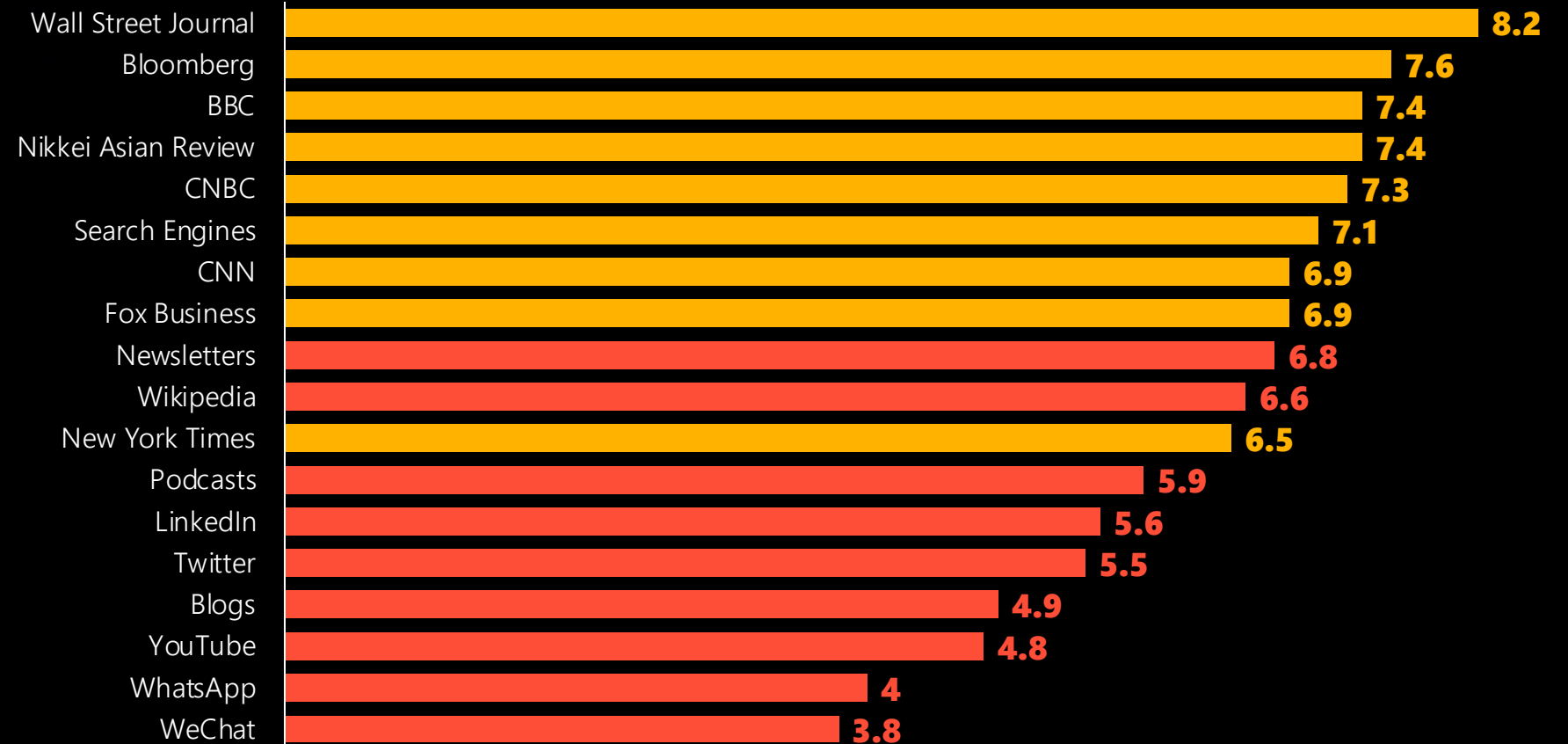


**Key** ■ Investigated an issue ■ Made an investment decision or recommendation

# Investors in Japan tend to show more trust in traditional media sources



## Japan Investor Trust in Key Sources



**Key** ■ Traditional Media ■ Digital Media

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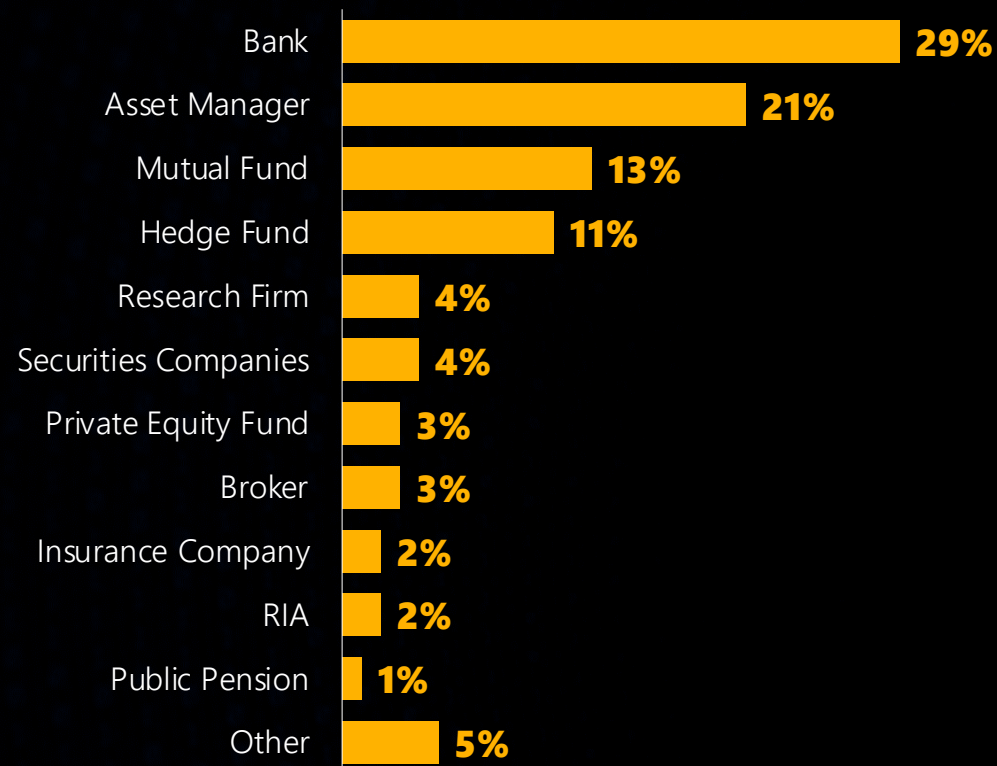
# Demographics



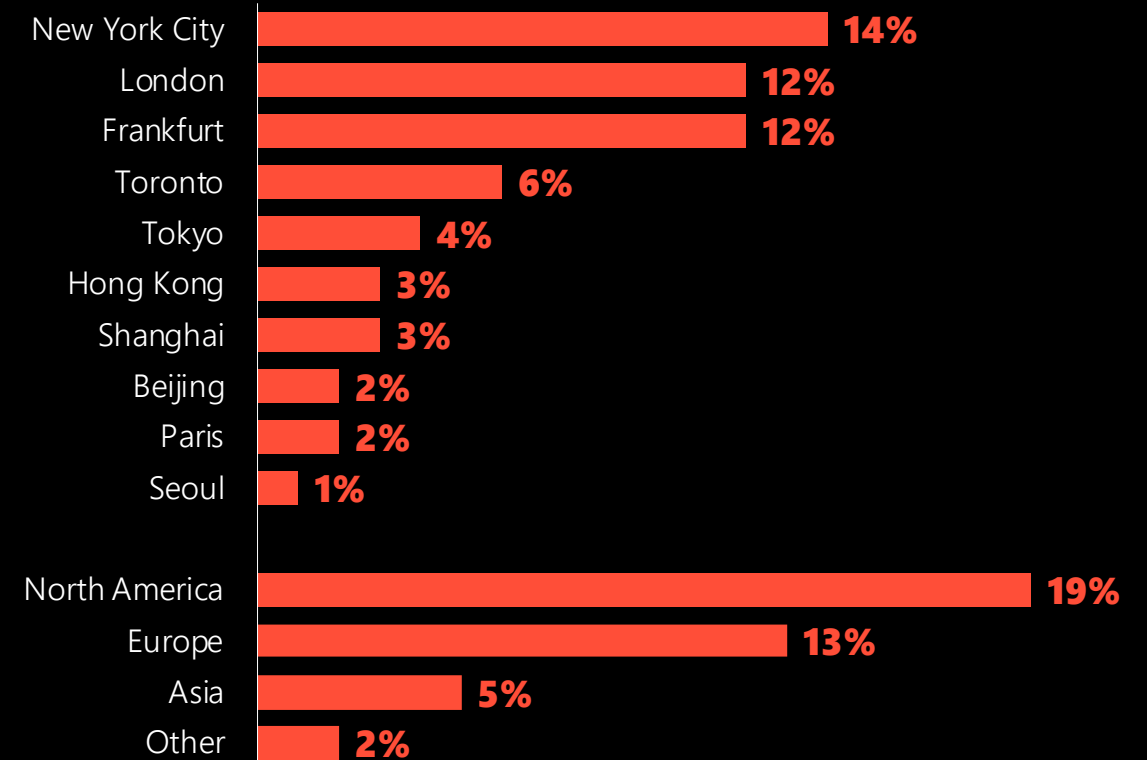
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# Background of Investor Institutions

## Institution Type

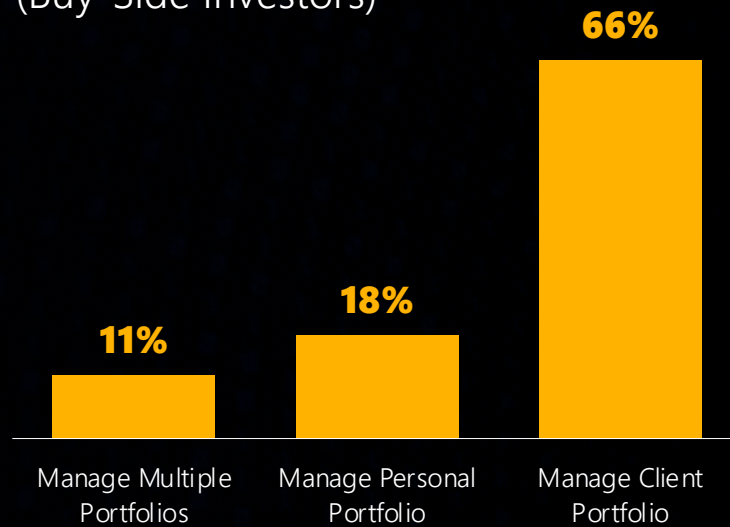


## Financial Center of Focus

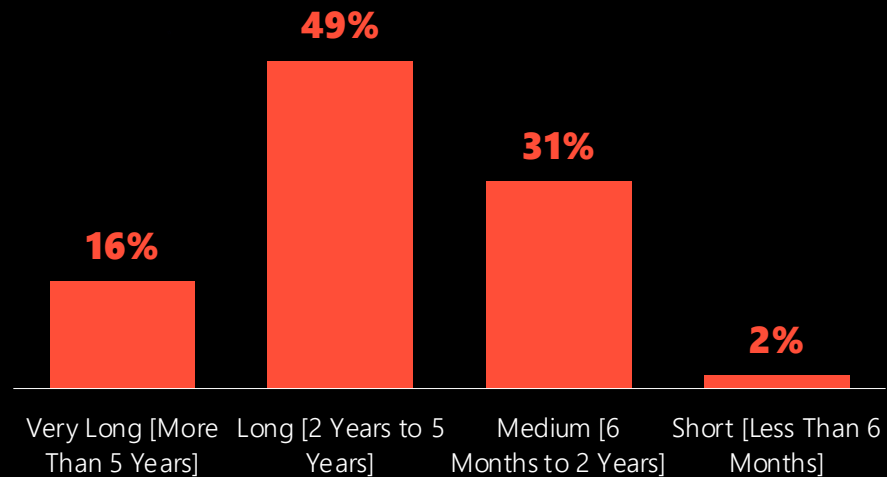


# Background of Investors – Buy-Side Behavior and Portfolios

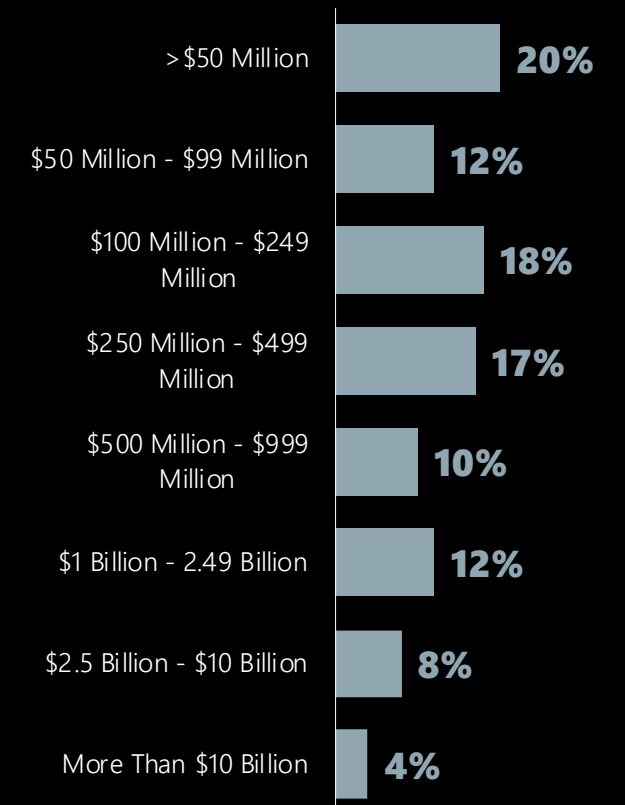
Portfolio Management  
(Buy-Side Investors)



Typical Holding Period



Total Size of Assets Under Management



Average Balance Between Fixed Income and Equities

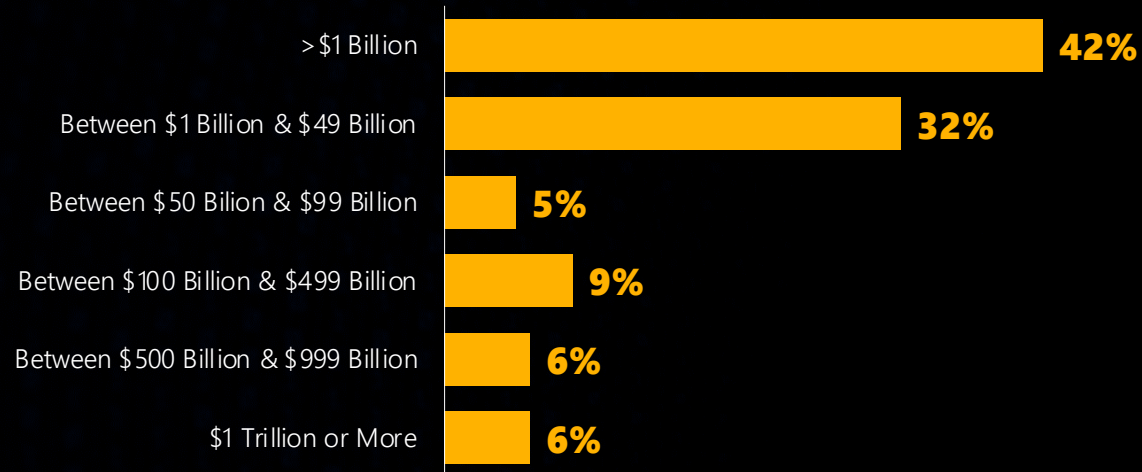
Fixed Income	19%
Equities	81%

Average Balance Between Active Management and Passive Management

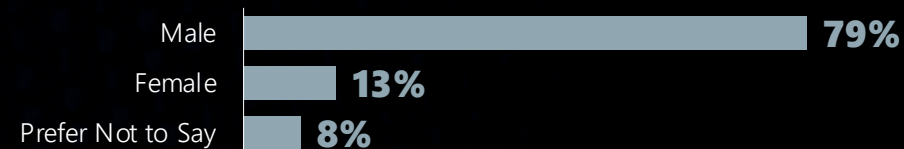
Actively Managed	86%
Passively Manages	14%

# Background of Institutions, Job Titles, and Gender

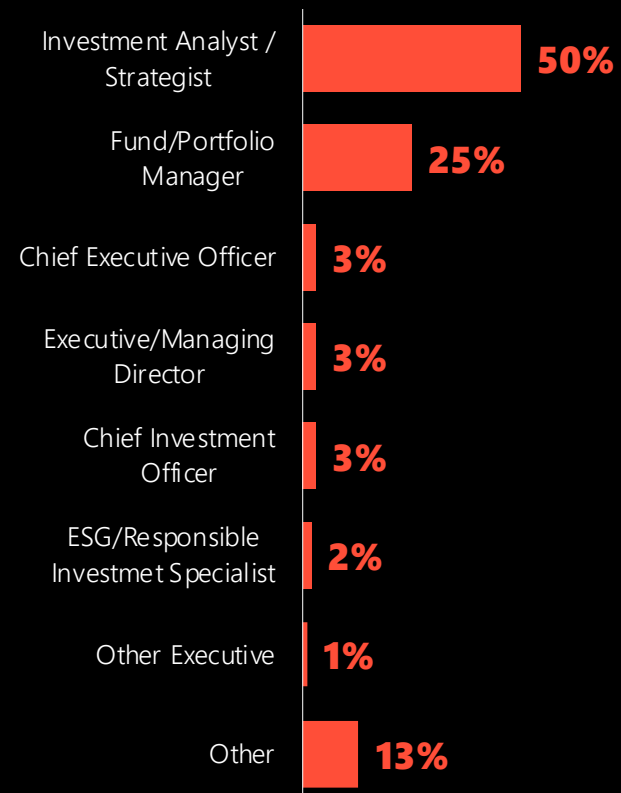
## Total size of assets under management for institution?



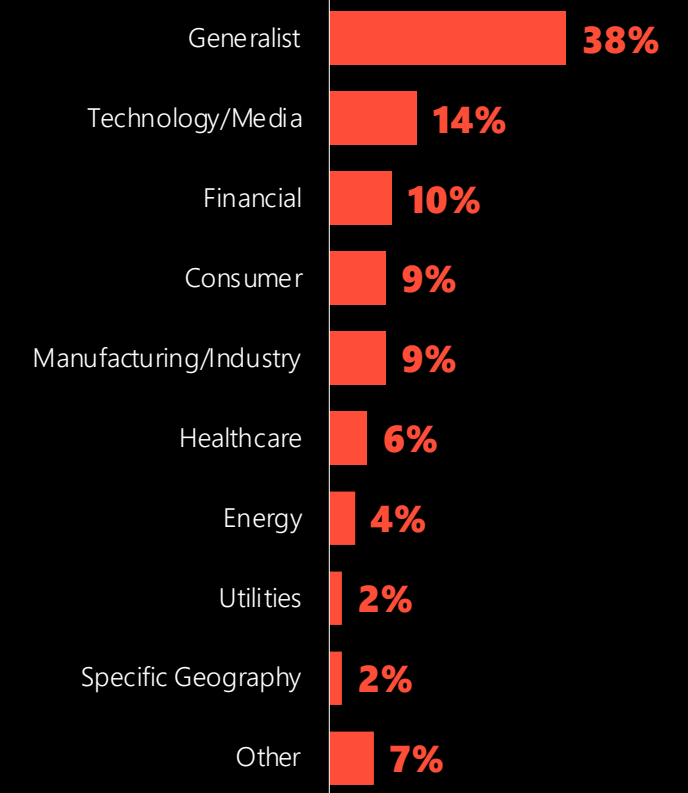
## Gender



## Job Titles



## Primary Industry Sector



One firm. **Globally.**

[www.brunswickgroup.com](http://www.brunswickgroup.com)



Brunswick Group



@BrunswickGroup



@BrunswicGroupllp



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