

# FX PLATFORM BEST FOR INNOVATION

*Winner of Most Innovative Platform 2010, eToro has revolutionized the way people trade*



*Innovation is one of our founding principles - it's in everything we do*



■ It's been several years since eToro started making serious waves in the financial trading industry, and this year *World Finance* has recognised its achievements. eToro came into the industry with a clear vision – to open the field of personal financial trading up for the millions of people who never thought they would be able to get involved in it. The platform uses ground breaking software and has an ever expanding community of traders. *World Finance* sat down with eToro CEO, Johnathan Assia.

Your business is unique in allowing people who are perhaps amateurs in the industry to trade. What made you set up eToro?

The idea for eToro first came to me when I was a young trader. I began my journey in the online trading world over 10 years ago as a hobby. My brother and partner always used to poke fun of me for having an accountant's hobby, who else would ever want to do something that boring and that complicated? Over the years I realised he was right, but that it didn't have to be that way. That's when we decided to develop a trading platform that would simplify the online trading sphere and make it an enjoyable and interesting opportunity for everyone.

How has eToro developed since its initial conception to how it stands today?

Initially we were focusing mainly on novice traders but with time we understood that expert traders were also looking for simpler and user-friendly tools, such as the ones offered by eToro. Once we came to that conclusion, we quickly started adding more and more advanced trading tools to make our platform suitable for any kind of trader. The other huge development has been in the community aspect of our platform. What started out as a nice additional feature quickly became a thriving and active community of users that

couldn't wait to share information with each other. Over the years we've added many community features that enable them to do so in various innovative ways.

With the recent economic downturn, how has this affected your company?

The economic crisis has had a positive effect on eToro. For a long time, the forex market became the only market that kept providing a steady supply of financial opportunities, due to the relative value of currencies. This made many financial investors turn to the forex market for refuge and sign up with eToro due to its usability. Another major factor was the crash of major banks and financial institutions across the globe, which made people want to take their capital into their own hands and try investing it in foreign exchange with eToro.

## INNOVATION

What does your company offer that is different from other trading platforms?

Unlike other trading platforms our company offers not just trading tools, but a trading experience that is suited to each individual trader's level of skill. Our platform gives each trader the best path to achieving their financial goals, whether they are interested in learning about forex trading and entering the financial markets, or taking their trading to the next level. Whereas other platforms still stick with the old fashioned approach of condensing as much information as possible in one screen, we focus on the user experience, on how the users access this information, and how they can share it with others. Otherwise, what is the use of having all the information in the world if the user doesn't know what to make of it? If I was to make a very broad comparison, I would say that eToro has done for personal trading what Microsoft has done for personal computing.

eToro stands as a company which has created an innovative product within the trading industry. How do you feel people have reacted to it?

The reaction has been beyond my wildest expectations. I knew that people would react to our product, this is why we established eToro in the first place, but the amount of traders worldwide that have been waiting for a visual and user-friendly way to trade has simply astonished me. I also believe that our development of a social trading environment has a lot to do with the massive public reaction to eToro, since social networks of all kinds have a tendency to expand of their own accord.

How important is innovation to the eToro company?

Innovation is one of our founding principles – it's in everything we do. Every feature that we add or change in the eToro platform strives to innovate. Even if it is a feature or a tool that is common in the financial trading industry, we always find ways of improving it, of making it more user-friendly, more graphic, or more suitable to social trading. Our philosophy is that if we don't present customers with something new and unique, why would they want to be our customers in the first place?

## SOCIAL TRADING

Social networking has been a platform which has been incorporated into many other industries. Why have you decided to implement this within your services, and in what ways? The introduction of social trading has been a major corner stone for eToro. We felt that one of the major obstacles that novice traders, and indeed most traders in general, face is the sensation that they are alone against an enormous market. That sensation can be intimidating, and can affect their trading emotionally. Social trading means that any trader that signs up with eToro immediately steps in to a huge worldwide support network which can provide them with an endless amount of information, as well as emotional support. Right now our traders communicate through integrated chats, forums, trading competitions, and our Top Traders' Insight tool.

How have your traders reacted to social trading?

Our traders are ecstatic about it. They all participate in our challenges, and most of them use at least the chats to discuss forex while they're trading. We've found that novice traders especially love the Top Traders' Insight tool because it enables them to see the actions of our top profiting traders, which

provides them with an expert perspective on the market that they can either emulate or analyze. Our forums are also extremely active, and in general it seems like our traders jump at any opportunity to interact.

How do you plan to develop this further?

We've just launched a new online Social Trading platform that will enable traders to see any trading activity conducted by other traders. This new feature provides traders with the opportunity to follow any trader in order to learn from them, to get advice from them, or to simply emulate their actions. It is also an excellent tool for spotting trends as they happen, for example, if you see all the traders you follow start to sell a certain instrument. For professional traders it provides the unparalleled opportunity to become a Guru for an entire trading population, and what's more, in the future it will allow them to earn money by trading for other people who have been impressed by their performance record.

## TIPS FOR TRADERS

New traders may still be overwhelmed when they first sign up to eToro. How do you make it more understandable for them?

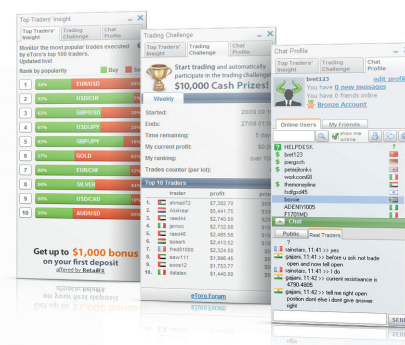
New traders are welcome to use our visual mode where we provide them with exciting trade visualisations that help them grasp the workings of the forex market intuitively. We also provide them with plenty of educational material – guides, tutorials, forums and of course our own Forex Matador e-course. They also have the tremendous opportunity of learning from other more experienced traders in our trading community.

What are the best ways to get started in forex trading?

I would recommend reading as much educational material about forex as possible, using our demo platform that enables traders to practice with real live market rates, trading with low leverages at first and following a strict money management program.

Most people want to make money fast, but what is the best way to do it?

People who want to make money fast usually end up losing it fast. The best way to make money fast is to invest a lot of time first in understanding how the market works, what strategy works best for you, exercising good money management and keeping emotions in check. When you have your trading system secured, only then can you start opening bigger positions with higher leverages. Slow beginnings are the only way to fast returns eventually.



*Our social trading platform enables traders to emulate the trades made by others*



## THE FUTURE

How do you see the Retail FX industry developing under its current online guise?

I think that the industry has just started penetrating the consciousness of the general consumer and that the industry still has many years of phenomenal growth ahead of it. I also think that as more and more online forex brokers start to appear, the industry will become even more competitive, which is good news for the consumer because it means that the various vendors will be pushed to innovate and to provide better trading conditions. I am sure that many online platforms will adopt eToro's idea of social trading since its impact on the trader population is clear for all to see.

Will your company strive to develop innovative ideas to further progress in the industry? We have just finished developing our online Social Trading platform, but we definitely have many ideas still in development. And of course we will be taking the idea of social trading even further by providing our traders with more and more tools that enable them to stay connected. ◇