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—Samuel Nofzinger
Trading and Investment Manager
SoFi

Delivering an all-encompassing, highly flexible data solution

Overview

A name that is practically synonymous with student loan refinancing, SoFi was founded in 2012 on a simple principle: students with greater potential to become high earners deserve lower rates. The model proved hugely successful, leading to a move into other lending products including personal loans and mortgages. To this day, the firm has 70-80% market share in the student loan refinancing space.

With a highly educated client base, SoFi's next move was to launch products designed to help their users in the next phase of life. In May 2017, the firm launched SoFi Invest, a platform that has grown to now offer a robo-advisor, free stock trading, crypto trading and four different ETFs.

Today, SoFi's product offerings touch almost every major segment of the consumer finance industry—users can save their money, invest in a wide range of asset classes, get insurance, and take out loans.

Challenge

SoFi's decision to launch SoFi Invest created a number of challenges for the firm, one of which was finding a market data provider with the institutional breadth and depth to power a robo-advisor and trading platform while also being sensitive to the financial realities they faced in launching a brand new service. Many large data providers were expensive and inflexible, and most of them did not offer all the required datasets.

Another challenge was to make the markets real and exciting to their clients, many of whom were affluent but knew little about investing. SoFi wanted to use market data to create compelling visuals and compile information in a digestible format, and that required a provider that granted access to a wide range of data that was all in one place and easy to use and sift through.

Solution

To solve these problems, SoFi identified Xignite as a technology provider capable of delivering an all-encompassing, highly flexible data solution that could be utilized in a variety of ways. Xignite's Cloud APIs provided more than enough coverage to power all essential investment functionalities, and their seamless

integration and developer friendliness made it easy to explore new capabilities and curate information to stoke user interest.

Gaining access to the many different types of data offered by Xignite was paramount. With access to both real-time and historical data for more than 150,000 global equities, depository receipts and ETFs, as well as nearly 300,000 funds spanning the globe, SoFi can support huge trading volumes and make fine-tuned investment recommendations through its robo-advisor. Meanwhile, relevant financial news headlines and earnings reports keep users engaged and informed. “Xignite data is comprehensive. It’s all in one place,” said Samuel Nofzinger, Trading and Investment Manager at SoFi. “We don’t have to contract with a whole bunch of people for different parts of the data we need.”

SoFi has also made great use of Xignite CloudAlerts—for which Xignite has received a patent—to drive users to the platform at opportune moments, such as when a stock on a given user’s watchlist performs particularly well or poorly.

Results

Armed with the right data at the right scale, SoFi has been able to scale a fledgling investment platform into a go-to name in the retail trading space in just over a year. In addition to converting existing clients into SoFi Invest users, the success has led to brand-new SoFi users for whom trading is their first engagement with the firm.

With the platform thriving, SoFi has turned its attention to building additional innovative features powered by Xignite data. For example, the firm is using a wide variety of Xignite fundamental APIs to create what it calls Collections—curated lists of stocks in more easily digestible formats.

To build these Collections, the SoFi team queries the Xignite data to populate and create groups of securities based on certain characteristics – for example, “Dividend Growers” or “Top Tech Picks.” SoFi continually tests this content: adding a Collection, monitoring its performance and removing the least popular ones before adding to the roster. The firm is constantly thinking of new ways to organize their offerings and make them easy for investors, and the ability to use Xignite data to quickly create these Collections is key.

Meanwhile, Xignite CloudAlerts have proven to be a game changer. The automatic notification capabilities make it easy to send alerts en masse. SoFi reports that when an alert is sent, member engagement increases by 25% within a day. More importantly, these alerts are driving buying behavior—10% of investors who receive the alerts make a trade within the hour, and nearly 20% do so within a day, a huge improvement on the daily average of 5%.

These alerts have proven to be very popular with clients, who see the information and can act accordingly, pulling them from their busy lives and into the world of trading. When SoFi once removed this feature, what followed was a flurry of feedback asking what happened to them, and the firm worked diligently to bring them back as quickly as possible, per Nofzinger.

Discovery ⓘ

COLLECTIONS

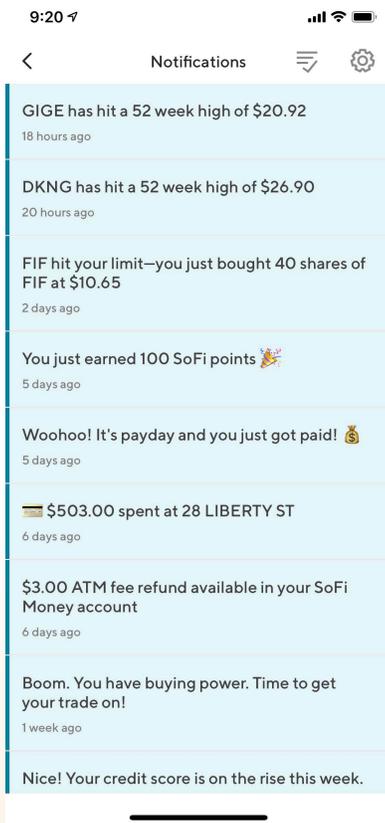


POPULAR ⓘ



SoFi uses Xignite APIs to create what it calls Collections - curated lists of stocks in more easily digestible formats.

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Trading and Investment Manager
SoFi



Xignite CloudAlerts have made a material impact on SoFi's ability to activate its client base.

—Samuel Nofzinger
Trading and Investment Manager
SoFi

Going forward, SoFi plans to fine-tune its alerts, with plans to make them fully customizable with parameters set by the user. Xignite's highly flexible offering is built to scale, making it the ideal product for this capability.

Finally, SoFi has made great use of Xignite's Global News API to display business and financial news for all SoFi Invest users. This feature has proven so successful that other sections of the SoFi mobile app are now pulling this information, including the Member Home Feed, which is the starting screen for all users regardless of what SoFi products and services they use. This content boosts engagement with existing users and catches the eye of new users who may have started with other SoFi products, driving interest and new Invest clients. "We are trying not to operate in silos. We are trying to tie everything together," said Nofzinger.

This commitment to serving the client base by curating valuable information and improving their financial literacy is paying big dividends for SoFi. Total membership has continued to steadily increase recently passing the 1,000,000-member mark.

"Our target audience has changed over time. Most of the people on our platform, even though many are highly trained doctors and lawyers, do not yet have extensive experience with investing. We want to be that place to help them learn, help them grow and put their first dollar to work. We want to capture them as they mature and gain assets as their net worth grows. Xignite gives us the depth and flexibility to do exactly that," said Nofzinger.

About Xignite

Xignite Makes Market Data Easy. Xignite is leading the disruption of the market data industry with its AWS-based financial data distribution and market data management solutions. Xignite's Market Data Cloud Platform provides market data managers full transparency on the usage of a firm's first-level real-time and reference data - making it easy for data owners to entitle, control consumption, comply with licensing requirements, allocate costs, and resolve vendor audits or invoice discrepancies. Xignite also powers financial data-driven robo-advisors, online brokerages, and investing apps with its real-time, delayed and historical pricing data offered via 500+ REST Cloud APIs. Visit <http://www.xignite.com> or follow on Twitter @xignite.

Silicon Valley

1825 South Grant Street, Suite
100 San Mateo, CA 94402 USA

888.965.7627 | xignite.com

