EQUITIES TRACKER, A BRAND THAT TAKES ITS CUES FROM CLIENTS

Former economic columnist for the Star Newspaper and now founder of the much-revered Equities Tracker started the equities research platform in 1999. Jim Yong insists that the online investment tools of the, recently renamed, equities tracker (formerly KLSE Tracker) is simply a means of reaching a wider audience; a more well informed audience.

By Jonathan Lim

“Our mission has basically not changed. It is to empower an investor, professional or retail. The kind of information and tools that will make investment successful or rather improve the chances of success. The mission has not changed since we started collecting and cleaning up data in 1984.” Adds the economic veteran Jim Yong.

In terms of their clients, they have international customers, including major data suppliers of whom they are not allowed to disclose. Local customers include brokers who carry the information for their Internet platform client. They stake claim of a several hundred strong subscriber list. Generally speaking, the consumers of the website sign not just for the data but also for the research tools. When you break it down into numbers, they have three main categories of clients, the international data suppliers, brokers and individual subscribers looking to invest.

The company was set up because there existed a deep desire amongst the general public to be educated in the ways of investing. This need by the general investing public, be it institutional or retail, was the sort of a privilege access to only those with a lot of money. Those who could not subscribe to the big guns like Bloomberg or Reuters or Thompson were effectively cut out. The equities tracker was a means of curbing this exclusivity - To provide the other investors an affordable research archive. The brand was really born of that.

“I believe the name we use for our product/service/company was simple enough that it would be remembered. It also related to the kind of information that investors basically require. I guess it just stuck,” says Jim Yong.

It is to empower an investor, professional or retail was the primary focus of the research archive. The kind of information and tools that will make investment successful or rather improve the chances of success. The mission has not changed since they started collecting and cleaning up data in 1984.

Online Only Platform

The Equities Tracker is an Internet only platform because there is no other medium of communication that can handle archives in the manner or the degree that one would like. The last fifteen years, since the popularity of the Internet set sail, has seen the regard of online tools like the Tracker, yield new esteem. Before the advent of the Internet, ‘data mining’ was the only way to go. In other words you search through a universe of data for something specific. This is probably the most costly process in research. So just like an investment research tool, the tracker is designed to allow you to search or to filter for the relevant data.

When they went online in 1988 the Equities Tracker had close to 10 competitors. Some had deep enough pockets and funded their effort to the extent of almost thirty million Ringgit. Luckily for Jim Yong and company their competitors were not able to sustain this lucrative surge of resources.

“We were limited by the kind of money we had. We had very clear in our minds, the kind and the quality of archives that was required in order to make investing successful. We had to pay our way all these years but fortunately our programming department was making some money, so we were able to cross subsidize our product.” Says Jim Yong.

Much like a masthead of a newspaper the message of their brand initiative and brand image resonates throughout the company’s staff and customers. They all understand what the brand stands for, as a result of this masthead. The archival research service and the kind of data, the quality of data that they can get from this platform are clearly illustrated. The expectation from the customers is there. So, the employees know what they need to deliver.

The equities Tracker has become dominant because they are able to deliver quality with information. They are able to help investors understand the market better. The most important thing, when compared to the kind of investment, their customers are likely to make, is that the entry level is very low and their subscription prices are very reasonable.

“If customers diligently use the archives and the tools properly the likely hood is that over time they are unlikely to loose money. The preservation of capital is very important.” Says the long time CEO of Equities Tracker.

Their clients get all the red flags and are notified of the probable behavior and/or performance of a company, as against the performance of the market. They tend to move independently of each another for very sustained periods at a time.

The most important thing is to empower an investor to get as deep an insight into a company as possible.
The investor has to be able, after going through the archives and using the research tools, to arrive at a reasonable opinion, so as to increase his/her chances to make money over the medium to long term.

The days of wildcatting (speculation) are long gone. The degree of wildcats in the market is decreasing, as knowledge improves and as archives improve. This is what the Tracker strives to deliver for the user of the archive.

The World Stage
When asked what it would be like to take on the world stage Jimmy had this to say;
"We don't dare even think of competing with the international outlets because they are so huge. Platforms like Bloomberg, Reuters, Morning Star has been around for more then 100 years. Their data store runs a lot longer then ours. Though there is a useful life to the number of years a data series can be used effectively, we don't think we can compete with the global leader. The way we can differentiate from the global players is to be more in depth and provide a better feel for a particular market. The big guns tend to provide data services that span across the market."

As of late there have been a lot of enquiries from Singapore, Australia and Hong Kong. They are at this point in time in discussion with parties on how they could share the technology and the expertise that they have built up over the last ten years, in providing investment archives and building up a following.
"When you talk of investment, one usually speaks of people who have made certain achievements in life and have money to spare and invest. They tend to be people 50 and above." Says Jim Vong "However, the company also have a large following of young professionals, who are beginning to realize that equities investment is the best way to build a nest egg. They have much longer times frames as compared to the seniors."

It seems to me that investors are now a little more educated. Speculators are finally starting to realize that there is a difference between speculation and investment. In the past, many listed companies were listing for the benefit of controlling shareholders. There is a growing pool of well-informed investors and for such companies, getting listed and remaining listed will be very expensive. As a result, they will continue to evolve just as the need requires.

The Existing Brand Image.
In terms of the target audience, rather then there being a particular age group or nationality, it is for people who have an interest in equities investment. The brand image will hardly change as they push forward into the future. The reason being that, investors already have a familiarity with the brand.
"The hunger for accurate information and data that will help people to make well-informed decisions, information has not changed over the years." Says the CEO Of 15 years.

They have been using KLSE Tracker since 1990. It is the belief of all their staff at Equities Tracker, that it has been well received. They changed their name in 2007 so as to allow for expansion into foreign markets, Singapore and Australia. Jim Vong assures me, that the change in name has not tarnished or smeared the brand in any way. They are equally well known now as we were before the change.

The future of Equities Tracker.
Feedback from brokers has shown that in recent years, the favored markets for Malaysian investors are the US, UK, Hong Kong, Singapore and Australia. When they developed the platform for Singapore and Australia, it was not without the benefit of such feedback.

Malaysia trades about 1000 stocks actively while Singapore trades about 700 stocks and Australia 2300 stocks. These are markets where investors tend to gravitate and so too will the brand image of the equities tracker.

About 50% of their clientele are domestic and about 50% from overseas. This goes to show that what clients want, irrespective of location, is information that has a certain level of integrity.

International investors realize that, a lot of information coming out from official sources tends to be slanted. Double-checking is the norm. In the long term what sells is the integrity of the data. After all you are talking about returns in investment. The integrity of the data is effectively how they brand their product.

Taking on Singapore and Australia is not an overnight job. The two-year monetary investment in these markets will take another three years or so before they make their first dollar from these regions.

As for expansion beyond Singapore and Australia they will perhaps have to consider the feedback of brokerages that are pushing very hard for Hong Kong data. There is no intention to embark on the US or UK markets as they are well covered.

"It would require a lot more resources, more then what we have." Says Jimmy.