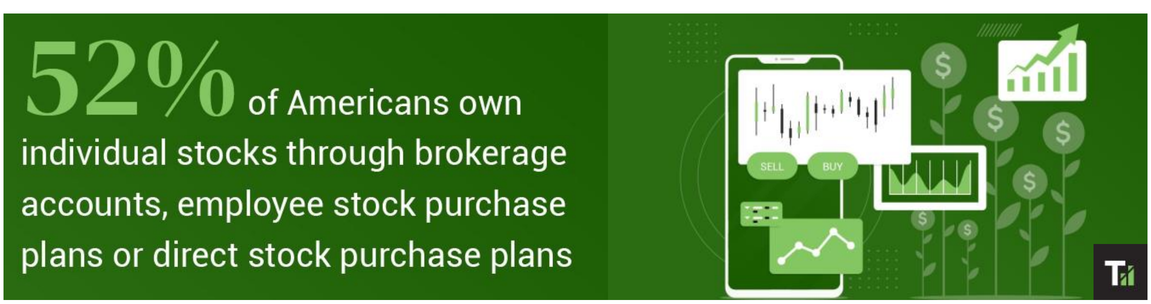
The Future of Consumer Shareholders

Individual investors have been a largely untapped investor base for companies representing trillions of dollars in investable assets. In fact, as of September 30, 2020, a total of $10.6 trillion was held in brokerage assets at the leading online and discount brokerages, indicating a substantial pool of capital that individual investors are directing into stocks of their choosing. **But what drives these investment decisions and how can public companies foster a closer relationship with these investors?**

While it may not be as simple as solely focusing on institutional money managers who are responsible for billions in investible assets, we believe that engaging with individual investors may prove to be much more valuable for companies over the long term.

To confirm our thesis, we gathered data from those investors through a survey conducted by The Harris Poll. The survey of 2,070 Americans was conducted in October 2020 to better understand what portion of the population owns individual stocks and how they view the companies in which they choose to invest.

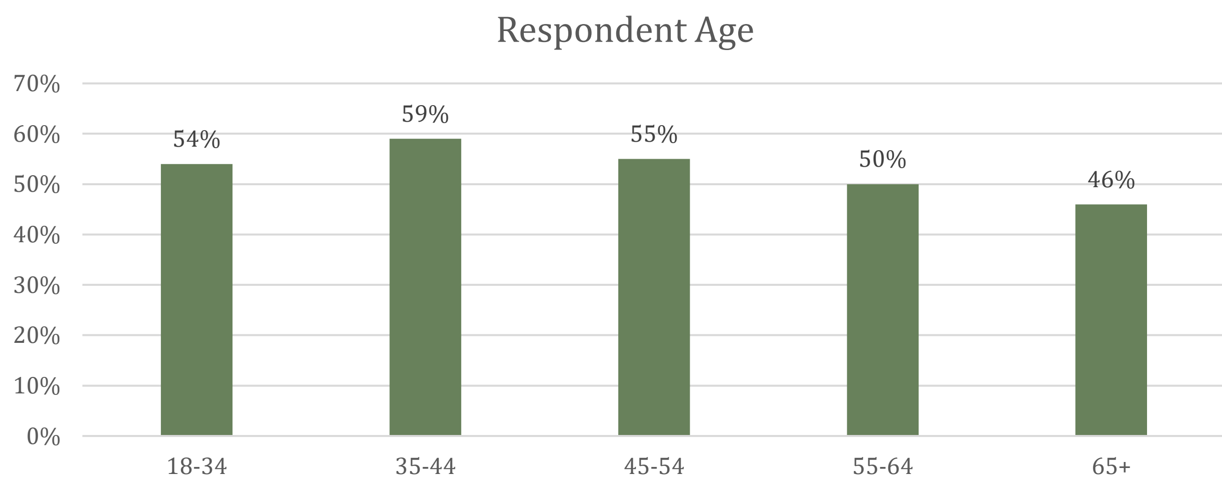
We found that 52% of those surveyed owned individual stocks through brokerage accounts, employee stock purchase plans, or direct stock purchase plans sponsored by individual companies. This figure would represent more than 130 million individual investors in the United States[1].



[1] Source: Worldmeter, Elaboration of data by United Nations, Department of Economic and Social Affairs, Population Division.

So, what do these investors look like from a demographic perspective?

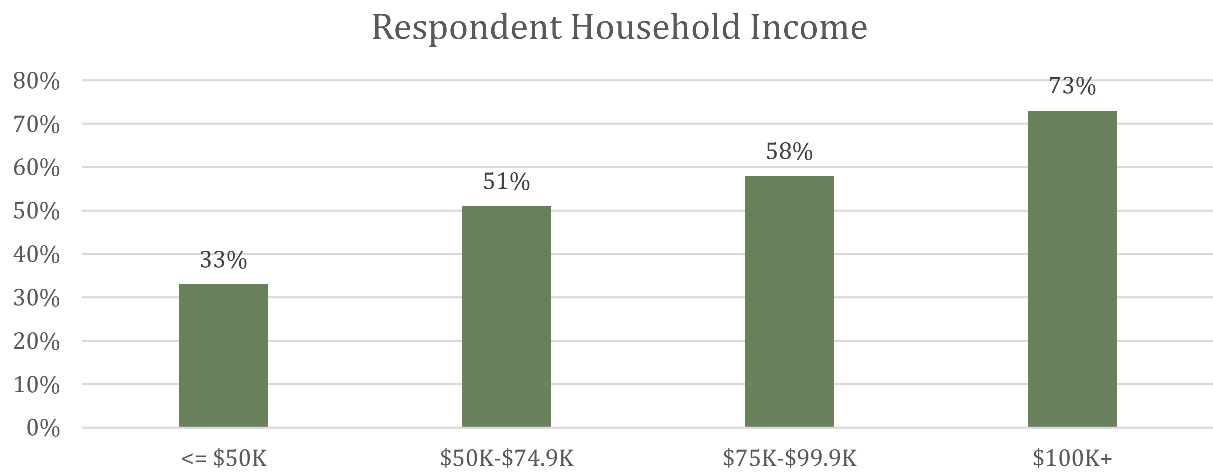
First, they tend to be younger. We identified three age demographics (aged 18-54) that held stocks at higher rates than the overall population surveyed and found that nearly 60% of the 35-44 age category held individual stocks.



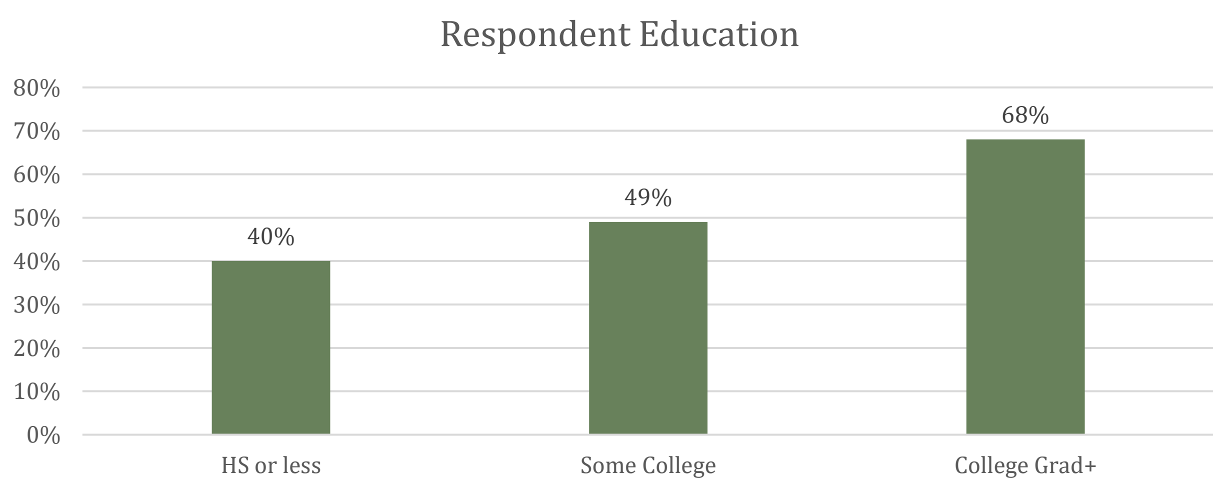
While we might expect more middle-aged investors to own stocks as they enter their peak earning and investing years, it was somewhat surprising to see the youngest cohort investing in stocks at a greater comparative clip.

In terms of gender, while we might expect more men to be invested in individual stocks, 43% of those surveyed that owned individual stocks were women.

In terms of income, it was not surprising to see that higher-income consumers were more likely to own individual stocks. Of those respondents with annual incomes of $75,000 to $100,000, 58% were individual investors, while an impressive 73% of those surveyed with annual incomes over $100,000 invested in individual stocks.



In a similar vein, by educational attainment, 68% of college graduates owned individual stocks.



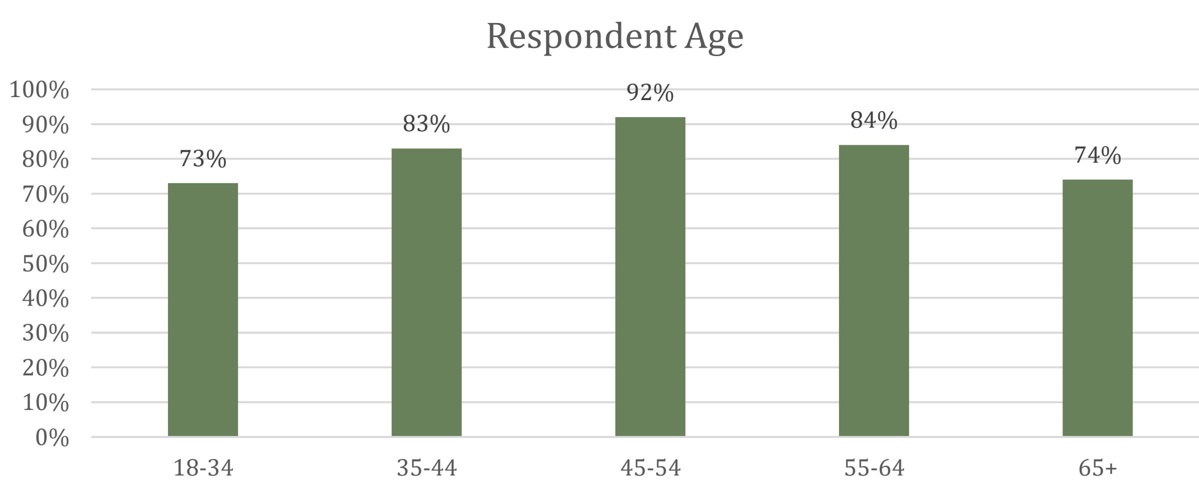
Overall, these individual investors encompass younger, well-educated and well-heeled consumers. **But how do they relate to the companies that comprise their investments?**

Our first question for this group was, **"How likely you would be to buy shares in a publicly traded company if they are a brand, product or retailer you love?"** In asking this, we wanted to see if individual investors buy what they know and whether they invest with their hearts at the forefront.

Not surprisingly, investors tend to invest in what they know and particularly in brands, products and retailers they love, with 82% of individual investors indicating that they were very or somewhat likely to invest in such companies. Along demographic lines, these brand advocate investors follow similar patterns as the broader base of stock owners - they are younger (84% of those aged 35-44 and 91% of those aged 45-54), college educated (90% of college graduates) and maintain a higher income (87% of those with household incomes between $75,000-$100,000 and 88% of those with household incomes greater than $100,000). Interestingly, despite those similar patterns, the survey results found that regardless the demographic, very high percentages of individuals invest in the brands, products and retailers they love. We also noted that these investors are more often married (86%) with children (85%). Additionally, these individuals were more likely to own a home (83%).

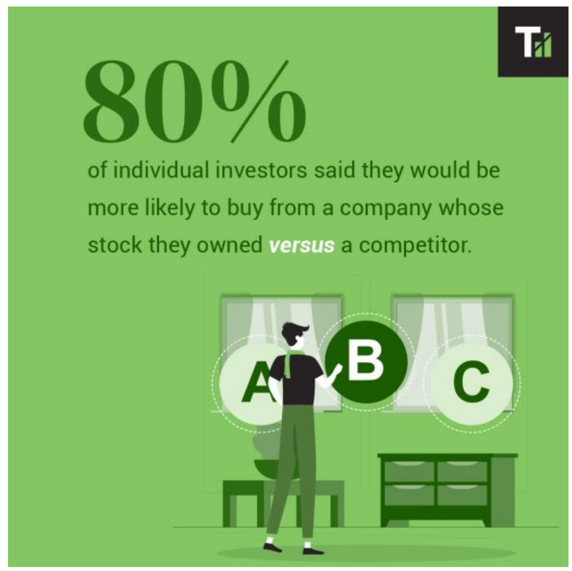
Next, we wanted to find out if owning shares in a publicly traded company influenced consumer behavior. We asked a series of questions to gain insights into how these investors view their share ownership with their buying habits. Of those surveyed, 80% agreed that owning shares of stock in a retailer, consumer product company or brand would make them more likely to be a customer or buy their products.

Interestingly, the response to this question was slightly more favorable from female (82%) respondents than males (78%), and the average age tended to be a bit older with 92% of respondents falling between the ages of 45-54.



In terms of other demographic characteristics, these investors tended to be higher-income (87% of those with household incomes greater than $100,000), college graduates (84%) and married (87%) with children (82%).

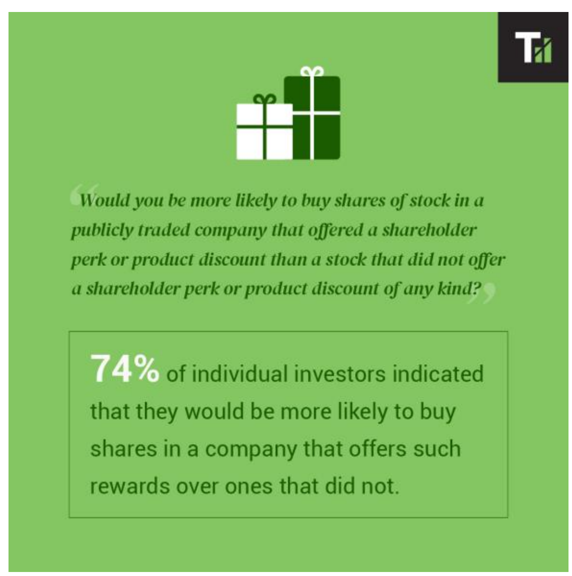
Of the investors surveyed, 80% also said they would be more likely to buy from a company whose stock they owned versus a competitor. The characteristics of this group largely mirrored that of those in the previous question – slightly older (91% aged 45-54), higher income (84% of those with household incomes between $75,000-$100,000), college graduates (86%) and married (85%) with children (83%).



Clearly, individual investors seem to be more loyal to the brands and companies where they've placed investments, but is there a way for companies to strengthen these relationships?

We asked those surveyed, **"How likely would you be to buy shares of stock in a publicly traded company if you received a shareholder perk, reward or discount?"** Of those surveyed, 77% indicated they would be very or somewhat likely to buy shares in a company offering a reward. By age, these investors tended to be somewhat older (85% of those aged 45-54) and more heavily skewed toward women (91% of those aged 45-54). Similar to the other groups, this result was higher income (85% of those with household incomes greater than $100,000), college educated (86% of college graduates), and married (81%) with children (81%). Additionally, these individuals were more likely to own a home (78%).

Next, we asked these investors, **"Would you be more likely to buy shares of stock in a publicly traded company that offered a shareholder perk or product discount than a stock that did not offer a shareholder perk or product discount of any kind?"** In response, 74% of investors indicated that they would be more likely to buy shares in a company that offers such rewards over ones that did not. This group tended to be somewhat younger (81% of those aged 35-44),



higher income (81% of those with household incomes between $75,000-$100,000 and 79% of those with household incomes greater than $100,000), college educated (81% of college graduates) and married (81%) with children (78%).

After reviewing this survey, we can draw a number of conclusions for how companies might better interact with the estimated 130 million individual investors in the United States.

First, consumers make excellent shareholders. If companies offer compelling brands or products, individual investors are much more likely to consider purchasing shares as a potential investment. Given that these consumers are already fans of what is being offered, they are much more likely to be stable, loyal and long-term shareholders.

The second conclusion we can draw is that **shareholders can make excellent consumers**. An individual investor that owns shares in a particular brand or company is more likely to consume what is being offered, and in fact, would likely choose that particular offering over a competitor's offering, showing loyalty to their own financial interest, while becoming a brand ambassador in the process.

The final conclusion we can draw from the data is that **individual investors, just like consumers, want to have a relationship with the companies they own and do business with**. A key aspect of establishing and strengthening those relationships over time involves rewarding shareholders for their loyalty. Whether a specific product discount or shareholder perk, individual investors want to feel appreciated. They want to not only be investors, but they want to be true advocates for that brand, while being rewarded for those efforts.

About TiiCKER, Inc.

TiiCKER is a shareholder loyalty platform whose mission is to help connect publicly traded companies with individual investors. By inventing direct shareholder marketing through its web-based and app software platform, TiiCKER provides consumers and investors a revolutionary way to engage with the brands they love. For individual investors, TiiCKER provides unique access to shareholder perks, commission-free trading, and insights needed to discover and stay close to the brands they follow. For its public company brand partners, TiiCKER enables companies to engage, verify and incentivize consumer shareholders to better serve and understand their investors and maximize the lifetime value of their consumer shareholders. For more information, please visit TiiCKER.com.