

# Industry analysis proposal: securities essay



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Definition: Securities Brokerage industry is made up of the companies that are primarily engaged in providing brokerage services for a commission or a fee.

These firms act as an agent for matching buyers and sellers of various investment instruments including stocks, bonds, mutual funds, ETFs and equity or index options. Some of these firms also provide additional services such as investment banking, investment consultation etc. Why we chose this Industry? : The securities brokerage industry is growing at rapid pace both domestically and internationally. The innovation and growth of internet technologies is transforming the industry by fueling improved efficiency, increased trade volume, lower costs, and increasing competition.

Other interesting aspects of this industry are M&A activities and an easy access to international investment choices. It would be an interesting and rewarding experience for us to analyze this industry. Competitors: Major competitors within the industry are: Morgan Stanley Merrill Lynch & Co Inc Lehman Brothers Holdings Inc The Bear Stearns Companies Inc. Charles Schwab Corp.

E Trade Financial Corp Customers: Customers in this industry are individual and institutional investors, mutual fund managers, hedge fund managers, corporations, and governments. Key Issues: We have identified following key issues that are confronting securities brokerage industry: 1. Transparency and easy access to personal information 2. Privacy in the information age 3.

Lack of transparency -Perceived conflict of interest between in-house funds and brokerage business 4. Economic stability 5. Political stability 6. Natural catastrophe 7.

Technology and Security 8. Exploding product complexity Research

Resources: We plan to use following data sources for information on and the analysis of this industry: 9. LexisNexis Academic – From CSUN Library research resources 10. Mergent Online – From CSUN Library research resources 11. Factiva – From CSUN Library research resources 12. Hoover's Company Records (ProQuest) – From CSUN Library research resources 13.

Reuters Website (<http://www.reuters.com>) 14. Yahoo Finance Website (<http://finance.yahoo.com>)

15. Google Finance Website (<http://finance.google.com/finance>) 16.

Deloitte Website ([www.deloitte.com](http://www.deloitte.com)) 17. US Census Data (<http://www.census.gov>)

18. US SEC Website (<http://www.sec.gov>) 19. Individual website of companies within the industry Analysis approach: We plan to start our paper with providing a background and current state of the industry.

We will provide information on the structure of the industry, customer segments, internal and external competition, recent developments, and factors affecting the industry, key issues, and major players within the industry. We will then analyze the industry using the preceding information and Porter's five forces. We will summarize the paper with industry outlook and conclusion.

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