

FinTech/Robo Race to Capture Consumer Wallets: New Entrants Ahead of Traditional Firm Offerings in Awareness; Scale Matters on Conversion

Robinhood, Chime, SoFi, Acorns Lead National Awareness; 1 in 4 U.S. households has put money toward technology-powered saving and investing solutions

(Feb. 21, 2024, Rye, NY) – Fintech/robo¹ new entrants now lead technology-powered offerings from traditional financial services firms in U.S. consumer awareness, but only a few solutions achieve the scale required to convert awareness into significant trial with money, according to a new market intelligence report by [Hearts & Wallets](#), the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses.

New Entrants and Offerings: How “Cash,” Crypto & Lending Are Changing the Competitive

Landscape on Awareness, Trial & Conversion examines consumer awareness, interest and trial of 55 technology-powered saving and investing solutions – including both fintech/robo new entrants and offerings from traditional financial services firms – and tracks growth since 2015. This report is based on consumer-reported data collected from 5,846 U.S. households in the latest wave of the Hearts & Wallets Investor Quantitative™ Database, recognized as the largest single dataset with over 120 million data points on saving, investing and advice behaviors from 75,000 U.S. households dating back to 2010.

Awareness Leaders

Nationally, nearly 80% of households are now aware of these technology-powered saving and investing solutions, up from 36% in 2015. Of the six capabilities offered within these solutions, new entrants now often focus on capabilities of saving, crypto and lending, while offerings from traditional firms continue mostly to emphasize investment, planning and human advisors. Awareness of new entrants is now higher (69% of households) than new offerings from established firms (59%). In 2020, awareness was tied at 56%, respectively. Awareness of new entrants vs. new offerings of traditional firms is higher for younger households, especially under age 35.

National leaders in consumer awareness include **Robinhood** (NASDAQ: HOOD) 40%, **Chime** 39%, **SoFi** (NASDAQ: SOFI) 34% and **Acorns** 31%. All offerings from established firms lag new entrants. Leaders among offerings from traditional firms are **JP Morgan Wealth Plan** (NYSE: JPM) 19% and **Marcus by Goldman Sachs** (NYSE: GS) 15%.

Awareness statistics vary by wealth and age groups. Robinhood leads in awareness for households with \$1-million-plus in investable assets (42%) by a wide margin and also leads (39%) among households with \$100,000 to under \$1 million. Marcus by Goldman Sachs tops new offerings from established firms in awareness among households with \$1-million-plus in investable assets.

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¹Hearts & Wallets defines “robo-advisors” or robos as an automated portfolio that uses algorithms and technology to build, monitor and automatically rebalance investments. The term “new entrants” refers to fintech/robos in this report. “Offerings from traditional firms” refers to robo/tech solutions provided by traditional financial services firms.

FinTech/Robo Race to Capture Dollars

“Awareness of these new solutions is up and growing,” Laura Varas, Hearts & Wallets CEO and founder, said. “With higher interest rates, consumers are receptive to ‘cash’ and saving capabilities, which seem new after 10 years of interest rates at zero. Offerings that emphasize these ‘new’ capabilities in their positioning and promotion are generating higher awareness than offerings that do not, but scale is what matters when converting awareness into trial.”

Converting Awareness into Customers with Funded Accounts

Today, 1 in 4 U.S. households (25%) has put money toward these technology-powered saving and investing solutions, up from 6% in 2015. A handful of leaders are acquiring significant levels of new customers, converting awareness into monied trial, including Robinhood, Chime, Sofi and Acorns (new entrants), and JP Morgan Wealth Plan, Marcus by Goldman Sachs, **Fidelity Go** and **Wells Fargo Intuitive Investor** (NYSE: WFC) (new offerings from existing firms). Some traditional firms, such as Wells Fargo and **Morgan Stanley** (NYSE: MS), are driving more trial of their proprietary new offerings among existing customers than other leading competitors.

Younger households are especially likely to engage in trial with money, driving nearly 70% of instances of trial with money. Conversion rates, defined as trial with money among aware prospects, range from as high as 30% to low single digits.

“Traditional financial services firms should analyze the competitive opportunities and threats of increasing consumer consideration of new solutions, especially firms currently without such offerings,” Amber Katris, Hearts & Wallets Subject Matter Expert and report co-author, said.

“Partnering to provide these offerings may make sense when considered in relation to your firm’s capabilities and current competitive position and can offer the scale required to convert awareness into monied trial.”

Competitive Landscape

The report provides an overview of 55 new entrants and offerings from established firms, identifies how capabilities have shifted to sharpen competitive advantage over the past eight years, and tracks the conversion process of how awareness leads to interest and trial with money.

Methodology

The *New Entrants and Offerings: How “Cash,” Crypto & Lending Are Changing the Competitive Landscape on Awareness, Trial & Conversion* report is drawn from the Hearts & Wallets Investor Quantitative™ Database (IQ Database) and examines consumer awareness, interest and trial of 55 technology-powered saving and investing solutions for both new entrants and offerings from traditional firms. The full IQ™ Database is recognized as the largest single dataset with over 120 million data points on consumer buying patterns from over 75,000 U.S. households. The latest wave was fielded Sept. 11 – Oct. 6, 2023, with 5,846 participants.

About Hearts & Wallets

Hearts & Wallets is the data and benchmarking firm that specializes in powering growth for saving, investing and financial advice businesses. Leading firms rely upon Hearts & Wallets market intelligence reports, software and benchmarking to make strategic decisions that lead to growth by improving products, distribution, pricing, positioning and targeting. The power of 2.5x: over 70% of Hearts & Wallets subscribers experienced positive net flows in 2022 as compared to just 30% of non-subscribers. For more information, visit www.heartsandwallets.com.

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