

# The Equity Market is Not Run by Robots

June 26, 2014

Sales trader relevance has been debated for more than a decade as buy-side driven execution algorithms and trading tools have made self-service trading ubiquitous. Despite the ability of institutional investors to trade via cheaper self-directed channels, [our latest research, The Future Sales Trader](#), found that more than half of U.S. equity trading done by clients passes through broker sales traders. Why? A smarter, more client-focused sales trading force, coupled with uncertain markets and a complex market structure, keep clients picking up the phone.

But being a good sales trader isn't as easy as it used to be. Ten years ago sales traders needed to be good at "blocking and tackling"—basically knowing how to work an order the right way to limit information leakage and get the right price. Today the buy side expects a sales trader who can not only get an order done, but also understands how the market works and the external factors that might influence a client's decision-making progress. While being an expert in macroeconomics, market structure and individual sectors is not a requirement, being able to carry on an intelligent conversation on these topics is a must.

These changes mean the sales trader of the future will look dramatically different than he/she does today. While the major method of differentiation—relationships—has not changed, the definition has evolved. Twenty years ago relationships meant sending order flow to old friends and college roommates. Today relationships mean providing the right kind of information and services that make the buy-side trader look smart in front of the portfolio manager and ultimately lead to a better ranking in the broker vote process. Establishing these newly defined relationships is how the future sales trader can cement his importance. Just knowing your client's kids' names and having Yankees tickets isn't enough anymore.

Enter sales trader technology. The next generation of sales trader tools—many of which already exist and are available for the taking—go beyond the CRM systems common today. Communication methods have exploded, including social media, group chats, various IM platforms, (occasionally) email, and phone calls that can now be recorded and transcribed in real-time. Based on these communication records, market data, news, and a client's portfolio history, technology will enable sales traders to send custom suggestions via the client's preferred method of communication, and do that on a scale that wasn't possible before.

So no, the market is not run by robots. People do and will continue to talk to people as there is no substitute for a trusting relationship. But those tasked with helping clients navigate market complexity will more now than ever use technology to make those relationships even stronger.

Coalition Greenwich, a division of CRISIL, an S&P Global Company, is a leading global provider of strategic benchmarking, analytics and insights to the financial services industry.

We specialize in providing unique, high-value and actionable information to help our clients improve their business performance.

Our suite of analytics and insights encompass all key performance metrics and drivers: market share, revenue performance, client relationship share and quality, operational excellence, return on equity, behavioral drivers, and industry evolution.

## About CRISIL

CRISIL is a leading, agile and innovative global analytics company driven by its mission of making markets function better. It is majority owned by S&P Global Inc., a leading provider of transparent and independent ratings, benchmarks, analytics, and data to the capital and commodity markets worldwide.

CRISIL is India's foremost provider of ratings, data, research, analytics, and solutions with a strong record of growth, culture of innovation, and global footprint.

It has delivered independent opinions, actionable insights and efficient solutions to over 100,000 customers through businesses that operate from India, the U.S., the U.K., Argentina, Poland, China, Hong Kong, and Singapore.

For more information, visit [www.crisil.com](http://www.crisil.com)

## Disclaimer and Copyright

This Document is prepared by Crisil Coalition Greenwich, which is a part of Crisil Ltd, a company of S&P Global. All rights reserved. This Document may contain analysis of commercial data relating to revenues, productivity and headcount of financial services organisations (together with any other commercial information set out in the Document). The Document may also include statements, estimates and projections with respect to the anticipated future performance of certain companies and as to the market for those companies' products and services.

The Document does not constitute (or purport to constitute) an accurate or complete representation of past or future activities of the businesses or companies considered in it but rather is designed to only highlight the trends. This Document is not (and does not purport to be) a comprehensive Document on the financial state of any business or company. The Document represents the views of Crisil Coalition Greenwich as on the date of the Document and Crisil Coalition Greenwich has no obligation to update or change it in the light of new or additional information or changed circumstances after submission of the Document.

This Document is not (and does not purport to be) a credit assessment or investment advice and should not form basis of any lending, investment or credit decision. This Document does not constitute nor form part of an offer or invitation to subscribe for, underwrite or purchase securities in any company. Nor should this Document, or any part of it, form the basis to be relied upon in any way in connection with any contract relating to any securities. The Document is not an investment analysis or research and is not subject to regulatory or legal obligations on the production of, or content of, investment analysis or research.

The data contained in the Document is based upon a particular bank's scope, which reflects a bank's data submission, business structure, and sales revenue Reporting methodology. As a result, any data contained in the Document may not be directly comparable to data presented to another bank. For franchise benchmarking, Crisil Coalition Greenwich has implemented equal ranking logic on aggregate results i.e., when sales revenues are within 5% of at least one competitor ahead, a tie is shown and designated by = (where actual ranks are shown). Entity level data has no equal ranking logic implemented and therefore, on occasion, the differences between rank bands can be very close mathematically.

The data in this Document may reflect the views reported to Crisil Coalition Greenwich by the research participants. Interviewees may be asked about their use of and demand for financial products and services and about investment practices in relevant financial markets. Crisil Coalition Greenwich compiles the data received, conducts statistical analysis and reviews for presentation purposes to produce the final results.

THE DOCUMENT IS COMPILED FROM SOURCES CRISIL COALITION GREENWICH BELIEVES TO BE RELIABLE. CRISIL COALITION GREENWICH DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THIS DOCUMENT, INCLUDING AS TO THE VALIDITY, ACCURACY, REASONABLENESS OR COMPLETENESS OF THE INFORMATION, STATEMENTS, ASSESSMENTS, ESTIMATES AND PROJECTIONS, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT. CRISIL COALITION GREENWICH ACCEPTS NO LIABILITY WHATSOEVER FOR ANY DIRECT, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND ARISING OUT OF THE USE OF ALL OR ANY OF THIS DOCUMENT.

Crisil Coalition Greenwich is a part of Crisil Ltd., an S&P Global company. ©2025 Crisil Ltd. All rights reserved.