

StockTwits Leverages Social Media and Market Data to Empower Financial Community

Overview

Whether trading for quick profits or investing for the long term, individuals have long been disadvantaged when it comes to dealing with the financial markets. Information has always been critical and remains a major problem for most individuals. In the past the issue was lack of information—those not working directly in the market or with a broker or financial advisor found it hard to obtain good information.

Today the issue is one of information overload. There's a limitless supply of economic and company news, suggestions, ideas, trading advice, warnings and opinions issued each business day—information abounds, both good and bad. The challenge for the individual today is discerning what is real and of value versus all the noise, self-serving advice or opinions, and outright bad or misleading information available in the marketplace.

The fact that most individuals trade or invest in an isolated fashion serves to exacerbate the situation. With so much information constantly flowing, it's impossible for any one person to stay abreast of the real issues influencing the markets and individual stocks while steering clear of all else.

Providing a communications platform for the financial community capable of addressing the inherent disadvantages while serving to level the playing field by enabling traders and investors to share real-time ideas and information was the goal of Coronado, Calif.-based StockTwits, started in 2008 by renowned angel investor and entrepreneur Howard Lindzon, co-founder and CEO.



"StockTwits is a social product allowing investors and traders to communicate in real time what they are seeing and what they think might happen. Allowing them to share charts, information and predictions," says

StockTwits Product Director Justin Paterno. "It gives them a real advantage over the average investor. They are privy to information much faster. Until the advent of StockTwits, this type of communication was really only available to the guy on the trading desk at a Goldman Sachs, where there is a trading floor with hundreds of people chatting and talking all day long. We give the average trader or investor the ability to do that...within an entire community of people."

The company elected to create an application on the Twitter platform solely focused on stocks, the markets and trading. They eventually created the \$TICKER

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— Chris Corriveau
CTO
StockTwits

StockTwits Case Study

tag to enable and organize “streams” of information around stocks and markets across the web and social media, providing new forms of insight, ideas and information used by investors, analysts, media and others as they research stocks and manage their investments.

Challenge

The company gained notoriety and a sizable subscriber base piggybacking the Twitter platform, but service outages and other issues became problematic over time. Moreover, they recognized the real need within the market for a robust social platform tailored specifically to the needs of investors and traders, so in 2009 StockTwits undertook the endeavor of building their own reliable web platform, network and mobile app. Doing so would ensure the StockTwits community of traders and investors continued to view the service as an important utility within their trading regimen.

A key challenge in their platform build-out was that of providing financial data. They needed real-time pricing information to give context to and drive the streams of conversations taking place within the community. "If someone came to find out about Apple (AAPL) and they saw everyone talking about it and there was lots of excitement because APPL was trading up, they'd need to see the price in real-time for context," offers Paterno.

Given that the company was a start-up, cost was a major consideration, as was the need to identify a market data provider capable of delivering stable real-time pricing data that updated regularly—preferably available as an Application Programming Interface (API) for ease of integration.

Solution

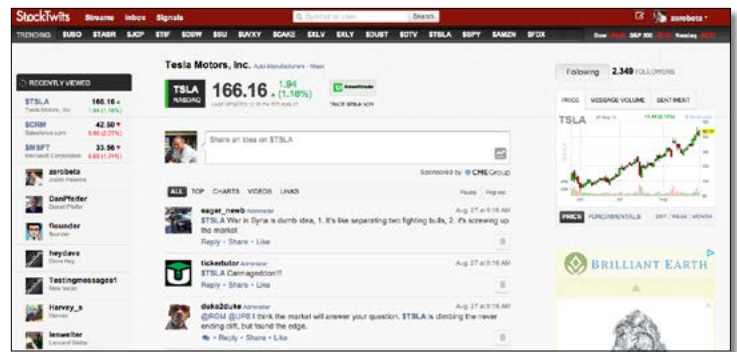
The company was aware of the major market data feed providers and undertook a search process to identify the vendor best suited for their needs. In so doing they determined that the Xignite market data cloud platform and on-demand pricing provided the best fit.

StockTwits elected to utilize a number of Xignite market data APIs for the community platform, including:

- **XigniteIndices**—Provides historical, delayed and real-time index values for more than 1,200 U.S. and global market indices. [Read more.](#)
- **XigniteGlobalQuotes**—Provides delayed stock quotes and other data for more than 150,000 global equities, depository receipts and ETFs trading on more than 50 international exchanges. [Read more.](#)
- **XigniteBATSLastSale**—Provides real-time BATS last-sale price data for U.S. equities traded on NASDAQ, NYSE, NYSE Alternext and over-the-counter exchanges. [Read more.](#)
- **XigniteNasdaqLastSale**—Provides real-time stock quotes for securities trading on NASDAQ and listed on NASDAQ, NYSE, NYSE MKT (formerly AMEX) and other U.S. exchanges. [Read more.](#)
- **XigniteGlobalMaster**—Provides security master data (issuer, instrument and security level information) for more than 1.5 million exchange-traded active instruments spanning 200 global markets. [Read more.](#)

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—Justin Paterno
Product Director
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The StockTwits platform, powered by Xignite market data, enables traders to share information, ideas and predictions on trade instruments using the \$TICKER tag.

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The integration process of Xignite pricing data was completed inside of two weeks. "We found Xignite's APIs to be very easy to work with and implement, offering multiple data formats," says Chris Corriveau, CTO. "We've also discovered that as StockTwits expands internationally, Xignite's broad global coverage means that adding international market data is a simple and straightforward proposition."

Results

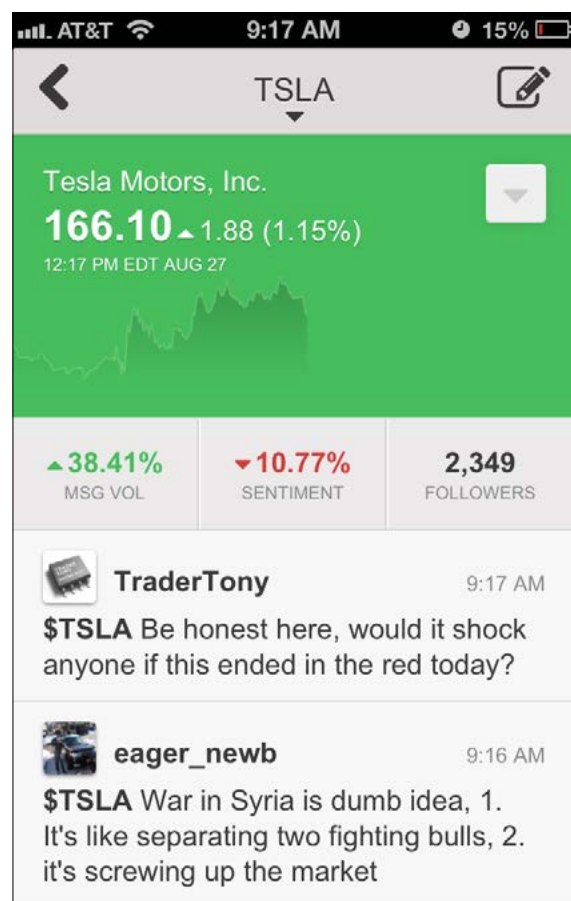
Today the company has more than 300,000 registered investors, market professionals and public companies exchanging information and ideas about the market and individual stocks using StockTwits, equating to 40 million daily message impressions shared among an audience of 10 million users across the financial web and social media platforms.

Xignite APIs are important components powering the StockTwits financial community platform and they've enabled the company to better leverage their business model. "Xignite's data provides context for the StockTwits social stream," says Paterno. "That context helps foster better conversation, which in turn creates a bigger audience—making our property more valuable."

 [Visit StockTwits' webpage](#)



[Visit StockTwits' social media and application pages](#)



StockTwits members can see which companies are trending at any given moment and gain real-time insight as to the community's current sentiment for a traded vehicle.

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