

# Utilizing Emotion Power That Drives Investment Decisions



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WealthTech  
Insights



**Matt Reiner**

CEO at Wela

How should platforms deal with the individual client's EQ?

### Interview with Matt Reiner, CEO at Wela

The passive investment market is facing reduction and fee compression, while its players are being forced to add more value on top of their service. Meanwhile, innovators are finding underestimated aspects and new tools that can level-up investment services.

Among such aspects is definitely emotion. It's undeniable that any operations with money can cause people to feel stressed. If WealthTech companies fail to understand this state, it may lead to serious damage for both investors and platforms.

Matt Reiner took notice of emotion patterns long before taking the lead in his own FinTech startup.

“Emotions drive a lot of individuals' investment decisions. When people answer questionnaires and make decisions regarding investments, [the outcome] depends on what type of [emotional] state [...] they are in.”

Emotions influence decisions, that's why a human still needs to be involved in the relationship. This gave Matt the conviction that human advisors are still necessary and will never be fully replaced by pure technology. Viewing investments as a relationship seemed to Matt to be a great starting point to see where technology can help. Investment relationships are likely to evolve over time, just as individual situations do, so advisors are there to help with the emotional quotient (EQ) of the individual client.

“Financial advisors are the very key part of the puzzle when it comes to managing money because with money comes emotions, and emotions need a human relationship. It's up to companies to provide tools that make these individuals more efficient, more profitable, as opposed to trying to replace them.”

## Emotion-fueled investment strategy

One way Matt found to empower such a relationship was to enhance conversations. The Benjamin virtual assistant, which is the part of **Wela**, Matt's WealthTech startup, consumes AI to grab and classify the intents of different messages from clients, help spur conversation, and prevent questions having to go to an end advisor. Such sentiment analysis and natural language processing enable Matt's crew to help advisors understand how upset or happy their client is so that they can interact with them in the appropriate way.

*“Where technology can help is to empower the human within the process of building strong bonds and relationships. It's not necessarily a replacement [for] conversation, it's more of an enablement [of] conversation.”*

Users can communicate with their advisors through Benjamin via messaging, in the same way as if they're texting with friends. It doesn't cause any stress as no adaptation is needed; clients feel confident and natural. At the same time, the AI module processes the conversation to give advisors valuable insights about the client's state and intentions.

More conversation means less confusion. Thus, the WealthTech platform's environment keeps communication friendly, thereby encouraging trust and dialogue. At the same time, it is designed to provide predefined answers to all frequently asked questions so that advisors aren't interrupted for no particular reason.

Matt feels that the platform has benefited greatly from this emotion-fueled approach. His deep conviction is that WealthTech companies should provide more value to their users and keep their narrow focus so as not to get disrupted by commoditized platforms.

*“As a technology company, you have to be able to understand, what is the value? [It's] the same technology; it's just [that] the value that each [party] is gaining from that technology is different.”*

## The bottom line

Emotion is key to understanding human investment behavior. As modern technology tools enable access to this aspect, it's vital to take the opportunity to enhance solutions with new capabilities. Along with that, platforms can strengthen their hand in the face of the market squeeze.

## About

Matt Reiner is a cofounder and CEO at Wela. He has been in the wealth-management business for 10 years. He grew up in a financial advisory family, with his dad and brother in traditional wealth management. Before he started his own WealthTech startup, Matt was a partner at Capital Investment Advisors.

Matt pays great attention to thought leadership issues and the emotional side of finance. He has his own website ([www.mattreiner.com](http://www.mattreiner.com)), where he encourages people to make the most of technology and innovation adoption.

Wela's novelty lies in its communications platform, Benjamin, which improves RIAs' external communication beyond the client portal via text messaging.



Written by Vasyl Soloshchuk, CEO and co-owner at [INSART](#), FinTech & Java engineering company. Vasyl is also the author of [WealthTech Club](#), which conducts research into Fortune and Startup Robo-advisor and Wealth Management companies in terms of the technology ecosystem.