

How Embracing Change Could Make You a Better Investor

Description

In recent decades, the pace of change in the investment world seems to have increased. There are new methods to buy and sell shares online, while the strategies employed by investors have also evolved over time. Furthermore, new industries have been created, and mature ones have adapted to changing consumer tastes.

Looking ahead, more change looks likely to be ahead in all of these areas. Embracing it could be a means of boosting your portfolio returns in the long run.

Investment opportunities

In recent years, the advance of the internet has made buying and selling shares far easier and less costly. While many investors now conduct their investment deals online, there may be scope for even further savings in future. One example could be the use of aggregated orders, whereby a share dealing service offers a significantly discounted commission rate in exchange for less choice on when a trade is executed. For long term investors, this could reduce dealing costs and aid diversification.

Similarly, the use of products such as spread betting and CFDs may also have appeal for some investors. It may allow a long term investor to cover their long positions over a short-term time horizon should they be of the view that a correction in share prices may be ahead. In future, other products such as Bitcoin and [crowdfunding](#) may become easier for investors to access, and could be worth considering from a risk/reward perspective.

New industries

In recent decades, a number of new industries have come into existence. For example, mobile phones and other technology now exists and seems to be part of the fabric of life for many people. Advancements in healthcare and wellbeing may create new industries in future, as the world copes with a growing and ageing population. Similarly, technological change may also cause new industries within sectors such as transport and media, and investors who are able to back them early may be the ones who benefit the most.

Furthermore, even mature industries which have not changed significantly in recent years may evolve in future. One example could be the tobacco industry, where [investment in next generation products](#) is increasing. This could lead to far less harmful nicotine products which successfully mimic the experience of tobacco products. The result could be a slowdown in the decline in the rate of smoking across the world. This may present investors with an opportunity to benefit from change in the long term.

Takeaway

Clearly, it is difficult to predict where and how the business and investment worlds will change.

However, investors who are able to consider how existing industries may evolve and how new technology may create new growth opportunities may stand to benefit in the long run. Alongside adopting new products and services to manage their own portfolios and keep costs down, this could help them to outperform the wider stock market in future years.

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