



From MEME STOCKS to MARKET FORCE

IN LATE 2024, PALANTIR DID SOMETHING UNUSUAL on its quarterly earnings call. Rather than open with questions from Wall Street analysts, management fielded ones submitted and ranked by individual shareholders. The message from the company and its leadership was clear: retail investors mattered.

It's a shift many executives have been slow to acknowledge. For decades, individual investors were treated as participants in the market but rarely shapers of it. That calculus no longer holds. Retail

Long dismissed as “dumb money,” retail investors are now influencing everything from valuations to activist battles.

investors now own roughly 38% of US equities. During the market turbulence of March and April 2025, JPMorgan analysis found that retail buying was significant enough to help spark a rally. Scott Rubner, head of equity and equity derivatives strategy at Citadel Securities, told *The Wall Street Journal* that retail investors are “now a price-setter—a dominant force in the market. It's not a passing trend.”

The rise of retail coincides with a structural transformation in how markets function. Passive funds account for more than half of the US equity fund

assets, a share that has risen steadily for more than a decade. These funds buy stocks based on market weighting, not valuation or proprietary research. Someone still has to set the prices those indexes follow. Increasingly, that someone includes millions of individual traders. The influence is uneven—concentrated in smaller-cap stocks and companies with cult followings—but it is no longer negligible.

“Retail investors are less than half of the market, but they drive almost all of the online conversation,” says Matt Joanou, CEO and co-founder of Stakeholder Labs, a firm that works with public companies to activate retail investors, build market awareness, and drive shareholder loyalty. “We’ve seen retail sentiment move ahead of institutional positioning more and more. Retail went from following the smart money to being a signal the smart money tracks.”

That influence is set to grow. Over the next two decades, an estimated \$84 trillion in wealth is projected to move from Baby Boomers to younger heirs, most of whom do not plan to keep their parents’ (or grandparents’) wealth advisors. Research shows that younger investors favor digital and self-directed investment platforms, and they source investment news from “finfluencers” [financial influencers], podcasts and AI tools. Traditional financial media remains part of the mix, but no longer dominates where investor narratives take shape.

“The idea that there’s a ‘retail channel’ and an ‘institutional channel’ is increasingly dated,” says Katie Perry, founder of Ursa Major Media and author of *Ticker Shock* (Wiley 2026). “Narratives now form in places both audiences inhabit—podcasts, social platforms, newsletters. Institutional analysts can’t afford to ignore where retail gets its information, because increasingly, that’s where they’re getting theirs too.”

THE GOVERNANCE DIVIDEND

The benefits of a committed retail base extend to governance. Retail investors vote only about 30% of their holdings, far less frequently than institutional investors vote. But when retail shareholders do vote, they tend to support management at higher rates. During Disney’s 2024 proxy fight with activist investors, 75% of its retail shareholders supported the company’s board. That was helped by Disney’s efforts to engage them, which included creating a dedicated website, explanatory videos starring Disney characters, and simplifying the voting process.

Building that kind of loyalty requires consistency. “Retail engagement isn’t this switch you can turn on when you need it,” says Stakeholder Labs CEO Matt

Joanou. “Retail will show up for you, but only if the relationship is already there.”

Some companies have come up with creative approaches to reinforce the idea of ownership as a relationship rather than a transaction. Carnival Cruise Line, for example, offers onboard credits and other perks to shareholders, while LVMH’s shareholders’ club gives a closer, more experiential understanding of the group and its Maisons.

PALANTIR’S PLAYBOOK

Palantir, a software company that helps governments and corporations integrate and analyze vast troves of data, has become a case-study for retail engagement. Many of the company’s early individual shareholders arrived before Wall Street paid much attention. “I came from a background in fundraising,” says Eliano Younes, who heads up strategic engagement at Palantir and was himself an early retail investor. “People’s emotional connection to a mission and its leadership was far more important in garnering support than an organization’s annual report. You saw that similarly with Palantir. Before many investors understood the products like they do today, they first bought into the pro-West and pro-warfighter mission and into [CEO and co-founder] Dr. Karp.”

That emotional connection needed results to survive. Between January 2023 and January 2026, Palantir’s share price climbed more than 2,800%. Plenty of retail darlings go through periods of hyper-growth. What distinguishes Palantir is the loyalty that performance has reinforced rather than created. CEO Alex Karp’s unfiltered public persona is part of it—he comes across as authentic in a market flooded with executives who sound coached. Palantir has also refused to adopt the studied neutrality common among public companies. Instead, it argues openly that its software exists to strengthen the West and the institutions responsible for its security. Investors who share that worldview are joining a side as much as they are buying a stock.

Palantir’s Younes compares the dynamic to sports fandom. “When teams are performing well, fans are watching the games, tuning in to coach and player interviews, reading team blogs, buying merchandise, trying to consume as much as they can. Successful companies are sort of the same.” He says that loyalty runs both ways. “Dr. Karp does not forget the investors who were there when everyone in the world had written Palantir off. He was the driving force behind decisions to stream earnings calls and take questions from retail investors.”

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PERCENT OF INSTITUTIONAL INVESTORS

HAVE MADE AN INVESTMENT DECISION BASED ON INFORMATION FROM REDDIT.

SOURCE: Brunswick Digital Investor Survey

This result is a global shareholder base that would be difficult for many companies to engineer. Palantir is now one of the most popular companies in Korea, says Younes, alongside names like Tesla and Nvidia. When the company hosted a pop-up clothing shop for retail investors in Seoul last October, more than 3,000 people attended and all merchandise sold out.

BEYOND THE OUTLIERS

Younes is quick to note that Palantir's success is not easily replicated. Stakeholder Labs CEO Matt Joanou agrees, but argues the bar is lower than most executives assume. "You don't need to be Palantir to engage retail," he says. "You need to know how many retail shareholders you have, what they're saying, and a thesis on how to reach them. The playbook doesn't have to be complicated—it just has to exist."

Executives might point out that investor relations teams are stretched, and retail engagement sounds like another initiative competing for limited resources. But companies already produce earnings materials, host calls and maintain investor websites. The question is whether those materials are optimized for the audience that now controls 38% of the market. For most issuers, the marginal cost of making existing communications accessible to retail is lower than the cost of ignoring them.

RETHINKING COMMUNICATIONS

For companies that choose to engage retail, a key question is where to show up. The retail investor's primary interface is a phone screen, a broker app, or a transcript condensed by AI into a few paragraphs. Traditional investor relations materials may reach this audience eventually, but often only after being filtered through someone else's interpretation.

"Most investor materials are written to survive legal review, not to actually communicate," says Joanou. "Retail investors aren't skimming your 10-K—they're reading what someone else said about it on social. If you're not telling your own story in the places they're already paying attention, someone else is telling it for you."

Joanou says that leading companies are finding ways to speak directly to retail investors. Ahead of Coinbase's public listing, for example, CEO Brian Armstrong held an open Q&A on Reddit, bypassing traditional channels to engage prospective retail shareholders directly. Rather than letting institutional coverage frame the narrative, the company addressed individual investors during the initial process of price discovery.



Eliano Younes
Palantir's Head
of Strategic
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Shopify, Spotify and Robinhood all use digital-first formats—podcasts, video interviews, founder-led social posts—as primary channels rather than supplements to traditional earnings materials. The rationale is twofold: retail investors are already consuming media in these formats, and meeting them there directly gives executives more control over tone and narrative.

New platforms are extending this playbook to companies without built-in media operations. Joanou, for instance, has co-founded a new media company, the Farsight Group, to help connect companies and executives with the creator-led outlets that increasingly shape investor attention. Farsight's flagship podcast, *After Earnings*, has featured guests ranging from Salesforce CEO Marc Benioff to the CFOs of Chipotle, AT&T and Adobe. The emphasis is on longer-form conversations that give executives room to explain strategy, in formats audiences increasingly prefer to filtered excerpts.

But showing up in new channels only works if the communication itself lands. Wooden, overly rehearsed answers fall as flat on a podcast as they do anywhere else. Dense prose written for legal defensibility performs poorly in algorithmic summaries and is often skimmed or ignored by human readers, regardless of where it appears. Clearer guidance, plainer language, and earlier engagement with retail questions are practical improvements. Those questions tend to differ from the ones analysts ask, focusing more on products, strategy and leadership. Answered directly, they help build conviction among shareholders who intend to hold.

Being responsive, correcting misinformation early, investing in digital experiences that match the standards companies apply to customers—an industrial manufacturer or regional bank can execute these as effectively as a tech company, provided leadership believes the effort is worthwhile.

"Retail investors used to be at the little kids' table at Thanksgiving," said Dan Ives, a Managing Director at Wedbush Securities, in an interview with *Yahoo! Finance*. "Now they're at the adult table; they're front and center."

With that new seating comes new expectations. Retail investors now vote, buy, sell and react in ways that shape outcomes. Companies that engage them as owners build shareholder bases that can show up when it matters. Those that wait may find that one of the few audiences still willing to listen has already tuned out. ♦

EDWARD STEPHENS is a Director based in Dallas and Senior Editor of the *Brunswick Review*.