

AN INVESTORS PRECEPTION TOWARDS ONLINE TRADING

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ABSTRACT

Online trading can be done by process of an individual and traders buying and selling securities over an electronic network with a brokerage. The study aims to identify the preference of the respondent towards online trading in Udumalpet Taluk. The questionnaire was collected for the study as a primary data with a sample of 100 investors. The findings were analyzed using scaling technique and simple percentages. The research concluded that there are lots of challenges there are overcome by a successful implementation of online share trading.

KEYWORDS: Online Trading, Shares, Investors, Firm, brokers, stock exchange, etc.

INTRODUCTION

Online trading is an internet based investment activity. Online trading can be done process of an individual and traders buying and selling securities over an electronic network, with a brokerage firm. It eliminates the association of a broker. A person who has a computer, enough money to open an account and reasonable financial history has the ability to invest in the market. Today there are many online trading companies working companies working as portals for the biggest stock houses like the national stock exchange and the Bombay Stock Exchange. The online trading companies allow the investors to invest in a number of financial products and services like loans, share trading, life insurance, mutual funds, equities, institutional trading, general insurance and financial planning. Because of these reasons the market has become more accessible.

FEATURES OF ONLINE TRADING

1. Pioneer.
2. NEFT Facility through City Bank.
3. Reduced Brokerage.
4. Security.
5. Equity Exposure.
6. Bank payment gateways.
7. After market Hour Orders.
8. Other Investment Products.
9. Customer Care Website.
10. Portfolio Margin System

Uses of Online Share Trading

- * Price alerts (via emails or SMS)
- * Custom Watch lists
- * Market research
- * Live Data
- * Product Filter
- * Company Information
- * Market Data
- * News Service
- * Interactive charting

NEED FOR THE STUDY

- To know the present scenario of the online trading.
- To know the perception of online trading among the investors.
- This study will guide the online traders to understand the expectation and experience of the existing investors.

REVIEW OF LITERATURE

Dr. Krishna Mohan Vaddai and Dr. Merugu Pratima (2016) examined the attitudes of online investor's towards the adoption of online trading in Visakhapatnam city. A structured questionnaire was used to collect data from 400 investors and the collected data were first structured into grouped frequency distributors, and chi-square test was used to test the hypotheses formulated. The study concludes that stock broking firms in order to enhance widespread use of online trading service, need to organize relevant short term training programmes and deploy user-friendly interface to encourage acceptance and quick adoption of online trading service among diversified class of investors to remove apprehensions and to form strong positive attitude in the long-run.

Mandakini Garg and Kamna katiyar (2013) stated that Indian stock market is gaining lot of popularity in the recent years. People are aware about trading of shares in stock market. But some investors are more focused towards offline share trading and they believe as a safer mode of investment. The main aim of the study is to identify customer perception towards online share trading the following research is conducted in Kanpur city. The study concludes that factors affecting disinterest among investors towards online share trading are given.

V.Pavithras and Mr. William (2017) expressed the main objective of the study the impact of the customer's perception towards online trading and also to identify the factor influence of stock and investment strategies in retail brokerage The primary data needed is

collected from structured questionnaire with 100 investors using convince sampling technique. The collected data is been classified and tabulated and analyzed using tools such as percentage analysis, H-test. The study concludes that customer perception of online trading, its inferred that in gender level of investors, 60% belongs to male and 70% occupation of investors are been classified as private sector and the study also identifies that there is no significant difference between the Gender with respect to preference of attributes of share trading company and there is no significant differences

LIMITATIONS

- ✓ The result of the study is based upon the view expressed by the investors of Udumalpet Taluk.
- ✓ The statistical tools used to analyse the data have their own limitations.
- ✓ All the limitations of primary data are applicable to this study.

OBJECTIVES OF THE STUDY

- To identify the factors influencing the investors level of perception towards online trading
- To offer suggestions to increase investors level of perception towards online trading

RESEARCH METHODOLOGY

Area of the study: The research study was done in Udumalpet Taluk.

Nature and source of Data: The study is based on questionnaire method; primary data has been collected from various investors in Udumalpet and the secondary data have been collected from related journals, magazines and textbooks.

STATISTICAL TOOLS USED FOR THE STUDY

- ✓ Simple percentage analysis
- ✓ Scaling analysis

Sampling Used: 100 investors were selected using convenience sampling method.

ANALYSIS AND INTERPRETATION

Table 1: Demographic profile of the Investors.

Factors	No. Of Investors n=100	Percentage
Gender		
Male	58	58
Female	42	42

Age		
20-40 years	43	43
40-60 years	40	40
Above 60 years	17	17
Marital status		
Married	62	62
Unmarried	38	38
Education qualification		
School education	20	20
UG	40	40
PG	22	22
Others	18	18
Occupation		
Salaried	15	15
Professional	43	43
Business	30	30
Others	12	12
Monthly income		
Below Rs.20000	34	34
Rs.20000-Rs.40000	36	36
Rs.40000&above	30	30

Inference: Table No.1 describes the demographic profile of investor .Out of 100 investors who were taken for the study: it has been identified that most (58%) of the investors are male, (43%) whose age group is under 20 to 40 Years, most (62%) of the investors are married, most (22%) of the investors are Post Graduates most (43%) of the investors occupations are professional and the monthly income of (36%) investors is Rs.20000 to Rs.40000.

Table 2: Investors Details

Investors Details	No. Of Investors n=100	Percentage
Investing years		
Less than 2 years	25	25
2 to 3 years	35	35
4 to 5 years	17	17
Above 5 years	23	23
Terms of Trade		
Daily	7	7
Weekly	35	35
Monthly	18	18
Occasionally	40	40
Type of Share		
Currency market	35	35
Commodity market	20	20
Both	45	45
Amount Invest		

Below Rs.10000	25	25
Rs.10000 to Rs.40000	43	43
Rs.40000 to Rs.100000	15	15
Above Rs.100000	17	17

Inference: Table No. 2 shows that out of 100 investors who were taken for the study, it has been identified that most (35%) of the investor are investing for a period 2 to 3 years, most (40%) of the investors are trading occasionally, most (45%) of the investors prefer both currency market and commodity market, most (43%) of the investors are investing a amount of Rs.10,000 to Rs.40,000.

Table 3: Online trading details

Online trading details	No. Of Investors n=100	Percentage
Reason for choosing		
Quick order execution	15	15
Convenience	35	35
Easy record	23	23
Easy accessibility	27	27
Helped to earn more profits		
Yes	90	90
No	10	10
Rate of return		
Less than 12%	22	22
12% to 24%	38	38
24% to 36%	25	25
36% & above	15	15

Inference: The above table shows that, According to (35%) of the investors conveniences is the reason for choosing online trading, most (90%) of the investors express they earn more profits in online trading, most (38%) of the investors gets 12% to 24% rate of return on their online trading.

SCALING TECHNIQUES:

To determine the level of satisfaction of the respondent towards mobile payment, Likert Scaling technique was used. Arithmetic mean of 100 Investors is 19.5 and the standard deviation is 1.9.

Table 4: Level of Perception

Level of Perception	No. Of Investors	Percentage
High	15	15
Medium	60	60
Low	25	25

Inference: The above table shows that (15%) of the investors perception of satisfaction is high towards online trading, (60%) of the investors perception of satisfaction is medium and (25%) of the investors perception of satisfaction is low

Table 5: Level of Satisfaction

Level of Satisfaction	No. Of Investors	Percentage
High	30	30
Medium	37.5	37.5
Low	32.5	32.5

Inference: The above table shows that (30%) of the investors level of satisfaction is high towards online trading, (37.5%) of the investors level of satisfaction is medium towards online trading. (32.5%) of the investors level of satisfaction is low towards online trading.

FINDING OF THE STUDY

- ❖ Majority of the investors are male.
- ❖ Majority of the investors belongs to the age group between 20 to 40.
- ❖ Most of the investors are under graduates.
- ❖ Most of the investors monthly income is up to Rs.20000 to Rs. 40000.
- ❖ Most of the investors use online trading occasionally.
- ❖ Majority of the investors earn more profit in online trading.
- ❖ Convenience was the first reason to the investors to choose online trading.
- ❖ Majority of the investors have medium level of satisfaction towards online trading.

CONCLUSION

In the early, investors would call their broker to make a trade for them. They could either visit or telephone their broker and the whole procedure was relatively lengthy. Nowadays, the most current trend is to investment through online trading. The research paper shows that online trading is rapidly growing in India Business market in spite of its positive impact. The reason for this is the easy accessibility with the help of smart phones, laptops and computers, people have got the freedom to do almost every aspect of business from trading online share, adding it to cart and making the payment in just few clicks. The opportunity is much more profits in online trading all types of transaction including payment gateway technologies and all types of other investment transaction. The enhance 3G, 4G penetration have opened up

new possibilities on online trading. Many network and technology problems like slow communication speed and connectivity were addressed by online investors. At last but not least, the research concludes the share trading is not new in India. There are lots of challenges there are overcome by a successful implementation of online share trading.

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