INVESTOR'S PERCEPTION TOWARDS ONLINE SHARE TRADING THROUGH SELECTED APPS WITH SPECIAL REFERENCE TO COIMBATORE CITY.

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Abstract: This research study focuses on analyzing the perceptions of investors towards online share trading through selected apps in Coimbatore City, India. The objectives of the study include identifying motivating factors, assessing overall satisfaction and trust levels, and tracing major technical and other problems faced by investors while trading shares. The study employs a descriptive research methodology using surveys, fact-finding inquiries, and other types of inquiries to describe the current situation. The study aims to collect primary data through a non-probability convenient sampling method of 110 sample respondents in Coimbatore district of Tamil Nadu. The findings suggest the need for further research to explore the reasons behind the preference for long-term investment over short-term investment, the factors that motivate respondents to prioritize reliability and safety and security of documents, and the effectiveness of online reviews in assessing the reliability of online share trading apps. Additionally, the study recommends investigating ways to improve SMS alert facilities and to overcome technical problems faced by investors. Overall, this study provides valuable insights into the perceptions of investors towards online share trading through selected apps in Coimbatore City, which can be used to inform and improve the online trading experience for investors.

Index Terms - Online Share Trading, Investor Perception, Indian Equity Market, Dematerialization of Shares, Trading Preferences, Technical Problems, Descriptive Research

OBJECTIVES OF THE STUDY

- To analyse the preferences of investors towards online share trading system.
- To find out the overall satisfaction and trust level of the investors on available trading apps.
- To identify whether the investment through apps is reliable.

STATEMENT OF THE PROBLEM

1. Security Concerns: One of the major concerns among potential investors is the security of their investments when using online share trading apps.

2. Lack of Awareness: Despite the increasing popularity of online share trading through various apps, many potential investors are still unaware of their existence and the benefits they offer.

SCOPE OF THE STUDY

The present study aims to examine investors' perception towards online share trading through selected apps in Coimbatore district of Tamil Nadu. To attain this, various specific objectives have been framed and the required primary data have been collected during the period from January to April 2023 by using non-probability sampling based on convenient sampling method of 110 sample respondents.

REVIEW OF LITERATURE

Prabakaran (2017) found that all investors considered other relevant information relating to share market before entering into the online share trading and the higher income people make the investment in shares via online trading, because they knew all kinds of information as well as the risks associated.

Anuradha Samal and Das Mohapatra (2017) revealed that 'Organisation Efficiency' is the most important factor governing the factors influencing the investor decision making process in share market investments followed by 'Mediators influence', 'Income of the investors', 'Return on Investment', 'Fear of loss' as second, third, fourth and fifth major factors influencing respectively and 'Risk' is identified as the last major factor that influences the investment decision making process.

Jeet Singh and Preeti Yadav (2016) emphasised that most of the male and female investors considering past dividends paid by companies while investing in equity shares, past bonus paid by the company to its shareholders, give more importance to the advice given by their friends and relatives, look more for the security of their investments, look for the efficiency and capability of management of the company and get motivated by the people who are successful in share investments.

Apar Singh and Meenakshi Malhotra (2016) concluded that home ownership, income, trading experience and occupation effect the adoption of online trading but marital status, age, gender, education, type of trade and trading frequency do not effect adoption of online trading. Results also showed that perceived benefits and perceived risks have no direct impact on adoption of online trading.

PROFILE OF THE STUDY

Investment

Investment is the act of allocating money or capital with the expectation of generating an income or profit. There are many different types of investment opportunities, including stocks, bonds, real estate, mutual funds, and exchange-traded funds (ETFs).

Investor

An investor is a person or entity that puts money into a financial product or asset with the expectation of receiving a return on investment in the future. Investors come in many forms, including individuals, institutions, and governments.

Online Trading Apps

- Groww
- Upstox
- Binomo
- Stockedge

Trading Terms

Equity

Equity refers to ownership in a company and is represented by shares of stock. Equity is the residual value of a company after subtracting all its liabilities and debts.

Futures And Options

Futures and options are popular derivatives products used in the online trading of shares.

Exchange Traded Funds (Etfs)

Exchange-Traded Funds (ETFs) are investment products that allow investors to trade a portfolio of securities, such as stocks or bonds, in a single trade.

Analytical Tool

- Simple Percentage Analysis
- Chi-Square Analysis
- Anova
- Independent sample t-test

SIMPLE PERCENTAGE ANALYSIS

Factor	Options	No. of respondents	percentage
Age	18-22	44	40.0
	23-26	35	31.8
	27-30	19	17.3
	Above 30	12	10.9
Marital status	Married	40	36.4
	Unmarried	70	63.6
Educational qualification	Under graduate	33	30.0
	Post graduate	38	34.5
	Professional	27	24.5
	Business	12	10.9
Monthly income	Below rs.10000	24	21.8

	Rs.10001-rs.20000	24	21.8
	Rs. 20,001-rs.30,000	29	26.4
	Above rs.30,000	33	30.0
Investment other than share market	Bank deposits	51	46.4
	Bonds	15	13.6
	Post office deposits	30	27.3
	Real estate	14	12.7
Securities market segment	Primary market	26	23.6
	Secondary market	42	38.2
	Both	42	38.2
Type of trading	Intra day	22	20.0
	Derivative market	26	23.6
	Future trading basis	26	23.6
	Long term investment	36	32.7
Regular trading time	Personal meeting with brokers	21	19.1
	Through investor friends/ relatives	28	25.5
	Through news papers	26	23.6
	Through internet	35	31.8
Monthly profit	₹0 (negative)	27	24.5
	₹1 to ₹5,000	53	48.2
	₹5,001 – ₹10,000	19	17.3
	Above ₹10,000	11	10.0
Neat system	Equity	38	34.5
	Futures and options	33	30.0
	Commodity exchanges	23	20.9
	Exchange traded fund (etf's)	16	14.5
Trading apps prefered	Groww	35	31.8
	Upstox pro	32	29.1
	Binomo	28	25.5
	Stockedge	15	13.6
Preference of investment	Zero brokerage for equity delivery	20	18.2
	No account opening charges	34	30.9
	Zero brokerage for delivery trades	24	21.8
	Easy & instant investing	32	29.1

Measurement of the market	Graphs	32	29.1
	Experts rating	39	35.5
	Book value	26	23.5
	Shareholding patten	13	11.8
Brokerage charged	Nil charges	11	10.0
	₹7 to10 /trade	28	25.5
	₹11 to 15/trade	43	39.1
	₹16 to 20/trade	22	20.0
	above ₹20/trade	6	5.5
Technical problems faced	Misuse of password	17	15.5
	Network problem	30	27.3
	Lack of analytical skills	50	45.5
	Forgetting passwords	13	11.8
Reliability of an online share trading apps	By consulting with financial advisor	27	24.5
	By reading online reviews	33	30.0
	Based on recommendation from friends and family	31	28.2
	Through trial and error	19	17.3

Interpretation

The study reveals that the majority of respondents (40%) fall into the age group of 18-22, followed by 23-26 (31.8%), 27-30 (17.3%), and above 30 (10.9%). Regarding marital status, 36.4% of respondents are married, while 63.6% are unmarried. 30% of respondents are undergraduates, 34.5% are postgraduates, 24.5% are professionals, and 10.9% are engaged in business. 21.8% of respondents have an income below Rs.10,000, 21.8% have an income between Rs.10,001-20,000, 26.4% have an income between Rs.20,001-30,000, and 30% have an income above Rs.30,000. 6. 46.4% of respondents invest in bank deposits, 13.6% invest in bonds, 27.3% invest in post office schemes, and 12.7% invest in real estate. 23.6% of respondents prefer trading in the primary market, 38.2% prefer trading in the secondary market, and 38.2% wish to trade in both primary and secondary markets. 10% of respondents mentioned no brokerage, 25.5% indicated brokerage of ₹7 to 10 per trade, 39.1% reported brokerage of ₹11 to 15 per trade, 20% mentioned brokerage of ₹16 to 20 per trade, and 5.5% stated brokerage above ₹20 per trade. 15.5% of respondents cited misuse of passwords as a technical problem, 27.3% reported network issues, 45.5% mentioned a lack of analytical skills, and 11.8% reported forgetting their passwords.

Exhibit No.1
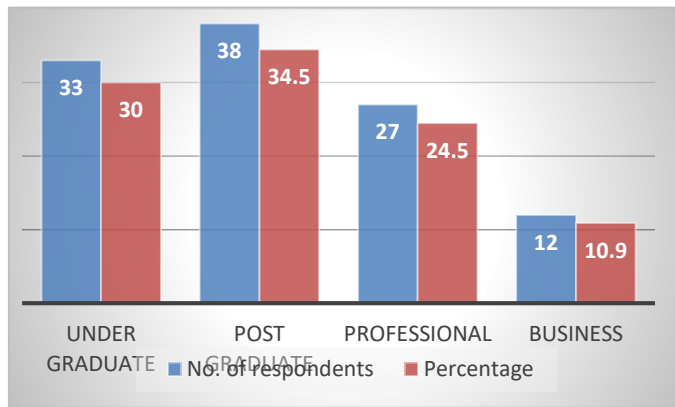Educational Qualification

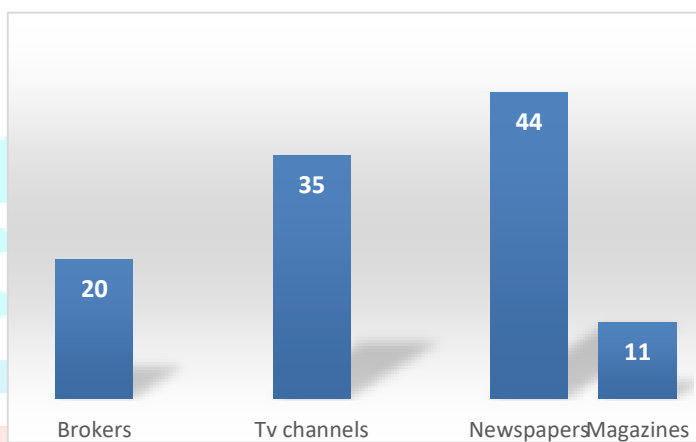Exhibit No.2
Knowledge About Share Market
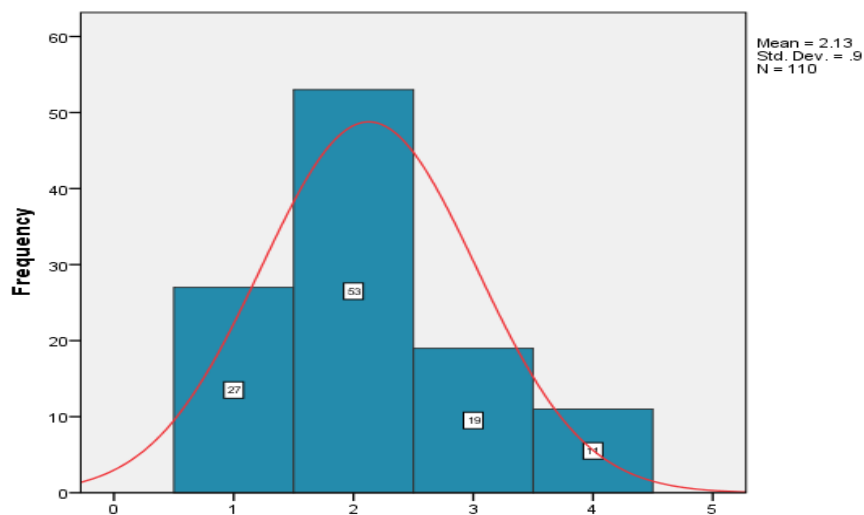

Exhibit no.3
Monthly Profit Earned

Exhibit no.4

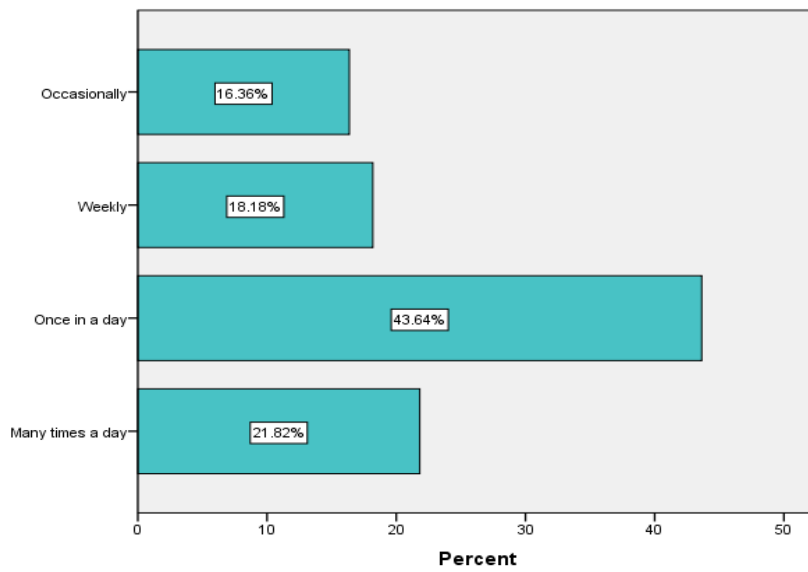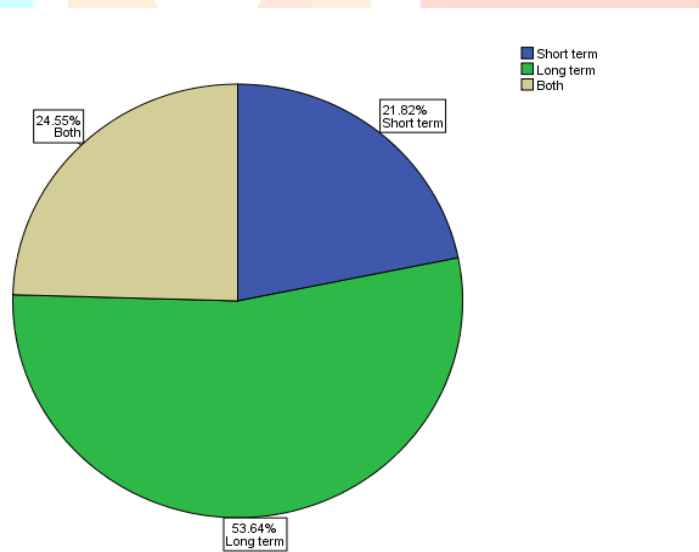Observation about the market movements

Exhibit no.5

Type Of Investment Preferred

CHI-SQUARE ANALYSIS

Comparison between monthly income and profit earned monthly through online share trading.

H_0 = There is no association between monthly income and gender of the respondents.

H_1 = There is an association between monthly income and gender of the respondents.

Chi-Square Test			
	value	Df	Asymptotic significance(2-side)
Chi-Square	6.241[a]	3	.100

Source: primary Data

Interpretation

In the above table, with the degrees of freedom 3, sig value (.100) which is greater than the significant value (0.05), so we conclude that there is an association between monthly income and gender of the respondents. Thus, H_1 is accepted & H_0 is rejected.

ANOVA

Table Showing Relationship Between Educational Qualification and Transparency of Trading Apps
H_0 = There is no statistical difference between educational qualification and Transparency of trading apps
H_1 = There is a statistical difference between educational qualification and Transparency of trading apps

ANOVA			
	f-value	Df	Significance
ONE-WAY ANOVA	.661	3	.578

Source: primary Data

Interpretation

In the above table, with the degrees of freedom 3 and f-value .661, sig (3,.66) =.578 which is greater than 0.05, so we conclude that the difference between educational qualification and transparency of trading apps are statistically significant. Thus, H_1 is accepted & H_0 is rejected.

INDEPENDENT SAMPLE T-TEST

T-test between gender of the respondents and reliability of the online trading apps.

H_0 = There is no significant difference between gender of the respondents and reliability of the online trading apps.

H_1 = There is a significant difference between gender of the respondents and reliability of the online trading apps.

Independent sample T-test			
	f-value	Df	Significance
T-test	1.034	108	.190

Source: primary Data

Interpretation

In the above table, with the degrees of freedom 108 and f-value 1.034, sig value (108,1.03) =.190 which is greater than the 0.05, so we conclude that there is a significant difference between gender of the respondents and reliability of the online trading apps. Thus, H_1 is accepted & H_0 is rejected.

FINDINGS

- Majority of the respondents belong to the age group of 18-22 years (40%)
- Majority of the respondents are male (58.2%).
- Majority of the respondent's education qualification is post graduate (34.5%).
- Majority of the respondents prefer to do trading in long term investment (32.7%)
- Majority of the respondents are using national securities depository limited (NSDL) as their depository services (62.7%)
- Majority of the respondents informed ₹11 to 15/trade as brokerage charged by the apps. (39.1%)
- Majority of the respondents know the regular trading time of the stock exchange through internet (31.8%)
- Majority of the respondents are very highly motivated on the portfolio calculator and analyser (30.9%)
- The respondents are good with the overall performance of online share trading app (2.95)
- The respondents are good with the reliability (4.05)
- The respondents are good with the safety and security of documents (3.62)
- The respondents are good with the aspects of less transaction cost (3.21)

SUGGESTIONS

The study focuses on the reasons why the majority of the respondents prefer investing in the long term rather than the short term as the long-term investment will help to gain the expected return than short term. The study investigates how online trading applications might enhance their SMS alert feature to satisfy respondents' expectations as the instant message plays a vital role in the mindset of the investor regarding the order conformation, purchase and sale of shares etc. The study investigates the reasons why the majority of respondents prefer to trade in both primary and secondary market segments as it determines both buying and selling of shares.

CONCLUSION

The study assessed how investors in Coimbatore city felt about participating in online share trading through particular apps. According to the study, the majority of respondents were between the ages of 18 and 22, the respondents were mostly males, most of the respondents have completed postgraduate degrees, the respondents of this report belonged to nuclear families, living in urban regions, made above Rs. 30,000 per year, and mostly invested in bank accounts. Thus, the proper knowledge about the share market with regard to trading apps is required in-order to gain a desirable return and the investors should allocate certain funds at the time of recession to balance the drawback, the investor also need to manage their portfolio and split the investment rather than dumping the cash is one or two aspects. Diversification of investment should play a vital and portfolio management is to be kept as a top priority.

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