A STUDY ON CUSTOMERS PERCEPTION TOWARDS ONLINE TRADING IN RETAIL BROKERAGE ,CHENNAI.

[1]V.PAVITHRAS,*MBA, Student,Saveetha School of Management.*

[2]Mr.WILLIAM ROBERT,*Asst.prof,Saveetha School of Management.*

ABSTRACT

The study entitles Customers Perception towards online trading in Retail Brokerage . The objective is to study the impact of the Customers perception towards online trading. To study the influence of stock and investment strategies in Retail Brokerage . To study the influence of demographic profile on investors perception on online trading. Primary data is collected from structured questionnaire with 100 respondents. Descriptive research design is used in this study. Primary data is collected from convince sampling technique. The collected data is been classified and tabulated and analyzed using tools such as percentage analysis, H -test (Kruskal-wallis) (Mann Whitney U test). From this study customer perception of Online Trading, its inferred that in gender level of investors, 60% belongs to male. Occupation of investors are been classified as private sector 70%,.Education qualification of customers is UG-70%. There is no significant difference between the Gender with respect to preference of attributes of share trading company. There is no significant difference among the Occupations, Educational qualification with respect to preference of attributes of share trading company. Customers invest in mutual funds as its risk is low and returns are more rather than bonds and shares. Online trading is been preferred by customers rather than Offline trading. Major reason for customers to invest in online trading is its conveyance and user friendly.

KEY WORDS: *CUSTOMERS PERCEPTION, ONLINE TRADING.*

INTRODUCTION

Conceptually the mechanism of stock market is very simple. People who are exposed to the same risk come together and agree that if anyone of the person suffers a loss the other will share the loss and make good to the person who lost. We also here observe the Customer's Perception towards Online Trading and its related procedures. The Initial part of the project focuses on the sales of types of the products of the company, Further the project tells us about the profile of the company (RETAIL BROKERAGE). It provides knowledge about the company's history, mission, vision and customer base and about the company in detail and management of the company. Also it gives special emphasis on the selling of products and management of the company. This project will help the people in getting lot of their answers related to investment options and the ways to analysis the market. The data in the project can also help the company in making the strategy for potential investor's.

OBJECTIVE OF STUDY

- ➢ To study the customers perception towards online trading in Retail Brokerage ltd, Chennai.
- ➢ To study the investor's awareness in the ONLINE trading.
- ➢ To study the influence of stock and investment strategies in RETAIL BROKERAGE .
- ➢ To study the influence of demographic profile on investors awareness on stock market in RETAIL BROKERAGE .

REVIEW OF LITERATURE

Laforet, S., & Li, X. (2005). Consumers' attitudes towards online and mobile banking in China. International journal of bank marketing, 23(5), 362-380. The aim of this study is to investigate the market status for online/mobile banking in China. With the recent and forecasted high growth of Chinese electronic banking, it has the potential to develop into a world-scale internet economy and requires examination.

Ha, H. Y. (2004). Factors influencing consumer perceptions of brand trust online. Journal of Product & Brand Management, 13(5), 329-342. Unlike the traditional bricks-and-mortar marketplace, the online environment includes several distinct factors that influence brand trust. As consumers become more savvy about the Internet, the author contends they will insist on doing business with Web companies they trust. This study examines how brand trust is affected by the following Web purchase-related factors: security, privacy, brand name, word-of-mouth, good online experience, and quality of information. The author argues that not all e-trust building programs guarantee success in building brand trust. In addition to the mechanism depending on a program, building e-brand trust requires a systematic relationship between a consumer and a particular Web brand. The findings show that brand trust is not built on one or two components but is established by the interrelationships between complex components. By carefully investigating these variables in formulating marketing strategies, marketers can cultivate brand loyalty and gain a formidable competitive edge.

Carlos Roca, J., José García, J., & José de la Vega, J. (2009). The importance of perceived trust, security and privacy in online trading systems. Information Management & Computer Security, 17(2), 96-113. The purpose of this paper is to test an augmented technology acceptance model (TAM) in the online financial trading context. This research aims to investigate how e-investors are influenced by perceived trust, security, and privacy jointly with traditional TAM constructs.

Hassanein, K., & Head, M. (2007). Manipulating perceived social presence through the web interface and its impact on attitude towards online shopping. International Journal of Human-Computer Studies, 65(8), 689-708. Electronic commerce typically lacks human warmth and sociability, since it is more impersonal, anonymous and automated than traditional face-to-face commerce. This paper explores how human warmth and sociability can be integrated through the web interface to positively impact consumer attitudes towards online shopping. An empirical study was undertaken to investigate the impact of various levels of socially rich text and picture design elements on the perception of online social presence and its subsequent effect on antecedents of attitudes towards websites. Higher levels of perceived social presence are shown to positively impact the perceived usefulness, trust and enjoyment of shopping websites, leading to more favorable consumer attitudes. Implications of these finding for practitioners and future research are outlined.

Lee, S., Lee, S., & Park, Y. (2007). A prediction model for success of services in e-commerce using decision tree: E-customer's attitude towards online service. Expert Systems with Applications, 33(3), 572-581. This research attempts to identify some characteristics of services which encourage customers to buy online and to develop a prediction model for success based on customer recognitions of service offerings in e-commerce. For the purpose, a survey was conducted on potential e-customers for their understandings of service offerings extracted from Portal Sites. Collected data were used to develop a prediction model using decision tree which showed superior prediction accuracy to conventional techniques. The results will help predict online success judging from customer acceptance and afford a better understanding of how to facilitate future adoption of services in e-commerce.

Lee, M. C. (2009). Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit. Electronic commerce research and applications, 8(3), 130-141. Online banking (Internet banking) has emerged as one of the most profitable e-commerce applications over the last decade. Although several prior research projects have focused on the factors that impact on the adoption of information technology or Internet, there is limited empirical work which simultaneously captures the success factors (positive factors) and resistance factors (negative factors) that help customers to adopt online banking. This paper explores and integrates the various advantages of online banking to form a positive factor named perceived benefit. In addition, drawing from perceived risk theory, five specific risk facets – financial, security/privacy, performance, social and time risk – are synthesized with perceived benefit as well as integrated with the technology acceptance model (TAM) and theory of planned behavior (TPB) model to propose a theoretical model to explain customers' intention to use online banking. The results indicated that the intention to use online banking is adversely affected mainly by the security/privacy risk, as well as financial risk and is positively affected mainly by perceived benefit,

attitude and perceived usefulness. The implications of integrating perceived benefit and perceived risk into the proposed online banking adoption model are discussed.

Lee, M. C. (2009). Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit. Electronic commerce research and applications, 8(3), 130-141. This study investigates how stock investors perceive and adopt online trading in Taiwan. We developed a research model which integrates perceived risk, perceived benefit and trust, together with technology acceptance model (TAM) and theory of planned behavior (TPB) perspectives to predict and explain investors' intention to use online trading. The model is examined through an empirical study involving 338 subjects using structural equation modeling techniques. The results provide support for the proposed research model and confirm its robustness in predicting investors' intentions to adopt online trading. In addition, this study provides some useful suggestions and/or implications for the academician and practitioners in the area of online trading.

RESEARCH METHODOLOGY

Research Design adopted is descriptive research because as descriptive explains the study and aims at finding the present scenario of the Investor investing behavior at RETAIL BROKERAGE LTD. Structured questionnaires is used to collect the data from 100 respondents based on convenience method. The tools used for analysis regression, percentage analysis, kruskal Wallis test and Mann Whitney.

Table 1 Analysis of gender

Gender	Frequency	Percent
Male	60	60.0
Female	40	40.0
Total	100	100.0

From the table 1 it's clear that 60% of investors are male and 40% of investors are female.

Table 2 Analysis of Occupation

Occupation	Frequency	Percent
Public	20	20.0
Private	70	70.0
Business	5	5.0
Others	5	5.0
Total	100	100.0

From table 2 its clear that majority of investors work in private sector and the least belongs to business and others

Table 3 Analysis of Education Qualification of Investor

Educational Qualification	Frequency	Percent
School	5	5.0
UG	70	70.0
PG	18	18.0
0thers	6	6.0
Professional	1	1.0
Total	100	100.0

From the table 3 it is clear that 70% of investors have perceived UG as their education and least belong to Professional Degree.

Table 4 Analysis of Financial Instrument

Financial Instrument	Frequency	Percent
SHARES	31	31.0
MUTUAL FUNDS	59	59.0
BONDS	5	5.0
OTHERS	5	5.0
Total	100	100.0

From the table 4 its clear that customers invest mostly in mutual funds as its risk level is less. and business people prefer shares.

Table 5 Analysis on Type of Trading Of Investor

Trading Type	Frequency	Percent
Online	70	70.0
Offline	20	20.0
Not applicable	10	10.0
Total	100	100.0

From the table 5 it's clear that investors prefer online trading than offline trading

Table 6 Analysis on Customer's Reason to invest on Online trading.

REASON	Frequency	Percent
PRIVACY	10	10.0
USER FRIENDLY & TIME SAVING	16	16.0
CONVIENCE	15	15.0
ALL OF THE ABOVE	59	59.0
Total	100	100.0

From the table 6 its clear that reason to invest on online trading are its privacy, user friendly, and convenience

Table 7 Analysis on Factors That Motivates Investors To Invest In Securities.

Factors	Frequency	Percent
NEW IPO	15	15.0
ENTRY OF FII'S	16	16.0
MORE RETURNS IN LESS TIME	59	59.0
OTHERS	9	9.0
Total	100	100.0

From table 7 its clear that factor that motivates investors to invest in securities are more returns in less time.

Table 8 Analysis on factor that online trading motivates the customer to invest in securities

Motivates	Frequency	Percent
YES	60	60.0
NO	40	40.0
Total	100	100.0

From the table 8 it's clear that 60% of customers are motivated by online trading to invest.

Table 9 Analysis of awareness about Retail Brokerage

Awareness	Frequency	Percent
YES	68	68.0
NO	32	32.0
Total	100	100.0

From the table 9 it's clear that 68% of customers have heard about Retail Brokerage and 32% of customers have not heard about it.

Table 10 Analysis on Preference of Brokerage firm

Preference of brokerage	Frequency	Percent
A	10	10.0
B	59	59.0
C	9	9.0
D	10	10.0
E	7	7.0
ANYOTHER	5	5.0
Total	100	100.0

From the table 10 it is clear that 59% customers prefer to invest in Retail Brokerage 10% in ICICI another 10% in kotak and the rest in others.

Table 11 Analyses on Factor Differentiates Of Share Trading Company

Factor	Frequency	Percent
BROKERAGE	68	68.0
RESEARCH EXPOSURE	3	3.0
DIAL UP TRADE FACILITY	10	10.0
MAGAZINE	4	4.0
EXPOSURE	5	5.0
ACCOUNT OPENING CHARGES	10	10.0
Total	100	100.0

From the table 11 its clear that how customers differentiates their trading company from others.68 % of the investor differentiates the share trading company from others,10 % Dial up trade facility and Account Opening Charges,5% in Exposure and 4% in Magazine.

Table 12   Analysis on Customer's level of Frequency of Trading

Duration	Frequency	Percent
DAILY	30	30.0
WEEKLY	39	39.0
MONTHLY	21	21.0
YEARLY	10	10.0
Total	100	100.0

From the table 12 it's clear that customers invest daily 30%, weekly 39%, monthly 21%, and yearly 10%.

Table 13 Analysis on investor's income category

Income	Frequency	Percent
0-15000	10	10.0
15000-35000	30	30.0
35000-60000	39	39.0
ABOVE 60000	21	21.0
Total	100	100.0

From the table 13 its clear that majority of investors category fall under 35000-60000, least belongs to 0-15000.

Table 14   Analysis of investment percentage from investors earning.

%	Frequency	Percent
UPTO 10%	60	60.0
UPTO 25%	30	30.0
UPTO	5	5.0

50%		
ABOVE 50%	5	5.0
Total	100	100.0

From the table 14 it's clear that investors up to 60% of population from sampling invest 10% of their earning in trading.

Table 15 ANALYSIS OF GENDER AND PREFERENCE OF ATTRIBUTES OF SHARE TRADING COMPANY

NULL HYPOTHESIS: There is no significant difference between the genders with respect to preference of attributes of a share trading company.

ALTERNATIVE HYPOTHESIS: There is a significance difference between the genders with respect to preference of attributes of a share trading company.

Ranks				
	Gender of the customer	**N**	**Mann-Whitney U test**	**P value**
CUSTOMER SERVICE	Male	60	1077.000	.288
	Female	40		
	Total	100		
PROPER GUIDANCE	Male	60	1084.000	.354
	Female	40		
	Total	100		
REGULAR UPDATES	Male	60	1075.000	.344
	Female	40		
	Total	100		
TRUSTWORTHINESS	Male	60	1080.000	.378
	Female	40		
	Total	100		
BROKERAGE CHARGES	Male	60	1181.000	.870
	female	40		
	Total	100		2.234

From the table 15 it's clear that the significant value (p value) is greater than .05 there is no significant difference between the gender with respect to preference of attributes of a share trading company.

Table 16 Analysis of occupation and preference of Attributes of a share trading company

NULLHYPOTHESIS: There is no significant difference among the occupation with respect to preference of attributes of a share trading company

ALTERNATIVE: There is a significant difference among the occupation with respect to preference of attributes of a share trading company.

Ranks				
	Occupation of the investor	**N**	**H-TEST**	**P-VALUE**
CUSTOMER SERVICE	Public	20	48.000	.863
	Others	5		
	Total	25		
PROPER GUIDANCE	Public	20	42.500	.552
	Others	5		
	Total	25		
REGULAR UPDATES	Public	20	47.500	.858
	Others	5		
	Total	25		
TRUSTWORTHIN ESS	Public	20	37.500	.385
	Others	5		
	Total	25		
BROKERAGE CHARGES	Public	20	36.500	.283
	Others	5		
	Total	25		2.915

From the table 16 it's clear that the significant value (.05) is greater than .05 there is no significant difference among the occupation with respect to preference of attributes of a share trading company

Tables 17 Analyses of gender and preference of quality of service of Trading company

NULL HYPOTHESIS: There is no significant difference between the gender with respect to preference of attributes of a share trading company

ALTERNATIVE HYPOTHESIS: There is a significance difference between the gender with respect to preference of attributes of a share trading company

	Gender of the customer	Mean Rank	Mann-Whitney U test	P value
A	Male	51.37	.275	.600
	Female	49.20		
	Total			
B	Male	53.19	1.516	.218
	Female	46.46		
	Total			
C	Male	51.20	.094	.760
	Female	49.45		
	Total			
D	Male	45.46	4.930	.026
	Female	58.06		
	Total			
OTHERS	Male	50.25	.012	.912
	Female	50.88		
	Total			2.516

From the table 17 it's clear that the significant value (.05) is greater than .05 so there is no significant difference between the gender with respect quality of service of trading company

Table 18 Analyses of occupation and preference of quality and services of trading company

NULLHYPOTHESIS: There is no significant difference among the occupation with respect to preference of attributes of a share trading company

ALTERNATIVE: There is a significant difference among the occupation with respect to preference of attributes of a share trading company.

	occupation of the investor	Mean Rank	H-TEST	P value
A	Public	48.53	3.142	.370
	Private	50.94		
	Business	40.50		
	Others	62.30		
	Total			
B	Public	57.55	5.441	.142
	Private	47.64		
	Business	42.30		
	Others	70.50		
	Total			
C	Public	55.28	.841	.840
	Private	49.39		
	Business	51.70		
	Others	45.80		
	Total			
D	Public	55.88	1.057	.788
	Private	49.25		
	Business	51.50		
	Others	45.50		
	Total			
OTHERS	Public	52.00	.933	.818
	Private	50.46		
	Business	40.00		
	Others	55.50		
	Total			2.958

From the table 18 it's clear that the significant value (.05) is greater than .05 so there is no significant difference between the occupations with respect quality of service of trading company.

Table 19 Analysis of Education and preference of Attributes of a share trading company

NULLHYPOTHESIS: There is no significant difference among the education with respect to preference of attributes of a share trading company

ALTERNATIVE: There is a significant difference among the education with respect to preference of attributes of a share trading company.

Ranks					
	Education qualification of investor	**N**	**Mean rank**	**H-TEST**	**P VALUE**
CUSTOMER SERVICE	SCHOOL	5	55.60	1.520	.678
	UG	70	48.41		
	PG	18	51.72		
	OTHERS	6	58.67		
	TOTAL	99			
PROPER GUIDANCE	SCHOOL	5	75.10	5.326	.149
	UG	70	48.78		
	PG	18	47.47		
	OTHERS	6	50.92		
	TOTAL	99			
REGULAR UPDATES	SCHOOL	5	38.50	5.326	.585
	UG	70	49.04		
	PG	18	55.17		
	OTHERS	6	55.33		
	TOTAL	99			
TRUSTWORTHINESS	SCHOOL	5	42.60	1.741	.628
	UG	70	52.29		
	PG	18	44.11		
	OTHERS	6	47.08		
	TOTAL	99			
BROKERAGE CHARGES	SCHOOL	5	64.90	5.764	.124
	UG	70	46.66		
	PG	18	54.89		
	OTHERS	6	61.92		
	TOTAL	99			

From the table 19 it's clear that the significant value (.05) is greater than .05 so there is no significant difference between the education with respect to preference of Attributes of a share trading company

Table 20 Analyses of Education and Preference of quality and services of trading company

NULLHYPOTHESIS: There is no significant difference among the education with respect to preference of attributes of a share trading company

ALTERNATIVE: There is a significant difference among the education with respect to preference of attributes of a share trading company

	Education Qualification of Investor	N	Mean Rank	H-TEST	P VALUE
	Ranks				
A	SCHOOL	5	59.30	3.878	.275
	UG	70	51.29		
	PG	18	42.47		
	OTHERS	6	49.75		
	TOTAL	99			
B	SCHOOL	5	52.70	3.595	.309
	UG	70	48.09		
	PG	18	50.25		
	OTHERS	6	69.25		
	TOTAL	99			
C	SCHOOL	5	49.70	1.968	.579
	UG	70	48.48		
	PG	18	51.03		
	OTHERS	6	64.92		
	TOTAL	99			
D	SCHOOL	5	32.80	7.533	.057
	UG	70	52.66		
	PG	18	39.03		
	OTHERS	6	66.17		
	TOTAL	99			
OTHERS	SCHOOL	5	55.00	2.063	.559
	UG	70	51.85		
	PG	18	45.25		
	OTHERS	6	38.50		
	TOTAL	99			

From the table 20 it's clear that the significant value (.05) is greater than .05 so there is no significant difference between the educations with respect quality of service of trading company.

SUGGESTIONS:

In online terminal, investor can't get customized expert advice, whereas in offline the broker gives suggestions according to investor's strategy. Brokerage is high compared to offline. So brokerage can be reduced. Privacy is less due to hacking scandals. So strong security must b provided. The customer's occupation level availing the online trading are private compare to other business and other group. The company has to target the other groups. The customers predominantly investing in mutual fund compare to other financial instrument. The company has to emphasize and provide the awareness to the investor for other financial instrument. Awareness of stock market and online trading must be provided among customers whose education qualifications are School and Professional Degree. Promotional activities must be taken to promote bonds and shares.

CONCLUSION:

The company deals with online trading in India. It offers a broad range of financial products and services including securities, brokerage, mutual fund distribution , loan against share, ESOP financing, IPO financing and wealth management. From this study customer perception of Online Trading, its inferred that in gender level of investors, 60% belongs to male. Occupation of investors are been classified as private sector 70%,.Education qualification of customers is UG-70%. There is no significant difference between the Gender with respect to preference of attributes of share trading company. There is no significant difference among the Occupations, Educational qualification with respect to preference of attributes of share trading company. Customers invest in mutual funds as its risk is low and returns are more rather than bonds and shares. Online trading is been preferred by customers rather than Offline trading. Major reason for customers to invest in online trading is its conveyance and user friendly.

BIBILIOGRAPHY:

1.   Laforet, S., & Li, X. (2005). Consumers' attitudes towards online and mobile banking in China. International journal of bank marketing, *23*(5), 362-380.

2.   Ha, H. Y. (2004). Factors influencing consumer perceptions of brand trust online. Journal of Product & Brand Management, *13*(5), 329-342.

3.   Carlos Roca, J., José García, J., & José de la Vega, J. (2009). The importance of perceived trust, security and privacy in online trading systems. Information Management & Computer Security, *17*(2), 96-113.

4.   Hassanein, K., & Head, M. (2007). Manipulating perceived social presence through the web interface and its impact on attitude towards online shopping. International Journal of Human-Computer Studies, *65*(8), 689-708.

5.   Lee, S., Lee, S., & Park, Y. (2007). A prediction model for success of services in e-commerce using decision tree: E-customer's attitude towards online service. Expert Systems with Applications, *33*(3), 572-581.

6.   Lee, M. C. (2009). Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit. Electronic commerce research and applications, *8*(3), 130-141.

7.   Lee, M. C. (2009). Factors influencing the adoption of internet banking: An integration of TAM and TPB with perceived risk and perceived benefit. Electronic commerce research and applications, *8*(3), 130-141.

8.   Yen, C. H., & Lu, H. P. (2008). Effects of e-service quality on loyalty intention: an empirical study in online auction. Managing Service Quality: An International Journal, *18*(2), 127-146.

9.   Chong, B., Yang, Z., & Wong, M. (2003, September). Asymmetrical impact of trustworthiness attributes on trust, perceived value and purchase intention: a conceptual framework for cross-cultural study on consumer perception of online auction In Proceedings of the 5th international conference on Electronic commerce (pp. 213-219).

10.   Lee, S., & Park, Y. (2009). The classification and strategic management of services in e-commerce: Development of service taxonomy based on customer perception. Expert Systems with Applications, *36*(6), 9618-9624.

11.   Stone, R. N., & Grønhaug, K. (1993). Perceived risk: Further considerations for the marketing discipline. European Journal of marketing, *27*(3), 39-50.

12.   Kolsaker, A., & Payne, C. (2002). Engendering trust in e-commerce: a study of gender-based concerns. Marketing Intelligence & Planning, *20*(4), 206-214.