

“Investors Perception towards Online Trading” With Reference To Karvy Stock Broking Company Ltd, At Raichur”

Dr.Jagadish Biradar

Assistant Professor Department of MBA Veerappa Nisty Engineering College Shorapur
Mailid:bjagadish1010@gmail.com

ABSTRACT: India is the 2nd fastest growing economy in the world and the stock market contributes highest earning to the economy. It has emerged as the world's fastest growing wealth creator. The name “Stock Market” when it comes to our mind, everyone has different opinion. One feels it is risky to invest the money into the stock market, and some people may think that it is a game of gambling. Many investors may feel that it's a great opportunity to make profit by investing the money into the stock market. The opinion differs from person to person and Investors to Investors towards the Stock Market.

Earlier it was managed with the help of so many traditional procedures. . And the day goes the taste of professionalism being adopted by stock market. And the concept Online Trading System got originate. . Online Trading System/Method means “it is the process of buying or selling the shares and securities in electronic form through Internet. This facilitates the platform for trading share and securities without using papers/physical. In this process the trading will take place under the “Order Routing System”(ORS) through registered stock brokers on behalf of clients .In Online Trading System client can get the every information about shares and securities through official websites of registered stock brokers. This facilitates platform for participate in banking, commerce, and so on. Even Internet plays important role in stock market. and one who wants to trade through internet/online, the client should go through D-Materialization (D-MAT). D-Materialization is the process of converting physical shares into electronic forms. In Online Trading System all shares and securities will be converted into electronic form and stored at depositories. Now a day it has become inevitable that everyone should go through online trading only instead Offline Trading.

“Less Cost” and “Less Time” are the two important motives which makes investors to go through Online Trading. And this research paper evaluates investor's perception towards online trading system.

KEY WORD: Stock Market, Online Trading System, D-Mat, Investors Perception, stock broker etc.

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I. INTRODUCTION

The footprint of Online Trading began in the year 1983. Earlier an investor has to call his stock broker to place the order. After that the broker's would go to the stock counter to place the investors order. So for one transaction it was taking too much timing. And even information regarding share prices also were given by the stock broker only. All these problems arose where there was no proper communication system. The rapid advancement in technology, especially the Internet introduced drastic change in all sectors. And coming to Stock Market, the Internet has changed the way of working in stock market. It has created Online Trading Platform. Online Trading in India is internet based investment activity, which facilitates to trade in stock market with direct involvement of stock brokers/ investors. Online Trading has become very popular in the last couple of years because of easy and convenience method of trading. So many companies are gone through online trading to meet the needs and demands of investors and enabling them to trade when they want and how they want. Trading is the process of buying and selling the goods and services, but in the current context, it is buying and selling the financial products and services, like shares and securities. This facilitates trading mechanism where investors can place their orders and confirm their transaction through electronic communication channel. Such as Internet, Mobile Phones etc,

Current Scenario Of Online Trading

As improvement and innovations in IT (Information Technology) sector, economic is growing forward. And each and every individual showing greater interest towards various economic transactions. Now days everyone are focusing on reengineering the business practices around the internet. With increasing in development and innovations in IT Sector, Network Sector, Technological Sector. Now days everyone are going to digitalization. Especially Indian investors are showing more interest towards E-Business/ E-Trading. And also

it has become inevitable for the investors to go through the online trading to avoid frauds and as well as to save their valuable time.

Emerging Trends Of Online Trading

- After the emerging of sparkling trend of online trading business.
- The communication cost has been cut down with the help of using alternative means of communication through internet/online.
- Marketing cost for various financial products has reduced with the help of advertising on broadcast media, because internet is an indirect marketing to increase efficiency of marketing communications.
- Travel cost has been reduced by allocating staff in city offices for providing financial services i.e., selling/ buying the shares and securities on behalf of companies.
- Merchandising costs automatically get cut off.

Why Online Trading is required?

- Easy and Efficient.
- It helps to get more information and updates regarding Stock Market.
- It helps to reduce the transition time.
- To avoid the physical shares and securities. And to reduce paper work.
- It facilitates platform to execute investor’s transaction in their own environment.
- To get immediate response from stock brokers/stock market.

Table Showing of Cost Associated with Trading through Physical V/s Online.

	PHYSICAL SHARES	ONLINE SHARES
Account opening cost	No	Yes
Depository Participant Service Charge	No	Yes
Time taken to complete a trade	In months	In days
Brokerage Cost	Yes	Yes, but lesser than physical shares
Stamp duty on transfer of shares	Yes	No
Transfer Deeds	Yes	No
Bad Delivery	Yes	No
Loss of share certificate in transit	Yes	No

Objectives OF THE STUDY

1. To understand Online Trading System in Stock Market and its Mechanism.
2. To Evaluate investors perception towards Online Trading service provided by Karvy Stock Broking Company ltd, Raichur.
3. To determine the problem actually faced by the investors with reference to Online Trading System.
4. To identify the current traders of Online-Trading at Raichur.

Scope Of The Study

- Any Individuals, Traders or Professionals can use this study as supplement to their research.
2. This can be used by individuals, who are at initial stage of investment in Stock market.
 3. This Study may useful for stock broking companies.
 4. This research may help to create awareness about the Online Trading System in the minds of Investors.

II. RESEARCH METHODOLOGY

- **Types of Scale:** - Nominal Scale.
- **Type of Sampling:** - Random Sampling.
- **Sample Size:** - 100 Investors.
- **Sources of Data:** - Primary Data and Secondary Data.

✓ Primary Data sources :-

1. Questionnaire

✓ Secondary Data:-

1. Company Reports

2. Books

3. Journals

4. News Papers

- **Representation of Data :-**

The collected data will be represented with the help of different charts and graphs.

III. LITERATURE REVIEW

Dr. A Abdhul Rahim (2013), discovered the pitfalls related to online trading. He suggests that investors should be protected from all hassles and problems so as to remain confident while trading online.

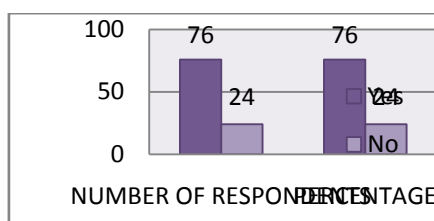
Brad M. Barber and Terrance odean (2001), studied the deep relationship between the investor and his major weapon the internet, suggesting that a combination of internet and shareholders voting could become a new tool for organisations promoting special society welfare like corporate social responsibility environmental actions and consumer help.

Rajagopalan, V, expressed the problem faced by him on online shares trading. What he cannot stomach is how his ID number was interchanged with another client, and his account debited to pay for derivatives, while he did not order. Worse his scrips were sold to cover losses which he had not incurred. Luckily, the broker admitted his mistake and compensated him.

IV. DATA ANALYSIS AND INTERPRETATION

1. Did you aware about Online Trading System?

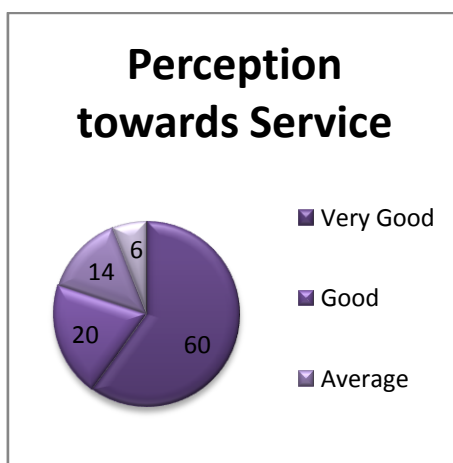
RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Yes	76	76
No	24	24
Total	100	100



Interpretation:-Above graph represents that 76% of investors aware about online trading and remaining 24% of investors not aware about online trading service.

Is Karvy providing good Service?

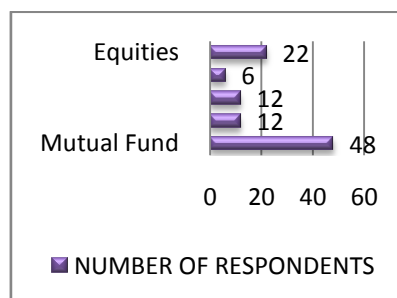
RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Very Good	60	60
Good	20	20
Average	14	14
Below Average	6	6
Total	100	100



Interpretation:-From the above pie chart we can evaluate the Investors perception towards online trading service. Out of 100 respondents 60 investors are fully satisfied with the service provided by Karvy Stock Broking Company Ltd.

Which product you want to trade through Online?

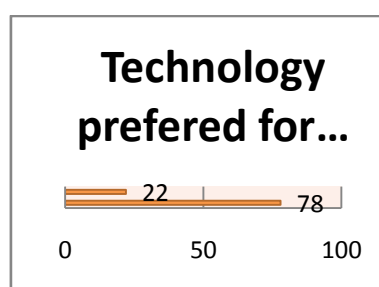
PRODUCTS	NUMBER OF RESPONDENTS	PERCENTAGE
Mutual Fund	48	48
Bonds	12	12
CorporateFixed Deposits	12	12
Currency Derivatives	6	6
Equities	22	22
Total	100	100



Interpretation:- The above line graph indicates that out of 100 investors 48 investors are prefer Mutual Fund, 12 investors are prefer Bonds, 12 investors are prefer Corporate Fixed Deposits , 6 are prefer Currency Derivatives , and 22 investors are prefer Equities for Online Trading.

2. Through which technology do you trade Online?

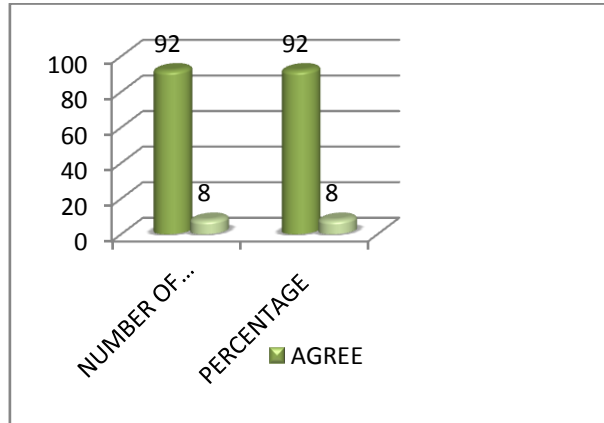
RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Web Based Technology	78	78
Browser Based Technology	22	22
Total	100	100



Interpretation: - The above chart indicates that out of 100 investors, 78 investors are prefer Web Based Technology and 22 investors prefer Browser Based Technology for Online Trading System.

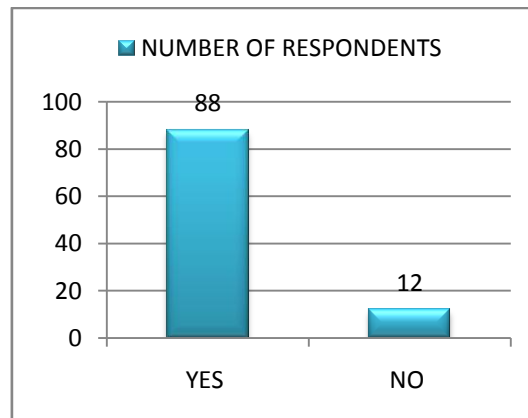
Is Online Trading helps you to save the transaction time?

RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Agree	92	92
Disagree	8	8
Total	100	100



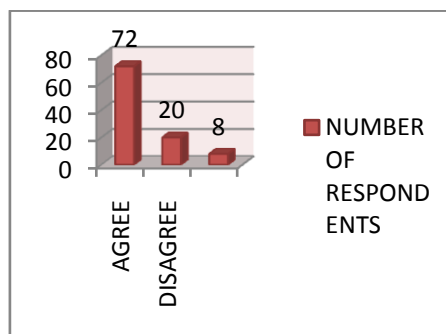
Interpretation:-The above bar chart represents that out of 100 investors, 92 investors are agreed that online trading system helps to save the overall transaction cost. And remaining 8 investors are disagreeing with that.
Do you think that Online Trading System is easy and fast?

RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Yes	88	88
No	12	12
Total	100	100



Is security an important factor for Online Trading System?

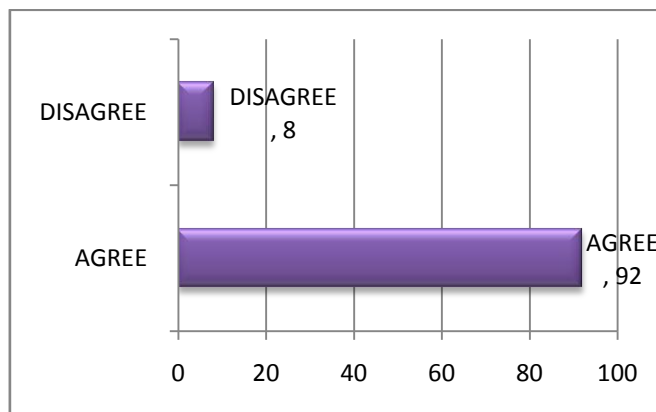
RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Agree	72	72
Disagree	20	20
Neither Agree nor Disagree	8	8
Total	100	100



Interpretation:-The above graph shows that out of 100 investors, 72 investors are agreed that trading through online is secured. And 20 investors are telling that online trading is completely insecure.

Is Time saving is an important factor for Online Trading System?

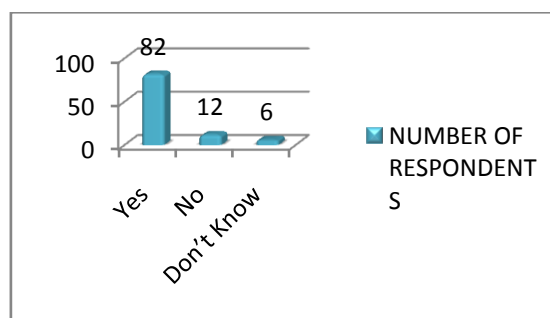
RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Agree	92	92
Disagree	8	8
Total	100	100



Interpretation:-The above diagram represents that out of 100 investors, 92 investors are Agree that online trading helps to save the transaction time. And remaining 8 investors are disagreed.

Do you think that Online Trading System has helped in growth and development of Indian Stock Market?

RESPONSE	NUMBER OF RESPONDENTS	PERCENTAGE
Yes	82	82
No	12	12
Don't Know	6	6
Total	100	100



Interpretation: - The above graph shows that out of 100 investors, 82 investors saysthat the Online Trading System helps for Growth of the Indian Stock Exchange Market. And 12 are opined that it's not helps for Growth of the Indian Stock Exchange Market. Rest of 6 respondents are told that it is difficult to predict.

V. CONCLUSION

The online trading system is beneficial to stock exchange, investors, companies to access the required information and to know about the status of stock market in detail at any time, it helps to take decisions regarding investment in different industries and to understand the actual position of the listed companies in relation to issue of shares and debts in the market, it helps to save time and it is very transparent in its activities.

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