A STUDY ON INVESTOR'S PREFERENCE TOWARDS ON-LINE TRADING WITH REFERENCE TO SHARE KHAN LTD"

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Abstract
The study is about Investor's preference towards online share trading in Share Khan Ltd at sharekhan.com in Alwarpet.. In this study an attempt is being made to know the preference of customers about services provided to the customer.

A sample of 171 respondents was taken for survey data was collected through different source to produce further in this project and also for its fulfillment. The primary source of data was collected through questionnaire and secondary source of data was collected through personal interview, company records, websites and books.

After the analysis of data it was found that a service provided by share khan satisfies the customer. Few findings are given below:
1. *It found that majority of 60% of respondents are interested in share trading.*
2. *Most of respondents are considered in safety purpose only.*
3. *Majority of respondents is feel about share khan charge is high.*
4. *Most of the respondents are satisfied with services provided in share khan.*

The results are presented with help of different charts and graphs. Appropriate statistical tools have been used to test the relevant hypotheses. Based on the findings, suggestions have been made which would further improve the present level of welfare measures.

Key Words:Investment,E-Trading,Exchange Value,Stocks,Option,Futures.

Introduction
Traditional investing has experienced a revolution due to the rise of e-trading Services that enable investors to use the Internet to conduct secure trading. Like a Traditional broker, an online broker executes trades for an investor in exchange for Commissions. The primary difference between an online broker and a traditional broker is that the online broker provides electronic, usually internet-based access to client accounts, thus, the physical presence of a broker is inexistent because everything is done online.The use of online trading increased dramatically in the mid- to late-'90s with the introduction of affordable high-speed computers and internet connections, and now investors can buy and sell stocks from more than one hundred online brokers with a click of mouse. Online financial trading Websites offer retail investors the ability to trade products in different financial markets. These sites offer direct access to options, futures, foreign currencies, indexes, stocks, and bonds on many financial markets. Online trading is well established and highly developed in the Indian market. The penetration of e-trading accounts is growing among Indian investors.Online trading is define Investor's preference towards online share trading with reference to Share Khan Ltd.

Statement of the Problem
The equity market is all excited and going places. No doubt, you want to get your share of the action. Till recently, one could buy or sell stocks only through individual stockbrokers and broking firms/companies. But now stock trading has gone online, and there are many Web-based share-trading platforms such as icicidirect.com, hdfcsecurities.com, investsmartindia.com and sharekhan.com. Most people just go to the broker their friends or relatives deal with or recommend online trading. But how far on line trading is preferred by the investors. This project will focus to know the preference of investors towards on line trading.

Industry Profile
Online Share Trading Industry
Stock market transaction in India first originates in the later part of 18th century with the dealings of the stock transactions of the east India Company. Corporate trading of shares came into picture in 1830. The enactment of companies' act in 1850 market beginning of the new era in the realm of stock markets in India. The act continued many features that were considered significant is as they contribute to the growth and development of the stock exchanges across the country.The first stock exchange was known as "BOMBAY STOCK EXCHANGE" (BSE), which was established in 1887 by formalizing the dead of association. The association was set up in the year 1875.

The "NATIONAL STOCK EXCHANGE" (NSE) was set up for the purpose of providing a nation wide stock trading facility to investors so as to bring the Indian financial market. It started its operations by the end of 1993. The NSE was the electronic trading to every comer of the country.Followed by this BSE has attained permission from SEBI for expansion of its online trading network to locations outside Mumbai.The securities and exchange board of India (SEBI) approved the report on internet trading brought out by the SEBI committee on internet based trading and services. Internet trading can place through order routing systems, which will route client orders to exchange Trading systems for execution. Thus a client sitting in any part of the country could be able to trade using the internet as a medium through broker's internet trading system.Looking at the share trading 10 years ago, if you wanted to purchase or sell any share, you need to call your broker every now and then. Also adequate information was not available at times with the people; due to which share trading was not a much known fact. People had to be completely dependent and were on the mercy of brokers at the time. But then share khan came with the concept of online share trading wherein customer can trade in shares and much more that too at a single click of mouse and can manage his/her portfolio sitting anywhere in the world.

Company Profile
Share khan is one of India's leading financial services companies. Share khan provides a complete life-cycle of investment solution in Equities, Derivatives, Commodities, IPO, Mutual Funds, Depository Services, Portfolio Management Services and Insurance.Share khan traces its lineage to SSKI, an organization with more than eight decades of trust & credibility in the stock mark decades of trust & credibility in the stock market.Share khan Ltd is India's leading online retail broking house with its presence through 1288'Share Shops' in 325 cities and serving more than 8, 00,000 customers across the nation. Launched on Feb 8th 2000 as an online trading portal, Share khan offers its clients trade execution facilities for cash as well as derivatives, on BSE and NSE, depository services, mutual funds, initial public offerings (IPO's), and commodities trading facilities on MCX and NCDEX. Besides high quality investment advice from an experienced research team Share khan provides market related news, stock quotes fundamental and statistical information across equity, mutual funds, IPO's and much more. Share khan has set category leadership through pioneering initiatives like 'Speed Trade', a net based executable application that emulates a broker terminal besides providing information relevant to Day traders. Their second initiative, 'First Step' is targeted at empowering first time investors. Share khan has also set their global footprints through the 'India First' initiative, a series of seminars conducted by Share khan to help NRIs participate and benefit from the huge investment opportunities in India. The company has a full-fledged research division involved in Macro Economic studies, Sect oral research and Company Specific Equity Research combined with a strong and well networked sales force which helps deliver current and up to date market information and news.

Need For The Study
1. The research will help to share khan in understanding the customer preference those prefer share trading and their factors support them which will help them in knowing the potential segment/target customers for share trading.
2. The research will also reveal the fear factors, and which the brokerage services need to address before full fledged promotion of share trading.

3. The research will also create awareness on the usage of online share trading as a channel option for trading services.
4. There is a chance to experience expansion in this volatile sector. In spite of it, it becomes necessary to serve the investors. A tough competition is prevailing in and around.

Scope of the Study
The scope of the project is to study and know about Online Trading dealt in SHAREKHANE LTD by studying the Online Trading a clear option of dealing in stock exchange is been understood. Unlike olden days the concept of trading manually is been replaced for fast interaction of share of shareholders. By this we can access anywhere and know the present dealing in share

Objectives Of The Study
The major objectives of the study are
1. To find out the investors preference towards online trading system with   reference to sharekhan ltd
2. To find out the awareness for the online trading.
3. To measure the satisfaction level towards the on line trading system.
4. To find out the factors influences to open online trading account.

Research Methodology
In this research work, the main purpose is to analyze the factors influences the investor's preference towards online trading.

Sources Of Data
The data was collected by both primary and secondary sources. Under the primary data research, a survey research method through the Use of structured questionnaires to the study the investor's preferenceTowards on line trading.

Secondary data refers to the existing information, which has previously Gathered and recorded by someone data refers to the existing information.

Research Design
In the understanding of this research, descriptive research is applied mainly in the format of a structured questionnaire for the purpose of data collection. This explores investor's preference towards online trading.

Tools and Techniques
Percentage Method
In this research various percentage are Identified on the analysis and they are presented pictorially by way of diagrams in order to have a better quality .

$$Percentage = \frac{No\ of\ each\ respondents}{Total\ no\ of\ respondents} \times 100$$

Chi-Square Test
The most popular and widely used non parametric test of significance is the chi-square test. The particular test is used in testing normal data and also data with higher scales. Situations are cases, persons, events or objects are grouped in two are more nominal categories such as "yes-no", favor undecided against or class "A, B, C or D".

$$Chi\text{-}square = \sum \frac{(O\text{-}E)^2}{E}$$

Where, O refer to the observed frequency & E refer to the expected frequency
Degree of freedom = (r-1) (c-1)

Decision arrived from the test is based on the comparison between the calculated value and the critical value. Comparing with the critical value (table value), if the calculated value is higher we accept the alternative hypothesis. Similarly if the calculated value is less than the critical value we accept the null hypothesis.

The calculated value of is compared with the table value of given degree of freedom at specified level of significance.

If the calculated value is higher than the table value, we accept the alternative hypothesis. Similarly if the calculated value is less than the critical value we accept the null hypothesis.

sampling design
Unit Of Analysis: The population to be studied in this research study is investors.
Sampling Method: Convenience sampling was used in this study.

Sampling Size
This survey was administered to 171 respondents fr**om** the investors.

Area of Survey
This survey was collected at Alwarpet, Anna Nagar and Chetpet

Limitation of the Study
1. Due to time and resource constraints, the sample size was restricted to in consultation and agreement with the industry/project guide.
2. The respondents were less interested in answering the questionnaire due to their busy schedule and to some extent on-interest.
3. The opinions of the respondents may be biased. Hence the research was done only in particular area, the information gathered may not be correct or sufficient.

Review of Literature
"Marketing management 12e-Analysing consumer markets" by Philip Kotler states that perceptions are more important than reality and it affects the consumers actual behaviour.Perception is defined as the process by which an individual selects,organizes,and interprets information inputs to create a meaningful picture of the world.

"Online Stock Trading In India: An Empirical Investigation"
In 2007, Nidhi walia and Ravinder Kumar's research report examined the investor's preference for traditional trading and online trading, investor's perception on online trading and comparing current usage of online trading and offline trading. This study reveals that out of every 100 investors only 28 trade online, which points out a question as why investors were not able to realize the importance of technology in stock trading.

Online trading has gained momentum from just 0.5% of total traded volumes 5 Years back, which now accounts for 5% of the total trading volume of approximately Rs 14000 Cr on NSE. Over the past 2 years, the value of all trades executed through internet on NSE has grown from less than Rs 100 Cr in June 2003 to over Rs 700 Cr in June 2005.

The major findings of the study are that Indian investors are more conservative, they do not change easily and Indian traditional traders still choose brokers for trading, whereas net traders are more comfortable with online trading for its transparency and complete control of the terminal

Research Paper
Impact Factor: 4.729
Refereed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

Data Analysis and Interpretation
The data after collection has to be processed and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan. This is essential for a scientific study and for ensuring that we have all the relevant data. Processing implies editing, coding, classification and tabulation of collected data so that they acquiescent to analysis.

The term analysis refers to the computation of certain measures along with searching for patterns of relationship that exits among data-groups. Thus "in the process of analysis, relationships or conflicting with original or new hypothesis should be subjected to statistical tests of significance to determine with what validity data can be said to indicate any conclusions.".

Analysis of data in a general way involves a number of closely related operations that are performed with the purpose of summarizing the collected data and organizing them in such a manner that they answer the research questions.

Statistical Test And Interpretation
Weighted Arthematic Mean Based On The Features

DESCRIPTION	SA	A	UD	D	HD
Commission	78	72	10	8	3
Credit limit	52	86	17	15	1
Document	31	95	33	8	4
Opening charge	51	69	26	21	4
Advisory service	45	72	18	16	20

Calculation Part

$$X_w = \frac{\sum xw}{N}$$

$\sum xw$: $(w_1x_1)+(w_2x_2)+(w_3x_3)+(w_4x_4)+(w_5x_5)$
Weighted assigned: 5, 4,3,2,1 respectively.
N = SA+A+UD+D+HD
Commission charges = (78*5) + (72*4) + (10*3) + (8*2) + (3*1)
   = 727 /171 = 4.25
   Credit limit   = (52*5) + (86*4) + (17*3) + (15*2) + (1*1)
   = 686/171 = 4.01
   Document   = (31*5) + (95*4) + (33*3) + (8*2) + (4*1)
   = 654/171 = 3.824
Opening charge = (51*5) + (69*4) + (26*3) + (21*2) + (4*1)
   = 655 /171 = 3.83
   Advisory Service = (45*5) + (72*4) + (18*3) + (16*2) + (20*1)
   = 654/171 = 3.61

Result
Most of the respondents are agreeing with documentation for information require when compared to other features. Commission charges are the next feature to which most of the respondents are strongly agree.

Weighted Arthematic Mean Based On The Features

OPTION	SA	A	SWA	UD	SWD	D	SD
RESPONDENT	17	60	48	23	10	10	3

Calculation Part
Weighted assigned: 7, 6, 5, and 4,3,2,1 respectively.

N = SA+A+SWA+UD+SWD+D+SD
= (17*7) + (60*6) + (48*5) + (23*4) + (10*3) + (10*2) + (3*1)
= 864/171
= 5.05

Result
Most of the respondents are agree with obligation date offered by share khan

Chi-Square: 1
AIM: To test the qualification with Choose the investment product.
Ho: There is no significance difference between education and investment product.
H1: There is significance difference between education and investment product.

Satisafaction Level Table

Qualification	A	B	C	D	E	TOTAL
UG	14	14	8	8	3	47
PG	22	38	15	8	3	86
Professional	5	9	2	3	2	21
Others	4	5	3	3	2	17
TOTAL	45	66	28	22	10	171

Choose The Investment Product
A- Company background
B- Based on market movement Analysis
C- Trading friends
D- Professional Expert's Opinion
E-Others

Chi-square = $\sum \dfrac{(O-E)^2}{E}$

Where, O refer to the observed frequency & E refer to the expected frequency
Degree of freedom = (r-1) (c-1)

Calculated value   =8.071
   Degree of freedom   =(r-1) (c-1)
   = (4-1) (5-1)
   = (3) (4)
   = 12

Table value is 21 at 5% Level of significance.

Result
Calculated value (8.071) is less than the table value 0f (21), Hence null hypothesis (H0) not rejected, Therefore there is no significance difference between education and investment product.

Chi-Square: 2
AIM: To find the objective of investment.
Ho: There is no significance difference between occupation and objective of investment.
H1: There is significance difference between occupation and objective of investment.

Objectives Of Investment

OCCUPATION	A	B	C	D	E	TOTAL
Employer	12	9	5	3	0	29
Employee	21	43	14	8	4	90
Retire	1	5	3	2	0	11
Others	10	11	5	7	8	41
TOTAL	44	68	27	20	12	171

Objective of investment
A- Income for next generation
B-To earn more
C- To meet future contingencies
D-To meet competitive needs like self Education, self employment etc
E- Others

$$\text{Chi-square} = \sum \frac{(O-E)^2}{E}$$

Where, O refer to the observed frequency & E refer to the expected frequency
Degree of freedom = (r-1) (c-1)

Calculated value   =23.8
   Degree of freedom   =(r-1) (c-1)
   = (4-1) (5-1)
   = (3) (4)
   = 12
   Table value is 21 at 5% Level of significance.

Result
Calculated value (23.8) is greater than the table value 0f (21), Hence null hypothesis (H0) is rejected. Therefore there is significance difference between occupation and objective of investment.

Chi-Square: 3
AIM: To find the level of satisfaction with the on-line trading as compared to Manual trading practices.
Ho: There is no significance difference between age and satisfaction level.
H1: There is significance difference between age and satisfaction level.

Satisafaction Level Table

AGE	HS	S	SWS	UD	SWD	D	SD	TOTAL
20-35	38	38	16	13	4	1	1	111
36-45	5	5	5	7	5	3	1	31
46-55	9	6	3	1	0	0	3	22
56>	3	2	0	1	0	1	0	7
TOTAL	55	51	24	22	9	5	5	171

Satisafaction Level
HS   -   Highly satisfied
S   -   Satisfied
SWS   -   Somewhat Satisfied
UD   -   Undecided
SWD   -   Somewhat Dissatisfied
D   -   Dissatisfied
SD   -   Highly dissatisfied

$$\text{Chi-square} = \sum \frac{(O-E)^2}{E}$$

Where, O refer to the observed frequency & E refer to the expected frequency
Degree of freedom = (r-1) (c-1)
Calculated value   =29.19
Degree of freedom   =(r-1) (c-1)
= (4-1) (5-1)
= (3) (4)
= 12
Table value is 28.9 at 5% Level of significance.

Result
Calculated value (29.19) is greater than the table value 0f (28.9), Hence null hypothesis (H0) is rejected. Therefore there is significance difference between age and satisfaction level.

Chi-Square: 4
AIM: To test whether there is significance difference between obligation date and Satisfaction level
H0: There is no significance difference between obligation date and satisfaction Level
H1: There is significance difference between obligation date and satisfaction level.

$$\text{Chi-square} = \sum \frac{(O-E)^2}{E}$$

Where, O refer to the observed frequency & E refer to the expected frequency
Degree of freedom = (r-1) (c-1)

Research Paper
Impact Factor: 4.729
Refereed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

Calculated value = 166
Degree of freedom = (N-1)
= (7-1)
= 6
Table value is 12.6 at 5% Level of significance.

Result
Calculated value (166) is less than the table value 0f (12.6), Hence null hypothesis (H0) not rejected, Therefore there is no significance difference between obligation date and satisfaction level

Findings
1. Majority of the respondents are male.
2. Most of the respondents are all age over 20-35 yrs.
3. Most of the respondents are all post graduate. .
4. Majority of the respondents are employee.
5. The study states that 51% of the respondents are earn less than 2lakhs per year.
6. The study states that 40% of the respondents are earn more.
7. The study states that 29% of the respondents are friends and relatives reference.
8. The study states that 42% of the respondents are On-line registration.
9. The study shows that 46% of the respondents were trade daily.
10. The study shows that 80% of the respondents are aware of online trading facility.
11. The study shows that 46% respondents are satisfied with advice.
12. Majority of the respondents are investing Based on market.
13. The study states that 48% of the respondents are prefer 0-1% commission charge.
14. The study states that 36% of the respondents are accepted 2-4times credit limit
15. Most of the respondents are prefer normal document.
16. Majority of the respondents prefer 0-250 account opening charge.
17. Nearly 55% of the respondents invest in shares.
18. Majority of the respondents are accept that validate the information provide.
19. Majority of the respondents are accepted expert opinion.
20. The study states that 29% of the respondents are agree that indirectly levy charges.
21. The study states that 75% of the respondents are accept that collect reliable information.
22. Majority of the respondents are agree that entry and exit load is important.
23. Most of the clients like the trade tiger software.
24. The obligation date which is offered in share khan it's very useful to the clients.
25. The charges for mobile alerts, which is not like by the customers.
26. The share khan offers the very good website portal for their customers
27. The mobile trading facility is good.
28. The dial and trade facility is good.
29. Majority of the respondents are agreeing that brand image influence for account opening.
30. Majority of the respondents are agreeing that settlement procedure.
31. Most of the respondents are not accepted manual trading.

Based On The Objective Framed, The Findings Are Summarized As Below
1. The study shows that 80% of the respondents are aware of online trading facility.
2. The study shows that 46% respondents are satisfied with advice.
3. Most of the clients like the trade tiger software.
4. The study states that 42% of the respondents are On-line registration.

Suggestion

The few areas which have to be concentrated by SHARE KHAN INDIA LTD, in case of services provided by them, to the customers. The study suggests the following.

1. The server speed should be increased as margin and margin plus order get expired before squaring off.
2. Executives and team leaders should be given intensive training program so that they have more knowledge to answer technical issues of online trading.
3. Share khan branches can more help in opening demat account both for their existing as well as new customers.
4. Apart from office, site demo sessions should be arranged at various places so that customers can reach there easily. Also preferable the site demo sessions should be on the weekends.
5. If share khan improves the customer service like timely information, individual attention on customer, recruiting passionate employees, providing individual portfolio to the customer information on all financial products to the customers, then share khan achieve the number one position in the financial service sector in the country.

Conclusion

This research study conducted has enabled to have an insight into the customer expectations from services offered by share khan. Through the percentage of customer who are satisfied with the services is higher efforts must be taken rectify the complaints like timely information, individual alteration etc.

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