

## **A STUDY ON CUSTOMER AWARENESS TOWARDS ONLINE TRADING**

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### ***ABSTRACT***

This research paper looks at the business models that traditional and online brokerage companies compete on as well as industry developments in online trading. The stock market is one of the key economic drivers and has a significant impact on the nation's financial situation. A billion people are living in the changing environment of today able to access the Internet. The digital revolution has had a profound and lasting influence on the world over the past twenty years, and the Indian stock market has also seen similar developments. The analysis of customer satisfaction is crucial to the success of any business. The goal of the current study is to determine how satisfied internet share traders are. Through the use of a well-structured questionnaire, the primary data was gathered from 60 respondents. The study's primary goals are to comprehend online share traders' attitudes, evaluate the performance of broking sites, and look at the issues these traders encounter. Customers tend to favour online trading over offline trading. Customers frequently choose online trading since it is convenient and user-friendly.

Keywords: Indian Stock Market, Internet, Online Stock Trading, Stock Brokers.

### ***INTRODUCTION:***

Online trading is the act of buying and selling stocks using various websites on the internet. Such firms play a big part in new trends, and doing business online has a big influence on many financial services including check writing, using credit and debit cards, and paying bills electronically. The internet has played a key role in the growth of developing enterprises throughout the years. Online trading refers to the financial transaction activities that take place in the digital world, such as the purchasing and selling of bonds, stocks, and other

assets. The reality is that every company trend has expanded into online sales of products and services, which has a significant influence on how much business is sold.

For instance, we can use any website that sells a variety of products and services that they offer online as an example, and we can see that every aspect of the company, whether it relates to a discount, a total number, certain taxes, etc., is available on the website. Customers play a crucial role, and internet businesses satisfy their energy, zest, and desire. This is the main factor causing the success of internet trading companies. Also, process analysis turns into a risk, which may be managed simply from time to time.

### ***LITERATURE REVIEW:***

Walia N. and Kumar R. looked at investors' preferences for conventional trading and online trading, as well as at investors' perceptions of online trading and current utilisation of online and offline trading. This study's finding that just 28 out of every 100 investors trade online raises the question of why investors were unable to see the value of technology in stock trading. The study's key conclusions are that Indian investors are more cautious and don't switch brokers while trading, whereas net traders prefer online trading due to its transparency and total control over the terminal.

In order to further knowledge in the area, two studies have been conducted to provide an overview of current online trade practises in the United Kingdom (UK). By employing the Repertory Grid approach during interviews and online questionnaires, data was gathered. This technique, which has its origins in personal construct psychology, enables participants to describe their perceptions and preferences using their own language or personal conceptions.

The expansion of online trading since the year 2000 is tracked by Jaiswal M., Vashist D., and Kumar A. (2009) using information on the volume of online trading, the number of e-broking businesses, brokerages, and demographic trends. The way stock business has been performed throughout the years has altered significantly as a result of online trading.

***OBJECTIVES:***

1. To know the people perception regarding the online trading
2. To know the preference of people in regard of the Online Trading
3. To analyses the facilities available from different stock traders
4. To study the investor's awareness in the ONLINE trading.
5. To study the Do's And Don'ts Of Online Trading

***CONCEPT OF ONLINE TRADING:***

Since it is so convenient and simple to use, online trading has gained a lot of popularity in recent years. To satisfy client needs, many businesses have gone online, giving customers the freedom to conduct business whenever and however they choose. Since we can remember, there has been trading, and when we talk about it, we mean trade as in business transactions. Trading is the act of purchasing and selling products and services, but in the modern context, it refers to the exchange of financial services, such as securities, through the Internet.

According to a wide definition, "online trading" refers to a trading mechanism in which investors make orders and verify trading outcomes over electronic communication channels such the Internet, mobile phones.

Facilities of the Online Trading In India: In online trading, there are various facilities in India like,

- The investor has to register with an online trading portal and get into an agreement with the
- firm to trade in different securities following the terms and conditions listed down on the agreement. The order processing is done in correct timings as the servers of the online trading portal are
- connected to the stock exchanges and designated banks all round the clock. They can also get updates on the trading and check the current status of their orders either

- through e-mail or through the interface. Brokerages also provide research content on their websites, such that the clients can take their own decisions on stocks before investing.

### ***BENEFITS OF ONLINE TRADING:***

1. Simple and Effective: Accessing more information and charts than was previously feasible by visiting any discount broker's office is now simple and effective for anybody thanks to online trading. Discounted brokerage costs for electronic transactions are advantageous to investors.
2. Information: Online, we have far greater access to information that we may use to educate ourselves. Information for customer care through email or chat is also provided via online trade. utilising web resources like market watch, infographics, and stock research suggestions, eliminates the key issues that afflict the dealing of securities, including faulty delivery, fake signatures, theft, and share mutation.
3. Increased Power: Since size is no longer a valid factor in online selling, smaller businesses are now able to compete with global corporations. The fact that being online does not specify the size of any one organisation provides the underdogs more influence
4. People have more control thanks to online trading, which they can use to manage their accounts and understand what is happening when they trade. It is comparable to returning to school and relearning how to trade online.
5. Trading in the World Market: Internet trading has made it possible to find investment possibilities that were not typically available, such as quirky unique items, wacky net stocks, and trading in the Global Market.

***RESEARCH METHODOLOGY:***

The information from 60 respondents is gathered using structured questionnaires in a convenient manner. Regression analysis and percentage analysis tools.

Table:

**1. AGE OF RESPONDENTS:**

AGE	NO OF RESPONDENTS
20-30	30
30-40	20
40-50	10

**2. Gender:**

STATEMENT	NO OF RESPONDENS
MALE	50
FEMALE	10

**3. Education Qualification of Investor**

STATEMENT	NO OF RESPONDENTS
SCHOOL	10
UG	40
PG	10

## 4. Financial Instrument.

STATEMENT	NO OF RESPONDENTS
Professional	30
SHARES	20
SHARES	10
BONDS	0

## 5. Type of Trading Of Investor:

STATEMENT	NO OF RESPONDENTS
OFFLINE	10
ONLINE	50

## 6. Customer's Reason to invest on Online trading.

STATEMENT	NO OF RESPONDENTS
PRIVACY	15
USER FRIENDLY AND TIME SAVING	30
CONVIENECE	15

## 7. Factors That Motivates Investors To Invest In Securities.

STATEMENT	NO OF RESPONDENTS
NEW IPO	10
ENTRY OF FII'S	20

MORE RETURNS IN LESS TIME	30
OTHERS	0

#### 8. awareness about Retail Brokerage

STATEMENT	NO OF RESPONDENTS
YES	50
NO	10

#### 9. Customer's level of Frequency of Trading

STATEMENT	NO OF RESPONDENTS
DAILY	30
WEEKLY	10
MONTHLY	10
YEARLY	10

### ***DO'S AND DONT'S OF ONLINE TRADING:***

#### ***What you must NOT do:***

1. Be calm: The market is erratic. Embrace that. It will continue to change. Not to worry. There is no need to desire to sell your shares quickly, even if their values have fallen. If nothing essential out your

firm or mutual fund has changed, stay invested. Does the Net Asset Value go through a steep slump before modestly rising? cling on. Avoid making unnecessary sales.

2. Don't make risky bets; instead, purchase some equities when the market declines. Don't invest a lot of money, though. Buy the shares incrementally. Put some money aside and focus on a few businesses that you think are trustworthy. Buy them if the market declines. You may buy more whenever the market falls once again. Continue periodically purchasing shares. Everyone is aware that they should purchase shares at a market low and sell them at a market high. Nonetheless, it is still true that nobody can time the market. When the share price has fallen to its absolute lowest, no one can predict. Instead, purchase shares gradually to average out your expenditures
3. Keep in mind that there are costs involved with buying and selling shares, including brokerage fees and the Securities Transaction Tax. This can reduce your profits, especially if you're selling for modest gains (where the price of stock has risen by a few rupees). With mutual funds, you most likely won't have to pay an exit load if you had paid an entry load. Fees are assessed on the Net Asset Value for entry and departure (price of a unit of a fund). When purchasing units, an entry load is charged, and when selling them, an exit load. If you sell your stock fund shares within a year after purchasing them, you must pay a short-term capital gains tax.
4. Don't pursue performance: Just because a stock's price has been soaring astronomically doesn't make it a good investment. As investors begin to sell, the price will fall significantly. similarly for a mutual fund. In the present bull run, every fund will provide excellent returns. It is not a good fund because of this. Follow the fund's performance through bull and downturn markets before making a decision.



***What you MUST do:***

1. Remove the clutter: Are there any shares you purchased but now don't want to hold onto? If they are making money, you could think about selling them. If you no longer believe in them, it's time to sell them and use the money elsewhere, even if they won't provide you a significant profit. Same advice applies to bad investments; sell the units and use the proceeds to make a better investment.
  
2. Stick to your plan of action: Don't go above that limit if you've chosen that only 60% of all your assets should be in equities since the stock market has been generating excellent returns. Keep to your allotted amount.
  
3. Believe in your investment: No matter who provides you a recommendation, never buy shares based only on that information.
  
4. Deal with caution. Buy stocks in which you firmly believe. Have a look at the basics. Examine the business and decide if you want to join it. Are you satisfied with the way a certain fund manager handles his fund and the fund's goal? If so, you might want to invest in it.

### ***CONCLUSION:***

Since it began operating in India, the stock market for online traders has grown steadily. At first, it did so gradually, but as time went on, it greatly grew, and even the market share of online traders has grown. You may see the entire scenarios of the past and present at the earliest published report. Joint venture proposals with MNCs from other significant nations are being addressed on a larger level, and the worth of internet merchants in India keeps rising. With its substantial costs, varied expenditures, etc. reduced, the stock market industry is now legitimately going to assume its position in the commercial world.

Regarding preferences for share trading business qualities, there is no discernible gender difference. Regarding preferences of qualities of share trading firm, there are no notable differences in occupations or educational background. Consumers participate in mutual funds because they have lower risks and higher returns than bonds and stocks. Customers tend to choose online trading over offline commerce. Customers frequently choose online trading since it is convenient and user-friendly.

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