

A STUDY ON BEHAVIOUR INTENTION OF ONLINE SHARE TRADERS, WITH A SPECIAL REFERENCE TO COIMBATORE CITY

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Abstract:

This study analyses the behaviour intention of online share traders in Coimbatore, focusing on key factors influencing their decision to engage in online trading. It examines demographic variables like age, education, and income, alongside perceived risks and security concerns. A quantitative research approach using a structured questionnaire reveals that most traders are aged 21-30, predominantly male, with moderate income and private-sector employment. They primarily use mobile platforms and possess moderate trading experience. Interestingly, demographic factors like age, gender, income, occupation, and education level do not significantly impact traders' behaviour intention. The study offers valuable insights for financial institutions, platform developers, and policymakers to improve online trading platforms and remove potential barriers, while contributing to existing research on online trading behaviour.

Keywords: *Behaviour Intention, Online Share Trading, Demographic Factors, Perceived Risk, Security Concerns, Financial Platforms.*

I. INTRODUCTION

Online trading has revolutionized stock markets worldwide by offering lower commission costs, faster trade execution, full control over transactions, and freedom from time or geographical restrictions. These advantages have made online trading the future of stock markets globally, creating a desire for investors to have greater control over their investments (Hurley, 2000). In India, the popularity of online stock trading has grown exponentially in recent years.

The concept of online share trading was pioneered in 1969 by the beer company "WIT Beer." Today, India boasts several leading online trading platforms, including ICICI Direct, Sharekhan, Anand Rathi, Geojit Securities, Indiabulls, and others. These platforms cater to a growing base of investors, driven by advancements in information technology and widespread internet access.

In recent years, online trading has emerged as a preferred investment avenue, particularly for retail investors. It provides them with real-time exposure to markets, a broader range of investment options, and unparalleled convenience. This cultural shift towards online trading highlights the need to understand the behavioural intentions of traders in specific regions like Coimbatore District. This study examines the attitudes, perceived ease of use, perceived risks, and the role of technology influencing traders' decision-making processes. By analysing these factors, the research aims to shed light on traders' investment preferences, trends, and future expectations, offering insights for financial institutions and policymakers to better serve this growing investor segment.

OBJECTIVES OF THE STUDY

- ❖ To analyse the key factors influencing the behaviour intention of online share traders in Coimbatore, District.

- ❖ To assess the impact of demographic factors such as age, education, and income level on the behaviour intention of online share traders.
- ❖ To examine the role of perceived risk and security concerns in shaping traders' decisions to use online platforms for stock trading.

REVIEW OF LITERATURE

Jeyalakshmi (2024) examined the impact of mobile stock trading apps on retail investors in Coimbatore. The study found that app-based trading has increased accessibility, convenience, and participation among retail investors. Key influencing factors included ease of use, real-time data availability, and reduced transaction costs. The research highlighted that investors using these apps tend to trade more frequently. However, concerns regarding security and technical glitches were also noted.

Fitriasari et al. (2024) conducted a meta-analysis on behavioural intentions in mobile banking and stock trading. The study synthesized various factors affecting adoption, such as trust, perceived ease of use, and security concerns. Findings suggest that investors prefer platforms that offer user-friendly interfaces and transparent fee structures. Risk perception was identified as a major deterrent to adoption. The study concluded that regulatory policies and financial literacy play a crucial role in influencing investor behaviour.

Patel & Shah (2024) explored how mobile trading apps influence stock market participation among retail investors in Gujarat. The study found that investors who used mobile trading apps exhibited a higher level of engagement in stock market activities. Factors such as seamless transaction execution, real-time market updates, and educational content contributed to adoption. The research also revealed that younger investors were more inclined to use mobile trading apps compared to older investors. However, concerns over cybersecurity and fraudulent activities remain a significant challenge.

Verma & Singh (2024) analysed how mobile trading app features influence retail investors' trading behaviour in Punjab. The study identified features like real-time notifications, AI-driven insights, and customizable dashboards as critical adoption drivers. Retail investors using advanced analytical tools in apps showed improved decision-making capabilities. However, the study also found that excessive reliance on app recommendations led to impulsive trading. The findings suggest that financial literacy programs could help mitigate such risks.

Bunkar et al. (2023) investigated whether Indian individual investors are ready to adopt algorithmic trading platforms. The study highlighted a growing interest in automated trading but found hesitancy due to risk perception and lack of technical knowledge. While institutional investors have embraced algorithmic trading, retail investors remain sceptical about its reliability. The research found that transparency, ease of customization, and regulatory safeguards could enhance adoption. Concerns regarding system failures and lack of human control were identified as major barriers.

Prasad (2023) examined investors' perception and selection of investments in the stock market. The study found that financial literacy, past investment experience, and risk tolerance significantly influence investment choices. Retail investors who understand market trends and portfolio diversification tend to make informed decisions. Behavioural biases, such as herd mentality and overconfidence, were also noted as key factors. The research emphasized the importance of investor education in promoting rational decision-making.

Gupta & Kumar (2023) analysed trust and perceived risk in the adoption of robo-advisory platforms in India. The study found that investors are cautious about fully relying on automated financial advisors. Transparency in algorithms, regulatory backing, and data security were identified as major trust-building factors. While robo-advisors offer convenience and cost-effectiveness, investors still prefer human financial

advisors for complex decisions. The research concluded that hybrid advisory models could enhance adoption rates among Indian investors.

Sharma & Verma (2023) explored the drivers of online trading platform adoption among retail investors in Delhi. The study highlighted convenience, low transaction costs, and ease of access as the primary motivators. Investors preferred platforms with strong customer support and advanced trading tools. Technological reliability, such as uptime and speed of execution, was a crucial factor influencing satisfaction. However, concerns over cyber threats and market volatility remain key deterrents to wider adoption.

Nair & Menon (2023) examined how fintech solutions, including robo-advisors, influence investment decisions among female investors in urban India. The study found that financial technology has played a crucial role in encouraging women to participate in stock market investments. Factors such as ease of access, low-cost advisory services, and financial education resources contributed to adoption. Women investors showed a preference for user-friendly interfaces and goal-based investment options. The research highlighted the need for more targeted fintech solutions catering to women's financial planning needs.

Bhattacharya & Ghosh (2023) investigated social media's influence on stock market participation among millennials in West Bengal. The study found that social media platforms serve as key sources of investment information for young investors. Online forums, influencer recommendations, and peer discussions significantly impact investment decisions. However, the study cautioned that misinformation and market hype on social media can lead to irrational trading behaviour. The research emphasized the need for regulatory measures to ensure responsible financial content on digital platforms.

SCOPE OF THE STUDY

This study examines key factors influencing the behavioural intentions of online share traders in

the stock market, focusing on attitudes, perceptions, and decision-making processes in the Coimbatore district. It explores trends in trader behaviour, the role of technology, and external factors such as market trends and financial literacy. By analysing these aspects, the study aims to provide actionable insights for financial institutions, policymakers, and trading platforms to better cater to traders' needs.

LIMITATIONS OF THE STUDY

The study is limited to Coimbatore and may not represent findings in regions with differing cultural and economic contexts. It focuses on traders' intentions, which may not align with their actual behaviours. Self-reported data could be influenced by memory errors or bias. External factors like global economic shifts and market changes are not fully accounted for. Additionally, the study reflects a specific point in time and may not capture rapid technological evolutions. Despite these limitations, it offers valuable insights into trader behaviour in Coimbatore.

CONCEPTUAL MODEL

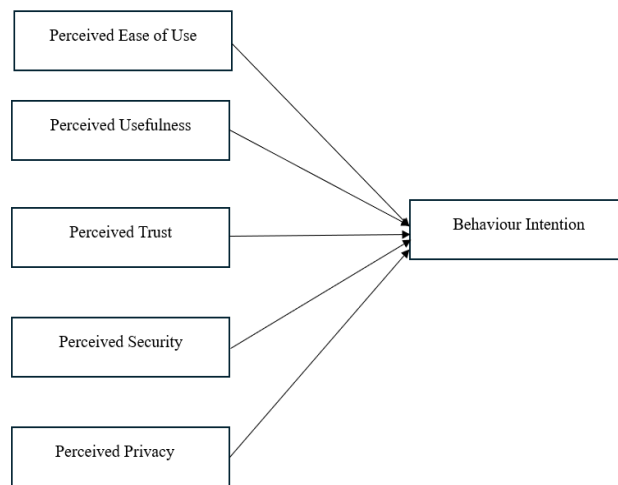


CHART. NO. 1

DATA ANALYSIS

TABLE. NO. 1

S.No	Particulars	Frequency	Percent
1	Age of the Respondents		

	Below 20	16	11.90%	7	Participating in the Stock Market of the Respondents	(Mean)			
	21-30	55	40.70%						
	31-40	36	26.70%						
	41-50	17	12.60%						
	Above 51	11	8.10%						
	Total	135	100%						
2	Gender of the Respondents				Individual/Retail Investor	62	45.90%		
					Institutional Investor	17	12.60%		
					Professional Trader	33	24.40%		
	Male	88	65.20%						
	Female	47	34.80%						
	Total	135	100%		Value Investor	14	10.40%		
3	Monthly Family Income of the Respondents	3.32 (Mean)			Others	9	6.70%		
					Total	135	100%		
4	Occupation of the Respondents			8	Frequency of Trading Stocks of the Respondents				
							Daily	34	25.20%
							Weekly	31	23.00%
							Monthly	36	26.70%
							A few times a year	19	14.10%
							Rarely	15	11.10%
							Total	135	100%
							Total	135	100%
5	Education of the Respondents			9	Preferred Trading Platform of the Respondents				
							Traditional (Stockbroker Office)	24	17.80%
							Web-based platform	33	24.40%
							Mobile App	76	56.30%
							Others	2	1.50%
							Total	135	100%
6	Actively	2.49			Total	135	100%		

FINDINGS

The study reveals that a majority of respondents (40.7%) are aged between 21-30 years, with 26.7% falling in the 31-40 age range, indicating a youthful demographic. Males dominate the sample at 65.2%, and most respondents (43.0%) are employed in the private sector, while 28.1% are business owners. The respondents are well-educated, with 43.7% holding undergraduate degrees and 40.7% being postgraduates. Most traders have moderate experience in the stock market (average score of 2.49), and individual/retail investors make up 45.9% of the sample. Respondents prefer mobile apps (56.3%) for trading, and their experiences with online platforms are generally positive. Statistical analysis shows no significant relationship between age, gender, income, occupation, or education and behavioural intention towards online trading.

SUGGESTIONS

To engage younger investors, age-specific training programs should be developed, utilizing digital platforms and social media to deliver interactive content on stock trading basics. Gender inclusivity initiatives, such as mentorship programs and female-focused investment clubs, should be created to encourage more female participation. For individual investors, customized financial planning services, including user-friendly apps offering personalized advice, could cater to their specific needs. Workshops on investment diversification could address the importance of diversifying portfolios to mitigate risks. Simplified mobile trading platforms with enhanced user interfaces and customer support would improve the user experience. Additionally, awareness campaigns on risk management and leveraging peer influence through referral programs would encourage informed decision-making and community-building. Regular investment webinars and continuous feedback mechanisms would foster ongoing learning and platform improvements. Finally, financial institutions should prioritize transparency to build trust with investors.

CONCLUSION

The study offers valuable insights into the characteristics and behavioural intentions of online share traders in Coimbatore District. The demographic is predominantly young, with a higher proportion of males and diverse occupational backgrounds. While respondents exhibit a strong educational foundation, there is a gap in knowledge about investment diversification and financial planning, highlighting the need for targeted education. Demographic factors such as age, gender, income, and education have minimal influence on trading intentions, shifting the focus to factors like access to information and the trading environment. Enhanced mobile platforms and positive user experiences underscore the potential for financial institutions to improve accessibility and engagement. Recommendations include age-specific training, gender-friendly initiatives, and personalized financial planning services. Promoting risk management awareness and leveraging peer influence through referral programs can boost participation. Regular webinars, feedback systems, and transparency in trading platforms can create a supportive ecosystem. These efforts can foster an informed investment culture, encouraging diversity and participation in online trading within Coimbatore.

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