

ADOPTION AND ACCEPTATION OF DIGITAL SECURITY TRADING PLATFORM AMONG RETAIL INVESTORS IN MSEFSL

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ABSTRACT

The project aims to study the concept “ Online trading platform” and the role it plays in enhancing the use of online trading in MSEFSL in the share market. It also aims at understanding the Retail Investors Investment pattern and the impact of online platform. The project studies the importance of MSEFSL services towards retail investor and how it affects their decisions. The MSEFSL service consists of three main components namely quality time, satisfaction of the service and importance of online trading. The conclusion drawn from the project is that There is no significant difference in age, gender, monthly income, education, marital status with MSEFSL customer experience. The data was analysed using Simple percentage analysis, Chi-square, Regression and ANOVA. It is recommended to make a new retail investor are known about MSFSFL services to the clients and also know about the customer

expectations about the MSEFSL services.

And also known about the how daily traders and long-term investors investing their amount in the share market.

KEYWORDS:

Security market, retail investors, digital security market, madras stock exchange.

INTRODUCTION

Online trading is the act of buying and selling financial products on the internet via an online trading platform. This might include the trading of bonds, shares, international currencies, futures,

and other financial instruments. You can make money from within your home, meaning that even during lockdown you can make trades. Given that all trades are made via the internet, you can make deals on the financial market within seconds or even less.

Back in the old days every share was purchased or sold by the physical documents like bond paper. The physical

document has more risk to maintain like it would be damaged, loss, or forgery. After SEBI establishment they introduce the digital trading platforms. Past 10 years the digital trading platforms are started to use by the investors or traders in the share market. It reduces the cost, time, effort and also brokerage fee. The order placement and portfolio management control by the investors or traders. The investors can track their every stock price, portfolio, and their returns in the digital trading platforms. The investors can transfer their amount to Demat account through their UPI like Gpay, Paytm, Phonepe, etc.

ONLINE TRADING

Online trading is an internet-based investment activity. Internet exchanging began in India on 1ST April 2000 with 79 parts looking for authorization for web-based exchanging. Internet exchanging should be possible by the interaction of an individual and dealers purchasing and selling protections over an electronic organization, with a business firm .

Today there are many online trading companies working as a portals for the biggest stock houses like the National stock exchange and Bombay stock exchange. The online trading companies allow the investors to invest in a number of financial products and services like derivatives, mutual funds, Equities.

The SEBI advisory groups on web-based protections exchanging administrations has permitted the net to be utilized as an Order Routing System (ORS) through enrolled stock specialists of their customer for execution of exchange.

Under the ORS, the client can enter the requirement (security, quantity, price, buy/sell) in broker's site. The client receives conformation on execution of the order, the customer's portfolio and ledger accounts get updated to reflect the transaction.

REVIEW OF LITERATURE

Petric Iancu, 2015 in his research paper "Benefits and Drawbacks Of Online Trading", has Explained that the investment and financial services companies should guide their marketing campaign to attract more investors for online platforms by studying other factors that influence the decision to move from traditional to online trading. He also says that the investors will

switch to online trading when they have a

high level of knowledge in the stock market, and higher education and knowledge of internet.

Dr. Sarika Srivastava (2016)., in his article "Impact of Internet Growth on the Online Stock Trading in India" has mention

that because of the internet, customers are more aware about the financial products and services and eliminated geographical barriers. The primary objective of this research paper is to analyse the impact of internet growth on the stock market transactions. The paper also discusses the current state of internet trading in India and particularly the scope of online trading market available in India.

Liu Y, Nacher J, Altshuler According to prospect theory, people are typically risk-averse with respect to gains and risk-seeking with respect to losses, known as the reflection effect. People are much more sensitive to losses than to gains of the same magnitude, a phenomenon called loss aversion.

Fatah, 2021 Online trading platforms enabled a new way of investing. Now, placing an order on the financial markets only requires a device and an

internet connection, there are no particular requirements and even low amounts of money are enough to make a transaction, furthermore, platforms are designed for the public and therefore have a user-friendly interface and low or zero fees. Those characteristics make the platforms attractive and accessible for small investors with any financial background. Retail investors might engage in investing activities without being aware of the risks

and regulators' attention should be required.

Baralis et al., 2017 Intraday traders

buy and sell financial instruments in the short term, typically within the same trading day. Stocks are notable examples of financial instruments. However, since hundreds of stocks are listed on the stock exchange selecting on each trading day the most tradeable stocks is a challenging task, which is commonly addressed through manual inspection of historical stock prices

and technical indicators.

Nair et al., 2023 Electronic trading or e-trading involves application of mobile applications by retail investors for investment decisions. These mobile apps are supported by brokerage houses and financial advising firms under the regulatory framework of stock exchanges for trained execution of financial transactions.

Ballinari et al., n.d. The both retail and institutional investors' attention can impact market prices, while for the first, attention is positively related to post-announcement volatility and to a slower price adjustment, for the second, attention is slightly negatively related to post-

announcement volatility, and leads to a

quicker price adjustment. Retail investors are indeed likely to misinterpret the

information

disagreement.

B. Barber et al., n.d. Institutional investors have defined tools, strategies and expertise, they rely on automatization systems and therefore are unlikely to be subject to irrational decisions and biases, however, the opposite holds for retail investors, who as human beings, are adverse to losses and in the financial

markets want to have instant gratification and secure their profits.

Baralis et al., 2017 Online trading is the procedure by which private investors or traders purchase and offer money-related items or securities through online trading platforms.

B. M. Barber & Odean, 2002 analyzed 1,607 investors who switched from phone based to online trading during the 1990s. Those who switched to online trading perform well prior to going online, beating the market by more than 2% annually. After going online, they trade more actively, more speculatively, and less profitably than before—lagging the market by more than 3% annually.

METHODOLOGY

DESCRIPTIVE STRATEGY

Descriptive research aims to accurately and systematically describe a

population, situation or phenomenon. It can answer what, where, when, how and why questions. A descriptive research design can use a wide variety of research methods to investigate one or more variables

This study aims at describing the Adoption and Acceptance of a Digital Trading Security Platform among Retail Investors. Therefore, this research is can be called as descriptive research.

Descriptive research includes surveys and fact finding enquires of different kinds. The major purpose of descriptive research is description of the state of affairs as it exists at present.

SAMPLE SIZE

A sample size for the study is 102 whereas the total population of customer of MSEFSL, which includes only the daily traders and long-term investors.

Sampling Technique: The sampling technique used is simple random sampling

DATA COLLECTION

Primary data questionnaire consists of demographic questions, dichotomous questions, and measured 5-point Likert scale questions

Secondary data are company profile, company website, NSE, BSE, websites, articles were used widely as a support to primary data.

SCOPE AND FURUTE RESEARCH:

- A study on an online trading system can vary depending on the specific objective
- And focus of the research however my research is merely concentrating on MSEFSL clients

CONCLUSION

A notable change in the financial markets' environment is the retail investors' adoption and acceptance of digital security trading platforms. As we draw to a close our

conversation on this subject, it is clear that

these platforms have ushered in a new era of investing options that are more accessible, convenient, and democratic.

The empowerment of retail

investors is one of the main inferences to be

made from this development. Individual investors can now easily participate in the financial markets thanks to the levelling of the playing field provided by digital trading platforms. The public's financial literacy has increased as a result of this improved accessibility, which has also boosted the pool of investors. An informed and educated investor community results from investors interacting with these platforms and learning important insights about the workings of the market.

In conclusion, there has been a

radical paradigm shift with the acceptance

and implementation of digital security trading platforms by retail investors. This phenomenon not only encourages inclusion, financial awareness, and individual investor empowerment, but it also drives technical innovation in the financial industry. Regulatory bodies, business leaders, and investors may work

together to create a safe, user-friendly, and

dynamic digital trading environment that will influence the financial industry even though there are obstacles to overcome.

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