

**INVESTORS AWARENESS TOWARDS ELECTRONIC STOCK TRADING IN INDIA  
WITH REFERENCE TO RELIGARE SECURITIES**

1. **P. MANJU MEGHANA** , II-MBA, Malla Reddy Engineering College(Autonomous), Hyderabad. E-mail: manjumeghana572000@gmail.com
2. **MS .M .RAMYA SREE**, Assistant Professor ,Department of MBA , Malla Reddy Engineering College(Autonomous), Hyderabad .E-mail: mramyasree004@gmail.com

**Abstract**

Trading is the purchase and sale of products and services, but in this case, it is the purchase and sale of financial services, such as securities, over the Internet. "On-line trading" is a trading method in which investors make orders and confirm trading results through electronic communication channels such the Internet, mobile phones, and Personal Digital Assistants (PDA).The stock market is an important part of the Indian economy because it influences the country's economic growth and financial status. Millions of individuals are linked to the Internet in today's dynamic world. It aims at studying the investor's perception of online trading in share market and helps to find out accessing the present level of service provided by identifying the areas which require attention for improving its services. The technological revolution has had a significant impact on the world as well as the Indian stock market over the last two decades. The National Stock Exchange is ranked ninth in the world as of 2021. A systematic questionnaire was used to collect primary data from 100 respondents. The purpose of this study is to determine investor awareness of electronic stock exchanges and to investigate why customers choose to invest in online trading because it is user-friendly. To conclude that, the respondents are aware of electronic trading.

**Keywords:** Indian Stock Market, Electronic Stock trading, Investor Awareness.

**I. Introduction**

**Concept of online trading**

Because of its simplicity of use and convenience, online commerce has grown in popularity in recent years. Many businesses have gone online to satisfy their consumers' needs, allowing them to trade whenever and however they choose. Trading has existed for as long as we can remember, and when we refer to it, we are referring to financial transactions. Trading is the purchase and sale of products and services, but in this case, it is the purchase and sale of financial services, such as securities, over the Internet. "On-line trading" is a trading method in which investors make orders and confirm trading results through electronic communication channels such the Internet, mobile phones, and Personal Digital Assistants (PDA). The entire process of securities transactions is highly automated, from order placement and routing to order execution and trade confirmation, allowing investors to confirm their trading results in a couple of moments.

**History of online trading**

E-trading began in 1983, when a doctor in Michigan utilized E-TRADE technology to place the first online trade. What started with a single click more than 16 years ago has now swept the globe. Bill Porter, a physicist and entrepreneur of over a dozen patents to his name, developed the idea while providing online quotations and trading services to Fidelity, Charles Schwab, and Quick and Reilly. This makes Bill ponder why he had to pay a broker hundreds of dollars for stock transactions as an individual investor. He saw the solution in front of him with astonishing foresight: one day, everyone would control computers and invest through them with unprecedented efficiency and control.

**Who invented online trading:**Geojit Securities was the first to launch an online presence. The National Stock Exchange (NSE) has become the first stock exchange in India to offer an internet-based trading system to its members on February 1, 2000.

**Two major stock exchange in India**

1. **Bombay Stock Exchange:-**

On Dalal Street in Mumbai, the Bombay Stock Exchange is located. On December 31, 2012, BSE was the world's ninth largest stock exchange by market capitalisation. The BSE is India's oldest stock exchange. Some stock brokers gathered under a Banyan tree in the beginning of 1855.

2. **National Stock Exchange:-**

Mumbai is home to the National Stock Exchange. It was launched in 1992 and licensed as a stock exchange in 1993. The primary goal of this exchange was to increase stock market transparency. In June 1994, it began trading in the wholesaler debt market.

## **II. Review of literature**

**Sandeep Sharma (2021)** The customer satisfaction is only thing that make a business successful. The present study to find out the customer awareness towards online trading. The main objective of the study is to understand the how the online trades take place. The major reason for investing in the share market is convincing and easy to handle.

**Jaiswal M., Vashist D. and Kumar A (2009)** Traces the growth of online trading from the year 2000 using statistics on volume of online trading from the year 2000 using statistics on volume of online trading, number of e- broking firms, brokerages and demographic patterns. Online trading has dramatically changed the way stock business has been conducted over the years.

**Mona Girnara (2020)** This research paper contain what is online stock trading, how online stock trading developed, growth of online stock trading, advantages and disadvantages of online stock trading, challenges involve in online stock trading. His objective of study is to analyse growth of online stock trading and problems and challenges involve in online stock trading.

**CH. Deepthi (2020)** Online trading has emerged as one of the greatest and easiest ways to invest in shares by the investors. This study sheds light on how this online trade markets work and how they are satisfying their investors. It aims at studying the investor's perception of online trading in share market and helps to find out accessing the present level of service provided by identifying the areas which require attention for improving its services.

**A. Ganesan (2020)** This project brings you insights and tips, direct from Bombay Stock Exchange (BSE) and National Stock Exchange (NSE). This project will allow you to act quickly on the market impact of news and other events. Client will receive the user details and perform bank transactions..

**Niranjan Devkota (2021)** Majority of respondent agreed that they use both fundamental analysis as well as technical analysis for online trading. Similarly, most of the respondents expressed their opinion that technological factor caused problem on online trading.

**Maricar M. Navarro (2020)** Online stock trading platforms in the Philippines are widely used across the country which made investing convenient and available for most of all Filipinos. From these various platforms which were readily available and offered by some stock brokerage company in the Philippines, it became the new trend under the new normal, where it facilitated the fast growth of online trading be it in mobile or web-based platform.

**Pratima Rawal (2018)** This paper studied the perception of people in Faridabad city towards the online trading system of Indian Stock market. But in past time, there was nothing about the electronic trade which resulted the high profile scandals which destroyed the whole society faith. The researcher examined the relationship between the growth and online trading facility of stock market through the correlation technique and significant difference across demographical profile of the respondents .

**Jianwei Hou (2015)** This newspaper investigates how individuals' demographics might affect the adoption of theirs of internet stock trading. The results suggest that internet stock traders tend to be more apt to be male, have increased degrees of training, and also have higher levels of income compared to non-traders. Era wasn't discovered to correlate with individuals' adoption of internet stock trading. This particular study even discovered that internet stock traders differ from non-traders in conditions of their Internet use actions in addition to the attitudes of theirs to the Internet.

**C.Navya (2019)** Investors attitude towards online trading .It aims that studying the investor's perception of online trading in share markets and helps to find out the present level of service provided by identifying the area which require attention for improving its services.

### **III. Need of the study**

- ❖ To identify the factors that is influencing the investors to invest in electronic stock exchange in India.
- ❖ To gain knowledge on the present developments of stock market compare to outcry.

### **IV. Scope of the study**

- The project is an attempt to the investors awareness towards electronic stock trading in India and know the stock exchanges in detail.
- It provides thorough knowledge of different aspects of trading in stock exchanges.
- The first dealing with the theory, i.e., concept and history and Who invented online trading and the two major stock exchanges in India .
- The scope of the study analyse us to know the how the online trading activities are carried out in India electronic stock exchanges NSE and BSE
- This study helps the investors to take good decisions when they investing in electronic stock trading .

### **V. Objectives of the study**

- To know how various demographic factors that are influencing the on-line screen based trading system adopted by NSE&BSE.
- To know the awareness level of investors towards electronic stock trading.
- To analyze the changes in trading after the Exchange Shifted from outcry to online trading system.
- To know about the latest developments in the stock exchange Trading system and investors response towards the same.
- To analyze the sectoral preference of Indian investors.

### **VI. Research methodology**

#### **⇒ Data Sources: Primary Data.**

The Primary data is the main source from which the data is collected. The data is collected from 100 respondents through a questionnaire. To collect following data I have made use of following source.

- a) Questionnaire survey & interaction with clients in India to know investors awareness towards stock exchanges in India.
- b) Interaction with the business associate of Capital market services India.
- c) The questionnaire was distributed to the Investors, clients by using their contacts from broking agencies

1. **Sampling Technique** : The samples are collected by using Convenient sampling and simple random sampling .

**3.Sample size:** Totally 100 respondents are collected and the respondents for this study are individuals and investors on stock exchange in India from Hyderabad are taken into consideration.

**4.Location:** The respondents from Hyderabad city has been collected.

**5.Duration:** The project 45 days for completion of survey through questionnaire from respondents.

**VII .Limitations of the study**

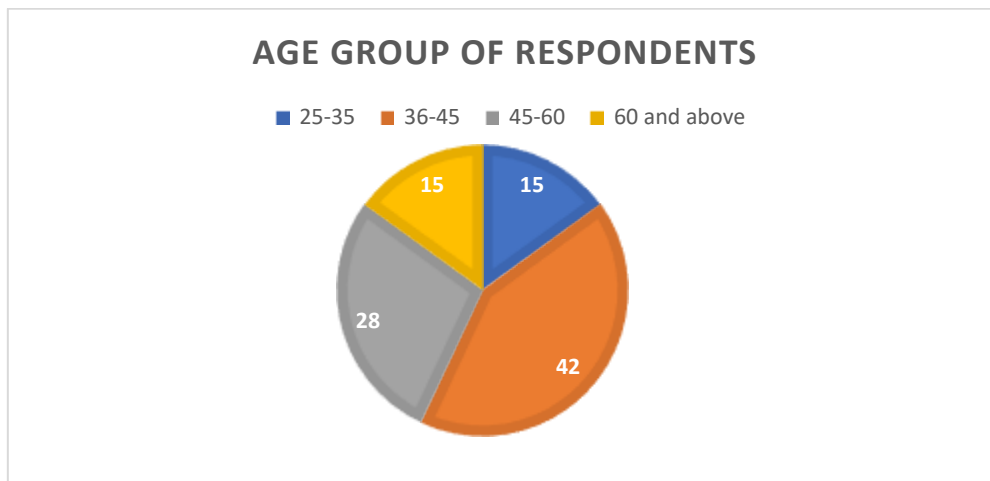
1. The study is limited to 100 respondents from Hyderabad city and the respondents may not represent the entire population.
2. Duration is limited to 45 days.
3. The location of the study is confined to Religare Enterprises Ltd. Hyderabad only.
4. Convenient sampling and simple random sampling are used to collect data.
5. Only primary data sources are used to conduct the study.

**VIII. Empirical Analysis**

**1. Age group of respondents**

25-35	15
36-45	42
45-60	28
60 and above	15
<b>Total</b>	<b>100</b>

**Table no :1.1 Age wise segmentation of respondents**  
**Source: Author's complication**



**Graph no :1.1.a Age wise segmentation of respondents**  
**Source: Author's complication**

From the above survey, the respondents are 15 between the age group of 25-35, The respondents are 42 between the age group of 36-45, the respondents are 28 between the age group of 45-60 and the respondents are 15 between the age group of 60 and above. From the above survey, the respondents are 64% of male and the respondents are 36% of female. From the above survey, 18% people are below 1,00,000 annual income, 32% people are between 1,00,000-2,00,000 annual income, 28% people are between 2,00,000-3,00,000 annual income and 22% people are above the 3,00,000 income group people.

From the above survey, the respondents are 35% from the employee occupation, the respondents are 16% from the student, the respondents are 32% from the professional people and the respondents are 17% from the retired people. From the above survey, the respondents are 16% who are investing

monthly in stock market less than 5000, the respondents are 24% who are investing monthly stock market between 5,000 to 10,000, the respondents are 33% who are investing monthly stock market between 10,000 to 20,000 and the respondents are 27% who are investing monthly stock market between 20,000 to 1,00,000. From the above survey, the respondents are 15 between the 10-15%, the respondents are 22 between the 16-18%, From the above survey, the respondents are 35% for investing in the blue chip stock market, The respondents are 37% for investing in the small chip stock market and the respondents are 28% for investing in the mid chip. From the above survey, the people prefer to invest 18% in IT sector, the people prefer to invest 26% in finance sector, the people prefer to invest 30% in banking sector, the people prefer to invest 14% in public sector and people invest to prefer to invest 12% in infrastructure.

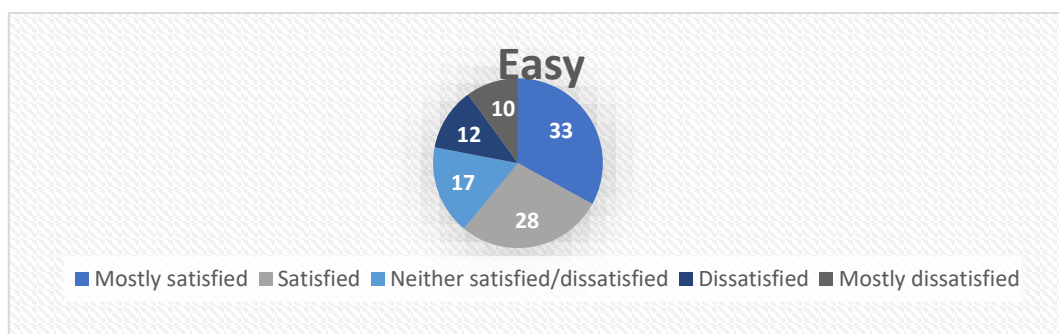
From the above survey, the information collected from friends is 15%, from the brokers is 36%, from the websites is 30% and from the Tv/Radio is 19%. From the above survey, the respondents are 27% mostly satisfied in security, the respondents are 30% satisfied in security, the respondents are 17% neither satisfied/ dissatisfied in security, the respondents are 15% dissatisfied in security, the respondents are 11% mostly dissatisfied in security. From the above survey, the respondents are 23% mostly satisfied in return, the respondents are 35% satisfied in return, the respondents are 21% neither satisfied/ dissatisfied in return, the respondents are 12% dissatisfied in return, the respondents are 9% mostly dissatisfied in return.

**2 .How easy do you think investing in stock market**

Mostly satisfied	33
Satisfied	28
Neither satisfied/dissatisfied	17
Dissatisfied	12
Mostly dissatisfied	10
Total	100

**Table no :1.2 Investor’s opinion on stock markets**

**Source: Author's complication**



**Graph no :1.2.a Investor’s opinion on stock markets**

**Source: Author's complication**

.From the above survey, the respondents are 33% mostly satisfied in easy, the respondents are 28% satisfied in easy, the respondents are 17% neither satisfied/ dissatisfied in easy, the respondents are 12% dissatisfied in easy, the respondents are 10% mostly dissatisfied in easy. From the above survey, the respondents are 29% mostly satisfied in payout, the respondents are 27% satisfied in pay out, the respondents are 19% neither satisfied/ dissatisfied in payout, the respondents are 16% dissatisfied in pay out, the respondents are 9% mostly dissatisfied in payout. From the above survey, the respondents are 27% mostly satisfied in operation access, the respondents are 30% satisfied in operation access, the respondents are 17% neither satisfied/ dissatisfied in operation access, the respondents are 15% dissatisfied in operation access, the respondents are 11% mostly dissatisfied in operation access.

From the above survey, the respondents are 30% mostly satisfied in strategy, the respondents are 28% satisfied in strategy, the respondents are 16% neither satisfied/ dissatisfied in strategy, the

respondents are 12% dissatisfied in strategy, the respondents are 14% mostly dissatisfied in strategy. From the above survey, the respondents are 22% mostly satisfied in availability, the respondents are 29% satisfied in availability, the respondents are 16% neither satisfied/ dissatisfied in availability, the respondents are 21% dissatisfied in availability, the respondents are 12% mostly dissatisfied in availability. From the above survey, the respondents are 26% mostly satisfied in diversification, the respondents are 30% satisfied in diversification, the respondents are 20% neither satisfied/ dissatisfied in diversification, the respondents are 10% dissatisfied in diversification, the respondents are 14% mostly dissatisfied in diversification.

From the above survey, the respondents are 32% mostly satisfied in transparent, the respondents are 27% satisfied in transparent, the respondents are 18% neither satisfied/ dissatisfied in transparent, the respondents are 12% dissatisfied in transparent, the respondents are 11% mostly dissatisfied in transparent. From the above survey, the respondents are 34% mostly satisfied in technology, the respondents are 29% satisfied in technology, the respondents are 18% neither satisfied/ dissatisfied in technology, the respondents are 11% dissatisfied in technology, the respondents are 8% dissatisfied in technology. From the above survey, the respondents are 33% mostly satisfied in regulation, the respondents are 33% satisfied in regulation, the respondents are 14% neither satisfied/ dissatisfied in regulation, the respondents are 11% dissatisfied in regulation and the respondents are 9% mostly dissatisfied in regulation.

## **IX. Findings, Suggestions and Conclusion**

### **Findings:**

- (1) Most of the majority respondents belongs to the age group of 36-45
- (2) In the total of 100 respondents there are majority of male respondents compared to female.
- (3) Majority of the respondents are from between 1,00,000-2,00,000 of annual income
- (4) Highest respondents are employee's in occupation
- (5) Many of the respondents are investing between Rs10,000 to 20,000 monthly in stock market.
- (6) The respondents are expecting between 20-25% returns from stock market.
- (7) It is clear that most of the people of the people are investing in small chip stock market then blue chip and mid chip.
- (8) It is found that out of 100 responses many prefer to invest in banking sector
- (9) In respondents majority of the investors know information about the stocks through brokers.
- (10) From the responses it is clear that many of respondents are satisfied with the returns , operating access, security ,availability from the online trading
- (11) It is clear that respondents in diversification ,transparency and technology are mostly satisfied that investing in online trading .
- (12) It is found that many of the respondents are mostly satisfied with payout.

### **Suggestions**

- 1). Try to explain to investors how fraud will take place so that they will be alert and they can take necessary steps to avoid the frauds.
- 2). If there is increase in the annual income then the investors may show some interest towards investing in stock market
- 3). Genuine investors are not at all interested in the speculative gain as their investment is based on the future profits , therefore the authorities of exchange should be more vigilant in imposing heavy margin to curb the speculative of securities.
- 4). If there is increase in the annual income then the investors may show some interest towards investment .
- 5).If there are more no of people who are educated useful and helpful for them to understand the stock market.

6). Advertisements by the government will be useful to create a awareness to the public

### **Conclusion**

The Stock Exchanges have had a significant impact on India's financial situation as a result of increased globalisation. Information and stock price quotations are practically instantaneous, and investors can act on this information by making a trade from anywhere at any time. This new market will benefit investors, listed corporations, and the company's economies. Trading will become more affordable, faster, and easier to settle with less risk. Raising finance for businesses will be easier, resulting in direct contributions to economic growth. There is no substantial difference in gender preference for share trading company qualities. There is no substantial difference in preference for share trading company qualities between occupations or educational qualifications. Online trading is been preferred by customers rather than Offline trading. Major reason for customers to invest in online trading is its conveyance and user friendly.

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