A STUDY ON CUSTOMER PERCEPTION ON ONLINE TRADING (WITH SPECIAL REFERENCE TO KOTAK SECURITIES)

By

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PROJECT REPORT

Submitted to the

FACULTY OF MANAGEMENT SCIENCES

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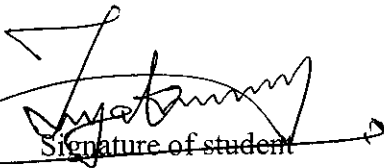## MASTER OF BUSINESS ADMINISTRATION

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BONAFIED CERTIFICATE

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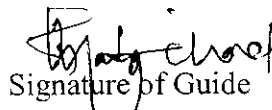
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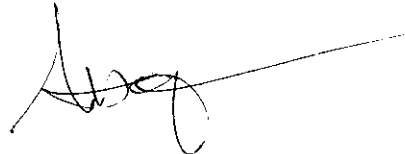Roll No. : **0702MBA2355**

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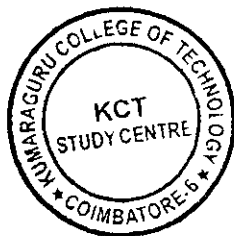
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ABSTRACT

The stock market in India is a place where people become one of the owners of a company by buying equity shares. During the last 3 years, the BSE SENSEX has gained 4000 points and NSE S&P CNX NIFTY has gained over 1000 points. The environment for investment in equities has been favoring the investors as the market in on a bull run and the market is projected to grow for the next 2 years. With the falling interest rates of bank and other investment avenues on one hand and the boom in the equity market due to increase in FII inflows and the overall growth of the Indian economy on the other, the investor gets an opportunity to get good returns by investing in equities. The motive of the people who invest in equity is to make fast money in the form of appreciation of share price. However, most of the people have an aversion to the equity market because of the risk involved.

Traders have the option of either to invest through brokers, which was the only option for years, but with growing technology and internet life of people have become so comfortable. They have option to invest without being in touch with the traditional brokers and use Online Trading Method. Good times are ahead for people who trade online as companies are working to provide them with the facility of trading through their mobile which will make the work of traders even more convenient.

The main objective of this research is to find customer perception for online trading. Are they comfortable with services provided online, what make them trade online and according to them, which company is the best service provider for online trading.

The study answer most of the questions mention above, they are comfortable with services provided online but they felt there is scope for improvement by further improving the speed of transaction. And the main reason why most of the respondent trade online is because its user friendly (56.5% of Respondent) followed by convenience (43% of Respondent).

55.5% of respondents have rated Kotak Securities as the best service provider Company for the online trading, followed by others with 17.5%. Main features that a respondent look into a company are safety & Security and speed at which transaction can be completed. And Brand name does influence their decision of choosing the company.

From the research it was found that 37% of people trade less than two days in a week but only 9% trade online everyday. But trend is changing now; more and more people are trading online and companies have huge untapped market. With more advertisement and very simple method of usage they can reach masses, as people in India are attracted by the growth in share market and they believe It will last for at least another 5 to 10 years.
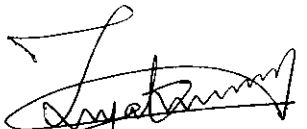
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Researcher great pleasure to express is deep sense of gratitude and profound thanks to **Dr.Sadasivam,** Dean (academic),kumaraguru college of technology coimbatore and coordinator kumaraguru college of technology study centre coimbatore **Mr.A.Senthilkumar** faculty finance, kct business school kumaraguru college of technology coimbatore.

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(JJEYAKUMAR)

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CHAPTER – 1

INTRODUCTION

1.1 INTRODUCTION

NATIONAL STOCK EXCHANGE (NSE)

National Stock Exchange Inaugurated in 1994, the National Stock Exchange seeks to (a) establish a nation-wide trading facility for equities, debt and hybrids, (b) facilitate equal access to investors across the country, (c) impart fairness, efficiency and transparency to securities and (d) shorten settlement cycle.

BOMBAY STOCK EXCHANGE (BSE)

The Bombay Stock Exchange Limited (formerly, *The Stock Exchange, Mumbai*; popularly called *The Bombay Stock Exchange*, or *BSE*) is the oldest stock exchange in Asia. It located at Dalal Street, Mumbai, India.Bombay Stock Exchange was established in 1875. There are around 7,500 Indian companies listed with the stock exchange, and has a significant trading volume. As of July 2009, the market capitalization of the BSE was about Rs. 20 trillion (US $ 466 billion).

THEORETICAL BACKGROUND
TRADING

Buying and selling securities or commodities on a short-term basis, hoping to make quick profits.

ONLINE TRADING

The increasingly popular activity of buying and selling <u>securities</u> over the internet, or to a lesser extent, through a <u>broker</u>'s proprietary software.

ONLINE TRADING VS. DIRECT ACCESS TRADING

The key features and differences of interest to day traders

There are two ways to day trade electronically, namely:

1. Conventional online trading using your Internet browser and a Web based broker
2. Direct Access Trading systems using specialized software and a private network

It is important for day traders to understand the key features of, and the differences between, these two forms of electronic trading.

Conventional online brokers provide Web based trading whereby the client logs in through the broker's Web site and places orders through his Internet browser. By the time client loads his browser, waits for the broker's Web page to load, logs in, enters his order, and the broker reviews the order, several minutes may have elapsed. Further time may elapse before the order is actually executed after being received and reviewed by the online broker because several intermediaries may be involved in handling the order. In this regard, many online brokerage firms do not always themselves execute client orders directly, but rather may send the orders to other market makers for execution. This can result in slow execution of orders at a higher price than the client may have expected. This is bad news for day traders, as execution speed is critical for successful day trading.

By way of contrast, Direct Access Trading (DAT) systems allow one to trade

special trading software and high-speed computer linkages to the Nasdaq, NYSE and the various Electronic Communications Networks (ECNs). With a DAT trading platform, a trader may place orders directly into the market in real-time and trade directly with a market maker on Nasdaq, a specialist on the floor of the NYSE, or with an ECN, without any broker participation at all. There are no middle-men involved between the relevant stock exchanges, ECNs and the individual trader. If there is a sufficient number of shares available at the price specified by the trader, the order is executed in a fraction of a second and a confirmation is instantly displayed on the trader's computer screen. Because no middle-man is involved, the trader will save anywhere from a few seconds to several minutes of time to complete a typical trade. Accordingly, the major advantage of a DAT system is that it results in much faster executions than one can normally achieve using a conventional online broker.

Most firms who supply DATs charge commissions based on a scale which depends on the number of trades that a trader makes over a given time period, plus a small additional fee for trades placed with an ECN. The greater the number of trades, the lower the commission per transaction.

In summary, as compared with conventional online brokers, day trading firms offer better access to the markets, much faster executions, and greater control in order routing.

COMPANY PROFILE

Kotak Mahindra is one of India's leading financial conglomerate offering complete financial solutions that encompass every sphere of life. From commercial banking to stock browning, to mutual funds to life insurance, to investment banking the group caters to the financial needs of individuals and corporates. The group has a network of over Rs 3380 Crore employs around 12300 people in its various business and has a distribution network of branches, franchisees, representative offices and satellite offices across 320 cities and towns in India and offices in Newyork, London,

accounts. The group specializes in offering top class financial services, catering to every segment of the Industry. The various group of companies include:-

➢ Kotak Mahindra capital company Ltd

➢ Kotak Mahindra securities Ltd

➢ Kotak Mahindra INC

➢ Kotak Mahindra international Ltd

➢ Global investments opportunities fund Ltd

➢ Kotak Mahindra [UK] limited Kotak securities Ltd

➢ Kotak Mahindra old mutual life insurance co Ltd

➢ Kotak Mahindra   Assets management co Ltd

➢ Kotak Mahindra   Trustee Co Ltd

➢ Kotak Mahindra   investment Led

➢ Kotak forex brokerage Ltd

➢ Kotak Mahindra   trustee ship services Ltd

ACHIEVEMENTS OF KOTAK SECURITIES

1. Finance Asia Award (2009) = Best Brokerage firm in India

2. Best brokerage firm in India by Asiamoney 2009,2008,2007,2006

3. Best performing equity broker in India (2008) – CNBC Financial Advisor Awards

4. Avaya customer Responsivness Awards (2007 & 2006) in Financil service sector

5. The Leading equity house in India in Thomson Extel surveys Awards for the year 2007

6. Euromoney money Awards(2007 & 2006) – Best provider of portfolio management in equities

7. Asiamoney Award (2006) – Best broker in India

8. Euromoney Award (2005) – Best equity house in India

9. Finance Asia award (2004) = India's best equity base

1.2   NEED FOR THE STUDY

The fair value of a security or the market can be derived from available information but it is rarely reflected in prices. Thus, fundamental analysis brings out financial models to predict the share prices so that investors and shareholders may profit.

Investment in equity has gained momentum among investors as the returns are high when compared to other investment avenues. As investment in equity is subject to market risk, the investment in diversified sectors reduces the risk. So, there is a need for Kotak Securities to select a diversified portfolio of equity shares so as to minimize the market risk and promote the same to their clients.

1.3   OBJECTIVES OF THE STUDY

1. To find the comfort level of customers in using online trading in comparison to traditional trading.
2. To analyze whether the customers are satisfied with the services offered to them for online trading.
3. To find the best service provider in online trading in the market.
4. To know the customer rating for online IPO (Initial Public Offering).
5. To find the factors encouraging customers to trade online.

1.4   REVIEW OF LITERATURE

ounded as a service bureau in 1982 by Bill Porter, a physicist and E*Trade provided online quote and trading services to Fidelity, Charles Schwab, and Quick and Reilly. This led Bill Porter to wonder why individual investors had to pay a broker hundreds of dollars for stock transactions. With incredible foresight, he saw the solution at hand. He envisioned that someday everyone would own computers and invest through them with unprecedented efficiency and control. It would take

Securities, Inc., one of the original all-electronic brokerages, was born and began offering online investing services through America Online and CompuServe. With the launch of the Palo Alto, California based www.etrade.com company in 1996, demand for E*Trade services exploded."

The market downturn since March 2000 has posed a serious threat to brokerage firms, particularly those that offer online trading Findings of this study suggest that broke rage firms should focus on improving customer services, while at the same time providing services in addition to online trading. Online brokerage firms should move into the areas that have been traditionally dominated by full service brokerage firms and banks.

Though a handful of other online trading firms have tried it, TradeKing's trading community is not only one of the biggest and most active, but it also offers an enormous amount of valuable information to traders and investors seeking new ideas and opinions.Members of the 'Trader Network' community (membership is free) can examine what other traders are buying and selling; members can also choose to look at the trades being taken by just the community's most profitable traders. For those customers who are so inclined, their actual trades can be posted- anonymously or not- for others to consider.TradeKing does not offer research 'reports' such as those created by Standard & Poor's. However, most all the relevant information, fundamental and otherwise, can be found through the site.

Online stockbrokers provide an array of investment options, so you can diversify your portfolio and create accounts that fit you and your financial goals. Invest in and trade stocks, options, mutual funds, exchange–traded funds and various fixed–income securities including bonds and CDs. Deposit your investments in an IRA or set your children up for success with an education savings plan.Stock trading services provide a variety tools to help you effectively buy and sell securities. A few of these features include alerts, watch lists, third-party analyst reports, option chains, investment calculators and virtual trading. Many also offer education services so you

seminars, forums, glossaries and definitions, and much more. Stock trading can be confusing and intimidating, but good research and educational resources can help you build the knowledge you need to trade with confidence.

Basic trading rules are simple and obvious once someone tell them to you. With that in mind, here are 10 great ones to follow:

No one can predict the future so don't even try. Don't try to "time the market". Just learn how to read its signals and let it keep heading in the direction it's heading in until something happens to turn it around. Develop or buy into an existing stock trading system and stick with it.

Big scores come from position sizing. Position sizing is the process of determining HOW MANY contracts to trade when your system gets a signal. Position sizing is one of the most important and least understood concepts with losing traders. The purpose of position sizing is to control risk, enhance returns and increase robustness through market normalization. Position sizing can end up being more important than when you actually buy or sell! Unfortunately, most systems and testing platforms seem to ignore it completely (or worse, apply it illogically).

Everything is about price, price, price. Stocks do not follow fundamentals just because you want them to. Prices change based upon the perceptions of the buyers and sellers.

Don't take your advice from the big money management funds. They don't seek to outperform the stock market, they seek to manage everyone's money as risk-free as possible and make a lot of money from fees. Pick stocks based upon what YOU want as far as risk and performance is concerned.

Don't depend upon technical analysis. Stocks trade based upon fear, greed, and perception. All of the technical analysis in the world isn't going to help you if the market reacts to a company's product liability lawsuit and the stock heads south. But,

Question everything your read and everything you hear. Don't follow anyone, anywhere, as long as it's your money that is at risk. Hot tips tend to become hot flops when it's all said and done. We live in a "pump and dump" world, stay clear of rumors.

If you have to ask you, then don't do the trade. If your system says "No", then it's no -- no matter how good it looks. The whole reason to have treading rules is so you are not tempted to make decisions based upon fear or greed. let your system guide you.

Never respond to fear or greed. No one can beat the market every time. Make the rights moves in a bull and bear market and you could see returns of 300%+.

Make sure that you have the "right stuff" to be a full time trader. Don't trade with "scared money". Don't trade blindly without a system. DOn't borrow money to trade. Have the guts to stay with your system even when it seems to be going against you. If you keep loosing, stop trading and see what you are doing wrong. Chances are you stopped following your system.

There is more to life than trading the stock market. Get out, go for walks, spend time with your family. Live, breathe, eat, swim, go to a movie. Your brain needs a break!

The lack of trust is one of the most frequently cited reasons for customer's not returning to Internet service providers. As a new form of commercial activity, online financial services and stock trading involve more uncertainty and risk than traditional financial services. Trust is therefore a relatively influential factor of customer behavior in online financial services. The purpose of this study is to propose a framework of intention to continuously adopt online financial services. Furthermore, the mediated effects of Website trust are trusted. The main method of data collection for this study is a survey instrument designed by the author. The data were gathered

showed that: 1) Website trust influences on the intention to continuous use of online financial services; 2) cognitive trust of online customers influences on affective trust; 3) factors of transaction security, Website and company awareness, prior Internet experience, and navigation functionality directly influence on cognitive trust of online customers, and; 4) transaction security is the only factor that influences on affective trust of online customers

1.5   LIMITATIONS OF THE STUDY

1. Market often over-reacts thus making predictions fail.
2. Biased opinion of some of the respondents.
3. The sample of 200 customers may constitute a limitation due to its smallest nature of sample.
4. The research was restricted to be done through questionnaire method only.
5. The survey was carried only in Coonoor covering limited areas.

1.6   RESEARCH METHODOLOGY

1.6.1   Research Design

The research is descriptive in nature as the study was done to find out the solution to the existing problem and the researcher has no control over the variables and is independent of the state of affairs.

DATA COLLECTION METHOD

Secondary data collection method was used to collect various data pertaining to the study.

SOURCES OF DATA COLLECTION

Data was collected through a well-prepared questionnaire. Respondents were

METHOD OF DATA COLLECTION

The data was collected through primary and secondary method.

Primary data are data freshly gathered for a specified purpose or a specific research project. Most marketing projects involve some primary data collection. The research project relied on the responses from the customers as primary data. To obtain primary data, customers were met face to face to seek their responses.

Sources of primary data were by means of a structured questionnaire from customer.

Secondary data are those data that already exist but might have been collected originally for some other purpose. These data are quite different from primary data. Secondary data provide a starting point for research and offer the advantages of low cost and ready availability.

Sources of secondary data were from newspaper, magazine, broachers, internet, and pamphlets, obtained from the company.

SAMPLING FRAMEWORK

Sampling Area

The survey was conducted in COONOOR only covering certain areas.

Sampling Unit

The sampling unit of the study is the customers who trade online and were selected randomly.

Sample Size

SAMPLING METHOD

Non probabilistic convenience sampling technique was adopted to arrive at the sample size.

SAMPLING PROCEDURE

To obtain a representatives sample, a probability sample of the population should be drawn. Probability sampling allows the calculation of confidence limits for sampling errors.

When the cost or time involved in Probability sampling is too high, and then **Non-Probability samples** are considered.

The sampling procedure chosen was Simple Random Sample wherein every member had an equal chance of being selected.

RESEARCH APPROACH

The research approach used in this project is the **survey method**. Surveys are best suited for descriptive research. Companies undertake surveys to learn about the people's knowledge, beliefs, preferences, and satisfaction, and to measure these magnitudes in the general population.

RESEARCH INSTRUMENT

Marketing researchers have a choice of three main research instruments in collecting primary data: questionnaire, psychological tools, and mechanical devices.

A carefully developed and tested **questionnaire** was used for the survey. A questionnaire consists of a set of questions presented to respondents. Because of its

primary data. Questionnaires need to be carefully developed, tested and debugged before they are administered on a large scale. In the questionnaire, there was careful selection, wording, form and sequencing of questions. The form of question asked can influence the response.

TYPES OF QUESTIONNAIRE

- ➢ Structured questionnaire
- ➢ Unstructured questionnaire

A **Structured questionnaire** with **closed ended questions** was adopted for the project study. Marketing researchers distinguish between closed-end and open-ended questions. They are:

Closed-end questions specify all the possible answers and provide answers that are easier to interpret and tabulate. The questions that are used in the questionnaire are mostly closed-end questions.

Open-end questions allow respondents to answer in their own words and often reveal more about how people think. There is only one open-end question in the questionnaire.

STATISTICAL TOOLS USED FOR ANALYZING THE DATA

These are the mathematical methods for analyzing the data collected. The following are the statistical tools used in this research:

- ➢ Percentage method
- ➢ Chi-square test

1. **Percentage Method**

   Percentages are used for making comparison between two (or) more series of data. This tool was used to know the percentage to which the respondents had responded to each parameter for the various questions in the questionnaire.

   $$Percentage\ (\%) = \frac{Number\ of\ respondents}{Total\ number\ of\ respondents} * 100$$

   This method is used in all questions.

2. **Chi – Square Method**

   The test given by Karl Pearson's is used to decide whether the descriptive between theory and experiment is significant or not. The two hypotheses is null hypothesis (H0) and alternative hypothesis is (H1).

   This has been used to find out the dependency of income on frequency of trading.

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

   Degrees of freedom = (R-1) (C-1)

   whereas, O = observed frequency

   E = expected frequency

   R = *number of rows*

   C = number of columns

CHAPTER – 2

DATA ANALYSIS AND INTERPRETATION

2.1 PERCENTAGE ANALYSIS

TABLE NO. 1 AGE OF THE RESPONDENTS

Sl. No.	Age	No. of Respondents	Percentage
1.	Below 25 years	70	35.0
2.	25 to 40 years	102	51.0
3.	40 and above	28	14.0
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 35.0% of the respondents are belonging to the age group of below 25 years of age group, 51.0% of the respondents are belonging to the age group in between 25 to 40 years and remaining 14.0% of the respondents are belonging to the age group of above 40 years. It is concluded from the above analysis that maximum of the respondents are belonging to the age group in between 25 to 40 years.
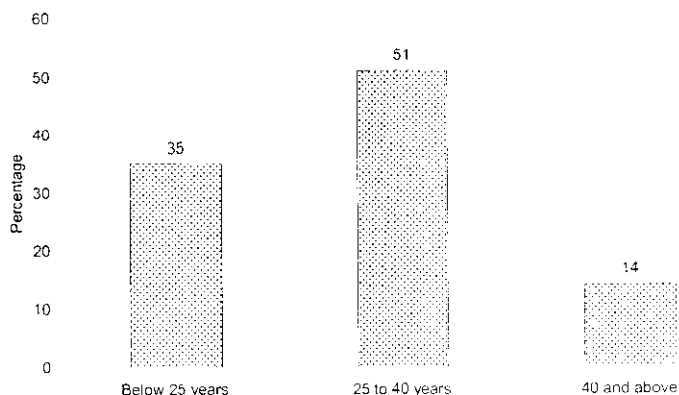
TABLE NO. 2

GENDER OF THE RESPONDENTS

Sl. No.	Gender	No. of Respondents	Percentage
1.	Male	117	58.5
2.	Female	83	41.5
	Total	**200**	**100.0**

INTERPRETATION

It is noticed from the above analysis that 58.5% of the respondents are male and 41.5% of the respondents are female. It is concluded from the above analysis that maximum of the respondents are male.

Female
42%

Male
58%
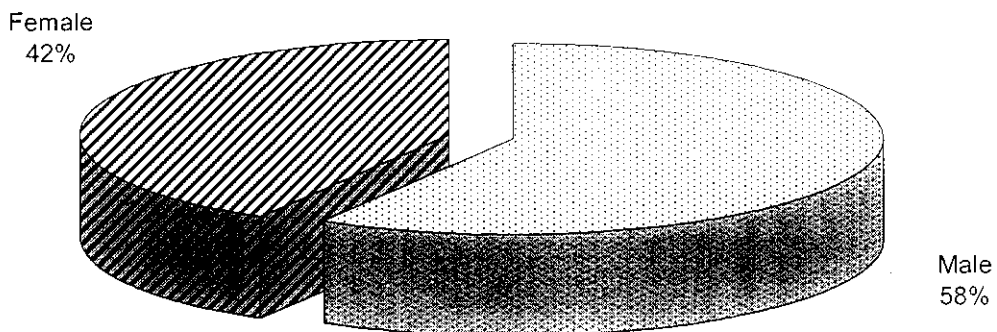
CHART NO. 2 GENDER OF THE RESPONDENTS

TABLE NO. 3

OCCUPATION OF THE RESPONDENTS

Sl. No.	Occupation	No. of Respondents	Percentage
1.	Govt. employee	47	23.5
2.	Business	71	35.5
3.	Professional	16	8.0
4.	Others	66	33.0
	Total	**200**	**100.0**

INTERPRETATION

It is highlighted from the above analysis that 23.5% of the respondents are Government employee, 35.5% of the respondents are business people, 8.0% of the respondents are professionals and 33.0% of the respondents are having some other occupational status. It is concluded from the above analysis that maximum of the respondents are business people.
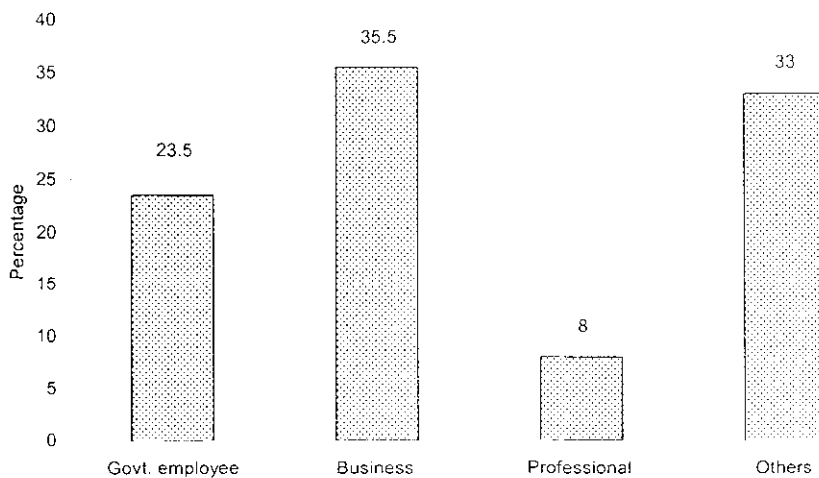

CHART NO. 3 OCCUPATION OF THE RESPONDENTS

TABLE NO. 4

INCOME OF THE RESPONDENTS

Sl. No.	Income	No. of Respondents	Percentage
1.	Below Rs.10000	23	11.5
2.	Rs.10000 to Rs.15000	90	45.0
3.	Rs.15000 to Rs.20000	64	32.0
4.	Rs.20000 and above	23	11.5
	Total	**200**	**100.0**

INTERPRETATION

It is inferred from the above analysis that 11.5% of the respondents are earning below Rs.10000, 45.0% of the respondents are earning in between Rs.10000 to 15000, 32.0% of the respondents are earning in between Rs.15000 to 20000 and 11.5% of the respondents are earning above Rs.20000. It is concluded from the above analysis that maximum of the respondents are earning in between Rs.10000 to 15000.

TABLE NO. 5

ONLINE TRADING USAGE

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Yes	200	100.0
2.	No	0	0.0
	Total	**200**	**100.0**

INTERPRETATION

It is inferred from the above analysis that 100.0% of the respondents are used online trading. It is concluded from the above analysis that maximum of the respondents are used online trading.

No
0%

Yes
100%

CHART NO. 5 ONLINE TRADING USAGE

TABLE NO. 6

ONLINE TRADING PERIOD

Sl. No.	Period	No. of Respondents	Percentage
1.	Below 1 years	73	36.5
2.	1 to 3 years	81	40.5
3.	3 to 5 years	45	22.5
4.	5 years and above	1	0.5
	Total	**200**	**100.0**

INTERPRETATION

It is noticed from the above analysis that 36.5% of the respondents are using online trading for below one year, 40.5% of the respondents are using online trading for one to three years, 22.5% of the respondents are using online trading for three to five years and remaining 0.5% of the respondents are using online trading for above 5 years. It is concluded from the above analysis that maximum of the respondents are using online trading for one to three years.
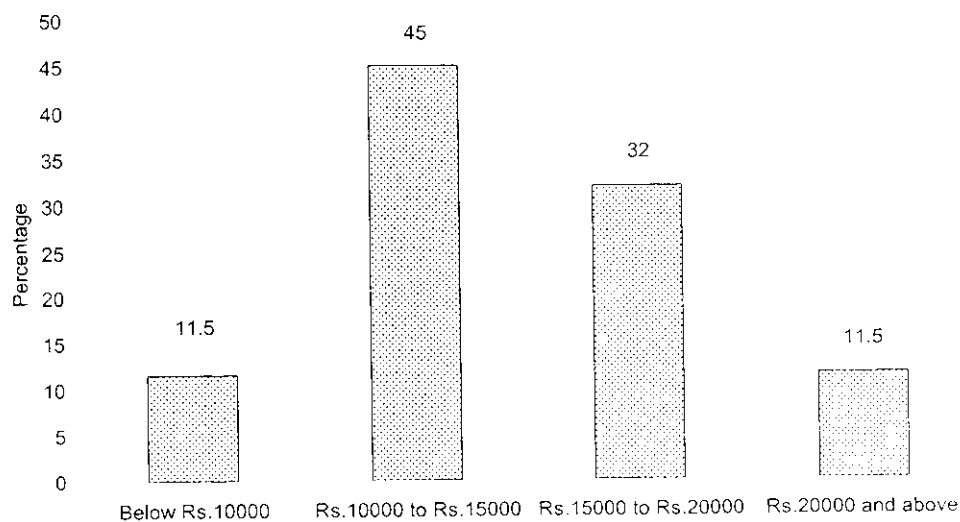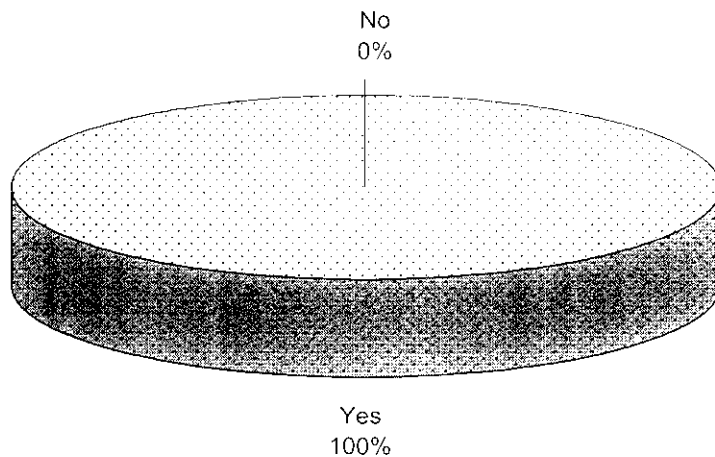
TABLE NO. 7

TRADING IN A WEEK

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Every day	18	9.0
2.	4 days in a week	28	14.0
3.	3 days in a week	33	16.5
4.	2 days in a week	47	23.5
5.	Less than 2 days	74	37.0
	Total	**200**	**100.0**

INTERPRETATION

It is observed from the above analysis that 9.0% of the respondents are trading every day, 14.0% of the respondents are trading 4 days in a week, 16.5% of the respondents are trading 3 days in a week, 23.5% of the respondents are trading 2 days in a week and 37.0% of the respondents are trading less than 2 days in a week. It is concluded from the above analysis that maximum of the respondents are trading less than 2 days in a week.

TABLE NO. 8

CURRENT ONLINE USAGE

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Yes	200	100.0
2.	No	0	0.0
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 100.0% of the respondents are current using online trading. It is concluded from the above analysis that maximum of the respondents are current using online trading.

No
0%

Yes
100%
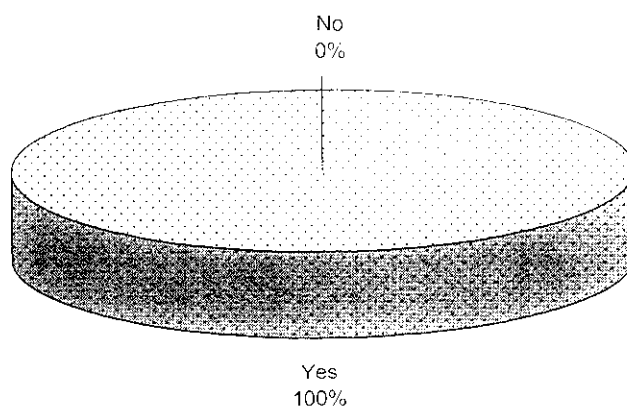
CHART NO. 8 CURRENT ONLINE USAGE

TABLE NO. 9
REASONS FOR UTILIZING ONLINE TRADING
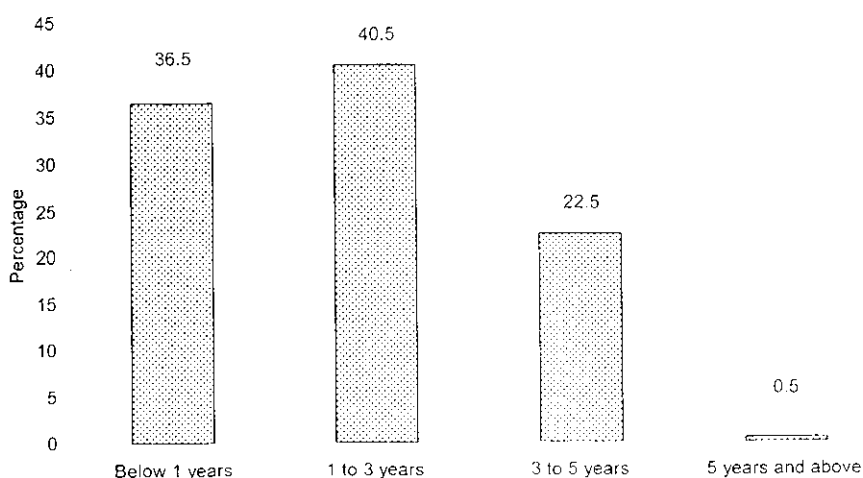
Sl. No.	Opinion	No. of Respondents	Percentage
1.	Convenience	86	43.0
2.	User – friendly	113	56.5
3.	Reliability	11	5.5
4.	Time saving	9	4.5
5.	Brokerage	7	3.5

INTERPRETATION

It is observed from the above analysis that 43.0% of the respondents are utilizing online trading for the reason of its convenience, 56.5% of the respondents are utilizing online trading for the reason of its user-friendly, 5.5% of the respondents are utilizing online trading for the reason of its reliability, 4.5% of the respondents are utilizing online trading for the reason of its time saving and 3.5% of the respondents are utilizing online trading for the reason of its better brokerage. It is concluded from the above analysis that maximum of the respondents are utilizing online trading for the reason of its user-friendly.
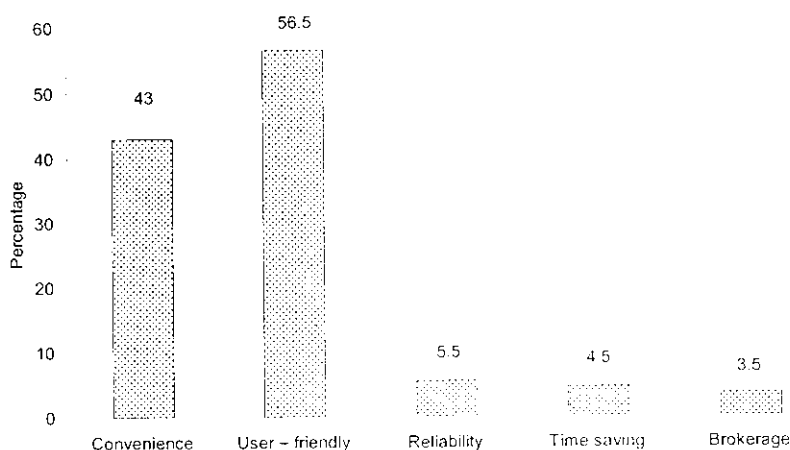
TABLE NO. 10

THE DIFFERENT METHODS OF TRADING HAVE BEEN USED
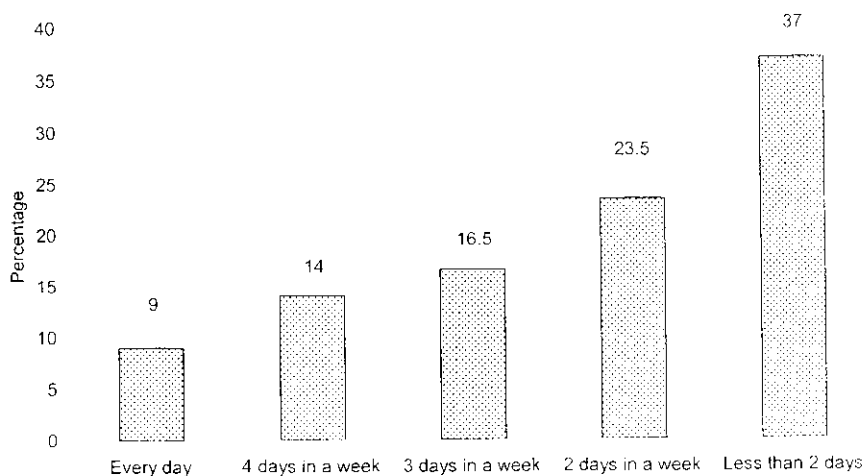
Sl. No.	Opinion	No. of Respondents	Percentage
1.	Old era traditional trading	2	1.0
2.	New Era online trading	198	99.0
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 1.0% of the respondents are trading old era traditional trading and remaining 99.0% of the respondents are trading new era online trading. It is concluded from the above analysis that maximum of the respondents are trading new era online trading.

Old era traditional
trading
1%

New Era online trading
99%
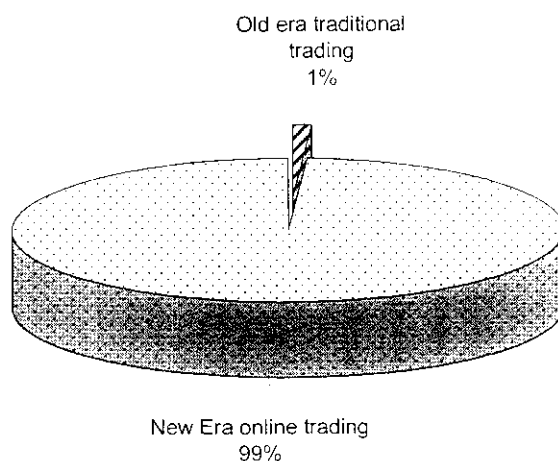
CHART NO. 10 THE DIFFERENT METHODS OF TRADING HAVE BEEN USED

TABLE NO. 11

OPINION ABOUT THE OLD ERA

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Very bad	68	34.0
2.	Bad	114	57.0
3.	Neutral	17	8.5
4.	Good	1	0.5
5.	Very Good	0	0.0
	Total	**200**	**100.0**

INTERPRETATION

It is noted from the above analysis that 34.0% of the respondents are opined that the old era is very bad, 57.0% of the respondents are opined that the old era is bad, 8.5% of the respondents are opined that the old era is neutral level and 0.5% of the respondents are opined that the old era is good. It is concluded from the above analysis that maximum of the respondents are opined that the old era is bad.
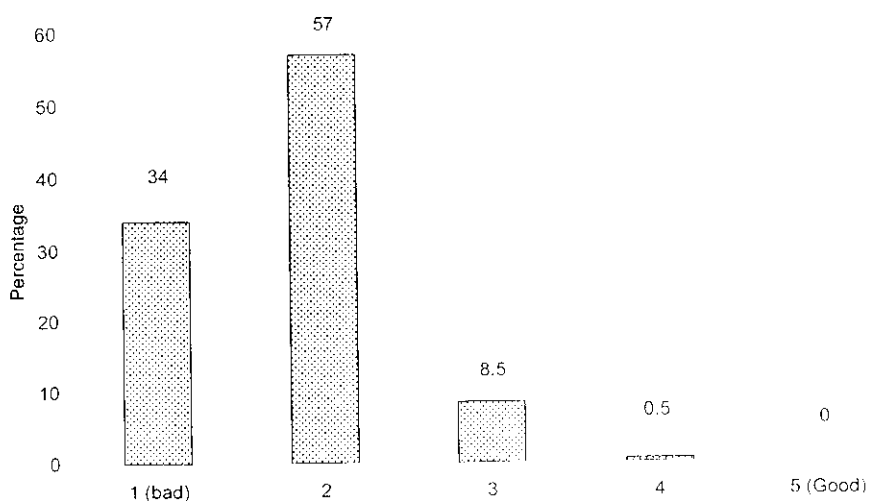
TABLE NO. 12
COMFORT LEVEL FOR NEW ERA

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Very bad	0	0.0
2.	Bad	0	0.0
3.	Neutral	32	16.0
4.	Good	121	60.5
5.	Very Good	47	23.5
	Total	**200**	**100.0**

INTERPRETATION

It is inferred from the above analysis that 16.0% of the respondents are opined that the new era is neutral, 60.5% of the respondents are opined that the new era is good and 23.5% of the respondents are opined that the new era is very good. It is concluded from the above analysis that maximum of the respondents are opined that the new era is good.
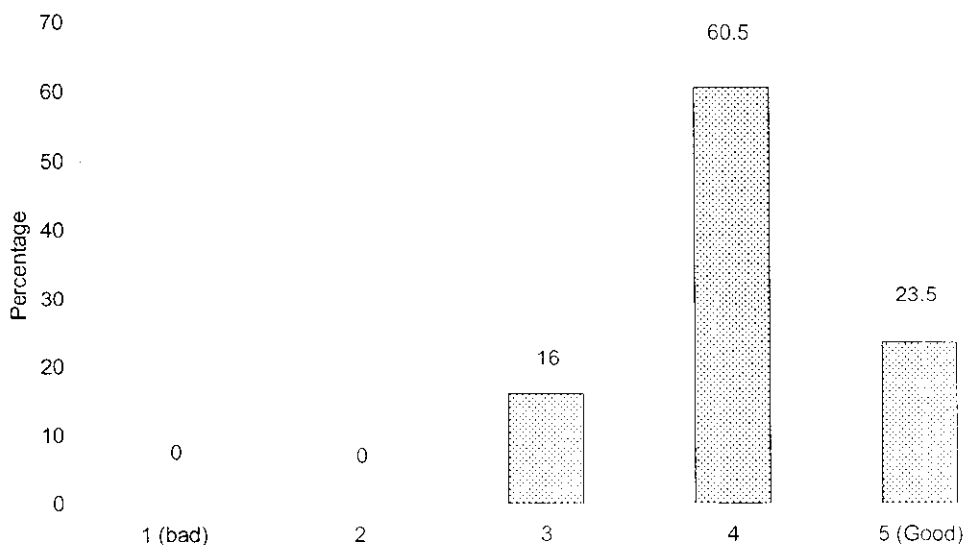
TABLE NO. 13 REASON FOR GIVING OPINION ABOUT THE OLD ERA

Sl. No.	Reasons	No. of Respondents	Percentage
1.	Time consumption	99	49.5
2.	Reliability	3	1.5
3.	Brokerage	1	0.5
4.	Limits given	57	28.5
5.	Recommendation	15	7.5
6.	Others	25	12.5
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 49.5% of the respondents are giving opinion about the old era for the reason of its time consumption, 1.5% of the respondents are giving opinion about the old era for the reason of its reliability, 0.5% of the respondents are giving opinion about the old era for the reason of its brokerage, 28.5% of the respondents are giving opinion about the old era for the reason of its limits given, 7.5% of the respondents are giving opinion about the old era for the reason of its recommendation and 12.5% of the respondents are giving opinion about the old era for some reasons. It is concluded from the above analysis that maximum of the respondents are giving opinion about the old era for the reason of its time consumption.

TABLE NO. 14 REASON FOR GIVING OPINION ABOUT THE NEW ERA

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Time consumption	3	1.5
2.	Reliability	112	56.0
3.	Brokerage	17	8.5
4.	Limits given	2	1.0
5.	Recommendation	43	21.5
6.	Others	23	11.5
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 1.5% of the respondents are giving opinion about the new era for the reason of its time consumption, 56.0% of the respondents are giving opinion about the new era for the reason of its reliability, 8.5% of the respondents are giving opinion about the new era for the reason of its brokerage, 1.0% of the respondents are giving opinion about the new era for the reason of its limits given, 21.5% of the respondents are giving opinion about the new era for the reason of its recommendation and 11.5% of the respondents are giving opinion about the new era for some reasons. It is concluded from the above analysis that maximum of the respondents are giving opinion about the new era for the reason of its reliability.
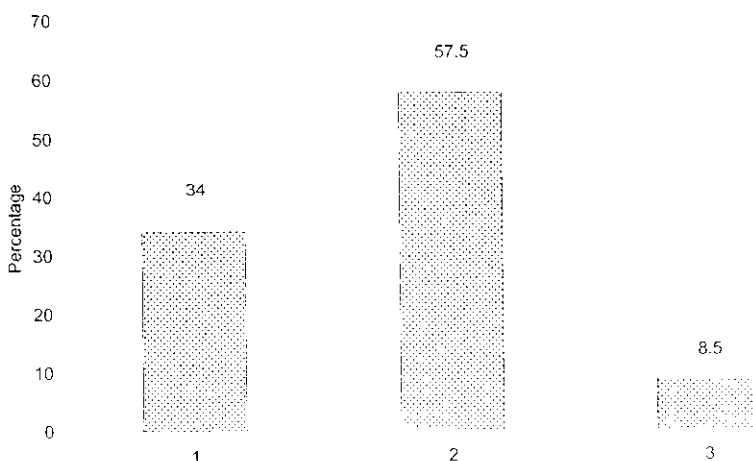

CHART NO. 14 REASON FOR GIVING OPINION ABOUT THE NEW ERA

TABLE NO. 15 REASONS FOR SELECTING THE COMPANY

Sl. No.	Reasons	No. of Respondents	Percentage
1.	Reliability	132	66.0
2.	Brokerage	15	7.5
3.	Limits given	21	10.5
4.	Brand name	23	11.5
5.	Time consumption	5	2.5
6.	Others	4	2.0
	Total	**200**	**100.0**

INTERPRETATION

It is noted from the above analysis that 66.0% of the respondents are selecting the company for the reasons of its reliability, 7.5% of the respondents are selecting the company for the reasons of its brokerage, 10.5% of the respondents are selecting the company for the reasons of its limits given, 11.5% of the respondents are selecting the company for the reasons of its brand name, 2.5% of the respondents are selecting the company for the reasons of its time consumption and 2.0% of the respondents are selecting the company for the reasons of some other reasons. It is concluded from the above analysis that maximum of the respondents are selecting the company for the reasons of its reliability.
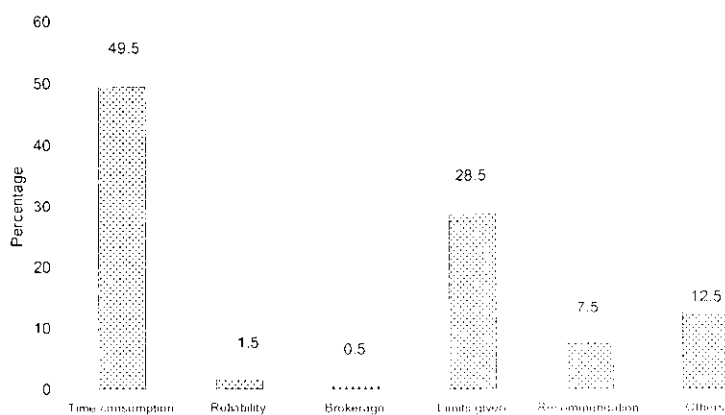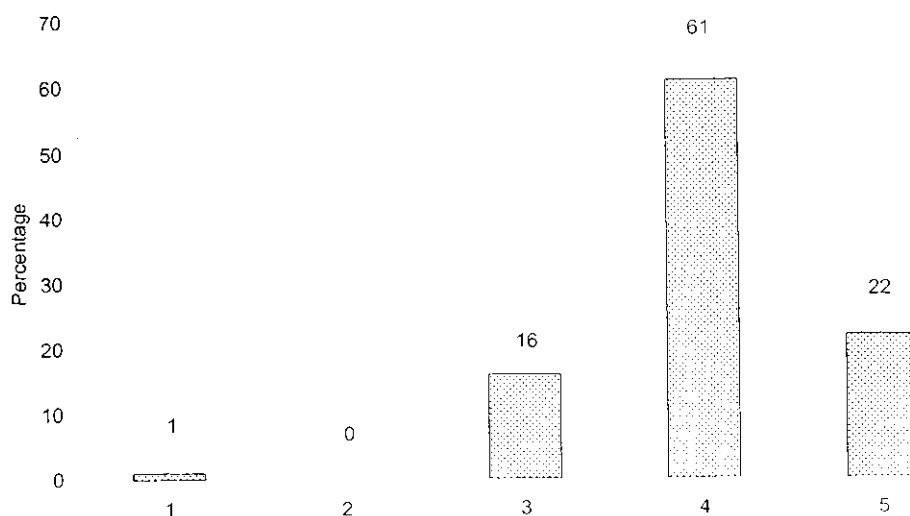
TABLE NO. 16

OPINION ABOUT THE FEATURES THAT ARE BEST SERVICE PROVIDER

Sl. No.	Opinion	Very Bad	Bad	Neutral	Good	Very Good
1.	Safety and security	0	0	28 (14.0)	99 (49.5)	73 (36.5)
2.	Speed	0	12 (6.0)	42 (21.0)	68 (34.0)	78 (39.0)
3.	Brokerage	0	19 (9.5)	78 (39.0)	77 (38.5)	26 (13.0)
4.	Limits given	43 (21.5)	110 (55.0)	17 (8.5)	28 (14.0)	2 (1.0)
5.	Brand name	13 (6.5)	4 (2.0)	74 (37.0)	65 (32.5)	44 (22.0)

INTERPRETATION

The above table shows the features for best service provides. The opinion about the feature are given below :

- Maximum (49.5%) of the respondents are opinion about the safety and security that as good.

- Most (49.5%) of the respondents are opinion about the speed that as very good.

- Majority (39.0%) of the respondents are opinion about the brokerage that as neutrally good.

- Maximum (55.0%) of the respondents are opinion about the limits given that as bad.

- Majority (37.0%) of the respondents are opinion about the brand name that as neutrally good.
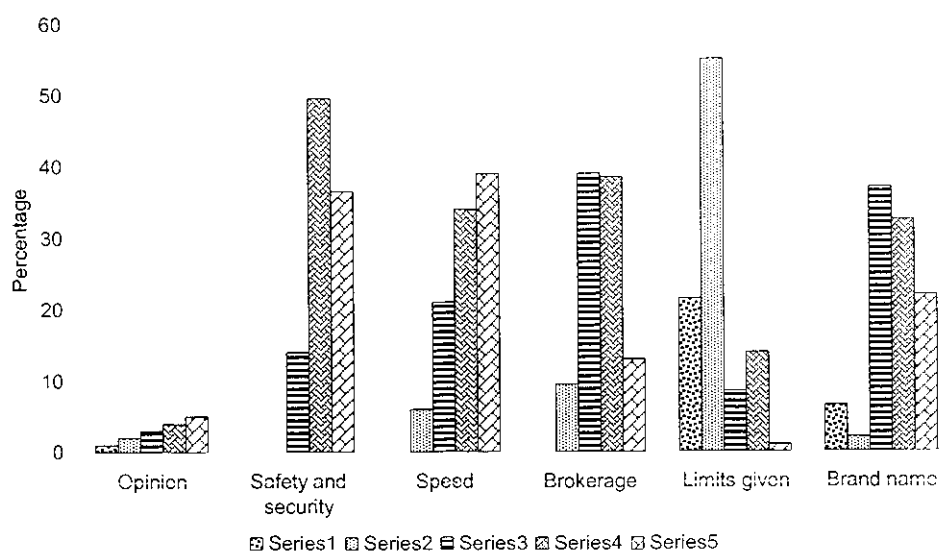
CHART NO. 16 OPINION ABOUT THE FEATURES THAT ARE BEST SERVICE PROVIDER

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TABLE NO. 17 OPINION ABOUT THE COMPANY SERVICE

Sl. No.	Company name	No. of Respondents	Percentage
1.	HDFC Sec	20	10.0
2.	ICICI direct	22	11.0
3.	Kotak sec	111	55.5
4.	Share Khan	12	6.0
5.	Others	35	17.5
	Total	**200**	**100.0**

INTERPRETATION

It is identified from the above analysis that 10.0% of the respondents are opined that the HDFC Sec. provide online service with best, 11.0% of the respondents are opined that the ICICI direct. provide online service with best, 55.5% of the respondents are opined that the Kotak Securities provide online service with best, 6.0% of the respondents are opined that the Share Khan provide online service with best and 17.5% of the respondents opined that the other companies are providing online service with best. It is concluded from the above analysis that maximum of the respondents are opined that the Kotak Securities provide online service with best.
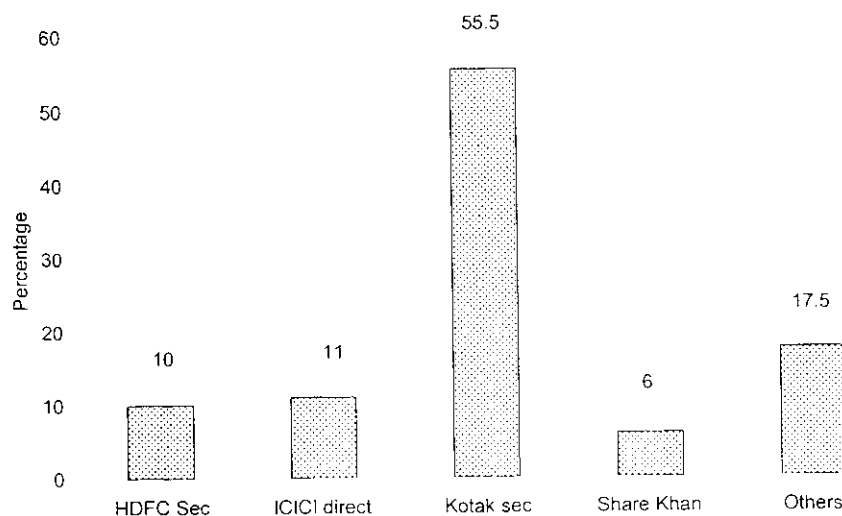
CHART NO. 17 OPINION ABOUT THE COMPANY SERVICE

TABLE NO. 18

OPINION ABOUT APPLY FOR IPO

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Yes	184	92.0
2.	No	16	8.0
	Total	**200**	**100.0**

INTERPRETATION

From the above table it is cleared that 92.0% of the respondents are applying IPO and remaining 8.0% of the respondents are not applying IPO. It is concluded from the above analysis that maximum of the respondents are applying IPO.
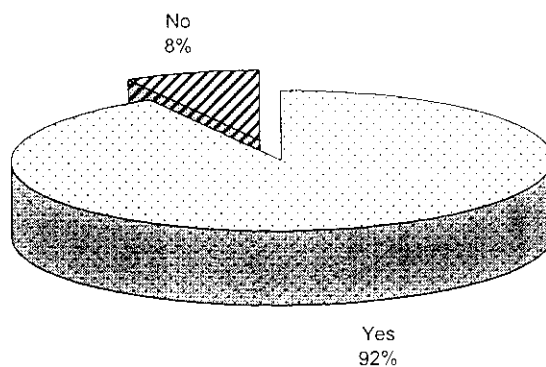
CHART NO. 18 OPINION ABOUT APPLY FOR IPO

TABLE NO. 19

APPLIED THROUGH ONLINE IPO

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Yes	183	91.5
2.	No	17	8.5
	Total	200	100.0

INTERPRETATION

From the above table it is identified that 91.5% of the respondents are applying IPO through online and remaining 8.5% of the respondents are not applying IPO through online. It is concluded from the above analysis that maximum of the respondents are applying IPO through online.

No
9%

Yes
91%
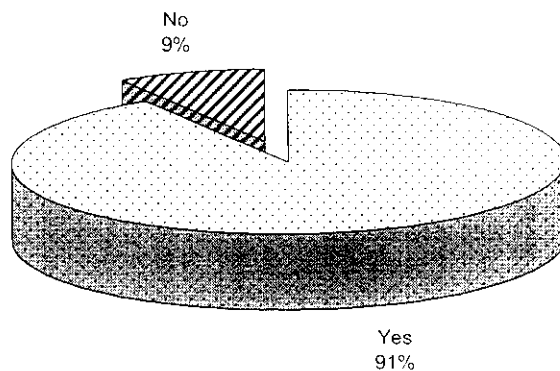
CHART NO. 19 APPLIED THROUGH ONLINE IPO

TABLE NO. 20
OPINION ABOUT THE SERVICE OF ONLINE IPO

Sl. No.	Opinion	No. of Respondents	Percentage
1.	Very bad	4	2.2
2.	Bad	35	19.1
3.	Neutral	52	28.4
4.	Good	65	35.5
5.	Very Good	27	14.8
	Total	**183**	**100.0**

INTERPRETATION

From the above table it is noted that 2.2% of the respondents are opined that the service of online IPO is very bad, 19.1% of the respondents are opined that the service of online IPO is bad, 28.4% of the respondents are opined that the service of online IPO is neutral, 35.5% of the respondents are opined that the service of online IPO is good and 14.8% of the respondents are opined that the service of online IPO is very good. It is concluded from the above analysis that maximum of the respondents are opined that the service of online IPO is good.
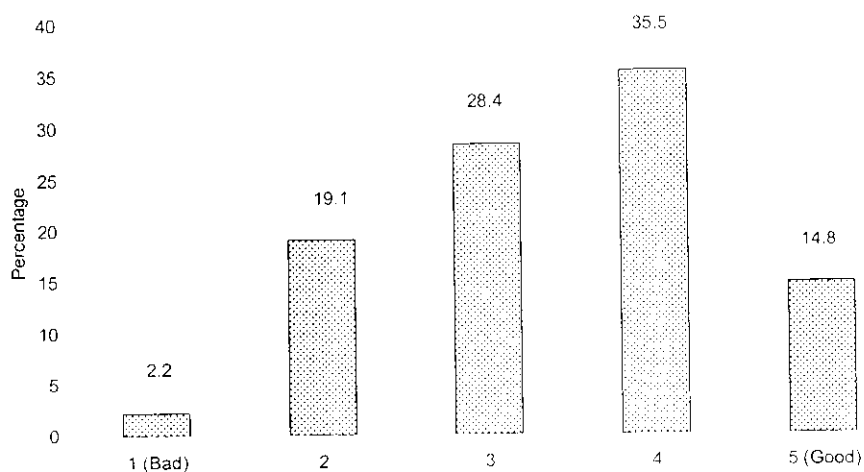
2.2   CHI – SQUARE ANALYSIS

TABLE NO. 21

AGE AND LEVEL OF SATISFACTION TOWARDS CUSTOMER PERCEPTION (TWO-WAY TABLE)

S. No.	Age	Customer perception			Total
		High	Moderate	Low	
1	Below 25 Yrs.	31	23	16	70
2	25-40 Yrs.	17	45	40	102
3	Above 40 Yrs.	7	11	10	28
	Total	55	79	66	200

Null Hypothesis (H_0)   -   There is no significant relationship between age and level of satisfaction towards customer perception.

Alternative Hypothesis (H_1) - There is close significant relationship between age and level of satisfaction towards customer perception.

CHI-SQUARE (χ^2) CALCULATION

Calculated χ^2 value   =   16.361

Degree of freedom   =   4

Table value   =   9.488

Significant result   =   Significant at 5% Level

INFERENCE

It is obvious from the above result that calculated chi-square value greater than the table value 5% significant level. Hence, Null Hypothesis rejected. So, we conclude that, there is a close significant relationship between age and level of satisfaction towards customer perception.

TABLE NO. 22

OCCUPATION AND LEVEL OF SATISFACTION TOWARDS CUSTOMER PERCEPTION (TWO-WAY TABLE)

S. No.	Occupation	Customer perception			Total
		High	Moderate	Low	
1	Govt. employee	9	15	23	47
2	Business	14	33	24	71
3	Professional	4	2	10	16
4	Others	28	29	9	66
	Total	55	79	66	200

Null Hypothesis (H_0)   -   There is no significant relationship between occupation and level of satisfaction towards customer perception.

Alternative Hypothesis (H_1) - There is close significant relationship between occupation and level of satisfaction towards customer perception.

CHI-SQUARE (χ^2) CALCULATION

Calculated χ^2 value	=	28.329
Degree of freedom	=	6
Table value	=	12.592
Significant result	=	Significant at 5% Level

INFERENCE

It is obvious from the above result that calculated chi-square value greater than the table value 5% significant level. Hence, Null Hypothesis rejected. So, we conclude that, there is a close significant relationship between occupation and level

TABLE NO. 23

INCOME AND LEVEL OF SATISFACTION TOWARDS CUSTOMER PERCEPTION (TWO-WAY TABLE)

S. No.	Income	Customer perception			Total
		High	Moderate	Low	
1	Below Rs.10000	10	6	7	23
2	Rs.10000 to Rs.15000	30	29	31	90
3	Rs.15000 to Rs.20000	11	27	26	64
4	Rs.20000 and above	4	17	2	23
	Total	**55**	**79**	**66**	**200**

Null Hypothesis (H_0)　　　-　　There is no significant relationship between income and level of satisfaction towards customer perception.

Alternative Hypothesis (H_1)　-　There is close significant relationship between income and level of satisfaction towards customer perception.

CHI-SQUARE (χ^2) CALCULATION

Calculated χ^2 value	=	21.193
Degree of freedom	=	6
Table value	=	12.592
Significant result	=	Significant at 5% Level

INFERENCE

It is obvious from the above result that calculated chi-square value greater than the table value 5% significant level. Hence, Null Hypothesis rejected. So, we conclude that, there is a close significant relationship between income and level of satisfaction towards customer perception.

TABLE NO. 24

PERIOD OF ONLINE TRADING AND LEVEL OF SATISFACTION
TOWARDS CUSTOMER PERCEPTION (TWO-WAY TABLE)

S. No.	Period	Customer perception			Total
		High	Moderate	Low	
1	Below 1 years	30	24	19	73
2	1 to 3 years	13	34	34	81
3	3 to 5 years	12	21	12	45
4	5 years and above	0	0	1	1
	Total	55	79	66	200

Null Hypothesis (H_0)   -   There is no significant relationship between period of online trading and level of satisfaction towards customer perception.

Alternative Hypothesis (H_1) -   There is close significant relationship between period of online trading and level of satisfaction towards customer perception.

CHI-SQUARE (χ^2) CALCULATION

Calculated χ^2 value	=	15.932
Degree of freedom	=	6
Table value	=	12.592
Significant result	=	Significant at 5% Level

INFERENCE

It is obvious from the above result that calculated chi-square value greater than the table value 5% significant level. Hence, Null Hypothesis rejected. So, we conclude that, there is a close significant relationship between period of online trading and level of satisfaction towards customer perception.

TABLE NO. 25

OFTEN TRADE IN A WEEK AND LEVEL OF SATISFACTION TOWARDS CUSTOMER PERCEPTION (TWO-WAY TABLE)

S. No.	Often trade	Customer perception			Total
		High	Moderate	Low	
1.	Every day	6	2	10	18
2.	4 days in a week	4	14	10	28
3.	3 days in a week	4	14	15	33
4.	2 days in a week	12	22	13	47
5.	Less than 2 days	29	27	18	74
	Total	**55**	**79**	**66**	**200**

Null Hypothesis (H_0)   -   There is no significant relationship between often trade in a week and level of satisfaction towards customer perception.

Alternative Hypothesis (H_1) -   There is close significant relationship between often trade in a week and level of satisfaction towards customer perception.

CHI-SQUARE (χ^2) CALCULATION

Calculated χ^2 value	=	20.396
Degree of freedom	=	8
Table value	=	15.507
Significant result	=	Significant at 5% Level

INFERENCE

It is obvious from the above result that calculated chi-square value greater than the table value 5% significant level. Hence, Null Hypothesis rejected. So, we conclude that there is a close significant relationship between often trade in a week

CHAPTER – 3

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

3.1 FINDINGS

1. It was revealed from the analysis that maximum of the respondents (51%) are belonging to the age group in between 25 to 40 years.

2. While analyzing the sex of the respondents maximum of the respondents (58.5%) were male.

3. It was stated from the analysis that maximum of the respondents (35.5%) were business people.

4. It was noted from the analysis that maximum of the respondents (45%) were earning in between Rs.10000 to 15000.

5. It was observed from the analysis that maximum of the respondents (40.5%) were using online trading for one to three years.

6. It was identified from the analysis that maximum of the respondents (37%) were trading less than 2 days in a week.

7. It was noted from the analysis that maximum of the respondents (100%) were currently using online trading.

8. It was explained from the analysis that maximum of the respondents (56.5%) were utilizing online trading for the reason of its user-friendly.

9. It was depicts from the analysis that maximum of the respondents (99%) were trading new era online trading.

10. It was noted from the analysis maximum of the respondents (66%) were selecting the company for the reasons of its reliability.

11. It was inferred from the analysis maximum of the respondents (55.5%) were

12. It was obvious from the analysis maximum of the respondents (92%) have applied for IPO.

13. It was depicts from the analysis maximum of the respondents (35.5%) opined that the service of online IPO is good.

14. The result of the chi-square test shows that there was a close relationship between Age, occupation, income and level of satisfaction in study area with 5% level of significance.

15. The result of chi-square also shows that there is a close relationship between week trading and period of trading and level of satisfaction in study area with 5% level of significance.

3.2   SUGGESTIONS

1. Trading companies should come with innovative schemes to attract more customers like 3 in 1 schemes by ICICI direct and HDFC securities.

2. People opt for online trading as it is convenient because they can trade sitting anywhere with the help of there computers without going to that place, and hence company should work towards its improvement.

3. Trading process through online should be made as simple as possible like easy use of the trade softwares by all level of people which will encourage more people to use it.

4. Company should built good image among the customers by way of providing good online services, profitable guidance to customers regarding the investment of shares etc which will be benefitable to the customers. This is because respondents have opted brand name as a keyfeature before they decides to open trading account.

5. People are comparing our softwares used for trading with those used in western countries and they feel their scope for improvement.

6. More awareness regarding the new era of online trading should be made known to the people so more promotional tools should be done.

3.3 CONCLUSION

The equity market has become a good investment avenue where investor can get good returns. However, before investing in equities, the investor has to take decision whether he will trade through a broker or he will trade himself online. Main reasons why people use to trade through brokers was to get proper guidance about which share to invest in, but now, when you open an online trading account companies provide you with all the guidance and various other services. And people feel it's very convenient and timesaving as they can trade sitting in their office on their pc. From the study it can be concluded that customers have happily accepted the option to trade online, but they feel it can get better and better. So, it's a rosy picture for all the service provider and huge untapped market.

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A STUDY ON CUSTOMER PERCEPTION FOR ONLINE TRADING – WITH SPECIAL REFERENCE TO KOTAK SECURITIES

Survey Questionnaire

1. NAME   :

2. AGE   :
    Below25 ( )   25 to 40 ( )   40 & above ( )

3. GENDER   :   Male ( )   Female ( )

4. OCCUPATION:
    Govt employee ( )   Business ( )   Professional ( )   others ( )

5. INCOME   :
    Below 10000 ( )   10000 to 15000 ( )   15000 to 20000 ( )
    20000 & above ( )

6. Have you ever used online trading?
    Yes ( )   No ( )

7. How long you have been doing online trading
    Below 1yr ( )   1 to 3 yrs ( )   3 to 5 yrs ( )   5yrs & above ( )

8. How often do you trade in a week?
    Every day ( )   4 days in a week   ( )   3 days in a week ( )
    2 days in a week ( )   Less than 2 days   ( )

9. Are you currently using online trading?
    Yes ( )   No ( )

10. What makes you trade online?

Convenience ( )   User-Friendly ( )   Reliability ( )

Time saving ( )   Brokerage ( )

11. Select the different methods of trading you have used?

Old Era traditional trading ( )   New Era online trading ( )

12. How would you rate your comfort level for old era & new era?

Old era(bad)   1   2   3   4   5   (good)

New era   (bad)   1   2   3   4   5   (good)

13. You have rated old era as _____ because of

Time Consumption ( )   Reliability ( )   Brokerage ( )

Limits Given ( )   Recommendation ( )   Others ( )

14. You have rated new era as _____ because of

Time Consumption ( )   Reliability ( )   Brokerage ( )

Limits Given ( )   Recommendation ( )   Others ( )

15. According to you, which of the following feature makes you select a company a best service provider? **(single response)**

Reliability ( ) Brokerage ( )   Limits   given   (   )

Brand Name ( )   Time consumption ( )   others ( )

16. Rate the importance of the following features for a company to be the best service provider? **5 being good and 1 being bad**

Features	1	2	3	4	5
Safety and security					
Speed					
Brokerage					
Limits given					
Brand Name					

17. According to you which company provide the best services for online trading?

HDFC sec ( )   ICICI direct ( )   Kotak Sec ( )

Share khan ( )   others ( )

18. Do you apply for IPO?

Yes ( )   No ( )

19. Have you applied through online IPO?

Yes ( )   No ( )

20. How would you rate the services of online IPO?

(Bad) 1   2   3   4   5   (good)

21. Any suggestion to improve the services of online Trading?

_____

_____

Thank you…..