

PERCEPTION INFLUENCING BEHAVIOURAL INTENTION OF ONLINE TRADERS INVOLVED IN SECURITY TRADING IN COIMBATORE DISTRICT

S.BHUVANAM ¹

Ph. D Research Scholar, Bharathiar University

Dr. D.GNANA SENTHIL KUMAR ²Assistant Professor

Department of Management Science

Research Guide and Supervisor Bharathiyar University

1. INTRODUCTION

Online trading has become a major trend in stock markets around the world because of its lower commission cost for trading, faster trade execution, more control and flexibility over the types of transaction investors choose to conduct, and no time or geographical limitations. In other words, online stock trading has created an urge to trade and a desire to have more control over what investors are investing in (Hurley, 2000).

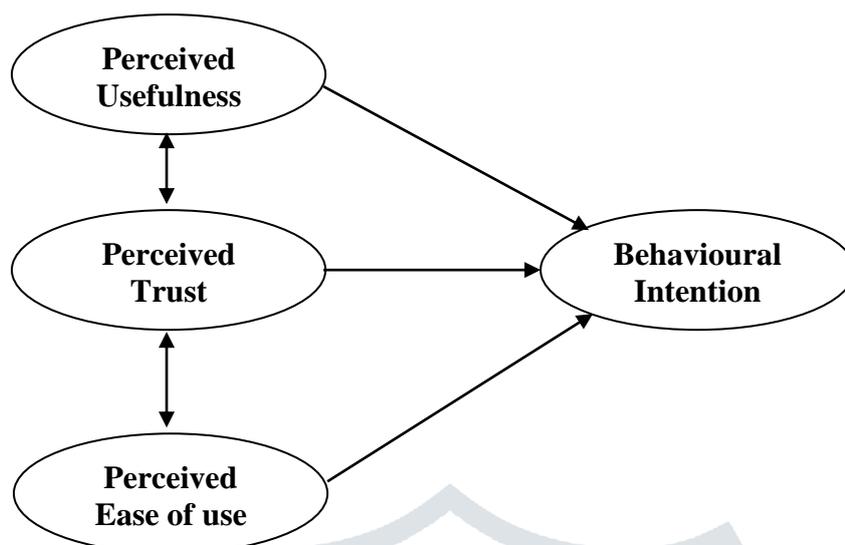
Online stock trading in India has gained ground in the last two years. It's interesting to note that it was a beer making company, "WIT Beer" that for first time, way back in 1969, had introduced the idea of online stock trading. There are several leading companies involved in online share trading in India. ICICI Direct, Sharekhan, AnandRathi, Geojit securities, Indiabulls, Religare, Kotak Securities, Motilal Oswal Securities, Reliance money, India Infoline.com Securities limited , and IDBI Paisa builder are the major players in online Indian stock trading.

Originating in cognitive psychology and such theories as the theory of reasoned action (Fishbein and Ajzen 1975) and the theory of planned behaviour (Ajzen 1991), the technology acceptance model has proved to be a valid and adequate framework to explain users' behaviour regarding the (intended) use of information technology and related services. This study adopts the technology acceptance model as a theoretical framework. This model has been widely cited for predicting and explaining user behaviour and information technology use. Supported by a substantial number of empirical studies, the technology acceptance model has been proven for a variety of artefacts and, therefore, is considered the most influential and most commonly used model for explaining the adoption of information systems (Lee *et al.* 2003).

The technology acceptance model has been applied in a variety of domains, extending well beyond the initial scope of the computer software studied by Davis (Davis 1989). It has been found to have explanatory power in a wide range of studies, initially in organizational contexts (e.g. Igarria *et al.* 1997) and later in domestic contexts (e.g. Hu *et al.* 1999). A variety of information systems have been studied, including systems related to e-commerce (Koch *et al.* 2011) and the Internet (Gefen and Straub 2000). This research addresses the antecedents of user acceptance of online security trading services in Coimbatore District.

2. CONCEPTUAL FRAMEWORK

Figure 1: Conceptual Model



1.1. Online Stock Trading In India

Online stock trading in India has gained ground in the last two years. It's interesting to note that it was a beer making company, "WIT Beer" that for first time, way back in 1969, had introduced the idea of online stock trading. There are several leading companies involved in online share trading in India. ICICI Direct, Sharekhan, AnandRathi, Geojit securities, Indiabulls, Religare, Kotak Securities, Motilal Oswal Securities, Reliance money, India Infoline.com Securities limited, and IDBI Paisa builder are the major players in online Indian stock trading.

2. REVIEW OF LITERATURE

Apar Singh and Meenakshi Malhotra, (2016), This study investigates demographic factors influence on investors' behaviour in adopting online trading and to determine success factors and resistance factors affecting adoption of online trading. We developed a research model which integrates Perceived Usefulness, Perceived Benefits, Perceived Ease of Use, Attitude, and Subjective norms, Perceived Behavioral Control, Perceived Risk, Trust and Intention to adopt online trading. Data were collected with the help of structured questionnaire which was further subjected to chisquare test and factor analysis of respondents in SPSS and SPSS AMOS respectively. Results shows that home ownership, income, trading experience and occupation effect the adoption of online trading but marital status, age, gender, education, type of trade and trading frequency does no effect adoption of online trading. Similarly perceived benefit and perceived risk has no direct impact on adoption of online trading.

Lee (2009) collected data from 338 respondents through Web based survey in Taiwan. Questionnaire was in two parts. First part collected information regarding respondent's gender, age, education, occupation and experience using online trading. Second part was developed based on the construct of Perceived risk, Perceived benefits, Trust, TAM and TPB. The results showed that Perceived Risk is more important factor than Perceived Benefit. The study further showed that the trust is the critical factors that affect the investor intensions. Therefore system should develop trust building strategies to entice investors into embracing online trading.

Singh et. al. (2010) examined whether investors who adopted Internet stock trading perceived differently from those of non-adopters. The primary data were based on 299 investors (149 adopters and 150 non-adopters). Results indicated that attitude dimensions and demographic variables contributed significantly in classifying investors as adopters or non-adopters in Internet trading. Attitude dimensions, variety of financial products and safety contributed significantly in discriminating between adopters and non-adopters of Internet trading followed by the factor such as 'convenience and transparency'.

3. STATEMENT OF THE PROBLEM

Though security trading has achieved big impact in the online market, perceived usefulness and perceived ease of use significantly contributed towards influencing behavioural intention, however, trust plays significant role deciding the trader to put-forth their personal information into the public domain, eventhough India possess 8 million investors, 3.5million are involved in mere cash trading and only 12-15% represent online traders, therefore, it becomes necessary examine what level of impact between perceived usefulness, perceived ease of use predicting

behavioural intention, also, is there any negative impact between trust and behavioural intention? probed through this study.

4. OBJECTIVE OF THE STUDY

- i. To study the perception influencing behavioural intention of online traders involved in security trading in Coimbatore District.

5. FRAMED HYPOTHESIS

H₀1: There is no significant correlation between Perception and Behavioural Intention

H₀2: There is no significant relationship between Perception and Behavioural Intention

6. METHODOLOGY

Research methodology is a way to systematically solve the research problem. It may be understood as a science of studying how research is done scientifically. The research design used is descriptive in nature. Both primary and secondary data are used for the study. Five broking offices are selected in random viz. Aditya Birla Money Limited, Birla Money Limited, HDFC Securities, Reliance Money and Sharekhan India. Out of 200 respondents randomly selected 127 respondents obliged to participate in the survey. Based on the response statistical tools used are Descriptive statistics, Reliability, Correlation and Regression analysis.

7. ANALYSIS AND RESULTS

7.1. DESCRIPTIVE STATISTICS

Item statistics and Reliability of four constructs (Usefulness, Ease of Use, Trust and Behavioural Intention) framed to examine investors perception among investors using online trading systems in Coimbatore.

Table 1: Descriptive statistics measuring perception and behavioural intention of online traders

Items Code	Items	Mean	Std. Deviation	Cronbach's Alpha
Perceived Usefulness				
PU1	Online trading systems useful in conducting my securities transactions	3.74	1.015	0.702
PU2	Online trading systems would make it easier to conduct my business	3.48	.843	
PU3	Online trading systems enable to accomplish securities transactions more quickly	3.31	.923	
PU4	Online trading would improve performance in conducting securities transactions	2.92	1.124	
Perceived Ease of Use				
PEU1	Learning to use online trading systems is easy	3.70	.857	.725
PEU2	Easy to become skilful by using online trading systems	3.46	.880	
PEU3	Interactions with the online trading systems are clear and understandable	2.74	1.216	
PEU4	Interfaces design is user friendly	3.25	.747	
Perceived Trust				
PT1	Online trading systems are trustworthy	4.08	.891	.705

Items Code	Items	Mean	Std. Deviation	Cronbach's Alpha
Perceived Usefulness				
PU1	Online trading systems useful in conducting my securities transactions	3.74	1.015	0.702
PU2	Online trading systems would make it easier to conduct my business	3.48	.843	
PU3	Online trading systems enable to accomplish securities transactions more quickly	3.31	.923	
PT2	Online trading systems have a good reputation as financial dealer and stockbroker	4.20	.884	
PT3	Online trading systems are competent and effective as financial dealer and stockbroker	3.59	1.170	
PT4	Honesty of the online trading systems	3.01	1.490	

Items Code	Items	Mean	Std. Deviation	Cronbach's Alpha
Behavioural Intention				
Int1	Use the online trading systems on a regular basis in the future	3.64	1.050	.749
Int2	Frequently use the online trading systems in the future	3.20	.819	
Int3	Overall I feel using online trading is an effective business	2.97	.929	
Int4	Strongly recommend others to use	2.85	.940	

Table 1 shows perceived usefulness ranges from 2.92 to 3.74 with the Cronbach's alpha 0.702 marginally achieving the threshold level (0.7). Perceived ease of use ranges from 2.74 to 3.70 with the Cronbach's alpha 0.725 more than the specified threshold (0.7). Perceived trust ranges from 3.01 to 4.20 with the Cronbach's alpha 0.705 marginally above the threshold (0.7). Finally, behavioural intention ranges from 2.85 to 3.64 with the Cronbach's alpha 0.749 achieved more than the specified threshold (0.7).

7.1. CORRELATION

Considering behavioural intention as dependent variable and dimension such as perceived usefulness, perceived ease of use and perceived trust as independent variables are computed to find the correlation between the two categories. The framed hypotheses are

Table 2: Correlation between perception (usefulness, ease of use and trust) and behavioural intention of online traders

		Intentions	Usefulness	Ease_of_use	Trust
Intentions	Pearson Correlation	1	.401**	.369**	.283**
	Sig. (2-tailed)		.000	.000	.001
	N		127	127	127
Usefulness	Pearson Correlation		1	.362**	.206*
	Sig. (2-tailed)			.000	.020
	N			127	127
Ease_of_use	Pearson Correlation			1	.265**

	Sig. (2-tailed)				.003
	N				127
Trust	Pearson Correlation				1
	Sig. (2-tailed)				
	N				127

** . Correlation is significant at the 0.01 level (2-tailed). * . Correlation is significant at the 0.05 level (2-tailed).

FRAMED HYPOTHESES

H₀1: There is no significant correlation between Perception and Behavioural Intention

There is no significant correlation between

- H₀1a: Perceived Usefulness and Behavioural Intention
- H₀1b: Perceived Ease of Use and Behavioural Intention
- H₀1c: Perceived Trust and Behavioural Intention

Table 2 shows considering Behavioural Intention as dependent variable and perception based on usefulness, ease of use and trust as independent variables it is observed that the perception of online traders exhibits positive significant correlation between

- Perceived Usefulness and Behavioural Intention (r=0.401, Sig.0.000) to reject (H₀1a) null hypothesis
- Perceived Ease of Use and Behavioural Intention (r=0.369, Sig.0.000) to reject (H₀1b) null hypothesis
- Perceived Trust and Behavioural Intention (r=0.283, Sig.0.000) to reject (H₀1c) null hypothesis

7.2. REGRESSION

Relationships between behavioural intention as dependent variable and dimensions such as perceived usefulness, perceived ease of use and perceived trust as predictor are computed to determine the power between the two categories. The hypothesis framed are

FRAMED HYPOTHESES

H₀2: There is no significant relationship between Perception and Behavioural Intention

There is no significant correlation between

- H₀2a: Perceived Usefulness and Behavioural Intention
- H₀2b: Perceived Ease of Use and Behavioural Intention
- H₀2c: Perceived Trust and Behavioural Intention

Table 3: Relationship between perception (usefulness, ease of use and trust) and behavioural intention of online traders

R Value	R Square Value	Degree of Freedom – V ₁	Degree of Freedom – V ₂	F-Value P-Value	Significance
0.494	0.244	3	123	13.223 P=0.000	1% Significance

Predictors: (Constant), Trust, Usefulness, Ease_of_use

Dependent Variable: Intentions

Table 3 shows that the observed variables viz. perceived usefulness, perceived ease of use and perceived trust compared with behavioural intention of online traders in Coimbatore towards exhibits moderately strong correlation (r=0.494) explaining the variance at 0.244 which is approx. 24 per cent, signifies perceived usefulness, perceived ease of use and perceived trust are elucidatory variables predicting behavioural intention at 24.4 per cent level. While computing ANOVA to find the fitness level, statistical significance achieved by the model comparing perceived

usefulness, perceived ease of use and perceived trust predicting behavioural intention shows $F(3,123)=13.223$, $Sig.0.000$ resulting as a good fit model to reject null hypothesis.

The equation is

$$3.896 + 0.285 (\text{Perceived Usefulness}) + 0.218 (\text{Perceived Ease of Use}) + 0.142 (\text{Perceived Trust})$$

Table 4: Coefficients measuring relationship between perception and behavioural intention of online traders

Variables	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.896	1.434		2.717	.008		
Usefulness	.285	.084	.287	3.387	.001	.856	1.169
Ease of use	.218	.085	.221	2.574	.011	.831	1.204
Trust	.142	.070	.165	2.019	.046	.916	1.092

Dependent Variable: Intentions

Collinearity diagnostics reveals multi-collinearity does not exist when comparing perceived usefulness, perceived ease of use and perceived trust predicting behavioural intention of online traders involved in security trading in Coimbatore depicts variance inflation (VIF) is not greater than 5, suggests that the independent variables have no multi co-linearity effect with other independent variables put forth the results are within the rule of thumb ($VIF < 5$).

Table 4 shows that the standardized regression weights of the independent variables (perceived usefulness, perceived ease of use and perceived trust) predicting behavioural intention of online traders involved in security trading in Coimbatore district shows maximum coefficient with respect to Perceived Usefulness ($\beta=0.287$, $t=3.387$, $Sig.0.001$) considered to be the strong predictor influencing behavioural intention among traders followed by Perceived Ease of Use ($\beta=0.221$, $t=2.574$, $Sig.0.011$) and finally, Perceived Trust ($\beta=0.165$, $t=2.019$, $Sig.0.046$), therefore, the result suggest that all explanatory variables (perceived usefulness, perceived ease of use and perceived trust) are found to have achieved statistical significance to reject (H_{02a} , H_{02b} and H_{02c}) the null hypothesis.

8. SUMMARY OF RESULTS

8.1. Descriptive

Mean recorded below 3.0 for the item (PU4) in the Perceived usefulness construct ($M=2.92$, $SD:1.124$); likewise one item (PEU3) in the Perceived ease of use construct ($M=2.74$, $SD:1.216$); ($M=2.92$, $SD:1.124$) finally, two items (Int3 and Int4) in behavioural intention construct ($M=2.97$, $SD:0.929$ and $M=2.85$, $SD:0.940$) however, found to be below the average agreement (3.0) signifies, no significant impact in the agreement level of security traders during online trading. Whereas, all other items are above 3 suggests strong level of agreement perceived by respondents towards online trading. Reliability of all four constructs achieved above the specified threshold (0.7) and ranging between 0.702 and 0.749.

8.2. Correlation

Inter-correlation between perceived usefulness, perceived ease of use, perceived trust and behavioural intention reveals significant positive associations between

- Perceived Usefulness and Behavioural Intention to reject (H_{01a}) null hypothesis
- Perceived Ease of Use and Behavioural Intention null hypothesis
- Perceived Trust and Behavioural Intention null hypothesis

8.3. Multiple Regression

Perception based on perceived usefulness, perceived ease of use and perceived trust are elucidatory variables predicting behavioural intention at 24.4 per cent level. Further, Perception and behavioural intention achieved good fit model. Collinearity diagnostics confirms multi-collinearity does not exist when comparing Perception predicting Behavioural intention of online traders involved in security trading in Coimbatore.

9. DISCUSSION

The result suggests that all explanatory variables are found to have achieved statistical significance that is the intention to use an information system is to a large extent motivated by the users' perceived usefulness of the system (Davis et al. 1989). Therefore, in justification of the theory the prediction reveals perceived usefulness has a positive influence on behavioural intention among online traders to reject (H_{02a}) null hypothesis. Relationship between perceived ease of use has a positive influence on behavioural intention among online traders. The result agrees to the context of online applications, the ease of use is described as the extent to which users believe that the use of the application is free of effort (Vijayasathya 2004) to reject (H_{02b}) null hypothesis. Relationship between perceived ease of use has a positive influence on behavioural intention among online traders. The results are in line with Casalo (2007) showed that web site security, privacy and usability – a construct similar to perceived ease of use and perceived usefulness – had a direct and significant effect on consumer trust in a financial services web site, therefore, null hypothesis (H_{02c}) is rejected.

10. SUGGESTIONS AND CONCLUSION

Based on the results of the study it is suggested that the online traders may be further improved where few items perceived to have dominant disagreement levels among online traders involved in security trading felt to improve transaction security, likewise, some more clarity and understandability with respect to interaction during online trading systems and also ensure honesty in the online trading may help conduct effective business can help the securities market achieve greater heights. This can also bring in more online traders through recommendations by existing traders for the growth of online trading business. Therefore, it is concluded that perceived usefulness and ease of use significantly contributed along with trust achieving positive effect in behavioural intention of online security traders which is encouraging sign found among respondents in Coimbatore district, however, the number of online traders needed to be increased only possible by making them aware about the safety and security features in the existing system for fearless / trustworthy online trading business.

11. REFERENCES

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