



IMPACT OF STOCK TRADING APP ON RETAIL INVESTORS BEHAVIOUR IN THE STOCK MARKET WITH REFERENCE TO COIMBATORE CITY

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Department of Corporate Secretaryship,
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Coimbatore-641014.**Abstract:**

The advent of stock trading apps has revolutionized the landscape of stock market participation, particularly among retail investors. This study investigates the impact of stock trading apps on the behaviour of retail investors in the stock market, focusing on the Coimbatore city context. Through a combination of quantitative analysis and qualitative insights, this research aims to shed light on the patterns, motivations, and consequences of using stock trading apps among retail investors in Coimbatore. The study employs a mixed-methods approach, incorporating surveys, interviews, and data analysis of stock trading activities facilitated by apps. Key factors examined include the frequency of trading, investment strategies, risk tolerance, and the influence of app features on decision-making. Additionally, the study explores the psychological aspects of app usage, such as overtrading tendencies and the impact on investor sentiment. The findings of this research will contribute to a better understanding of how stock trading apps shape the behaviour of retail investors in the Coimbatore stock market.

Keywords: Stock Trading Apps, Retail Investors, Behaviour, Stock Market, Coimbatore City, Investment Patterns, Decision-Making, Risk Tolerance, Psychological Effects, Digitalization of Financial Markets.

INTRODUCTION

“Money is better than poverty, if only for financial reason” – Woody Allen. India is a developing economy. It’s prospering in all spheres. Share Market is a compelling determination of the economy and the financial situation of a country. Share market is an area which fascinates each and every individual who is craving for more money. This is a good start to start education on investing putting your money where it can gain greater returns than just earning interest in a high-interest account. Investments in shares or stock can be daunting as there is vast and various amounts of information on investments and everyone is ready and willing to take your money.

Trading:

Trading is defined as buying and selling shares in stock exchange. There are two types of trading i.e. online trading (via internet) and Offline trading (via broker or call).

Online Trading:

Online trading refers to trading via the internet. The onset of online trading changed the traditional value proposition of trading, allowing online brokers to supply investors with rich, interactive information in real time including market updates, investment research and robust analytics. The result is an integrated trading experience that combines execution with interactive analysis shown by the growth of the online customer community from a mere 23000 average trades on NSE per day in a year 2000 to over 52000 average trades in 2002. Trading online is the paperless method of trading stocks and shares interactively through brokers who work at Internet platforms and trade shares for their customers. Online trading is fast paced and more visible to the buyer than offline trading of shares and stocks. Trading is done at all hours of the day on a global scale. OLT is totally a technology driven product which suits all types of clients including tech-savvy younger generation clients, high net worth individuals who are active in capital market. OLT is totally hassle-free in as much as clients trading in stock market can buy or sell securities without having to visit either the Bank or their DP.

OBJECTIVES OF THE STUDY

- To study investor's perception on online trading.
- To examine the online service strategy of the company.
- To analyse the demographic determinants influencing online trading.
- To understand the attitude of retail investors in online trading.

RESEARCH METHODOLOGY

Data collection is the process of gathering and measuring information on variables of interest, in an established systematic fashion that enables one to answer stated research questions, test hypotheses, and evaluate outcomes and the primary data collection is used in the research paper. In general theory is built and tested based on two different approaches: Induction and deduction. When deductive approach is used the researchers start with the existing theories and logical relationships among concepts, and then continue to find empirical evidences. In contrast in inductive researches theory is developed based on the empirical reality and researchers infer the implications of the findings for the theory that prompted the research. In this study exploring the behavioural factors influencing the decision making of investors, which are already 'out there' is the main aim instead of inferring and building theory. Deductive approach is usually associated with quantitative and qualitative data collection and analysing through statistical methods. So this study is based on deductive approach in which questionnaires are sent to 120 investors in Coimbatore district.

TYPE OF RESEARCH

The present type of research belongs to the category of 'Descriptive study'. Descriptive study are undertaken when the researcher is interested in knowing the characteristics of certain groups, assessing behaviour, making projections or for determining the relationship between two or more variables.

SOURCES OF DATA

The research should keep in mind two types of data while collecting data via primary data and secondary data.

PRIMARY DATA:

These primary data collection methods would provide valuable insights into how the introduction of stock trading apps has influenced the behaviour of retail investors in the stock market specifically in Coimbatore city. Analysing this primary data alongside secondary data, such as market trends, regulatory changes, and economic indicators, would offer a comprehensive understanding of the impact of stock trading apps on retail investors in Coimbatore.

SECONDARY DATA:

By leveraging secondary data from these sources, researchers can complement primary data collection efforts and gain a comprehensive understanding of the impact of stock trading apps on retail investors' behaviour in the Coimbatore stock market.

AREA OF THE STUDY:

The area of study was detained to Coimbatore City, the second largest urban centre in Tamil Nadu. Coimbatore is renowned educational hub having various prestigious academic institutions like PSG College of Arts and Science, PSGR Krishnammal College for Women etc., It is considered as the second home for larger number of students from other states as they prefer the city over other for its wise range of top-ranking educational institutions and distinguished educational quality. It is also been recognized as Knowledge hub of Tamil Nadu.

SAMPLE SIZE:

The sample size of the study is to be 120 respondents.

FINDINGS**AGE GROUP OF RESPONDENTS****TABLE NO.1**

Age Group	Frequency/No.of respondents	Percentage (%)
Under 18	4	3.33
18-25	80	66.67
26-35	19	15.83
36-50	15	12.5
51-65	2	1.67
Over 65	0	0
TOTAL	120	100

INTERPRETATION

From the above table 4.1 it is inferred that 3.33% of the respondents of the age group are under 18 years of age, 66.67% of them are in age group between 18-25 years, 15.83% of the respondents are in age group between 26-35 years, 12.5% of the respondents are in the age group between 36-50 years, 1.67% of the respondents are in the age group between 51-65 years, No respondents for over 65 years.

GENDER OF RESPONDENTS**TABLE NO.2**

Gender	Frequency/No.of respondents	Percentage (%)
Male	59	48.8
Female	61	50.4
TOTAL	120	100

INTERPRETATION

From the above table 4.2 it is inferred that 48.8% of the respondents of the gender are male, 50.4% of them are female.

STOCK TRADING APPS FOR INVESTING OR TRADING IN THE STOCK MARKET OF RESPONDENTS**TABLE NO.3**

stock trading apps for investing or trading in the stock market	Frequency/No.of respondents	Percentage (%)
Yes	99	81.8
No	21	17.4
TOTAL	120	100

INTERPRETATION

From the above table 4.4 it is inferred that 81.8% of the respondents of yes, 17.4% of them are no.

WHICH STOCK TRADING APPS DO YOU USE OF RESPONDENTS**TABLE NO.4**

which stock trading apps do you use	Frequency/No.of respondents	Percentage (%)
Up stox	5	4.1
Grow stock	27	22.3
Angle one	52	43.0
Zerodha Kite	26	21.5
5 paisa	10	8.3
TOTAL	120	100

INTERPRETATION

From the above table 4.6 it is inferred that 4.1% of the respondents are up stox, 22.3% of the respondents are grow stock, 43% of the respondents are angle one, 21.5% of the respondents are zerodha kite, 8.3% of the respondents are 5 paisa.

**COMPANY COLLECT FEEDBACK FROM CUSTOMERS REGARDING ITS
ONLINE SERVICES OF RESPONDENTS**

TABLE NO.5

The company collect feedback from customers regarding its online services	Frequency/No.of respondents	Percentage (%)
Surveys	15	12.4
Rating and reviews	58	47.9
Customer support interactions	38	31.4
Social media monitoring	9	7.4
TOTAL	120	100

INTERPRETATION

From the above table 4.11 it is inferred that 12.4% of the respondents are surveys, 47.9% of the respondents are rating and reviews, 31.4% of the respondents are Customer support interactions, 7.4% of the respondents are social media monitoring.

ANOVA TEST

TABLE NO.6

Q1 Age					
	Sum of Squares	Df.	Mean Square	F	Sig.
Between Groups	6.426	4	1.607	2.535	.044
Within Groups	72.899	115	0.634		
Total	79.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

TABLE NO. 7

Q1 Age					
	Sum of Squares	Df.	Mean Square	F	Sig.
Between Groups	4.904	4	1.226	1.894	.116
Within Groups	74.421	115	.647		
Total	79.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

TABLE NO. 8

Q1 Age					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.520	4	1.880	3.011	.021
Within Groups	71.805	115	.624		
Total	9.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

TABLE NO. 9

Q1 Age					
	Sum of Squares	Df.	Mean Square	F	Sig.
Between Groups	13.171	4	3.293	5.724	<.001
Within Groups	66.154	115	.575		
Total	79.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

TABLE NO. 10

Q1 Age					
	Sum of Squares	Df.	Mean Square	F	Sig.
Between Groups	10.195	4	2.549	4.240	.003
Within Groups	69.130	115	.601		
Total	79.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

TABLE NO. 11

Q1 Age					
	Sum of Squares	Df.	Mean Square	F	Sig.
Between Groups	3.324	4	.831	1.257	.291
Within Groups	76.001	115	.661		
Total	79.325	119			

INTERPRETATION

Relationship between age and benefits of stock trading apps to the people:

From the table the significant value of association between age and benefits of stock trading apps to the people is >0.05 . so, we are accepting null hypothesis and rejecting alternation hypothesis. So, there is no significant association between age and benefits of stock trading apps to the people.

CONCLUSION:

The introduction of stock trading apps has significantly impacted retail investors' behaviour in the stock market in Coimbatore city. Through increased accessibility and ease of use, these apps have empowered retail investors, resulting in greater participation and engagement in the stock market. This has led to a democratization of investing, as individuals can now easily access real-time market data, research, and execute trades from their smartphones. Additionally, the features often present in these apps have further participation among retail investors, encouraging them to stay active in the market. Overall, the availability of stock trading apps has revolutionized the investment landscape in Coimbatore, providing retail investors with unprecedented access and opportunities in the stock market.

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