



ANALYZING CONTEMPORARY ONLINE BROKERS :AND TRADITIONAL BROKERAGE FIRMS PERSPECTIVES ON GEN Z INVESTMENT TENDENCIES IN MUMBAI SUBURBS

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ABSTRACT

This research focuses on the new generation of investors (Gen Z) in Mumbai and how they are navigating India's rapidly changing investment landscape today.

The core issue is fierce competition between long-established firms (like ICICI Direct and HDFC Securities) and modern 'discount brokers' (like Zerodha and Groww), which offer low cost, easy mobile trading experiences. This study will aim to discover what drives Gen Z's platform choice. Key factors that are investigated include low fees, platform trust, ease-of- use, and advice from peers. It also looks at common complaints, such as hidden charges and technical glitches.

The goal is to determine whether **low cost or established credibility** is the bigger motivator for today's young group. Ultimately, it assesses the viability of traditional brokerage models in this increasingly digital market, connecting technology to evolving investment habits.

Keywords:

Gen Z investors, online brokerage platforms, traditional brokerage firms, digital investing, Mumbai suburbs, investment behavior, discount brokers, Zerodha, Groww, ICICI Direct, HDFC Securities, Angel One, investment preferences, fintech adoption, trust and credibility, cost- effectiveness, ease of use, peer influence, investment challenges, financial technology (FinTech), brokerage competition, digital transformation in finance.

Review of Literature

Review of existing studies that reveals specific factors driving Gen Z investors' preferences between discount and traditional brokerage firms:

1. **Technology Adoption:** Gen Z investors are tech savvy and favor digital platforms for convenience and accessibility. Mobile applications and simplified interface are the key to their adoption. (Kumar & Kumari, 2020)
2. **Cost and Pricing:** Lower brokerage fees significantly influence young investors, making discount brokers more attractive (Sharma, 2021). Clear pricing structures also contribute to trust.
3. **Usage Patterns:** Research indicates that Gen Z utilizes discount brokers for frequent trading, while traditional brokers are associated with long-term investors seeking advisory services (Bhatt & Patel, 2021).
4. **Platform Choice Factors:** Ease of use, a smooth application experience, and innovative features, such as AI-driven insights, strongly influence platform selection among younger investors of today (Rao & Desai, 2022).
5. **Perception and Challenges:** Discount brokers are viewed as modern and cost-effective, but concerns remain regarding the lack of personalized guidance (Joshi, 2019). Traditional brokers are criticized for being expensive and less tech-friendly.
6. **Relevance of Traditional Brokers:** Several studies suggest that traditional firms are becoming less relevant to younger generations, particularly in urban areas, due to the widespread growth of accessible fintech solutions (Mehta, 2020).

Significance of the Study

This research is highly valuable because it focus on the **evolving habits of Gen Z investors** a digitally native generation thats rapidly gaining influence in financial markets.

By comparing the modern discount brokers (like Zerodha) with the older, traditional firms, this study provides several key benefits:

1. **Understanding Market Shifts:** It offer direct insights into how Gen Z views and utilize online discount brokers versus traditional brokers. This information is vital for helping firms strategically adjust their offers.
2. **Practical Help for Brokers:** The findings give brokerage firms concrete data to create better pricing models, design more user friendly platforms, and address gaps in customer support.
3. **Investor Education:** The study improves our understanding of how factors like ease of use, cost effectiveness, and trust shape investment choices. This knowledge can then be used to create more effective awareness and training programs for todays young investors.
4. **Policy Relevance:** Regulators and policymakers can utilize results to promote fairer practices, enforce fee transparency, and strengthen protective measures that are meant for young investors of today.
5. **Contribution to Literature:** This research will fill a notable gap by adding to the limited body of work on Gen Z's investment behavior in India, especially within specific areas like the Mumbai suburbs.

Research Objectives

1. To examine the level of awareness of Gen Z investors in the Mumbai Suburb area regarding the various securities trading platforms, both discount (Zerodha, Groww) and conventional (ICICI Direct, HDFC Securities, Angel One, etc.).
2. To study usage patterns to mark the most preferred platforms of stockbrokers with Gen Z investors.
3. To compare the motivating factors behind platform selection, such as low brokerage charges, ease of use, trust, brand credibility, and customer support.
4. To find out how Gen Z perceives discount brokers vis-à-vis traditional brokerage houses in terms of suitability, trustworthiness, and the value they generate.
5. To know the problems faced by Gen Z investors while using the platforms (for example: hidden charges, glitches in the apps, lack of advisory, etc.).
6. To study the causes driving Gen Z investors to change platforms.
7. To study if in the current digital-first investor scenario, discount brokers are pushing traditional brokerage houses into obscurity.
8. To generate recommendations and insights for brokerage houses in creating a suitable ambiance for Gen Z's expectations and choices

Hypotheses (Null & Alternative per Objective) Objective 1: Awareness

H₀₁: There is no notable difference in the awareness levels of Gen Z investors regarding discount brokers (such as Zerodha, Groww) versus traditional brokerage firms.

H₁₁: Gen Z investors demonstrate significantly higher awareness of discount brokers compared to traditional brokerage firms.

Objective 2: Usage Patterns

H₀₂: There is no significant difference in how frequently Gen Z investors use discount brokers and traditional brokerage firms.

H₁₂: Gen Z investors use discount brokers more often than traditional brokerage firms.

Objective 3: Factors Influencing Choice

H₀₃: Elements like low brokerage charges and ease of use do not significantly affect Gen Z's choice of platform compared to trust and customer support.

H₁₃: Low brokerage charges and ease of use have a stronger influence on Gen Z's choice of brokerage platforms than trust and customer support.

Objective 4: Perception of Suitability

H₀₄: Gen Z investors see no difference in suitability between discount brokers and traditional brokerage firms.

H₁₄: Gen Z investors perceive discount brokers as more suitable for their needs than traditional brokerage firms.

Objective 5: Challenges/Difficulties

H₀₅: The difficulties faced (hidden charges, technical glitches, lack of guidance)

do not significantly differ between discount and traditional brokers.

H₁₅: Gen Z investors encounter more challenges with traditional brokers compared to discount brokers.

Objective 6: Platform Switching

H₀₆: Lower costs and a better app experience are not the main drivers behind Gen Z investors switching platforms.

H₁₆: Lower costs and a superior app experience are the key reasons Gen Z investors switch platforms.

Objective 7: Relevance of Traditional Brokers

H₀₇: Traditional brokerage firms continue to hold relevance among Gen Z investors in the Mumbai Suburb.

H₁₇: Traditional brokerage firms are losing relevance among Gen Z investors in the Mumbai Suburb.

Research Methodology

This study uses a mixed-method approach that combines quantitative and qualitative techniques. The goal is to better understand Gen Z investors' views and preferences regarding discount brokers and traditional brokerage firms.

1. Research Design

A descriptive research design was used to examine awareness, usage patterns, influencing factors, and perceptions. We used both survey and interview methods to collect data.

2. Data Collection Methods

We used two main ways to collect the necessary information:

Survey (Quantitative) -

- We designed a detailed questionnaire using **Google Forms**.
- This survey was shared with Gen Z investors living in the Mumbai Suburb region.
- It primarily used fixed-choice and rating scale (Likert) questions to capture **measurable data** on what investors knew, how they traded, and what they preferred.

Personal Interviews (Qualitative) -

- We held in depth interviews with a select group of survey respondents.
- These conversations with them made us able to dig deeper into qualitative information, such as specific problems they faced, the reasons why they decided to switch platforms, and their personal opinions on whether traditional brokers are still useful today.

3. Sampling Method & Respondents

Target Population: Gen Z investors (aged 18 to 27) in the Mumbai Suburb region.

Sampling Technique: We used a convenience sampling method to reach respondents available through online platforms and personal networks.

Sample Size: (You can insert the exact number of survey responses and interview participants here once finalized).

4. Data Analysis Tools

Quantitative Data (Survey):

We analyzed responses using statistical methods such as frequency distribution, percentage analysis, and hypothesis testing (chi-square or t-test depending on the data).

Qualitative Data (Interviews):

Thematic analysis was used to identify recurring patterns, challenges, and perceptions from interview transcripts.

5. Scope & Limitations

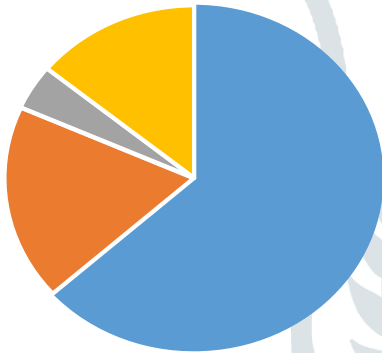
The study focuses on Gen Z investors in the Mumbai Suburb, which may limit its applicability to other regions.

Using convenience sampling may introduce bias, but it offers a practical and accessible approach for exploratory research

GRAPHS:

Age distribution

AGE	RESPONSES (71)
18-20	45
21-23	13
24-26	3
27-29	10

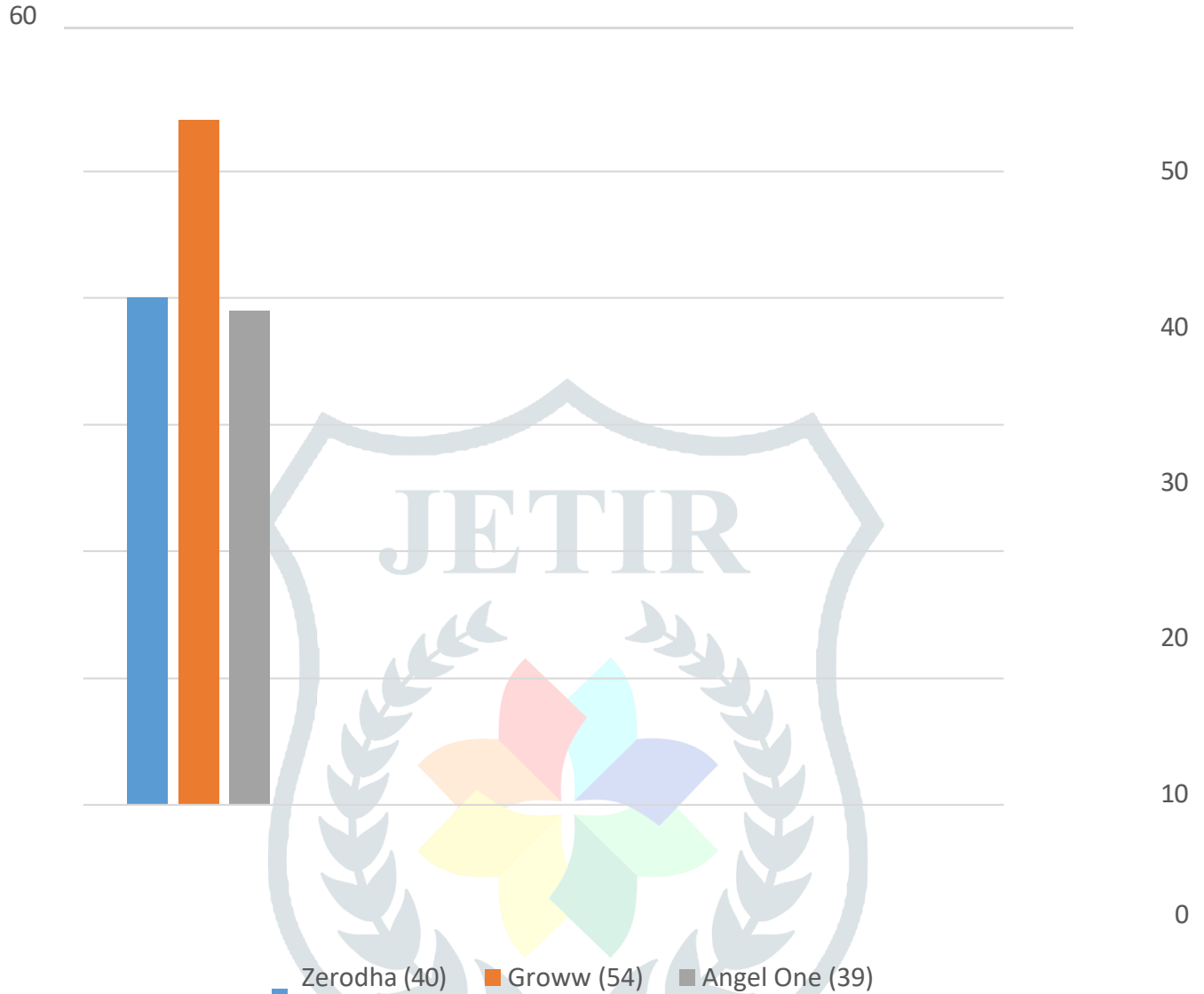


■ 18-20 (45) ■ 21-23 (13) ■ 24-26 (3) ■ 27-29 (10)

Which brokerage platforms are Gen-Z most aware of?

PLATFORM	RESPONSES
ZERODHA	40
GROWW	54
ANGEL ONE	30

Cumulative Responses



Most used trading platforms among Gen-Z

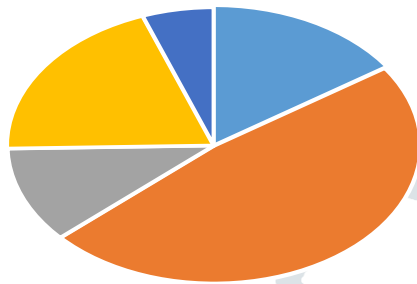
PLATFORM	RESPONSES (71)
ZERODHA	13
GROWW	22
TRADITIONAL BROKERAGE FIRMS	17
NONE	19



■ Zerodha (13) ■ Groww (22) ■ Traditional brokerage firms (17) ■ None (19)

why Gen-Z prefer the chosen platform

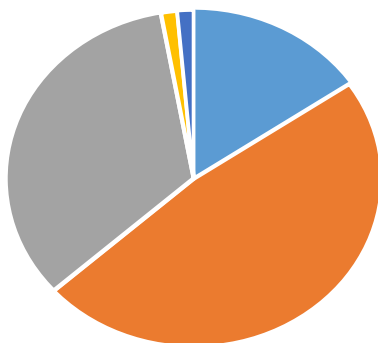
ANSWERS	RESPONSES (71)
LOW BROKERAGE	12
EASY TO USE APPLICATION	35
BRAND TRUST & CREDIBILITY	9
OTHERS	4



■ Low Brokerage (12) ■ Easy to use application (35) ■ Social media recommendation (9)
■ Brand trust & credibility (15) ■ Others (4)

OPINIONS ON "DISCOUNT BROKERS LIKE ZERODHA & GROWW ARE MORE SUITABLE FOR GENZ INVESTORS THAN TRADITIONAL BROKERS"-

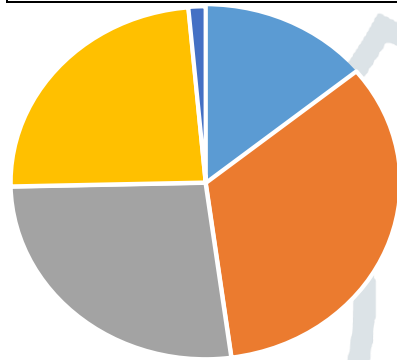
OPINIONS	RESPONSES (71)
STRONGLY AGREE	11
AGREE	34
NEUTRAL	24
DISAGREE	1
STRONGLY DISAGREE	1



■ Strongly Agree (11) ■ Agree (34) ■ Neutral (24)
■ Disagree (1) ■ Strongly Disagree (1)

Main reason if Gen-Z had to switch platform

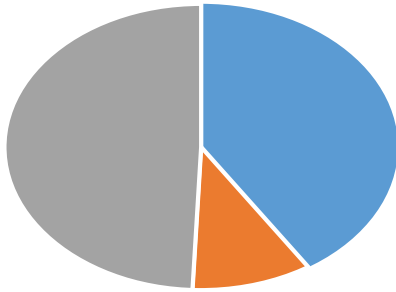
REASON	RESPONSES (71)
LOWER COSTS	10
BETTER USER INTERFACE/APP EXPERIENCE	24
MORE GUIDANCE/ ADVISORY SUPPORT	19
WIDER INVESTMENT OPTIONS	12
PEER INFLUENCE	1



- Lower costs (10)
 ■ Better user interface/app experience (24)
 ■ More guidance/advisory support (19)
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 ■ Peer influence (1)

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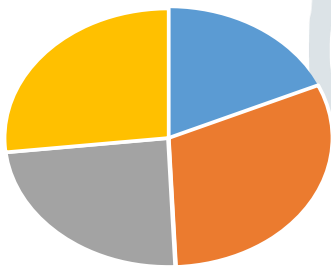
OPINION	RESPONSES (71)
YES	29
NO	7
MAYBE	35



Yes (29) No (7) Maybe (35)

Most used trading platforms among Gen-z

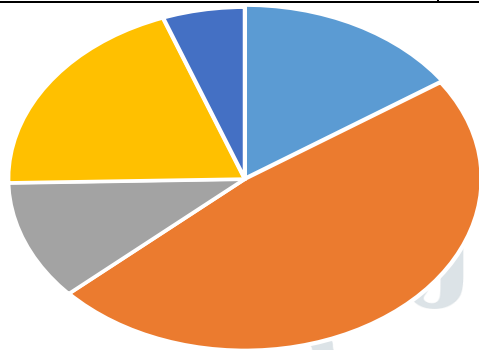
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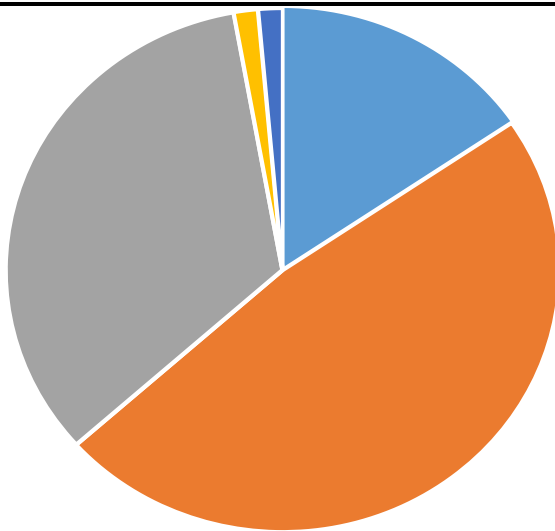
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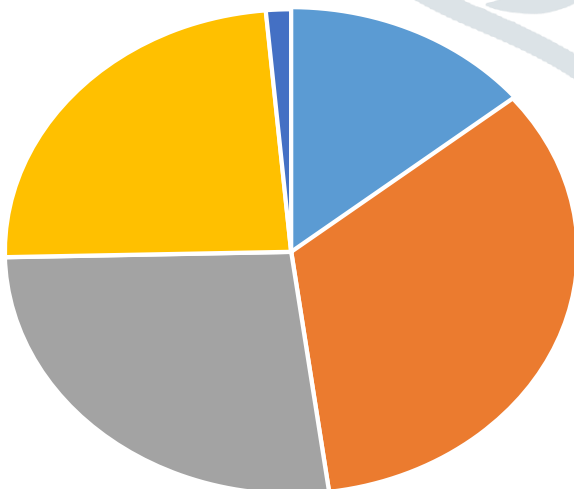
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Main reason if Gen-Z had to switch platform

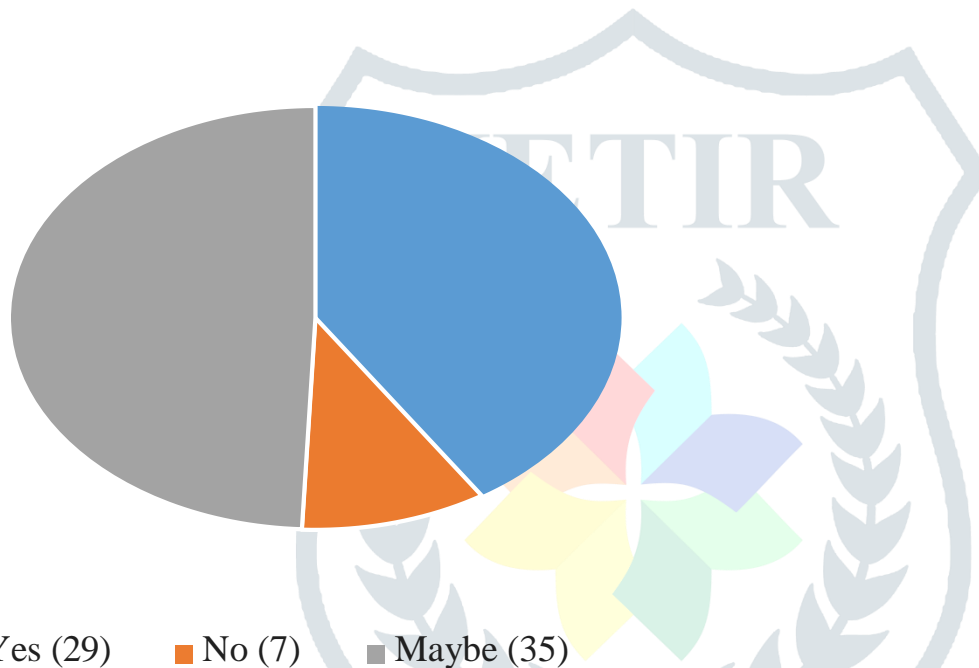
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Conclusion

Our research clearly shows a big shift: Gen Z investors are moving strongly toward digital, discount apps like Groww and Zerodha.

We found that young people are much more aware of and use these modern apps compared to the older, traditional brokers. The reason why they do it is because of low fees, super simple mobile apps, and reliability. This means that for Gen Z, affordability and convenience are the top priorities.

Most users are happy with their chosen platforms, but there are still places that should be looked upon, like technical glitches and not enough personalized guidance. This shows where platforms need to improve. When it comes down to the final decision, investors tend to value a great user experience and solid support slightly more than just the lowest possible price. This generation wants technology, transparency, and flexibility.

The future of brokerage depends on innovation. Companies that are willing to adapt digitally and put the investor's experience first are the ones that will successfully attract and hold onto this next wave of investors.