CHAPTER VII

SUMMARY, CONCLUSION AND RECOMMENDATIONS

This chapter presents the summary of findings, conclusion and recommendations of the study.

7.1. FINDINGS

7.1.1. SUMMARY OF FINDINGS

The financial service sector accounts for a large and significant share of economic activity in most of the countries. This sector is recognized for its contribution towards the potential long-term growth and its intermediate role in channeling resources to all the other sectors of the economy. Improved provision of the financial services enables greater efficiency in other sectors by expanding the range and enhancing the quality of such services, by lowering costs of funds, by encouraging savings and by the most efficient use of these savings. The financial services sector includes public and private sector banks, mutual funds, asset management companies, hedge funds, securities dealers and underwriters, foreign exchange dealers, pension funds, share brokering agencies, insurance firms and intermediaries and many other financial and non financial entities.

There are two main forces driving the aforementioned structural changes in the global financial services sector. The first one is the deregulation and financial market liberalization. The second important factor underlying the
structural changes in global financial services sector is the technological progress.

The most outstanding development in the Indian share market during the eighties is that the share ownership became a middle class phenomenon. Nearly 40 per cent of the educated middle and upper class households invest in shares or debentures. It is worth mentioning that these share owners tend to have long term investment interests holding the shares for more than three years and one fourth of the share holders have shareholdings exceeding 10 years. The unprecedented growth of the Indian share markets has resulted in these markets becoming a major market hub in the emerging stock market in the World, next to Taiwan and Korea, both in respect of market capitalization and turn over. Thus, the Indian capital market has always been perceived as deep, resourceful and resilient.

The present research confines its objectives

1. To analyses the socio-economic characteristics of the share brokers and the investors.
2. To study the service quality dimensions provided by the share brokers and the perception of investors on service quality dimensions.
3. To analyses the satisfaction of services provided by share brokers and the services received by the investors.
4. To examine the relationship between the investment behaviour and the influence of investment behaviour on monthly transactions of investors.
5. To study the strengths, weaknesses, opportunities and threats so as to identify the strategies for better services provided by the share brokers.
6. To examine the service gap between the investors and the share brokers.
Descriptive research design has been employed for the present study. Among the regional stock exchanges located in India, the Coimbatore district has been selected as it is one of the leading business centers in South India. Share brokers and investors have been selected by adopting simple random sampling technique. Data has been collected through direct interview method with the help of pre-tested structured interview schedule.

The Indian stock market faces many challenges if it is to promote more efficient allocation and mobilization of capital in the economy. The market infrastructure has to be improved as it hinders the efficient flow of information and effective corporate governance. The court system and legal mechanism should be enhanced to protect the small shareholders’ rights in a better way and their capacity to monitor corporate activities.

The trading system has to be made more transparent. Market information is a crucial public good that should be disclosed or made available to all participants to achieve market efficiency. India may need further integration of the national capital market through consolidation of stock exchanges. The trend all over the world is to consolidate and merge existing stock exchanges. There is a pressing need to develop a uniform settlement cycle and common clearing system that will bring an end to unnecessary speculation based on arbitrage opportunities.
7.1.2. THE MAJOR FINDINGS OF THE PRESENT STUDY: SHARE BROKERS

The results show that majority of the share brokers are men and only 25.33 per cent are women. Majority of the male share brokers are under graduates followed by respondents with post graduation level of education. The majority of the women share brokers are under graduates followed by post graduation level of education. The t statistics value of 1.692 is not significant at five per cent level indicating that there is no significant difference in educational qualification of the men and women share brokers. The results show that 72.67 per cent of the share brokers belong to urban area and the rest of the investors are from the rural area.

The results indicate that majority of the share broking institutions were established in between the years 2004 and 2006. The research reveals that about 65.34 per cent of the share broking institutions have employees of 41-50. The number of employees working at the share broking institutions ensures the availability of service persons to the customers for speedy and wise decision making and quality service delivery. It is clear that about 38.00 per cent of the share broking institutions have the traders of 2501-3000 followed by 2001-2500. It is apparent that about 48.67 per cent of the share broking institution has investors of 1001-1500 followed by 1501-2000.

The share brokers provide number of services like execution-only, which means that the broker will only carry out the client's instructions to buy or sell. Advisory dealing, where the broker advises the client on which shares to buy and sell, but leaves the final decision to the investor. Discretionary dealing,
where the stockbroker ascertains the client's investment objectives and then makes all dealing decisions on the client's behalf. Apart from this, their specialized service products are also available. The results show that about 45.33 per cent of the share brokers concentrate on equity followed by IPO. The research reveals that more than seventy five per cent share brokers concentrate on their service in Equity and IPOs.

The results show that about 46.00 per cent of the share brokers are having 11-20 systems with internet connection. The results indicate that about 54.67 per cent of share brokers have the trading terminals of 5-7. It is found that about 60.67 per cent of the share brokers are having 5-7 number of online trade display facilities followed by the brokers having 3-5. The research reveals that about 63.33 per cent of share brokers have the news service system, while the rest of 36.67 per cent do not have the news service system. News playing is primarily the realm of the day trader. The basic strategy in share market is to buy a stock which has just announced good news, or short sell on bad news. Such events provide enormous volatility in a stock and therefore the greatest chance for quick profits (or losses).

The fee charged by a broker for buying or selling securities on behalf of a client is called brokerage which ranges from 0.2 to 0.8 per cent for delivery and 0.02 to 0.1 for trading. The results indicate that about 38.67 per cent of the brokers are regular traders followed by the regular investors. It is found that about 22.48 per cent of customers are private sector employees followed by the government employees and businessmen (20.78) per cent, full time traders (19.80 per cent) and full time investors (10.18 per cent).
It is observed that about 44.00 per cent of the share brokers spend Rs. 15001-20000 as promotional expenditure followed by Rs. 20001-25000 (30.00) per cent, more than Rs. 25000 (18.00 per cent). The results show that about 43.33 per cent of the share brokers maintain information of name, address, phone and e-mail of customers followed by name, monthly income and address. The customers are classified into traders and investors and, further the traders are classified as local traders’ national traders and international traders. The classification helps the share brokers to frame different strategies for different types of investors. The results show that about 63.33 per cent of trading customers are located in Coimbatore. About 64.67 per cent of investors are local based followed by national and international investors.

It is found from the study that the most preferred mode of communication is the telephone and internet. The customers can be reached very easily and quickly with these modes. The service qualities of the share brokers revealed an eighteen factor structure that explained 64.02 per cent of the total variance and these are grouped into environment, efficiency, promptness, accuracy, relationship, dependency, responsiveness, management, coordination, safety, transparent, standardization, customer care, information and communication. The overall service dimensions taken for the study is six and thirty seven items were considered it is found that Cronbach’s Alpha Reliability Coefficient is (α =0.92) which indicates an excellent internal consistency among the variables.

The factor analysis for the satisfaction of service provided by the share brokers, indicate that there are twelve independent groups of dimensions which were extracted accounting for a total of 69.09 per cent of variations on 30
satisfaction dimensions. Each of the twelve factors contributed to 7.27 per cent, 6.48 per cent, 6.41 per cent, 6.21 per cent, 6.18 per cent, 6.06 per cent, 5.57 per cent, 5.51 per cent, 5.37 per cent, 4.92 per cent, 4.66 per cent and 4.45 per cent respectively and these factors are grouped into information, report, exposure, interaction, perspective, value addition, specialization, status, access, trading, advisory and research. The Cronbach’s Alpha of the scale is 0.91 indicating that each measure demonstrated excellent internal consistency.

It is clear that about 44.00 per cent of the brokers rate their service as average followed by good and very good. The discriminant analysis indicates that care, commitment, retention and timely transaction discriminate are the best among three trading groups. Based on the discriminant function, 89.33 per cent of the measures have been correctly classified. The discriminant analysis shows that frankness, care, commitment, retention and friendship discriminate are the best among three investing groups. Based on the discriminant function, 90.00 per cent of the measures have been correctly classified.

The results show that the strength of share brokers is quality services followed by reasonable brokerage charges and transparency in transactions. It also indicates that quick responses and accurate information are the other strengths of share brokers, and that the major weakness of the share brokers is competitiveness followed by slow response to changing needs and financial weakness. The results also show that flexible market environment and high risk are the other weaknesses of share brokers. The most important opportunity for the share brokers is the increased income of the investors followed by increasing investment interest of the investors and current economic situation. The results also show that monetary policy of the government and advanced technologies are
the other opportunities for the share brokers. The key threat for the share brokers is investment in gold and real estate followed by increasing expenses and lower profit margin. The results also indicate that banks’ investment schemes and government regulations are the other threats for the share brokers.

The results show that maintaining accurate accounts and transactions, safe and secure transactions and providing adequate and timely information are the major strategies adopted by the share brokers for retention of existing customers and maintaining personal relationships and providing professional services are the other strategies for retention of the existing customers. The results indicate that superior services at reasonable charges, effective advertisement and simplified procedure and policies are the important strategies followed by advanced technology and public relation campaign adopted by the share brokers for attracting new customers.

The results show that the problem faced by the share brokers is cut throat competition followed by more and frequent information required by the investors and the investors always need higher profit. The results also indicate that continuous adoption of advanced technologies and higher expenses are the other problems faced by the share brokers.

7.1.3. THE MAJOR FINDINGS OF THE PRESENT STUDY: INVESTORS

The results reveal that more number of men are investing in the share market. Since the risk taking attitude is less for women they are mostly away from the stock market. It is observed that about 61.33 per cent of the investors
belong to the age group of 31-40 years followed by 41-50 years. Majority of investors (48.70 per cent) are post graduates followed by investors with under graduation level of education. The research also identified that most of the investors belong to the age group of 31-40. The research ensures that there is a close association between age and investing in stock market.

The occupation of the share market investors are Central Government employees 7.60 per cent, doctors 3.10 per cent. The rest of the investors are of the occupation of insurance and real estate, accountant, auditor and lawyer. It is found that majority of the investors (89.60 per cent) are married while the rest are unmarried. The research reveals that more number of married investor’s are interested in investing in the share market, since the Indian share market is well regulated and it is safe for them to invest. It is apparent that about 44.44 per cent of the investors belong to the income group of Rs. 4.01-6.00 lakhs followed by the group of Rs.2.01-4.00 lakhs (43.56 per cent).

The results show that about 41.80 per cent of investors belong to the family size of five members followed by four members (28.40 per cent) then comes six members (20.90 per cent). The results indicate that majority of the investors (52.70 per cent) belong to the urban areas while the rest of 47.30 per cent of the investors belong to rural areas. The results indicate that about 54.44 per cent of the investors have the experience of 3 to 5 years in share market followed by 1 to 3 years. The results show that about 42.45 per cent of the investors have the investment experience of 3 to 5 years followed by 1 to 3 years (41.33 per cent). The results indicate that about 56.90 per cent of investors are regular traders followed by investors in both primary and the secondary markets 12.70 per cent and other type of investors are regular investors, occasional
traders, and occasional investors in primary market only and investors in secondary market.

It is clear that about 43.10 per cent of investors have the association of 1 to 3 years with the present share broker followed by 3 to 5 years (36.20 per cent). The results indicate that majority of the investors (95.60 per cent) have transactions with other share brokers while the rest do not have transactions with other share brokers. It is found that the investors are not happy with one share brokers and that is why they are having account with more than one share brokers. It is also found that the investors are service specialization specific as they look for different share brokers with different services.

The results show that about 38.00 per cent of the investors select the broker through friends followed by sales people (32.40 per cent) and relatives (20.00 per cent). The results indicate that about 64.00 per cent of the investors prefer a share broker based on profitability followed by transaction 23.56 per cent and years of experience. It is observed that about 56.90 per cent of investor’s book profit based on their own decision followed by advice of the share broker. Majority of the investors (96.20 per cent) are satisfied while only 3.80 per cent of investors are dissatisfied with the broker in profit booking. It is apparent that about half of the investors (50.90 per cent) have the average monthly transaction of Rs.100001-300000 followed by Rs.300001-500000.

The investors’ perception on the service qualities of the share brokers revealed an eighteen factor structure that explains 66.13 per cent of the total variance and these dimensions are grouped into customer care, standardization, information, relationship, dependency, orientation, convenience, attentive, active, environment, safety, prompt, management and ambience. The Cronbach’s Alpha Reliability Coefficient indicates the internal consistency of the above variables.
The overall Cronbach’s Alpha of the scale was 0.86 indicating that each measure demonstrated acceptable internal consistency.

The investors’ satisfaction about the service provided by the share brokers indicates that there are eleven independent groups of dimensions which were extracted accounting for a total of 66.24 per cent of variations on 30 satisfaction dimensions. Each of the eleven factors contributed to 10.59 per cent, 8.15 per cent, 7.32 per cent, 6.77 per cent, 6.22 per cent, 4.81 per cent, 4.67 per cent, 4.58 per cent, 4.48 per cent, 4.41 per cent and 4.24 per cent respectively and these are grouped into informative, trading, exposure, reporting, interaction, technology, status, M-trade, orders, ideas and service. The Cronbach’s alpha of the scale was 0.89 indicating that each measure demonstrated acceptable internal consistency.

It is clear that about 37.30 per cent of the investor’s rate the service provided by the share brokers as good followed by very good (33.60 per cent) and 29.10 per cent felt that it is satisfactory. It is observed that about 36.67 per cent of investors are willing to recommend present share brokers to others followed by the investors who are very much willing to recommend present share brokers to others. The results show that the t-value for service rating-recommendation is 11.248 significant at one per cent level of significance. Hence, there is a significant difference exiting between the service rating and the recommendation of present share brokers by the investors.

The results show that the locus of control, investor expertise and experience, risk propensity, confidence, satisfaction and behavioral intention are positively, significantly correlated with each other at one per cent level of significance. The correlation co-efficient is varying from 0.44 for locus of control and satisfaction to 0.76 for risk propensity and confidence.
The multiple linear regression by the Ordinary Least Square (OLS) estimation indicates that the coefficient of multiple determination ($R^2$) is 0.73 indicating the regression model fit is good. The results show that satisfaction is positively influencing the average monthly transaction of investors at five per cent level of significance while investor’s expertise and experience and confidence positively influence the average monthly transactions of investors at one per cent level of significance. The locus of control negatively influences the average monthly transaction of investors at one per cent level of significance.

The discriminant analysis indicates that frankness, care, disclosure, friendship, attitude and safe and security discriminate are the best among four associated groups. Based on the discriminant function, 82.22 per cent of the measures have been correctly classified.

The results indicate that the important benefit of the share brokers is quick response followed by due recognition and respect, accurate information and excellent returns. The multiple services offerings, excellent research reports and limited procedure and formalities are the other benefits of the share brokers as perceived by the investors. The results show that the problem faced by the investors while trading through share brokers is the poor communication system followed by time consuming process, service brokers’ ignorance and failure of the software. The wrong information and reports, outdated technology and unethical practices are the other problems perceived by investors.

7.1.4. THE MAJOR FINDINGS OF THE PRESENT STUDY:

SERVICES GAP ANALYSIS

The results show that among the tangible dimensions, facilities for the investors are agreed by the share brokers while, transaction statements, service
office’s ambience, trading software, process speed, safety and security and location of the share brokers are strongly agreed by them. The reliability dimensions like response towards queries and promptness are strongly agreed where as accuracy of transaction reports, timeliness of service and reliability of the service providers are agreed by them.

The results indicate that the responsiveness dimensions such as the broker’s involvement and the investor’s relationship management system are strongly agreed and responsiveness of brokers, implementation of investors’ feedback, information network and Innovative investment products are agreed by the share brokers. Among the assurance dimensions, customer care and interaction with the investors are strongly agreed while service standards and procedures, complaints redresses and corporate image are agreed by them.

The gap analysis shows that among the tangible dimensions, the GAP was on facilities for the investors is 18.44 Per cent followed by the process speed (12.71 per cent). Service GAP in the transaction statements is 26.75 per cent; service office’s ambience is 36.07 per cent. In case of safety and security it is 18.44 per cent. The service gap on trading software is 24.01 per cent and location of the share brokers is 37.95 per cent. The research indicates that the reliability dimensions have the gap of response towards queries 20.88 per cent, and promptness 29.20 per cent. The accuracy of transaction reports reveals a gap of 18.74 per cent and timeliness of service is 13.21 per cent. The reliability of the service providers has the gap of 15.38 per cent.

The gap analysis shows that the responsiveness dimensions of the broker’s involvement have the gap of 7.70 per cent. The responsiveness of the
brokers shows a gap of 6.81 per cent and investor’s relationship management system reveals a gap of 21.41 per cent. The research reveals that the implementation of investors’ feedback has a gap of 9.43 per cent and for the information network and innovative investment products it is 6.77 per cent and 13.54 per cent respectively.

The gap in assurance dimensions clearly indicates that service standards and procedures show a gap of 12.24 per cent. The cases on customer care and complaints redresses reveal a gap of 16.47 per cent, and 6.34 per cent respectively. Interaction with the investors and corporate image show the gap (7.39 per cent) and (15.24 per cent) respectively.

Service gap on Empathy dimension is 29.44 per cent in instruction and guidance, 31.88 per cent in investors meeting and 38.24 per cent in the case of training to investors to adopt new service technology. The study found that 41.08 per cent service gap in communication system during trading hours and 38.38 per cent in the case of relationship with the share brokers. The service gap on overtrading instructions and warnings and induction of new investors was 27.84 per cent and 42.29 per cent respectively.

The gap analysis shows in the competence dimensions the working hours have the gap of 33.14 per cent. The technology used shows a gap 52.34 per cent and features of services offered reveals a gap 58.82 per cent. The services charges has a gap (34.52 per cent) and for the service conditions and promotional incentives shows the gap (62.09 per cent) and (50.44 per cent) respectively. The integrated service facilities show the gap of 61.87 per cent.
The research revivals the service quality gap among the share brokers and investors. It is quit alarming that there exists a huge GAP (49.71%) between share brokers and investors in the competence quality dimension. There is also huge gap in Technology used, Features of services offered, Services conditions, Promotional incentives and Integrated service facilities. The share brokers have to improve the facilities in order to retain and satisfy the investors. The service quality GAP is less in the case of assurance (11.61%) and responsiveness (11.02%). The share brokers need to improve their relationship with the investors, since the empathy quality dimension shows a GAP of 35.36%. The investors are not very much satisfied with the tangible facilities provided as it indicates a GAP of 28.48%. The study reveals that there is a shocking signal in some quality dimensions to the share brokers and they need to address it immediately.

The GAP analysis revels that Trinity Account (40.4 per cent) has high degree of GAP, followed by M-Trade (28.8 per cent), Trading Software (26.6 per cent) and Forex Trading (24.8 per cent). The gap is less in case of Commodity Report (0.7 per cent) Company Report (1.2 per cent) Company chart (1.4 per cent) and, IPO information (2.3 per cent) and Research Report (2.9 per cent). The services gap is high in few services which indicate a high degree of disagreement by the investors.

The results show that the customer is very frank with the share broker regarding various services provided by them. The customer cares the growth of the institution and the customer is committed to find the best investment option. The share brokers want to retain the customer because they too enjoy the relationship and benefits as both of them consider solving problems as a joint responsibility. The customer takes timely feedback; the existing customer’s attitude and commitments are effective and ensure best quality of service. The customers tend to do with safe, secure and confident transactions with the share broker, courtesy extended by the customers makes the share broking institution
feel comfortable and customer’s expectations on individualized service attention and service delivery are high which is strongly agreed by the share brokers.

The gap analysis reveals that the statement “the customer discloses all the information with us” disclose maximum gap (45.7 per cent) indicating that the brokers feels that the customers are not revealing all the needed information to them. The statement “our complaints fall on deaf ears” reveals the gap of 50 per cent which indicates that neither the investors nor the share brokers accept the statement. The analysis reveals that the statement “The customer would use a WE problem solving attitude than YOU legal language” has the minimum gap (2.3 per cent) the statement “The customer is committed to find the best investment option” reveals 2.5 per cent gap. The research found that there is an overall gap of (17.5 per cent) among the share brokers and customers in case of the customer relationship with the share brokers.

7.2. CONCLUSION

The present study concludes that majority of the share brokers concentrate on equity shares and most of their customers are private sector employees. Nearly two-third of both traders and investors are local customers. The care, commitment, retention and timely transaction discriminate are the best among the three trading groups while, frankness, care, commitment, retention and friendship discriminate are the best among the three investing groups.

Maintaining accurate accounts and transactions, safe and secure transactions and providing adequate and timely information are the major strategies adopted by the share brokers for the retention of existing customers. The superior services at reasonable charges, effective advertisement and simplified procedure and policies are the important strategies followed by
advanced technology and public relation campaign adopted by the share brokers for attracting new customers.

The quick response followed by due recognition and respect, accurate information and excellent returns are the major benefits of the share brokers as perceived by the investors. Poor communication system, time consuming process, service brokers’ ignorance and failure of the software are the major problems faced by the investors.

The share brokers need to improve the facilities like working hours, technology used, features of various services offered, service charges, service conditions, promotional incentives and integrated service facilities offered by the share brokers. The changing investment environment and technology necessitate the share brokers to improve themselves constantly. The share broking business in India is getting momentum the share broker’s responsible customer service and care will leads to customer delight and improve their business.

7.3. RECOMMENDATIONS

7.3.1. Share Brokers

The findings of this study hold specific recommendations for improving the financial services provided by the share brokers. These recommendations are summarized as below.

Share brokers should pay particular attention to the investor’s experience and expertise because it directly affects the investor’s level of satisfaction with the stockbroker and his/her behavioural intentions. The institutional investors would advise their share brokers as to what to do and thus would always be satisfied with their share brokers who are there to execute their orders.
A managerial implication would be to target experienced and expert investors as clients to ensure satisfied customers and favourable behavioural intentions towards the company such as positive word of mouth, loyalty and willingness to pay higher prices for the firm’s services. This relationship could also imply that experienced and expert investors know where to invest and use their share brokers merely as a stepping-stone to invest on the share market.

There indeed is a category-based effect of consumer attitude formation, thus in the process of corporate introduction of technologies, businesses should consider and evaluate the existing attitudes of consumers toward technology. Therefore, the share brokers should emphasize the investor’s attitude toward technologies, because this factor also influences the attitude formation of consumers towards investment decision.

Consumer traits have a significant effect on their attitudes. The share brokers should provide suitable service transmission methods according to the consumer traits and attitudes. Through appropriate guidance and promotional education, consumers’ attitude towards various services can be strengthened, so that when corporations introduce services, they can lower the impact on the existing consumers, allowing them to feel better quality of service.

The website of the share brokerage firms should be simple, professional and informative. It should provide details about how the brokerage firm delivers more in terms of customer services and benefits. The website should devote sufficient space to educating the customers, both the novices and
the experienced, about the whole process of making money through trading in stocks and shares.

The education section of the website should start with the most elementary information required for an absolute beginner. It should enlighten them about what is a stock, how it is traded, what risks are involved in stock trading, how the trader and investor can secure themselves against such risks, what are the stock trading tools and how the trader and investor can use them to their advantage.

An ideal brokerage firm should provide a platform to meet the individual needs of a long-term investor, the active trader or a professional trader. The stock broker should provide a web-based trading platform featuring a trading center with real time quotes and charts, daily, weekly or monthly scheduled investment services, streaming watch lists, free dividend investment possibilities, free ACH electronic deposits and withdrawals accessible behind any firewall.

There are numerous other technical features that a new entrant to the stock market trading should understand and use. The website should provide downloadable trading application platform with features like streaming L1 quotes, customizable real time charts with technical indicators, extended-hours trading, customizable platform interface, time and sales data and so on.

An ideal stockbroker should provide customizable scheduled investment tools that allow the investor to build a satisfying portfolio over a period of time and save it for the future. With such customizable tools, an
investor can create a custom portfolio of stocks, specify an investment amount and schedule the account automatically. With huge amounts of customer money held in its trust, the brokerage firm should provide tools for protection against the possible frauds through the arrangement of some kind of reliable insurance for a sizeable amount.

### 7.3.2. Recommendations for Investors

The investors must understand that investment in the capital market is not a cake walk. They should be very clear in their investment objectives and should be mentally prepared to meet the challenges with zeal, common sense and have a strong heart to withstand the vicissitudes of fortune.

Warren Buffett has suggested that every investor should be able to understand basic accountancy principles, personal finance, corporate finance, taxation, economics and investment theories, annual report and stock market history. Learning about money management and understanding asset allocation is vital.

There are different trading strategies such as short, medium and long term. The investment strategy should be part of investment plan. The short-term stock trading strategies include Momentum Stock Trading, Penny Stock Trading, Shorting Stocks, News Trading and Extended Hours Trading. In the medium-term and the special stock trading and investment strategies include Gap Trading, ETF Trading, Elliott Wave Theory, Fibonacci Trading Strategy, Contrarian Investing Strategy, and Following Insiders. Finally the long-term investment strategies include Income Investing, Value investing and Growth Investing strategies.
Finding the best stock broker is one of the most important decisions for the investors, checking whether they could be able to provide best possible service at an acceptable commission rate. A good broker should be able to provide you with the best services and take care of the personal preferences of the investors. The share broker must be reachable at all times during working hours. The share broker should offer the necessary trading tools like up-to-date stock quotes, trading charts, latest market news and so on.

Understanding the basic investment concepts will enhance the investors’ stock market investing. Many investors investing in the stock market without sufficient knowledge and understanding on how the stock market performs and they simply expect to gain large returns and ultimately end up by losing too much.

7.4. SCOPE FOR FURTHER RESEARCH

Based on the results of this study, the following recommendations could be considered as scope for future research:

This study considers the financial services provided by the share brokers with special reference to Coimbatore District. Further research can be undertaken taking into consideration other regions in Tamil Nadu. This study does not concentrate on any particular income and occupation groups. Further research can be undertaken based on the particular income group and also particular occupation type. The role of institutions in the development of investment behaviour of customers may also be an important area of concern.
Researchers should consider developing a theoretical model to serve as a point of departure when planning research on the quality attributes of share broking. It is necessary that researchers should explore the relationship between investment decision, strategies and retention of customers in both trading and investments.

However, researchers should endeavor to expand further research on the impact of value addition and new services on the returns and risk in the share market investments. The present research can be enhanced if the understanding of the issues involved in the regional stock market is improved. Future studies should be concentrated on impact of quality the services of share brokers and their social responsibility to satisfy the various needs of investors.

The results demonstrate the need for firms to establish effective communications strategies with investors so as to reduce the information schism, especially for firms pursuing innovation strategies. Secondly, the results demonstrate the importance of incorporating additional disclosures of research and development activities of firms in the annual reports. This information could be in the form of disclosures in footnotes and need not be incorporated in the financial statements themselves. Future research on whether improved disclosure of the R&D activity enables the investors to value the R&D firms more appropriately will provide insights into effective communication strategy to help the investors’ value firms with innovation strategy.