CHAPTER VI

SUMMARY OF FINDINGS AND SUGGESTIONS

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6.1 INTRODUCTION

Online and traditional investing differ substantially in terms of how information is accessed and processed, the nature of intermediation, and the process of trading. Online investing constitutes a sector where the internet has had a large impact in terms of total monetary flows in Tirunelveli city, and now accounts for about all individual’s trade preference and acceptance was online share trading. The study is undertaken by the researcher among the share investors of Tirunelveli city with a structured questionnaire. The intention of the study is to determine the attitude of online share traders in the share markets. Further, it is to explore the factors influencing online share trading, attitude of online share investors and the problems faced by the investors. The researcher made plenty of efforts in approaching appropriate respondents to collect data. The researcher collected data from online share traders. The researcher investigates the level of the satisfaction in online share trading. The data were analyzed with many statistical tools.

For the purpose of study, both primary and secondary data are used. The primary data have been collected from the online traders in Tirunelveli city of Tamilnadu with the help of pre-tested interview schedule. The secondary data have been collected from the records of published and unpublished books, journals, reports, encyclopedia, and through websites. The researcher has used statistical tools like simple percentage, Garrett Ranking Method, Student ‘t’ Test, Exploratory Factor Analysis, Sign Test, Chi-square Test and so on.

6.2 SUMMARY OF FINDINGS

The following are the summary of findings of the study:

- A sample of 361 online investors are taken for the survey under stratified random sampling method. Among 361 investors, a majority (82.83%) of the respondents are males.
A sizable portion of the investors (20.50%) belong to 36 to 40 years of age group.

Most (33.80%) of the investors belong to backward community.

A considerable portion (47.92%) of the investors belong to Hindu religion.

It is understood that most (37.67%) of the investors are graduates.

It is noted that a majority (52.35%) of the investors are married.

The result of the study revealed that a majority of the investors (55.68%) belong to nuclear families.

It is clearly indicated that a majority (66.20%) of the investors have up to 3 members in their families.

It is inferred that most (27.98%) of the investor are private sector employees.

A considerable portion (40.44%) of the investors are in the income group of ₹10,000 to ₹20,000.

The result of the study indicated that a majority (60.94%) of the investors have 2 – 3 earning members in their families.

Most (36.29%) of the investors family income is less than ₹5,000.

It is noted that most (34.07%) of the investors are investing in online share trading for getting more returns.

The result of the study revealed that a sizeable portion (13.57%) of the investors invested in Telecom sector.

It is understood that a considerable portion (25.21%) of the investors have got awareness from brokers.

The result of the study revealed that most (33.24%) of the investors have invested income from their business for investment purposes.

A majority (55.68%) of the investors do not possess knowledge about investment.

A considerable number (29.92%) of the investors have considered tax benefits while making an investment.
It is clearly indicated that a sizable number (37.11%) of the investors prefer online share trading as it takes less time to invest.

The result of the research indicated that most (32.96%) of the investors have experience of 1-3 years.

A notable portion (17.73%) of the investors preferred online share trading for having quick returns.

It is understood that a sizable portion (33.24%) of the investors used credit cards for online share trading.

A majority (68.97%) of the investors are income tax Assesseees.

The result of the study indicates that most (44.99%) of the investors pay income tax at 5% slab rate.

A considerable portion (38.23%) of the investors have bank loan for investment in online share trading.

The study revealed that a considerable portion (26.04%) of the investors have trading in buying and selling activities.

A majority (56.23%) of the investors are highly aware about online trading.

A majority (67.59%) of the investors have opined that extra knowledge is needed for online trading.

The result of the study reveals that most (42.62%) of the investors need extra knowledge to know about the credit rating companies.

For a considerable portion (44.04%) of the investors, risky is neutral.

It is understood that a sizeable portion (27.70%) of the investors have opined that the level of investment skills is very good.

A sizeable number (31.30%) of the investors expected less than 15% rate of return from their investment.

The study clearly reveals that most (30.75%) of the investors have opined that the rate of return is very high.

It is understood from the study that a majority (57.06%) of the investors have said that they get success in online trading.
A considerable portion (27.98%) of the investors have opined that exchange rate is the major problem faced by them in online share trading.

Most (34.35%) of the investors of them faced the problem of delay in getting information.

The research clears that a sizable number (30.75%) of the investors told that change in government policy is the reason for indefinite fluctuations in the market.

It is understood that a majority (50.96%) of the investors have opined that the level of restriction from government is moderate.

The result of Garret Ranking analysis indicated that Newspapers/journals and magazines ranked as the 1st attribute, abridged prospectus has been ranked as the second attribute, TV channels as the third attribute.

The result of Garret Ranking Method indicated that the investors prefer to invest on energy has been ranked first, real estates has been ranked as second, industries has been ranked third respectively.

**Results of Chi-square Test**

**Gender and Level of Satisfaction**

The P value is greater than 0.05. The null hypothesis that there is no relationship between the gender of the investor and the level of satisfaction about the investors relationship in online share trading is accepted. Hence, it is concluded that there is no significant relationship between the gender of the investor and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.

**Age and Level of Satisfaction**

The P value is less than 0.05. The null hypothesis that there is a relationship between the age of the investor and the level of satisfaction about the investors relationship in online share trading is rejected. Hence, it is concluded that there is a significant relationship between the age of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.
Community and Level of Satisfaction

The P value is less than 0.05. The null hypothesis that there is a relationship between the community of the investors and the level of satisfaction about the online share trading is rejected. Hence, it is concluded that there is a significant relationship between the community of the investors and the level of satisfaction about the overall performance of online share trading Tirunelveli City.

Religion and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the religion of the investors and the level of satisfaction about the online share trading is accepted. Hence, it is concluded that there is no significant relationship between the religion of the investors and the level of satisfaction about the overall performance of online share trading Tirunelveli City.

Educational Qualification and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the educational qualification of the investors and the level of satisfaction about the online share trading is accepted. Hence, it is concluded that there is no significant relationship between the educational qualification of the investors and the level of satisfaction about the overall performance of online share trading Tirunelveli City.

Marital Status and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the marital status of the investors and the level of satisfaction about the online share trading is accepted. Hence, it is concluded that there is no significant relationship between the marital status of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.
Type of the Family and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the type of family of the investors and the level of satisfaction about the online share trading is accepted. Hence, it is concluded that there is no significant relationship between the type of family of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.

Size of the Family and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the size of the family of the investors and the level of satisfaction about the online share trading is accepted. Hence, it is concluded that there is no significant relationship between the size of the family of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.

Occupation and Level of Satisfaction

The P value is less than 0.05. The null hypothesis that there is a relationship between the occupation of the investors and the level satisfaction in online share trading is rejected. Hence, it is concluded that there is a significant relationship between the occupation of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.

Monthly Income and Level of Satisfaction

The P value is greater than 0.05. The null hypothesis that there is no relationship between the monthly income of the investors and the level satisfaction in online share trading is rejected. Hence, it is concluded that there is a significant relationship between the monthly income of the investors and the level of satisfaction about the overall performance of online share trading in Tirunelveli City.
Results of Student ‘t’ Test

The calculated value of Student “t” Test (4.28) is more than the table value at 0.05 per cent level of significance and the null hypothesis is rejected. Therefore, in the hypothesis, the favorable opinion of investors and the unfavorable opinion of investors’ attitude towards the level of influences in investment evaluation and decision-making differ significantly.

Results of K.S. Test

According to K.S test the investors have different opinion with regard to the Level of knowledge in the area of investment, with regard to all the 5 statements I know very little about investments, I know the basic principles but I did not know about how to apply them to my personal situation, I understand the basic principles and track my investments from time to time, I know a good deal about the various investment category and accompanying level of risks, I have thorough knowledge of financial markets and the economy, I have extensive experience with investments and I closely track my investments and financial news, there is no difference in the importance of ratings given by the investors.

Results of Factor Analysis

The results of Factor Analysis reveal that the factors are grouped under the following new headings.

1. Various Problems while doing Online Share Trading
2. Risk Taking in Online Share Trading
3. Problems of Risk and Return
4. Factor in Investment Decision
5. Politics and Announcement

The study shows that sixteen factors are identified by the researcher for collecting opinion about the problems faced by the investors while investing in
online, each factor is correlated with a common factor through the factor analysis. All these factors are brought under five heads namelyI entertain the market liquidity; I meet the problem of misuse of password, I meet the problems about the risk and return relationship between on-line trading, I know the important factor in investment decision., I know the Indian Stock Market is sensitive to politics.

**Result of Sign Test**

The result of sign test has concluded that the investors do not have awareness about the functions and regulations of SEBI.

Likert Five-point scale has been used to rank the type of investments to be made in future.

The intensity value shows that the maximum score is obtained by “Shares”, followed by the “National Saving Certificates”, “Others”, “Bonds”, “Debenture”, “Fixed Deposits”, “Insurance Policies”, “Gold/Silver”, “Real Estate” and the least score is for “Mutual Funds”, Hence, it is concluded that the opinion of the investors towards the types of investment to be mad in future is to invest in share markets.

**Result of Kendall’s Co-efficient of Concordance**

Kendall’s co-efficient of concordance reveals that statement “Quick Gain” has got the highest mean score of 5.68 and “Dividends” with second importance (score of 5.61) and the least score (4.34) is given to the statement “Safety”.

**6.3 SUGGESTIONS**

1. To Increase the effectiveness of online share trading among the investors, particular attention should be paid to the long – term strategy. The following suggestions can be a guide in this regard. The following measures in these areas have to be taken on priority basis to achieve success in online share trading business.
2. A Majority of the investors rely on brokers for information. The investors should rely on brokers for every information. They should get relevant information from other sources also.

3. The study has revealed that a majority of the respondents do not possess knowledge about the investment before it is made. The investors should know about the investment avenues through various media available to them.

4. The investors should increase their level of investment skills and knowledge.

5. The investors should study about exchange rate, money transfer procedure, brokerage and they should increase their knowledge on the above said areas and it will help to get success in online trading.

6. The online trading investors should be updated with government policies, inflation, and political knowledge also which will affect the stock markets to a greater extent in future.

7. Garret ranking technique reveals that the investors’ sources of information is newspapers/journals and magazines followed by Abridged prospectus but the investors did not give importance to stock exchange Announcement and company announcement. The investors should give importance to the above announcement which will help to invest safely.

8. The investors should keep their password and online trading credentials secret.

9. The result of sign test shows that the investors do not have awareness of the functions and regulations of SEBI. This is not good to the investors and they should update themselves and should know about the functions, regulations and powers of SEBI.
10. The result of Likert five-point scale shows that the investors are not interested in investing in mutual funds. Mutual fund is very safe to invest and so the investors should come forward to invest in mutual funds also.

11. Kendall’s co-efficient of concordance reveals that the statement “safety” was given least score. The investors seek quick gain and dividend only. While seeking quick gain in online trading, there is a chance for loss and so the investors should seek safety and concentrate on gradual increase on returns.

12. The investors should update themselves because the technology is updating every day and the stock market implement the same, so the investors should equip themselves on the areas of internet trading, e-commerce and other related areas.

13. The investors should use proper security measures while trading in online. Internet security and proper firewalls should be used to avoid hackers.

6.4 CONCLUSION

Online trading is being preferred by customers rather than Offline trading. Major reason for customers to invest in online trading is its convenience and user friendly nature. The Stock Exchanges in India, under the overall supervision of the regulatory authority, the Securities and Exchange Board of India (SEBI), provide a trading platform where buyers and sellers can meet to transact in securities. The trading platform provided by stock market is an electronic one and there is no need for buyers and sellers to meet at a physical location to trade. They can trade through the computerized trading screens available with the stock market. Online trading empowers educated investors to make their own decision with close watch on market sensitivity by browsing through various sites. Besides, net trading assures achievement of objectives of securities regulation which are the creation of efficient market to meet global requirements and investor’s protection. Major hurdles for the
growth of online share trading are computer illiteracy, risk adverse attitude of investors, lack of knowledge about SEBI, not adhering to announcements made by the companies, rely on brokers and `the like. So with the growth of educated investors and support from SEBI, online trading is sure to grow faster.

6.5 SCOPE FOR FURTHER RESEARCH

The present study covers only investors attitude towards online trading in Tirunelveli city. This study would strive to motivate further research in the area of online trading in stock market. More areas have been identified that warrant further research and such areas are as follows:

1. A Study on Satisfaction of Investors towards the Online Trading on various Stock Exchanges in India.
2. A Study on Investors Attitude towards the Online and Internet Trading at BSE.
3. A Study on Problems and Prospects of Online Share Trading in India.
4. A Study on Investors Behavior towards the Adoption of Online Trading.
5. A Study on Customers’ Satisfaction towards the Online Trading in Retail Broking.