



**A COMPREHENSIVE STUDY ON INVESTORS  
PREFERENCES AND SATISFACTION REGARDING  
ON LINE & OFF-LINE TRADING IN  
SRIGANGANAGAR CITY**

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**ABSTRACT**

*Online services offer customers a splendid display of benefits such as enhanced control, ease of use and reduced transaction charges. Consequently, online services have grown rapidly and have emerged as a leading edge of service industry. Providing online services in stock & commodity exchanges such as BSE, NSE, NCDEX, and MCX etc. has lead market to become more competitive. This paper covers a comprehensive study on investors' preferences and satisfaction regarding On- line and Off-line trading in Sriganganagar City of Rajasthan. Results show that there is a meaningful difference between traders' satisfaction in off line trading and online trading system; moreover, existence of online trading system in stock exchange can raise the degree of traders' satisfaction. Obviously satisfied traders tend to invest more and more and this is desirable.*

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**INTRODUCTION**

Online trading means trading in equities, derivatives, commodities etc. through internet. It enables the investor to electronically connect through internet, using a broker to buy or sell stocks, derivatives etc with the other investors. In online trading, one can access a stockbroker's website through an Internet-enabled PC and can place orders. Online trading started in February 2000 when a couple of brokers started offering an online trading platform for their customers. An investor trading online has the certain benefits to the investors like they can see the latest market movement, self-execution and instant confirmation without any time lag, complete control over their trading decisions, access to accounts and related information on the Web and convenience of trade from home. Along with advantages, there are also some technical disadvantages like disconnection from Internet, electricity

disconnection etc. The main companies providing online trading are Religare securities, Anand Rathi Securities, IDBI Securities, ICICI Direct, India Info-line, India Bulls, Sharekhan Securities, Reliance Money, Karvy Securities, Bonanza securities etc. On the other hand, In off-line trading, the investor places orders with the stockbroker either verbally (personally or telephonically) or in a written form (fax). This may be because he may not comfortable in accessing the Internet.

## FACTS & FINDING

### CUSTOMER PREFERENCES WHILE USING TRADING FACILITY:-

Investors			Type of facility used by Investors for trading	
Occupation	No. of people	Gender	On line trading	Off - line Trading
Service	18	Men	2	16
	8	Women	-	8
Business	28	Men	5	23
	1	Women	-	1
Self employed	17	Men	8	9
	9	Women	1	8
Others	11	Men	2	9
	8	Women	1	7
<b>Total</b>	<b>100</b>		<b>19</b>	<b>81</b>

In this survey it was found that most of the respondents uses off- line trading rather than on line trading. Out of 100 respondents, 81 were using off- line trading and only 19 person were using on line trading. It was found that person who are using on line trading belongs to business or self- employed class. It was also found that investors who are trading in stock market mostly belong to service and business class.

**PREFERENCE OF INVESTMENT:-**

Preference	Bank or Post office	MF or insurance.	Share market	Property	Other
No. of person	40	10	6	24	20

It was also found that most respondents prefer bank or property option for investment purpose. Out of 100, 64 prefer bank or property option and only 6 people prefer stock market for investment purpose.

**INVESTMENT IN MORE THAN ONE INVESTMENT OPTION:-**

Preference	Yes	No
No. of Respondents	82	18

It was found that 82% respondents are using more than one investment option for investment purpose. Out of 100 people 82 people investing their money in more than one investment option. These show that respondents are very cautious for their investment.

**ADVICE BEFORE INVESTING:-**

	Relatives	Friends	Broker	Any other person or self
No. of Respondents	39	15	35	11

It was found that most of the respondents take advice from relatives or friends before making any investment. Out of 100 people 39 say that they take advice from their relative before making investment and 35 people say that they use expertise advice like broker or investment agency before make any investment. Only few people invest their money either self or taking information from other source.

**COLLECTION OF INFORMATION BEFORE INVESTMENT:-**

	News paper	TV or internet	Broker house paper	Mobile tips	Any other
No. of Respondents	53	24	5	11	7

It was found that most of the respondents collect the information from news paper before making investment and many of them also use TV or internet options. Out of 100 people 53 people use news paper and 24 people use TV or internet. Some person use mobile tips and

other options for collect the information before making investment. This data show that investors use print media for collecting the desired information.

#### **ATTRIBUTES CONSIDER IMPORTANT WHILE INVESTING:-**

<b>Attribute given Highest Rank</b>	<b>No. of Respondents</b>
Return on investment in past	45
Dividend on investment	23
Reputation of company	05
Financial position of company	15
Report on company/ tips	12

This table show that investor of Sri Ganganagar city thinks that return on investment and dividend or interest on investment is important attributes for investing their money. Out of 100 people 68 people had given high ranking to return on investment and dividend or interest on investment. Only few people had given the high rank to reputation of the company and any tips on particular company and only 27 people given high rank to these two attributes.

#### **CUSTOMER VIEW WHILE USING ON- LINE TRADING FACILITY:-**

#### **ATTRIBUTES CONSIDER IMPORTANT WHILE USING ON -LINE TRADING:-**

<b>Attribute given Highest Rank</b>	<b>No. of Respondents (out of 19)</b>
<b>Easy and fast transaction</b>	6
<b>Security on transaction</b>	-
<b>Operate from anywhere</b>	3
<b>Fair and self controllable</b>	1
<b>Makes transaction personnel</b>	9

It was found that only 19 person using online trading for stock trading and out of 19 persons, 9 person given the attribute “make transaction personal’ highest rank and 6 person given “easy and fast transaction’ highest rank and no person given highest rank to security on transaction attributes. This data show that person use on line trading to make personal portfolio and for easy transaction in market time.

**PROBLEM FACED BY CUSTOMER WHILE USING ONLINE TRADING:-**

No. of person who use on line trading	Problem faced by Investors	No. of Investors who faced Particular problem while using on line trading
19	Server down/ software problem	3
19	Security on transaction	-
19	Lack of proper guidance	2
19	Any other problem	5

It was found that some person who are using on line trading system face some. Out of 19 people, 10 people were facing some problem regarding on line trading and Most of them were facing problem like server down and lack of proper guidance. This table shows that investor is not fully satisfied with on-line trading.

**REASONS FOR PREFERRING ON LINE TRADING RATHER OFF- LINE TRADING:-**

Attribute given Highest Rank	No. of Respondents (out of 19 )
SMS facility	-
Personal transaction	11
Anywhere transaction	5
Fair and self controllable	3
Behavior of dealer	-
Any other reason	-

It was found that investor who are using on line trading facility prefer on line trading for personal transaction or his own personal portfolio and feature of on line trading any where transaction make familiar on line trading comparison to off line trading. This table show that most people use on line trading for personal transaction and fair & self controllable transaction. Out of 19 people, 11 people prefer on line trading for personal transaction and 5 people prefer due to any where transaction option.

**ADDING NEW FEATURE IN ONLINE TRADING:-**

Want to add features in on- line trading	No. of Respondents (out of 19)
No restriction on intraday transaction	1
Training for user	11
Message through e-mail	5

<b>Any other features</b>	2
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It was found that user of online trading facility wants to add feature in online trading for betterment of system. Out of 19 people, 11 people wants that On-line broker company should provide them time to time training for better use of software and 5 people wants to add alerts through mail feature in on line trading. Only 1 person out of 19 people says that there should not be no restriction on transaction.

#### **RATING THE OVERALL SERVICE OF ONLINE TRADING:-**

<b>Rating</b>	<b>0-1</b>	<b>2-3</b>	<b>4-5</b>	<b>6-7</b>	<b>8-9</b>	<b>10</b>
<b>No. of Respondents</b>	-	-	3	11	5	-

It was found that user of on line trading is satisfied with on line trading. out of 19 people , 16 people given overall rating to online trading in between 6-9 and this show investors satisfaction level while using on line trading facility and no one has given low rating to online trading but also no one given perfect 10 rating to online trading its mean there is a scope for improvement of online trading.

#### **CUSTOMER VIEW WHILE USING OFF LINE TRADING FACILITY:-**

#### **ATTRIBUTES CONSIDER IMPORTANT WHILE USING OFF LINE TRADING:-**

<b>Attribute given Highest Rank</b>	<b>No. of Respondents (out of 81)</b>
<b>Expertise investment</b>	35
<b>Exposures to market</b>	1
<b>Less burden about account management</b>	23
<b>Fair transaction</b>	4
<b>More funding facility</b>	18

It was found that out of 100 people, 81 people using off line trading facility for trade and out of 81 people , 35 people had given expertise investment attributes highest rank and 23 people given highest rating to less burden to manage account. This shows that investor using off line trading facility for expertise investment and less burden about managing account.

**FEATURES WANT TO ADD IN OFF LINE TRADING:-**

No. of Respondents who using on line trading	Features want to add in on line trading	No. of Respondents who want to add features in on line trading
81	SMS facility (mobile tips/ investment tips)	58
81	Time to time investor meeting	16
81	Reduce place and distance constraints	-
81	Any other feature	7

It was found that in off- line trading; most of the investors want to add SMS alerts facility. Out of 81 investors, 58 Investors want to add this feature in off line trading, 16 investors want that there should be investor monthly meeting to sort out the problem.

**ANY PROBLEM FACED BY CUSTOMER WHILE USING OFF- LINE TRADING:-**

No. of Respondents who are using off line trading	problem faced by customer	No. of Respondents who faced problem while using off line trading
81	Employees behavior	15
81	Time constraints	11
81	Distance constraints	23
81	More paper work	-
81	Any other problem	15
81	No problem	17

It was found that investor facing many problems while using off- line trading facility. Out of 81 people, 17 people do not have any problem. Most investors problem is regarding time and distance constraints. Out of 81, 15 people think that behavior of employees was not good.

#### **WHY ARE YOU USING OFF- LINE TRADING RATHER ON LINE TRADING:-**

<b>Reason</b>	<b>No. of Respondents (out of 81)</b>
<b>Security on transaction</b>	45
<b>Do not have resource</b>	23
<b>Lack of knowledge about computer or net</b>	22
<b>Any other reason</b>	10

It was found that investor prefer off- line trading facility for trade in stock market due to security reason but most of them do not have proper resource and lack of computer knowledge. Out of 81, 68 person say that they are using off line because of they do not have resource and proper knowledge about computer or internet.

#### **IF YOU PROVIDED ALL RESOURCES WOULD YOU LIKE TO SWITCH FROM OFF LINE TO ON LINE TRADING:-**

<b>Response</b>	<b>Yes</b>	<b>No</b>
<b>No. of Respondents (out of 81)</b>	43	38

It was found that if off- line client are provided all the resources and relevant information , 53% person want to use the on line trading system but 47% refuse to use the on line trading system.

#### **RATING THE OVERALL SERVICE OF OFF- LINE TRADING:-**

<b>Rating</b>	<b>0-1</b>	<b>2-3</b>	<b>4-5</b>	<b>6-7</b>	<b>8-9</b>	<b>10</b>
<b>No. of Respondents</b>	-	15	28	11	25	2

It was found that user of off- line trading is partly satisfied with it. out of 81 people , 36 people given overall rating to off line trading in between 6-9 and this show investor satisfaction level while using off line trading facility but 43 people rate the off line trading between 2-5, this show less satisfaction of investor while using off line trading.

#### **USERS OF ONLINE AND OFF-LINE TRADING ON THE BASIS OF GENDER**



Null Hypothesis:  $H_0$  = There is no difference between the Users of Online and Off-line trading on the basis of Gender i.e. Male and Female

Alternate Hypothesis:  $H_a$  = There is difference between the Users of Online and Off-line trading on the basis of Gender i.e. Male and Female

Users	Online Trading		Off-line Trading	
	Observed	Expected	Observed	Expected
Male	17	14.06	57	59.94
Female	2	4.94	24	21.06

\* Portfolio yield of two institutions were not available

The Calculation of Chi-Square value to test the hypothesis that there is no significant difference between the users of Online Trading and Off-line trading on the basis of Gender

#### CHI – SQUARE TEST TO COMPARE THE USERS OF ONLINE AND OFF-LINE TRADING

O	E	O-E	(O-E) <sup>2</sup>	(O-E) <sup>2</sup> / E
17	14.06	2.94	8.64	0.61
2	4.94	-2.94	8.64	0.61
57	59.94	-2.94	8.64	0.61
24	21.06	2.94	8.64	0.61
Total				2.44

Here the calculated value of the chi- square i.e. 2.44 is less than the table value both at 5 percent (3.84) and at 1 percent (6.64) levels of significance. Hence the null hypothesis framed for this study is accepted and therefore there is no difference between online users and off-line users on the basis of gender in Sriganaganagar city

#### ANALYSIS & INTERPRETATIONS

##### ON THE BASIS OF THE FINDING, IT CAN BE ANALYZED:-

- This study show that most of the investors are using off line trading rather than on line trading. It was found that Investors who are using on line trading belongs to business or self employed class.
- It also shows that most of the investors prefer bank or property option for investment

purpose. Only few of them prefer stock market for investment purpose. This show that investor is very cautious in investing in share market in Sriganaganagar City.

- Most of the Investors are investing in more than one investment option. This show that people is very cautious for investment and prefer their money to be diversified among different investment avenues.
- This study shows that most of the investors take advice from relatives or friends before making any investment or expertise advice like broker or investment agency advice before making any investment. Ratio of the people who prefer their known's/relatives to take advice is more rather than the advice from expertise persons.
- This study show that investors collect the information from news paper, TV or internet before making investment This show that investor believed and use print media for colleting the desired information.
- This study show that investor thinks that return on investment and dividend or interest on investment is important attributes for invests their money. Only few people had given the high rank to reputation of the company and any tips on particular company.
- Nearly half of the people given the attribute make transaction personal highest rank and some of them given easy transaction highest rank while using on line trading. This shows that person using on line trading to make personal portfolio and for easy transaction in market time.
- Nearly half of the people were facing some problem while using on line trading like server down and lack of proper guidance. This shows that investor is not fully satisfied with online trading facilities and there is need for improvement in on line trading services
- This study show that person prefer on line trading for personal transaction or his own personal portfolio. Other people prefer on line trading for any where transaction option. This show that mostly people use on line trading for personal transaction and fair & self controllable transaction.
- This study show that user of on line trading facility wants to add some more feature in online trading for betterment of system like training from brokers for use of software. alert mail from broker company etc.
- These studies show that users of online trading is satisfied with on line trading. Most of the people are satisfied between 60-90%. This show high investor satisfaction level while using on line trading facility but also no one is fully satisfied with online trading. It means there is scope for improvement in on line trading system.
- People use off-line trading for expertise investment advice as well as to reduce their burden to manage account.
- This study shows that user of off- line trading want to add SMS alerts facility, monthly investor meeting to seek out the problem. This show that there is area of improvement in off-line trading and off-line trading system is lacking behind to provide relevant information to its users.
- This study shows that users of off-line trading are facing various problems. Major problem in off line trading is time consumed, distance and behavior of employee. This show the opportunity for broking companies to convert this type of customers in to on

line trading user.

- This study show that off line trading user prefer off- line trading facility mainly due to security reason. Most of users of off line trading think that on line trading is not safe because on line trading is done on internet and their account may be hacked. People alsosay that they are using off-line because of they do not have resource and proper knowledge about computer or internet. This shows that there is tremendous opportunity for broking companies to aware people about online trading and give knowledge to them to increase their customer base.
- This study shows that off line traders are less satisfied with off line trading. Less than half of the users were satisfied between 60-90% with off-line trading, This show that there is wide opportunity for broking companies to convert these off-line users in to on line users and also show that there is wide area to improvement are required in off line trading system to retain its customer.
- Nearly half of the off-line trading users were ready to use online trading if they provided all the resources and all the relevant information about on line trading.
- There is no discrimination of Online Users and Off-line users on the basis of Gender i.e. male and female.

## CONCLUSIONS

It can be concluded that most of the investors in Sriganaganagar City are using off-line mode for doing the trading in the stock market. They are using off-line mode because they thinks that online trading is not safe and secure as well as they do not have proper infrastructure and knowledge to use it. But most of them are willing to use online trading if they are provided with adequate resources and knowledge. Although both online and off-line users are facing some problems with their mode, but online users are more satisfied with their mode of facility. There is no discrimination of users of online and off-line facility on the basis of gender so there is no preference for one particular type of facility by one particular gender. There is lot of improvements are required to retain its customer base by the broking firms in off-line mode. More features are required to be added in both online and off-line mode of trading for the future growth of their business.

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