

VANDAN GOHIL 201159

Market Analysis & Investment Management

“A Study on Investor’s Behavior
and Preferences towards Online
Trading v/s Traditional Trading
in Surat City.”

SUMMER INTERNSHIP REPORT

**Project Title:Market Analysis and Investment
Management**

Organisation Name: Bastawala Securities

**Address:301, city square, Ajramar Chowk, Near Amidhara
Wadi, new Rander Road, Surat 395009**

Author of Report : Vandan Gohil (201159)

Submitted to : Prof. Nityeh Bhatt

MBA FT (2020-22)

INSTITUTE OF MANAGEMENT, NIRMA UNIVERSITY

DATE OF SUBMISSION- 12th July, 2021

DECLARATION

I, the undersigned, hereby declare that the project report entitled “*A Study on Investor’s Behavior and Preferences towards Online Trading v/s Traditional Trading in Surat City.*” is the original piece of research work carried out by me under the guidance and supervision of **Prof. Nityeh Bhatt, INSTITUTE OF MANAGEMENT**, affiliated to **NIRMA UNIVERSITY**, Ahmadabad. I further declare that all the data and information collected through secondary sources are duly acknowledged in the report.

Place: Surat

Name of the Student:

Date: 12th July, 2021

Vandan Gohil

ACKNOWLEDGEMENT

At this point, when I am about to finish my project work, it is my privileged opportunity to thank all those people for their contribution provided to this research work.

Firstly, I would like to thank **Institute of Management, Nirma University**, for always working and thinking in the direction of betterment of the students with all the necessary resources during our post-graduation MBA program and giving us opportunity to go out into the real world and supplement experience with practical learning.

Next, I wish my heartfelt thank to Director of my college **Mr. Subir Verma**, who always motivate us to fulfil our dreams and lead us in the direction of growth. He has given his valuable inputs for effective completion of this project.

I cannot forget the contribution of my project Mentor **Prof. Nityeh Bhatt**, without the support of whom I would have never completed this report. His constant help, guidance and continuous teaching has given me so many inputs on academic as well as non-academic front.

I would like to express sincere thanks to **Bastawala Securities** for giving me this opportunity to work with them. The list is endless but to name a special person, I would like to thank **Mr. Nilang Bastawala** (Portfolio Manager and Research Head) for being extremely supportive and guiding me throughout my internship and giving me constant motivation and expert advice.

Lastly, I would thank all my friends, respondents and other persons directly or indirectly, who have supported me in completing this report.

INDEX

Sr. Number	Topic	Page Number
1.	Project Objectives and Deliverables	01
2.	Executive Summary	03
PART A		
3.	Information about the company	04
4.	Organization Business Sector Analysis	07
5.	Porters Five Forces	12
6.	SWOT Analysis	15
7.	7S Framework	17
8.	PESTEL Analysis	18
9.	Upcoming Challenges	24
PART B		
10.	Abstract	26
11.	Introduction	27
12.	Literature Review	31
13.	Research Methodology	37
14.	Data Interpretation	43
15.	Findings, Suggestions & Limitations	53
16.	Conclusion	59
PART C		
17.	Learnings	60
18.	Annexure , Reference	63

Project Title: Market Analysis and Investment Management

Project Objectives

1. Stock Market Analysis:

This project aims to develop analytical skills in order to identify the intrinsic worth of a security and able to reach at an investment decision like whether to buy or sell or retain a particular security with considering all the factors and parameters related to it.

2. Analyzing Fundamental Research Reports:

In order to gain proper financial knowledge about companies, their market share value, what should be the target price, Stop Loss, the final investment decision etc., one is required to analyze Fundamental Research Reports of the Companies.

3. Portfolio Management and Services:

To make you aware about various investment avenues that can be a part of Portfolio Management and Services.

Project Deliverables

1. Networking opportunities-

Working with clients, colleagues and industry contacts, I will develop a solid network both within and outside our area of expertise.

2. Professional Skills Development-

The biggest reward one can earn with the Internship is one can develop professional skills. During this internship, I will learn how to talk with people in the organization. This also help us to develop confidence skills.

3. Better knowledge regarding investments-

In the end, this project will help me to gain more knowledge regarding investments.

4. Better Analytical Skills-

In the end, this project will help me to develop Analytical Skills in the Stock Market.

5. Better Investment Decisions-

In the end, this project will help me to take better Investment Decisions while considering the market factors. Here, better investment decisions mean generating higher return while optimizing the risk.

6. Analyzing Risk factors-

There are certain risk factors which affects the market. In the end of this project, I will learn to analyze the risk factors by keeping track of the market, observing the trends and new announcements which will affect the market.

Executive Summary

As an intern having the job responsibility of market analysis and investment management at Bastawala Securities, I learned about various fundamental and technical analysis of stock. My first assignment was to learn about various products and services Bastawala securities deals with. Afterwards the next task was to learn about the fundamental and technical analysis of stock. For this I have read and analyse many equity research reports and learn about various technical analysis techniques like candlestick patterns, Pivot points, Bollinger bands, Simple moving averages, Relative Strength Index (RSI), Stochastic Oscillator (SO), and creating support and resistance for a particular stock.

Interacting with clients and understanding their investment needs, thereby creating and designing the portfolio was the next part of my job. After completing this I have analysed and realised that different types of investors have different needs which are affected by certain factors like income of the investors, their risk bearing capacity and how much return they want in what period of time. Also, my communication skills improved a lot.

I did competitive and industry analysis for the company by doing SWOT analysis, PESTEL analysis, Porter's five forces model etc., also analysed the current challenges faced by the firm and provide them with the possible solutions and learned about the current stock market trends needs. I was asked to conduct a market research on Investor's Behavior and Preferences towards Online Trading v/s Traditional Trading in Surat City. After completing my research project, I have gained valuable insights about the investors behavior and preferences regarding the method of trading.

In these 8 weeks of my internship, I gained knowledge and expertise in equity stock market with my mentor's support and guidance. I have got vast opportunities to ask many questions and learn freely.

Word Count: 292

Part A- Profile of The Organisation

I. Information about Bastawala Securities

About

Bastawala Securities provides wealth management services like investment in equity trading, insurance, mutual funds and portfolio management services. It allows its clients to do equity trading through both of the method i.e., offline trading as well as online trading. It has compliances with KR Choksey Shares and Securities' platforms & tools in order to help its clients in share trading in Equity segments. for online trading platform. It maintains portfolio of its clients and help them in taking Investment related decisions. It has blossomed into a good team due to its focus on customer-first mentality, ethical and transparent company procedures, respect for professionalism, research-based value investment, and adoption of cutting-edge technology.

VISION

To provide quality advice and exceptional service to investors in order to assist them in making better financial decisions. We feel that client pleasure is critical to our success.

MISSION

- To provide the highest level of customer service and product innovation tailored to the needs of a broad clientele.
- Continual improvement in response to changing technology while respecting human values
- Respond to globalization as it progresses and meet worldwide standards.
- Ethical practices support efficiency and effectiveness.

CORE VALUE

- Stakeholder value maximization
- Teamwork, Integrity, and People are the keys to success.

TYPE OF INVESTORS

- **Retail Individual Investors (RII)**- It consists 40% of the investors at Bastawala Securities.
- **High Networth Investors (HNI)** – It consists 40% of the investors at Bastawala Securities.
- **Corporate Investors** - It consists 20% of the investors at Bastawala Securities.

PRODUCTS AND SERVICES:

- **Equity Trading:**

- ✓ The buying and selling of firm shares or stocks, often known as equities, on the financial market is known as equity trading. You can do trading in two ways, the first one is intraday trading and the second way is delivery trading. Every country has its own stock exchange (organized market) where shares of publicly traded corporations can be purchased and sold. In India we have two major stock exchanges, namely, National Stock Exchange (NSE) & Bombay Stock Exchange (BSE). Bastawala Securities is registered with Bombay Stock Exchange (BSE) of India.
- ✓ Equity is a main asset class that can aid in the diversification of your financial portfolio. To trade in them, you must have a demat account as well as a trading account. Once you have both, you can bid on stocks by proposing a specific price. A deal occurs if this price matches the price requested by the sellers. However, if multiple investors are bidding on the same stock, the first bidder usually wins.
- ✓ Stock prices are influenced by the activity in the market. For example, a large demand to acquire a company's shares may raise its stock price, whereas a high demand to sell reduces the stock price.

- **Insurance:**

- ✓ Insurance is a contract, represented by a policy, in which an individual or entity receives financial protection or payment from an insurance firm in the event of a loss. The company pooled the risks of its clients in order to make payments cheaper for the insured.
- ✓ Insurance plans are intended to protect against the risk of financial losses, both large and minor, that may occur as a result of damage to the insured or his/her property, or liability for damage or injury caused to a third party. Bastawala Securities assists its clients to invest in Insurance schemes.

- **Mutual Funds:**

- ✓ A mutual fund is a pool of money invested by an Asset Management Company (AMC) in accordance with a common investment objective. The AMC promises to invest the money of hundreds of participants in order to achieve a specific goal, such as keeping money liquid, providing a regular income, or long-term growth. Investors purchase a plan if it aligns with their financial objectives, such as receiving a regular income now or allowing money to accumulate over time. Bastawala Securities assists its clients to invest in Mutual fund schemes.

- **Portfolio Management Services:**

- ✓ You can rest confident that your assets are in good hands with the Bastawala Securities managing your portfolio. We have a multidisciplinary approach that includes quantitative analysis, fundamental analysis, and technical analysis. This multi-pronged approach enables us to provide you with risk-controlled profits.
- ✓ From selecting the best stock combination for you based on your risk tolerance to tracking their movements and discussing them with you during key events, we have you covered.

II. Organization Business Sector Analysis-

The dealings of Bastawala Securities come under the **stock broking sector**. Therefore, it is necessary to understand the overview and future outlook of stock broking sector.

Overview of Stock Broking

The Indian stock broking sector predates the creation of the Bombay Stock Exchange (BSE) in 1875 and is the world's oldest trading industry. Despite a variety of changes during the post-liberalization period, the industry has found its path to long-term growth. In terms of yields, products, and customer service, it has evolved over numerous years. Indian brokerages were to be classified into two categories in the beginning: bank-led brokers and nonbank-led brokers. The majority of these brokerages were full-service firms, offering everything from trading platforms to settlement services, investment advising (research), investment banking, and wealth management.

In FY2020, the total size of the Indian broking sector was INR 210 billion, an increase of 8% over INR 195 billion in FY 2019. At a YoY growth rate of 9.5 percent, the sector is estimated to reach INR 230 billion in FY2021. India is still one of the world's most under-invested countries when it comes to international equity investment.

In the current context, large brokerages with a significant presence in internet broking have gained their market share. "According to the National Stock Exchange (NSE), the top 20 brokerage firms accounted for around 84 percent of overall active client accounts in December 2020, up from 75 percent in March 2020. (57 per cent as of March 2019). Discount brokerage companies, on the other hand, have been able to capture the majority of new accounts because to their technology-driven business strategy. Traditional brokerage firms, on the other hand, have experienced a poor start to the year in terms of new client acquisitions."

New client additions are likely to stay healthy in the industry, thanks to a strong push toward digital onboarding of consumers, as well as a big untapped market in the retail segment, favourable demographics, increased financial literacy, and expanding smartphone/internet usage.

"The consolidation trend is projected to continue, with smaller broking firms losing market share to larger broking firms."

In 2020, at least 15 companies will go public, raising more than Rs 25,000 crores in the process. Happiest Minds, Chemcon Specialty, Mazagon Dock Shipbuilders, Burger King, and Mrs Bectors' IPOs were all oversubscribed. At least 30 companies are likely to issue initial public offerings (IPOs) in 2021, with the aim of raising more than Rs 30,000 crores from the markets.

Investors, who are increasingly looking for easy-to-use, safe, and hassle-free trading platforms, have benefited from the digitization of the broking sector. In 2020 and 2021, the Indian brokerage industry's digital revolution advanced.

During the shutdown, an increasing number of consumers turned to internet brokerage platforms to trade. Brokers used innovative technology such as cloud-based systems and IT-enabled applications, which constitute the backbone of the broking sector, to respond to this unprecedented trading volume and give superior trading experiences. To keep up with the surge in trading volumes and new account openings, brokers are increasingly turning to cloud-based platforms. Cloud computing, in contrast to conventional infrastructure, provides easy scalability, cost-effective and time-saving services, and a level of flexibility never seen before in the industry.

Demat Accounts

Between April 2020 and January 2021, new dematerialized or demat account additions reached an all-time high of 10.7 million, according to data from the Securities and Exchange Board of India (SEBI). The growth was more than double the 4.7 million new accounts opened in the financial year 2019-20. 1.7 million new demat accounts were opened in January 2021 alone, the largest monthly growth since September 2019, when 1.9 million accounts were opened. India's total demat accounts were 51.5 million in January 2021, up from 40.8 million at the end of FY20 and 35.9 million in FY19.

Zerodha holds roughly 18.85 percent of the overall market share of active clients registered on the National Stock Exchange as of February 28th, 2021. It has around 33.9 lakh active consumers, compared to the NSE's overall active client base of approximately 1.79 crore. Upstox, which ranks second and has over 19.6 lakh unique clients, is followed by Zerodha. Angel Broking (14.5 lakh clients), ICICI Securities (14.35 lakh clients), HDFC Securities (9.44 lakh clients), 5Paisa (8.45 lakh clients), Kotak Securities (7.17 lakh clients), Sharekhan (6.76 lakh clients), Groww (6.56 lakh clients), and Motilal Oswal Group are the other most prominent stockbrokers on this list (5.43 lakh clients). These 15 largest stockbrokers account for more than 70.19 percent of the total number of unique clients registered on the NSE.

Industry Performance

The domestic brokerage industry's revenue would expand by 30-35 percent to Rs 27,500-28,500 crore in 2020-21, thanks to increased interest in the markets from both international portfolio investors and retail investors. In 2021-22, growth is likely to slow to 7-8 percent, bringing the total to Rs 29,500-30,500 crore.

In the April-December 2020 period, the stock markets generated an aggregate turnover of Rs 4,222 lakh crore, or a 66 percent year-on-year (y-o-y) increase. In 2020-21, the average daily turnover (ADTO) climbed to Rs 22.46 lakh crore, up from Rs 13.89 lakh crore in the previous year's similar period and Rs 14.39 lakh crore in 2019-20. In the first half of 2020-21, the industry exhibited signs of improvement, with the sample pool showing annualised increase of 34% in broking income and 21% in overall revenues.

Retail investors flocked to trading for a quick buck in FY21, as competing asset classes such as fixed deposits, bonds, and real estate gave lesser returns than stocks. The Sensex and Nifty are expected to have their greatest returns in 11 years in FY21. So far in FY21, both benchmark indices have gained 72-75 percent, with BSE Midcap and BSE Smallcap gaining 96 percent and 120 percent, respectively.

Key growth drivers of the market

- ✚ Increased investor participation in stocks markets is largely due to **technological improvements**. As a result of greater financial knowledge, demat account openings climbed by 130 percent. Around 6.3 million accounts were opened in the first half of FY 2021. Due to an increase in smartphone users and excellent internet speeds at low data costs, fintech companies have played a significant role in the growth of the brokerage sector after demonetization. Mobile trading appeals to retail investors because it offers them easy and user-friendly apps on secure platforms.
- ✚ Brokerage firms in India offer international investment services that enable their clients to purchase blue-chip stocks in the United States. **Investor need for portfolio diversification** is one of the key incentives for companies to provide these services. Broking firms have contacts all around the world, demonstrating that such services are in significant demand. In September 2020, Kuvera, an Indian online platform for mutual fund investing, partnered with Vested Finance, a US Securities and Exchange Commission-registered investment adviser. This partnership allows investors to purchase equities from the United States through the company's web platform.

Key deterrents to the growth of the market

- ✚ The **lack of financial expertise** is a major reason for the brokerage market's under-penetration. Many Indians are unfamiliar with the term's shares, stocks, and mutual funds. They have no knowledge how to invest in them to achieve high returns when compared to traditional investment options. The reward (return) to variable (risk) ratio, asset allocation, and the benefits of diversification are all ideas that most consumers are unfamiliar with.

Covid-19 impact

On Monday, April 5th, India recorded 1,03,558 new coronavirus infections, bringing the total number of cases in the country to 1,25,89,067. The total number of people killed has risen by 478 to 1,65,101. This is the country's largest single-day increase in cases since the pandemic began. Despite a new round of Covid-19-related restrictions issued by the government in April 2021, both the leading stock exchanges NSE and BSE are allowed to continue operating and maintain seamless operation of the exchanges. Due to an increase of covid -19 cases around the world, the market fell sharply in March 2020. People began participating in the stock market with the prospect of market growth as lockdown restrictions were eased, the number of cases decreased, and the covid-19 vaccine was introduced, resulting in the establishment of a high number of demat accounts in the April-June quarter of FY21.

Future Outlook

Brokerage businesses in India have seen the potential for hassle-free trading by combining design and technology to lower consumer costs. Low-cost trading, more smartphone penetration, quicker internet, and the simplification of trading software will enable a growing number of people of all ages to trade with ease. Customers have been empowered by technology-based financial services organizations with tools and insights to make better investing decisions.

However, the brokerage industry's view for FY22 is **"cautiously stable."** "In FY22, the industry's growth rate is predicted to be moderate, with transaction volumes gradually declining." While the Indian stock broking business is likely to develop at a healthy rate overall, small- and mid-sized brokerage firms are expected to experience significant operational and finance issues, which could affect their growth and profitability.

The domestic brokerage industry's overall revenues are estimated to reach Rs 23,000 crore in FY21, representing a YoY growth of 10-12 percent, thanks to increased retail investor engagement and increased trading volumes.

III. COMPETITIVE POSITION (Using Porter's Five Forces)



1. Bargaining Power of Buyers:

- Investors who trade through stock broking businesses such as Bastawala Securities include small investors, High network investors and corporate investors.
- The bargaining strength of stockbroking houses here is determined by the size of the investor.

- So, in this scenario, we can claim that the bargaining power of stockbroking houses is strong in the case of small investors.
- HNIs (High Net Worth Investors) have moderate bargaining power. However, the bargaining strength of corporate investors is smaller.
- There is a competitive buzz in the stock broking market; competitors offer low brokerage and the best services with added features. As a result, the cost of switching is significantly lower. As a result, the buyer can quickly switch to a competitor's offering.

2. Bargaining Power of Suppliers:

- Depository Participants such as Bastawala Securities, SSKI, SHCIL, ICICIdirect.com, and others are regulated by NSDL and CSDL. Furthermore, these regulatory agencies have an advantage because stock broking businesses like Bastawala Securities, etc. have less bargaining strength.
- The NSE and BSE are trading platforms where investors can trade through stock brokerage firms, which must be approved by the NSE/BSE. Because the NSE and BSE are governed by SEBI, stock brokerage firms such as Bastawala Securities have little bargaining leverage. MCX & NCDEX are stock exchanges which trade in commodities and derivatives. Here again stock broking houses have to follow rules and regulation of the same.
- Online maintainers are companies that look after web sites and their technical components. Due of the high level of competition among web hosting companies, stock brokerage firms such as Bastawala Securities may have more bargaining leverage.
- Web maintainers are companies that create and maintain software for stock brokerage firms. If, for example, a stock brokerage firm shifts to another site maintainer, that company will be unable to comprehend the mechanics of software. As a result, the switching cost is relatively significant.

3. Threat of New Entrants:

- The threat of new entrants is very significant because many bargain brokers are competing against full-service brokers, and they have a competitive advantage over others in terms of charging low brokerage fees, enticing more investors.
- The switching cost for investors is relatively low, which encourages more firms to enter this industry.
- **Huge capital:** - Capital is required not just for physical infrastructure, but also for customer credit and the absorption of start-up losses. To start a stock brokerage firm, a large amount of capital is required for technological advancement and skilled labor.

- **Technology:** - Technology for stock brokerage firms is a life-saving instrument. Stock broking necessitates significant capital to make their goods user-friendly, which necessitates capital to employ competent labor. As a result, technology may be one of the entry hurdles.
- **Regulatory Constraints:** - Obtaining a license is a time-consuming task for a stock brokerage firm. It must adhere to the regulations of governing agencies such as SEBI, NSDL, and others. For a stock brokerage firm to enter the stock brokerage market, it must have some form of financial experience and knowledge. As a result, regulatory limits may act as an entry barrier.
- **Experience curve:** - The primary capability in this market is the services given to end customers, as well as the research-based activities such as "TIPS," basic and technical script analysis. Also, the most significant factor that benefits already established firms is the "TRUST" that individuals have in well-established firms.
- **Network:** - The "Reach" to the client is the most important component in the industry. The network of organizations like as Motilal Oswal, Sharekhan, and ICICI, among others, is quite efficient and extended throughout India. A new entrant will need time to build such a large network. As a result, the network may emerge as the most challenging entry hurdle to overcome."
- **Expected Retaliation:** - When a new player enters the industry, the old companies have the option of lowering their product prices. This is known as expected retaliation, and it is also feasible in this industry in the form of lower brokerage rates and lower account opening fees.

4. Threat Of Substitute Products:

- Substitutes are instruments that can be used instead of investing in stocks. In case of Bastawala Securities, substitute products are all the investment avenues which it doesn't deal like futures, options, Bank FDs etc.

5. The Intensity of Competitive Rivalry:

- The company is up against fierce competition from both local and national companies. Off-line trading is provided by local firms, while internet trading is provided by national players such as ICICIdirect.com and Kotakstreet.com, as well as HDFC Security.
- Other prominent brands like Zerodha, Motilal Oswal, 5paisa, and Marwadi encircle the corporation from both sides by offering competitive online and off-line trading services.

IV. SWOT ANALYSIS: Bastawala Securities

A. STRENGTHS:

1. PROFESSIONALLY DRIVEN

Bastawala Securities is a professionally minded firm that employs professionals from a variety of backgrounds. All clients benefit from the combination of expertise, skill, and dedication. To serve to the enormous clientele base, the group has devoted, clever, loyal, well-experienced, and efficient workforce.

2. WELL-MAINTAINED INFRASTRUCTURE

Bastawala Securities has a well-maintained infrastructure where clients can come, sit and talk about their investment needs to the experts working in the firm.

3. A POSITIVE IMAGE IN THE EXISTING CLIENTS.

Bastawala Securities has maintained a good customer relationship. Its clients are regular and loyal to the firm as they are satisfied with the service provided to them which has created a positive image among its clients.

4. DEPOSITORY CHARGES:

In order to stay afloat and thrive in the market, Bastawala Securities charges a fair depository fee. The first year of account opening is free, with an annual maintenance fee of Rs. 250 for depository accounts. ICICI Bank, on the other hand, takes approximately 450-500 rupees.

5. WIDE PRODUCT RANGE TO OFFER:

Bastawala Securities offers a diverse product portfolio to enable clients to select the optimal investment option, which includes the following:

- Equity Trading
- Insurance
- Mutual Funds
- Portfolio Management Services

6. REACH AND ACCESS:

Bastawala Securities has good network partners and alliances which increases its reach and access to more clients.

7. CLIENT EDUCATION:

Bastawala Securities routinely hosts investment seminars.

8. EQUITY RESEARCH REPORTS:

It supports its clients by providing in-depth analysis of various business sectors as well as equity analysis reports

B. WEAKNESSES:

1. AWARENESS:

Bastawala Securities is unknown to most retail investors. Bastawala Securities' main competitors are publicly traded businesses; therefore, retail investors are better familiar with them. The business needs to make a name for itself.

2. HIGHER BROKERAGE CHARGES:

It has higher brokerage charges comparative to discount broker.

C. OPPORTUNITIES:

1. INCREASING RETAIL INVESTOR ACTIVITY:

The domestic brokerage industry's overall revenues are estimated to reach Rs 23,000 crore in FY21, representing a YoY growth of 10-12 percent, thanks to increased retail investor engagement and increased trading volumes. This indicates that Bastawala Securities has a decent possibility of tapping into the market and expanding its operations.

2. HIGHER RETURNS IN STOCK MARKET:

Investors nowadays are drawn to bigger returns, which leads them to put more money into the stock market. Bastawala Securities can take advantage of this market opportunity and obtain investors for its company.

3. INVESTMENT EDUCATION AMONG RURAL AREA:

If Bastawala Securities offers share market classes in the surrounding rural areas, they will be able to expand their customer base.

D. THREATS:

1. RISE OF DISCOUNT BROKERS:

Bastawala Securities is a full-service broking firm. Rise of discount broking firms is a threat to them due to their low brokerage and lower transaction cost nature.

2. TOUGH COMPETITION:

The top 15 stockbrokers, including Zerodha, Upstox, Angel Broking, ICICI Securities, HDFC Securities, and others, account for more than 70.19 percent of all unique clients registered on the NSE. As a result, competition in this industry is fierce.

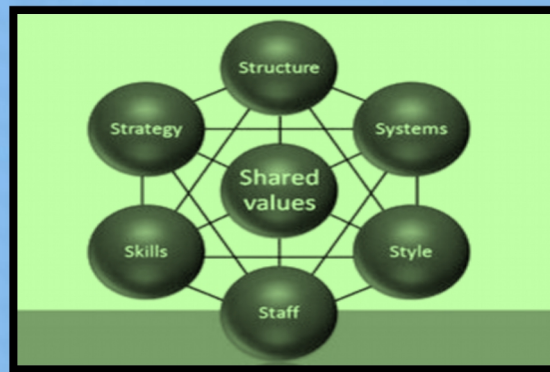
3. SMALL SIZE COMPANY:

Small- and mid-sized brokerage firms are projected to experience significant operational and finance issues, as described earlier in the future forecast of stock brokerage firms, which could have an impact on their growth and profitability.

4. LACK OF PROMOTION OF THE COMPANY:

Poor marketing activities for making the company known among the customers.

V. Mckinsey 7s Framework for Bastawala Securities



1) STRUCTURE:

Bastawala Securities is adaptable in terms of making temporary structural modifications to meet certain strategic objectives. If the necessity arises, the top management can delegate the position to any of its employees who it deems capable and skilled.

2) STRATEGY:

Bastawala Securities believes in the development of strategies as well as their successful execution.

3) SYSTEMS:

This includes all of Bastawala Securities' training and development systems, estimating budgets, and accounting system.

4) STYLE:

Style refers to all of the symbolic activities done by Bastawala Securities' senior management and their impact on their subordinates.

5) STAFF:

Bastawala Securities regards its personnel as assets and hence carefully trains and motivates them by providing incentives on a regular basis. Talented employees are designated as mentors, given meaningful responsibilities, and promoted to higher levels.

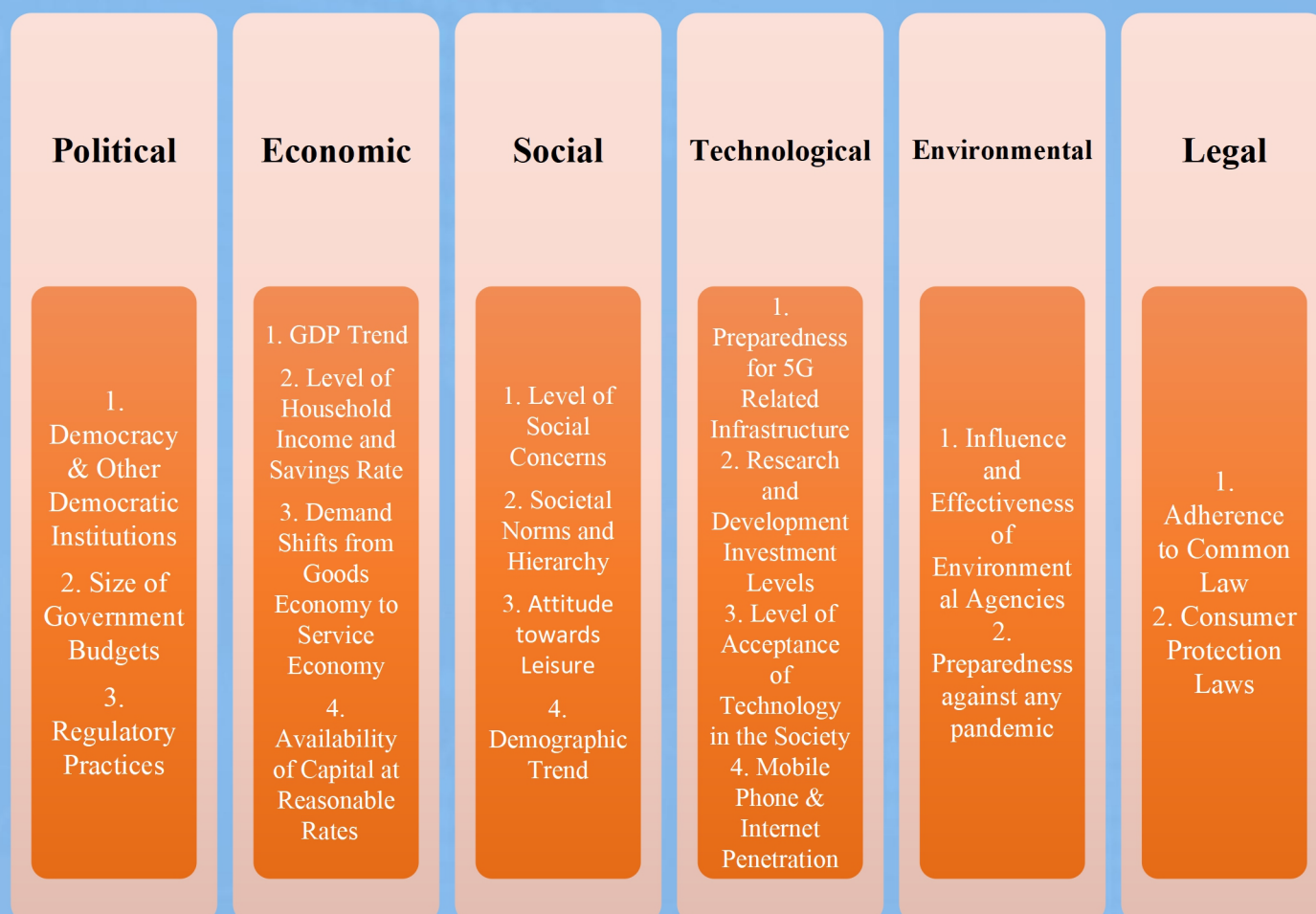
6) SKILLS:

The term skills refer to the activities that businesses excel at and are well-known for. Bastawala Securities is known for providing timely advice (suggestions/tips) to its consumers, and it boasts of 70-90 percent strike rates in booking referrals.

7) SUPERORDINATE GOALS:

This refers to the guiding ideals, values, and aspirations that bring an organization together for a single goal. It believes on customer happiness and retention and hence gives the best service to its customers.

VI. PESTEL ANALYSIS: Bastawala Securities



1. Political Factors that Impact Bastawala Securities

Political issues influence not only global corporations' investment decisions, but also companies like Bastawala Securities. The political environment and other factors have an impact not just on the cost of doing business, but also on long-term viability. Some of the political factors are –

- i. **Democracy & Other Democratic Institutions-** Democratic institutions must be developed further in order for businesses like Bastawala Securities to thrive in an open, transparent, and stable political climate. Strengthening democratic institutions will increase openness and eliminate corruption in the country.

- ii. **Size of Government Budgets** –The government, both at the national and local levels, is running deficit budgets, which boosts growth in the near term but may lead to higher inflation in the medium term. The national government's bond rating is investment grade.
- iii. **Regulatory Practices** - Regulatory methods have been streamlined in accordance with global norms, assisting the country in improving its “ease of doing business” ranking.

2. Economic Factors that Impact Bastawala Securities

A country's and region's economic conditions have a direct impact on the potential attractiveness of a given market. Some of the economic considerations that Bastawala Securities should consider in both the current market and the market into which it wishes to expand are as follows:

- i. **GDP Trend & Rate of Economic Growth-** A greater GDP growth rate indicates more economic demand. Bastawala Securities can capitalize on this trend by broadening its product offering and attracting new customers. One place to begin is by closely tracking changes in consumer purchasing behavior and evolving value propositions.
- ii. **Level of Household Income and Savings Rate-** It has demolished the savings culture because people do not have enough to save. Bastawala Securities must exercise caution while developing a marketing plan based on “Purchase on Credit” consumer behavior.
- iii. **Demand Shifts from Goods Economy to Service Economy-** In comparison to the manufacturing, products, and agriculture sectors, the percentage of services in the economy is steadily expanding.
- iv. **Financial Market Structure and Availability of Capital at Reasonable Rates-** The Federal Reserve's quantitative easing approach has resulted in a rush of cash into global financial markets. Under these conditions, Bastawala Securities can borrow at a low cost. However, this technique is fraught with danger if interest rates rise.

3. Social Factors that Impact Bastawala Securities

Social issues such as population trends, power structures in society, women's labor force participation, and so on have a significant impact not only on the country's economy but also on workforce talent availability and consumer demand. Following is some of the social factors-

- i. **Level of Social Concerns & Awareness in Society** –When there is a higher level of social concern in a society, there is often more consumer activism and pressure from non-governmental organizations and pressure groups.
- ii. **Societal Norms and Hierarchy** – The types and levels of consumption in a culture are also influenced by the type of hierarchy and standards that are accepted in society. In highly hierarchical societies, decision-making power is frequently concentrated at the top.

- iii. **Attitude towards Leisure** – Bastawala Securities should do ethnographic research to better understand both attitudes toward leisure activities and leisure activity preferences. The experience economy is one of the fastest expanding categories among millennials and baby boomers alike.
- iv. **Demographic Trend** – One of the most important variables in projecting an economy's demand is the demographic trend. For example, as India's and the world's largest demographic group, millennials are distinguished by high levels of disposable income and as digitally connected consumers, propelling numerous consumer groups toward rapid growth and development. Before developing new products, Bastawala Securities should analyze such demographic patterns and incorporate features that cater to this sector. As the population ages, less technologically advanced products will be required.

4. Technological Factors that Impact Bastawala Securities

Technology is rapidly altering company paradigms in a variety of industries. Some of the technology trends influencing the macroenvironment include advances in artificial intelligence, the use of machine learning and big data analytics to forecast consumer behavior, the increasing prominence of platforms over service providers, and so on. Following is some of the Technological factors:

- i. **Preparedness for 5G Related Infrastructure** – Countries all over the world are attempting to prepare for the deployment of 5G infrastructure. Bastawala Securities should analyze how prepared the local market is to build out 5G connection.
- ii. **Property Rights & Protection of Technology Oriented Assets** – Bastawala Securities should investigate the legal status of various property rights and intellectual property rights safeguards that are common in the United States.
- iii. **Intellectual Property Rights and Patents Protection** – Before entering a new market, Bastawala Securities should consider the intellectual property rights environment.
- iv. **Research and Development Investment Levels** – If there is significant investment in the technology development industry, there is a good probability of creating a self-sustaining ecosystem that fosters innovation. Bastawala Securities can take advantage of such a situation to hire the best experts in the industry.
- v. **Level of Acceptance of Technology in the Society** – Before launching new goods, Bastawala Securities must assess the extent of technology adoption in society. Companies frequently join the arena without the necessary infrastructure to sustain the technology-oriented business.

- vi. **Likelihood of Technology Disruption** – If a country is a technology hub, there is a significant likelihood of technology disruption across multiple industries. Bastawala Securities must determine whether it can keep up with the rapid rate of technological innovation in its sector.
- vii. **Mobile Phone & Internet Penetration** – Bastawala Securities should examine the country's internet and mobile phone penetration before developing a business plan based on local demands and realities.
- viii. **Acceptance of Mobile Payments and Fintech Services** – Bastawala Securities should examine the preferred mobile payment options in the local market and base its business model on that.

5. Environmental Factors that Impact Bastawala Securities

Environmental issues are quickly gaining popularity not only with consumers, but also with regulators and policymakers. Climate change and shifting ecosystems are causing the extinction of more than 20% of the world's species by the turn of the century. Some of the Environmental factors are-

- i. **Influence and Effectiveness of Environmental Agencies** – The role of environmental standards enforcement organizations in maintaining norms is crucial. Bastawala Securities should be aware that such tactics exist in a country.
- ii. **Preparedness against any pandemic** – How will the pandemic affect Bastawala Securities' business model and supply chain? The entire world is currently fighting the COVID 19 epidemic, and it has become important for all businesses to assess the impact of this pandemic and to develop new business models, strategies, and supply chains. Those companies who have successfully adapted to the needs of the contemporary market are profiting or, at the very least, surviving this pandemic.

6. Legal Factors that Impact Bastawala Securities

Legal aspects frequently regulate - the prerequisites for entering the market, the regulations that govern market operations, and the mechanism for resolving any disputes with other players. Some of the legal factors are mentioned below:

- i. **Adherence to Common Law** – In order to conduct business legally and ethically, Bastawala Securities is required to obey and adhere to all Indian laws. If a firm does not take care of a simple change in the legislation, the firm may suffer significant penalties, charges, and so on.

- ii. **Consumer Protection Laws** – Bastawala Securities requires information on consumer laws, enforcement rates, authorities' attitudes on consumer protection laws, and the role of activist groups in consumer protection law enforcement.

VII. Challenges face by Bastawala Securities and their possible Solutions.

Problem 1:

According to SEBI's new laws, regulations, and recommendations, brokerages can now only lend up to the amount of their own capital.

Description:

It will have a significant influence on established brokers such as Bastawala Securities. The newer, more modern ones haven't done as much margin funding. People who have been in the ecosystem for a long time, on the other hand, have usually built their businesses by margin funding and leveraging securities, among other things. It all depends on how deep the broker's balance sheet is. Traditional brokers will begin to reduce the leverage they offer to consumers since offering leverage requires a specific level of balance sheet. The traders will eventually be impacted. It is not always detrimental to the environment. In the long run, less leverage is not always negative for the industry. However, in the short term, it will have an impact on the brokerage and margin funding income of many established players.

Solution:

Future and option trading will be unaffected by new restrictions that allow brokers to lend only up to the amount of their own capital. This will have a direct impact on the exchange's equity delivery volumes. Therefore, in order to generate more revenues and cover the losses, Bastawala Securities need to enter into derivative market as after introduction of such regulations it needs a new source of revenue to survive and sustain in the market.

Problem 2:

Increasing number of discount brokers.

Description:

A discount broker is someone who offers very low brokerage charges while providing outstanding customer service. A discount broker is a stockbroker who does not provide investment advice to clients but instead performs services at the lowest possible cost. The Internet has resulted in a proliferation of bargain brokers, allowing those with limited cash to trade at a lower charge.

Solution:

Discount broking firms have caused a disruption in the broking market, but traditional broking firms like Bastawala Securities have nothing to worry about because their private wealth management and

PMS services will compensate for any losses caused by retail broking services. They only need to ensure that their consumers are satisfied and that personalized solutions to their concerns are delivered.

Problem 3:

Increasing number of online traders

Description:

The digital transformation of the Indian broking sector accelerated in 2020, with an increasing number of people trading on online brokerage platforms. The new breed of stock market investors is digitally savvy and expects great user interface (UI) and user experience (UX).

Solution:

Bastawala Securities must employ cutting-edge new-age solutions such as cloud-based systems and IT-enabled software, which serve as the backbone of the brokerage sector. Cloud-based tools have become increasingly important in assisting brokers to address the surge in trading volumes and new account openings. Unlike conventional infrastructure, cloud computing allows for easy scalability, cost-effective and time-saving services, and a level of flexibility never before seen in the industry.

Part B

Project Work

“A Study on Investor’s Behavior and Preferences towards Online Trading v/s Traditional Trading in Surat City.”

ABSTRACT

The Internet is used by about two billion people. The digital revolution has had a significant and irreversible impact on the world during the last twenty years, and the Indian stock market has also witnessed similar developments. Since its formal inception in the nineteenth century, the Indian capital market has come a long way and may now be considered mature, with a robust legal system to back it up. The internet has made financial products and services more accessible to customers while also removing geographical constraints. Previously, investors were exclusively reliant on their brokers; but, with the advent of the internet, they are increasingly engaged in the buying and selling of stocks. E-trading has saved time, energy, and money by allowing traders to access the market from any location at any time. Investing in the stock market entails riding the market's numerous ups and downs. Investing has been more convenient in India since the emergence of online trading. Trading stocks has recently become as simple as purchasing online. Investors can do this while sitting in a coffee shop, using their smartphones. All that is required is a solid internet connection, a Demat account subscription, a mobile banking application, and adequate funds in the bank account. This paper strives to find out the investors preferences towards online as well as offline trading and the reason why they prefer online or offline trading method. It also aims to analyze the important factors considered by the investors while selecting the broker firm and their personal knowledge regarding fundamental and technical analysis of stock. Lastly, it attempts to find out that whether there is a significant relationship between investor’s age and their method of trading, investor’s income and their method of trading and investor’s age and their trading frequency by using chi square test.

Keywords: Stock Market, Online Trading/ Electronic trading of securities, Offline Trading/ Traditional Method of Trading, Fundamental and Technical Analysis of Stock, Chi Square test.

CHAPTER 01

INTRODUCTION

1.0 Introduction

Our society's fundamentals have been altered by the Internet revolution. It influences how we communicate and conduct business. It gets us closer and closer to critical information sources. It allows us to communicate directly with service-oriented computer systems that are suited to our unique needs, allowing us to better serve ourselves by making our own decisions. This current business paradigm change is redefining the financial industry and changing how consumers invest.

Investors can now employ breakthrough Internet Client-Server technology to trade stocks nearly anywhere, at any time, regardless of broker fees or service limits, at this millennial changeover.

A person may make thousand-dollar transactions in a matter of seconds with only a few mouse clicks. With modern technology at one's disposal, one has complete control over the money he or she is investing. Anyone with a computer, enough money to open an account, and a good credit background can invest in the stock market.

Users can invest in a variety of financial products and services such as equities, mutual funds, life insurance, loans, share trading, commodities trading, institutional trading, general insurance, and financial planning through online trading businesses.

In India, online trading began in 1995, when a new system was established that allowed investors to trade using an internet site that included banks and demat accounts.

1.1 About the Stock Market

What is a Stock Market?

A stock exchange is a marketplace where investors can trade financial items such as stocks, bonds, and derivatives. The stock exchange facilitates this transaction by allowing for the purchase and sale of shares.

Regulation of the Indian Stock Markets

The Securities and Exchange Board of India is in charge of stock market regulation and oversight in India. SEBI was established as a separate entity under the SEBI Act of 1992, and it has the authority

to audit stock exchanges. The inspections look at the market's operations and organizational structure, as well as areas of administrative oversight. SEBI's key responsibilities include:

- Providing a level playing field for investors to thrive in
- Compliance of the exchange organization, its system, and its operations with the rules set forth in the Securities Contracts (Regulation) Act (SC(R) Act), 1956.
- Ascertain that the SEBI's norms and directives are followed.
- Check to see if the exchange has met all of the requirements and, if necessary, extended the funding under Section 4 of the SC(R) Act of 1956.

Stock Markets in India

There are two major stock exchanges in India:

- ✦ Bombay Stock Exchange (BSE).
- ✦ National Stock Exchange (NSE).



✦ BOMBAY STOCK EXCHANGE (BSE).

The Mumbai Stock Exchange, often known as the "BSE," was founded in 1875 as the "Native Share and Stock Brokers Association." It is Asia's oldest stock exchange, predating the Tokyo Stock Exchange, which was founded in 1878. It is a non-profit voluntary Association of Persons (AOP) that is currently changing to a demutualized and corporate company. It has progressed through the years to become the country's most important stock exchange. It was the country's first stock exchange to receive permanent approval from the government of India in 1956, under the Securities Contracts (Regulation) Act, 1956.

While providing an efficient and transparent market for trading in securities, debt, and derivatives, the Exchange protects investors' interests and guarantees that their complaints are addressed, whether against firms or its own member-brokers. It also aims to educate and enlighten investors by organizing investor education programs and making important informational inputs available to them.

The Governing Board, which consists of 20 directors, is the apex authority that makes policy decisions and oversees the Exchange's operations. Nine elected directors from the broking community (one-third of whom depart every year via rotation), three SEBI nominees, six public representatives, and an Executive Director & Chief Executive Officer and a Chief Operating Officer make up the Governing Board.



✦ **NATIONAL STOCK EXCHANGE (NSE).**

The NSE was founded in 1992 and granted stock exchange status in April 1993. With trading on the Wholesale Debt Market Segment, it began operations in June 1994. Following that, in November 1994, it developed the Capital Market Segment as a stocks trading platform, and in June 2000, it launched the Futures and Options Segment as a trading platform for other derivative instruments.

The NSE has been successful in bringing the stock market to the doorsteps of investors. Technology has been used to provide services to investors all around the country at the lowest possible cost. It offers a nationwide, screen-based, automated trading system with high levels of transparency and equitable access to all investors, regardless of geography. The widespread availability of information via the internet has aided in the integration of retail investors across the country. The exchange's norms in terms of market processes, products, technology, and service standards have become industry benchmarks, and other market participants are copying them. NSE has accomplished all of the goals for which it was established in a very short period of time. It has been a key change agent in converting the Indian Capital Markets into their current state. In terms of market procedures, infrastructure, technology, risk management, clearing and settlement, and investor service, the Indian capital markets are a far cry from what they were a decade ago.

1.2 The Two Ways to Trade

i. Traditional Method of Trading (Offline Share Trading)

Traditional stock market trading takes place in an open outcry format on the stock exchange floor. The stock market trading atmosphere is frenetic and boisterous on the stock exchange floor. When the stock market is open, it is packed with hundreds of people gesturing, shouting, and hurrying around. Traders can be seen speaking on their phones, entering data into computer terminals, and keeping a watchful eye on the consoles.

ii. Online Trading

Simply open a demat and trading account with any SEBI licensed broker to engage in online trading. It takes only 15 minutes to open a bank account. PAN card, address proof, AADHAAR card, mobile number linked to AADHAAR, bank statement, cancelled cheque leaf, and passport photograph are all necessary to start an account.

From the comfort of your own home, you can place trade orders and cancel them whenever you choose. It allows you to make your own trading decisions without having to worry about the broker interfering. You can buy stocks, put money into an IPO, or invest in mutual funds.

1.3 Online V/S Offline Share Trading

Basis	Online Trading	Offline Trading
Ease of trading	You can trade according to your preferences without the help of a broker.	Trading must be done through a broker at all times. In other words, you are fully reliant on a broker's services.
Convenience of trading	Using an internet-enabled device such as a smartphone, tablet, laptop, or PC, you can trade from anywhere and at any time.	For call and trade, as well as other trading-related actions, you must physically visit the broker's office.
Trading fees	Because there are lower brokerage charges and expenses with online trading, you can make more money.	Exorbitant fees are charged by many brokers. High trading fees and commissions might eat into your profits.
Platform	You'll get access to a single platform where you can conduct research and trade in stocks and securities.	Before requesting the broker to trade, you should conduct your own research.
Quality of advice	To make informed decisions on stocks and securities, you may get thorough reports with patterns, trends, and price movements.	You must have complete faith in the broker. Word-of-mouth suggestions from the broker must be followed.

CHAPTER 02

REVIEW OF LITERATURE

- ❖ *Petric Iancu, I. A. (2015). Benefits and Drawbacks of Online Trading Versus Traditional Trading. Educational Factors in Online Trading. Annals of the University of Oradea, Economic Science Series, 24(1), 1253–1259.*

Online trading is a new distribution channel for Investment and Financial Services Companies in terms of marketing. The investor's relationship to the things they want to buy is shortened thanks to the Internet (shares, futures, CFDs, government securities, bonds, etc.) This article investigates how investor education influences the decision to switch from traditional to online trading, as well as the benefits and drawbacks of these transactions. To determine how investment and financial services organizations should direct their marketing campaigns in order to attract more investors to online platforms. When investors have a high degree of stock market knowledge as well as a high level of Internet understanding, they will trade online. Because the majority of online traders have at least a bachelor's degree, the logical conclusion is that if investment and financial services firms wish to attract additional investors to this market due to reduced costs, they should target their marketing efforts at educated individuals.

- ❖ *RADIONOVA-GIRSA, E., & LAHIĆA, A. (2017). Comparison of E-Trust and Trust Concepts in Online and Offline Dimensions. Economics & Business, 30, 126–133. <https://doi.org/10.1515/eb-2017-0011>*

In our daily lives, we are increasingly relying on various technological items to make our lives easier and faster. We frequently are unaware that we are shifting our lifestyles on the online platform - we meet and speak with others, watch videos and listen to favorite tunes, and select and purchase various items. The primary question is whether or not we can trust everything we see on screen. Is the definition of "trust" the same in the real world as online? The authors of the research compare and contrast the concept of "trust" in the offline and online trading markets. The researchers employed the following methods: literature review and analysis, consumer survey, and statistical analysis. A consumer survey is currently underway and will be completed over the next two years. With the goal of comparing changes throughout time. Residents of Latvia of various ages, locations, professions, and other factors are invited to participate in the poll. The writers have extended the poll

in order to make it more comprehensive and discover new trends. In terms of choosing an effective communication with consumers, developing a long-term relationship with them, and increasing customer loyalty and level of "trust," the research findings can be used in both theoretical and practical ways.

❖ **SHARMA, J. (2016). *Growth of Online Trading & Comparative Study between Different Stock Brokers in India with Special Reference to the Region of Jagadhri, Haryana. CLEAR International Journal of Research in Commerce & Management, 7(9), 39–44.***

In today's fast-paced world, billions of individuals have access to the Internet. Technology has had a profound and lasting impact on the world over the last two decades, and the Indian stock market has been witness to these changes. The internet has made financial products and services more accessible to a wider range of customers while also removing regional restrictions. Previously, investors were exclusively reliant on their brokers, but today, they are increasingly using the internet to purchase and sell stocks. E-trading has helped people save time, energy, and money by allowing them to access the market from any location at any time. The fundamental goal of this research paper is to learn about the birth and evolution of online trading in India, as well as people's perspectives on it, and to do a comparison study of some stock brokers.

❖ **IANCU, I. A., & MAIER, V. (2016). *Motivations and Factors Influencing the Decision of Online Trading. Cross-Cultural Management Journal, 18(2), 93–98.***

We investigate the reasons and factors that lead Romanian investors to trade online, even if they first traded through a broker, in this study using survey data. Secondary sources were used to determine the determinants, and primary data was used to investigate the aspects that influence the decision to trade online. We've discovered that investors prefer to trade online since they save time, have faster access to information (most online trading platforms feature notifications and alarms for news that could affect the stock market), and are familiar with the internet. We found that just a small percentage of investors are persuaded by advertising and the fact that trading online is hip.

❖ **Malek, A. M. (1970). *No more traditional stock market exchange: a study of internet trading service (ITS) in Jordan. The Journal of Internet Banking and Commerce, 17(1), 1-19.***

The Internet Trading Service (ITS) is an information-intensive business that has recently become a prominent trend in the financial sector. It's crucial to know what factors will influence customers' attitudes on utilizing ITS in Jordan. The purpose of this article is to conduct an empirical investigation of the elements that potentially predict customer attitudes toward ITS use in Jordan using the Innovation Diffusion Theory (IDT). Six exogenous factors (perceived utility, perceived ease of use, compatibility, trialability, trust, and awareness) and one endogenous variable (attitude toward utilizing ITS) make up the research model. 300 questionnaires were distributed to university employees, and 265 data sets were obtained. This equates to a response rate of 88 percent. 227 data is ready for structural equation modeling (SEM) analysis after a thorough data screening process that includes checking for outliers, normalcy, reliability, and validity. The composite reliability, convergent validity, and goodness of fit of individual construct and measurement models were examined using Confirmatory Factor Analysis (CFA). All six exogenous factors and ITS have significant and positive direct correlations in the updated structural model.

❖ **Goldberg, S. T. (1999). *Kiplinger's Personal Finance "Online Brokers Grow Up" Vol. 53, No. 11, page No.90-96***

The online brokerage business is maturing. In the last year or two, online brokers have typically ceased cutting their fees, but they have expanded services. Every brokerage customer receives a monthly account statement, but some statements are better than others. Many investors are unaware of the hidden costs of stock trading, as well as the ways in which brokers and other trade executors can inflate the cost of trading.

❖ **Butler T. (2010) *"The Complete Guide to Your Personal Finances Online: Step-By-Step Instructions to Take Control of Your Financial Future Using the Internet."***

Most financial experts believe that making sure the rest of your finances are in order is one of the most crucial steps you can take before getting engaged with investing, whether online or off. Your Financial Goals should determine the quantity of money you invest as well as the type of investment you make.

❖ **Walia N. and Kumar R. (2007) *"Online stock trading in India: An empirical investigation"***

Investors' preferences for traditional and online trading, as well as investor perceptions of online trading and current utilization of online and offline trading, were investigated in this paper. According to this report, just 28 out of every 100 investors trade online, raising the question of why investors failed to recognize the relevance of technology in stock trading.

The study's main conclusions are that Indian investors are more conservative, and they do not switch brokers for trading, whereas net traders prefer online trading because of its transparency and total control over the terminal.

❖ ***Turner T.(2007). “A Beginner's Guide to Day Trading Online”***

The stock market is the king of all roller coasters, soaring to dizzying heights before crashing to the lowest lows, oblivious to the screams of traders. Online brokers and direct access brokers have optimized their platforms to provide the fastest and most efficient service possible.

❖ ***Nejati. M & Nejati M. (2010) “Global Business and Management Research: An International Journal”***

There are two forms of stock trading available through stock brokers. Offline Share Trading-In this type of trading, the customer either goes to the share broker's location and sits in front of the share trading terminal, asking the dealer to place an order in his account, or calls the share broker and asks for share quotes and other related and relevant information, and then places orders accordingly over the phone. Online Share Trading-If the client has a computer with an internet connection, he can access the stock market and place his own orders from wherever he wishes.

❖ ***Madhavan V. “Payments in India: The journey so far and the road ahead”***

discusses the need for technology and a legislative framework to ensure that an electronically linked payments and clearing system, including cheque truncation, can be implemented in the future, and looks at how numerous payment systems have emerged in India.

❖ ***Jaiswal M., Vashist D. and Kumar A. “Online trading: Trading @ the speed of light,”***

Examines the rise of online trading since the year 2000 using figures on volume of online trading, number of e-broking businesses, brokerages, and demographic characteristics. Over the years, online trading has radically altered the way stock trading has been conducted.

❖ ***Claburg J.F. “Four Steps to Trading Success: Using Everyday Indicators to Achieve Extraordinary Profits”***

Success in any endeavor, whether a skill, the arts, or business, is dependent not on having the correct equipment or raw ingredients, but on knowing how to use them to produce a remarkable result. Similarly, success in the stock market is not contingent on having access to strong indicators; rather, it is dependent on learning how to read them in relation to current market conditions. Technical analysis, or reading price and volume charts to find trading opportunities, has long been a part of the trader's toolbox. And, with the development of online trading, traders now have more access to technical analysis than ever before.

❖ ***Patel J. (2007) “Profit From Prices” in chapter Plan Your Trading and Trade as per your Planning***

In a traditional business, we sell items for more money than we spent for them. Buying low and selling high is the same goal in trading. Trading and business both demand capital and are carried out with the same goal in mind: to make a profit. Our capacity to acquire and sell smartly—buy as cheaply as possible and sell as expensively as feasible—is critical to our success in both. However, it is not uncommon for many firms to lose money or fail over time. Similarly, some traders lose money and are compelled to stop trading.

❖ ***Panda S. R. “Essential of Trading”***

Money creates money, but traders and investors are always on the lookout for a magical individual who can make them wonderful calls. You would have made numerous autonomous, intelligent trade selections. Which must have compensated you, but you've forgotten about it. You must do your own analysis of such decisions. My final piece of advice is to stop looking for magical individuals and instead educate yourself and make your own trade decisions. 'Intraday Trading.' “A trader takes a

position or expresses his opinion on a specific capital instrument (stock, commodity, etc.) and assumes that the future price movement of this instrument will be in his favor and will occur on the same day.”

❖ **Wykoff R. “*The Day Traders Bible*”**

In terms of capital and opportunity, the prospects were equal at the start of the pursuit. Profits were waiting to be won by either or both parties. The explanation appears to be in the unique Qualities of the mind, which are particularly potent in the successful trader but not in the other. Of course, there is an element of luck in every scenario, but pure luck could not have supported Manning's day trading operations over a period of years. While certain stocks form the backbone or leadership position, this key member is merely one component of the market body, which is, after all, quite large.

Chapter 03

Research Methodology

3.1. Introduction

This chapter exposes the research problem, research objectives, scope of the study, assumptions & hypothesis, research design of the study as well as the methods used to collect and analyse data, target population, sampling method & sampling plan, unit of sample and sample size. It starts with discussion of research problem & objectives, choice of research design etc. In relation to respondent selection, utilizing a sampling approach with the goal of representing the sample in order to generalize for the entire population. Furthermore, data collection method sources are examined, followed by an explanation of questionnaire design and data analysis methodologies.

3.2. Research Problem

A research problem is defined as a challenge that every individual researcher, organization, or institute faces. For effective answers, the problem necessitates a deep grasp, substantial thought, and analysis.

In today's modern era, investors are becoming increasingly sophisticated in their terms, making them more difficult to comprehend and deal with. As a result, it is becoming more difficult to retain and satisfy an investor and gain their loyalty to the firm, and as a result, they may switch to another firm that offers more services and simplifies the trading and investment process for them. Bastawala Securities is a stock broking & a wealth management house who facilitates online as well as offline trading and on this ground the research is undertaken to know and study the factors that influence the investor's attitude and preferences towards online trading as well as offline trading (traditional method of trading) in Surat city.

3.3. Research Objectives

The research has been carried out with following purpose in mind:

- To know what is the most important and deciding factor due to which investor still prefer offline trading or has adapted online trading.
- To know how many people prefer offline trading, online trading and both.
- To know on how investors differentiate one stock broking company from another.
- To know if there is any relationship between investor's age and their method of trading.

- To know if there is any relationship between investor's income and their method of trading.
- To know if there is any relationship between investor's age and their trading frequency
- To know about the investor's personal knowledge of fundamental and technical analysis of the stock.

3.4. Scope of the Study

- This study can be used as an addition to the research of any individual, trader, or professional.
- This research could be beneficial to stock brokerage firms.
- This research will assist in assessing the level of importance of benefits investors perceived while doing online trading and offline trading.
- This research also focuses on the investor's income and age and analyse it whether it affects their method of trading or not.
- This research also focuses on the investor's age and their trading frequency and analyse it whether it affects their method of trading or not.

3.5. Assumptions

Following are the assumptions made for the present study:

- All the respondents are well aware about the stock market.
- All the respondents are well aware about the online and offline method of trading.
- All the respondents filled the form in the best of their knowledge.

3.6 Hypothesis

1. **H₀:** There is no significant relationship between investor's age and the platform they prefer to trade.
H₁: There is a significant relationship between investor's age and the platform they prefer to trade.
2. **H₀:** There is no significant relationship between investor's income and the platform they prefer to trade.
H₁: There is a significant relationship between investor's income and the platform they prefer to trade.
3. **H₀:** There is no significant relationship between investor's age and investor's trading frequency.
H₁: There is a significant relationship between investor's age and investor's trading frequency.

3.7. Research Design

The framework for data collection and analysis is provided by the research design. Research design is required because it promotes the seamless operation of the many research processes, making research as efficient as feasible in terms of generating most knowledge with the least amount of effort, time, and money. The term "research design" refers to the advance planning of the methods to be used for collecting relevant data and the techniques to be used in analysis. Research design, in fact, has a greater bearing on the reliability of the results obtained and, as such, serves as the firm foundation of the entire structure of the research work. Exploratory research and conclusive research are the two sorts of research designs. Descriptive research design and causal research design are two types of conclusive research. Cross-sectional studies and longitudinal studies are two types of descriptive research.

This study is concerned with specific predication, with narration of facts and characteristics concerning individual and group. The research design must make enough provision for protection against bias and maximise reliability. As a result, the ***Single Cross-Sectional Descriptive Research Design*** is appropriate for this study, for two reasons: first, it fits the nature of the study, which is to describe a common trend of investor preferences and behavior rather than a specific case, and second, data in this study was not collected in stages but was collected in a single time period. A descriptive cross-sectional study is one in which the disease or condition, as well as any possibly relevant factors, are measured for a defined population at a specific point in time. Cross-sectional studies are a "snapshot" of the prevalence and features of a condition in a population at a specific point in time.

3.8. Variables

The variables considered for the research are independent and dependent variables. The independent variables are age, income, occupations, educational background and gender. The dependent variables are method of trading and investor's trading frequency.

3.9 Unit of Study

The item on which the research will be conducted and conclusions drawn is referred to as the unit of study or sampling element. They are more likely to have the information needed for the study.

For the present study the unit of study are individual investors who trades in the stock market.

3.10 Target Population

Target population are the individual investors of Surat City who trades in the stock market.

3.11 Sampling Plan

Sampling is defined as the process of selecting a sufficient number of elements from a population to allow such features to be generalized to the population element. Because the population includes all of Surat's respondents, the census survey process was extremely time consuming. So, a **survey** through Google forms has been used to conduct the study.

3.12 Sampling Method

Probability sampling and non-probability sampling are the two types of sampling procedures. Each element has an equal chance of being selected in probability sampling, however each element does not have an equal chance of being selected in non-probability sampling. For the present study the researcher has used **non probability convenience sampling** owing to time and cost constraints and availability of resources.

3.13 Sample Size

200 respondents

3.14 Sources of Data

There are two types of data sources: primary data and secondary data. Primary data refers to information received directly from the researcher, whilst Secondary data refers to information gathered for reasons other than the study problem at hand. It has already been gathered in the past, and it is unlikely that the current research team will collect it.

The researcher used a PERSONAL SURVEY to acquire primary data for the current study.

Secondary materials, such as research papers, journals, articles, and books, have also been referenced to and properly cited.

3.15 Method of Data Collection/Data Collection Instrument

To collect primary data, Questionnaire circulated through google form was utilized to collect information for this study. Dichotomous, multiple ticks, check boxes, likert scale, and rating questions were employed.

Self-completion questionnaire seems to be one of the most common methods of quantitative researches. With a self-completion questionnaire, respondents answer questions by completing the questionnaire themselves. This method is chosen for some reasons. The first reason is that as the research questions are defined clearly, questionnaire is the best choice to have standardized data, which is easily to process, and analyse. Moreover, it is cheaper than other methods.

This questionnaire comprises of 13 part of questions includes demographic variables.

3.16. Design of Measurements and Questionnaire

The questionnaire is divided into three parts; the first part represents respondents' personal information (Name, Age, Gender, Educational Qualification, Occupation, Income). The second part represents Investor's preferences (preferences towards the method of trading, reasons for preferring offline and online trading) and the third part represents that investor's behavior towards trading (trading experience, trading behavior, level of knowledge, preferred reasons of preferring one stock brokerage firm over another).

Research Segments	Content of Research	Question No
Investor's Personal information (Demography)	Name, Age, Gender, Educational Qualification, Occupation, Income	Q1-Q6
Investor's preferences	preferences towards the method of trading, reasons for preferring offline and online trading.	Q9, Q12-Q13
Investor's Behaviour	trading experience, trading behavior, level of knowledge, preferred reasons of preferring one stock brokerage firm over another	Q-7-Q8, Q10-Q11

3.17. Data Analysis Techniques

- Here the data is analysed by the *charts like the pie charts, bar charts* etc. that were derived from the questionnaire which shows the trend of investor's behavior & preferences towards offline and online trading.
- Hypothesis testing is done using *chi square test for independence* which shows how to test for a relationship between two categorical variables.
 - ✓ When employing a crosstabulation, the Chi-Square statistic is most typically employed to evaluate Tests of Independence (also known as a bivariate table). Crosstabulation displays the distributions of two categorical variables at the same time, with the intersections of the variables' categories appearing in the table cells. The Test of Independence determines if there is a link between the two variables by comparing the observed pattern of cell responses to the pattern that would be predicted if the variables were truly independent of each other. The Chi-Square statistic, when calculated and compared to a critical value from the Chi-Square distribution, allows the researcher to determine whether the variables

are independent or not. The Chi-Square test's null hypothesis is that there is no association between the categorical variables in the population; they are independent.

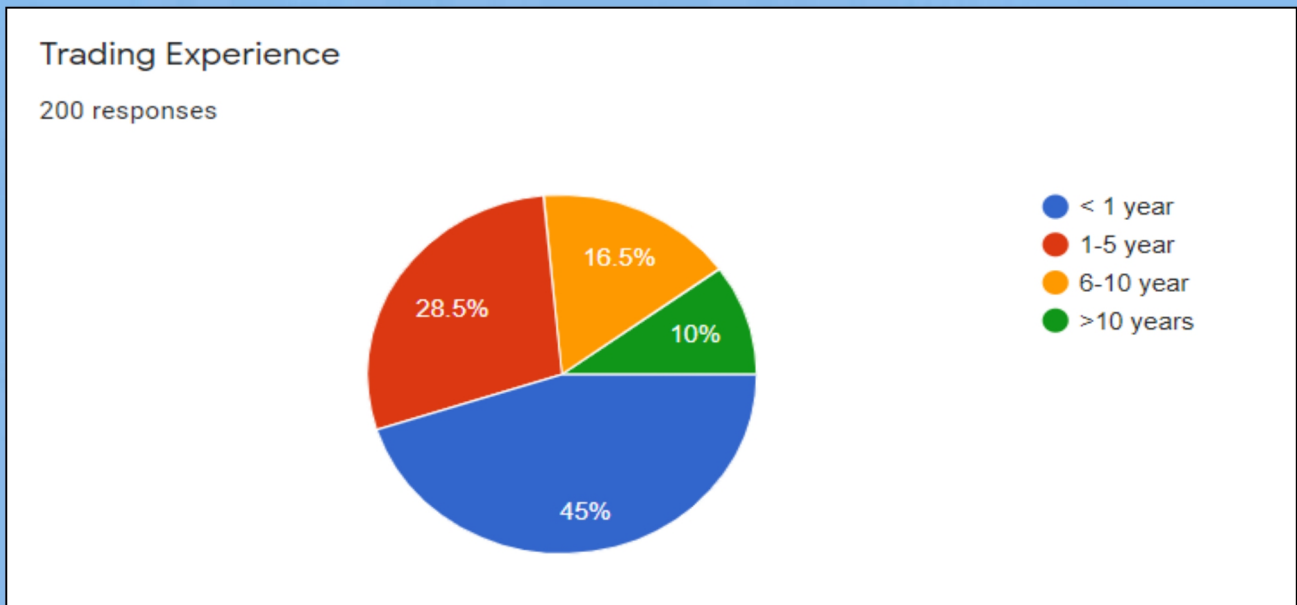
CHAPTER 04

DATA INTERPRETATION

Q1- Trading Experience

Trading Experience	No. of Respondents	Percentages (%)
<1 year	90	45%
1-5 year	57	28.5%
6-10 year	33	16.5%
>10 year	20	10%

Table 4.1



Graph 4.1

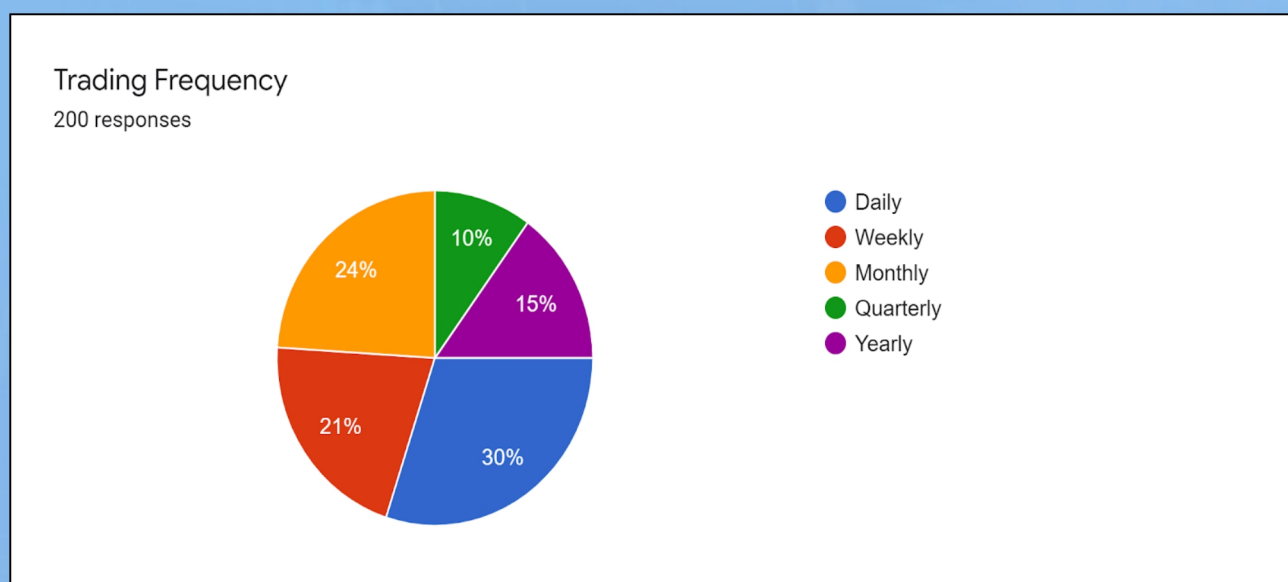
INTERPRETATION:

From the above table and graph, I have interpreted that 45% of the respondents have trading experience of less than 1 year, followed by 28.5% of the respondents have trading experience of 1-5 year, then 16.5% of the respondents have trading experience of 6-10 year and trading experience of more than 10 year has the least number of respondents with 10% of the total respondents.

Q2- Trading Frequency

Trading Frequency	No. of Respondents	Percentages (%)
Daily	60	30%
Weekly	42	21%
Monthly	48	24%
Quarterly	20	10%
Yearly	30	15%

Table 4.2



Graph 4.2

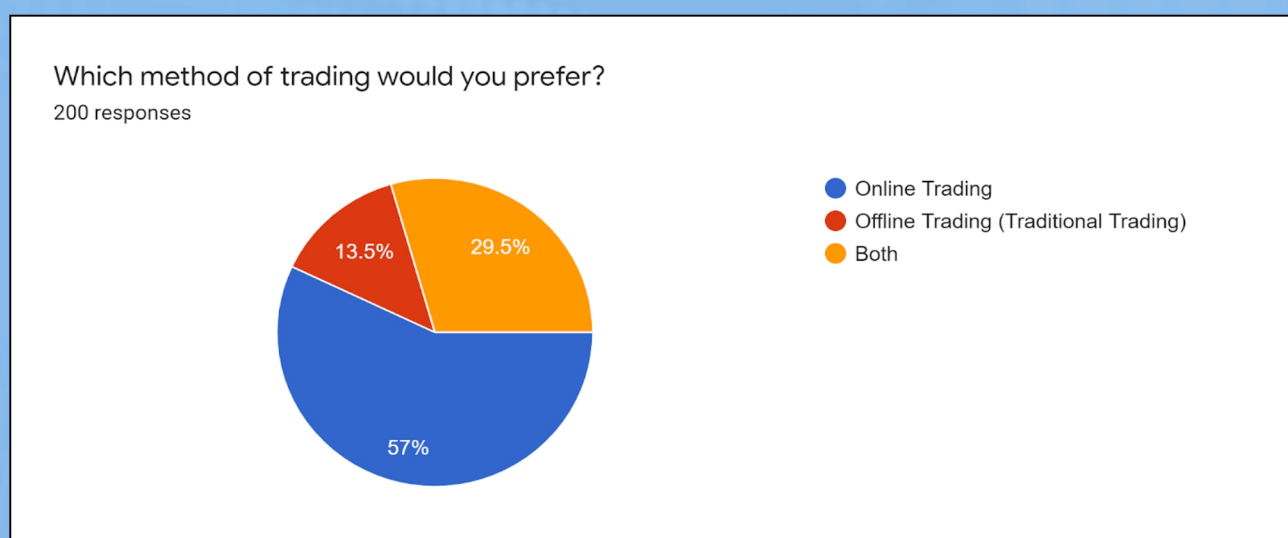
INTERPRETATION:

From the above table and graph, I have interpreted that 30% of the respondents do trading on daily basis, followed by 24% of the respondents do trading on monthly basis, then 21% of the respondents do trading on weekly basis, 15% of the respondents do trading on yearly basis and 10% of the respondents do trading on quarterly basis.

Q3- Which method would you prefer trading?

Method of Trading	No. of Respondents	Percentages (%)
Online Trading	114	57%
Offline Trading	27	13.5%
Both	59	29.5%

Table 4.3



Graph 4.3

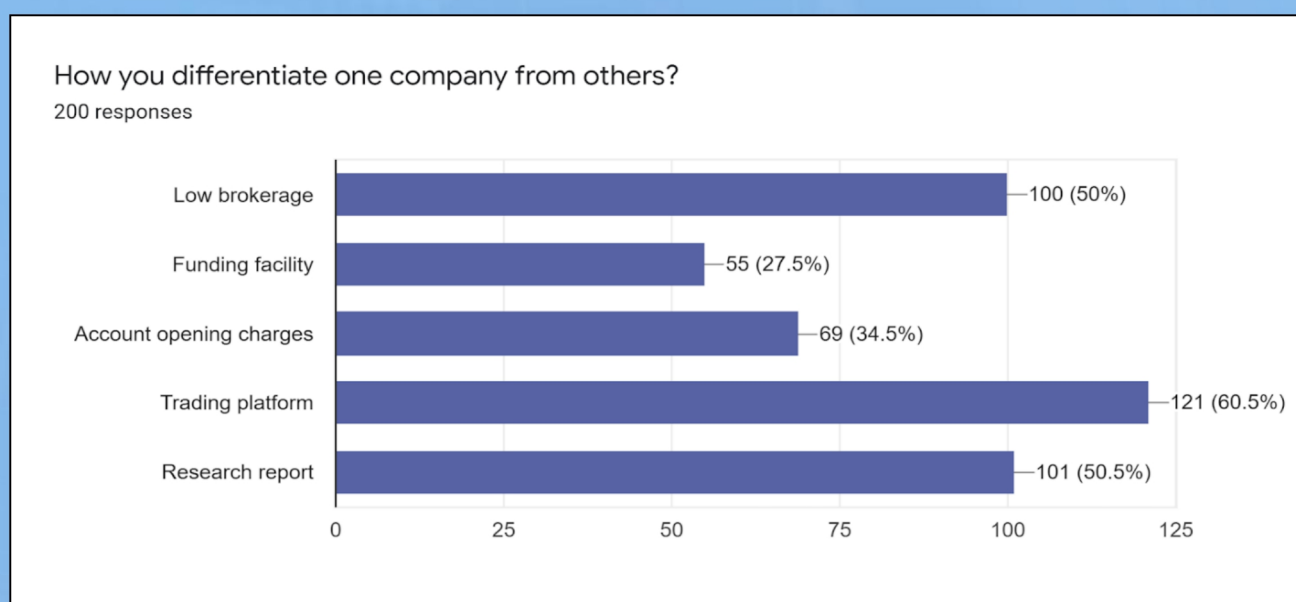
INTERPRETATION:

The above table and graph clearly predict that majority of the respondents which are 57% of the total respondents do online trading, followed by 29.5% of the respondents uses both as a method of trading depending on their needs and only 13.5% of the total respondents do only offline trading which is a traditional way of trading in stock market. After analyzing the above data, I have concluded that majority of the investors now a days are more incline towards the online trading and even if they do offline trading sometimes, they are still engaged in online trading simultaneously.

Q4- How you differentiate one company from others?

Differentiating Factors	No. of Respondents	Percentages (%)
Low Brokerage	100	50%
Funding Facility	55	27.5%
Account opening charges	69	34.5%
Trading Platform	121	60.5%
Research Report	101	50.5%

Table 4.4



Graph 4.4

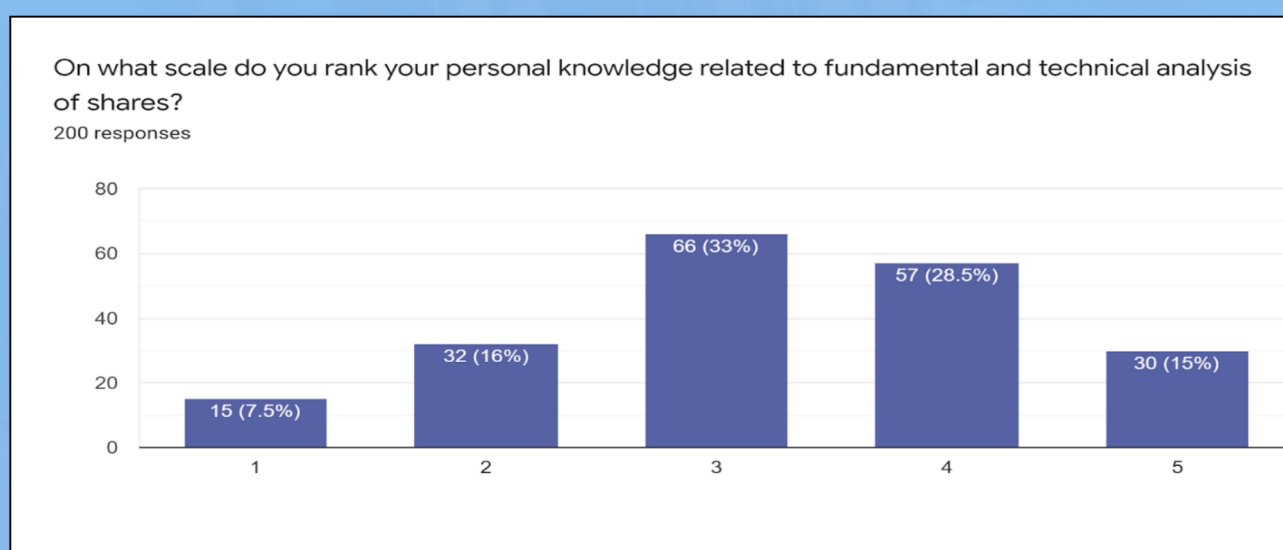
INTERPRETATION:

The above table and graph clearly show that 60.5% of the investors feels like Trading Platform is the major differentiating factor for them while choosing a brokerage house. Following by this, Research Reports and Low Brokerage are one of the important factors considered by the investors comprising 50.5% & 50% of the respondents respectively. After this, 34.5 % of the respondents choose account opening charges as a differentiating factor and Funding facility is the least important factor for differentiating among investors which comprises of 27.5% of the respondents.

Q5- On what scale do you rank your personal knowledge related to fundamental and technical analysis of shares?

Personal knowledge related to fundamental and technical analysis of shares.	No. of Respondents	Percentage (%)
1 (Very Low)	15	7.5%
2 (Slightly Low)	32	16%
3 (Neither low nor high/ Neutral)	66	33%
4 (Slightly High)	57	28.5%
5 (Very High)	30	15%

Table 4.5



Graph 4.5

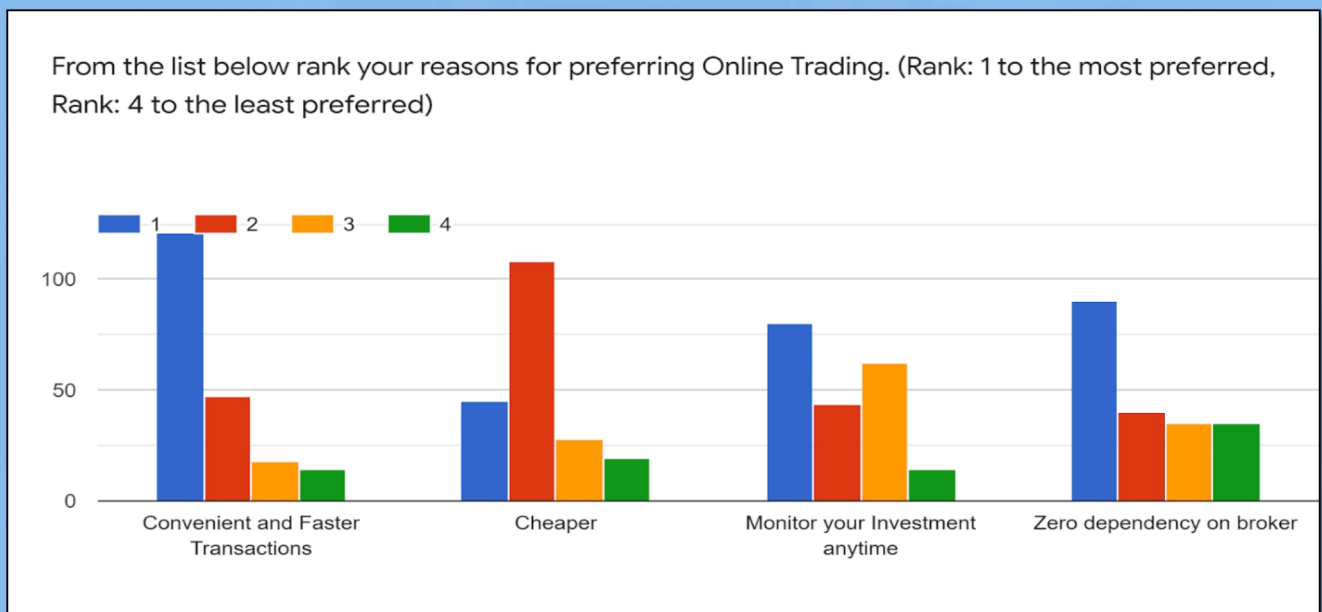
INTERPRETATION:

From the above table and graph, I have interpreted that 33% of the respondents are neutral regarding their personal knowledge related to fundamental and technical analysis of shares, followed by 28.5% of the respondents thinks that they have slightly high level of knowledge, then 16% of the respondents thinks that they have slightly low level of knowledge, then 15% of the respondents thinks that they have very high level of knowledge and 7.5% of the respondents thinks that they have very low level of personal knowledge.

Q6- From the list below rank your reasons for preferring Online Trading. (Rank: 1 to the most preferred, Rank: 4 to the least preferred)

Particulars	No. of Respondents			
	Rank 1 (most preferred)	Rank 2	Rank 3	Rank 4 (least preferred)
Convenient and Faster Transactions	72	58	39	31
Cheaper	46	79	44	31
Monitor your investment anytime	57	55	64	24
Zero dependency on broker	82	38	50	30

Table 4.6



Graph 4.6

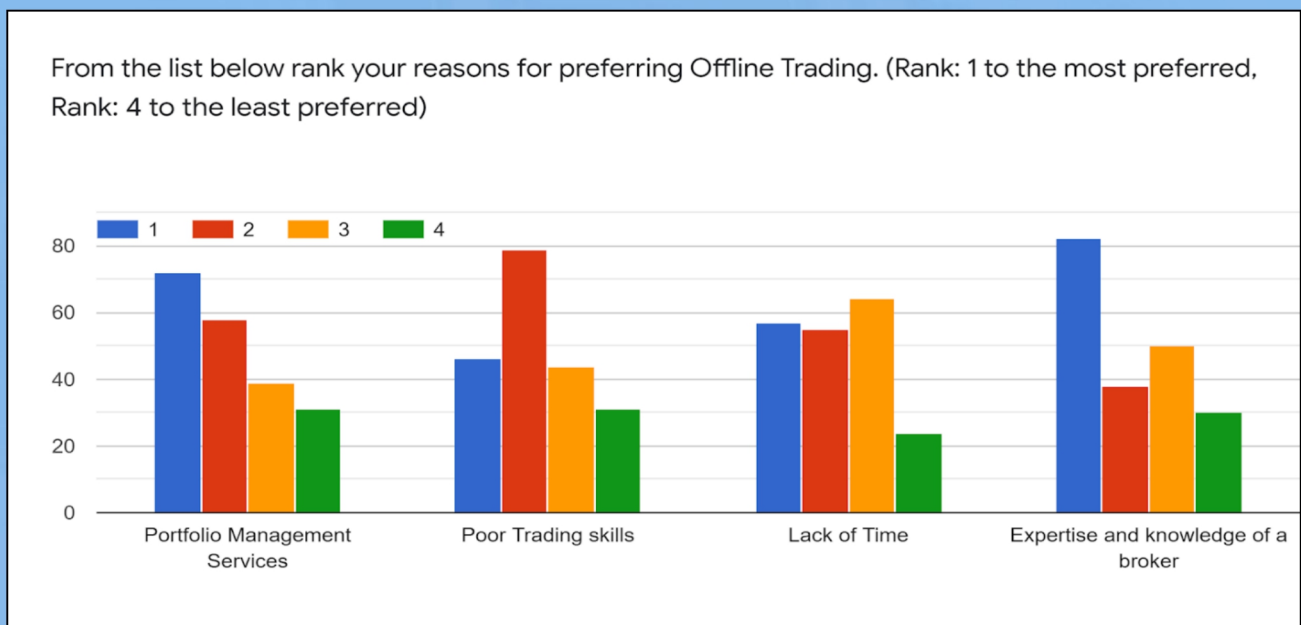
INTERPRETATION:

The above table and graph depict that Convenient and Faster Transactions and followed Zero dependency on broker are the primary factors or we can say that they are the most popular factors which influences investor's method of trading. After that Monitor your investment anytime is another good reason why investors choose online trading and lastly cheaper is the least concerned factor among the traders.

Q7- From the list below rank your reasons for preferring Offline Trading. (Rank: 1 to the most preferred, Rank: 4 to the least preferred)

Particulars	No. of Respondents			
	Rank 1 (most preferred)	Rank 2	Rank 3	Rank 4 (least preferred)
Portfolio Management Services	72	58	39	31
Poor Trading skills	46	79	44	31
Lack of Time	57	55	64	24
Expertise and knowledge of a broker	82	38	50	30

Table 4.7



Graph 4.7

INTERPRETATION:

The above table and graph depict that Expertise & Knowledge of a broker and followed by Portfolio Management services are the primary factors or we can say that they are the most popular factors which influences investor's method of trading. After that Lack of time is another good reason why investors choose offline trading and lastly poor trading skills is the least concerned factor among the traders.

Hypothesis Testing using chi square

A. To know whether the age of investors and their method of trading are independent or not.

H₀: There is no significant relationship between investor's age and the platform they prefer to trade.

H₁: There is a significant relationship between investor's age and the platform they prefer to trade.

(OBSERVED VALUE- EXPECTED VALUE) ² /E				
Educational Qualification	Online Trading	Offline Trading	Both	Total
High School	1.352363261	10.54	0.582352941	12.4747162
Under Graduate	0.627555178	1.002710718	3.580718475	5.210984371
Post Graduate/ Professional	0.039265055	0.012244987	0.135687961	0.187198002
Financial Professional	1.719473684	7.219753127	0.01674397	8.955970782
Other	2.421345029	0.195967742	3.640151515	6.257464286
	6.160002207	18.97067657	7.955654862	33.08633364

From the Chi Square test, the results obtained are below in the table:

significance level	0.05
staistic test	33.08633364
degree of freedom	8
p value	5.94209E-05
chisq.-critical value	15.50731306

Here we have **p value < significance level** i.e., $5.94209E-05 < 0.05$ and **test statistic > critical value** i.e., $33.0863336 > 15.5073130559$. Therefore, we will **reject null hypothesis** and **accept alternate hypothesis** i.e., there is a significant relationship between investor's age and the platform they prefer to trade. In other words, we can say that Investor's age and their method of trading are not independent of each other and there is a significant relationship exists between them.

B. To know whether the Income of investors and their method of trading are independent or not.

H₀: There is no significant relationship between investor's income and the platform they prefer to trade.

H₁: There is a significant relationship between investor's income and the platform they prefer to trade.

(OBSERVED VALUE- EXPECTED VALUE)^2/E				
Income/ method of trading	Online Trading	Offline Trading	Both	Total
Less than 25000	1.214351925	7.15555832	0.077167974	8.447078218
25000-40000	0.084298246	0.023703704	0.25779661	0.365798559
40000- 60000	0.679191457	7.424170692	0.486728077	8.590090226
>60000	0.058133971	0.334090909	0.003120185	0.395345065
total	3.395808177	19.2110411	4.351821442	17.79831207

From the Chi Square test, the results obtained are below in the table:

significance level	0.05
staistic test	17.79831207
degree of freedom	6
p value	0.006756494
chisq.-critical value	12.59158724

Here we have **p value < significance level** i.e., $0.006756494 < 0.05$ and **test statistic > critical value** i.e., $17.79831207 > 12.59158724$. Therefore, we will **reject null hypothesis** and **accept alternate hypothesis** i.e., there is a significant relationship between investor's income and the platform they prefer to trade. In other words, we can say that Investor's income and their method of trading are not independent of each other and there is a significant relationship exists between them.

C. To know whether the trading frequency of investors and their method of trading are independent or not.

H₀: There is no significant relationship between investor's age and investor's trading frequency.

H₁: There is a significant relationship between investor's age and investor's trading frequency.

(OBSERVED VALUE -EXPECTED VALUE)^2/E						
Age/ trading frequency	Daily	Weekly	Monthly	Quarterly	Yearly	Total
18-25	2.00784313 7	0.75338935 6	0.02833333 3	0.00588235 3	7.59215686 3	10.3876050 4
26-35	0.05268817 2	0.35024577 6	0.04215053 8	0.00322580 6	0.02634408 6	0.47465437 8
36-45	4.28918918 9	1.34271557 3	0.93405405 4	0.78108108 1	5.55	12.8970399
46-55	0.49591836 7	0.71371234 2	0.13074829 9	0.24693877 6	0.75136054 4	2.33867832 8
>55	0.5	0.41984127	0.04444444 4	0.16666666 7	0.69444444 4	1.82539682 5
Total	7.34563886 6	3.57990431 6	1.17973066 9	1.20379468 3	14.6143059 4	27.9233744 7

From the Chi Square test, the results obtained are below in the table:

significance level	0.05
staistic test	27.92337447
degree of freedom	16
p value	0.032292398
chisq. critical value	26.2962276

Here we have **p value < significance level i.e.,** $0.032292398 < 0.05$ and **test statistic > critical value i.e.,** $27.92337447 > 26.2962276$. Therefore, we will **reject null hypothesis** and **accept alternate hypothesis** i.e., there is a significant relationship between investor's age and their trading frequency. In other words, we can say that Investor's age and their trading frequency are not independent of each other and there is a significant relationship exists between them.

Chapter 05

Findings, Suggestions & Limitations

5.1 Findings of the Study

5.1.1 Findings by objectives

<i>Objective: 1</i>	To know what is the most important and deciding factor due to which investor still prefer offline trading or has adapted online trading.
<i>Number of Question</i>	2(Q-12-Q13)
<i>Analysis and Representation</i>	Frequency and Graph
<i>Finding:</i> <i>To meet this objective, I have asked two questions to the respondents in the Multiple-choice grid format. I have found that in case of online trading, Convenient and Faster Transactions followed by Zero dependency on broker are the primary factors or we can say that they are the most popular factors which influences investor's method of trading. After that Monitor your investment anytime is another good reason why investors choose online trading and lastly cheaper is the least concerned factor among the traders. In case of offline trading, Expertise & Knowledge of a broker and followed by Portfolio Management services are the primary factors or we can say that they are the most popular factors which influences investor's method of trading. After that Lack of time is another good reason why investors choose offline trading and lastly poor trading skills is the least concerned factor among the traders.</i>	

Objective: 2	To know how many people prefer offline trading, online trading and both.
Number of Question	1(Q-19)
Analysis and Representation	Frequency and Graph
<p style="text-align: right;">Finding:</p> <p><i>To meet this objective, I have asked one question to the respondents in the Multiple-choice format. I have found that only 27 respondents prefer offline trading, 114 respondents prefer online trading and 59 respondents prefer both method of trading.</i></p>	

Objective: 3	To know on how investors differentiate one stock broking company from another.
Number of Question	1(Q-10)
Analysis and Representation	Frequency and Graph
<p style="text-align: right;">Finding:</p> <p><i>To meet this objective, I have asked one question to the respondents in the checkbox format. I have found that the investors (121 respondents) feel like Trading Platform is the major differentiating factor for them while choosing a brokerage house because a good trading platform ensures trading to be done in the most easy and convenient manner. Following by this, Research Reports (101 respondents) and Low Brokerage (100 respondents) are one of the important factors considered by the investors. After this, 69 respondents choose account opening charges as a differentiating factor and Funding facility is the least important factor for differentiating among investors (55 respondents).</i></p>	

Objective: 4	To know if there is any relationship between investor's age and their method of trading.
Number of Question	2(Q-3, Q-9)
Analysis and Representation	Chi square test
Finding: <i>To meet this objective, I have asked two questions to the respondents in the Multiple-choice format. I have found that there is a significant relationship exists between the age of the investor and their method of trading.</i>	

Objective: 5	To know if there is any relationship between investor's income and their method of trading.
Number of Question	2(Q-6, Q-9)
Analysis and Representation	Chi square test
Finding: <i>To meet this objective, I have asked two questions to the respondents in the Multiple-choice format. I have found that there is a significant relationship exists between the income of the investor and their method of trading.</i>	

Objective: 6	To know if there is any relationship between investor's age and their trading frequency.
Number of Question	2(Q-3, Q-8)
Analysis and Representation	Chi square test
Finding: <i>To meet this objective, I have asked two questions to the respondents in the Multiple-choice format. I have found that there is a significant relationship exists between the age of the investor and trading frequency.</i>	

Objective: 7	To know about the investor's personal knowledge of fundamental and technical analysis of the stock.
Number of Question	1(Q-11)
Analysis and Representation	Frequency and Graph
Finding: <i>To meet this objective, I have asked two questions to the respondents in the Multiple-choice format. I have found that majority of the investors have a good knowledge regarding fundamental and technical analysis of the stock as 66 respondents are neutral regarding their personal knowledge related to fundamental and technical analysis of shares, followed by 57 respondents thinks that they have slightly high level of knowledge, then 32 respondents thinks that they have slightly low level of knowledge, 30 respondents thinks that they have very high level of knowledge and 15 respondents thinks that they have very low level of personal knowledge.</i>	

5.1.2. Major Findings

- ✓ Majority of the investors have a good personal knowledge regarding fundamental and technical analysis of the stock.
- ✓ There is a significant relationship exists between the age of the investor and trading frequency.
- ✓ There is a significant relationship exists between the income of the investor and their method of trading.
- ✓ There is a significant relationship exists between the income of the investor and their method of trading.
- ✓ Expertise & Knowledge of a broker, Portfolio Management services are the primary factors or we can say that the most popular factors which influences investor's preferences for offline trading.
- ✓ Convenient and Faster Transactions is the primary factor or we can say that the most popular factor which influences investor's preferences for online trading.
- ✓ Trading Platform followed by research reports and low brokerage are the major differentiating factor for investors while choosing a brokerage house.
- ✓ Majority of the respondents which are 57% of the total respondents do online trading, followed by 29.5% of the respondents uses both as a method of trading depending on their needs and only 13.5% of the total respondents do only offline trading.

5.2 Suggestions

- ✓ Number of online traders are increasing day by day this means that the investors are more inclined towards online trading therefore broking firms should update themselves with latest technology while providing online services.
- ✓ Educating the clients or prospective clients about the fundamental analysis and technical analysis of the stock would definitely create a positive image of the firm among the investors. This shows that the firm is concerned about its client's knowledge which ultimately leads to building a good customer relationship.
- ✓ All the stock broking firm who provides offline trading and wants to attract more investors or wants to retain them should consider or focus on the benefits like Expertise & Knowledge of a broker, Portfolio Management services which are the primary factors or we can say that the most popular factors which influences investor's preferences.
- ✓ All the stock broking firm who provides online trading and wants to attract more investors should consider or focus on the Convenient and Faster Transactions which is the primary factors or we can say that the most popular factor which influences investor's preferences. Therefore, a stock

broker firm would be in the benefit if it more focuses on providing easiest and fastest mode of trading.

- ✓ Trading Platform is the major differentiating factor for investors while choosing a brokerage house because a good trading platform ensures trading to be done in the most easy and convenient manner. Earlier in this research we have find out that Convenient and Faster Transactions is the reason why most of the investors prefer to do online trading. Therefore, providing the best trading platform to the investors is a very important factor in a highly competitive environment.

5.3 Limitations of the study

- ✓ A survey should involve a larger sample size otherwise the findings of the survey cannot be generalized. The Sample size was very limited to 130 Investors it may or may not be represented with the entire population.
- ✓ This present study focuses on the investors residing in the Surat City. So, it provides idea of that particular regions' investors behavior and their preference towards offline vs online trading only.
- ✓ The findings and conclusion of this research depends on how honestly respondents have filled the form. Therefore, the present study's findings are limited to the personal biasness of the respondents.

Chapter 06

Conclusion

The COVID-19 epidemic, imposed national lockdowns, and the global economic crisis all had a significant influence on markets, while the online trading scene has become more digitized and densely populated. The increased volatility caused by these occurrences has undoubtedly provided investors with opportunity to benefit handsomely. Meanwhile, the advent of fintech companies offering new and intuitive mobile and desktop trading platforms, which has opened up online trading to the masses, has made it much easier for anyone to enter the world of trading. After conducting this research, it can be finally concluded that more and more investors are adapting online trading mostly because of convenient and faster trading, investors are no more dependent on brokers for trading, thus, they are able to do unbiased trading according to their expertise and knowledge and additionally these online services are much cheaper than offline trading services. Rest of the investors who are still engaged in offline trading looks up to the expertise and knowledge of a broker and portfolio management services provide by the firm. Also, most of the respondents of this survey thinks that they have a quite good knowledge of fundamental analysis and technical analysis of the stock and this might be another reason for them why they are quite confident doing online trading on their own. Another conclusion we can draw from this research is that when it comes to switching the stock firm, investors mostly consider the Trading platform provided by the firm whether it is easy, convenient and enables faster transactions to them or not, followed by Research reports and low brokerage charges. Last but not the least, we have found out and can conclude that there is a significant relationship between the age of investors and their trading method, age of investors and their trading frequency and income of the investors and their trading method.

Part C

Learning from the Summer Training Project.

- ❖ Learned about various services provided by the company like Equity trading, Portfolio and Investment Management etc. Sessions were conducted regarding these services to make me understand what kind of services and how they provide it to their clients.
- ❖ Because I was new to trading, this internship provided me with the opportunity to learn about the market on my own, including its volatility, unexpected shifts, and all of its dramatic fluctuations. There were a lot of things I learned throughout the first part of my internship. As a novice to the trading profession, I had only a fundamental understanding of how a stock trading firm operated. I've acquired a variety of techniques for analysing equities and forecasting market trends in order to make decisions on when to buy and sell stocks.
- ❖ Training Sessions on various equity trading strategies were held and I have learned about:
- ❖ **Candlestick Patterns-** Candlestick patterns are technical trading techniques that have been used to predict market direction for centuries. Traditionally, these candles have been used as a basis to form Support and Resistance monthly, weekly and daily to determine the buy and sell/target price. But now in this modern time, we study various types of candlestick pattern and its impact on the future price. Some of the patterns are as follows: Big Black Candle, Big White Candle, Normal Doji, Long Legged Doji, Grave Stone Doji, Dragon fly Doji, Four price Doji etc.
- ❖ **Pivot Points-** A pivot point is a technical indicator used to identify trends and reversals in the stock, commodity, and FX markets on an intraday basis. Pivot points are used to indicate when the market's attitude is likely to shift from bullish to negative, and vice versa. The pivot point serves as the indicator's foundation, but it also contains anticipated support and resistance levels based on the pivot point calculation. All of these levels aid traders in determining where the price might find support or resistance. Similarly, if the price swings through these levels, it indicates that the price is trending in that way to the trader.
- ❖ **Bollinger Band-** Bollinger Bands are a technical analysis tool created by John Bollinger that can be used to generate oversold or overbought indications. Bollinger Bands are divided into three lines: An upper and lower band, as well as a simple moving average (middle band). Upper and lower bands are usually 2 standard deviations +/- from a 20-day simple moving average, but they can be changed.

- ❖ **Simple Moving averages-** A prominent technical analysis method is the simple moving average (SMA). It is one of the most widely utilized indicators across all financial markets, and it is primarily used to identify trends. The SMA is a lagging indicator that operates by smoothing out previous price data. Trading with the SMA displays a security's average price over a set period of time as a single line on a candlestick chart. The SMA is utilized by both short-term traders and long-term investors since it can be customized across different time frames. A short-term trader, for example, may utilize the 20-day simple moving average to spot short-term market trends. A long-term investor, on the other hand, may utilize the 200-day SMA to determine the long-term trend. It works on all financial markets, including stocks, currencies, indices, and exchange-traded funds (ETFs).
- ❖ This research project not only taught me technical analysis, but it also focused on numerous research reports to perform fundamental analysis.
- ❖ During this internship, I have learned how to construct trades based on market feelings, in a sense how to analyze the market and then come up with different strategies based on that analysis. I learned about the critical factors to consider before beginning any trade.
- ❖ I have learned how to do SWOT Analyses of a company effectively and efficiently.
- ❖ Not only did I learn about Bastawala Securities' terms and conditions, but also about its competitors' prices and brokerage patterns.
- ❖ Until now, I was merely a customer who invested in stocks based on expert recommendations. But, because to this internship, I was able to actually analyse market trends by reading charts and taking calls based on my knowledge.
- ❖ I have learned about mutual funds and insurance and how investing in them will help in the value addition of one's portfolio.
- ❖ I have communicated to the clients of the company regularly and understand their needs and for new clients I have designed the portfolio and for existing clients I have changed the portfolio accordingly. From this I have gained personal experience of managing their portfolio.
- ❖ I have done a market survey in Surat regarding their attitude and preferences towards offline vs online trading. From this I have learned that with an expanding number of consumers trading on online brokerage platforms, the Indian broking business is undergoing digital revolution. The new breed of stock market investors is digitally savvy and expects great user interface (UI) and user experience (UX).

- ❖ Apart from that, it has enabled me to improve my interpersonal abilities. It has assisted me in developing business communication skills and better understanding my peers through daily conference calls. It has also improved my soft skills.

References

- Update on Stock Broking Sector by CARE Advisory Research and Training Limited.
- Petric Iancu, I. A. (2015). Benefits and Drawbacks of Online Trading Versus Traditional Trading. Educational Factors in Online Trading. Annals of the University of Oradea, Economic Science Series, 24(1), 1253–1259.
- RADIONOVA-GIRSA, E., & LAHIĆA, A. (2017). Comparison of E-Trust and Trust Concepts in Online and Offline Dimensions. Economics & Business, 30, 126–133. <https://doi.org/10.1515/eb-2017-0011>
- SHARMA, J. (2016). Growth of Online Trading & Comparative Study between Different Stock Brokers in India with Special Reference to the Region of Jagadhri, Haryana. CLEAR International Journal of Research in Commerce & Management, 7(9), 39–44.
- IANCU, I. A., & MAIER, V. (2016). Motivations and Factors Influencing the Decision of Online Trading. Cross-Cultural Management Journal, 18(2), 93–98.
- Malek, A. M. (1970). No more traditional stock market exchange: a study of internet trading service (ITS) in Jordan. The Journal of Internet Banking and Commerce, 17(1), 1-19.
- Goldberg, S. T. (1999). Kiplinger's Personal Finance “Online Brokers Grow Up” Vol. 53, No. 11, page No.90-96
- Butler T. (2010) “The Complete Guide to Your Personal Finances Online: Step-By-Step Instructions to Take Control of Your Financial Future Using the Internet.”
- Walia N. and Kumar R. (2007) "Online stock trading in India: An empirical investigation"
- Turner T.(2007). “A Beginner's Guide to Day Trading Online”
- Nejati. M & Nejati M. (2010) “Global Business and Management Research: An International Journal”
- Madhavan V. “Payments in India: The journey so far and the road ahead”
- Jaiswal M., Vashist D. and Kumar A. “Online trading: Trading @ the speed of light,”
- Claburg J.F.“Four Steps to Trading Success: Using Everyday Indicators to Achieve Extraordinary Profits”
- Patel J. (2007) “Profit From Prices” in chapter Plan Your Trading and Trade as per your Planning
- Panda S. R. “Essential of Trading”
- Wykoff R. “The Day Traders Bible

Annexure

Questionnaire

A Study on Investor's Behavior and Preferences towards Online Trading v/s Traditional Trading .

I, Vandan Gohil student of Institute of Management, Nirma University studying MBA is conducting a comprehensive research project on "A Study on Investor's Behavior and Preferences towards Online Trading v/s Traditional Trading ." I request you to provide me with the following information for my work. I Assure you that the information provided by you will be strictly kept confidential and will be used for academic purposes only.

* Required

1. Name *

2. Gender *

Mark only one oval.

☐ Female

☐ Male

☐ Other

3. Age *

Mark only one oval.

☐ 18-25

☐ 26-35

☐ 36-45

☐ 46-55

☐ >55

4. Educational Qualification *

Mark only one oval.

- ☐ High School
- ☐ Under Graduate
- ☐ Post Graduate/ Professional
- ☐ Financial Professional
- ☐ Other

5. Occupation *

Mark only one oval.

- ☐ Student
- ☐ Self Employed
- ☐ Salaried Employee
- ☐ Retired
- ☐ Other

6. Income *

Mark only one oval.

- ☐ Less than Rs. 25000
- ☐ Rs. 25000- Rs. 40000
- ☐ Rs. 40000- Rs. 60000
- ☐ More than 60000

7. Trading Experience *

Mark only one oval.

- ☐ < 1 year
☐ 1-5 year
☐ 6-10 year
☐ >10 years

8. Trading Frequency *

Mark only one oval.

- ☐ Daily
☐ Weekly
☐ Monthly
☐ Quarterly
☐ Yearly

9. Which method of trading would you prefer? *

Mark only one oval.

- ☐ Online Trading
☐ Offline Trading (Traditional Trading)
☐ Both

10. How you differentiate one company from others? *

Check all that apply.

- ☐ Low brokerage
☐ Funding facility
☐ Account opening charges
☐ Trading platform
☐ Research report

Other: ☐ _____

11. On what scale do you rank your personal knowledge related to fundamental and technical analysis of shares? *

Mark only one oval.

	1	2	3	4	5	
Very Low	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	Very High

12. From the list below rank your reasons for preferring Online Trading. (Rank: 1 to the most preferred, Rank: 4 to the least preferred) *

Mark only one oval per row.

	1	2	3	4
Convenient and Faster Transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cheaper	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Monitor your Investment anytime	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zero dependency on broker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

13. From the list below rank your reasons for preferring Offline Trading. (Rank: 1 to the most preferred, Rank: 4 to the least preferred) *

Mark only one oval per row.

	1	2	3	4
Portfolio Management Services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Poor Trading skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Lack of Time	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Expertise and knowledge of a broker	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

This content is neither created nor endorsed by Google.

Internship Certificate



Bastawala Securities

Perfect Wealth Management House

301, City square, Ajramar Chowk, Near Amidhara Wadi,
New Rander Road, Surat. M. : 98241 15902, 98254 09920

Date: 02-07-2021

TO WHOMSOEVER IT MAY CONCERN

This is to certify that **Mr. Vandan Gohil**, student from **Institute of Management, Nirma University** has completed his Summer Internship as **Research Analyst** at **Bastawala Securities**, Surat, from 03/05/2021 to 02/07/2021.

Throughout his tenure, he has proved his abilities with persistence and sincerity. As we observed, he was a very active and capable of completing all of the tasks that were allocated to him. Furthermore, during his internship with us, he displayed exceptional behavior and attitude. We found him to be sincere, honest, reliable, and sociable. He was also a pleasant individual to converse and work in a team.

We wish him all the best for his upcoming career.

Sincerely,



Nilang Bastawala

Portfolio Manager and Research Head