A STUDY ON CUSTOMERS BEHAVIORAL INTENTIONS TOWARDS ONLINE TRADING SYSTEM IN TIRUCHIRAPPALLI CITY

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INTRODUCTION

The Internet revolution has been changing the fundamentals of the society. It changes the shape of communication and also trading process. It shifts closer and closer to vital sources of information and new trading environment by the name of "online trading". It provides users with means to directly interact with service-oriented computer systems tailored to their specific needs; therefore, they can serve themselves better by making their own decisions. There are lots of definitions for online trading. Hereby, four main definitions are mentioned:

The increasingly popular activity of buying and selling securities over the internet, or to a lesser extent, through a broker's proprietary software the online trading system can be defined as a process of trading financial products especially stocks over the Internet, and online stock trading site is a web site that helps traders or customers to buy and sell the financial products over the Internet.

Also online trading is described as service offered on the internet for purchase and sale of shares. In the real world customers can place orders with stockbroker. In online trading, customers will access a stockbroker's website through internet-enabled PC and place orders through the broker's internet-based trading engine. These orders are routed to the Stock Exchange without manual intervention and executed thereon in a matter of a few seconds, (www.investsmartindia.com)

Furthermore there online trading can be defined as placing an order for a trade using the internet. Online trading is not a strategy, but a means to enter a trade. Online trading can be used to enter a short trade or day trade, or a longer-term position in a stock, bond, commodity or option.
Each of these definitions describe online trading from somehow different aspects, but something is common and that the services which have provided to traders. They divided into three categories: Full-service, Discount and Online.

Investors who do not have time to research investments on their own will likely rely on a full-service broker to help them construct an investment portfolio, manage their investments, or make recommendations regarding which investments to buy. Full-service brokers have access to a wide range of reports and analyses from the company's large staff of financial analysts. These analysts research companies and recommend investments to people with different financial needs. Persons who prefer to select their own investments generally use a discount or online broker and pay lower commission charges. Discount firms usually do not offer advice about specific securities. Online brokerage firms make their trades over the Internet in order to keep costs down and fees low. Discount brokerage firms usually have branch offices, while online firms do not. Most brokerage firms now have call centers staffed with both licensed sales agents and customer service representatives who take orders and answer questions at all hours of the day.

There are two basic ways to day trade electronically. The first is through "Conventional Online Trading", using your Internet browser and a Web based broker. The second is by way of "Direct Access Trading systems", using specialized software and a private network. It is important for day traders to understand the key features of, and the differences between, these two forms of electronic trading.

ONLINE TRADING TRENDS

• **Security issues fading:** Concerns centered on security issues (encryption) and customer service issues (upgraded server and network equipment) are fading as consumers become accustomed to using the internet on a weekly or even daily basis for many types of transactions.

• **Pricing stabilization:** The online brokerage industry has seen severe price competition over the last two years, with every competitor lowering commission rates in an attempt to gain as many new accounts as possible. There is a belief that, prices have started to stabilize and further price reductions are unlikely from the present level. While new entrants will have to align commission rates lower to be competitive, rates of established online brokerages will be stable over the next year.

ONLINE TRADING CHARACTERISTICS

• **High amounts spent on advertising:** Because of relatively low barriers to entry, companies in this industry spend heavily on advertising in order to create a "brand" or "portal destination". The industry is in a race to lock up as many customers as possible, with the idea that a company can retain those customers by creating switching costs. Each company could create switching costs by customizing the company portal, making it costly for a customer who switches to competitors' site.

• **Importance of technology:** Companies in the industry compete on speed of access, speed of order processing, and system reliability. Conventional brokerages are not accustomed to dealing with this additional layer of complexity. Established online brokerages have an advantage over newly entering conventional brokerages in this area.

• **Scale is important:** With the large conventional brokerages entering the online business, gaining economies of scale will be important. Heavy advertising costs will need to be spread over a larger number of accounts. How successful a brokerage is at gaining and retaining customers over the next year will determine which online brokerages survive as independent businesses.

• **Different service proposition:** Online brokerages offer a different bundle of features compared to conventional brokerages. Convenient, twenty-four hours access for trading and research are defining characteristics of the online business. Convenience and low cost trades have been two
primary drivers responsible for the significant transfer of investors from conventional brokerages to online brokerages.

ADVANTAGES AND DISADVANTAGES OF ONLINE TRADING

Trading online the same as other systems has advantages and also disadvantages. Below the main points are summarized:

ADVANTAGES

- **Quick access/Convenience**: You can place your orders from anywhere and at any time. All you need is a personal computer. When you trade online, you save yourself a lot of time. You need not call your stockbroker to give your orders or to find out what happened to your trade.

- **Control/Transparency**: With online trading, power is literally at your fingertips. With a few keystrokes, you can place your orders and get all the information you need without any assistance or intervention of a stockbroker. You do not have to discuss or reveal your trades or plans with your stockbroker. You become an empowered, self-directed investor.

- **Efficiency**: Getting information or feedback used to take minutes, sometimes even days. With online trading, you get these faster because you get online, real-time information on your account balance, order status, and stock quotes with the best three levels of bids and offers.

- **Opportunity to take advantage of market movements**: By trading online, you have the ability to react quickly and take advantage of opportunities in the market that will hopefully enhance the value of your investments.

DISADVANTAGES

Despite all the advantages of Online Trading there are a few disadvantages. However, these disadvantages only apply to certain investors, the inexperienced investor, the traditional investor, and the busy investor.

- **Expertise**: Nobody involved in financial markets claims to know all the right moves, but everyone involved in the markets has an understanding of how things work. For an individual who knows nothing about stocks and nothing to look for might have a problem with online trading. Online trading does provide investors with sufficient research to make educated investments, but investors must be able to interpret the research and put it to use. Those individuals who do not have an understanding of the information might be better off letting a broker make the decisions.

- **Time**: There are a lot of investors out there that are very well educated in the financial markets but are too busy doing other things. Online trading require an individual to do is or her own analysis. The research is provided by the online company, but the investor must go through the information and determine what is valuable to their investment strategies. This often times requires an individual to have some free time. Many investors just do not have the time to go through the research; therefore, using a broker is the only other option.

FOR THE TRADITIONAL INVESTOR ONLINE TRADING ALSO HAS ONE MAJOR DISADVANTAGE

- **Informality**: Using an online service to make trades is very informal. Traditional investors grew up investing through a broker and interacting with that broker. Often time's traditional investors have very close relationships with their brokers and online trading eliminates the possibility of any relationships. Online trading might not be for everyone and often times are not. However, 82 percent
of those people who invest online believe that most investors will invest online in five years. Whether or not this is true, trading online has become very popular and has opened a door to whole new perspective of investing. Whether you are a first time investor or a professional, online trading offers convenience, lower costs, and empowerment to all users.

Online trading in India is set for rapid expansion over the next few years, spurred by economic growth and increasing disposable income, according to a new report. The market share of online trading as a proportion of total retail investor trading in India will expand to 30 per cent by 2012, from about 20 per cent now.

As a proportion of the overall volume on the National Stock Exchange of India, the country’s largest bourse, online trading will probably rise to 15.2 per cent over the same period, from 10.6 per cent in the year just ended, the report showed.

Retail investors already account for 21 per cent of the NSE’s stock trading, an 18.3 per cent rise from 2007. Coupled with the 30 per cent annual growth in the internet and mobile user base, online trading is set to expand further.

Expansion of retail stock trading will also be augmented by the potential for individuals to direct more of their savings at investing in equities. Just 3 per cent of household savings are “directed toward financial services”, a figure set to rise to 5 per cent by 2015. In addition, the population is growing fast.

India’s economy has weathered the global financial and economic crisis well, and retail sales in particular have shown strong growth since September, data indicates. The government has forecast growth of between 6 and 6.5 per cent for the year ending next March, which would make it one of the fastest growing large economies.

The stock market is benefiting from this continued expansion. The Sensex has rallied 73.5 per cent so far this year, outperforming the Shanghai Composite Index’s 68.4 per cent rise during the same period. New retail brokerages had prompted a reduction in trading fees. It said that because mature markets have shown the importance of lower fee levels in winning and keeping customers, the “lagging” brokerages will be forced to improve their operational costs in order to be successful.

One of the main obstacles to further development of online trading is telecom infrastructure, which is forcing most online retail brokerages to offer telephone trading as a backup. Another is the introduction of the securities transaction tax, it added.

REVIEW OF LITERATURE

a. The Technology Acceptance Model

Davis (1989) applied to the IS domain a well-known model in the social psychology domain – the TRA – (Fishbein and Ajzen 1975), which posits that a person’s action is a function of that person’s behavioral intention. The theory of planned behavior (TPB (Ajzen, 1988, 1991)) can be considered an extension of the TRA. It posits that behavioral intention is jointly determined by attitude and subjective norm, similar to TRA, but with the addition of perceived behavioral control. TAM posits that perceived usefulness and perceived ease of use are the major determinants of IS acceptance. Perceived usefulness was defined as “the degree to which a person believes that using a particular system would enhance his/her job performance”, and perceived ease of use is defined as “the degree to which a person believes that using a particular system would be free of physical and mental effort” (Davis, 1989, p. 320). Many studies of user acceptance have validated the model empirically (Mathieson, 1991; Taylor and Todd, 1995; Venkatesh, 2000; Venkatesh, Davis, 1996, 2000; Venkatesh and Brown, 2001; Venkatesh et al., 2003). However, in recent studies the attitude construct has been dropped from the original TAM and they found that perceived usefulness and perceived ease of use explained a large portion of the variance for intention to use IT (Gefen, 2003).
b. Perceived Trust

Trust allows the expression of an expectation about the future behavior of a person based, in many cases, on previous interactions. Trust has been examined in many disciplines, including social psychology, e-commerce, and e-banking. From the social psychologist perspective, trust is characterized in terms of the expectation and willingness of the trusting party engaging in a transaction. Mayer et al. (1995) defined trust as behavioral, based on one person’s beliefs about the characteristics of another person. Since, in a virtual environment, the degree of uncertainty of a transaction is higher than in a traditional setting, trust becomes an important factor.

Trust should be a particularly critical factor in an online context in which the consumer does not have direct control over the actions of the vendor. Lack of trust of online businesses is one of the main reasons for customers from not engaging in commercial transactions on the web (Hoffman et al., 1999; Lee and Turban, 2002; Pavlou, 2003). Therefore, the user’s feelings of trust toward an e-service are an important determinant in considering his/her intentions to use, and usage behaviors related to any e-service.

Trust can be based on the rational appraisal of an individual’s ability and integrity, and on feelings of concern and benevolence, thus, trust is a multidimensional concept. Mayer et al. (1995) defined benevolence as the extent to which a trustee is believed to intend to do good to the trustor, beyond his/her own profit motive. They defined integrity as the trustor’s perception that the trustee will adhere to a set of principles or rules of exchange acceptable to the trustor during and after the exchange. These factors increase confidence that a transaction will be successfully completed and help reduce awkwardness, complexity and uncertainty, and increase confidence in the abilities of the other person.

Since customers who trust are more likely to make an online purchase, the importance of trust as a key facilitator of electronic commerce is increasingly being recognized in academic and practitioner communities (Bhattacherjee, 2002; Gefen, 2003; Flavia´n and Guinalı´u, 2006).

Online trust is generated through consumers’ positive interactions with an online vendor’s web site (Jarvenpaa et al., 2000). When consumers feel comfortable interacting with a web site, they are likely to develop trust in the web site, and trust becomes the key strategy for dealing with uncertainty and fear (Hoffman et al., 1999; Jarvenpaa et al., 1999). In these uncertain situations, consumers’ perceptions of a site’s information accuracy, ability and willingness to perform expected activities, and conformance between saying and doing contribute to trusting the site (Koufaris and Hampton-Sosa, 2004).

c. Perceived Security

Since personal and financial information can be intercepted and used for fraudulent purposes, online investing involves greater security concerns than conventional trading; users need a sense of security when conducting financial transactions, and it is still one of the major barriers to e-commerce growth (Wang et al., 1998; Furnell and Karweni, 1999; Jarvenpaa et al., 1999; Gefen, 2000; Lee and Turban, 2002). Perceived security was defined as a threat that creates a circumstance, condition, or event with the potential to cause economic hardship to data or network resources in the form of destruction, disclosures, modification of data, denial of service, and/or fraud, waste and abuse (Kalakota and Whinston, 1997, p. 853).

Security, which involves the use of technical advancements like cryptography, digital signatures and certificates aimed at protecting users from the risk of fraud, hacking or “phishing”, has a positive influence on the intention to purchase online (Ranganathan and Ganapathy, 2002; Yousafzai et al., 2003; Kim et al., 2008; Lian and Lin, 2008). But what is relevant for the acceptance of e-commerce is not the objective security of the electronic channel as transaction medium but the subjective risk perception of the consumer (Klang, 2001; Grabner-Kra’uter and Kalusch, 2003).
Thus, when online vendors have implemented security mechanisms, consumers tend to believe that online purchasing is safe.

Laforet and Li (2005) found the issue of security to be the most important factor that motivated Chinese consumer adoption of mobile banking. In the context of online trading, network and data transaction attacks or attacks through unauthorized access to the e-investors’ accounts could be a substantial barrier preventing the adoption of online trading practices.

d. Perceived Privacy

Perceived privacy is the possibility that online companies collect data about individuals and use them inappropriately (Jarvenpaa and Toad, 1996). There is growing concern regarding security issues and the use of information given online in terms of the privacy of personal information and the unintended uses of it. Customers are reluctant to enter their personal information when the sites ask for it, because they are concerned about the interception and misuse of information sent over the internet and how their data is used. Thus, online consumers hesitate to disclose any personal or financial information to companies because they feel that these companies could make unauthorized use of it or divulge it to other organizations (Lim, 2003). Castaneda et al. (2007) measured the bi-dimensionality of the internet privacy concern. They considered that the first dimension is related to concern for the data-collecting process itself, while the second refers to the inadequate use of this information by the online company.

Trusting beliefs determine consumer attitudes toward online companies. These beliefs encapsulate concerns related to privacy and subsequent use of consumer information by the vendor (Liu et al., 2005; Salam et al., 2005). Thus, when security and privacy policies are clearly disclosed, consumers increase their trust, which in turn enables online transactions (Chellappa and Pavlou, 2002). Other empirical studies suggested that perceived privacy is a critical factor in consumers’ acceptance of online services (Hoffman et al., 1999; Doolin et al., 2005; Mukherjee and Nath, 2007; Poon, 2008). Therefore, in this study we will test whether privacy concerns decrease the investment behaviors of online trading customers.

Brad M. Barber and Terrance Odean (2002) analyzed 1,607 investors who switched from phone based to online trading during the 1990s. Those who switched to online trading perform well prior to going online, beating the market by more than 2% annually. After going online, they trade more actively, more speculatively, and less profitably than before-lagging the market by more than 3% annually.

Reductions in market frictions (lower trading costs, improved execution speed, and greater ease of access) do not explain these findings. Overconfidence-augmented by self attribution bias and the illusions of knowledge and control-can explain the increase in trading and reduction in performance of online investors. They found that investors who choose to make investments online are better performers than those who do not go online before the switch but worse performers after the shift. The idea is that overconfidence induces them to switch but then excessive trading after the switch dissipates their profits.

Haroun Alryalat, Yogesh Kumar Dwivedi, Jasna Kuljis, and Ray J. Paul (2006) analyzed the effect of online and traditional trading on effective market performance on the NASDAQ. The purpose of this paper was to present a critical analysis on the competition between online (ECN) and traditional (Market Maker (MM)) trading on the NASDAQ stock exchange. Online stock trading mechanisms at the exchanges are often a hybrid of dealer and auction markets. Different aspects of trading execution, which is the most commonly used market centre at present, were analyzed. This leads to a discussion on: (1) the path that executes order is organized and (2) its impact on the effective market performance, trading cost and investor behaviour.

Nidhi Walia and Ravinder Kumar (2007) wrote in their research paper, which was published in Indian journal of marketing, that there is no denying the fact that internet trading offered investors
convenience of trading along with reduced cost. But Indian investors have not yet fully realized the importance of using technology for stock trading. The major findings of the study are the Indian investors are more conservative, they do not change brokers for trading, whereas net traders are more comfortable with online trading for its transparency and complete control of the terminal. In the Indian context, online trading can be rightly called as a recent phenomenon, and even till day online trading is not much popular among investors for which a list of factors can be blamed. This fact is clearer from the information available that where numbers of stock exchanges in India have grown from 7 exchanges in 1946 to total 23 stock exchanges till 2011, only two stock exchanges are providing online share trading. Over the past two years, the value of all trades executed through internet on NSE has grown from less than Rs. 100 Cr. to over Rs. 700 Cr. in June 2005. Online trading is gaining momentum with trading volume growing by 150 % per annum.

STATEMENT OF THE PROBLEM

In the online trading system it is important to measure user attitude, satisfaction and behavior intention. In the online trading system face to face interaction is not possible, so it is necessary to ensure the trust and perception. Further in the context online trading, users have traditionally been hesitant to send personal information through internet. Thus the study examines how much an investor has Trust, Security, Privacy, Easy to use, Usefulness and Behavior intentions to use effectively online share trading.

OBJECTIVES OF THE STUDY

1. To identify the level of investors trust towards online share trading.
2. To measure the security aspects of online share trading system.
3. To examine the investors perceived privacy, Ease of use and usefulness towards online share trading system.
4. To identify the investor’s behaviour intentions based on Investors trust, security, privacy and usefulness.

RESEARCH METHODOLOGY

The population of the study consists only the customers do share trading through internet in Tiruchirappalli. The customers who have more than 24 months share trading experience through internet are considered as the population of the Study. The database of the customers was collected from the leading share trading brokerage in Tiruchirappalli. The questionnaire framed for this study was sent through customers E.Mail. Out of 315 questionnaires sent, 205 received back through internet. In which 200 questionnaire were fully answered and considered for the study. The study yield 65% of response rate. The sample size for the study is 200 and convenient sampling technique will be appropriate for the study.

The study consists of both primary and secondary data. The primary data collected with the help of questionnaire. The questionnaire consists of two parts. The first part consists of personal information related to investors. The second part of the questionnaire consist six dimensions. The dimensions are perceived trust, perceived security, and perceived privacy, ease of use, perceived usefulness and behavior intentions.

The collected data was consolidated, tabulated and analyzed by using relevant statistical tools like Chi square, ANOVA, Correlation and Multiple regressions. The SPSS 20 package was utilized for analyzing the data; the interpretation of the study done by using tables, graphs and charts to give meaningful results.
SCOPE AND LIMITATION OF THE STUDY

The study will help investors to search for profitable transactions quickly, providing them with full and detailed information about the stock exchange situation, useful information that may mitigate investor’s doubts, allowing them to accomplish effective and efficient online securities transactions. Furthermore, a useful online trading system will attract investors to engage in transactions directly, and also indirectly, through a higher perception of trust. The study concentrates only towards active online share trading investors. The sample is low, by considering only Tiruchirappalli.

RESULT AND DISCUSSION

1. To identify the Association between selected personal profiles of the customers and ease of use towards online share trading

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Chi Square Value</th>
<th>df</th>
<th>Asymp. Sig.</th>
<th>Result</th>
</tr>
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<tbody>
<tr>
<td>There is no association between Educational Qualification and Ease of use</td>
<td>14.647</td>
<td>12</td>
<td>.261</td>
<td>Accepted</td>
</tr>
<tr>
<td>There is no association between Place of living and Ease of use</td>
<td>1.410</td>
<td>4</td>
<td>.842</td>
<td>Accepted</td>
</tr>
</tbody>
</table>

2. To identify the significant relationship between selected age of the respondents and dimensions related to behavior intentions towards online share trading.

<table>
<thead>
<tr>
<th></th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
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<tr>
<td>Behavioral Intention</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>4.536</td>
<td>3</td>
<td>1.512</td>
<td>2.235</td>
<td>.085</td>
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<tr>
<td>Within Groups</td>
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<td>Total</td>
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<tr>
<td>Perceived Usefulness</td>
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</tr>
<tr>
<td>Between Groups</td>
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<td>.561</td>
<td>.752</td>
<td>.522</td>
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<td>Within Groups</td>
<td>146.236</td>
<td>196</td>
<td>.746</td>
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<td>Total</td>
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<td></td>
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<tr>
<td>Perceived Trust</td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>5.447</td>
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<td>1.816</td>
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<tr>
<td>Within Groups</td>
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<tr>
<td>Total</td>
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<td>Perceived Security</td>
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<td>Between Groups</td>
<td>2.041</td>
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<td>Total</td>
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<td>Perceived Privacy</td>
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<td>Between Groups</td>
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<td>Ease of Use</td>
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<tr>
<td>Within Groups</td>
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<td>122.220</td>
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</table>
From the above table it is inferred that 6 dependent variables are considered to identify the significant relationship with the analyzing variable age. Out of 6, only one dependable variable ease of use shows significant relationship with the analyzing variable age. Other 5 variables behavioral intention, perceived usefulness, perceived trust, Perceived security and perceived privacy, does not have significant relationship with the analyzing variable age.

3. To identify the significant relationship between selected Monthly income of the respondents and dimensions related to behavior intentions towards online share trading.

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<td>Perceived Usefulness</td>
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<tr>
<td>Between Groups</td>
<td>.060</td>
<td>3</td>
<td>.020</td>
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<td>Within Groups</td>
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<td>Total</td>
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<tr>
<td>Perceived Trust</td>
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<td>Between Groups</td>
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<td>Within Groups</td>
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<td>Perceived Security</td>
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<td>Between Groups</td>
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</tr>
<tr>
<td>Within Groups</td>
<td>125.804</td>
<td>196</td>
<td>.642</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>127.995</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived Privacy</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>2.877</td>
<td>3</td>
<td>.959</td>
<td>1.489</td>
<td>.219</td>
</tr>
<tr>
<td>Within Groups</td>
<td>126.243</td>
<td>196</td>
<td>.644</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>129.120</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of Use</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Between Groups</td>
<td>1.232</td>
<td>3</td>
<td>.411</td>
<td>.665</td>
<td>.574</td>
</tr>
<tr>
<td>Within Groups</td>
<td>120.988</td>
<td>196</td>
<td>.617</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>122.220</td>
<td>199</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

From the above table it is inferred that 6 dependent variables are considered to identify the significant relationship with the analyzing variable monthly income. None of the dependable variables behavioral intention, perceived usefulness, perceived trust, Perceived security and perceived privacy, and ease of use does not show any significant relationship with the analyzing variable monthly income.

4. Relationship among the dimensions of behavioral intentions

<table>
<thead>
<tr>
<th></th>
<th>Perceived Usefulness</th>
<th>Perceived Trust</th>
<th>Perceived Security</th>
<th>Perceived Privacy</th>
<th>Ease of Use</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioural Intention</td>
<td>Pearson Correlation</td>
<td>.811**</td>
<td>.831**</td>
<td>.722**</td>
<td>.580**</td>
</tr>
<tr>
<td></td>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td>N</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
</tbody>
</table>
The correlation is one of the most common and most useful statistics. A correlation is a single number that describes the degree of relationship between two or more variables. The above correlation table shows the inter correlation between the dimensions behavioural intention, perceived usefulness, perceived trust, Perceived security and perceived privacy, and ease of use. All the dimensions show high inter correlation (above .5) and all are positively correlated and significant at .000 level. Perceived trust is very highly correlated with Behavioural intention.

5. To identify the cause and affect between dimensions of behavioral intentions of online share trading

(i) Model Summary

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>F   (.Sig)</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.908</td>
<td>.825</td>
<td>.820</td>
<td>151.585 (.000)</td>
<td>.328</td>
</tr>
</tbody>
</table>

Predictors: (Constant), Ease of Use, Perceived Trust, Perceived Usefulness, Perceived Security, Perceived Privacy, Behavioural Intention

Dependent Variable: Perception - Online Trading System

From the above model summary table, the R value shows the correlation among the two variables. The R value is .908. It implies the mild correlations between the variables. The R square shows the prediction of the dependent variables of online trading system. The R square shows that 82.5% predicts the dependent variable (Dimensions of online trading system). The larger the F ratio there will be more variance in the dependent variable that is associated with the independent variable. There is statistical significance between the dimensions.

(ii) Coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>(Constant)</td>
<td>.105</td>
<td>.126</td>
<td>.830</td>
<td>.408</td>
</tr>
<tr>
<td>Behavioural Intention</td>
<td>.226</td>
<td>.070</td>
<td>.243</td>
<td>3.244</td>
</tr>
<tr>
<td>Perceived Usefulness</td>
<td>.203</td>
<td>.057</td>
<td>.226</td>
<td>3.554</td>
</tr>
<tr>
<td>Perceived Trust</td>
<td>.123</td>
<td>.046</td>
<td>.152</td>
<td>2.702</td>
</tr>
<tr>
<td>Perceived Security</td>
<td>.164</td>
<td>.053</td>
<td>.171</td>
<td>3.102</td>
</tr>
<tr>
<td>Perceived Privacy</td>
<td>-.005</td>
<td>.064</td>
<td>-.005</td>
<td>-.076</td>
</tr>
<tr>
<td>Ease of Use</td>
<td>.265</td>
<td>.069</td>
<td>.269</td>
<td>3.842</td>
</tr>
</tbody>
</table>

Dependent Variable: Perception - Online Trading System

To determine if one or more of the independent variables are significant predictors of online trading system, we examine the information provided in the coefficient table. Out of 6 independent statements five statements are found to be statistically significant.
The standardized coefficient beta column reveals that Behavioural Intention has a beta coefficient .243, which is significant (.001). Perceived Usefulness has a beta coefficient .226, which is significant (.000). Perceived Trust has a beta coefficient .152, which is significant (.008). Perceived Security has a beta coefficient .171, which is significant (.002). Perceived Privacy has a beta coefficient -.005, which is not significant (.940). Ease of use has a beta coefficient .269, which is significant (.000).

The strongest predictors towards customers perception towards online share trading is ease of use, behavioral intentions, and followed by perceived usefulness. Perceived trust and security were the weakest predictors in this study. Perceived privacy created negative influence towards customer’s perception in online share trading.

FINDINGS

1. Use the online trading systems on a regular basis in the future to this 61% majority of the respondents agreed.
2. Frequently use the online trading systems in the future to this 56% of the respondents agreed.
3. Strongly recommend others to use online trading to this 59% of the respondents agreed.
4. Find online trading systems useful in conducting securities transactions to this 57% of the respondents agreed.
5. Using online trading systems has made it easier to conduct securities transactions to this 58% of the respondents agreed.
6. Using online trading systems enables to accomplish securities transactions more quickly to this 58% of the respondents agreed.
7. Using online trading improved their performance in conducting security transactions to this 55% of the respondents agreed.
8. Online trading systems were trustworthy to this 39% of the respondents agreed.
9. Online trading systems have a good reputation as financial dealer and stockbroker to this 54% of the respondents agreed.
10. Online trading systems are competent and effective as financial dealer and stockbroker to this 48% of the respondents agreed.
11. There was no doubt on the honest of the online trading systems to this 61% of the respondents agreed.
12. Online trading systems have sufficient technical capacity to ensure that the data cannot be modified by a third party to this 58% of the respondents agreed.
13. Online trading systems have enough security measures to protect personal and financial information to this 58% of the respondents agreed.
14. Respondents were sure that data sent to online trading systems was not intercepted by unauthorized third parties to this 59% of the respondents agreed.
15. Online trading systems have sufficient technical capacity to ensure that no other organization will supplant its identity on the internet to this 54% of the respondents agreed.
16. Respondents were concerned that the online trading systems would use their personal information for other purposes without their authorization to this 61% of the respondents agreed.
17. Too much of personal and financial information was collected by the online trading systems to this 34% of the respondents agreed.
18. Respondents were concerned about the privacy of their personal and financial information during a transaction to this 63% of the respondents agreed.
19. Respondents had a doubt that their personal and financial information might be shared with other entities without their authorization to this 48% of the respondents agreed.
20. Internet securities trading system was designed to use easily to this 55% of the respondents agreed.
21. Internet securities trading system used understandable terms to this 51% of the respondents agreed.
22. Each page of Internet securities trading system was easy to read to this 38% of the respondents agreed.
23. Each page of the Internet securities trading system contained links to search for other information to this 64% of the respondents agreed.
24. Internet securities trading system allows easy navigation to previous and next page to this 51% of the respondents agreed.
25. Age distribution of the respondents shows that 51% of the respondents belonged to the age group below 30 years.
26. Gender classification of the respondents shows that 77% of the respondents were male.
27. Educational qualification details of the respondents shows that 36% of the respondents were professionals.
28. Work experience details of the respondents shows that 45% of the respondents had less than 2 years of work experience.
29. Monthly income distribution of the respondents shows that 36% of the respondents belonged to the income group Rs.30,001 to 40,000.
30. Investment details of the respondents showed that 42% of the respondents had invested Rs. 2,00,001 to 3,00,000.
31. Majority of the respondents (55%) of the respondents were from urban areas.

STATISTICAL FINDINGS

32. There is no association between Gender and ease of use.
33. There is no association between educational qualification and ease of use.
34. There is no association between place of living and ease of use.
35. There is significant difference between Age and ease of use.
36. There is no significant difference between years of experience and dimensions related to online trading.
37. All the dimensions in online share trading shows very high inter correlation (above .5) and all are positively correlated and significant at .000 level.
38. The dimension ease of Use has high beta loading towards perception of online share trading.
39. The dimension Perceived privacy shows negative impact towards perception of online share trading.

SUGGESTIONS

Results suggest that ease of use and trust were the weakest predictors in this study, but it is an important antecedent of behavioral intentions. Therefore, online investors tend to increase their motivation to use the services of online financial dealers and Perceived trust leads the investors to be willing to believe that the online financial dealers are able to provide them with the services offered. For instance, trusting perceptions directly influence the decision to use their e-services. Easy usefulness of the web site encourages e-investors to navigate easily and also creates willingness in
them to use more and more and frequent usage resulting in trust. Empirical studies have proved that that online customers’ trust can increase when the web site is easy to navigate.

A useful online trading system helps e-investors to search for profitable transactions quickly, providing them with full and detailed information, useful information that may mitigate e-investors doubts, allowing them to accomplish effective and efficient online securities transactions.

Furthermore, a useful online trading system will attract e-investors to engage in transactions directly, and also indirectly, through a higher perception of trust. Perceptions of high security of the online trading system facilitate the trust in the online dealer.

Online financial dealers and stockbroker should improve their web security features in order to enhance the e-investors’ trust in the online trading system.

An experienced internet user is more familiar with security technologies; they easily recognize features such as certificates or encryption keys. Since these security characteristics guarantee almost total privacy, the relative importance of privacy concerns for these users is lower. Thus, the trust in the online trading company, jointly with the presence of security features, drives the decision to disclose personal and financial information with less discomfort.

CONCLUSION

Online trading has become a major trend in stock markets around the world because of its lower commission cost for trading, faster trade execution, more control and flexibility over the types of transaction investors choose to conduct, and no time or geographical limitations. In other words, online stock trading has created an urge to trade and a desire to have more control over what investors are investing in. Investors can easily find a huge amount of information through the Internet, whereas more information often increases confidence in judgments and causes investors to have the illusion of knowledge. Online investors have to collect and analyze their own information and place orders through the Internet by themselves.

To conclude, when the perception of security is high and the commercial relationship is long (e.g. online trading), trust is a key determinant of behavioral intention; hence, e-investors tend to provide more personal and financial information with less concern. Online trading systems managers must improve the security of the target system. Thus, security features should be considered an important issue during the online trading system’s design because e-investors are more favorably inclined toward using it when they perceive that the information provided during the securities transactions is secure, and third parties will not have access to it. Trust, perceived usefulness and perceived ease of use also play an important role, thus, managers should develop a system that provides up to date and relevant financial information with good user interface consistency.

REFERENCE


