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How Informed Investing Will Result In Better Investment Decisions in Stock Market with reference of Retail Investor from Maharashtra.

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Abstract:

This research is related to studying the new wave coming into a Stock Market to earn easy money through online trading concerning industries and brokerages. The Indian Stock Market is one of the important elements in the Indian economy which determines the growth in our Indian economy. In today's competitive world there are millions of people having an Internet facility in their home and offices. From last 32 years since 1991, Globalization, privatization and Liberalization) the internet has impacted much on people perception and the present study is a way to find out the customer awareness about online trading. The main objective of the study is to understand how the investor or trader takes a decision in market and how this process can be made in better way with the help of traders based in Mumbai.

Introduction:

Online Investment and Trading is buying and selling of various shares through online platform mode with various channels. Nowadays , Online trading and Investment platform businesses have a great role in business with the higher impact over a financial institution and market and the main reason for success in the business because they have a good internet facility for buying and selling of Stocks, Shares, mutual fund , debts , gold and etc under the online trade. In Today's competitive world almost all businesses are doing a business through online mode only and it will help to them for saving a time and also connivance for customer which will create a impact on to earn maximum profit in minimum cost.

Online trading is a platform for where buyer and seller, buys or sells the share from anywhere within market hours. And the biggest advantage is no one need a proper qualification or high skills to operate a demat account where buyer and seller can do exchanges because, it's very easy to access and understanding for retail investor. In our

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Country there are mainly two stock exchanges providing a successfully online platform is BSE and NSE.

The number of demat account holders in India continues to skyrocket, with 11 crore accounts in January 2023, compared to only 8.4 crores as reported in 2022. Even with these massive figures, it is estimated that only 3% of Indian households are actively investing in the stock market.

Objectives of the Study:

1. To Study the concept of Investment.
2. To Study the present online trading scenario in Indian stock Market.
3. To Study the challenges in online trading
4. To Study the SWOT analysis of Investment and Trading for retail Investor in Indian Stock Market.

Review of Literature:

Dr. Sarika Srivastava (2016):

According to Dr. Sarika Srivastava: "Because of the huge improvement in Internet facility in India, The retail customers are increasingly in stock market for investment as well as trading. The primary objective of this research paper is to analyse the improvement in number of Investor in market and due to better internet facility its actually easy access for retail investor to invest from anywhere.

Ms.Anju Bala (July 2013):

The main objective of this research paper is to facilitate the reader Past and current scenario of stock market. This study also providing a guideline to the investor how earn maximum profit with minimum risk into stock market though buying & selling of stocks.

Noor Afza (2017):

The study aims at reviewing and discovering the existing empirical evidence regarding the stock market performance and IT investments. The significant analysis of the statistical tools used is out of the purview of this study. The performance of the stock market is analyzed through the determinants of the stock market which is broadly classified into macroeconomic

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factors like Gross Domestic Product (GDP), GNP, Inflation Rate, Exchange Rate, and Interest Rate; and institutional factors like income inequality, legal environment, political, and financial liberalization. Also, to measure the performance of the IT Company, indicators like Price earnings ratios, dividend yield, Earnings per Share, and Return on Equity are considered.

Rakesh H.M (2014),:

In this Research Paper it is study about the individual investors and how they take their decision to invest in stock market with the help of factors of stock market. He stated that "The investors are fully aware about the stock market and they feel that market movements also affect the investment pattern of investors in the stock market."

Reena Rai (2014),

In this research paper Reena Rai, had stated that they have aims to find the factors on which investor are mostly like to take a decision. And factors like, gender, age, income and education. It says that these kinds of factors are usually playing a vital role for an investor to take a decision!

Research Methodology:

This Research Methodology is the specific technique or the procedure to identifying, analyzing, processing and information about the selected title or topic of the research. In this research paper, the methodology will help the section the reader to evaluate the study and reliability.

Data Analysis:

The research is based on the both the data i.e. on Primary and secondary data. The Secondary data is collected from various sources like, Books, Article and etc.

And The Primary Data is taken by the some questionnaire and almost **96** respondent had submitted their views on the question and they had based from various background like some are Students, Ass.Professor, Engineer, Doctor, Lawyer , Manager from various department like Finance, marketing and HR.

Percentage Analysis:

Percentage Analysis is a method to making a comparison between two or more series of the data. Percentages are based on the descriptive type of relationship; since the percentage reduces everything to a common base and they are by allow making a comparison.

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Formula:

Percentage = Number of Respondent * 100 / Total no. of Respondent

Q.1) **what are the two Stock Exchanges which are providing online platform for trading?**

Options	**No. of respondents**	**% of respondents**
BSE	8	8.3
NSE	3	3.1
Both	83	86.5
None	2	2.1
Total	**96**	**100**

From above inferred that out of 96 respondents, 8.3% of respondent know about only BSE for online platform for trading & exchanges. 3.1% of respondent know about only NSE for online platform for trading & exchanges. 86.5 of respondent know about both i.e. NSE & BSE for online platform for trading & exchanges, which Shows that most of the respondent know about we can do a trading & Exchange on both the platform.

Q.2) Do You Invest in Stock Market:

Options	**No. of respondents**	**% of respondents**
Yes	66	68.8
No	30	31.3
Total	**96**	**100**

From above inferred that out of 96 respondents, 68.8 % respondent are Invest into Stock Market and 31.3% respondent are still not invest into stock market, which shows in today’s market mostly people are likely to invest into stock market.

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Q.3) **Do You Have a Demat Account?**

Options	No. of respondents	% of respondents
Yes	77	80.2
No	19	19.8
Total	**96**	**100**

From above inferred that out of 96 respondents, 80.2 % respondent are already open their Demat Account with different brokerage and 19.8% respondent are still not open their Demat account for investing into a stock market, which shows in today's market mostly people are already opened their Demat account.

Q.4) **Do You Think Online trading platform plays a vital role in economic development?**

Options	No. of respondents	% of respondents
Yes	93	96.9
No	3	3.1
Total	**96**	**100**

From above inferred that out of 96 respondents, 96.9 % respondent are agree that online trading platform plays a vital role in economic development and 3.1% respondent are not agree that online trading platform plays a vital role in economic development.

Q.5) **Do you think, online trading is safest way of investment?**

Options	No. of respondents	% of respondents

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Yes	42	43.8
No	11	11.5
May be	43	44.8
Total	**96**	**100**

From above inferred that out of 96 respondents, 42 % respondent are agree that online trading platform is a safest way of Investment and 11.5% respondent are not agree that online trading is a safest way to do Investment and 44.8% are still do know about whether Online Trading is Safest way for Investment or not, it shows that some people are agree that it is a safest way but some are still don't know exactly whether it is safe or no for an Investment.

Q.6) <u>Your preferred choice of Investment</u>

Options	**No. of respondents**	**% of respondents**
Stock	3	39.6
Mutual Fund	36	37.5
Real Estate	8	8.3
Gold	4	4.2
Fixed Deposit or any banking scheme	10	10.4
Total	**96**	**100**

From above inferred that out of 96 respondents, 39.6% respondent are like to Invest into the stocks, 37.5% respondent are like to Invest in Mutual Fund, 8.3% respondent are like to invest into real estate, 4.2% in gold and 10.4% respondent like to Invest into fixed deposit or other banking scheme like recurring deposit and etc.

<u>Facilitate of the online trading in India:</u>

In online trading, there are various facilities:

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1. The Investor has to open their Demat account with any broker like, Zerodha, Upstox, Angel broking, 5 Paisa or etc. And with the help of the broker, Investor can start to for buying and selling a stock though online in Market hours.
2. The Broker has to connect with Server of the Stock Market and respective bank so, Investor can add the funds from their savings account.
3. The Broker is always assist to the investor in market hours and as well as post market hours like by providing all notification through Sms, email on mobile and also suggest proper technical and fundamental analysis of the company.
4. So, the investor can made their decision whether they want to purchase or sell the particular stock.

Advantages of Online Trading:

A) Convenient:

Nowadays, online trading has huge changes in the way of investing stock market for common people through online with the help of various brokerages. Also all the broker are showing a proper chart and candlestick pattern on their screen so, it is very easy for common people to understand.

B) Information

In Today's Market information is playing a vital role in stock market and many of the trader also eager to watch the current market news so, they can trade accordingly as per market wave so, many of the broker send a current market information to their clients through email and Sms and this will help to reduce agents so, investor can study market very easily.

Extra power:

Online trading is always helpful for the retail investor as well as to the small firms so, they can directly compete with large size companies into stock market so, it is very helpful to the small firms to grow in the market and in stock trading size of the firm doesn't matter

Transparency in Trading:

Nowadays, all the individual trader are doing a trade on their own though online so, it is very easy to them for understanding the how price action or some news will be impact on the trade

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and there is 100 % transparency will be created by broker so, retail investor can understand all the concept.

Precautions to take while doing online trading:

Not to Panic:

The Market is always volatile and it's accepted by every client, that's why always we recommended investing for long term in to market because many of traders are doing a mistake if they booked any one loss so, before anything just watched and study the market for proper trade.

Don't make huge investments:

Many of the times Investor make a huge investment when he or she is emotional so, the market study is very important for everyone because blindly trade is always risky so, whenever market will go in deep then we have to buy a quality stock so, study properly and then we have to invest in quality stocks for better return. so, always investor has to start with small investment and slow and steady they have to invest into a market for proper understanding of the particular stock.

Do not ignore the other expenses:

As an Investor we don't have to ignore the brokerage charges for per trade as per the guidelines by SEBI. And as per trade it will increase the overall expenses. And in this way it will harm to the investor.

Don't chase performance

Any client should track the performance of fund throughout the time because without tracking the client can't invest in any company. If he buys also then even, he may loss in coming future.

Some necessary points to be taken while doing an online trading :

A) Time-Frame:

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While doing a trading you should not be in the call for longer time if you look into profit then just exit from that particular call while you're doing a buying or selling of the particular stock.

B) *Stick to your strategy*

Don not changed your owned developed strategy while doing a trading whether you will fail 3 or more time. Even if you succeeded 50% in making the profit they also you are successful trader. So, just stick to your own developed strategy.

C) *Just focus and trust in your Investment*

You should be focused on your own investment where you want to buy or sell a particular stock. Don't believe any suggested calls or tips from fake channels.

SWOT Analysis

Strengths:	**Weakness:**
1. It is very easy to access at any time	1. People not aware very much about online trading.
2. You can study or research any particular stock in deep with help of Technical and Fundamental analysis.	2. Lots of the time will face a technical issue while doing a trading.
3. Without Lagging it is giving continue flow of information.	3. High Risk – Like , Money Fraud or Scams

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Challenges

A) *Taking decision on other's View*

Normally new investor does not have proper wisdom into a share market and many a times they are depending upon crowd decision or tips so, mostly investor are trap into market.

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B) Global effects

In the Scenario of the world stock market, the Indian stock market is integrated part of the world market and parallel it is also having a positive or negative effect on Indian Stocks.

Findings:

A. Online Share Trading is growing in India since, 2014 and it is more growing in lockdown period as many new investors comes into market.
B. Structural Processed needs for online trading.
C. Doing an Online trading is very easy with it also involves high risk.
D. There is Lack of Awareness in Indian retail investor while doing an online trading.

Recommendations:

1) Retail Investor needs study or research about the stock market before investing.
2) Retail Investor should manage the risk and reward ratio for Investment.
3) Retail Investor should open their Demat account for online Trading with Authorized broker only.
4) While doing Online Trading they should understand the buying and selling psychology, because it is always riskier to do an online trade.

Conclusion:

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To Contribute into a Capital Market is very much important in today's market , it is also help to reduces the gap between deficit and revenue and online trading is also play a vital role in economic development hence, we have to promote to invest more and more into a market .

There is lack of awareness into normal people about a share market so, slowly we have to encourage the people to invest into market and also we have to launch some coursed about the online trading into a market.

There should be always fair and transparent processes are required so, we need some secure and best data recovery will be required with adequate back-up for more security.

Before, into market the investor should learn about the development taking place into a market and investor should keep in the mind before investing or doing online trading that market have positive and negative effects.

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