



FACTORS INFLUENCING INVESTOR'S SATISFACTION: AN EMPIRICAL STUDY ON ONLINE INVESTORS IN VISAKHAPATNAM CITY

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Abstract: Purpose – The paper aims to apply the modified SERVQUAL model in the context of online trading to describe how investors perceive online service quality. This empirical study mainly focuses on examining the major factors influencing online investor's satisfaction.

Design/methodology/approach – A survey research questionnaire of 25 items has been adopted, and the data of 200 respondents were collected from investors using online trading service in Visakhapatnam city. Convenient sampling technique was used for selecting the respondents. Statistical test like chi square, factor analysis, cross tabulation and frequency tables were applied to interpret the data.

Findings – To achieve the objective reliability test, correlation test was conducted. The reliability analysis shows that all dimensions are reliable. First, the study identified website design, service reliability, responsiveness of brokers, customer service and security are the major determinants of online investor satisfaction. The study also identifies that lack of effective risk warning system, failure to provide prompt notifications, market updates and timely advice are the major problems faced by online investors.

Practical implications – It is recommended that online broking firms need to devise appropriate asset allocation strategies for successful portfolio management of their clients based on their life cycle and risk tolerance and plan to provide customized advisory services to help investors make the right financial choices specifically suited to their portfolio. Issues related to privacy or having their accounts tampered with, are resulting in huge financial losses, therefore online broking firms must constantly upgrade their trading systems by installing latest security solutions that are reputed and certified so as to enhance the confidence level of investors.

Originality/value – The paper is structured to first provide a literature review to illuminate extant research on service satisfaction in both traditional and online purchase settings. Important managerial implications and recommendations are also presented. The study sets the ground for further research in measuring service quality in online service sector. The study contributes to the literature in area of investor satisfaction in online trading market.

Keywords: Customer services quality, Customer satisfaction, online trading, and online investors

INTRODUCTION

The Internet has emerged as a major force in the investing environment. In the stock market it facilitated online trading opening the world of online investment to a new class of investors. Online trading offer investors numerous of benefits such as enhanced control, ease of use, and reduced transaction charges, as a result, online trading services have grown rapidly and emerged as the

leading edge of the service industry. In India the number of online investors totalled around 8.4 million as of the year 2014 and this user level is predicted to reach 12 million by 2016. To accommodate this growth, a large number of online stock brokers materialized and also significant numbers of traditional brokers have utilized the Internet to furnish online services to their clients.

The corollary of this phenomenon has been the appearance of ferocious competition among online brokers. One effective means of achieving competitive advantage and differentiating strategies involves offering superior service quality. Providing superior service quality enhances customer /investors satisfaction and encourages more participation in the stock market. The fundamental understanding of factors triggering customer satisfaction in online trading has attained greater importance to online stock broking firms. The present study examines the satisfaction level of investors using online trading system in Visakhapatnam city.

CUSTOMER SATISFACTION AND ONLINE TRADING

Customer satisfaction has been traditionally studied in marketing area as one of the critical attitudinal variables that influence customer behaviour. Customer satisfaction is a function of customer expectations. Customer satisfaction is defined as the individual's perception of the performance of the product or service in relation to his or her expectations. Customer whose experience falls below expectations will be dissatisfied and customers whose experiences match expectations will be satisfied.

In rapidly changing business environment customer satisfaction is a critical factor for online trading service providers to maintain and improve their profitability. Customer satisfaction is increasingly recognized as a main pillar for success in the business environment and also a key issue to survive. High Service quality deliverance leads to overall customer satisfaction. Service quality is one of the factors contributing to customers' satisfaction judgments. The exploratory research is undertaken to gain a better understanding of the

service quality dimensions that affect online investor's satisfaction with reference to Visakhapatnam city

REVIEW OF LITERATURE

In the literature survey, a brief review of earlier studies is carried out on the theme of investigation. This review outlines small number of focussed studies with specific reference to the theme of the study

Zeithaml Valarie A ,(2000) in their study examined the factors influencing online service quality, the findings of the study indicated that internet access, ease of navigation, efficiency, flexibility, reliability, personalization, security, responsiveness, assurance, website features and price knowledge are the major attributes influencing internet service quality .

Cox and Dale (2001)examined that traditional service quality dimensions such as competence, courtesy, cleanliness, comfort, and friendliness influencing service quality in relevant in the context of online retailing, whereas other factors, such as accessibility, communication, credibility, and appearance, are critical to the success of online businesses.

Lin and Wu (2002) have employed the TAM to examine the impact of online service quality on portal site usage. They have found that several key dimensions of online service quality such as information content, customization, reliability, and response have significant effects on perceived ease of use and perceived usefulness, which in turn influence attitude toward using the portal site, behavioural intention to reuse portal sites, and actual portal site use. More importantly, their findings have indicated that perceived ease of use is more important than perceived usefulness.

Nayak (2010) in their study explored the factors causing satisfaction and dissatisfaction among investors'. The findings revealed that demographic variable, investor`s knowledge of grievances, awareness of functions of redressed agencies, loading of complain are some of the factors which affect investors' satisfaction level.

Sanjay Garg (2011) studied the investor's preferences and satisfaction levels with regards to on line & off-line trading in Sriganganagar city of Rajasthan. The findings of the study indicate that investors in Sriganganagar City use off-line mode for stock trading as they perceive online trading to be unsafe, lacks transparency and requires proper infrastructure and knowledge to use it effectively .The study concludes that improvements are required to be made by the broking firms in order to retain its customer base both in online and off-line mode of trading.

Amsaveni and Gomathi (2012), in their study measured the satisfaction level of online investors'. The findings of the study indicate that investors are satisfied with the factors, namely, communication, responsiveness, guidance, access speed, facilities and services provided by online platform providers. The demographic profile indicates that majority of online investors' are males and that women online investors' are comparatively fewer.

Nochai and TitidaNochai (2013) in their study identified that providing 24/7 service, completing a task accurately ,providing accurate and up to date information, contacting staff to check immediately and faster transaction processing are the major factors influencing customer satisfaction in online banking .

Shahzad Ahmad Khan, Yan Liang, Sumaira Shahzad (2015), in their study explored the perceived factors affecting customer satisfaction to

re-purchase intention in e-stores. The analysis suggests that seven constructs such as price, convenience, product information, return policy, financial risk, product risk and delivery risk are significant with customer satisfaction to re-purchase in e-stores.

In light of above literature, the present study attempts to analyse the factors determining the satisfaction level of investors using online trading service in Greater Visakhapatnam City.

Goh Mei Ling, Yeo Sook Ferna , Lim Kah Boona, Tan Seng Huata (2016) examined the factors which influence customer satisfaction towards Internet banking. The five factors which can influence customer satisfaction toward Internet banking include service quality, web design and content, security and privacy, convenience and speed. The results of this research showed that web design and content, convenience and speed are closely linked to customer satisfaction toward Internet banking and that web design and content, convenience and speed are the top three factors that influence customer satisfaction toward Internet Banking

STATEMENT OF THE PROBLEM

The review of the above literature reveal that most of the earlier research was focused on examining customer satisfaction within traditional business contexts, such as banks, retailing and e-commerce , online trading services has received little research attention. The explosion of Internet and electronic commerce in recent times has evoked several research efforts aimed at understanding customer satisfaction in relation to online business setting. The unique characteristics of online system e.g. human-computer interactions and high-level self-service may imply that customers of online

services form their perception of satisfaction differently from their offline counterparts. It is against this backdrop, the paper examines the satisfaction level of investors using online trading service in Visakhapatnam city. The study also aims to identify the problems faced by the online investors and their role in causing dissatisfaction among online investors. Hence, the present research is undertaken to examine the online investor's satisfaction level and identifies the problems faced by investors when online trading with a special focus on Visakhapatnam City.

SIGNIFICANCE OF THE STUDY

The study of customer satisfaction is vital for the success of any organisation, especially online stock broking firms. Customer satisfaction is critical for establishing long-term client relationships and sustaining profitability. Customer satisfaction has been recognized as an important element that drives customer retention, loyalty and post-purchase behaviour of customers. Therefore it is crucial for brokers offering online/internet trading services to periodically and consistently measure the satisfaction of their customers. As customers use the online services, it might be possible that some are not satisfied with certain dimensions of the service quality.

The fundamental understanding of factors triggering customer satisfaction in online environment has attained greater importance to stock broking firms providing online trading services. For this reason this study examines customer satisfaction with various service quality dimensions when online trading.

RESEARCH OBJECTIVES

- i. To examine the socio-demographic profile of online investors in Visakhapatnam City
- ii. To analyze the online trading service dimensions that have an impact on investor satisfaction
- iii. To identify the problems faced by investors when online trading
- iv. To put forward few recommendations to the online stock brokers/firms in order to improve the customer satisfaction for continue usage of the online trading service.

RESEARCH HYPOTHESIS

H₁: Website design/Aesthetics has a significant influence on online investor's satisfaction.

H₂: Servicere reliability has a significant influence on online investor's satisfaction

H₃: Responsiveness of brokers has a significant influence on online investor's satisfaction

H₄: Communication has a significant influence on online investor's satisfaction

H₅: customer service has a significant and online investor's satisfaction

H₆: Security/ privacy has a significant influence on online investor's satisfaction

RESEARCH DESIGN AND DATA COLLECTION METHOD

Research Design: The research is exploratory in nature and survey method was used for the study.

Sample Technique: For the study convenience sampling technique is used. For the research clients/investors of a local online stock broking firms were used in the sample.

Sample Size: A sample size of 500 respondents using online trading service in Visakhapatnam city are covered in the study

Questionnaire Design: The questionnaire is carefully designed to meet the requirements of the research. For the present study a total of 500 respondents in Visakhapatnam city were surveyed using a well-structured and pre tested questionnaire.

Measurement: The survey questionnaire consisted of 25 scale items: The 25 items were to measure the consumers' perceptions of online trading service quality regarding their most recent trading experiences; The 25 items were related to six dimensions of online investors service quality (e.g. website aesthetics, reliability, responsiveness, security, customer service and communication. The respondents were requested to select the response that best indicates their experiences and perceptions on each statement, using a five-point Likert scale, where 1 – Very Poor; 2 – Poor; 3 – Satisfactory; 4 – Good; 5 – Excellent.

Data Analysis: The analysis has been in conformity with the objectives of the study and the hypotheses formulated to achieve the objectives. Collected data were first structured into grouped frequency distributions factor analysis and chi-square test was applied.

SCOPE OF THE STUDY

A comprehensive model describing the service quality factors driving online investor's satisfaction would be useful for both academics and

practitioners by helping them to better understand the factors influencing investor's satisfaction in this emerging online trading market. In spite of the benefits online trading offers, investors still shy away from online trading on account of safety and technical issues. Identifying the problems will help online broking firms to initiate the necessary steps to make online trading, safe and secure thereby encouraging more investors' participation in the stock market.

SERVICE QUALITY DIMENSIONS AND CUSTOMER SATISFACTION

The relationship between service quality and customer satisfaction has gained increasing attention during the past decade. Service quality is an important tool to measure customer satisfaction as there is a close relationship between service quality and customer satisfaction. In the online trading environment, it is essential to understand which dimensions are most critical to online customers' overall service quality assessment. The relationship between online trading and customer satisfaction is shown in the Figure 1.2, some of the service quality dimensions have been selected from the SERVQUAL model and from other service quality models available. For the study six dimensions were used, while some have been selected and adopted other have been abandoned for the sake of simplicity. The proposed six service dimensions selected for the study are physical element, responsiveness of brokers, reliability, customer service, safety and security, communication and overall performance. A total of 25 statements measure the performance across the selected six dimensions. For each statement the expectation and the experience of the online investor are determined. Each of the six dimensions selected are presented in Table 1. In examining the relative importance of service quality dimensions to

overall service quality, the five SERVQUAL dimensions were applied.

CONCEPTUAL FRAMEWORK FOR THE STUDY

In this study, based on a thorough review of literature, the conceptual model was developed depicting the dimensions of Service Quality dimensions for which investor Satisfaction was measured.

Table-1: DESCRIPTION OF CONSTRUCTS FOR THE PROPOSED MODEL

Website design/Aesthetics	The online trading system, the physical surroundings represented by objects (for example, interior design) and subjects (for example, the appearance of employees).
Service reliability	The service provider's ability to provide accurate, dependable services and diverse features that provide confidence to customers.
Responsiveness	A firm's willingness to assist its customers by providing fast and efficient service performances. And the service firm's readiness to provide each customer with personal care.
Communication	The ability of the online trading firms to provide information which is accurate, clear and easy to understand for online investors'
Customer service	Customer service is the service provided to customers before, during and after purchasing and using goods and services
Security and privacy	Measures to protect the confidentiality and privacy of clients, trustworthy behaviour of employees.

RELATION BETWEEN ONLINE TRADING AND CUSTOMER SATISFACTIONS

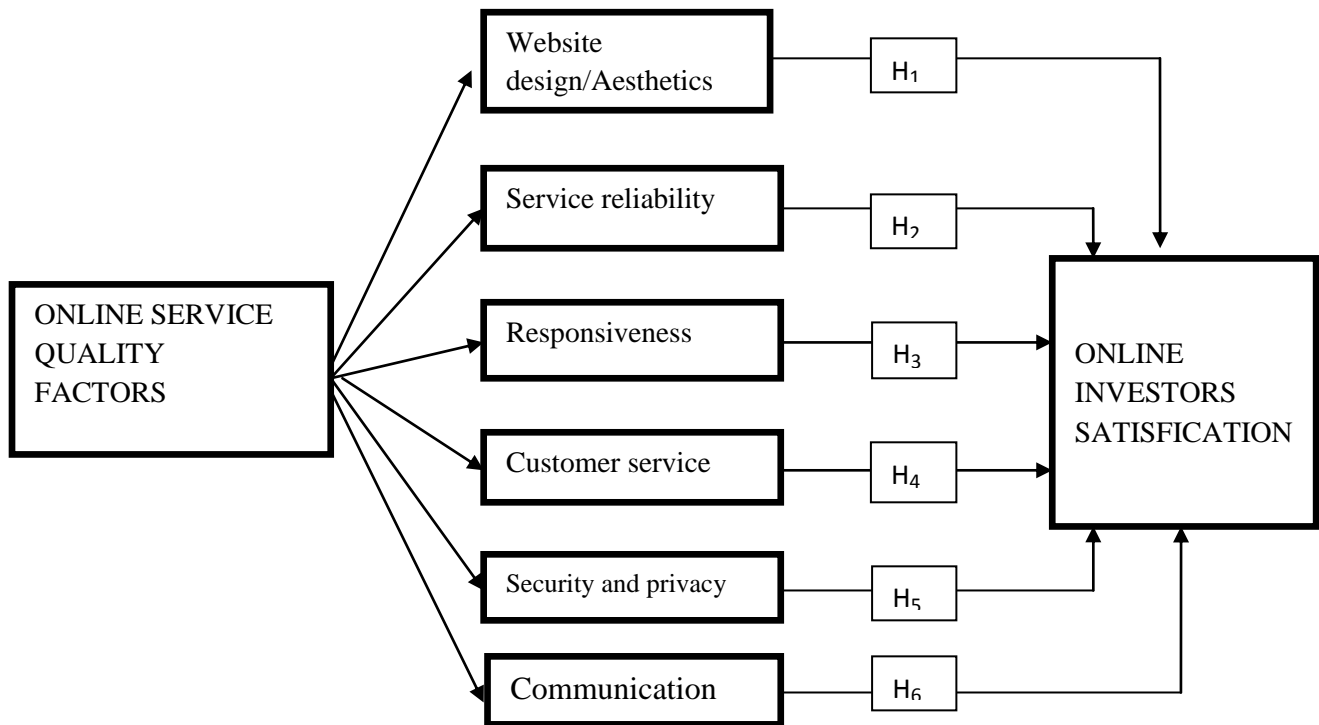


Figure 1: Proposed Service Quality Model

This model was adopted for three reasons. First, the model was based on extensive literature review. Second, it was based on research in an emerging economy context, which is more suitable for a fast growing city like Visakhapatnam. Third, the dimensions in the model are validated empirically in the context of online trading and not just general e-service quality context.

RESULTS AND DISCUSSIONS

Table- 2 reports on the respondents socio-demographic characteristics like age, gender, education level, occupation and income level of the sample respondents.

Table 2: SOCIO DEMOGRAPHIC PROFILE OF THE RESPONDENTS

	Particulars	Frequency	Per cent
AGE	Less than 20	54	10.8
	21-30	172	34.4
	31-40	104	20.8
	41-50	80	16.0
	51-60	40	8.0
	More than 60	50	10.0
	Total	500	100.0

GENDER	Male	424	84.8
	Female	76	15.2
	Total	500	100.0
EDUCATIONAL QUALIFICATION	SSC/Matrix	32	6.4
	10+2/Intermediate	48	9.6
	Degree	152	30.4
	P.G	205	41.0
	Diploma	43	8.6
	Others	20	4.0
	Total	500	100.0
	OCCUPATION	Employee in Govt. Service	109
Employee in Private Service		186	37.2
Business/Self-Employed		97	19.4
Professionals		36	7.2
Retired		40	8.0
Others		32	6.4
Total		500	100.0
MONTHLY INCOME	Less than 20000	95	19.0
	20001-30000	190	38.0
	30001-40000	112	22.4
	40001-50000	46	9.2
	50001-75000	32	6.4
	75001-100000	18	3.6
	More Than 100000	7	1.4
	Total	500	100.0

INFERENCE:

Age: After a descriptive review and analysis of the data of the 500 respondents under study, it can be observed from Table -2 that a majority of the respondents constituting 34.4 per cent of the total sample belong to the age group of 21 -30 years followed by 20.8 per cent in the age group of 31-40.

Gender: With respect to gender distribution of respondents, it is reported that majority of the respondents constituting 84.8 per cent of the sample were males while the remaining 15.2 per cent of the sample were females.

Education: Table 2 depicts the respondent's level of education. Majority of the respondents representing 41 per cent of the sample hold a

master's degree closely followed by bachelor's degree representing 30.4 per cent. 6.4 per cent completed High School and around 10 per cent of the respondents finished intermediate while 8.6 per cent of the respondents are diploma holders.

Occupation: The sample distribution based on the occupation of online investors is depicted in Table-2. Majority of the respondents constituting around 60 per cent (cumulative value) of the sample are salaried employees out of which, 37.2 per cent of the respondents are salaried employees in private service, 21.8 per cent are employees in government service, while 19.4 per cent of the respondents belong to the category of businessmen /self-employed, 8 per cent of the sample are retired. And 7.2 per cent of the respondents are professionals.

Income: Income and savings is the base for investment. The income of the family is one of the factors, which play a vital role in influencing the

investment patterns and decisions of online investors. As can be seen in the Table-2, majority of the respondents constituting 38 per cent earn Rs 20001-30000, while 22.4 per cent earn Rs.30001 - 40000 per month .19 per cent earn monthly income of less than 20,000,9.2 per cent earn Rs.40001 - 50000 per month while 3.6 per cent earn Rs.75001 -100000 per month.

RELIABILITY STATISTICS CRONBACH'S

ALPHA: The Cronbach's Alpha for comparing the internal reliability of items both in expectation and perception of service quality was used. A reliability coefficient of .70 or higher is considered acceptable in most social science research. As can be observed from Table -3, Cronbach's Alpha results of .866 for the items are above the suggested threshold of .70. The results show the internal consistency between variables.

Table 3: Reliability Statistics Cronbach's Alpha

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.866	.873	25

WEBSITE DESIGN AND ONLINE INVESTOR

SATISFACTION: A website design feature or web design quality of the trading website is an important and influencing factor that leads investors' satisfaction and dissatisfaction. In order to examine the influence of website design on

online investor's satisfaction, chi-square test was constructed and the results presented in Table -4.

Table – 4 Chi-Square values: Website design and online investor satisfaction

Website design	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
System reliability	32.621(a)	8	0.000
User-friendly interface	75.234(a)	8	0.000
Connectivity to different investment search sites	35.282(a)	8	0.001
Connectivity to business news channels	28.765(a)	8	0.000

From the Table -4, it can be noticed that system reliability (0.000), User friendly interface (0.000) Connectivity to different investment search sites (0.001) and connectivity to business news channels (0.000) all have significant chi square values. Hence it can be concluded that there is association between website design and online investor satisfaction.

SERVICE RELIABILITY AND ONLINE INVESTOR SATISFACTION: Reliability involves consistency of performance and dependability. It also means the online broking firms honour their promise to their clients /investors. In order to examine the influence of reliability on online investor's satisfaction, chi-square test was constructed and the results presented in Table -5.

Table – 5 Chi-Square Tests: Service Reliability and online investor satisfaction:

Service Reliability	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
Accurate quote and order fulfilment	54.537(a)	8	0.000
Brokerages charges as per contact	49.241(a)	8	0.217
Keep service promise	67.194(a)	8	0.001
Timely update and maintenance of accounts	71.625(a)	8	0.000

The resulted chi- square values indicate that Accurate quote and order fulfilment(0.000) , Keep Service Promise (0.000) and Timely update and Maintenance of client Account (0.000) all have significant chi square values, with the exception of brokerage charges as per the contract

which has calculated value (0.217 more than the significant value of 0.05.since most of the variable have significant values, it is safe to conclude that there is significant relation between service reliability and online investors' satisfaction.

COMMUNICATION AND ONLINE INVESTOR SATISFACTION: Communication in the form of providing information pertaining to transactions, transparency and listening to customers is the major factors influencing

investor's perception towards the service quality. In order to examine the influence of communication on online investor's satisfaction, chi-square test was constructed and the results presented in Table -6.

Table – 6 Chi-Square Tests: Communication and online investor satisfaction

Communication	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
Risk warning	28.876(a)	8	0.154
Prompt notifications (e.g. margin requirement changes)	56.283(a)	8	0.218
Market updates	67.246(a)	8	0.007
Information clarity and accuracy	72.452(a)	8	0.154
Can download historical stock price data and charts	49.723(a)	8	0.001

The resulted chi square values indicate that risk warning (0.154) Prompt notifications (0.218), Market updates (0.007) and Information clarity and accuracy (0.154) all have values more than significant value of 0.05 with the exception of can download historical stock price data and charts of stock price movement (0.001) which have value less than 0.05. since most the variables have significant value more 0.05, it can be concluded that there is no association between communication and online investor satisfaction.

CUSTOMER SERVICE AND ONLINE INVESTOR SATISFACTION: Customer service can help increase perceived control, skill and focused attention of online investors. In order to examine the influence of service quality on online investor's satisfaction, chi-square test was constructed and the results presented in Table -7.

Table – 7 Chi-Square Tests: Customer service and online investor satisfaction

Customer service	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
Provide Guidance in the form of tips and suggestions	65.733(a)	8	0.000

Employees' are knowledgeable and competent	59.621(a)	8	0.000
Employees are courteous and professional	69.322 (a)	8	0.000
Quick response to client queries	88.415(a)	8	0.000
Stock price alert sent to pager or mobile phone	74.898(a)	8	0.001

The resulted chi square values indicate that providing guidance in the form of tips and suggestions (0.000) Employees are knowledge and competent (0.000) Courteous and professional (0.000) ,Stock price alert sent to pager or mobile phone (0.001) and 24/7 support (0.000) have significant chi square values . Hence the findings indicate that there is association between customer service and online investor satisfaction.

RESPONSIVENESS OF BROKERS AND ONLINE INVESTOR SATISFACTION:

responsiveness of brokers in terms of prompt response to phone calls by the client and providing solutions to the client queries are all considered significant factors influencing satisfaction. In order to examine the influence of responsiveness on online investor's satisfaction, chi-square test was constructed and the results presented in Table -8

Table – 8 Chi-Square Tests: Responsiveness and online investor satisfaction

Responsiveness	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
Prompt response to phone calls and emails	67.246(a)	8	0.007
Prompt order execution and confirmation	72.452(a)	8	0.001
Timely advice	49.723(a)	8	0.001

The resulted chi square values indicate that prompt response to phone calls and emails (0.007), prompt order execution and confirmation (0.001) , Timely advice (0.001) which have value less than 0.05.since most the variables have significant value less than 0.05 , it can be concluded that there is association between responsiveness and online investor satisfaction.

SECURITY AND ONLINE INVESTOR SATISFACTION:

Security is another dominant factor which influences investor's satisfaction when online trading. Many investors avoid online trading because of fraud, privacy factors and security of their sensitive information and so on. In order to examine the influence of responsiveness on online investor's satisfaction, chi-square test was constructed. And the results of the analysis in presented in Table -9.

Table – 9 Chi-Square Tests: Security and online investor satisfaction

Security	Pearson Chi-Square	df	Asymp. Sig. (2-sided)
Maintains confidentiality of the clients information	68.216(a)	8	0.000
Trading system security	48.672(a)	8	0.001

From Table -9, it can be observed that Maintains confidentiality of the client's information (0.000) and trading system security (0.001) have value less

than 0.05. Hence it can concluded that there is association between trading system security and online investor satisfaction

TABLE -10: SUMMERY OF HYPOTHESES

S.no	Factors	Influence significant	Hypothesis /Accepted or rejected
H ₁	Website design /Aesthetics have a significant influence on online investor's satisfaction.	Yes	Accepted
H ₂	Service reliability has a significant influence on online investor's satisfaction	Yes	Accepted
H ₃	Responsiveness of brokers	Yes	Accepted
H ₄	Communication influences investor satisfaction when online trading	No	Rejected
H ₅ :	Customer service has a significant and online investor's satisfaction	Yes	Accepted
H ₆ :	Security/ privacy has a significant influence on online investor's satisfaction	Yes	Accepted

With regards to service quality factors, website design, service reliability, responsiveness of brokers, customer service and security are the major determinants of online investor satisfaction. According to the results, service quality factors such as lack of effective risk warning system and information clarity & accuracy, failure to provide prompt notifications, market updates, timely advice and lack of uniformity in charging brokerage commission are the major problematic factors leading to dissatisfaction among online investors.

The results of this study clearly indicated that website design, service reliability, customer service and security contributed significantly in influencing investor satisfaction when online trading.

OVERALL SERVICE PERFORMANCE RATING: In order to assess the overall service performance of online trading service providers the respondent was asked to rate the overall service performance on a scale of 0-10. Table -11 depicts the rating of the overall service performance of online stock broking firms.

TABLE -11: RATING THE OVERALL SERVICE PERFORMANCE OF ONLINE STOCK BROKING FIRMS:

Overall Service performance Rating	0-1	2-3	4-5	6-7	8-9	10	Total
No. of Respondents	-	44	172	248	36	-	500
% per cent	-	8.8	34.4	49.6	7.2	-	100
Cumulative per cent		8.8	43.2	92.8	100	-	

As from the above Table-11, it can be observed that majority of the respondents representing 56.8 per cent of the total sample are satisfied with the overall service performance of the online stock broking firms in Visakhapatnam city. A total of 284 respondents (56.8 per cent cumulative) out of the total 500 respondents give the overall rating of 6-9 indicating that most of the investors' are satisfied with the services provided by online broking firms. None of the respondents gave a low rating of 0-1 or a perfect score of 10, indicating that there is still scope for improvement in online trading services.

MAJOR FINDINGS OF THE STUDY

1. Majority of the respondents are males, constituting 84.8 per cent of the total sample, indicating that most of the online investors participating in the secondary market are men.
2. Majority of the respondents constituting around 45 per cent of the sample are above 30 years, years which is a relatively high proportion of middle aged investors.
3. Majority of the respondents representing around 71 per cent of the sample are educated having a Degree or Post Graduation. The findings establish the fact

that individuals engaged in investing are educated with a master degree.

4. Majority of the respondents constituting around 60 per cent (cumulative value) of the sample are salaried employees out of which, 37.2 per cent of the respondents are salaried employees in private service, 19.4 per cent are employees in government service
5. The study reports that majority of the respondents (57 cumulative per cent) participating in the secondary market belong to the income group of less than Rs 30,000 per month indicating respondents are from middle income group are participating more in stock market compared to investors in the higher income group.
6. The study reports that website design, service reliability, responsiveness of brokers, customer service and security contributed significantly in influencing investor satisfaction when online trading.
7. It is observed that service quality factors such as lack of effective risk warning system, information clarity and failure to provide prompt notifications, market updates, timely advice and lack of uniformity in brokerage commission charged are the major problems faced by online investors.

IMPORTANT MANAGERIAL IMPLICATIONS AND RECOMMENDATIONS

1. The majority of the online investors are men. Hence it is suggested that female

investors could be encouraged to do online trading. This can be done by allowing potential investors to try online trading service by providing step-by-step demonstration on how to use the online trading service on their website in order to encourage the acceptance of online trading service.

2. Online broking firms need to devise appropriate asset allocation strategies for successful portfolio management of their clients based on their life cycle and risk tolerance and plan to provide customized advisory services to help investors make the right financial choices specifically suited to their portfolio.
3. Majority of the respondents are concerned about privacy issues or having their accounts tampered with, are resulting in huge financial losses. Online broking firms must constantly upgrade their trading systems by installing latest security solutions that are reputed and certified so as to enhance the confidence level of investors.
4. Online broking firms must focus on the prevention of intrusion, fraud and identity theft by building firewalls that avoid unauthorized access and develop methods for strengthening encryption and authenticating their websites to create a secure trading environment.

SCOPE FOR FURTHER RESEARCH

The limitations faced in this research can be taken into consideration as indicators or scope for undertaking further research.

1. The retention of core customers is of critical importance to the profitability of firms providing online stock trading services. A study to examine the retention strategies can be regarded as need of the hour in the context of growing competition in the online investment environment.
2. A Similar study can be carried out in other regions of India and a comparative analysis of the satisfaction level of online investors from different regions.
3. A Similar study can be undertaken to examine the satisfaction level of investors using online and off-Line trading service.

CONCLUION

With regards to the post-adoption behaviour user-friendly interface, communication, information access, prompt response and security are the major factors in deciding the level of investor satisfaction. Online broking firms should focus not only on getting customers to subscribe to online securities trading but they also need to understand the influence of the post-adoption factors to ensure the continuing usage of online trading service. With the growth of educated investors and support from SEBI, online trading is sure to grow faster, most online broking firms are beginning to offer enhanced educational programs because they understand the more beneficial online trading is for investors, the better opportunity they have to increase their business.

Online trading is a fact of life for the stock broking firms emphasis on the necessities like product innovation, continued integration of technology, investors' awareness, and favourable market

conditions online trading will reinforce the growth of online trading in the unforeseeable future.

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