



OPPORTUNITIES AND CHALLENGES IN ONLINE TRADING: AN INVESTOR'S PERSPECTIVE IN INDIA

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ABSTRACT :

The rapid-hearth virtual metamorphosis of financial requests has notably instructed investor's gets in particular inside the Indian inventory request. This has a look at explores the openings and demanding situations associated with on-line trading from an investor's angle in India. With the arrival of generation, on-line buying and selling structures have revolutionized inventory request participation by presenting ease of access, decrease sale charges, real-time request statistics, and more advantageous inflexibility. nevertheless, no matter those advantages, investor's face numerous challenges, consisting of cybersecurity pitfalls, request volatility, loss of economic expertise, and specialised complications. The number one ideal of this exploration is to dissect investor's stations, choices, and companies concerning on-line trading. The take a look at examines elements impacting the relinquishment of on-line trading, similar as convenience, fee effectiveness, and platform agree with capability, even as additionally concerning vital boundaries like fraud pitfalls, system disasters, and nonsupervisory misgivings. A blended-device technique is employed, incorporating each quantitative assessments and qualitative interviews with active retail investor's s in India. The findings punctuate the developing preference for virtual buying and selling outcomes however additionally emphasize the want for higher investor's mindfulness, stronger nonsupervisory fabrics, and bettered technological shape. The exploration in addition discusses how fintech inventions, algorithmic buying and selling, and AI-driven premonitory offerings are shaping the future of online buying and selling in India. It also sheds mild on the part of financial establishments, brokerage enterprises, and nonsupervisory bodies in icing a comfy and effective buying and selling atmosphere. The study concludes that even as on-line buying and selling gives substantial boom openings, addressing investor's businesses and improving virtual knowledge are pivotal for sustainable request participation. The perceptivity from this exploration could be precious for investor's, policymakers, and financial service vendors in fostering a more inclusive and bendy online trading terrain in India.

key phrases: online buying and selling, investor's perception, Indian inventory market, Fintech, virtual buying and selling challenges, market openings

Introduction :

This take a look at delves into the multifaceted landscape of on-line trading in India, analyzing both the interesting possibilities and the inherent demanding situations faced with the aid of traders. It ambitions to recognize the evolving investor's behaviour, alternatives, and stories in this virtual technology, by way of analysing elements which include ease of use, priceeffectiveness, platform reliability, and investor's training, this research seeks to shed mild on the key drivers of on line buying and selling adoption at the same time as identifying capability pitfalls and regions for improvement. The have a look at will explore the impact of technological improvements, which include artificial intelligence (AI), algorithmic trading, and fintech innovations, on the net buying and selling surroundings. it'll additionally look at the function of regulatory our bodies just like the Securities and exchange Board of India (SEBI) in making sure a secure and honest-trading environment for all buyers.

moreover, this research will verify the cutting-edge degree of investor's cognizance and monetary literacy among online traders in India. it will study the volume to which investor's apprehend the risks related to online trading, consisting of market volatility, cyber security threats, and the capacity for emotional biases to persuade investment choices. in the long run, this examine aims to provide valuable insights for investor's, policymakers, and economic institutions to navigate the evolving panorama of online buying and selling in India. by understanding the opportunities and demanding situations, stakeholders can work collectively to create a greater inclusive, knowledgeable, and at ease online buying and selling surroundings that empowers investor's to make knowledgeable selections and acquire their economic dreams.

Literature overview :

L Sunil Kumar (2017) looking beforehand, the panorama of inventory trading is set to convert constantly along advancements in era. The improvement of software program applications tailor-made for buying and selling is anticipated to boom notably. severa brokerage companies already provide cellular trading packages, enabling users to interact in trading sports while on the circulate. these cellular offerings are designed to offer the equal functionalities as those available on computing device computers. Brokerage companies will persist in improving their inventory buying and selling capabilities, not only to keep their clients however also to streamline and simplify the general trading level in.

R V Rao (2018) With the introduction of this new gadget, brokers now not needed to gather in the buying and selling ring to execute their orders. as a substitute, they may perform their trading activities from the consolation in their workplaces, related to the primary terminal of the stock alternate thru a nearby area network (LAN). throughout trading hours, orders could be compiled and paired for this reason. as soon as a alternate become matched, individuals could receive instant notifications, permitting them to view the change on their monitors. moreover, this gadget added a degree of transparency for investor's concerning safety charges, marketplace developments, and liquidity. The Coimbatore investor's ' opinion of internet trading become studied by okay. Geethanjali and Dr. S. Santhakumari (2019). in this take a look at, which is descriptive in nature, realistic sample strategies are hired. A pattern size of 391 is selected for the take a look at primarily based on this survey, which is also used to determine the validity and reliability of the questionnaire. M. Nandhini, Ariff, Dr. U. Thasli, and Pavithra (2019) - A view of online trading held by way of investor's locating out how respondents in Udumalpet Talak feel approximately online exchange is the purpose of the examine. A survey become finished by using a hundred investor's for this study. Scaling technique and a honest percentage had been used to analyse the facts. In 2019, C. Naavya and CH. Deepthi tested investor's perceptions of net trading. Its aim is to investigate how investor's see online percentage market trading. It also assists in determining the cutting-edge first-rate of provider via pinpointing the regions that need improvement. The predominant intention of the observe, in step with V. Pavithras and Mr. William (2017), is to determine the elements that have an impact on inventory and investment techniques in retail brokerage in addition to the impact of investor's perceptions of on line buying and selling. the usage of the convenience sample technique, a hundred buyers provide the established questionnaire used to reap the primary statistics. consistent with Dr. Merugu Pratima (2016), the observe checked out on-line investor's perspectives at the adoption of on line buying and selling in Visakhapatnam metropolis. in keeping with the study's findings, stock brokerage agencies have to set up pertinent brief-time period training packages and put into effect personpleasant interfaces to sell recognition and speedy adoption of online trading offerings so that you can increase the overall use of these services. of their 2018 observe, Rawal and Chowdhury tested how investor's from Faridabad perceived the Indian inventory marketplace's on line trading platform. They investigated how attitudes in the direction of internet buying and selling platforms at widespread Indian inventory exchanges related to demographic variables. The facilities offered with the aid of stock brokerage agencies had been shown to be undoubtedly correlated with the online buyers' profits and gender. In 2019, Dr. Habeeb Ur Rahiman and Dr. Iqbal Tonse Hawaldar graduated. angle of investor's at the inventory market. The purpose of this look at is to recognise how severa non-public qualities and numerous funding classes are prompted via each different. An evaluation of the correlation between variables was carried out using the Chi-square check. In 2018, P Kowsalya and Dr. P. Mohanraj an investigation on how investor's within the Coimbatore district view Karvy stock Brokering. Investigating service satisfactory worries is aided by means of this take a look at. there's a descriptive take a look at method and one hundred respondents provide primary records. via convenience sampling methods, primary information is accrued.

Statement Of Problem :

This study intends to analyze the converting landscape of internet change in India, focussing on critical agencies and possibilities that character traders ought to cope with. It appears for the factors that make a contribution to on-line buying and selling systems being deserted, inclusive of fee-effectiveness, usability, and availability of actual-time request records. It additionally looks at critical issues such lack of economic understanding, request volatility, cybersecurity risks, and the problems of using complex buying and selling structures. The impact of algorithmic buying and selling, fintech improvements, and AI-powered technology on on-line buying and selling and funding geography is also tested in this study. further, it explores the function that brokerages, monetary institutions, and nonsupervisory our bodies play in setting up a secure, open, and inclusive on line buying and selling environment.

Objectives Of the Study :

- To understand the reviews, perceptions, and behaviours of Indian buyers engaged in online stock buying and selling.
- to evaluate the effect of technological advancements (e.g., fintech, AI) on on-line trading behaviour

Scope Of the Study :

This have a look at pursuits to analyze the evolving panorama of on-line stock trading inside the Indian market. it will discover the possibilities and demanding situations faced by means of Indian investor's engaging in on-line trading structures.

- Investor's conduct: studying investor's alternatives, threat tolerance, and trading styles.
- Platform evaluation: evaluating the capabilities, usability, and security of on line trading platforms.
- Technological advancements: inspecting the impact of fintech innovations, AI, and algorithmic trading on the online buying and selling revel in.
- Regulatory Framework: Assessing the adequacy and effectiveness of the regulatory framework governing on-line buying and selling in India.
- Investor's education: figuring out the want for and effectiveness of investor's education applications to mitigate risks and decorate economic literacy.

The study will employ a combined-strategies technique, combining quantitative facts analysis with qualitative insights from investor's interviews to advantage a complete expertise of the net buying and selling panorama in India.

Methodology :

This examine adopts a comprehensive mixed-methods technique, integrating both quantitative and qualitative research strategies to examine on line stock marketplace investor behaviour in India. Quantitative statistics might be acquired via dependent surveys administered to a consultant pattern of 87 online traders, decided on using a convenience sampling method to make certain sensible feasibility at the same time as maintaining statistical relevance. The amassed records may be analysed the use of superior statistical methods to identify key trends, styles, and correlations in investor behaviour, choices, and reports. To supplement this, qualitative facts might be amassed thru in-intensity interviews with a pick institution of energetic buyers, offering deeper insights into their perspectives, decision-making procedures, and challenges confronted in the on-line trading panorama. moreover, secondary facts from industry reports, instructional publications, and regulatory files will offer contextual backing and decorate the examine's analytical intensity. This multi-faceted technique guarantees a properly-rounded know-how of investor behaviour, combining empirical rigor with qualitative depth

Result and discussion :

The study examines the characteristics and behaviors of 87 online stock traders, revealing a predominantly young (77.0% below 25), educated (58.6% bachelor's degree), and studentdominated (77.0%) sample with limited investment experience (64.4% have less than one year). Males slightly outnumber females (59.8% vs. 40.2%), and most trade occasionally (43.7%). Regression analysis shows platform choice positively impacts investment experience, while motivation, satisfaction, and challenges negatively affect it. Correlation analysis highlights a demand for awareness programs among those facing regulatory issues. The findings emphasize the need for targeted interventions, such as investor education and improved platform features, to support novice traders and enhance online trading participation.

TABLE 4.1 FREQUENCY TEST ON AGE GROUP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 25	67	77.0	77.0	77.0
	25-35	11	12.6	12.6	89.7
	36-45	6	6.9	6.9	96.6
	46-55	3	3.4	3.4	100.0
	Total	87	100.0	100.0	

Source: Primary Data

The table presents the distribution of respondents across different age groups based on frequency and percentage. The majority, 67 individuals (77.0%), fall in the "below 25" category, indicating a predominantly young demographic. The "25-35" age group accounts for 11 respondents (12.6%), followed by the "36-45" group with 6 individuals (6.9%). The least represented category is "46-55," comprising only 3 respondents (3.4%). Overall, the data highlights that younger individuals constitute the largest portion of the sample, with a gradual decline in representation as age increases.

TABLE 4.2 FREQUENCY TEST ON GENDER GROUP

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	52	59.8	59.8	59.8
	Female	35	40.2	40.2	100.0
	Total	87	100.0	100.0	

Source: Primary Data

The table presents the gender distribution of respondents based on frequency and percentage. Males constitute the majority, with 52 individuals (59.8%), while females account for 35 respondents (40.2%). This indicates a higher representation of males in the sample, though females still form a significant portion

TABLE 4.3 FREQUENCY TEST ON EDUCATION QUALIFICATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	High School	4	4.6	4.6	4.6
	Bachelor's Degree	51	58.6	58.6	63.2
	Master's Degree	29	33.3	33.3	96.6
	Professional Certifications	3	3.4	3.4	100.0
	Total	87	100.0	100.0	

Source: Primary Data

The table presents the educational qualifications of respondents based on frequency and percentage. The majority, 51 individuals (58.6%), hold a bachelor's degree, followed by 29 respondents (33.3%) with a master's degree. A small portion, 4 individuals (4.6%), have completed only high school, while 3 respondents (3.4%) possess professional certifications. This indicates that most respondents have higher education qualifications, with bachelor's and master's degrees being the most common.

TABLE 4.4 FREQUENCY TEST ON OCCUPATION

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	67	77.0	77.0	77.0
	Salaried Professional	11	12.6	12.6	89.7
	Business Owner	6	6.9	6.9	96.6
	Retired	3	3.4	3.4	100.0
	Total	87	100.0	100.0	

Source: Primary Data

The table presents the occupational distribution of respondents based on frequency and percentage. The majority, 67 individuals (77.0%), are students, indicating a predominantly student-based sample. Salaried professionals make up 11 respondents (12.6%), followed by business owners with 6 individuals (6.9%). The smallest group consists of retired individuals, accounting for only 3 respondents (3.4%). This highlights that most respondents are still in their academic phase, with fewer engaged in professional or business activities.

TABLE 4.5 FREQUENCY TEST ON INVESTMENT EXPERIENCE IN STOCK MARKET

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 1 year	56	64.4	65.1	65.1
	1-3 years	23	26.4	26.7	91.9
	3-5 years	7	8.0	8.1	100.0
	Total	86	98.9	100.0	
Missing	System	1	1.1		
Total		87	100.0		

Source: Primary Data

The table presents the respondents' investment experience in the stock market based on frequency and percentage. The majority, 56 individuals (64.4%), have less than one year of experience, indicating a predominance of novice investors. Those with 1-3 years of experience account for 23 respondents (26.4%), while only 7 individuals (8.0%) have 3-5 years of experience. One response (1.1%) is missing. This data suggests that most respondents are relatively new to stock market investing, with only a small percentage having more extended experience.

TABLE 4.6 FREQUENCY TEST ON HOW FREQUENTLY DO YOU ENGAGE IN ONLINE STOCK TRADING

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily	11	12.6	12.6	12.6
	Weekly	16	18.4	18.4	31.0
	Monthly	22	25.3	25.3	56.3
	Occasionally	38	43.7	43.7	100.0
	Total	87	100.0	100.0	

Source: Primary Data

The table presents the frequency of respondents' engagement in online stock trading based on frequency and percentage. The largest group, 38 individuals (43.7%), trade only occasionally, indicating a preference for infrequent participation. Monthly traders account for 22 respondents (25.3%), while 16 individuals (18.4%) engage in trading on a weekly basis. Only 11 respondents (12.6%) trade daily. This suggests that the majority of respondents participate in online stock trading sporadically rather than as a regular activity.

TABLE 4.7 REGRESSION TEST

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.581	.322		8.024	.000
	Which online trading platform(s) do you use the most?	.119	.057	.215	2.073	.041
	What motivates you to trade online?	-.153	.060	-.267	-2.568	.012
	How satisfied are you with your online trading experience?	-.254	.088	-.291	-2.881	.005
	What challenges have you faced in online trading?	-.224	.050	-.431	-4.496	.000
	What features do you think are essential in an online trading platform?	.005	.051	.010	.098	.922

a. Dependent Variable: Investment Experience in Stock Market

Source: Primary Data

The table presents the regression analysis for investment experience in the stock market, with significance

(Sig.) values used to test the null hypothesis (H₀: no significant relationship) against the alternative hypothesis (H₁: significant relationship). Variables with a Sig. value less than 0.05 indicate a statistically significant impact. "Which online trading platform(s) do you use the most?" (Sig. = 0.041) has a positive relationship, suggesting that platform choice significantly influences investment experience. "What motivates you to trade online?" (Sig. = 0.012), "How satisfied are you with your online trading experience?" (Sig. = 0.005), and "What challenges have you faced in online trading?" (Sig. = 0.000) all show significant negative relationships, indicating that lower motivation, dissatisfaction, and more challenges hinder investment experience. Since their p-values are below 0.05, we reject the null hypothesis for these variables, confirming their influence. However, "What features do you think are essential in an online trading platform?" (Sig. = 0.922) is not significant, meaning we fail to reject the null hypothesis for this variable as it does not impact investment experience.

TABLE 4.8: CORRELATION TEST

		What factors influenced your decision to start online trading?	What would encourage you to invest more in online trading?	What are the biggest advantages of online trading for you	Have you encountered any regulatory or compliance-related issues while trading online?	Would you like more awareness programs on trading risks and regulations?
What factors influenced your decision to start online trading?	Pearson Correlation	1	-.314**	.039	.161	.230*
	Sig. (2-tailed)		.003	.723	.136	.032
	N	87	87	87	87	87
What would encourage you to invest more in online trading?	Pearson Correlation	-.314**	1	.020	.227*	-.096
	Sig. (2-tailed)	.003		.855	.034	.375
	N	87	87	87	87	87
What are the biggest advantages of online trading for you	Pearson Correlation	.039	.020	1	-.177	-.040
	Sig. (2-tailed)	.723	.855		.101	.715
	N	87	87	87	87	87
Have you encountered any regulatory or compliance-related issues while trading online?	Pearson Correlation	.161	.227*	-.177	1	.281**
	Sig. (2-tailed)	.136	.034	.101		.008
	N	87	87	87	87	87
Would you like more awareness programs on trading risks and regulations?	Pearson Correlation	.230*	-.096	-.040	.281**	1
	Sig. (2-tailed)	.032	.375	.715	.008	
	N	87	87	87	87	87

Source: Primary Data

The table presents the correlation analysis between various factors related to online trading, with significance (Sig.) values determining whether to reject the null hypothesis (H_0 : no significant relationship) in favor of the alternative hypothesis (H_1 : significant relationship). A p-value below 0.05 indicates a statistically significant correlation. "What factors influenced your decision to start online trading?" has a significant negative correlation with "What would encourage you to invest more in online trading?" ($r = -0.314$, Sig. = 0.003), suggesting that initial influencing factors and further investment encouragement are inversely related, leading to the rejection of H_0 . Additionally, it has a positive correlation with "Would you like more awareness programs on trading risks and regulations?" ($r = 0.230$, Sig. = 0.032), indicating that those influenced to start trading are more likely to seek awareness programs. "What would encourage you to invest more in online trading?" shows a significant positive correlation with "Have you encountered any regulatory or compliance-related issues while trading online?" ($r = 0.227$, Sig. = 0.034), implying that regulatory challenges may impact willingness to invest further. Lastly, "Have you encountered any regulatory or compliance-related issues while trading online?" significantly correlates with "Would you like more awareness programs on trading risks and regulations?" ($r = 0.281$, Sig. = 0.008), indicating that those facing compliance issues are more likely to demand awareness programs. Since these correlations have p-values below 0.05, we reject the null hypothesis for these relationships, confirming their significance, while other variables with p-values above 0.05 do not show significant relationships, leading to the failure to reject H_0 .

CONCLUSION :

This study aimed to explore the opportunities and challenges in online trading from an investor's perspective in India, focusing on the experiences, perceptions, and behaviors of Indian investors. The research revealed a predominantly young, student-dominated demographic with limited investment experience, highlighting the growing accessibility of online trading to novice investors.

The findings underscored the significant impact of technological advancements, particularly fintech innovations and AI, on shaping online trading behavior. While these advancements offer convenience and accessibility, they also introduce challenges such as cybersecurity risks and the need for enhanced financial literacy. The study identified key factors influencing investor adoption and usage of online trading platforms, emphasizing the importance of user-friendly interfaces, reliable platforms, and access to real-time market data.

Analysis of investor perceptions revealed a complex interplay of perceived benefits and risks associated with online trading. While investors appreciate the ease of access and lower transaction costs, they also express concerns regarding market volatility, cybersecurity threats, and regulatory complexities. The regression analysis indicated that platform choice positively impacts investment experience, while motivation, satisfaction, and challenges negatively affect it. This highlights the need for platforms to prioritize user experience and address investor concerns to enhance participation.

Furthermore, the study investigated the level of investor awareness and understanding of market risks and regulations. Correlation analysis demonstrated a demand for awareness programs, particularly among those facing regulatory issues. This underscores the importance of investor education initiatives to mitigate risks and promote informed decision-making.

In conclusion, online trading presents significant opportunities for investors in India, but it also poses challenges that need to be addressed. The study emphasizes the necessity for better investor awareness, robust regulatory frameworks, and improved technological infrastructure to ensure a secure and efficient trading ecosystem. Financial institutions, brokerage firms, and regulatory bodies must collaborate to foster a more inclusive and resilient online trading environment. By addressing investor concerns and enhancing digital literacy, stakeholders can contribute to the sustainable growth of online trading in India and empower investors to achieve their financial goals.

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