

Investors Perception Towards The role And Functioning of Stock Broking companies In India-A Study During Covid -19 Pandemic -

Dr. M. Sandra Kirthy, Ms Gurmeet Kaur, Ms Tejaswini

1 Assoc. Professor MallaReddy University, Hyderabad.

2 Asst. Professor Gurunanak Institutions Technical Campus (Autonomous)

3 Asst. Professor Gurunanak Institutions Technical Campus (Autonomous)

Abstract

Capital market plays a vital role to develop the wealth of the investors and organization. Stock Broking agencies are providing various services in financial sector. They have investors and clients across the nation. In this modern and present scenario, the investors perception towards the stock broking companies needs to be viewed for the better expected role and services form these companies and as well issues related to the services. In this paper the study has been made to find out the investor's perception towards the role of stock broking companies in India during pandemic especially on service quality. In particular, the study has been taken 4 selected stock broking companies in India.

The services of stock broking companies to the investors plays a major role in evaluating risk and return of the investment decisions. It is very much essential to understand the investor's perception variables are - information is reliable, provide accurate picture of fluctuations in stocks, Are unbiased in giving opinions, Help enlarge investor pool, information Timely and efficient manner, Timely revision and Updating, Investor awareness and education, Provides superior information at Low cost, Easy understanding the stock market, Encourages to invest in companies to get high returns, reasonable brokerage charges.

This paper analyzed on demographic factors, Perception and Satisfaction level of the investors and the data collected through a questionnaire base sample survey and analyzed by using statistical tools.

In these difficult times Stock broking is used as critical input provider in determining investment decision, Investor acquires the guidance and help in buying and selling the stocks and interns to ascertain risk and return levels. As an investor, there is a need and important to understand the roles, functions and services of stock broking companies.

Key words: Rating agencies, Role, Perception, Investors, Services

INTROUCTION

Capital market plays a vital role to develop the wealth of the investors and organization. Stock Broking agencies are providing various services in financial sector. They have investors and clients across the nation. In this modern scenario, the investors perception towards the stock broking companies need to be viewed for the better expected role and services form these companies and as well issues related to the services.

The role of stock broking companies have evolved in a big way over the last few years. Broking companies became greater help in buying and selling the stocks on behalf of their Clients. They also play a greater role in helping an investor in wading through investment selection process, providing advice on stocks in guiding and helping the client to invest in alternative securities/ assets. So, the stock broking companies have transformed themselves into a one-stop investment adviser and solution provider. Looking to the roles and functions of stock broking companies are:

Buy and Sell stocks This is the major and primary function of stock broking companies. They act as an intermediary for their clients to transact on a stock exchange. They buy and sell stocks for Individuals/investors who have agreed for the terms and conditions and signed up with them as clients. On-line trading facilities, investors can directly execute trades on the trading platform offered by the brokerage house.

Margin financing Stock brokers are well capitalized these days. It means they have a strong balance sheet with high equity and debt on books. Stock exchanges monitor the extent to which brokers are lending in line with their net worth.

Invest in other asset class Apart from investing in stocks, brokers also help you to invest in other asset classes like commodities, gold ETFs and mutual fund products. They also help you to investment in initial public offerings (IPO) of companies.

In-a-nutshell Brokers have transformed themselves into a one-stop investment solution provider, assisting their clients to successfully achieve their financial goals. As a fee-based financial advisory service of stock broking companies is obviously extremely useful to investors, corporate, banks and financial Institutions. It is focused on communicating to the investors, the relative loss Probability for a given income investment, in comparison with other rated asset or security

Understanding the Role of a Stockbroker

Being able to buy and sell stocks and other securities requires access to one of the major exchanges. To trade on these exchanges you must be a member of the exchange or belong to a member firm. Member firms and many of the individuals who work for them are licensed as brokers or broker-dealers. While it is possible to purchase stocks directly from the company that issues them, it is much simpler to work with a stockbroker.

SCOPE OF THE STUDY

The study is limited to 4 Indian stock broking companies (Angel Broking Ltd, Karvy Stock broking Ltd., Motilal Oswal securities Ltd., Sherkhan Ltd.) and covers the investors from these stock broking companies. The investors of these stock broking companies would know the services and it may be helpful in a long run.

OBJECTIVES OF THE STUDY

1. To study the **Role and services** of stock broking companies during difficult times.
2. To analyze the **perception and satisfaction** level in terms of providing services to investors by stock broking companies during pandemic COVID -19.
3. To understand the functioning of Stock broking agencies in India.

RESEARCH METHODOLOGY

HYPOTHESES OF THE STUDY

Null Hypothesis H0: There is no significant difference between the demographic factors (gender, age, education, occupation) and Perception level of investors towards stock broking agencies during pandemic.

Alternative Hypothesis H1: There is significant difference between the demographic factors (gender, age, education, occupation) and perception level of investors towards stock broking agencies during pandemic.

STATISTICAL TOOL: Statistical tool used ANOVA to test the perception level variable.

SAMPLE DESIGN: Non- probabilistic, Convenient Sampling Technique

DATA COLLECTION A questionnaire is developed to collect data from investors as well interview method was adopted as per convenient, The study was conducted among 269 investors to find out the role, Perception and satisfaction levels and service benefits of agencies to investors .

ANALYSIS AND INTERPRETATION

VARIABLE OF THE STUDY

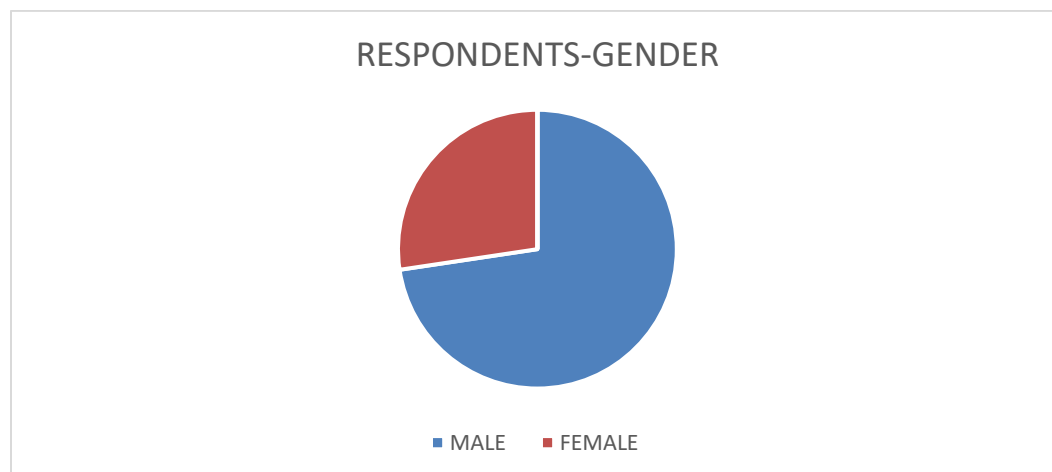
Demographic variables: Gender, age, education, occupation.

Perception level variables: information is reliable, Provide accurate picture of fluctuations in stocks, Are unbiased in giving opinions, Help enlarge investor pool, Monitor credit opinion on issues in a timely and efficient manner, Timely revision and Updating, Investor awareness and education, Provides superior information at Low cost, Easy understanding the stock market, Encourages to invest in companies to get high returns, reasonable brokerage charges.

ANALYSIS: Descriptive

GENDER

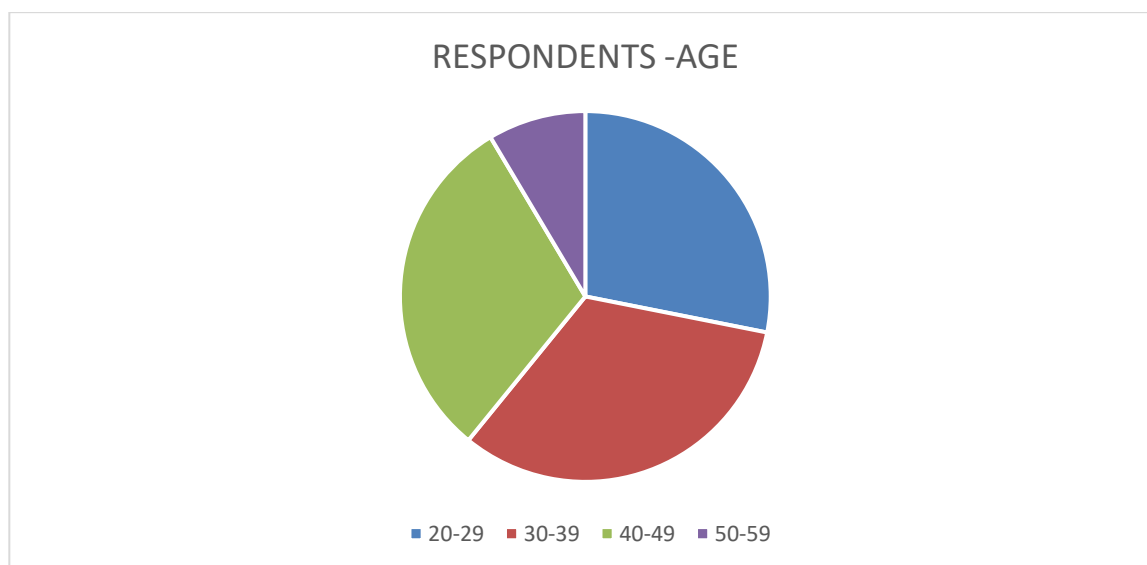
Out of total 269 investor-respondents, there are 196 Male respondents (72.8%) and 73 female respondents(27.3%). Hence it is understood that male investor - respondents are good in number compare to the female respondents to express their opinion on the working of stocking companies.



GRAPH-1 SHOWING THE PERCENTAGE RESPONDENTS OF GENDER

AGE

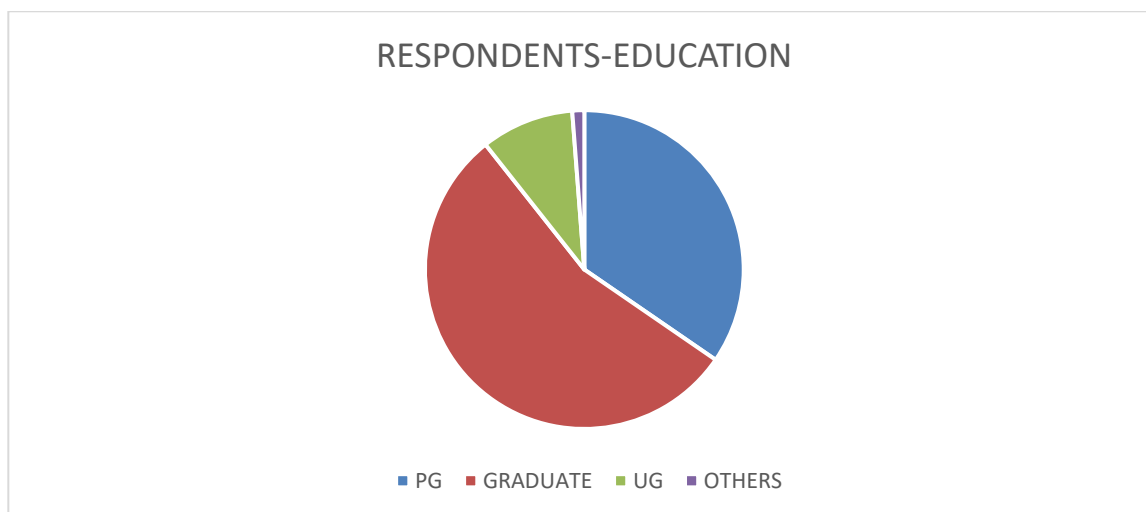
The distribution of investors-respondent-age. Out of total number of 269 sample,73 respondents are in between 20-29 years (27.3%), 86respondents are in between 30-39years(31.8%),80 respondents are in between 40-49 years(29.7%),22respondents are 50-59 years of age(8.3%) and 3% are 60years and above. The 20-29years and 30-39years of age groups captured the highest percentages than others.



GRAPH-2 SHOWING THE PERCENTAGE RESPONDENT OF AGE

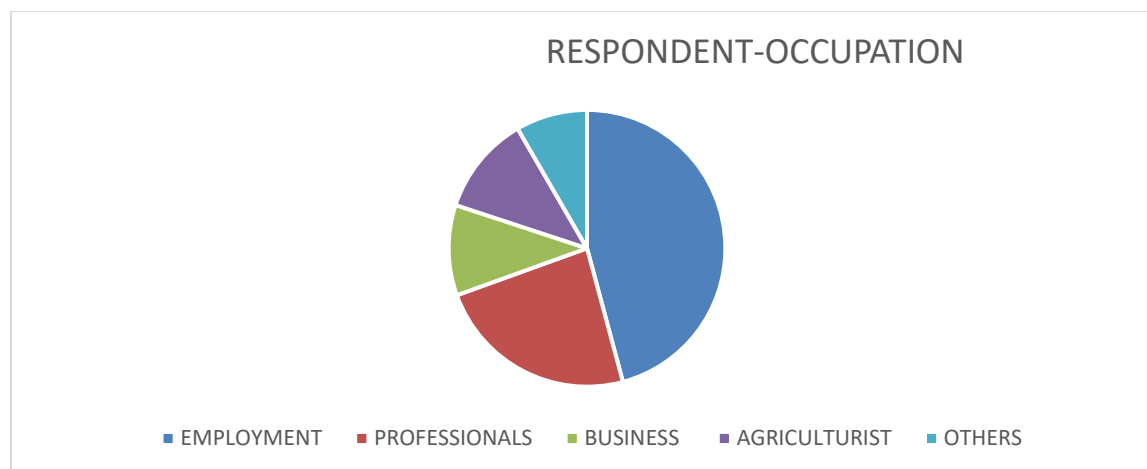
EDUCATION

The educational background of investors, respondent's covers from post-graduation to under graduation and others group comprise of those who have completed diploma or other technical education. It can be observed that 34.1 % (92) of the investor-respondents are post graduates, 54 % (146) of the respondents are graduates, 9.3 % (25) of the respondents are undergraduate and 2.2 % (6) of them are others. In this view, it can be opined that the responses from investor - respondents carry more weight as the respondents are well educated to comment on the working of stock broking companies.



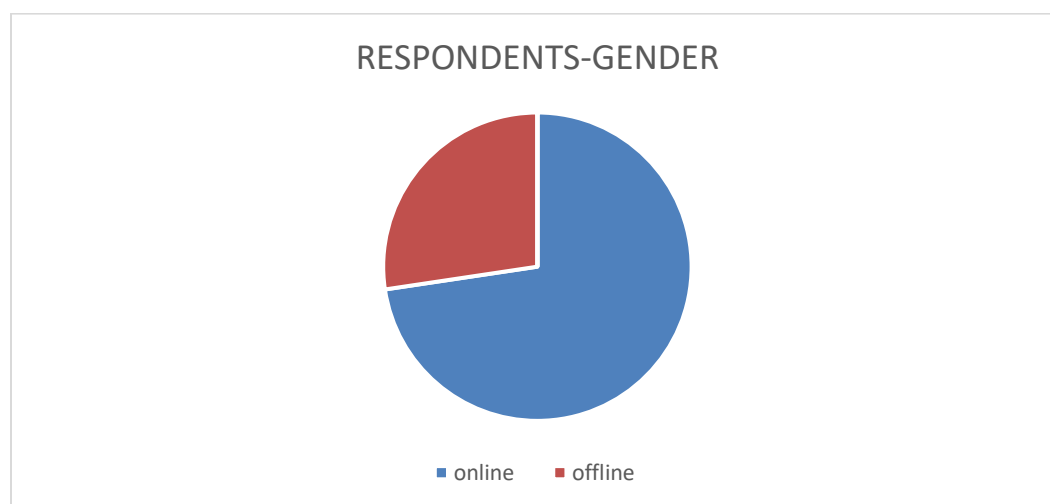
GRAPH-3 SHOWING THE PERCENTAGE RESPONDENTS OF EDUCATION BACKGROUND

OCCUPATION The composition of investor-respondents based on their occupation. It is observed that 125(46.5%) respondents are from employment, 63 (23.5%) respondents are professionals such as chartered accountants, doctors etc. 28(10.5%) respondents are business man, 31(11.5%) are agriculturist and 23(8.3%) are other such as students, housewife's etc. In the study the responses from employees, Professional and businessmen became important in obtaining a data on working of stock broking companies.



MODE OF TRADING

Out of total 269 investor-respondents, the respondents (72.8%) prefer to online mode and respondents (27.3%) prefer offline mode. Hence it is understood that online mode investor - respondents are good in number compare to the offline respondents during the COVID -19 pandemic.



GRAPH-1 SHOWING THE PERCENTAGE RESPONDENTS OF MODE OF TRADING

GRAPH-4 SHOWING PERCENTAGE OF RESPONDENT -OCCUPATION

ANOVA TEST

Perception level variables: Information is reliable, Provide accurate picture of fluctuations In stocks, Are unbiased in giving opinions, Help enlarge investor pool, Monitor credit opinion on issues in a timely and efficient manner, Timely revision and Updating, Investor awareness and education,Provides superior information at Low cost, Easy understanding the Stock market, Encourages to invest in companiesto get high returns, reasonable brokerage charges.

ANOVA result between GENDER groups and perception level

Hypothesis-I

H0: There is no significant difference between the gender and perception level towards stock broking agencies during pandemic.

HA: There is significant difference between the gender and perception level towards stock broking agencies in pandemic situation.

Table 1-SHOWING ANOVA RESULT BETWEEN GROUPS AND VARIABLES

| Levels | Groups | Sum of Squares | Df | Mean Square | F | Sig. |
|--|----------------|----------------|-----|-------------|------|------|
| PERCEPTION level towards the Role of Stock broking | Between Groups | .083 | 1 | .083 | .481 | .488 |
| | Within Groups | 180.197 | 268 | .173 | | |
| | Total | 180.280 | 269 | | | |

The table 1 indicates ANOVA result between gender and variables-perception levels (p values are greater than 0.05) Thus H0 is accepted and H1 is rejected. It is clear to conclude that there is no significant difference between gender and perception levels towards the services of stock broking companies in pandemic situation.

ANOVA result between AGE groups and perception levels towards stock broking agencies

H0: There is no significant difference between the age and perception level towards stock broking agencies in pandemic.

HA: There is significant difference between the age and perception level towards stock broking agencies during pandemic.

Table 2-ANOVA RESULT BETWEEN AGE AND VARIABLES

| Levels | Groups | Sum of Squares | df | Mean Square | F | Sig. |
|---|----------------|----------------|-----|-------------|-------|------|
| PERCEPTION level towards the role of Stock broking agencies | Between Groups | 1.269 | 4 | .317 | 1.843 | .118 |
| | Within Groups | 179.011 | 265 | .172 | | |

| | | | | | | |
|--|-------|---------|-----|--|--|--|
| | Total | 180.280 | 269 | | | |
|--|-------|---------|-----|--|--|--|

The table 2 indicates ANOVA result between Age and variables-perception level, effectiveness and service (p values are greater than 0.05) Thus H₀ is accepted and H₁ is rejected. It is clear to conclude that there is no significant difference between age and perception towards the service of stock broking companies.

ANOVA result between EDUCATION groups and perception level towards stock broking agencies.

H₀: There is no significant difference between the education groups and perception levels towards stock broking agencies during pandemic.

H_A: There is significant difference between the education and perception level towards stock broking agencies in pandemic situation.

Table-3 ANOVA RESULT BETWEEN THE EDUCATION AND VARIABLES

| Levels | Groups | Sum of | df | Mean | F | Sig. |
|--|----------------|---------|-----|------|-------|------|
| PERCEPTION level Towards the Role of stock broking | Between Groups | .815 | 3 | .272 | 1.577 | .193 |
| | Within Groups | 179.464 | 266 | .172 | | |
| | Total | 180.280 | 269 | | | |

Table 3- ANOVA result between Age and variables-perception level, effectiveness and service (p values are greater than 0.05) Thus H₀ is accepted and H₁ is rejected. It is clear to conclude that there is no significant difference between education and perception levels of services towards stock broking companies.

ANOVA result between OCCUPATION groups and perception level towards stock broking agencies
H₀: There is no significant difference between the occupation groups and perception level towards stock broking agencies during difficult times

H_A: There is significant difference between the occupation groups and perception level towards stock broking agencies in pandemic situation.

TABLE 4 SHOWING ANOVA RESULT BETWEEN THE OCCUPATION AND VARIABLES

| | | Sum of Squares | df | Mean Square | F | Sig. |
|--|----------------|----------------|-----|-------------|-------|------|
| PERCEPTION level towards the Role of stock broking | Between Groups | 2.601 | 4 | .650 | 3.806 | .004 |
| | Within Groups | 177.679 | 266 | .171 | | |

| | | | | | | |
|--|-------|---------|-----|--|--|--|
| | | | | | | |
| | Total | 180.280 | 269 | | | |

The table indicates that all the three variables -perception level towards the service of stock broking, since the value is less than 0.05 of p value. It conclude that there is significant difference between occupational groups and perception levels, .H0 is rejected.

TABLE -6 SHOWING RANKS OF STOCK BROKING COMPANIES

| | | Count | Column N % |
|---------------|----------|-------|------------|
| ANGEL BROKING | 1ST RANK | 97 | 36.1% |
| | 2ND RANK | 69 | 25.8% |
| | 3RD RANK | 36 | 13.3% |
| | 4TH RANK | 67 | 24.8% |
| | Total | 269 | 100.0% |
| KARVY | 1ST RANK | 44 | 16.4% |
| | 2ND RANK | 96 | 35.6% |
| | 3RD RANK | 113 | 42.1% |
| | 4TH RANK | 16 | 5.9% |
| | Total | 269 | 100.0% |
| MOTILAL | 1ST RANK | 63 | 23.3% |
| | 2ND RANK | 82 | 30.5% |
| | 3RD RANK | 104 | 38.6% |
| | 4TH RANK | 20 | 7.6% |
| | Total | 269 | 100.0% |
| SHAREKAN | 1ST RANK | 54 | 19.9% |
| | 2ND RANK | 33 | 12.3% |
| | 3RD RANK | 16 | 6.0% |
| | 4TH RANK | 166 | 61.7% |

| | | | |
|--|-------|-----|--------|
| | Total | 269 | 100.0% |
|--|-------|-----|--------|

Interpretation: The above table depicts the ranking on rating agencies by various options. The majority of the responses i.e., have given 1ST rank with 36.1% to the ANGEL BROKING. The KARVY got 2ND rank with 35.6% respondents. The MOTILAL got 3RD rank with 38.6% respondents. The SHERKHAN also got 4TH rank with 61.7% respondents.

FINDINGS,SUGESSTIONS AND CONCLUSIONS

Out of total 269 investor-respondents, there are 196 Male respondents (72.8%) and 73 female respondents (27.3%). Hence it is understood that male investor - respondents are good in number compare to the female respondents to express their opinion on the working of stocking companies. The distribution of investors-respondent-age. Out of total number of 269 sample ,73 respondents are in between 20-29 years (27.3%), 86 respondents are in between 30-39years(31.8%),80 respondents are in between 40-49 years(29.7%),22 respondents are 50-59 years of age(8.3%) and 3% are 60years and above. The 20-29years and 30-39years of age groups captured the highest percentages than others.

The educational background of investors, respondent's covers from post-graduation to under graduation and others group comprise of those who have completed diploma or other technical education. It can be observed that 34.1 %(92) of the investor-respondents are post graduates, 54 %(146) of the respondents are graduates, 9.3 %(25) of the respondents are undergraduate and 2.2 %(6) of them are others. In this view, it can be opined that the responses from investor - respondents carry more weight as the respondents are well educated to comment on the working of stock broking companies. The composition of investor-respondents based on their occupation. It is observed that 125(46.5%) respondents are from employment, 63 (23.5%) respondents are professionals such as chartered accountants, doctors etc. 28(10.5%) respondents are business man, 31 (11.5%) are agriculturist and 23(8.3%) are other such as students, housewife's etc. In the study the responses from employees, Professional and businessmen became important in obtaining a data on working of stock broking companies.

ANOVA result between Age and variables-perception level, effectiveness and service (p values are greater than 0.05) Thus H0 is accepted and H1 is rejected. It is clear to conclude that there is no significant difference between education and perception levels of services towards stock broking companies.

The majority of the responses i.e., have given 1ST rank with 36.1% to the ANGEL BROKING. The KARVY got 2ND rank with 35.6% respondents. The MOTILAL got 3RD rank with 38.6% respondents. The SHERKHAN also got 4TH rank with 61.7% respondents.

It is clear to conclude that there is no significant difference between education and perception levels of services towards stock broking companies.

It concludes that there is significant difference between occupational groups and perception levels, .H0 is rejected.

CONCLUSION

Stock broking companies are focusing more on acquiring customer through digital mode during the pandemic. It has been created new mode of market serving by digital players who have user friendly platform. Customer are acquired by digital players in digital broking space. Covid made the investors coming to the market through digital platform

And Analysis, hence it is understood that male investor - respondents are good in number compare to the female respondents to express their opinion on the working of stocking companies.

The 20-29years and 30-39years of age groups captured the highest percentages than others. Education qualification. In this view, it can be opined that the responses from investor - respondents carry more weight as the respondents are well educated to comment on the working of stock broking companies. Occupation Professional and businessmen became important in obtaining a data on working of stock broking companies. The perception includes in the areas following areas- information is reliable, provide accurate picture of fluctuations in stocks, Are unbiased in giving opinions, Help enlarge investor pool, Monitor credit opinion on issues in a timely and efficient manner, Timely revision and Updating, Investor awareness and education, Provides superior information at Low cost, Easy understanding the stock market, Encourages to invest in companies to get high returns, reasonable brokerage charges. It is clear to conclude that there is no significant difference between gender, age education and perception levels towards the services of stock broking companies.

And it concludes that there is significant difference between occupational groups and perception levels. The Angel broking stock broking company was given first rank in terms of the services. Now the investors are desired to use online mode of transactions and trading during covid.

BIBLIOGRAPHY

REFERENCE

1. Neeraj Kaushal (1999). Stock Exchanges should go public", Economic Times. Mumbai, Vo1.39, No.145. p.5
2. Krishna Kumar (1998). "Battered Brokers", Indian Express - Express Week, Kochi.
3. Tommy Varghese (1997), A Study of individual investors in the capital marker in Kerala, Doctoral dissertation, Cochin University.
4. The Security and Exchange Board of India (SEBI) 2000-National Council of applied Research (NCAER). Survey of Indian Investors', Mumbai.
5. Shukla, Rajeev K (2012), Customer perception towards stock broking services: An empirical study, ASBM journal, Vol 5, No.2.
6. Vijay, Balanageswararao (2018).A study on Investors Perception towards Share market in share Khan Ltd, ISSN No:2456-6470, Vol 2,Issue-6
7. Dr.P Mohanraj, P Kowsalya 2018, A Study on the investor's perception on Karvy Stock Broking in Coimbatore District.ISSN 2455-7331, Vol-3. Issue-1

8. Minu. M (2015)“A Study on Customer Satisfaction towards the Financial Services provided by Karvy Stock Broking Limited in Bangalore City”, International Journal of Engineering Technology, Management and Applied Sciences, Volume 3, Issue 6, pp.257 - 286.
9. Dr. Abdel Fattah Mahmoud Al-Azzam (2015) The Impact of Service Quality Dimensions on Customer Satisfaction: A Field Study of Arab Bank in Irbid City, European Journal of Business and Management, Vol.7, No.15,pp.45-53. 4.
10. Hossein Vazifeh Doost (2014) Relationship of Online Service Quality with Customer Satisfaction in Internet Banking Case Study: Pasargadae Bank, International Journal of Economy, Management and Social Sciences, 3(1) January, pp. 130-135.
11. Shamim Ahamed, (2011), “Service Quality of Stockbrokers in Bangladesh”, Indian Journal of Commerce & Management Studies, Internationally Indexed Journal, Vol-II , Issue -2, pp. 46-56, http://scholarshub.net/ijcms/vol2/issue2/Paper_05.pdf.
12. Parasuraman, A., Zeithaml, V.A. and Berry, L.L. (1994), “Reassessment of expectations as a comparison standard in measuring service quality: Implications for further research,” Journal of Marketing, Vol. 58, No. 1, pp. 111-124.
13. Lehtinen, U. and Lehtinen, J.R. (1991), “Two approaches to service quality dimensions”, The Service Industries Journal, Vol. 11, No. 3, pp. 287-303.

WEBSITES

www.wikipedia.org
www.karvy.com
www.sherkhan.com
www.anglebroking.com
www.motilaloswal.com
www.nseindia.com
www.bseindia.com