International Journal for Multidisciplinary Research (IJFMR)
E-ISSN: 2582-2160 ● Website: www.ijfmr.com ● Email: editor@ijfmr.com

Factor Analysis of Investors' Impulse for Using Investment and Trading Apps

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ABSTRACT
The study focuses on investors' preference reasons for using investment and trading apps about online trading in the Indian stock market. Furthermore, the study focuses on what are the privileges and conveniences they have to get benefit from using the trading apps. In additionally to knows the reasons and information regarding the preferences and choice of the different investors who invest in online trading using through Trading Apps. In this study Descriptive research design and convenience sampling technique are applied.

Keywords: Online Trading, Investment Apps, Trading Apps

INTRODUCTION:

Online trading is an internet based investment activity. Internet exchanging began in India on 1st April 2000; with 79 parts looking for authorization for web based exchanging. Interaction between an individual and dealers who buy and sell safeguards over an electronic organization with a business firm should enable online trading. Today there are many online trading companies working as portals for the biggest stock houses, like the National Stock Exchange and Bombay Stock Exchange.

The online trading companies allow the investors to invest in a number of financial products and services like derivatives, mutual funds, and equity. The SEBI advisory groups on web based protections exchanging administrations have permitted the net to be utilized as an Order Routing System (ORS) through enrolled stock specialists of their customers for execution of exchange. Under the ORS, the client can enter the requirement (security, quantity, price, and buy/sell) in the broker's site. Online trading apps (Upstox, Groww, Angel One, ICICI direct, etc.,) are mobile applications that allow traders to buy and sell securities, stocks, derivatives, futures and options, and ETFs. The stock trading app from Share India offers a sleek, user-friendly interface and is compatible with both IOS and Android smart phones; online trading is an internet based investment activity; In India investors' invest their savings in online trading. This study examines investors' preference reasons for using investment and trading apps.

REVIEW OF RELATED LITERATURE

Ashish C Pius (2019) referred Investors' perception towards online trading' reviews for his study, many brokerage firms do provide mobile based trading applications. Brokerage firms will keep improving their stock trading capabilities not only to retain customers but to make the entire process of trading

stocks easier and simpler L L Sunil Kumar (2017). Furthermore Investors could just conduct their trading by sitting in their cushy offices and would be connected to the main terminal of the stock exchange through a LAN or Local Area Network connection. They would then match the orders when they were compiled during trading hours. Members would be immediately notified so they could view the trade on their screens once it was matched. In addition, the system made information about securities rates, market movements, liquidity, and other aspects transparent for investors. R V Rao (2018).

Further reviews to study the investors' awareness, and do's and don'ts of online trading. The findings are market become more fluctuating, when investor buy and sell shares, they have to pay brokerage fee and tax and Stock market business becomes more user friendly Renuka (2017). Further study the Investors' behavioural intentions towards online trading system. The main purposes of the study were to identify the level of investors trust towards online share trading and to assess the internet trading system's security features. There are no time or location restrictions, and trading becomes more flexible. (Bhuvanam 2015)

OBJECTIVE:

To identify the Investors' wish for using investment and trading apps

RESEARCH DESIGN AND SAMPLE

In the study descriptive research design was adopted. Descriptive research studies are those studies which are concerned with describing the characteristics and attitude of a particular individual, or a group. Here the study describing the Investors' wish for using investment and trading apps. Descriptive research is a widely accepted method in fact-finding, and the study includes adequate and accurate interpretation of results. The convenience sampling technique is applied to this study to measure Investors' wish for using investment and trading apps. 384 sample data were collected from potential Investors to understand specific issues or opinions about online trading apps.

DATA ANALYSIS AND INTERPRETATIONS

Table- 1: KMO and Bartlett's Test of Investors' Impulse for Using Investment and Trading Apps

KMO and Bartlett's Test	
Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.791
Bartlett's Test of Sphericity Approx. Chi-Square	943.811
Df	66
Sig.	0.000

Investors' Impulse for Using Investment and Trading Apps independent variables namely User friendly Interface (IMP-1), Wide range investment options (IMP-2), Reasonable brokerage charges (IMP-3), Advanced charting and analysis (IMP-4), Provide real time market data (IMP-5), Given technical indicators and AI advisory (IMP-6), Customizable dashboards (IMP-7), Market research and recommendation (IMP-8), Stock recommendation (IMP-9), IPO (Initial Public Offering) analyses (IMP-10), Secure and reliable (IMP-11), and Multichannel customers 24/7 support (IMP-12). Kaiser-Meyer-Olkin (1958) Measure is an index which defines of sampling adequacy. The KMO test value is 0.791 which is more than 0.5, can be considered acceptable and valid to conduct data reduction technique. The Bartlett's test of Sphericity helps to the research to decide, whether the result of factor analysis is worth

considering and whether the study continue analysing the research work. Bartlett's test of Sphericity significant to a level of significance is < 0.001, which shows that there is a high level of correlation between variables, which make it adequate to apply factor analysis through the extraction, Principal Component Analysis and Varimax rotation are used which are the standard rotation methods.

The Scree plot shows the components as the X axis and corresponding Eigen value as the Y axis. First two components are 3.556, 1.401, and 1.216. Hence 3.556 is the maximum Eigen value hence this factor is most significant followed by other factors. Since the three factors are having Eigen sharing maximum variance hence, they are essential in the present study.

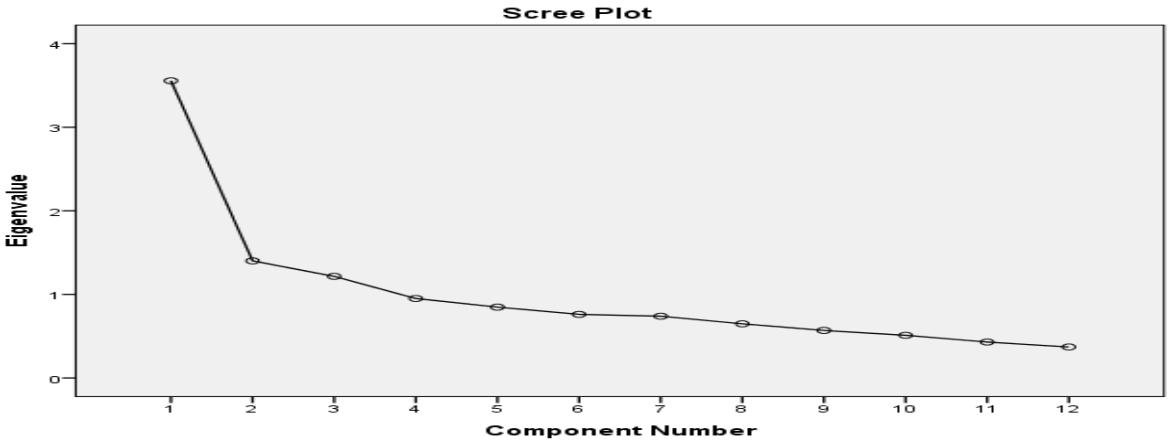

Table-2: Total Variance of Investors' Impulse for Using Investment and Trading Apps

Component	Initial Eigen Value			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %	Total	% of variance	Cumulative %
1	3.55	29.633	29.633	3.55	29.633	29.633	2.49	20.761	20.761
2	1.40	11.674	41.307	1.40	11.674	41.307	1.89	15.825	36.586
3	1.21	10.133	51.440	1.21	10.133	51.440	1.78	14.854	51.440
4	0.95	7.925	59.365						
5	0.84	7.066	66.431						
6	0.76	6.343	72.774						
7	0.73	6.157	78.931						
8	0.64	5.400	84.331						

9	0.56	4.741	89.072						
10	0.51	4.255	93.327						
11	0.43	3.582	96.910						
12	0.37	3.090	100.000						

Extraction Method: Principal Component Analysis

Table-3: Communalities and Rotated Component Matrix for Investors' Impulse for Using Investment and Trading Apps

Impulse for Using Trading Apps	Communalities		Rotated Component Matrix		
	Initial	Extraction	1	2	3
IMP-1	1.000	0.483			
IMP-2	1.000	0.543			**0.723**
IMP-3	1.000	0.397			
IMP-4	1.000	0.465			**0.651**
IMP-5	1.000	0.312			
IMP-6	1.000	0.550	**0.717**		
IMP-7	1.000	0.503	**0.654**		
IMP-8	1.000	0.603	**0.755**		
IMP-9	1.000	0.440			
IMP-10	1.000	0.605		**0.753**	
IMP-11	1.000	0.730		**0.790**	
IMP-12	1.000	0.541		**0.676**	

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization. Rotation converged in 5 iterations

Every variable in the communality initially is expected to share 100% variance. Hence initially every item is having value 1.00 which mean 100% variance share by each item. The extraction value is ranging 0.312 to 0.730. Further, the above table interprets factor loading for the Investors' Impulse for Using Investment and Trading Apps variable like, Provide real time market data (IMP-5), and Reasonable brokerage charges (IMP-3) has comparatively low turn of 31.2% and 39.7% of the total variance, at the same time Secure and reliable (IMP-11), and IPO (Initial Public Offering) analyses (IMP-10) variables has comparatively high to the turn of, 73% and 60.5% of the total variance respectively.

Factor-1 and Factor-2 has three significant loading and Factor-3 have two significant loading respectively. The first extracted factors of Investors' Impulse for Using Investment and Trading Apps are ‘Given technical indicators and AI advisory’ (IMP-6), ‘Customizable dashboards’ (IMP-7), and ‘Market

research and recommendation' (IMP-8), is accounted for 29.6% of the variance. The second extracted factors are 'IPO (Initial Public Offering) analyses '(IMP-10), 'Secure and reliable' (IMP-11), and 'Multichannel customers 24/7 support' (IMP-12) is accounted for 11.7% of the variance. Then third extracted factors are 'Wide range investment options' (IMP-2), and 'Advanced charting and analysis' (IMP-4), is accounted for 10% of the variance in Investors' Impulse for Using Investment and Trading Apps.

Variance Explained

The Eigen value and variance explained by each factor given in the following table.

Table- 4.2.1 (d): Variance Explained by Investors' Impulse for Using Investment and Trading Apps

Factor	Components	Item Description	Rotated Loading	% of Variance	Eigen Value
Factor-1	**Market Recommendation through AI Advisory**	IMP-8	**0.755**	29.6%	3.55
		IMP-6	**0.717**		
		IMP-7	**0.654**		
Factor-II	**Secure and Reliable and 24/7 IOP Analysis**	IMP-11	**0.790**	11.7%	1.140
		IMP-10	**0.753**		
		IMP-12	**0.676**		
Factor-II	**Wide Range Advanced Charting and Analysis**	IMP-2	**0.723**	10%	1.121
		IMP-4	**0.651**		

CONCLUSION

The result of factor analysis comprises three factors from the twelve components; the first prime factor of Investors' Impulse for Using Investment and Trading Apps is **'Market Recommendation through AI Advisory'** it has 29.6 % of total variance, which is significant variables are 'Given technical indicators and AI advisory', 'Customizable dashboards', and 'Market research and recommendation'. Then second factor is '**Secure and Reliable and 24/7 IOP Analysis'** it has 11.7 % of total variance, which is significant variables are 'IPO (Initial Public Offering) analyses', 'Secure and reliable', and 'Multichannel customers 24/7 support'. Then finally third factor is '**Wide Range Advanced Charting and Analysis'** it has 10% of total variance, which is significant variables are 'Wide range investment options', and 'Advanced charting and analyses'.

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