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Digitalization And Their Impact On Perception Of Investor In Stock Market -Age-Wise Analysis

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Abstract

Digitalization of stock market is core phenomena of investment and their multiple effects have seen in connection to investor perception in recent past. It also give an access to the shareholders all over to globe to get familiar with a safe and pleasure seeking anticipation while making investment in stock market. The digitalization of stock market in the present paper focusing the independent variables which the researcher observed from their own study which are shifted the perception of investor after digitalization of Stock Market. The intention behind this paper is to provide a comprehensive overview of the factors which absolutely change the perception of investors to invest after the period of digitalization. The significant change in the working of stock market also witness in recent past and also resulting to rethink the role of investors in digital world. In order to get familiar with this unknown measures the present study taken into consideration and also to know the extent of digitalization has an impact on safety, trustworthily and sensitively and others aspects with the change in technology.

Keywords- Digitalization, Pleasure seeking, Trustworthiness and Sensitivity

Introduction

Financial markets especially stock market is experiencing challenges in the recent years due to the drastic changes at national and international level which has changed the working of stock exchanges. One of the emerging aspects of these changes is Digitalization of stock market. Digitalization has changed the working of stock exchanges. In order to know to what extent digitalization has an impact on safety, trustworthily and sensitively and others aspects with the change in technology the present paper throws light in this regard on the basis of selected demographic variables. The present technology in stock market i.e., Artificial Intelligence, Machine Learning and Robo Advisory playing a pivotal role to enhance the trading experience in stock market. The entry of these technologies provides a wide range of investment pattern or take decision for picking the right stock. Digitalization enable automated decision making, reduce the risk and

uncertainty up to a extent and also work out efficiently in scam and fraud. Further this lead towards stock market working efficiency and provide a detail overview for investors for picking better out of available stock in markets. The data available relating to stock easily available through internet and investors used these data for their convenience to make or buy decision. The entry of digitalization firstly challenge to the existing working pattern and then also give challenge an individual who want to know the learning or make investment in stock market through digital means.

Review of the Literature

Agrawal, H.N. (1999)⁶ in his study observed that Indian capital market had been undergoing several structural changes particularly during the 1990s, all leading the market to more efficient and healthier capital market. The changes were mainly directed towards improving infra-structural facilities and evolving more comprehensive and realistic regulatory framework, aware of investor protection.

Singh, L.K. (2000)¹⁰ in his article on emerging Issues in Capital Market has observed that with the advent of economic liberalization in early 1990s, various measures of economic reforms were undertaken. Financial sector reforms were an integral part of this reforms process. Indian capital markets, both primary and secondary, witnessed a host of legal, structural and procedural changes which were aimed at better investor protection and improved market efficiency.

Wei-Hsin Change, Chih-Yung Chen and Chen Shan YU (2008)⁷⁶, in their article “A study of ubiquitous in formation seeking behaviour of the investor while presenting the information .the result show that the investor fist search for information. The result show that the Investor fist searches for information on the related web sites. next they collect information from cable TV, newspaper, magazine, and consultant of investment etc, free information of investor is primary used by the of investment etc. free information of investment is primary used by the investor secondly they will the needed information at a responsible price. According to the type of information if it belongs to tiding the investor can take the timing decision. for the fundamental information they can use it to evaluate the current stock price. for the technical information the investor can study the trend of the stock. Finally, for the bargaining chip information the investor can predict future stock price.

Research Methodology

The Research Methodology specifies method for acquiring the information needed to structure or solve the problem at hand. The methodology undertaken with a focus on objectives of the study, data collection administration and tools and techniques employed in paper. The study comprises a cross sectional analysis by collecting data from selected investors through convenient sampling method.

Need of the Study

The present study is an attempt to know the impact of digitalization on investors in stock market and further to know their perception towards digital transformation. The shift of conventional pattenen of investment to modern technology pattern certainly a positive move from investor's point of view. To analyze this all is the basic need the present paper.

Objectives of the Study

Keeping in mind the objective of present paper, the present study has been undertaken mainly to know the Digitalization and their impact on Investors perception in stock markets.

Main objectives of present study is,

1. To know the digitalization and their impact on perception of Investors in Stock Market

Sample Design

The study is mainly based on primary data that has been collected from 393 respondents randomly selected from Motilal Oswal Financial service Limited (MOSL) stock trading agency through a structured questionnaire by using five point Likert scale ranging from strongly disagrees to strongly agree.

Data Analysis and Interpretation

Age wise Perception on Digitalization Age wise perception of investors on the digitalization of stock market as shown in table 5.1.1 reveals that investors irrespective of their age group are satisfied and feel that digitalization has helped in ensuring safety, trustworthiness and sensitivity towards stock market. The mean score of investors on safety (3.86) trustworthiness (3.79) was found highest among the investors below 20 years of age. However, mean score of responses on sensitivity (3.97) and guarantee of safe investment (3.42) was found high among the investors having age 40-60 years .Whereas, investors above 60 years of age are found more happy (3.81) in making investment after digitalization of the stock market as compare to the investors from other age groups. Maximum variation in responses was observed among the investors having age between 40-60 years.

Table 1.1

Descriptive Statistical Analysis on Digitalization of Stock Market: Age wise

Variables	Age group (years)	Mean	Std. Deviation
Safety Measures	Below 20	3.8621	.74278
	20-40	3.5243	.77769
	40-60	3.7532	.88791
	Above 60	3.5981	.84518
	Average	3.6590	.84260
Trustworthiness	Below 20	3.7931	.77364
	20-40	3.7864	.89279
	40-60	3.7468	.80490
	Above 60	3.7103	.85792
	Average	3.7506	.83843
Sensitivity Aspects	Below 20	3.5862	.73277
	20-40	3.7670	.75672
	40-60	3.9740	.74050
	Above 60	3.8318	.80665
	Average	3.8524	.76838
Guarantee of Safe Investment	Below 20	3.1379	.95335
	20-40	3.2233	.99933

Pleasure in making Investment	40-60	3.4286	1.11939
	Above 60	3.3551	.98337
	Average	3.3333	1.04165
	Below 20	3.6552	.89745
	20-40	3.4951	.93802
Pleasure in making Investment	40-60	3.6883	.76286
	Above 60	3.8131	.82566
	Average	3.6692	.84364

In order to know the variation in responses of investors from different age groups on digitalization, one way ANOVA has been applied. The table 5.1.1(a) reveals that a significant difference at 5% level of significance in different age groups of investors has been observed as far as Sensitivity is concerned, however, no significant difference on the basis of age of investors has been observed on the statements relating to safety measures, trustworthiness guarantee of safe investment and pleasure in making investment.

Table 1.2

Age-wise: ANOVA Results on Digitalization of Stock Market

Variables	Particulars	Sum of Squares	df	Mean Square	F Test	Sig.
Safety Measures	Between Groups	4.830	3	1.610	2.290	.078
	Within Groups	273.481	389	.703		
	Total	278.310	392			
Trustworthiness	Between Groups	.361	3	.120	.170	.917
	Within Groups	275.202	389	.707		
	Total	275.562	392			
Sensitivity	Between Groups	5.130	3	1.710	2.939	.033
	Within Groups	226.310	389	.582		
	Total	231.440	392			
Guarantee of Safe Investment	Between Groups	3.802	3	1.267	1.170	.321
	Within Groups	421.531	389	1.084		
	Total	425.333	392			
Pleasure in making Investment	Between Groups	5.398	3	1.799	2.558	.055
	Within Groups	273.600	389	.703		
	Total	278.997	392			

Post Hoc results on digitalization of stock market on the basis of age of investors as shown in table 5.1.1(b) indicates that mean difference in the responses has been observed significant at 5 percent level of significance on the sensitivity aspects among the investors in the age group of 40-60 years when compared with investors below 20 years of age.

Table 1.3

Post Hoc Results on Digitalization of Stock Market: Age wise

Variables	Age (In years)	Below 20	20-40	40-60	Above 60
Safety Measures	Below20	-	.33780	.10882	.26392
	20-40	-.33780	-	-.22897	-.07386
	40-60	-.10882	.22897	-	.15512
	Above 60	-.26394	.07386	-.15512	-
Trustworthiness	Below20	-	.00670	.04635	.08282
	20-40	-.00670	-	.03965	.07613
	40-60	-.04635	-.03965	-	.03647
	Above 60	-.08282	-.07613	-.03647	-
Sensitivity	Below20		-.18078	-.38782	-.24557
	20-40	.18078	-	-.20704	-.06479
	40-60	.38782	.20704	-	.14225
	Above 60	.24557	.06479	.14225	-
Guarantee of Safe Investment	Below20	-	-.08537	-.29064	-.21721
	20-40	.08537	-	-.20527	-.13184
	40-60	.29064	.20527	-	.07343
	Above 60	.21721	.13184	-.07343	-
Pleasure in Making Investment	Below20	-	.16003	-.03314	-.15791
	20-40	-.16003	-	.19317	.31794
	40-60	.03314	.19317	-	-.12477
	Above 60	.15791	.31794*	.12477	-

5% Significant Level

Conclusion and Finding

In nutshell, it can be concluded that digitalization of Stock market significantly impact the perception of investors. The impact of digitalization on Investors in the age group between 40-60 are found more on the issues relating to safety, trustworthiness, sensitivity, guarantee of safe investment and pleasure in making investment after digital reforms in stock market. The concrete finding of this research paper give a comprehensive analysis of the adult age group as they impacted with digitalization and their drastic shift from the conventional to modern modes of trading. The significant reason for this tendency is that they have seen the conventional functioning and traditional mode of trading in stock market.

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