Investor’s Attitude towards Adoption of Online Trading:  
(A Study on Online Investors Behaviour in Visakhapatnam City)

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Abstract

Online share trading offers investors’ and stock broking firms a new frontier of opportunities and challenges. An understanding of factors influencing investor’s attitude towards adoption of online trading service is a vital importance in the changing landscape of the financial service sector.

It is against the present backdrop, the study examines the attitudes of online investors’ towards the adoption of online trading in Visakhapatnam city. A research framework based on the diffusion of innovation theory was used to identify factors influencing online trading adoption in Greater Visakhapatnam city. A structured questionnaire was used to collect data from 400 respondents. Collected data were first structured into grouped frequency distributions, and chi-square test was used to test the hypotheses formulated. At 0.05, level of significance, the attributes such as perceived usefulness, ease of use, compatibility, trust, social factors and information quality of online trading service were found to have a significant influence on attitude of investors toward adoption of online trading service. Trialability of online trading system was found insignificant in influencing investor’s attitude towards adoption of online trading service.

The study suggests that stock broking firms in order to enhance widespread use of online trading service, need to organize relevant short term training programmes and deploy user-friendly interface to encourage acceptance and quick adoption of online trading service among diversified class of investors to remove apprehensions and to form strong positive attitude in the long-run.
Keywords: Online Stock Trading, Attitude, Diffusion of Innovation, Internet Technology, Stock Broking Firms.

References


