

A Study Of Investor Preferences & Satisfaction Towards The Financial Services Provided By ShareBrokerage Firm

- 1- Miss. Gaibi Alfia Abdulla, SYMMS, Batch 2022-2024 PRUTSIM Mobile:
9769653888, Email - gaibee80@gmail.com
- 2- Prof. Shraddha Daftardar, Assistant Professor, PRUTSIM Mobile:9769543535,
Email - shraddha@prutsim.edu.in

Abstract:-

This research paper is based on the study A Study of Investor Preferences & Satisfaction towards the Financial Services Provided by Share Brokerage Firm.

In today's world investment is one of the most important things to do as most of the things are being expensive be it necessities food, clothing, shelter or education, entertainment, bills for hospital or be it any other thing extra source of income is necessary and by investment you generate good returns and for the protection of future needs or investment also helps in times of emergency because of this there comes in picture the share broking firm A brokerage firm , or simply brokerage , is a financial institution that facilitates the buying and selling of financial securities between a buyer and a seller. The study talks about investor preferences and satisfaction towards the financial services provided by share brokerage firm it also talks of benefits of brokerage what are the service provided and why investment is important and different types of broker in the country. The primary data for this is collected through simple random sampling which is done through questionnaire for knowing investor preference and satisfaction level

Keywords – Investment, Financial Services, Investment preference, broking

Introduction:-

Investor preferences and satisfaction toward financial services are critical factors that influence the stability and growth of share brokerage firms. The preference and satisfaction of the investor are based on the services or provided by the share brokerage firm and how does it benefits the investor .To understand share brokerage firm let us first understand what investment is?

Investment is the commitment of money or capital to purchase financial instruments or other assets in order to gain profitable returns in the form of interest, income, or appreciation of the value of the instrument. It refers to the purchasing of securities or other financial assets from the capital market. It also means buying money market or real properties with high market liquidity. Some examples are gold, silver, real properties, and precious items. A financial investment is an

asset that you put money into with the hope that it will grow or appreciate into a larger sum of money. Investor A brokerage firm, or simply brokerage, is a financial institution that facilitates the buying and selling of financial securities between a buyer and a seller. Brokerage firms serve a clientele of investors who trade public stocks and other securities, usually through the firm's agent stockbrokers. The investor satisfaction is the relationship between the investor's expectations and the product's perceived performance. If the product matches the expectations, the investor is satisfied. If it exceeds, the investor is highly satisfied. The investor focused definition and suggestion that a company that has achieved total quality, services should meet or exceed investor expectations. Quality begins with investor needs and ends with investor satisfaction.

A brokerage firm, or simply brokerage, is a financial institution that facilitates the buying and selling of financial securities between a buyer and a seller. Overall, brokerage plays a crucial role in the functioning of financial markets by connecting investors with securities that meet their investment goals. With the help of brokerage firms, investors can access a wide range of investment opportunities and make informed decisions about their financial future. The brokerage firm definition is very straightforward. Brokerage firms act as intermediaries, matching buyers and sellers and charging a commission for their services. Some firms also offer additional services such as investment advice and portfolio management.

There are various types of brokers such as Traditional or Full-time Brokers and many others like Upstairs brokers, Jobbers, Specialty Brokers, Commodity Brokers, Currency Brokers, Robo-Advisors, Bank-Based Brokers, Institutional Brokers.

.Full-time Brokers provide a vast assortment of products and services to its customers. These services involve securities trading, investment advice, retirement planning, management of investment portfolio, taxes on capital gains, etc. Full-time stockbrokers charge a hefty commission, however, given the range of their services, such cost might justify. As was earlier mentioned, such brokers go through rigorous training and examinations to attain the job and thus have in-depth knowledge regarding the stock market. Therefore, they are adequately trained to make a bid on your behalf, steer your portfolio to its maximum earning potential and minimize risks. Therefore broker such as ICICI Securities Pvt Ltd, HDFC Securities Ltd, Kotak Securities Ltd, HSBC Invest Direct Ltd and SBICAP Securities Ltd etc.

Discount Brokers Discount or online stock brokers dominate the band of brokers. Along with their inexpensive nature, they also offer convenience to the laymen in terms of time and place

utility. Market participants do not need to personally meet discount brokers and carry out their investments through the Internet. Investors with minimal disposable income can also start investing in the stock market through discount brokers. However, not all discount brokers offer the same level of expertise as a traditional broker and thus are a less profitable option for companies and individuals who can afford hefty investment corpus and costs. The brokers such as Zerodha, 5paisa and Upstox, groww, angelone

There are various benefits of share brokerage firm such as financial expertise the people in a brokerage company understand the market and likely know what kind of investment is best for you. This means you are not requiring understanding investing to create and grow an investment or retirement account. Convenience many brokerage companies offer a full suite of features that can localize your investments and financial securities in a single place. This can make it easier for you to manage a portfolio and understand your investments. They also provide wide array of services and allow easy diversification brokerage accounts give you the freedom to allocate your investments based on your financial goals and risk tolerance. Diversifying your portfolio by investing in a mix of assets (such as stocks and bonds), as well as buying investments in a range of locations and industries, can help reduce risk and minimize any negative impact of market ups and downs. A regulatory safeguard for investors SEBI regulates the stock broking environment in India. The market regulator closely scrutinizes those who have applied for a broker's license. It also keeps a close watch on those who are operating brokerages. The main aim of SEBI is to protect the interest of investors. This is why it carries out rigorous monitoring before granting a brokerage license or cancelling one and many more benefit are there they also help the retail or small scale investor with providing many investor opportunities such as investing in shares mutual fund ,IPO's this help the investor to invest ad grow their income there are many brokerage firm in India and the provide various services such as

- Buying and selling
- Financial Advisory
- Research
- Mutual fund
- Managing client portfolios
- Trading
- Currencies

Review of Literature

1) Purohit Kamat Neel, Indian Streams Research Journal (June 2013) - , “Investors Perception and Attitude towards Indian Stock Market “Based on this research study confers that most of the investors having awareness about the products being dealt by the stock exchanges. Stock brokers are providing periodical update, newsletters and personal contact with clients. Some of the investors are ready to take high risk in the stock market. Investors would like to generate current income as well as capital appreciation through stock market. Broker share offers valuable research services to their clients. They must make use of opportunities for extracting investment benefits. According to this research infers that investors having positive perception towards stock market and they invest according to the condition of the market.

2) Navleen Kaur and Dr. Gurinder (July-2015) Singh “Role of Brokers/Institutional Investors to Induce Investment in Indian Stock Markets” .In this research paper study is conducted on how to induce investment in stock markets. It has been observed that the investors invest on regular basis in stock market, this research tried to find the reasons why rest of the population is not investing. The purpose of this study is to access the factors which resist common man in India from investing in stock market and ways to overcome such hesitations. There seem to be good theoretical as well as empirical reasons to believe that investor sentiment, also referred to as fads and fashions, affects stock prices. Some of the factors which most affect the decision of investors to invest in stock market have been studied. The research is on the role of brokers to induce investment in the Indian stock markets and it studied the changes required with respect to brokers so that percentage of investors increases. So, the study of all these factors has been done in detail and tried to find out how these factors are dealt by brokers to increase the investment in stock markets by retail investors.

3) Dr. Jeelan Basha.V (October-2014) An Empirical Study on Analysis of Stock Brokers in Indian Stock Markets with Special Reference Cash Market A stock brokerage is an investment services company that is primarily involved in the business of buying and selling stocks and other financial securities on behalf of its clients in return for a fees or commission. The industry operates under close government regulations that aim to protect the investing public. A stock brokerage may not open for business without filing for appropriate registrations and obtaining certain memberships. A stock brokerage may focus on different investment services and clients. It must also be able to provide a wide range of security information to clients for investment

research and trade selections.. A retail brokerage serves only individual investors, whereas an institutional brokerage has the capacity to handle large order flows from institutional investors such as mutual funds. The objectives of the study are to study the performance analysis of Stock Brokering Services and providing findings/ results and conclusions based on analysis. Exploratory research design has been adopted. The study is based on secondary data containing annual number, fees & other charges, type and turnover of registered stock brokers from 2009-2014. The data is collected from sebi.gov.in, [money control.com](http://moneycontrol.com) and various other reports like magazines, journals, published books and official websites It is concluded that stock brokering service plays a major role in mobilizing funds through its expertise in attracting investors to make investment by its suitable guidance. It has become lucrative service in terms of earning

D. Joel Jebadurai Dr.S.Rajamohan (July-December 2015) Share Brokers and Investors' Earning in the Indian Stock Market-A Study Report the role of intermediaries in securities market is significant. In the broader sense, share broking is making the connection between the investor and fund user for the purpose of fund mobilization to invest in the share market, on the basis of commission for the services. The Indian share market is characterized by the contribution of share brokers in maximizing the share holders' wealth. Investing in shares needs thorough knowledge about the operational mechanism of share market involving the brokers and investors. Generally, the investors decide to choose the sector for investment, based on recommendations by the share brokers. However, in recent times, it has come to light that lack of knowledge about share market by investors led to misuse of their funds in the investment decision of share brokers. On the other side, share brokers frequently contact the investors and update their investment status about the capital market for their trading. This article forms part of a research study by the author on Indian share market movements in the changing scenario. It presents the functions of share brokers on share market and investors and suggests a model for maximizing investors' wealth in the Indian stock market. Based on the inferences made in the study, the researcher suggests that investors need to be educated about the trading mechanism, price movement and their fund investment pattern, before they invest in the share markets.

Research methodology

The methodology employed in this study is designed to systematically gather and analyze data to provide insights into investor preferences and their satisfaction with financial services provided by share brokerage firms. It encompasses primarily quantitative research, supplemented by qualitative data to enrich the analysis. This mixed-methods approach ensures a comprehensive understanding of both the measurable aspects of service delivery and the nuanced perceptions of investors. The quantitative component consists of a structured questionnaire distributed to a sample of investors, focused on various facets of service quality and satisfaction. Statistical techniques are utilized to assess the data and provide a foundation for objective analysis. For qualitative insights, semi-structured interviews with selected participants who completed the questionnaire are conducted. These interviews are designed to explore deeper into individual experiences and attitudes towards the brokerage services they utilize. This methodology is chosen to ensure that the research objectives are met with rigor and accuracy, providing findings that are both statistically significant and contextually grounded.

Objective of the study

- To understand the concept Share Brokerage Firm
- To know different kind of Share Brokerage Firm
- To understand investor preference about Share Brokerage Firm
- To know investor satisfaction level while going through Share Brokerage Firm
- To know the benefit of Share Brokerage Firm

Purpose of the Study

The primary purpose of this study is to examine and understand the diverse preferences of investors regarding the financial services provided by share brokerage firms and to evaluate their satisfaction levels with these services. This research aims to identify the crucial factors that influence investor satisfaction and preference, thus aiding brokerage firms in refining their services to better meet investor needs. Moreover, the study seeks to analyze the correlation between investor satisfaction and their loyalty and investment behavior, offering insights that could potentially inform strategic enhancements in service offerings. Ultimately, this investigation seeks to contribute to the broader knowledge base of financial service management

and investor behavior analytics, thereby supporting improved industry practices and investor relations.

I) Primary Data

The primary data is collected through survey of the questionnaire among individual investors in capital market .the responses collected from this survey is 39

II) Secondary Data: - Secondary data collection is done with help of published magazines, Internet, Websites Journals and Books, etc. such information is already investigated and compiled by certain people or agencies or by government organization.

Limitations:-

- The limitation is the Sample size used for the study is small. Hence, the results cannot be taken as universal of these study is the number of respondent is not more than 39 so the sample size.
- The availability of data is less from the investor because the no. of respondents is less.
- Investor preference and satisfaction level changes from time to time with different type of investment as their opinion change about brokerage firm
- Most of the respondents will not answer for the questions like suggestions and opinions about it.

Data analysis:-

| Sr No | Name of Parameter | Options | In Number | In Percentage (%) |
|--------------|------------------------------------|--|-----------------------------------|---|
| 1 | Gender | Male Female | 19 20 | 48.7% 51.35% |
| 2 | Age | 18-25 26-35 36-45 Above 46 | 23 13 3 0 | 59% 33% 7.7% 0 |
| 3 | Occupation | Student Salaried Self-Employed Professional Business Housewife Other | 21 11 2 1 3 1 0 | 53.8% 28.2% 5.1% 2.6% 7.7% 2.6% 0 |
| 4 | Qualification | Post graduate Graduate Under graduate other | 9 28 2 0 | 23.1% 71.8% 5.1% 0 |
| 5 | Annual income level | Below 2.5 lakh Rupees 2.5 to 5 lakh Rupees 5 to 10 Lakh Rupees Above 10 Lakh Rupees | 22 10 2 2 | 61.1% 27.8% 5.6% 5.6% |
| 6 | Do you invest in stock market | Yes No Maybe | 36 3 0 | 92.3% 7.7% 0% |
| 7 | What is your investment experience | Beginner Moderately experienced Knowledgeable Experience | 15 15 7 2 | 38.5 % 38.5% 17.9% 5.1% |

| | | | | |
|----|---|--|--|---|
| 8 | If yes, which would be your preference from below? If no what is your future preference? | Shares Bonds Mutual funds Future and option Commodities IPO | 18 0 17 3 0 1 | 43.6% 7.7% 46.2% 2.6% 0% 0% |
| 9 | Which of the share broking firm have you heard about or use it ? | Zerodha Groww Angel One ICICI direct HDFC Securities Motilal Oswal 5Paisa Bajaj Finserv | 6 18 13 0 2 0 0 0 | 15.4% 46.2% 33.3% 0% 5.1% 0% 0% 0% |
| 10 | Are you aware of all the products or services provided by share brokerage firm | Yes No Maybe | 30 6 3 | 76.9% 15.4% 7.7% |
| 11 | According to you what is benefit of brokerage firm | Financial expertise Convenience Lower risk Benefit of technology Regulatory safeguards for investors Allow Easy Diversification | 15 9 5 5 3 2 | 38.5% 23.1% 12.8% 12.8% 7.7% 5.1% |
| 12 | When you make decision to invest in stock market, which factor will you give importance to? | Safety principal Higher returns Risk Reduction Maturity | 8 17 14 0 | 20.5% 43.6% 35.9% 0 |

| | | | | |
|----|--|--|------------------------------|--|
| 13 | Which of the product do you prefer of share broking firm | share Mutual Fund Futures and options IPOs Commodities Insurance products | 18 17 3 1 0 0 | 46.2% 43.6% 7.7% 2.6% 0% 0% |
| 14 | What is your opinion on the brokerage and other service charges levied by share broking? | High Moderate Low | 2 4 33 | 5.1% 10.3% 84.6% |
| 15 | Have you faced any problems while trading or by the products/services provided to you? | Yes No Maybe | 10 24 5 | 25.6% 61.5% 12.8% |
| 16 | Satisfaction level with product and service provided by share brokerage firm | Very satisfied Satisfied Neutral Dissatisfied Very dissatisfied | 16 15 8 0 0 | 41% 38.5% 20.5% 0% 0% |

Conclusion:-

There are many investors in the Country and they have different preference for investment options such as mutual funds, shares, future and options, IPO's, commodities ,bonds and as per their preference their choice or satisfaction of the share brokerage firm there are many people who chose there brokerage firm is because they need financial expertise as well as they think it is convenient mostly from the survey it is seen that most of the people invest or prefer share or mutual fund for investing the satisfaction level of the investor is high as per the responses most people invest with the objective to higher return and risk reduction .in this study it has also been found that many people go for discount broker rather than traditional broker discount broker such as Angelone,Groww,Zerodha this are the apps or website that can be used through internet with the help of mobile phone that's why many small scale investor use it .most of the people are aware of the service provided by the brokerage firm. There are many service that brokerage firm

provided such as Buying and selling, Financial Advisory, Research, Mutual fund, Managing client portfolios, Trading, Currencies, Commodities, Platforms for trading in stocks, Derivatives. Overall, brokerage plays a crucial role in the functioning of financial markets by connecting investors with securities that meet their investment goals. With the help of brokerage firms, investors can access a wide range of investment opportunities and make informed decisions about their financial future.

References –

1. Neel Kamal Purohit, Investor's Perception and Attitude towards Indian Stock Market with Reference to Tamilnadu, Indian Streams Research Journal, June 2013, Vol. 3, Issue 5.
2. Navleen Kaur and Dr. Gurinder (July-2015) Singh "Role of Brokers/Institutional Investors to Induce Investment in Indian Stock Markets" International Journal of Scientific and Research Publications, Volume 5, Issue 3, March 2015 1 ISSN 2250-3153
3. Dr. Jeelan Basha.V (October-2014) An Empirical Study on Analysis of Stock Brokers in Indian Stock Markets with Special Reference Cash Market, INDIAN JOURNAL OF APPLIED RESEARCH 2014, Volume : 4 | Issue : 10 | October 2014 | ISSN - 2249-555X
4. D. Joel Jebadurai Dr.S.Rajamohan (July-December 2015) Share Brokers and Investors' Earning in the Indian Stock Market, St. Theresa Journal of Humanities and Social Sciences, Vol.1 No.2 July-December 2015

Bibliography

<https://www.scribd.com/document/97568079/23960670-Angel-Broking-Ltd-Project-03>

<https://www.nirmalbang.com/knowledge-center/history-of-online-share-market-trading.html#:~:text=The%20history%20of%20the%20share,association%20began%20with%20318%20members.>

<https://in.indeed.com/career-advice/finding-a-job/brokerage-firm>

<https://www.kotaksecurities.com/share-market/brokerage-firms/>

<https://skillfine.com/brokerage-firms-investment/>

<https://www.investopedia.com/terms/f/fullservicebroker.asp>

<https://www.experian.com/blogs/ask-experian/pros-and-cons-brokerage-account/>

<https://groww.in/p/stock-broker>



PRUTSIM Journal of Business Management, Social Science & Research,
Issue-I, Volume-1, July-Sep 2024, ISSN:

https://www.chittorgarh.com/report/top_20_share_brokers_in_india_by_clients_at_nse/1/