A Review to Influential Factors in Investment App Application

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Abstract— Mobile apps have started dominating our everyday lives. Due to the proliferated technology and 'App culture', we need them every nanosecond of our lives. From the 'Good Morning' to each and every daily activity all are being ruled by the mobile apps. And the lockdown blues have added to this growth of 'App Culture' where people sitting in the hem of their houses have resorted to using more apps than ever. So, with the help of this project we try to analyze like what are the main factors which is influencing the inves-tor choice to use that particular mobile trading application rather than its competitors. One such area where mobile app culture has seen an immense growth is in the field of stock markets. Many people were using mobile trading since couple of years. But since the impact of covid, the mobile trading culture has increased to a greater extent., According to statis-tics, it increased to an extent of 45% in May 2020 as compared to 24% in last year for the same. Approximately 1.2 million new accounts were opened in various stock broking brands such as Upstox, Zerodha, Groww etc., and most of them being first time investors under the age of 30 years.

I. INTRODUCTION

Mobile apps have started dominating our everyday lives. Due to the proliferated technology and 'App culture', we need them every nanosecond of our lives. From the 'Good Morning 'to each and every daily activity all are being ruled by the mobile apps.

And the lockdown blues have added to this growth of 'App Culture 'where people sitting in the hem of their houses have resorted to using more apps than ever. So, with the help of this project we try to analyze like what are the main factors which is influencing the investor choice to use that particular mobile trading application rather than its competitors.

One such area where mobile app culture has seen an immense growth is in the field of stock markets. Many people were using mobile trading since couple of years. But since the impact of covid, the mobile trading culture has increased to a greater extent. , According to statistics, it increased to an extent of 45% in May 2020 as compared to 24% in last year for the same. Approximately 1.2 million new accounts were opened in various stock broking brands such as Upstox, Zerodha, Groww etc., and most of them being first time investors under the age of 30 years.

Trading:
Trading involves vigorous participation in the financial markets in comparison to investing, which works on a buy-and-hold strategy. The success of trading is dependent on the ability of a trader to be profitable over a period of time.

A trader is a person who gets involved in buying and selling of a financial asset in any financial market. He or she can buy or sell either for himself/herself or on behalf of another individual or institution. The main difference between an investor and a trader is the duration for which he or she holds on to the asset.

A trader is a person who engages in the short-term purchasing and selling of an equity either for an institution or for themselves. The disadvantages of trading include - capital gains taxes which is applicable to trades and the expenses of paying brokers in the form of multiple commission rates.

Mobile trading application:
Mobile trading refers to the use of wireless technology in securities trading. Mobile trading allows investors to access trading platforms from their telephones

rather than being confined to traditional trading methods via computer. Such technology allows easier access for smartphone users to actively manage their portfolios even when they are away from a desktop or laptop.

While mobile devices, such as Android phones and iPhones, have always allowed users to check the performance of the stock market, mobile trading apps provide access to online trading platforms, which can be utilized to execute trades instantly from anywhere. Every major brokerage has an Android app or iPhone app or both, to allow their customers to trade directly from their mobile devices.

Mobile trading has allowed individuals to become traders and investors, not only from the comfort of their own homes, but also from anywhere in the world with an Internet connection. This means that people can trade from work or even on vacation in faraway lands. With trading-only apps, such as Robinhood and its commission-free trading, mobile seems to be the most convenient and indeed cheapest way for most people to trade.

Investment:

An investment is often defined because the commitment of funds to at least one or more assets which will be held over some future period of time. The fields of investments, therefore, involve the study of the investment process. Investments cares with the management of an - investor's wealth, which is that the sum of current income and therefore the present value of all future income.

Investor:

An investor may be a person or other entity (such as a firm or mutual fund) who commits capital with the expectation of receiving financial returns. Investors utilize investments so as to grow their money and/or provide an income during retirement, like with an annuity.

Needs of wealthy investors :

Wealthy investors being conscious of the emerging investment opportunities use sophisticated investment strategies such like :-

- Leveraging on the professional advisors' capability to analyses market trends and make appropriate investments.

- Searching for innovative products to enhance value.
- Diversifying across various types of assets.
- Investing across emerging geographies.
- Consolidating financial information and assets

Investment decision:

An organised view of investment process involves analysing the essential nature of investment decisions and organising the activities within the decision process. Common stock has produced, on the average, significantly large returns over the years than savings accounts or bonds. Should not all investors invest in common stocks and realise these larger returns? The answer to the present question is to pursue higher returns, investors must assume larger risks. Underlying all investment decisions is that the tradeoff between expected return and risk. Therefore, we first consider these two basic parameters that are of critical importance to all or any investors and the trade-off that exists between expected return and risk. Given the inspiration for creating investment decisions, the trade-off between expected return and risk, we next consider the choice process in investments because it is usually practiced today. Although numerous separate decisions must be made, for organizational purposes this decision process is split into a two-step process: security analysis and portfolio management. Security analysis involves the valuation of securities, whereas portfolio management involves the management of an investor's investment selections as a portfolio with its own unique.

Investment behaviour:

Investment behavior is defined because of the ability of how the investors judge, predict, analyze and review the procedures for deciding, which incorporates investment psychology, operation, defining and understanding, research and analysis.

Factors influencing investors:

There are many factors which influence the investors to make their investment in one particular mobile app. The major factors that influence the investor are safety of principal amount, easy transferability, returns, capital growth.

- Ease of risk
- Rating in play store
- Awaresess
- Commission charged
- Security
- Availability of stop loss
- Withdrawal of Money
- Charges on Investments
- Design of the application
- Range of Investments

Objectives:

1. To have an overview of available trading applications in India.
2. To study about various factors influencing the choice of an investment application.
3. To determine the most preferred application by the investors by conducting a comparative study.

Limitations:

Study is confined to comparative analysis among select trading applications.
The study is merely secondary data based.

Literature review

An impact of Mobile Trading Apps on Investment Decision of Individual Investors. : The mobile trading apps are highly preferred by male who ages between 26 –35 years with an annual income ranging from Rs.300001 –600000. This study found that investor prefer monthly investments in Mutual funds by considering the Price of the investment, Historical returns, Company performance and risk level. This study focused only the investors who have experience in using mobile trading apps and they highly preferred the Zerodha kite app. The majority of investors have below one year experience, in using mobile trading apps preferred to often visit the apps. The results of the study proven that there is no impact of Gender, Educational qualification of investors onpreference of Mobile trading apps. But it has significant impact of Age, Occupation and Income of the investors towards their preference. Similarly the Age, Education, Occupationand Income levelof

the investors have negatively related with the assistance level they received from mobile trading apps for making investment decision.

2. Determinants of mobile apps adoption by retail investors for online trading in emerging financial markets: The study shows that effort expectancy, performance expectancy followed by perceived return were the primary determinants of behavioral intentions to use mobile applications by retail investors for e-trading. Further, habit of investors determined the adoption behavior of investors towards mobile apps. Additionally, the study revealed that perceived risk is not an important aspect for retail investors in comparison to perceived return.

3. Identifying factors influencing consumers intent to install mobile applications: The purpose of this research is to explore the factors that influence a consumer before installing a mobile application. A research model is created based on perceived risk, trust, perceived benefit, and intent to install. Seven antecedents of trust and risk include perceived security, perceived reputation, application characteristics, familiarity, desensitization, consumer disposition to trust, and consumer disposition to risk. Partial least squares (PLS) are used to test the research model. Only significant antecedents are retained and a new research model is created, which includes the antecedents of perceived security and familiarity. Results show that consumers that perceive more security have greater trust and reduced perceived risk. Furthermore, consumers that feel more familiar with finding, purchasing, downloading, and installing applications have greater trust and reduced perceived risk. More than half ($R2=.505$) of the variability in the intention to install an app is explained.

4. Mobile investment technology adoption among investors: The objective of the present research is to examine the determinants of retail investors' behavioral intentions (BI) for mobile stock trading (MoST). Across two studies using a mixed method approach we empirically test a framework comprising cognitive risk-mitigation factors, perceived risk (PR), perceived financial cost (PFC), and technology acceptance model (TAM) constructs. The results indicate information quality, privacy, and security protection to mitigate the risk perception involved in trading on mobile platforms. Further, we report the mediation of PR in the relationship between the

cognitive risk-mitigating factors and BIs to adopt MoST.

5. Analysis of Pre-existing Investment Behavior and Influence of Trading Apps: The last few years have seen a rise in trading apps, and Robinhood is one trading app that has attracted millennials. This paper explores trading apps such as Robinhood and their role in providing financial inclusion and safe trading opportunities. This paper discusses investment behavior in the status quo, explaining overconfidence, sociability, and the disposition effect. Investment behavior can include the behavioral biases and common notions investors utilize for trading. Furthermore, this paper assesses the design and business model of Robinhood..

6. Internet Trading in India: A Review of Growth and Performance: Taking into consideration the way transaction risk and cost in the Indian capital market is coming down; there will be a massive surge in the number of investors and also in volumes. The only way to manage this kind of potential growth is to adopt state-of-the- art trading techniques. The growth of online trading as a massive trading technique in the country is unstoppable, going by the indicators available, when online trading ultimately gathers momentum, the biggest beneficiary will be the investor, who will be able to trade with greater speed, accuracy and transparency at lower costs.

7. Best Share Trading Apps in India for 2021: Online Mobile trading Android Apps.

Upstox Share trading App:
• It is one of the leading discount brokers in India and after a web-based portal, it is landed in the mobile version also.
• It has some unique features like-
• It has different chart types that are customized i.e., the user can set the legends, colors etc. according to his choice.
• You can access to past 10 years 'data also and can easily do an analysis on them.
• Alerts and notifications are also pushed at the user's mobile screen as per the choice set by the user.

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Rating in plays tore:
Most of the investors check the ratings and reviews before even installing that particular trading application, if the reviews and ratings satisfy them, then only they prefer to download that particular mobile trading application.

Education offered:
Most of the mobile trading applications are trying to provide various courses on how to start your investing journey, which is presently acting as a unique point for that particular mobile app to stand out from the crowd.

Commission charged:
This is another important factor by which a lot of investors can be included or lost, that is the brokerage charged on the investors for the amount they are investing. If the application is charging high brokerage, then the investors will not invest in that mobile trading application.

Multilingual trading:
This is an option where various trading applications try to attract the investors by offering their services in

various languages. So, that the trading platform is accessible by people who use different languages.

Design application:
Interface design refers to the features like screen design items and featuring inputs. The fast adoption of apps depends on their interface designing. The information display, its font, design and receptivity with the user all depends on the user interface thus it is very important for an app delivery and adoption.

Data analysis and intereptetation

Demographic profile of the respondents:
A total of 107 respondents participated in the study.

Table 4.1: Table showing gender of the respondents
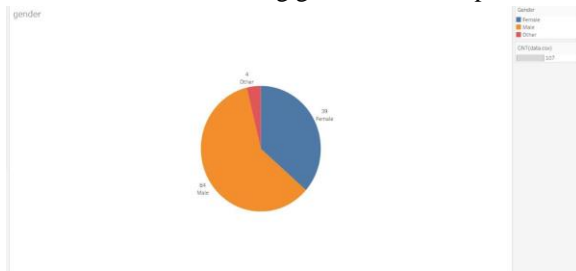
The above table explains the response of the gender. It shows that females respondents are 36.45% (i.e., 39 respondents) and Male responses are 59.81% (i.e., 64 respondents) of the total 107 respondents.

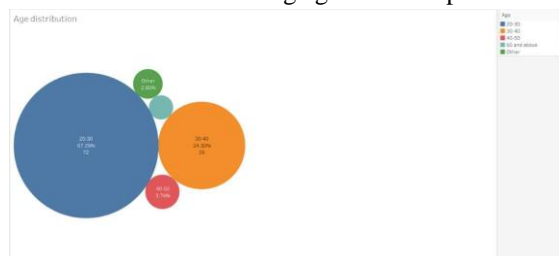Table 4.2: Table showing age of the respondents:


Figure4.2: Age

The above table 4.2 explicates the response of the age. It shows that responses between the age of 20-30 are 67.29% (i.e., 72 respondents), 30-40 are 24.3% (i.e., 26 respondents), 40-50 are 3.74% (i.e., 4 respondents), 60 and above are 1.87% (i.e 2 respondents), and others are 2.8% (i.e 3 respondents).

Table 4.3: Graph showing Income of the respondents:
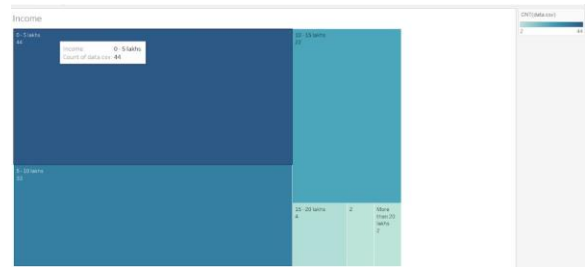
The above graph describes the response of the Income status. It shows that between 0-5 lakhs we have 44 respondents, between 5-10 lakhs we have 33 respondents, between 10-15 lakhs we have 22 respondents, between 15-20 lakhs we have 4 respondents and above 20 lakhs we have 2 respondents.

Figure 4.4: Graph showing method of trading in stocks:
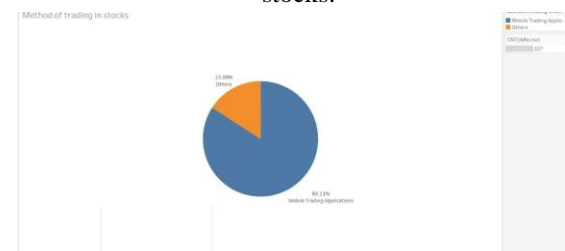
The above graph describes the method of trading in stocks. It shows that the respondents using mobile trading applications is 84.11% (i.e., 90 respondents) and respondents using other ways is 15.89% (i.e 17 respondents).

Figure 4.5: Reasons for choosing other than particular mobile applications:
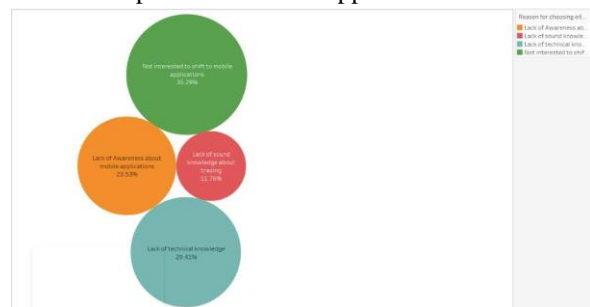
The above graph describes why the respondents are considering either of these over particular mobile

applications. The reasons for choosing either of the applications like the Not interested to shift to mobile applications is the most influential factor with 35.29% , next is Lack of technical knowledge with 29.41%, next is Lack of awareness about mobile applications with 23.53% and the least influential factor is Lack of sound knowledge about trading with 11.76%.

Figure 4.6: Would you like to take up training on mobile trading:
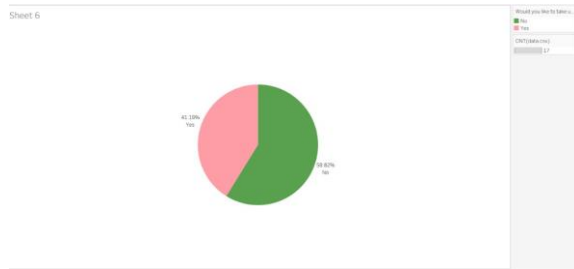
From the above graph we can conclude that maximum of the respondents is not considering to take up training on mobile trading with 50.82% and the respondents who want to take up training is 41.18%.

Figure 4.7: Graph showing which mobile trading application would they prefer:
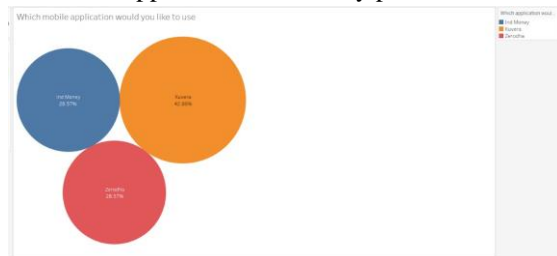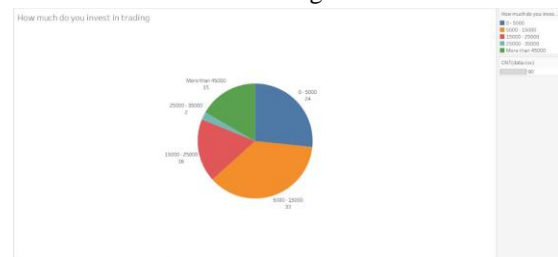

From the above graph we can conclude that the respondents would like to use Kuvera more as compared to others with 42.96%, next comes Zerodha and IndMoney with
28.57%.

Figure 4.8: Graph showing the mobile trading application used:
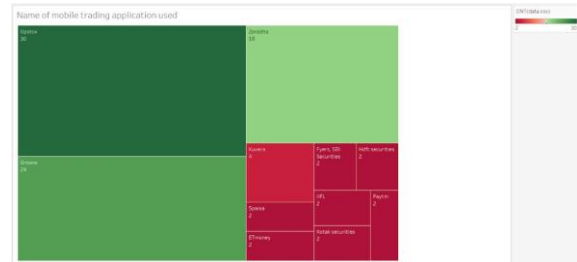
From the above graph we can conclude that maximum respondents are using Upstox with a a maximum of 30 respondents and the least mobile trading application used by the respondents is 5paise, ETmoney, Kotak securities and IIFL with 2 respondents each.

Figure 4.9: Graph showing the money invested in trading:

From the above graph we can include those maximum respondents are investing withing the range of 5000-15000 with a count of 33 respondents and the least bracket in which respondents have invested is within 25000-35000 with 2 respondents.

Figure 4.10: Graph showing how often do the respondent's trade:
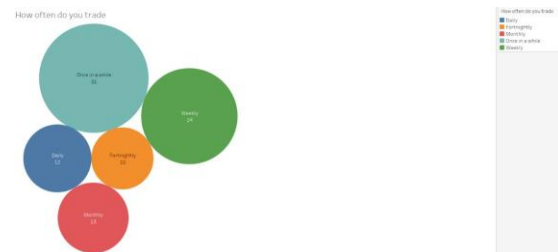
From the above graph we can conclude that maximum respondents trade once in a while with a count of 31 respondents, the respondnets who invest weekly is 24 respondents, the respondents who invest monthly is 12, the investors who invest daily is 12 and the

investors who trade Fortnightly is 10 respondents which is the least.

Comparison Between Apps

App Name	Unique feature
Paytm Money	On trading volumes, many free trade analysis tools and pending bonuses
Zerodha Kite	It is an all-in-one trading solution
Angel One	Perfect opinion for beginners
Upstox App	Advanced charting tools that comes with over 100 technical indicators

App Name	Unique feature
5paisa App	Has Auto investing option
ICICI App	With marginal trading,Pay later option
Edelweiss App	Brokerage charges is very low
FYERS	On investing in mutual funds no commission applied
Alice Blue App	Intraday trading charges is lowest
Groww App	Completely paperless process to open account

Table: Table showing the Total variance explained.

1	6.087	50.727	50.72	6.087	50.727	50.727	3.2777	27.304
2	1.295	10.795	61.52	1.295	10.795	61.522	3.272	27.270
3	1.037	8.642	70.16	1.037	8.642	70.164	1.871	15.590
4	0.843	7.022	77.18					
5	0.715	5.958	83.14					
6	0.523	4.359	87.502					
7	0.457	3.808	91.31					
8	0.295	2.460	93.77					
9	0.269	2.238	96.09					
10	0.255	2.126	98.1					
11	0.144	1.110	99.2					
12	0.091	0.755	100.000					

Table shows that 70.164 percent of the variance can be explained by component 1,2 and 3. A total of 3 components were extracted from the variables. The

components are orthogonal to one another (i.e they are uncorrelated). For a component to account for at least one variable, it should have an Eigen value (the sum ofsquares of its factor loadings) of at least one. This is the cut off point for determining the number of components to be extracted with maximum or near maximum loadings. The eigen value represents the total variance explained by each factor. Factor loadings are the simple correlations between the variables and the factors.

Figure presents, which is used to extract the number of factors. We can find a significant change till 3 components and after that there is no significant change. It can be seen from the figure that the three components/ factors have been extracted (eigenvalue>1)

Descriptive statistics

	Mean	Standard Deviation	Analysis
Ease of use	4.21	0.966	90
Play store ratings	3.91	1.002	90
Investment range	3.91	0.895	90
Education offered	3.36	0.975	90
Commission charged	3.76	1.009	90
ease of withdrawal of money	4.41	0.787	90
Charges on investment	3.86	0.978	90
Design of application	3.91	1.118	90
Trading in international stocks	3.48	1.183	90

	Mean	Standard Deviation	Analysis
Different investments offered	4.08	0.974	90
Denomination	3.97	0.930	90

It is a table of descriptive statistics for all the variables under investigation. Typically, the mean, standard deviation, and the number of respondents (N) who participated in the survey are given. The mean value describes the characteristics of the most common response among the stated dataset. Therefore, there is no minimum value required.

Looking at the mean values in the table, we can conclude that "Ease of usage" is the most important variable that influences consumers to invest in that particular application.

The lowest value of 3.36 for "Education offered" indicates that the respondents approximately strongly disagree on the role of education offered. All the variables 'roles in consumer's decision to buy a product can be interpreted in similar way.

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