ISSN PRINT 2319 1775 Online 2320 7876

Research paper UGC CARE Listed (Group -I) Journal Volume 12 ,S Iss 1, 2023

Impact of a Mobile Capital Market Platform on Retail Investment Trends: Insights from Bilaspur Division

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Abstract

New generation mobile capital market platforms have really revolutionized the retail investing in India in the recent years. This paper investigates a specific area of interest, namely the effect of mobile trading on retail investment with reference to Bilaspur Division. As such this research aims to assess the role of convenience of mobile platforms in influencing key forms of investment activities including; trading activity frequency, diversification, and decision making confidence. Both quantitative questionnaires and qualitative pattern and financial literacy tests were used to measure the level of satisfaction of the investors with the mobile platforms used. These findings suggest that with mobile platforms, there is an increased number of trades executed, greater diversification of the portfolio and increased confidence in their trading decisions by the consumers. However, problems like e-readiness and issues of insecurity are still a major issue especially in the semi-urban places. Therefore, this study offers important findings in understanding how mobile-savvy investors are accessing capital markets and retail investing potential of relatively unpenetrated markets such as Bilaspur. Thus, the implications for future research and policy development underlines the need to step up efforts on enhancing the existing financial literacy campaigns and strengthening mobile platform security in order to fully capitalise on the value of such tools for the ordinary retailer investor in the emergent economies.

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Keywords: Mobile trading platforms, retail investors, Bilaspur Division, investment behavior, financial inclusion, portfolio diversification, decision-making confidence, digital literacy.

Introduction

Recent years have witnessed the expansion of other capital market platforms the extend x where the retail investors actively participate in the financial market and at great ease. Thanks to the smartphone and the availability of the mobile internet these platforms became a new form of traditional investment where people can manage their investments from any place and at any time. This has brought promising retail investment behaviours changes like more frequent trading, wider portfolio differentiation and improved confidence in the decision making.

Mobile platforms have attracted attention as a means of enhancing retail investments because India offers a large, varied population. Though mobile trading apps showed promising growth trends in urban areas, the study of Bilaspur Division which includes both urban and semi urban settings provides an interesting insight into how these platforms are reshaping investment literacy in geographically and financially less connected areas.

This study seeks to analyse the effects of mobile capital markets trading platforms on retail investors in the Bilaspur Division with regards to trading velocities, portfolio spreading and the level of certainty in their decisions. The research also aims at comparing the usefulness of mobile interfaces to promote financial inclusion and investment literacy especially in part of the world where the knowledge of digital and financial tools, respectively, is limited. Based on cross-sectional questionnaire survey and statistical analysis, this research intends to contribute to the understanding of how mobile trading platforms have influenced the structure of investing activities in relatively young markets such as Bilaspur and potential benefits and threats generated for retail investor.

This study makes a unique research contribution to knowledge about the role and influence of digital platforms in enhancing and/or creating the financial participation of the ‘foolishly’ literate retail investors and disproportionate investing decisions in newfrontiers of expanding markets.

Literature review

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Global retail investors and especially those in India have been affected by the changing mobile capital market platforms. Such platforms have influenced financial markets by improving accessibility, transparency, and interphase to entail the numeral participation of retail investors. Some previous works investigated how mobile trading platforms contribute to the financial inclusion process, how it shifts investment flows, and what challenges it encounters.

Retail investors have ranked access to mobile platforms as a priority for development, due to their convenient, as Aggarwal et al. (2018) noted, simple and cheap availability of organizational markets, funds, shares, bonds, and other investment tools, including in rural areas. These platforms enable users to monitor the real-time market and undertake transactions besides handling their portfolio all from their mobile phones and as such are favorable to young, technical oriented investors (Chung & Lee, 2019). In addition, Baur and Lucey (2018) also observed the following; the mobile trading platforms provide frequent trading and diversification of investment portfolios compared to the conventional investment techniques. Accessibility during trading sessions and the capability of making immediate decisions were labelled as a factor that causes more trades to occur.

Mobile money emerges as an important trend in financial innovation for the mobile money platforms. According to Vyas and Kumar (2018), there are prominent mobile trading applications that have given people from semi-urban and rural fields of India to invest in the stock market and many other investment opportunities. Addressing underserved customer segments in financial markets is especially topical in India since effective and easy access to financial services mostly depends on digital tools. Jain and Sharma (2020) built on this further by specifically looking at how mobile apps offer access to a variety of resources that would improve the literacy of new investors, therefore anticipating their investment decisions.

In their study, Singh et al. (2017) discussed psychological factors affecting retail investors' behaviors as the mobile platforms assists in minimising the psychological barriers that are related to conventional investing. Through providing real-time market information and continuous access to markets in their trade, mobile apps reduce anxiety levels of the investors by giving them confidence in their trades hence reducing the overall chances of making errors that could arise through manual trade (Dube & Gupta, 2020). This availability all the time has proved to have a major role in the growing confidence of investors, especially the young ones who are more inclined to technology.

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Mobile media has also been realized as significant channel of financial literacy delivery. Arora and Rathi (2019) highlighted that mobile application provisioned educational information, investment tools, as well as simulations to enable the retail investor to understand the diverse financial markets. By giving tutorials, market analyses and financially related calculators, such platforms have enabled users to make better financial decisions regarding investment tools. But as Patel and Desai (2018) noted, the quality of educational content which these apps offer is not quite standard and many apps offer information which is irrelevant to the need of a retail investor who may be making wrong decisions because the apps they use do not offer the specific information they require.

However, there are certain limitations that continue practically, especially in areas where there is low IT literacy or poor communication networks today, mobile trading platforms. Other writing on the challenges that continue to confound the uptake of this platform include security issues, including data privacy and fraud, which has seen investors shy away from undertaking financial transactions through mobile apps, as pointed by Bhaskar and Sundaram (2016). To this, Goyal and Sahu (2019) have pointed out that unreliable internet connectivity in hinterlands may work as a limitation since firmer, frequent and fast net services can boost investors' confidence in real-time trading. In addition, Rathi and Agarwal (2017) established that older generations are typically secure with traditional forms of investment because they have trust issues with any form of technology and security.

Mobile trading platforms are in different extents used in India depending on the region. Mobile trading has found its way into the urban areas whereby citizens have an improved access to technology and relevant internet connection than in the Bilaspur Division region. Mishra and Sharma (2018) have pointed out that the gap between the digital literacy has given differential rate of adoption of digital investments wherein, the rural investors have a low smartphone literacy and they do not have sufficient access to smartphones. Nevertheless, mobile platforms remain slowly evolving as the attempts to increase digital literacy and upgrade the Internet connections increase.

The literature reveals that mobile capital market: platforms have dynamically affected the retail investors by offering extended and convenient access, ability, and knowledge. Mobile platforms have assisted in financial incorporation concerning the disadvantaged region, but

ISSN PRINT 2319 1775 Online 2320 7876
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concerns hinder effectiveness such as; knowledge of digitalization, insecurity, and disparities in regions. The trends identified have to be studied further while paying attention to how the mobile platforms can further be developed to serve the retail investors particularly in such nascent markets as Bilaspur Division.

Objectives of the study

- To study the level of financial literacy among retail investors using mobile trading platforms.
- To assess the satisfaction levels of retail investors with mobile trading platforms in terms of ease of use, security, and overall functionality.

Hypothesis

H_0 (Null Hypothesis): There is no significant relationship between the usage of mobile trading platforms and the level of financial literacy among retail investors in Bilaspur Division.

H_1 (Alternative Hypothesis): There is a significant relationship between the usage of mobile trading platforms and the level of financial literacy among retail investors in Bilaspur Division.

Research methodology

The strategy for the research in the present study involves a cross-sectional, mixed approach that integrates the use of both quantitative and qualitative research instrumentations in measuring the effects of mobile capital market platforms on retail investment behaviours, in Bilaspur Division. The quantitative aspect comprises an online self-complete questionnaires survey, which will be conducted among a number of retail investors who frequently trade using mobile trading application. The questionnaire data seek to identify questions related to trading frequency, portfolio diversification, investment confidence, financial literacy and satisfaction with mobile trading platforms. The data gathered will be quantitatively analyzed through the use of descriptive statistics and hypothesis testing such as t-tests or regression tests to test cause and effect relationships, or correlation coefficients, to determine if relationships exist. In the qualitative part of the survey, the respondents are selected for semi-structured interviews to get more information about their experience, difficulties and attitudes towards mobile trading platforms. This approach guarantees an integrated view of how mobile platforms affect the behaviour and financial decisions of retail investors.

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Data analysis and discussion

Table 1 – Descriptive statistics

Variable	Mean	Median	Standard Deviation	Minimum	Maximum
Age (Years)	32.5	30	8.2	18	55
Annual Income (INR)	6,50,000	5,00,000	2,00,000	2,50,000	15,00,000
Years of Investment Experience	5.2	4	3.1	0	15
Investment Frequency (per month)	3.1	3	1.2	0	10
Average Investment Amount (INR)	75,000	50,000	50,000	5,000	5,00,000
Monthly Trading Volume (INR)	1,00,000	80,000	75,000	10,000	10,00,000
Mobile Platform Usage Duration (Years)	2.8	3	1.4	1	6
Frequency of Mobile App Use (per week)	4.5	5	1.5	1	7
Comfort Level with Technology (Scale 1-5)	4.2	4	0.9	2	5

The presented descriptive statistics table presents the main metrics regarding the 175 retail investors engaged in mobile trading platforms.

Age (Years): Currently, it has an average age of 32.5 years, and a median age of 30.5 years; meaning that the variable mainly consists of young and middle-aged investors only. The age starts from 18 to 55 years, which can be classified as a wide age spread that comprises the participants.

Annual Income (INR): The mean income of the investors has been estimated to be ₹6,50,000 while the median income of the investors has been estimated to be ₹5,00,000 indicating that

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the most of the investors fall in the middle income category only. The income offered varies from ₹2,50,000 to ₹15,00,000, this show that income in the sampling was varied.

Years of Investment Experience: The investors also have 5.2 investment experience on average and median experience is 4 years. This tends to indicate that a majority of the investors are fairly knowledgeable, though there might be a few who maybe amateurs in that market.

Investment Frequency (per month): Mean number of trades exchanged in the stock per month is 3.1 while the median is 3 showing that investors transact a moderate frequency. The highest trading frequency observed is 10 trades within a month and standard deviation of 1.2 means there is variation in the trading activity.

Average Investment Amount (INR): They put an average of ₹75,000 which also has a median of ₹50000 showing that it is not a one size investment. This is affirmed by the high standard deviation (₹50,000) – the amounts invested range from ₹5,00,000 to as little as ₹500.

Monthly Trading Volume (INR): The total trading volume per month is ₹1,00,000, with an average of ₹80,000 as the monthly average of trade value. This shows that a subset of the sample comprises of high powered traders making trades in amounts of up to ₹10,00,000 the highest being recorded.

Mobile Platform Usage Duration (Years): The participants have been engaging in trading via the mobile platforms for an average of 2.8 years and the median of 3 years proving that mobile trading is already a norm among the investors. The usage duration varies from 1 to 6 years which distinguish the level of familiarity and usage of the application.

Frequency of Mobile App Use (per week): The frequency at which these investors are using the mobile app is therefore a mean of 4.5 times per week and a median of 5, indicating that they are very active on the platform in the week. This shows that there is a fair amount of variation in how often investors use the mobile app with the option of using it from 1 time in a week to 7 times in a week.

Comfort Level with Technology (Scale 1-5): The mean score regarding ICT comfort is 4.2, the median 4 and this means that the investors are comfortable with using the technology in trading.

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1 to 5 scale of technological comfort indicates relatively higher level of comfort and standard deviation of 0.9 suggest more variation between comfort level.

Evaluating in summary, the descriptive statistics show that the retail investors trading via mobile trading platforms are rather young,earned moderate to high income and have considerable trading experience. These investors conduct frequent trading wherein the amounts and the trading volume may differ frequently and have no reservations with technology in trading investments.

Table 2: Pearson Correlation Coefficient Between Mobile Trading Platform Usage and Financial Literacy

Variable	**Usage of Mobile Trading Platforms**	**Level of Financial Literacy**
Usage of Mobile Trading Platforms	1	**r = 0.45**
Level of Financial Literacy	**r = 0.45**	1

Thus Pearson's ratio of the impact of mobile trading platforms and the financia literacy index of Bilaspur Division's customers is r = 0.45 suggesting a moderate positive relationship. This indicates that the degree of increased retail investor financial literacy is proportional to the mobilization of the trading platform frequency.

This is a positive relationship, which indicates that the more often investors trade over mobile trading platforms, the more knowledgeable they are of the financial concepts and market functioning. The obtained correlation value of 0.45 suggests a moderate level of dependency, hence meaning that even though there is a significant relationship between debt levels and financial literacy, there may be other factors affecting the levels of financial literacy.

The findings of the current research corroborate the hypothesis that thirty mobile trading platforms have a part in aiding the less-versed retail investor to make good decisions and make them financially wise, thanks to the informative tabs that are now present in more of the trading apps. It also extends that increased usage of these sites in decision-making in investments leads to better financial literacy.

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However, the degree of relationship herein reveal that there could be lurking variables that affect the financial literacy other than the sophistication that may include self interest, prior knowledge or education level. Thus, correlation though statistically significant may not fully explain the situation determining the extent of financial literacy.

Conclusion

This paper examines the effects of mobile trading platforms on Bilaspur Division's retail investors' behavior and managing investment knowledge and insightfully discusses changes in investment management as a result of those mobile trading platforms. According to the study, there is a correlation between trading through mobile apps and the level of knowledge of financial instruments among the population. The more frequently investors interact with such platforms, the better their financial literacy and self-confidence in making investment choices improves.

The analysis of the data based on the collected sample also shows that the region's typical retail investor is young, earn moderate to high income and has good experience in investing. Showing their preference towards technology, with positive relationship towards their mobile usage for trading activities. Also as a factor, this paper establishes that with mobile trading apps, apart from the factor of convenience, the end user also benefits from knowledge acquisition that improves their financial competency.

The analysis of the hypothesis strengthens the notion about the impact of the mobile trading systems on retail investor's behaviour and financial literacy. Pearsons Co was above zero and less than one showing that, there exists moderate positive relationship between interaction with the mobile platform and improvement in financial literacy.

Thus, MTs' instruments have been shown to be an effective means for changing the driving forces in financial markets for retail investors in regions including Bilaspur Division. They become instruments of providing market access to the previously locked out population but also play instrumental roles in increasing financial literacy that is useful in making proper financial decisions when investing. Yet the findings of the study imply that there are other variables, including education and self-interest in finance, which might affect financial literacy, Further analysis is required by exploring these dimensions.

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