

The Psychological Dimensions Of Stock Trader Satisfaction With The E-Broking Service Provider

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ABSTRACT

Understanding about quality of care through the perspective of stock traders who access Stock broking services facility of deliverables are now thought to be very vital in the Finance industry. The particular report showcases the outcomes drawn vide the study held into assessment of the quality of delivery of Stock broking service in Chennai, Tamil Nadu. The study desired to arrive dichotomies with respect to the Stock broking e-service quality in 3-in-1 service provider and 2-in-1 Service Provider with respect to the level of functional as well as technical services got by stock traders at Stock broking services. In addition, the constraints of service providers of stock broking along with the premium allocated on service of customer within their operations were investigated in the study. A blended approach was considered to elicit feedback from 400 customers of 10top stock broking firms with highest client base using a questionnaire methodology. The study imported the SERVQUAL instrument to gauge the five dimensions of quality of service. Methods such as Cross tabulation along with independent t-test were adapted to study and interpret the considered data. It is found of the study that there exists increased level of satisfaction in 3-IN-1 and 2-in-1 Stock broking Service Providers. It is suggested that there should exist a firm association between relevant partners to elevate service quality in the providing of Stock broking services in Chennai.

KEYWORDS: Stock broking, 3-in-1 brokers, 2-in-1 brokers, customer Satisfaction, service quality

Introduction

Capital market showcases a crucial role in order to promote the wealth of investors as well as organizations. Agencies that are into stock broking are lending several services in the sector of finance. There exist investors and clients nationwide. To purchase as well as sell stocks and other assets, one must first avail entrance to one among the primary exchanges. In order to trade at these exchanges, one must either hold a membership or work for a member business. Most of the people who work for member businesses are deemed licensed as brokers or broker-dealers. Although there exists a possibility to purchase stocks directly from the particular company that issues the stocks, working with a stockbroker is much simpler.

The investors attitude for the stock broking companies that too in this modern age requires to be viewed for the better awaited role and services from these companies and any issues with respect to the services provided. The stock broking firms have seen a lot of growth in the last decade. The broking business service provider helps their clients to buy and sell shares on behalf of them. They also provides their clients in portfolio selection process, they also act as a influencer in decision making, guiding them in selection of various asset classes through cross selling. In a nutshell, for stock investor, stock broking service provider acts a a one stop solution for all types of financial services. The primary functions of Stock brokers are to help the customers in buying and selling shares. They function as a

middleman between their clients and stock exchange.

They buy as well as sell stocks to individuals or in other words investors who've had consent to the terms and conditions and hence have signed up with them as their clients. With the advent of online stock trading facilities being offered the traders can place their order themselves directly in the trading platform. Stock brokers also provide services like Margin trading facility. Stock broking businesses' fee-based financial consulting service is obviously very valuable to existing investors, corporations, banking sectors and financial institutions. Its goal caters to inform the investors about any relative occurrence of loss probability of any certain investment of income in relation to various other graded assets or securities.

A licensed financial stockbroker or a firm that not only facilitates buying and selling of the stock but also provides its customers a variety of services, for instance, investment advice, research reports, portfolio management service, wealth management service, retirement planning and much more.

Full-Service broker is suitable for Customers who require guidance in the form of a relationship manager, appointed by the full-service broker who will guide the new investor at every step of their financial journey. Traders who trade in higher volume and need a higher margin as the personal relationship with the broker is needed in such kind of services, Those who require a call & trade service or feel the need of visiting the branch /office of the broker, Full-service brokers offer an extensive range of financial services like Call n Trade facility, margin trading, research reports, trading platforms with technical indicators. Thus, it is suitable for investors who want to invest in a variety of financial products and looking for better service. Full-Service broker offer customized support and interaction with regards to investments. They also appoint a relationship manager and/or financial advisors are assigned to each customer. They give recommendations regarding stocks and funds depending on the preference of the client. Full service Brokerage firms also have a knowledgeable research team within their departments of research alongside analysts who provide proprietary elaborated reports and recommendations of stocks to clients. In addition to that, Investment banking divisions in the broking houses facilitates few accredited

clienteles who have invested access to special financial products like IPO, Preferred stocks, senior notes, limited partnership, debt instruments. Some of the in house services offered are Offers in-house financial products such as mutual funds, ETF, loan services and portfolio management insurance.

Off course the investors have to pay commission to the full-service broker, which is quite

high as compared to the discount broker. However, their expertise and high experience in this area can be considered beneficial to their clients. Here is a list of the best full-service stock brokers in India

Conventionally stock trading was carried out via stock brokers personally else via telephones. In the past couple of years, the tally of persons trading in stock market has elevated extensively also leading to some problems such as constrains in location, telephone lines tending to be busy, miss communication etc. that have grown in stock broking offices. Further Information technology aided the stock brokers to resolve the state issues by

Online Stock Trading method ("Online stock brokers"). Stock trading through online is a facility based on internet stock trading where the Investor could trade shares in a website not causing any manual interruption from the side of the broker. This method also gives investors who have rich, interactive data in real time encapsulating updates of the market, research about the investment and robust analysis. Even today few people prefer stock trading by offline mode where the broker is contacted by the customer to know information regarding the prices of the stock. Then the customer identity is verified by the broker by posing some personal questions to the customer for identity verification. Following the verification is when the customer can block the quantity and price of the stock at which he wants to order it. On behalf of the customer is the broker who initiates the order. In the same way, the shares can also be sold in offline mode by the customer.

Theoretical background

A securities brokerage firm's brokers wear numerous titles, notably financial analyst, investment advisor, and wealth manager, among others. While the brokerage business has its own set of features, researchers feel the

SERVQUAL framework is a good place to start when looking into the relevant quality aspects of brokerage services. The author used 22 items developed by Parasuraman, Zeithaml, and Berry (1985) in their SERVQUAL's five aspects (Xiaohua Lin et al., 1999).

In order to examine the quality of electronic services with respect to internet banking several aspects have been considered in researches during the past. (Slu & Mou 2003). The very proper primary description of web servqual, or e-ServQual, was presented by Zeithaml, Parasuraman, and Malhotra (2000). Researchers defined e-SQ as "the degree to which a web page supports efficient and effective goods & service shopping, purchase, and delivery". Liu and Arnett (2000) conducted a study of Fortune 1000 webmasters to determine the characteristics that influence web site performance with customers. The second most significant component, according to them, is e-service quality, which includes prompt responses along with assurance and empathy including follow-up. Many researchers have created techniques to assess the quality of e-services. To explore how customers rate quality of electronic service, Zeithaml, Parasuraman, and Malhotra (2000) created the measure of electronic service quality termed e-SERVQUAL. They selected four categories to gauge customers' opinions of service quality supplied by online retailers: efficiency, dependability, fulfilment, and privacy. WEBQUAL is a twelve-dimensional scale developed by Lociacono, Watson, and Goodhue (2000). With respect to notions derived from both the quality of service and retailing article, Wolfinbarger and Gilly (2002) have established the comQ measurement scale, which has four components: Web site design, dependability, privacy or can be known as security, and service of customer (cited by Slu & Mou 2003).

Website Design: In business to consumer electronic commerce, satisfaction depicts to the comprehensive contentment with an experience through online consumption, having a spectrum from access to website data to navigation and perception of a website that which is well designed (Cyr, 2008; Anderson & Srinivasan, 2003). The term "fulfilment" refers to the correctness of service claims, having the products in stock, and product delivery on schedule. The technical functionality of the site,

specifically the degree to which it is available and performing effectively, is linked to reliability. The guarantee that online behavioural data is not disclosed and protected is part of the privacy component. The capacity of e-tailers to offer proper information to consumers when an issue arises, provide systems for managing refunds, as well as provide online warranties is measured by responsiveness. (Zethaml et al. 2002).

Reliability: The capacity of a service provider to complete the stated duties consistently and precisely is referred to as the servqual scale. Undoubtedly, one of most crucial consideration for clients when choosing between brokerage firms is services reliability. Due to the high level of unpredictability in the financial markets, a reputable broker not only works as a resource for asset allocation throughout the procedure of making a decision by the customer, on the other hand one who executes the plan by executing transactions on the client's behalf. One of the biggest worries that a consumer has in the brokerage sector is if the brokerage firm maintains proper accounting. Proper recordkeeping and timely distribution of transaction notifications do, in fact, indicate a company's degree of customer service reliability.

Responsiveness:

In trading stocks, hardly a firm could guarantee customer profits. Yet, in the continuous changing stock market, rapid response to client order requests increases the prospect of an enhanced performance outcome. Servicing responsiveness for a major brokerage firm's customers necessitates connectivity to the management of the firm and also the brokers engaged. Furthermore, a timely brokerage business most likely has an excellent assistance by the back-office team. Brokerage services are known for having a high level of interaction (Parasuraman, Zeithaml, and Berry 1985).

Privacy

Referencing security as a person's confidence in security kept with their own financial information, as well as their conviction of non-availability or not utilised by unauthorised persons (Flavian & Guinaliu, 2006). The term "privacy" relates about an individual's perceptions of the dangers and possible negative repercussions of disclosing personal

information over the internet (Baruh, Secinti & Cemalcilar, 2017). The same is type of finding is found in the research conducted by Bulgurcu, Cavusoglu & Benbasat, 2010. Amidst current discussion about whether there is a distinction between privacy and security (Singaram & van , Reekum, 2016; Gogus & Saygin, 2019; van den Braber; Smith, Dinev & Xu, 2011), Belanger et al. (2002) certify that highlighting security of the website to customers is an important attribute, rather than the statements of privacy on the website. Researchers suggest that security as well as privacy need to be considered separately.

Data and methodology

The subject has used a cross-sectional information from selected 10 Full service stock brokers allocated as participating in the provision of 3-in-1 or 2-in-1 broking services across Tamil Nadu. The selection of stock brokers was based on the number of client base the firm have with them in recent years. The sampling noticing an error margin by five and a confidence interval of 95%. To strengthen the study quality, measurement item was adapted from the e-tail service quality instrument containing of five variables (Website design, Reliability, Privacy, Recovery, Functionality). To develop the instrument for the study, a blended approach was considered. In the beginning qualitative data were collected through interviews that consisted of selective key members (Relationship managers, Branch managers and Portfolio managers) one in every facility. As a next step a quantitative approach was then utilised to gather and analyse the data. Random sampling of respondents was done from stock traders who have accustomed put together private as well as public stock broking

services. An organized questionnaire was conducted directly with the help and support of Relationship manager of the stock trader (Table 1). The information relevant to study was interpreted using the Statistical Package for Social Sciences.

Below mentioned are the mean gap score differences from a substitute hypothesis

- H1: There exists nil difference between 3-in-1 and 2-in-1 broking service facilities offered with regard to the website design dimension quality of service offered through website/platform
- H2: There is no difference between 3-in-1 and 2-in-1 broking service facilities offered with respect to Functionality design dimension of service quality offered through website/platform
- H3: There is no difference between 3-in-1 and 2-in-1 broking service facilities offered with respect to Privacy dimension of service quality offered through website/platform
- H4: There is no difference between 3-in-1 and 2-in-1 broking service facilities offered with respect to Recovery dimension of service quality offered through website/platform
- H5: There is no difference between 3-in-1 and 2-in-1 broking service facilities offered with regard to the dimension of reliability of quality of the service offered through website/platform

Results and discussion

Mean and Standard Deviation values						
	SPTYPE	N	Mean	Gap scores	Std. Deviation	Std. Error Mean
DESIGN	3-IN-1 SP	114	3.8304	0.2331	0.64301	0.06022
	2-IN-1 SP	105	4.0635		0.52926	0.05165
FUNCTIONALITY	3-IN-1 SP	114	3.9509		0.56729	0.05313

	2-IN-1 SP	105	3.9962	0.0453	0.47148	0.04601
PRIVACY	3-IN-1 SP	114	3.8421	0.1135	0.63835	0.05979
	2-IN-1 SP	105	3.9556		0.63223	0.0617
RELIABILITY	3-IN-1 SP	114	3.7281	0.0986	0.65453	0.0613
	2-IN-1 SP	105	3.8267		0.54987	0.05366
RECOVERY	3-IN-1 SP	114	3.6291	0.3818	0.48593	0.04551
	2-IN-1 SP	105	4.0109		0.47862	0.04671

Independent Samples Test										
Website Service quality Dimensions		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Diff	95% Confidence Interval of the Difference	
									Lower	Upper
DESIGN	Equal variances assumed	4.273	.040	-2.915	217	.004	-.23308	.07997	-.39070	-.07546
	Equal variances not assumed			-2.938	214.360	.004	-.23308	.07934	-.38947	-.07670
FUNCTIONALITY	Equal variances assumed	1.968	.162	-.640	217	.523	-.04531	.07082	-.18489	.09427
	Equal variances not assumed			-.645	214.787	.520	-.04531	.07029	-.18385	.09322
PRIVACY	Equal variances assumed	.012	.913	-1.320	217	.188	-.11345	.08595	-.28285	.05595
	Equal variances not assumed			-1.321	215.849	.188	-.11345	.08591	-.28279	.05589
RELIABILITY	Equal variances assumed	1.109	.293	-1.202	217	.231	-.09860	.08205	-.26032	.06313
	Equal variances not assumed			-1.210	215.220	.228	-.09860	.08147	-.25918	.06199
RECOVERY	Equal variances assumed	.114	.736	-5.851	217	.000	-.38181	.06526	-.51043	-.25320
	Equal variances not assumed			-5.855	216.016	.000	-.38181	.06522	-.51035	-.25327

Website Design dimension:

With regard to mean analysis, the feedback from 114 stock traders from 3-in-1 service providers and 105 stock traders from 2-in-1 service providers revealed a difference in mean score of 0.2331 for website design dimensions. It further indicates that 3-in-1 service providers were not able to match the expectations of their existing stock traders in par with that of the stock traders who received service from 2-in-1 providers of service. The thesis, henceforth, reported existing difference between 3-in-1 and 2-in-1 service providers in quality of the service that is delivered relating to how the website of the service provider designed their website/trading platform in terms of fonts, colours and attractiveness. The indicative variation was firmly established by the stand alone t-test result of 3-in-1 service provider with ($M = 3.8304$, $SD = 0.64301$) and 2-in-1 service provider with ($M = 4.0635$, $SD = 0.52926$), condition to, $t(214.360) = -2.938$, $P = .004$. It was more than sufficient to accept the alternate hypothesis. The subject analysis, henceforth, arrived at a conclusion that website service quality disparities observed within 3-in-1 as well as 2-in-1 providers of service in the dimension depicting website design of stock broking service quality were compellingly contrast.

Functionality dimension:

Taking into consideration the mean analysis, the feedback from 114 stock traders from 3-in-1 service providers and 105 stock traders from 2-in-1 service providers showcased a difference in mean score of 0.0453 considering Functionality dimensions. This implies that 3-in-1 service providers are able to meet the expectations of their stock traders in par with the stock traders who received service from 2-in-1 service providers. The difference is not so high and significant. The difference in service quality perceived by the stock traders from both type of service provider is almost same. The study, therefore does not record a difference between 3-in-1 and 2-in-1 service providers in service quality delivery regarding the functionality aspects such as the availability of the trading platform, availability of various links, how the links are loaded quickly and whether the investors are able to go to the links quickly. The absence of compelling difference was established through the stand alone t-test result of 3-in-1 service

provider with ($M = 3.9509$, $SD = 0.56729$) and 2-in-1 service provider with ($M = 3.9962$, $SD = 0.47148$), condition; $t(217) = -.640$, $P = .523$. This was more than enough to not accept the alternate hypothesis. The study, henceforth, came to the conclusion that website service quality differences seen within 3-in-1 as well as 2-in-1 service providers with the website Functionality aspect of stock broking quality of service were not different in a significant way.

Privacy dimension:

With regard to mean analysis, the valid responses from 114 stock traders from 3-in-1 service providers and 105 stock traders from 2-in-1 service providers stated a difference in mean score of 0.1135 considering Privacy dimensions. This implies that 3-in-1 service providers are able to meet the expectations of their stock traders in par with the stock traders who received service from 2-in-1 service providers. The difference is not so high and significant. The difference in service quality perceived by the stock traders from both type of service provider is almost same. The study, therefore does not record a difference between 3-in-1 and 2-in-1 service providers in service quality delivery regarding the Privacy aspects such as the personal information of the stock traders is secure, protected well and not shared. The absence of difference in a significant way was established by the independent t-test result of 3-in-1 service provider with ($M = 3.8421$, $SD = 0.63835$) and 2-in-1 service provider with ($M = 3.9556$, $SD = 0.63223$), condition; $t(217) = -1.320$, $P = .188$. Stating this was more than enough in rejecting the alternate hypothesis. The study, henceforth, came to the conclusion that the website service quality differences seen within 3-in-1 as well as 2-in-1 service providers in the particular website considering dimension of privacy of stock broking service quality have not been different in a significant way.

Reliability dimension:

With regard to the mean analysis, the feedback from 114 stock traders from 3-in-1 service providers and 105 stock traders from 2-in-1 service providers stated a difference in mean score of 0.0986 considering Reliability dimensions. This implies that 3-in-1 service providers are not able to meet the expectations of their stock traders in par with the stock

traders who received service from 2-in-1 service providers. The difference is not so high and significant. The difference in service quality perceived by the stock traders from both type of service provider is almost same. The study, therefore does not record a difference between 3-in-1 and 2-in-1 service providers in service quality delivery regarding the Privacy aspects such as the personal information of the stock traders is secure, protected well and not shared. The absence of difference in any significant way was established by the independent t-test result of 3-in-1 service provider with ($M = 3.7281$, $SD = 0.65453$) and 2-in-1 service provider with ($M = 3.8267$, $SD = 0.54987$), condition; $t(217) = -1.202$, $P = .228$. On the basis of which was sufficient to reject the alternate hypothesis. The study, henceforth, arrived at a conclusion that the website service quality differences seen within 3-in-1 as well as 2-in-1 service providers in website considering the Reliability dimension of stock broking service quality were not different in a significant way.

Recovery dimension:

With regard to the mean analysis, the feedback from 114 stock traders from 3-in-1 service providers and 105 stock traders from 2-in-1 service providers revealed a difference in mean score of 0.3818 considering Recovery dimensions. This implies that 3-in-1 service providers were not able to satisfy the expectations of their particular stock traders in par with the Stock traders who received service from 2-in-1 service providers. The research, henceforth, documented a difference within 3-in-1 as well as 2-in-1 service providers relating to delivery of service quality considering how the website of the service provider's employees respond to customer queries, are they taking serious interest in solving the customer issues, whether the website itself is giving response to inquiries and whether the website has all contact information. The difference was established in a significant way by the stand alone t-test result of 3-in-1 service provider with ($M = 3.6291$, $SD = 0.48593$) and 2-in-1 service provider with ($M = 4.0109$, $SD = 0.47862$), condition; $t(216.016) = -5.855$, $P = .000$. On the basis of which was sufficient in accepting the alternate hypothesis. The study, henceforth, arrived at the conclusion that the website service quality differences that were observed between 3-in-1 as well as 2-in-1

service providers considering the dimension of website design of stock broking service quality tend to be different.

Conclusion

Quality of service is deemed to be a subject of utmost attention and henceforth considered vital in the delivery of health care also. The study delivers quality of service assessment in both 3-in-1 and 2-in-1 service provider with attention and stress upon the expectation and the perception utilising the various aspects of service quality such as web design, Functionality, Reliability, Recovery and Privacy. As per the understanding received by the stock traders the study proposes that the difference existing in quality of 2-in-1 service providers are being far better in comparison with 3-in-1 service providers. With respect to 3-in-1 service provider, the dimension of Privacy in e-service quality have shown a difference than the rest of the other four dimensions which have shown to have a difference significantly in accordance with the study. The research also points out the need to improvement in the dimensions of Reliability and Responsiveness in both the 3-in-1 and 2-in-1 service provider, even though the 2-in-1 service provider score was comparably on the higher side. The above findings are suggestive of the requirement for a comprehensive approach that involves the dominant stakeholders within the Stock broking sector to aid in developing relevant strategies and methods to help prioritize existing patient needs as well as mindful designing of Stock broking systems to aid in enhancing efforts leading to traders satisfaction. The moulding of Stock traders attitude and the way the trader perceives the services as well as trader's expectation are interrelated to several factors that are multi-layered in nature. Henceforth the recommendations of the researcher for research in future is to stress on behavioural factors along with socio-demographic as well as socio-economic factors with respect to the traders in the quality of Stock traders while being assessed.

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