

# Investors Awareness and Preference Towards Digital Trading Platforms in Chennai, Madurai and Tirunelveli Region: A Study on Changing Investor Behaviour and Sustainable Growth

Senthil Kumaran N<sup>1</sup>, Sriram R<sup>2</sup>

Associate Professor<sup>1</sup>, Mepco School of Management Studies, Mepco Schlenk Engineering College, Sivakasi.

MBA Student<sup>2</sup>, Mepco School of Management Studies, Mepco Schlenk Engineering College, Sivakasi.

## ABSTRACT

The rapid development of digital technology has brought significant transformation to the financial services sector, especially in the field of stock trading. Digital trading platforms have simplified investment activities by providing investors with convenient access to financial markets, faster transactions, and reduced trading costs. This study aims to examine investor awareness and preference toward digital trading platforms, with particular focus on demographic characteristics, usage behavior, and satisfaction levels. The research analyzes how factors such as age, education, and income influence investors' awareness and adoption of digital trading platforms.

The study is based on primary data collected from investors through a structured questionnaire, along with secondary data obtained from journals, financial reports, and academic literature. Various statistical tools including pie charts, bar charts, chi-square tests, correlation, and regression analysis were used to analyze the collected data. The findings reveal that demographic factors significantly influence investor awareness and adoption of digital trading platforms. Key factors affecting investor preference include ease of use, transparency, accessibility, lower transaction costs, and availability of analytical tools. The study concludes that improving financial literacy and integrating advanced technologies such as Artificial Intelligence can enhance investor satisfaction and support sustainable growth in the digital trading ecosystem.

**Keywords:** Investor Awareness, Digital Trading Platforms, Investor Preference, Investor Satisfaction, Artificial Intelligence, Sustainable Business Growth

## 1. Introduction

The integration of Artificial Intelligence (AI) into digital trading platforms has transformed the investment landscape by enhancing efficiency, accuracy, and decision-making capabilities. AI-enabled trading platforms utilize advanced technologies such as machine learning, predictive analytics, and automated algorithms to analyse large volumes of financial data in real time. These technologies help investors identify market trends, assess risks, and make informed investment decisions with greater speed and precision. Unlike traditional digital trading platforms, AI-enabled systems provide personalized recommendations, automated portfolio management, and intelligent risk assessment, thereby improving overall trading performance and user experience.

The rapid growth of financial technology, increased internet penetration, and widespread adoption of smartphones have accelerated the use of AI-powered trading platforms among retail investors. These platforms offer features such as real-time market analysis, algorithmic trading, chatbots for customer support, and behavioral insights, which enhance accessibility and investor engagement. However, investor awareness, trust, and preference towards AI-enabled features remain critical factors influencing adoption and satisfaction.

Therefore, this study aims to examine investor awareness, preference, and satisfaction towards AI-enabled digital trading platforms, with special reference to demographic characteristics and usage patterns. The findings will provide valuable insights for platform developers and financial institutions to improve AI-driven services, enhance investor confidence, and promote efficient and technology-driven participation in financial markets.

## 2. Objectives

- a. To Analyze the demographic profile of investors and assess their level of awareness and usage of digital trading platforms.
- b. To examine the investors awareness, usage patterns, preferences, and satisfaction towards digital trading

platforms.

c. To identify the impact of investors awareness, usage pattern, and preference factors on overall satisfaction using digital trading platforms

### **3. Scope and Methodology**

A descriptive research design was adopted to examine customer awareness and preference toward digital trading platforms, particularly focusing on the perception and usage of digital brokerage services. Both primary and secondary data sources were used for the study. Primary data were collected from 268 respondents who are active or potential users of digital trading platforms through a structured questionnaire administered through face-to-face interaction. Secondary data were obtained from company reports, financial websites, research journals, stock market publications, and other relevant online sources related to digital trading platforms and brokerage services. The sample of 268 respondents provided useful insights into their level of awareness, usage patterns, and factors influencing their preference toward digital trading platforms. A convenience sampling technique was adopted to select respondents from different locations such as Chennai, Madurai, and Tirunelveli based on accessibility during the project period. The structured questionnaire included demographic questions and Likert scale statements to measure awareness, satisfaction, and preference factors such as platform usability, brokerage charges, security, and customer support. The collected data were analyzed using MS Excel and SPSS software for data processing, descriptive statistics, and graphical representation. Statistical tools such as Bar charts, pie charts, Venn Diagram, Chi-square test, correlation, and regression analysis were used to identify relationships between awareness, preference factors, and customer satisfaction toward digital trading platforms.

### **4. Literature Review**

Atkinson (1956) conducted a study that examined the relationship between income status and investment patterns. The main objective was to analyze whether varying income levels corresponded to different financial investment patterns. For example, the study categorized income levels as less than \$5000, \$5000-\$10000, and other additional categories. Data was collected from the survey of consumer finance published in the Federal Reserve Bulletin in October 1949. The findings revealed that individuals with higher incomes were more inclined to own investment assets compared to those with lower incomes. Moreover, the research indicated that the distribution of different types of investments varied across income levels.

Jaiswal M., Vashist D. and Kumar A (2009) traces the growth of online trading from the year 2000 using statistics on volume of online trading from the year 2000 using statistics on volume of online trading, number of e- broking firms, brokerages and demographic patterns. Online trading has dramatically changed the way stock business has been conducted over the years.

Amir, Henrik, and Stephan, (2010) mentioned that the investment behaviour of young individuals is influenced by their family environment; however, this influence is temporary and diminishes as individuals accumulate their own experiences. Moreover, the younger generation has faced many financial problems due to the lack of financial literacy, knowledge of different market standards and trends, and how to make investment decisions. (Akshit, Bordier, Sharma, Vivek, and Bhattacharya, 2023)

Walia N. and Kumar R. (2012) Research report examined the investors' preference for traditional trading and online trading, investor's perception on Online trading & comparing current usage of online trading and offline trading. This study reveals that out of every 100 investors only 28 trade online, which points out a question as why investors were not able to realize the importance of technology in stock trading. • The major findings of the study are the Indian investors are more conservative, they do not change brokers for trading, whereas net traders are more comfortable with online trading for its transparency and complete control of the terminal.

Rebecca Davies and Stuart Cunningham (2012) this work ties together existing literature relating to the functions and contributions of eBay and online trading, discussing them in a cohesive, meta-analytic fashion. To further increase knowledge in the field, two studies have been undertaken to present a view of current online trading practices in the United Kingdom (UK). Data was collected by conducting online questionnaires and performing interviews using the Repertory Grid technique. This method has its roots in Personal Construct Psychology and

allows for the expression of participants' perceptions and preferences in their own terms or personal constructs.

Lusardi and Mitchell (2014) The economic well-being of a country is significantly influenced by the financial literacy of its individuals. They have brought attention to the impact of financial literacy on the economic landscape through their research in the field of economic review.

Alita Sharon (2020) In addition to their expenditures on the internet, Malaysians are also venturing into the realm of online trading. This emerging trend is gaining popularity as individuals are increasingly adopting it as a supplementary source of income. The presence of numerous user-friendly platforms in the market has further facilitated this transition, making it accessible even to beginners.

Houriyah Alnakhli & Shabir (2021) The study conducted by the researcher highlights the significant role investors play in fostering economic growth. It is crucial for investors to possess a thorough understanding of the risk-reward dynamics associated with securities, enabling them to effectively strategize their investments, secure their financial future, and manage their wealth allocation. It is imperative to enhance awareness, particularly among students, to enrich their understanding and grasp of financial concepts for prudent money management in the market. This involves recognizing the interplay between perception, information accessibility, obstacles, and avenues for engaging with financial markets.

Securities commission Malaysia. (2022) Study found that the main channels of public investment shared by Malaysian youth are in the capital market and in gold, which require knowledge, experience, and large capital, which those who do not have sufficient knowledge find difficult and complex. Unit trusts were found to be the preferred and widely adopted choice among the various capital market offerings, as indicated by a significant 86% of the participants. Furthermore, the research revealed a positive association between the level of awareness and knowledge pertaining to a particular product, leading to a higher rate of adoption. This finding further strengthens the notion that well-informed investors possess the ability to make informed decisions and choose products that align with their individual requirements.

Brokers view (2023) According to Junior achievement USA, 60% of teenagers prefer owning their own business compared to having a regular job, Moreover, Forex appeals to numerous young individuals due to its potential to convert their expertise and abilities into monetary gains. In economic terms, this translates to a remarkably swift return on investment.

## **5. Result and Discussion**

### **5.1 Demographic Profile of Investors**

The demographic analysis of investors using digital trading platforms reveals significant variations in terms of age, gender, educational qualification, occupation, income level, investment preference, and financial goals. The findings provide valuable insights into the behavioral pattern and investment orientation of respondents.

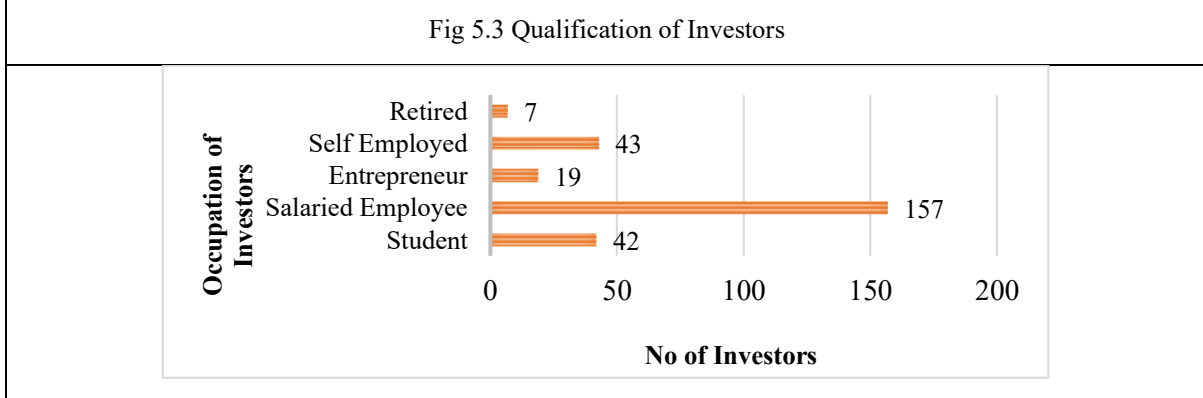
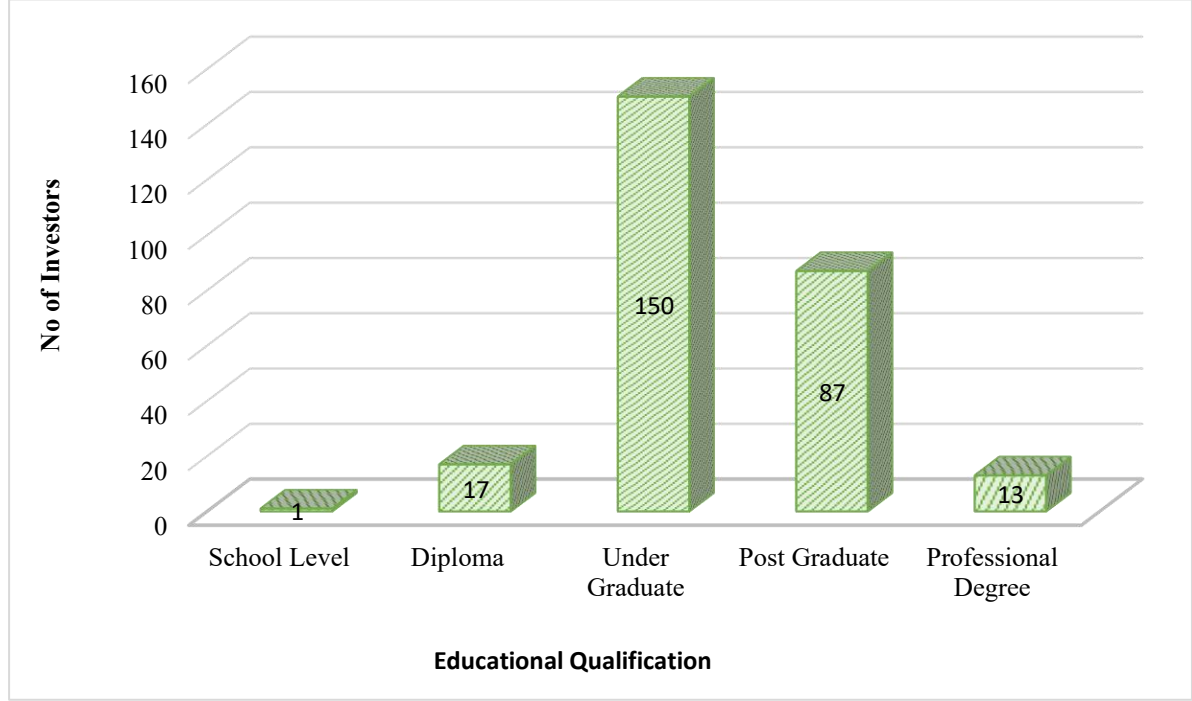
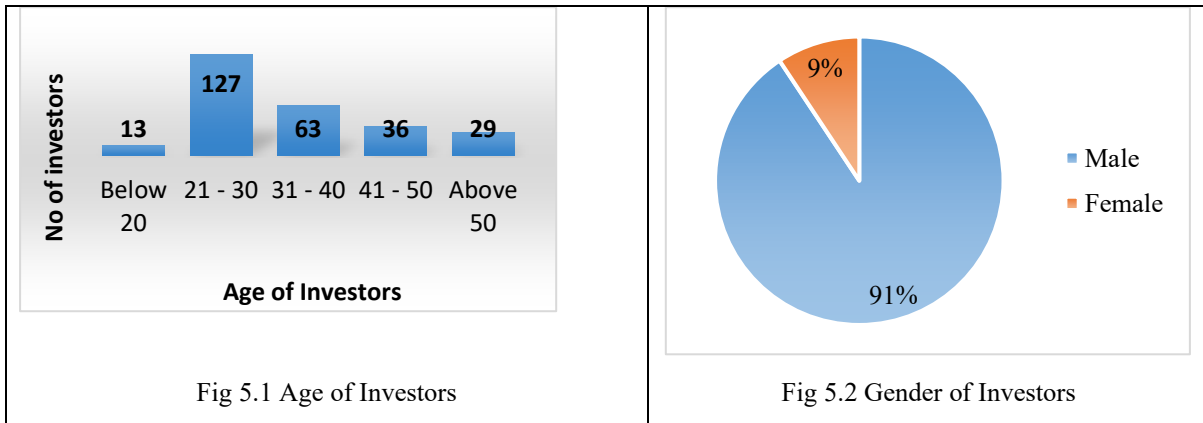
The age-wise distribution of investors presented in Fig. 5.1 indicates that the majority of respondents belong to the 21–30 years age group. This demonstrates that younger investors are more adaptable to digital trading platforms due to greater technological familiarity and awareness. Respondents in the 31–40 years category also exhibit considerable participation, while participation declines among individuals aged above 40 years. Investors below 20 years form only a marginal proportion because of limited financial independence and investment exposure. The findings suggest that digital trading platforms are predominantly driven by younger investors.

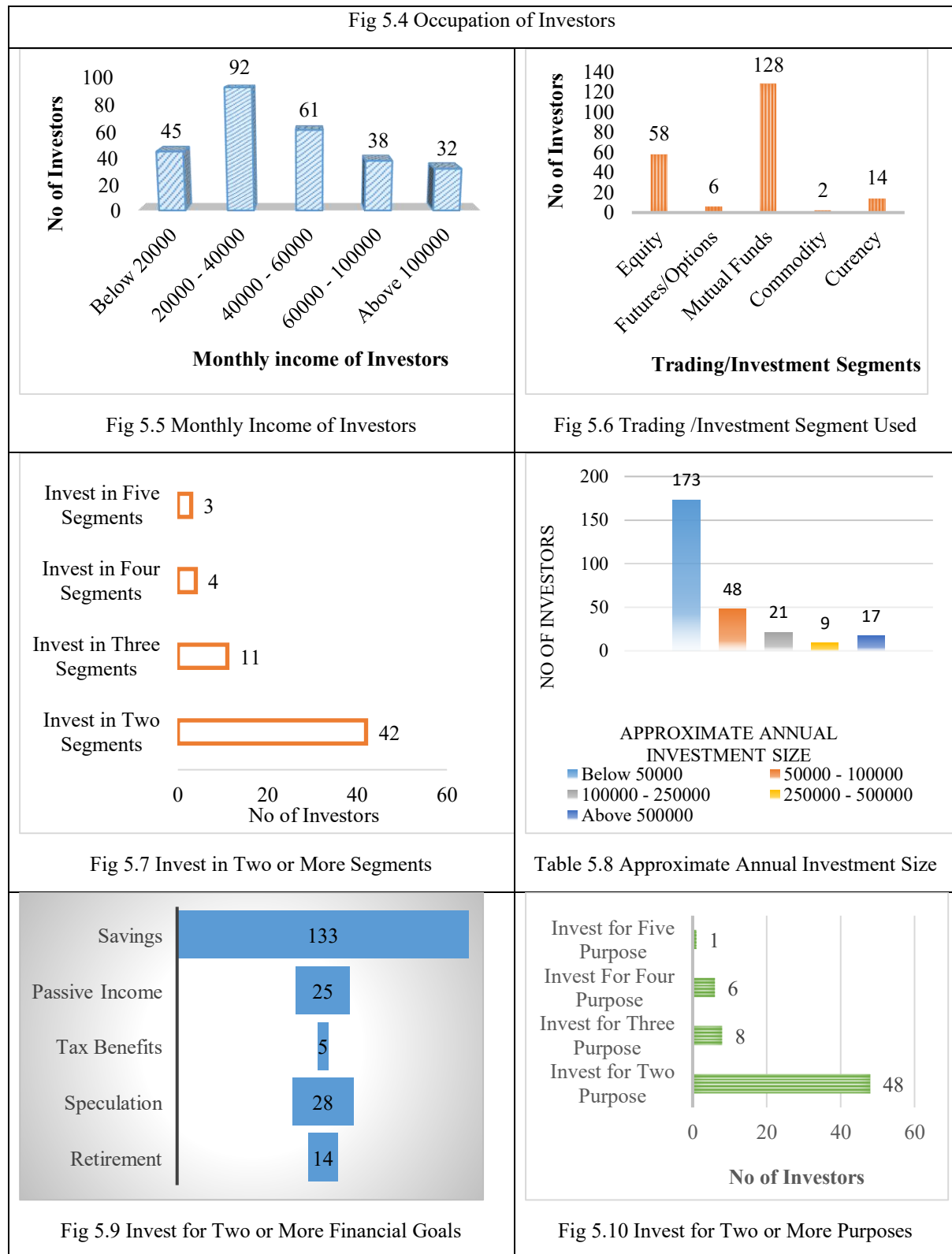
The gender distribution illustrated in Fig. 5.2 shows a substantial dominance of male investors over female investors. Male respondents constitute 91 percent of the total sample, whereas female participation remains significantly lower. This disparity may be attributed to differences in financial awareness, market participation, and investment confidence. The findings highlight the need for enhanced financial literacy and awareness initiatives to encourage greater participation of women in digital trading activities.

Educational qualification plays a crucial role in shaping investment behavior. As shown in Fig. 5.3, undergraduate respondents represent the highest proportion of investors, followed by postgraduate degree holders. This indicates that higher educational attainment contributes positively toward awareness and adoption of digital trading

platforms. Respondents possessing only school-level education account for a negligible share, suggesting that lower educational exposure may limit understanding of investment opportunities and digital financial services.

The monthly income distribution shown in Fig. 5.5 indicates that most respondents belong to the ₹20,000–₹40,000 income category, followed by those earning between ₹40,000–₹60,000. Participation gradually decreases in higher income categories. This demonstrates that digital trading platforms are widely adopted among lower-middle and middle-income investors. The relatively lower representation of high-income groups suggests that digital trading is not exclusively confined to affluent investors.





Investment preference across trading segments is presented in Fig. 5.6. The findings reveal that mutual funds are the most preferred investment avenue among respondents, indicating a strong preference for professionally managed and comparatively safer investment options. Equity investments also attract substantial participation, reflecting growing interest in direct market involvement and long-term wealth creation. In contrast, futures/options and commodities receive comparatively low preference due to their speculative nature and higher

risk exposure.

The extent of diversification among investors is illustrated in Fig. 5.7. The majority of respondents prefer investing in two segments, while participation declines significantly among those investing in three or more segments. This trend suggests that investors generally favor focused and manageable investment strategies rather than extensive diversification across multiple investment avenues.

The approximate annual investment size of respondents, presented in Table 5.8, shows that the majority of investors fall under the category of investments below ₹50,000. As the investment amount increases, the number of respondents decreases considerably. The findings therefore indicate cautious investment behavior and moderate investment capacity among the respondents.

The financial goals of investors, illustrated in Fig. 5.9, reveal that savings constitute the primary objective of investment. Speculation and passive income generation represent secondary objectives, while retirement planning and tax benefits receive comparatively lower preference. These findings indicate that investors primarily prioritize financial security and wealth preservation over aggressive profit-oriented motives.

Further, Fig. 5.10 shows that most respondents invest for two financial purposes, while investment for three or more objectives remains comparatively limited. This suggests that investors generally prefer simplified financial planning with a limited number of investment objectives rather than highly diversified goal-oriented investment strategies.

Overall, the findings demonstrate that younger, educated, salaried, and middle-income individuals form the major user base of digital trading platforms. Investors exhibit a preference for safer investment avenues such as mutual funds and tend to adopt focused investment strategies aligned mainly with savings-oriented financial goals.

## **5.2 Awareness and Usage Level of Investors about Digital Trading Platforms**

The study analysed the association between demographic and investment-related variables with investor awareness and usage behaviour toward digital trading platforms. The findings reveal that educational qualification does not have a statistically significant influence on investor awareness, as the significance value obtained was 0.325, which is greater than the standard significance level of 0.05. This indicates that investor awareness is not necessarily dependent on formal educational attainment. Investors from different educational backgrounds appear to possess comparable levels of awareness regarding digital trading platforms. The findings suggest that practical exposure, financial literacy initiatives, market information, and technological accessibility may play a more important role than academic qualification in shaping investor awareness.

Similarly, the analysis found no statistically significant relationship between approximate annual investment size and investor awareness, with a significance value of 0.141, which exceeds the threshold value of 0.05. This finding implies that investors with higher investment amounts are not necessarily more aware of digital trading platforms than those with lower investment levels. Investor awareness therefore appears to be independent of the volume of annual investment.

In contrast, monthly income was found to have a significant relationship with usage pattern, as the significance value recorded was 0.000, which is below the accepted significance level of 0.05. This confirms that income level plays an important role in influencing the usage behaviour of investors. Respondents with higher monthly income may engage more actively in digital trading due to greater financial capacity, increased investment frequency, and stronger participation in financial markets.

However, the analysis revealed no statistically significant relationship between approximate annual investment size and usage pattern, as the significance value obtained was 0.84, which is considerably higher than 0.05. This indicates that the amount invested annually does not significantly influence the manner in which investors use digital trading platforms. Usage behaviour may therefore depend more on convenience, accessibility, technological familiarity, and investor perception rather than investment size alone.

### **5.3 Investors' Satisfaction Towards the Preference Factors of Digital Trading Platforms**

The study further examined the influence of customer preference factors on overall satisfaction toward digital trading platforms through multiple regression analysis. The results indicate a moderate positive relationship between the selected independent variables and investor satisfaction, with an R value of 0.445. The R Square value of 0.198 shows that approximately 19.8 percent of the variation in overall satisfaction is explained by the selected factors, while the adjusted R Square value of 0.183 confirms the adequacy of the regression model.

The regression model was found to be statistically significant, with an F value of 12.948 and a significance value of 0.000. This demonstrates that the selected preference factors collectively exert a meaningful influence on investor satisfaction toward digital trading platforms.

Among the independent variables, Security and Data Privacy emerged as the most influential factor, with a regression coefficient value of 0.324 and a significance level of 0.000. This finding highlights the growing importance of security, confidentiality, and protection of personal financial information in determining investor satisfaction. Investors appear to place greater trust in platforms that ensure safe transactions and reliable protection of sensitive data.

Brokerage Charges and Costs also showed a positive contribution toward investor satisfaction, with a regression coefficient value of 0.121. Although the impact is comparatively lower than security-related factors, cost considerations remain an important determinant influencing investor preference and satisfaction. Investors generally prefer digital trading platforms that provide cost-effective services and competitive brokerage structures.

The estimated regression equation derived from the study is:

$$Y = 1.642 + 0.324(X1) + 0.121(X2)$$

where:

Y = Overall Satisfaction

X1 = Security and Data Privacy

X2 = Brokerage Charges and Costs

Overall, the findings indicate that security-related factors have a stronger influence on investor satisfaction compared to cost-related considerations, emphasizing the critical role of trust and digital safety in online trading environments.

### **5.4 Investors' Opinion about the Usage of Digital Platforms in Trading**

The correlation analysis identified a statistically significant and positive relationship between usage pattern and investor perception toward digital trading platforms. The Pearson correlation coefficient was found to be 0.419, indicating a moderate positive association between the two variables. The significance value of 0.000 confirms that the relationship is statistically significant at the 1 percent level.

The findings suggest that favourable investor perception positively influences the usage behaviour of digital trading platforms. As investors develop stronger confidence, trust, and satisfaction regarding digital trading services, their frequency and intensity of platform usage also tend to increase. Positive perceptions regarding convenience, accessibility, security, speed, and efficiency therefore play a major role in encouraging continued engagement with digital trading platforms.

Overall, the study demonstrates that investor behaviour toward digital trading platforms is influenced not only by demographic and financial characteristics but also by perceptual and psychological factors. The findings further highlight the increasing importance of investor confidence, digital security, and user-friendly trading experiences in promoting the sustainable growth of digital trading platforms in Chennai, Madurai, and Tirunelveli regions.

## **6. Findings**

The study reveals that digital trading platforms are predominantly utilized by younger investors, particularly those belonging to the 21–30 years age group. This reflects the higher technological adaptability and digital familiarity among youth. Male investors constitute the majority of platform users, while female participation remains comparatively limited, indicating the need for greater financial awareness and investment education initiatives targeted toward women investors. The educational profile of respondents shows that undergraduate and postgraduate degree holders form the largest segment of digital trading users, suggesting that higher educational attainment contributes positively toward confidence and participation in digital investment activities.

The occupational and income profile of respondents further indicates that salaried employees from middle-income groups represent the dominant category of digital trading platform users. This finding reflects the growing acceptance of digital investment avenues among individuals with stable income sources and regular earning capacity. In terms of investment preference, mutual funds emerged as the most preferred investment avenue, followed by equity investments. This demonstrates that investors generally exhibit a conservative and relatively risk-averse investment approach, preferring safer and professionally managed investment instruments. The findings also reveal that the majority of investors prefer investing in only one or two segments, indicating limited diversification and a tendency toward focused investment strategies. Further, the annual investment size of most respondents remains comparatively low, reflecting cautious investment behaviour and moderate risk-taking capacity. Savings emerged as the primary financial objective among investors, emphasizing the preference for capital protection and financial security over speculative or aggressive return-oriented investment behaviour.

The analysis of investor awareness and usage patterns demonstrates that educational qualification does not have a statistically significant relationship with investor awareness. This indicates that awareness regarding digital trading platforms is not solely dependent on formal educational background. Similarly, annual investment size was also found to have no significant relationship with investor awareness, suggesting that awareness levels remain relatively consistent across investors with varying investment capacities. However, monthly income was found to exert a significant influence on usage patterns. Investors with higher income levels tend to use digital trading platforms more actively and efficiently. The study further reveals that higher-income investors monitor live market updates more frequently, make better use of alerts, notifications, and educational tools, and find digital trading platforms easier to use during peak trading hours. In addition, they rely more extensively on both fundamental and technical analysis before making investment decisions. The correlation analysis further indicates a moderate positive relationship between usage pattern and customer perception, confirming that favourable perception toward digital trading platforms leads to greater investor engagement and usage intensity.

The study also examined the factors influencing investor satisfaction toward digital trading platforms through regression analysis. The findings confirm that investor satisfaction is significantly influenced by platform-related factors, and the regression model was found to be statistically significant. This indicates that awareness, usage behaviour, and customer preference factors collectively contribute toward investor satisfaction. Among the identified variables, security and data privacy emerged as the most influential determinants of investor satisfaction, highlighting the critical importance of trust, confidentiality, and secure transaction systems in digital trading environments. Brokerage charges and transaction costs were also found to positively influence satisfaction, although their impact was comparatively lower than security-related factors. The findings further suggest that improvements in platform security, transparent pricing mechanisms, and positive customer perception significantly enhance investor satisfaction levels. Higher satisfaction, in turn, strengthens investors' intention to continue using digital trading platforms, thereby contributing to the sustainable growth and long-term adoption of digital investment services.

## **7. Limitations and Research Gaps**

The present study is subject to certain limitations that should be taken into consideration while interpreting the findings. First, the research is based on a limited sample size, which may not comprehensively represent the behaviour, awareness, and preferences of the broader investor population. The study is also geographically confined to selected regions, thereby limiting the generalizability of the findings to other regions characterized by

different economic, social, and technological conditions.

Further, the study primarily relies on data collected through structured questionnaires. As the responses are self-reported in nature, there exists the possibility of personal bias, respondent subjectivity, and inaccuracies in reporting. The research was conducted within a limited time period, which may have restricted the opportunity for collecting more extensive and longitudinal data capable of capturing dynamic changes in investor behaviour over time.

In addition, the study focuses mainly on selected variables such as investor awareness, preference factors, security, brokerage charges, and customer satisfaction. Several other important determinants, including psychological behaviour, emotional bias, risk tolerance, financial anxiety, market volatility, and behavioural finance factors, were not examined in detail. Therefore, the findings should be interpreted within the scope and boundaries of the selected variables.

Despite these limitations, the study contributes significantly by addressing important research gaps identified in the existing literature. Previous studies have largely concentrated on traditional stock trading practices and general investment behaviour, whereas comparatively limited research has examined investor awareness and preference toward digital trading platforms. Earlier studies have also primarily focused on financial literacy and investment decision-making, while relatively less attention has been given to technological attributes such as platform usability, security systems, data privacy, interface efficiency, and analytical support tools in influencing investor satisfaction and usage behaviour.

Moreover, a substantial portion of the existing literature has been conducted in developed economies, with comparatively fewer studies focusing on the adoption and usage of digital trading platforms in developing countries such as India. In this context, the present study attempts to bridge the existing research gap by examining the relationship between investor awareness, demographic characteristics, preference factors, usage behaviour, and satisfaction levels within the Indian digital trading environment. The study thereby contributes to a better understanding of changing investor behaviour and the growing significance of digital trading platforms in promoting sustainable financial participation.

## **8. Conclusion**

The study concludes that investor awareness and preference toward digital trading platforms are significantly influenced by demographic characteristics such as age, income, occupation, and educational background. Younger, salaried, and middle-income investors constitute the dominant user group, reflecting greater technological adaptability and financial participation among these segments. Although investor awareness is relatively consistent across educational and investment-size categories, platform usage and engagement vary notably with income levels. Investors predominantly exhibit a conservative investment approach, favouring mutual funds and equity investments over speculative instruments. The findings further reveal that platform usability, operational efficiency, and analytical support features contribute substantially to investor engagement and trading behaviour. Most importantly, security and data privacy emerged as the strongest determinants of investor satisfaction, emphasizing the critical role of trust in digital trading environments. The study highlights the importance of strengthening security systems, improving investor education, enhancing accessibility, and promoting inclusive awareness initiatives to ensure sustainable growth in digital trading platform adoption.

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