



## ARE CUSTOMERS READY TO USE MOBILE TECHNOLOGY FOR BANKING TRANSACTIONS? AN INVESTIGATION

Mr. Bhosale S. N.

Associate Professor , Head, Department Of Economics ,  
A. R. Burla Mahila Mahavidyalaya, Solapur.

### ABSTRACT

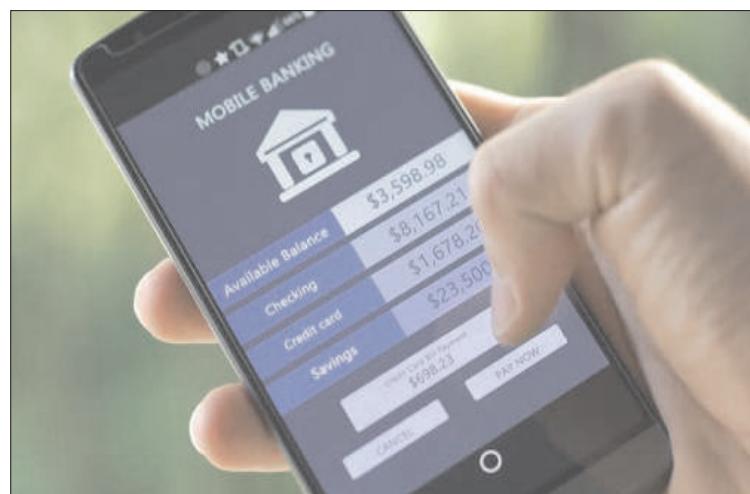
**T**he focus of this research is to explain whether investors prefer technical or fundamental analysis to analyze their investment options and to analyze factors influencing the selection of that investment analysis method. The research uses questionnaire with 125 participants. Six independent variables used to explain the choice of investment analysis method, namely investor's education, investor's experience, information accessibility by the investor, investor's time the horizon, trading activity frequency, and investor's perception toward the disclosure done by the corporation. The result showed that Indonesian investors prefer technical analysis. The influencing factors that significantly the selection of analysis method.

**KEYWORDS:** *Investor Demography; Investment Decision; Fundamental Analysis.*

### INTRODUCTION:

Nowadays, the modern and advanced economy has always characterized the rapid development of the activity in the capital market. Likewise, increasing awareness of the public to invest in the

stock exchange because in the past people invest only in deposits. In making an investment decision, investors can analyze their investments by using two methods of analysis, namely fundamental analysis and technical analysis [1,2]. Fundamental analysis is the analysis of investment aimed at knowing the intrinsic value of shares in the company [3,4]. While technical analysis is an analytical tool that relies on market data that can be either graphics or other technical indicators, thus the technical analysis is also called charting [5]. Taylor and Allen [6] have conducted a survey of 353 dealers in the London exchange market. The results showed that the use of fundamental analysis and technical analysis are complementary. However, 90% of respondents in this study give more weight to the technical analysis. Similar to Taylor and Allen [6], Lui and Mole [7] conducted a study on investment analysis methods that are widely



used by Hong Kong investors. Lui and Mole [7] conducted a survey of the exchange market dealers in Hong Kong and found that technical analysis is more attractive to use, especially for a shorter period. Selection of the analytical methods used by investors associated with the Efficient Market Hypothesis and regarding Fama [8], an active market as a market that prices have reflected in all the relevant information. Relevant information is including past event, society, and personal information. Based on the absorption rate of the relevant information, Fama [8] divides the efficient market into three categories which include weak market, semi-strong market, and efficient markets.

In Indonesia, an efficient market mechanism research has been carried out. Sirait [9] conducted a study to examine the mechanism of the weak market in Indonesia. The results of this study indicate that the Indonesian stock market is inefficient and becomes efficient when done with a long-term research. Pontoh [3] also showed that the Indonesian stock market is not efficient, even including a weak stock market. Suryadimaja [10] tested the semi-strong form efficient market in Indonesia by using event study to analyze the effect of the announcement of the Initial Public Offering (IPO) and additional listing. Suryadimaja [10] showed that the information related to the announcement of the stock listing could not reflect in stock prices. In other words, the Indonesian stock market is not efficient or classified as the semi-strong stock market. The implication of this research is the investor can earn abnormal returns by using only historical data on the Indonesian stock market because the Indonesian stock market is not efficient [3]. Therefore, the use of technical analysis might be useful in Indonesia. The purposes of this study are:

1. To review and investigate whether the level of investor education influence the selection model of investment analysis;
2. To examine and investigate whether the experience of investors influence the selection model of investment analysis;
3. To review and investigate whether the time horizon investor-owned affect the selection of models of investment analysis;
4. To review and investigate whether the trading frequency do investors influence the selection model of investment analysis;
5. To examine and investigate whether the accessibility of information investors influence the selection model of investment analysis;
6. To assess and investigate whether the level of investor perceptions affecting the composition of the investment analysis model.

Moreover, this study provides two main contributions were:

1. Purpose on aspects of science are expected to provide and add knowledge to the reader how the techniques or methods in stock investing and what factors are affecting it,
2. Purpose on aspects of the practitioner is methods of analysis in this study is still relatively rare, especially in Indonesia and this study contributes to investigating methods of analysis used by investors in investing.

## Literature Review, Conceptual Framework, and Hypothesis

### Literature Review

**Decision-making theory:** According to Davis [11], the decision is the result of solving its problems. It relates to the answers to questions about "what to do" and the making of planning. In another word, the decision was the result of a thought process that the form of elections one among several

alternatives that can use. There are five models of decision-making [12], namely: Model Rational, Rational Model Limited, Trash Cans Model (Garbage Can Model), Transcendent Model, and Model Intuitive.

**Efficient market theory:** An efficient market may indicate that stock prices fully reflect (fully reflect) the information available, it can be a company's annual report, the distribution of dividends, stock splits, stock market analysts' reports, and so on. Regarding Gumanti and Utami [13], Fama [8] presents three (3) types of primary types of market efficiency based on three kinds of information related to the selection method of analysis used by investors that past information, the information is now being published and information provided as follows:

- (i) Weak market, (ii) semi-strong market, (iii) efficient markets.

### STOCK VALUATION TECHNIQUES:

In conducting stock transactions, every investor has a different analysis. Many references investment and financial analysis, divide stock investments, namely fundamental analysis, and technical analysis. Nevertheless, the fact that many investors and speculators are not familiar with this type of investment analysis because they only rely on information from the monitor screen, rumors, and news in the media for making an investment decision. Fundamental analysis is a method of forecasting movements of financial instruments in the future based on economic, political, environmental, and other relevant factors, as well as statistics that will affect the demand and supply of such financial instruments [14]. Meanwhile, according to Halim [15], fundamental analysis is an analysis that compares the intrinsic value of stock by its market price to determine whether the stock exchange prices already reflect the intrinsic value or not. According to Jogyanto, the Fundamental analysis is the analysis using financial data, i.e. data derived from financial statements, such as earnings, dividends distributed and so on. Fundamental analysis is an analysis regarding the condition of the company. Meanwhile, according to Sutrisno [16] is a fundamental analysis of stock price analysis approach that focuses on the performance of businesses that issue shares and economic analysis which will affect the company's future.

Different from the fundamental analysis, technical analysis involves information relating to government policies, economic growth, the development of interest rates, the political conditions of a country, significant events, and others. A fundamental premise of technical analysis is the stock price reflects the relevant information, that information indicates changes in prices in the past, and hence the stock price changes will have a particular pattern, and that pattern will be repeated [17]. According to Ahmad [18], technical analysis is the analysis of the securities market or focusing on stock indices, prices or other market statistics to find patterns that might be predictive of a picture that has made. Briefly, technical analysis can be considered as securities analysis using historical price and volume charts [19].

### MECHANISM OF CAPITAL MARKET TRANSACTIONS

The securities trading activities do not differ from market activities involving buyers and sellers. In the capital market, the parties include referred to as issuers and investors. According to the Capital Market Law Article 1 number 6: "The term refers to the activities listed by the company that sells a broad range of shares to public investors through a public offering (the primary market). The shares have sold to the investors would be traded back among investors through the stock exchange

(secondary market)". According to Siamat [20] defines the prime market is the supply of securities directly by the issuer to the investor without going through the stock exchange. Marketing is the effects of the emissions trading securities. Prices of securities offered in the primary market do not fluctuate. After completion of the offer on the main market, these securities trade continuously and the prices will remain uncertain in the secondary market.

### **CONCLUSION :-**

According to the analysis done can be seen that the method of analysis of investment chosen by the investor in Indonesia is a method of technical analysis. The factors that significantly affect the selection of investment analysis methods is the experience of the investor and the investor time span. Results from the other four factors tested in this study did not significantly influence the selection of investment analysis method, namely the level of investor education, trading frequency, accessibility of information, and investor perceptions. The conclusion of this research are as follows:

1. Education investor does not significantly influence the selection of investment analysis methods.
2. Experience investor can significantly affect the electoral method investment analysis.

### **REFERENCES**

1. William FS, Gordon JA, Jeffrey WB (1995) Investment (6th edn), Prentice Hall, New Jersey.
2. Marasović B, Poklepovic T, Aljinovic Z (2011) Markowitz' model with fundamental and technical analysis-complementary methods or not. Croatian Operational Research Review 2: 122-132.
3. Jones P (2007) Market efficiency test forms of weak capital market of Southeast Asia (Indonesia, Malaysia, Singapore, Philippines, and Thailand) 1998-2005. University of Indonesia. Jakarta.
4. Emir S, Dincer H, Timor M (2012) A stock selection model based on fundamental and technical analysis variables by using artificial neural.