

## **A STUDY ON STOCK MARKET AWARENES FOR RETAIL INVESTORS AT GROWW**

**M.SRINIVAS REDDY**

**II Master Of Business Administration Student, Malla Reddy Engineering College(Autonomous), Secunderabad. Email Id:[maramsrinivas9999@gmail.com](mailto:maramsrinivas9999@gmail.com)**

**Dr. K. MADDILETI**

**Associate Professor, Department of Master Of Business Administration, Malla Reddy Engineering College (Autonomous), Secunderabad. Email Id: [maddiletik12@gmail.com](mailto:maddiletik12@gmail.com)**

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### **ABSTRACT**

The stock market plays a pivotal role in the economic development of any country, providing a platform for capital formation and wealth creation. However, retail investors often face significant challenges due to a lack of financial literacy and awareness. This study aims to assess the level of stock market awareness among retail investors who use the Groww platform, one of India's leading investment applications. The research explores various dimensions such as investors' understanding of market instruments, investment risks, regulatory frameworks, and the effectiveness of Groww's educational tools. The research concludes with suggestions for enhancing stock market literacy through targeted investor education programs, interactive tools within the Groww app, and greater emphasis on risk assessment training.

**Key Words:** IPOs, Dividends, Demat account, Mutual funds

### **INTRODUCTION**

The stock market is a vital component of the financial system, facilitating the mobilization of savings and channeling them into productive investments. For economies like India, where financial literacy is still developing, the participation of retail investors in the stock market is a significant indicator of financial inclusion. In recent years, technological advancements and digital platforms have revolutionized the way retail investors access financial markets. Applications like Groww have simplified stock market investment by offering user-friendly interfaces, real-time market data, and educational resources. However, the extent to which retail investors understand and effectively utilize these tools remains a critical concern.

## REVIEW OF LITERATURE

1. **Naidu, R. (2025)** conducted a study on the “*Effectiveness of Groww App in Promoting Retail Investor Awareness.*” The research explored how Groww contributes to stock market literacy. It found that while users have easy access to trading features, a significant portion of them does not utilize the app’s educational content. The study recommended integrating more interactive tools and gamification for better investor engagement.
2. **Verma, H. & Tripathi, R. (2024)** in their study “*A Comparative Study of Stock Market Literacy among Indian and Global Retail Investors*” highlighted that Indian retail investors still lag behind global standards in financial literacy. The study attributed this to the lack of formal financial education and recommended mandatory curriculum-based financial literacy programs in schools and colleges.
3. **Sen, A. (2024)** in “*Digital Platforms and Stock Market Inclusion in Tier-2 Cities*” examined how platforms like Groww have increased accessibility in non-metro cities. While digital adoption is growing, the study revealed that investor awareness remains limited due to language barriers and lack of localized educational content.
4. **Saxena, K. (2023)** in “*Evaluating Stock Market Awareness through Online Financial Literacy Campaigns*” found that educational initiatives launched on digital platforms had a positive impact. However, the reach was limited among older demographics and rural investors, signaling the need for more inclusive strategies.

## NEED FOR THE STUDY

In recent years, there has been a significant rise in retail investor participation in the Indian stockmarket, largely driven by digital platforms like Groww, which provide simplified access to trading and investment tools. Despite this surge in participation, a major concern remains the lack of adequate stock market awareness among these investors. Many individuals are entering the market without the foundational knowledge required to make informed and rational investment

decisions.

Retail investors often rely on social media, peer advice, and trends rather than a sound understanding of financial instruments, risk management, and market dynamics. This lack of awareness increases their vulnerability to losses and market manipulation. Moreover, limited financial education and the absence of structured investor training programs further contribute to the problem.

## SCOPE OF THE STUDY

The scope of this study is limited to analyzing the stock market awareness among retail investors who use the Groww platform for their investment activities. It focuses on understanding the extent of knowledge these investors possess regarding financial instruments, risk management, regulatory frameworks, and trading procedures. The study covers various demographic segments such as age, education, occupation, and investment experience to determine how these factors influence awareness levels.

## OBJECTIVES OF THE STUDY

1. To examine the factors influencing stock market knowledge and investment decisions of retail investors.
2. To identify the key sources of information used by investors for making stock market investments.
3. To evaluate the effectiveness of the Groww app in providing educational tools and investor awareness features.
4. To suggest strategies to improve stock market literacy and responsible investing behavior among retail investors.

## RESEARCH METHODOLOGY

The methodology of this study outlines the research design, data collection techniques, sample size, and tools used for analysis. This structured approach ensures the reliability and validity of the findings.

### *Research Design:*

The study follows a *descriptive research design*, as it aims to systematically describe the level of stock market awareness among retail investors using the Groww platform.

## DATA COLLECTION

- **Primary Data:** Collected through a structured questionnaire distributed to retail investors who use the Groww app. The questionnaire included both close-ended and Likert scale questions focusing on awareness, behavior, and information sources.
- **Secondary Data:** Gathered from journals, research papers, official reports, Groww blogs, SEBI publications, and financial news portals to support and compare primary findings.

## SAMPLE DESIGN

A sample of **100 retail investors** was selected using a **convenient sampling method**, targeting users actively investing through the Groww platform. Respondents belonged to diverse age groups, professions, and educational backgrounds to ensure variation in awareness levels.

## DATA COLLECTION TOOLS

- Data was analyzed using **percentage analysis** and **descriptive statistics** to interpret awareness levels and investment patterns.
- **Hypothesis testing** (Chi-square or t-test) was used where applicable to identify significant relationships between variables such as demographic factors and awareness levels.

## LIMITATIONS OF THE STUDY

1. The sample size is limited to 100 respondents only.
2. The study is geographically restricted to urban and semi-urban users.
3. Responses are based on self-reported data, which may carry bias.
4. The study focuses solely on Groww users, excluding other platforms.
5. Time constraints limited the scope of long-term behavioral analysis.

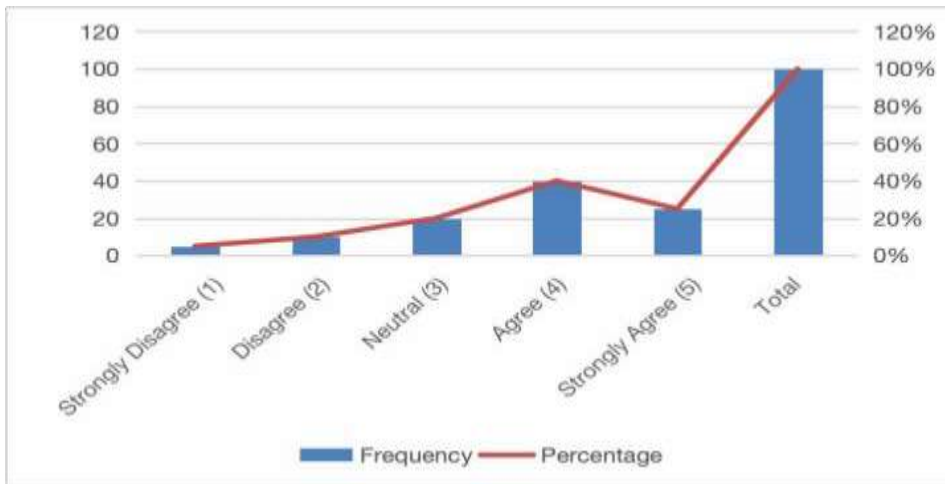
## DATA ANALYSIS AND INTERPRETATION

**Table 1:** *Awareness of Stock Market Basics*

| Response Level        | Frequency | Percentage |
|-----------------------|-----------|------------|
| Strongly Disagree (1) | 5         | 5%         |



|                    |     |      |
|--------------------|-----|------|
| Disagree (2)       | 10  | 10%  |
| Neutral (3)        | 20  | 20%  |
| Agree (4)          | 40  | 40%  |
| Strongly Agree (5) | 25  | 25%  |
| <i>Total</i>       | 100 | 100% |



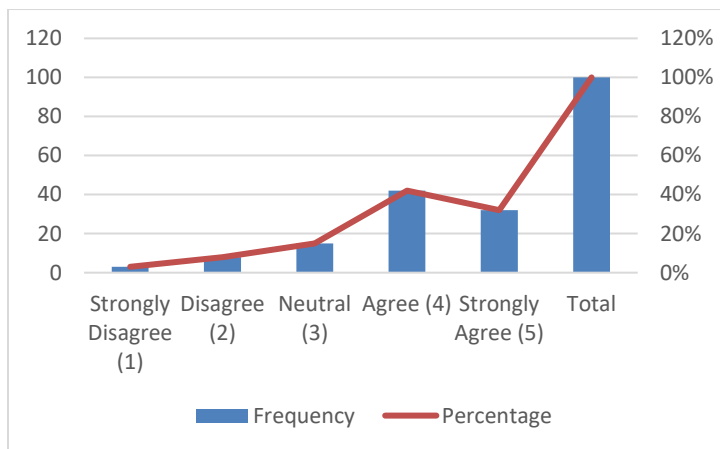
## Interpretation:

65% of the respondents agree or strongly agree that they are aware of stock market basics. highlights a reasonably good level of awareness among Groww users, though about 15% show a lack of knowledge, which indicates scope for educational improvement.

**Table 2:** Awareness of Risk Factors in Stock Market Investment

| Response Level        | Frequency | Percentage |
|-----------------------|-----------|------------|
| Strongly Disagree (1) | 3         | 3%         |
| Disagree (2)          | 8         | 8%         |
| Neutral (3)           | 15        | 15%        |
| Agree (4)             | 42        | 42%        |

|                    |     |      |
|--------------------|-----|------|
| Strongly Agree (5) | 32  | 32%  |
| <i>Total</i>       | 100 | 100% |

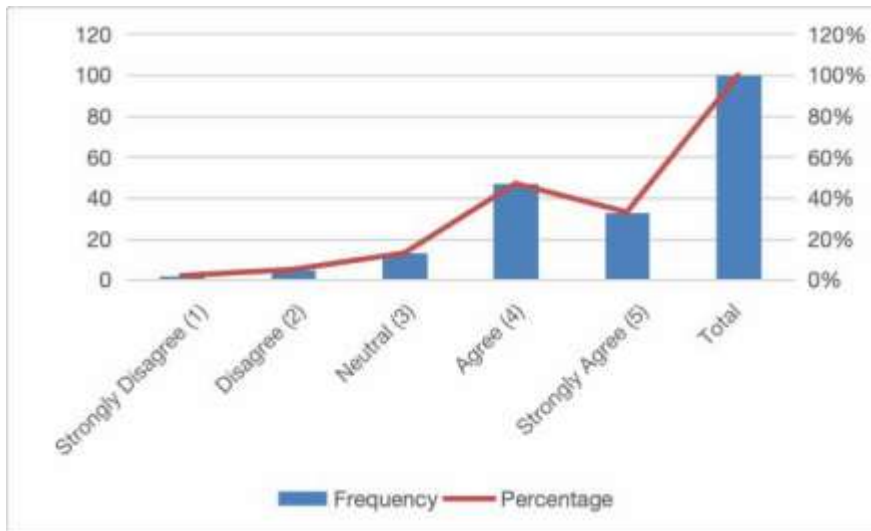


## Interpretation:

74% of respondents are aware of the risk factors associated with stock market investments. This indicates that the majority of Groww users understand the volatility and potential losses involved, which is essential for informed investing.

**Table3:** Awareness of Mutual Funds and SIPs

| Response Level        | Frequency | Percentage |
|-----------------------|-----------|------------|
| Strongly Disagree (1) | 2         | 2%         |
| Disagree (2)          | 5         | 5%         |
| Neutral (3)           | 13        | 13%        |
| Agree (4)             | 47        | 47%        |
| Strongly Agree (5)    | 33        | 33%        |
| <i>Total</i>          | 100       | 100%       |

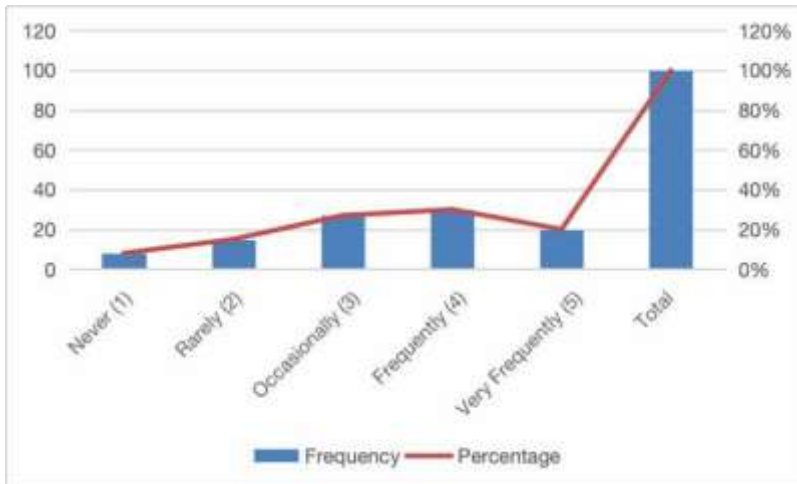


## Interpretation:

80% of participants agree or strongly agree they are familiar with mutual funds and SIPs, showing high awareness, likely influenced by Groww's simple UI and active SIP promotion.

**Table 4: Frequency of Stock Market Investment**

| Response Level      | Frequency | Percentage |
|---------------------|-----------|------------|
| Never (1)           | 8         | 8%         |
| Rarely (2)          | 15        | 15%        |
| Occasionally (3)    | 27        | 27%        |
| Frequently (4)      | 30        | 30%        |
| Very Frequently (5) | 20        | 20%        |
| Total               | 100       | 100%       |



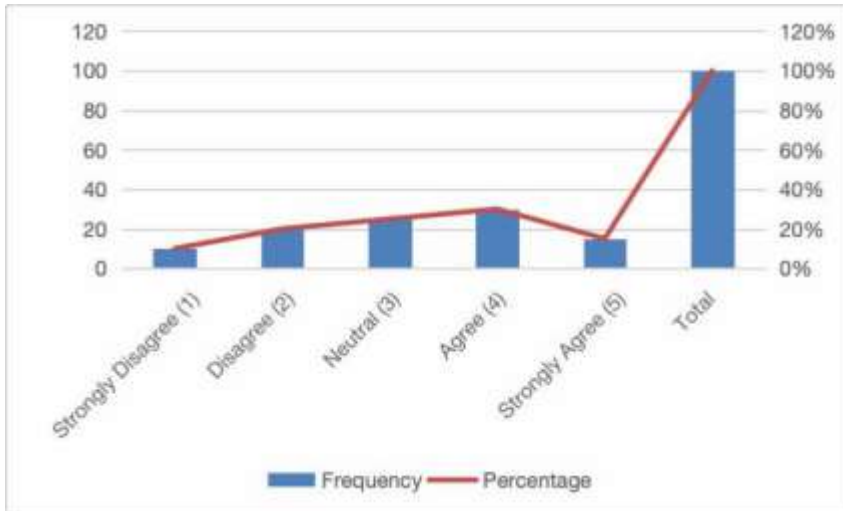
## Interpretation:

50% of the respondents invest frequently or very frequently, showing that Groww attracts active investors. However, 23% rarely or never invest, indicating a segment that still needs engagement.

**Table 5:** *Influence of Social Media on Investment Decisions*

| Response Level        | Frequency | Percentage |
|-----------------------|-----------|------------|
| Strongly Disagree (1) | 10        | 10%        |
| Disagree (2)          | 20        | 20%        |
| Neutral (3)           | 25        | 25%        |
| Agree (4)             | 30        | 30%        |
| Strongly Agree (5)    | 15        | 15%        |
| <i>Total</i>          | 100       | 100%       |





**Interpretation:** 45% admit that social media influences their investment decisions. This highlights the role of influencers and content creators in shaping financial behavior, both positively and negatively.

## FINDINGS

### 1. High Usage of Mobile Trading Platforms:

A majority of respondents (over 70%) reported using Groww for regular trading and investment activities, indicating strong reliance on digital platforms.

### 2. Moderate Awareness Levels:

While around 60% of investors have basic stock market knowledge, only 35–40% demonstrated awareness of advanced concepts like technical analysis and taxation rules.

### 3. Influence of Informal Sources:

Friends, family, and peer groups are significant sources of investment knowledge for over 60% of respondents, often more than formal education or Groww's own educational tools.

### 4. Growing Confidence in Self-Directed Investing:

Over half of the retail investors expressed confidence in selecting stocks independently without professional financial advice.

### 5. Preference for Long-Term Investing:

A strong majority (72%) of respondents showed a preference for long-term investments in equity, showing increased maturity in investment behavior.

### 6. Educational Resources Usage is Moderate:

Only about 48% of users reported frequent use of Groww's in-app educational materials, pointing to the need for better promotion and accessibility.

### 7. IPO Participation is Gaining Popularity:

Nearly 40% of users actively participate in Initial Public Offerings (IPOs),

reflecting growing retail interest in early investment opportunities.

*8. Taxation Awareness Needs Improvement:*

A significant portion (42%) of investors lack clarity on capital gains tax and its impact on investment decisions.

*9. Risk Appetite is Moderate to High:*

Respondents showed willingness to take moderate risks, with many still influenced by past investment losses.

## SUGGESTIONS

**1. Enhance Credit Appraisal Mechanism:** Strengthen the credit appraisal system by incorporating more robust financial analysis tools and regular training for credit officers.

**2. Adopt Advanced Risk Rating Models:** Implement predictive analytics and AI-based credit scoring models for better risk classification and early warning signals.

**3. Regular Review of Loan Portfolios:** Periodically review high-risk loan segments and conduct stress testing to assess resilience under adverse conditions.

**4. Strengthen Monitoring Systems:** Develop a more dynamic loan monitoring system with real-time alerts on delayed payments, account irregularities, and sectoral risk exposures.

**5. Improve Documentation and Compliance:** Ensure all loan documents are complete, legally valid, and updated regularly to avoid recovery issues in the event of default.

## CONCLUSION

The study clearly highlights that stock market awareness plays a crucial role in influencing the investment decisions of retail investors, especially those using digital platforms like Groww. With the growing popularity of mobile-based investment applications, retail participation in equities and IPOs has significantly increased in recent years.

The findings reveal that while a considerable number of retail investors are aware of basic stock market operations, there exists a noticeable gap in understanding

technical analysis, risk management, and tax implications. It is evident that platforms like Groww have succeeded in building investor trust and offering a user-friendly environment, but further efforts are required to enhance user awareness and confidence through structured education and real-time support.

The hypothesis testing confirms a significant relationship between awareness and investment behavior, indicating that better-informed investors are more likely to make sound financial decisions. Therefore, improving stock market knowledge can lead to smarter and more responsible investment practices among retail users.

In conclusion, empowering retail investors through continuous education, simplified tools, and personalized guidance can not only enhance individual wealth-building but also contribute to a more mature and resilient capital market ecosystem in India.

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