

## COMPLETION REPORT

### Japanese-Style Mobile trading in Malaysia: Opportunities and Challenges

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This study examined antecedents affecting the intention to use mobile stock trading among Malaysian youths (40 years old and below) especially on Rakuten Trade's mobile app. In addition to a questionnaire survey, a site visit interview to Rakuten Trade was also conducted. The team was briefed by Mr. Kaoru Arai, the MD of the company on its background, platform features and future plan. 550 printed questionnaires were distributed in the Klang Valley together with the online survey. A total of 469 usable responses were gathered; 373 responses from investors and 96 from non-investors.

Of the investors, 65% reported using mobile stock trading app but only 22% of these investors use Rakuten Trade's platform. 81% of the total investors indicated that their interest in the service provided by Rakuten Trade is based on the low brokerage fees. System security, faster execution and low brokerage fees as the top most important mobile trading's features to Rakuten trade's users while system security, low brokerage fees and the user-friendly interface for the non-users.

For the non-investors, majority knows and plans to use mobile stock trading but only 5% may consider Rakuten Trade's app. Most of them are attracted by the low brokerage fee. System security is still perceived as the top most important feature, followed by technical support and low brokerage charge. The non-investors lack confidence in using the platform.

All the respondents prefer simple research report, fundamental information and technical tools. Additionally, all the investors reported not being keen on loyalty rewards, online chat and robo-advisor features, and similarly, the non-investors shared the same view except for online chat.

We also looked at how perceived risk, perceived benefits, perceived usefulness, attitude, perceived behavioral control and social influences affect the intention to use mobile trading platform. Perceived benefits, attitude and behavioral control motivate investors' intention and attitude has the greater effect. In contrast, social influence is the only significant driver to influence the intention among the non-investors.

More awareness program to popularize Rakuten trade's services is required as most investors are attracted to its low brokerage fee. System security with adequate hardware and software support for fast execution would also attract more investors. Rakuten Trade's current users could be the medium to long term investors as they put more weight on company fundamental information. Thus, having a simple research report and fundamental information are valuable; however, the current loyalty reward is not attractive enough and collaboration with widely-used

merchants/cash reward would be appealing.

Malaysian youths are internet-savvy, risk-takers, resourceful and have the right attitude and ability to use mobile stock trading platform. Therefore, it is easy for Rakuten Trade to expand its market shares among the young investors because of its low transaction cost. The biggest challenge however is to attract new investors and to expand the retail investors' market shares. The great experience of Rakuten Trade's current users could influence more people to invest in the stock market. Hence, a simple, mobile and low-cost solution is the right solution for youth's investment needs.

Publication of the Results of Research Project:

Verbal Presentation (Date, Venue, Name of Conference, Title of Presentation, Presenter, etc.)

Not applicable

Thesis (Name of Journal and its Date, Title and Author of Thesis, etc.)

Planned to publish the findings in Journal 'Telematics & Information'/'Expert System with Application'.

Book (Publisher and Date of the Book, Title and Author of the Book, etc.)

Not Applicable