

CAUSAL FACTORS INFLUENCING THE DECISION TO OPEN A SECURITIES TRADING ACCOUNT WITH SECURITIES COMPANIES IN BANGKOK AND THE METROPOLITAN REGION

Chutipan Sudduen

Development Administration, Suan Sunandha Rajabhat University

E-mail: chutipan_law@outlook.com

Abstract

Securities companies or "brokers" act as agents or brokers in the trading of securities and provide various services to facilitate the trading of securities, from receiving securities purchase orders from investors, receiving payment for securities purchases, delivering securities, to the end of the process. This causes securities companies to compete fiercely, forcing executives to find various ways to attract investors. This research aimed to 1) Examine the factors influencing decisions to open securities trading accounts in Bangkok and its vicinity; 2) study the influence on branding, marketing promotion, service innovation, intention to use a securities trading account, and decision to open an account with a securities company in Bangkok and its vicinity; and 3) Investigate the strategies employed by investors when choosing a securities company in Bangkok and its vicinity. A mixed-methods approach, combining quantitative and qualitative research was employed. The quantitative sample consisted of 300 investors aged 20 years and over, who had opened a securities trading account. The qualitative sample consisted of six securities industry experts. Data were collected via questionnaires and in-depth interviews. The results of the study indicated Branding, marketing promotion, and service innovation significantly influence the decision to open a securities trading account by affecting investor's intention to use a securities trading account and decision-making process. In addition, Awareness of investor's needs and the responsiveness of the securities company are crucial for establishing a competitive advantage. The results of the study offered both theoretical and practical implications, providing guidelines for developing marketing strategies of securities companies consistent with investor behavior and informing policies to promote investment in the Thai stock market

Keywords: the Decision to open a Trading Account Securitie, Securities Companie, Bangkok and the Metropolitan Region

Introduction

Thailand has a population of 66.2 million people with 93,264,549 commercial bank deposit accounts (Bank of Thailand, 2023), accounting for 127 percent of the population. On the other hand, investment in securities (stocks), which is the asset that gives the highest return, but has only 1,105,517 securities trading accounts, accounting for 1.45 percent of the total population. When compared to the number of securities trading accounts per adult population, it is 1.72 percent, which is a very small proportion when compared to developed countries. However, because the government has promoted savings and investment through long-term equity funds and retirement mutual funds, which can be used as a tax deduction, there are 350,000 accounts. If combined with the number of securities trading accounts, it will be 2.2 percent, which is still a much smaller proportion than other countries (Stock Exchange of Thailand [SET], 2023).

Securities investment (Financial or Securities Investment) According to the meaning of finance or securities investment is the purchase of assets (Asset) in the form of securities

(Securities) such as bonds (Bond), debentures or equity (Stock). This type of investment is an indirect investment (Kumar & Gupta, 2023), which is different from business investment. Those who have savings when they do not want to do business themselves. Due to the risk or insufficient money May use the money to buy securities that they are willing to invest with a return on capital in the form of interest or dividends (Aggarwal & Jha, 2023) including returns on profits from the sale of securities (Capital Gain) The rate of return on investment is called Yield. Normally, investors decide to open a securities trading account from the service marketing mix that affects both the service process, price, products and marketing promotion, including knowledge of securities trading (Nguyen & Tran, 2023) For the securities business in Thailand, there is high competition all the time. Therefore, each place must always adapt to find advantages to attract investors, especially the group of new investors who increase every year. The application of concepts and theories to study the decision to choose to open a securities trading account with a securities company in the country that is important to achieve the target results. To find the factors that influence the decision to choose to open a securities trading account with a securities company in the country to be applied to create a competitive advantage (Stock Exchange of Thailand [SET], 2023)

From the background and importance of the problem mentioned above, the researcher is interested in conducting research on “Causes of the Decision to Open a Securities Trading Account with a Securities Company in Bangkok and its vicinity” to find a model to find out which factors investors use in deciding to use the services of a securities company and to benefit the securities business in using this research result as a guideline for adjusting strategies to truly align with the needs of investors. In addition to being beneficial to all stakeholders to achieve greater prosperity and to lead to sustainable development of the country.

Objective of the research

This research has the following research objectives:

1. To study the influence of branding, marketing promotion, service innovation, intention to use securities trading account, and decision to open a trading account with securities companies in Bangkok and its vicinity.
2. To study the strategies that investors use to decide to open accounts at securities companies in Bangkok and its vicinity.

Scope of research

Content Scope With variables consisting of Latent variables consist of 3 variables:

1. Government policies related to promoting the decision to open a securities trading account with a securities company,
2. Marketing promotion of securities companies,
3. Creation of service innovation of securities companies.

Mediator Latent variables are the intention to use the securities trading account. Endogenous Latent variables are causal factors in deciding to open a securities trading account with a securities company in Bangkok and its vicinity.

In terms of location, the study area is a securities company in Bangkok and its vicinity. The research period is from October 2022 to December 2024. The researcher will collect data between April and May 2024.

Research Conceptual Framework

From the study of the concept and research literature, the researcher has studied and reviewed the literature, consisting of 1) concepts and theories on government policies related

to promoting the decision to open a securities trading account with a securities company, 2) concepts and theories on marketing promotion, 3) concepts and theories on service innovation, 4) concepts and theories on intention to use a securities trading account, 5) behavioral finance theories, consisting of the prospect theory and the theory of planned behavior, 6) technology acceptance model (TAM), 7) concepts and theories on the decision to open a securities trading account with a securities company in Bangkok and its vicinity, and 8) related research. These are integrated and synthesized into a research conceptual framework as shown in Figure 1.

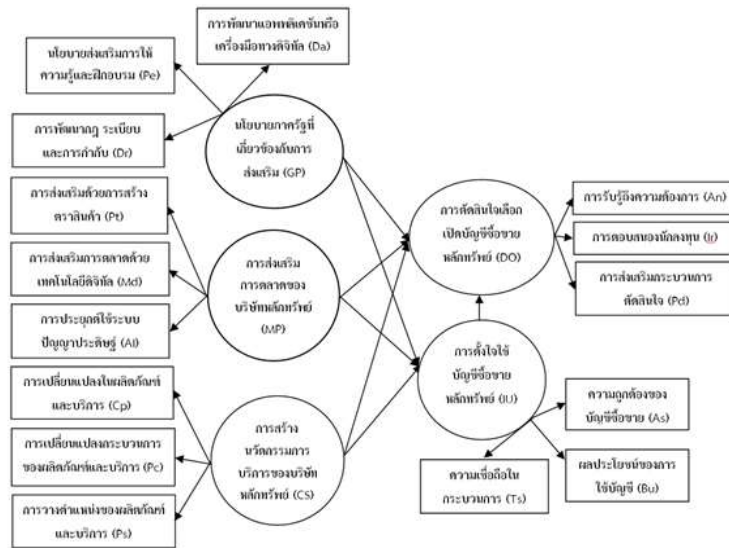


Figure 1: Research conceptual framework

Research Methodology

Population and sample

Population is investors who open securities trading accounts with securities companies in Bangkok and its vicinity. The characteristics of the sample must be investors who open securities trading accounts, aged 20 years and over. In calculating the sample size, the criterion of 20 times the observed variables, 15 variables, is a sample group = $20 \times 15 =$ not less than 300 people, using the sampling technique. The convenient sampling method is used because it has the advantage of making every sample have an equal chance of being randomly selected in order to obtain the required number. This research requires individual opinions more than other factors, and is only interested in retail investors, not institutional investors who need a committee to make decisions to buy and sell securities.

Research tools

The research instruments consisted of questionnaires and in-depth interviews to find the quality of the research instruments (Validity, Reliability) consisting of 1) checking the quality of the questionnaires and sending it to 5 experts to check the quality of content validity (Content Validity) to find the index of consistency between the questions and the characteristics according to the research objectives that want to measure. 2) Finding the reliability (Reliability) by the researcher took the questionnaires that were revised according to the advice of experts and passed the structural and content checks from experts to conduct a pilot survey by taking it to try out (Try-out) with a sample group of 30 people to check the reliability (Reliability). The reliability measurement of the questionnaires was the Crohn's alpha coefficient of 0.70 or higher.

Data collection procedures

1. Quantitative Research Methodology is a survey research and will collect data from questionnaires using a sample of 300 people.

2. Qualitative research will use semi-structured in-depth interviews with 2 senior executives of the securities company, 2 senior marketing executives, and 1 officer of the regulatory agency or policy officer. and 1 investor representative, totaling 6 people

Data analysis/statistics

Data analysis/statistics includes statistical values of mean and standard deviation. Factor Analysis using Confirmatory Factor Analysis (CFA) and Path Analysis to find the path and direction of the relationship between causal and effect variables of the causal factors in deciding to open a securities trading account with a securities company in Bangkok and its vicinity.

Summary and discussion of research results

Summary of the research results of the path relationship analysis based on the revised linear structural equation model shows the development of a causal relationship model of the factors influencing the decision to open a securities trading account with a securities company in Bangkok and its vicinity (DO). The results of data analysis showed that the structural equation model was consistent with the empirical data. After adjusting the model, it was found that the main hypothesis was accepted that the theoretical model was consistent with the empirical data. This was considered from the chi-square (c^2) statistic value of 78.13, the degrees of freedom (df) of 69, and the p - value of 0.211. Passing the criteria is that it must have a significant value of more than .05, the relative chi-square value (c^2 / df) is equal to 1.132. Passing the criteria is that it must have a value less than 2 when considering the value of consistency from the Goodness of Fit Index (GFI) is equal to 0.97. Passing the criteria is that it must have a significant value of more than 0.9, the AGFI value is equal to 0.94. Passing the criteria is that the value must be more than 0.9 and the RMSEA value must be equal to 0.021. Passing the criteria is that the value must be less than 0.05.

The model of measurement of government policy variables related to promoting the decision to open a securities trading account with a securities company (GP) found that the factor weight (Factor Loading) of every value passed the specified criteria, which is to have an important value of more than 0.3, with the policy to promote knowledge and training about investing in securities (Pe) having the most important factor weight value of 0.95. The R^2 value is 0.90. Next is the development of applications or digital tools that help investors conveniently access securities trading information (Da). The weight of the important components is equal to 0.94. The R^2 value is 0.88 and the development of rules, regulations and supervision of securities trading (Dr) has the least important component weight value of 0.84. The R^2 value is 0.70.

The measurement model of the variable, Marketing Promotion of Securities Companies (MP), found that the factor weight (Factor Loading) of every value passed the specified criteria, which is to have an important value of more than 0.3, with Marketing Promotion with Digital Technology (Md) having the most important factor weight value of 0.85 and an R^2 value of 0.72. Next is the application of artificial intelligence (AI) system, which has the least important component weight value of 0.80, with an R^2 value of 0.65, and the promotion by creating the brand of securities companies (Pt), which has the least important component weight value of 0.79, with an R^2 value of 0.635.

The measurement model of the variable, Service Innovation Creation of Securities Companies (CS), found that the factor weight (Factor loading) of every value passed the

specified criteria, which is to have an important value of more than 0.3, with the product and service process change (Pc) having the most important factor weight value of 0.87. The R^2 value is 0.75, followed by change in products and services (Cp). It is equal to 0.76. The R^2 value is 0.58, and product and service positioning (Ps) The minimum value is 0.72. The R^2 value is 0.52.

Measurement model of the variable of intention to use securities trading account (IU) It was found that the factor weights (Factor Loading) of all values passed the specified criteria, which is to have an important value greater than 0.3, with the benefit of using a securities trading account (Bu) having the most important factor weight value of 0.97. The R^2 value is 0.95, followed by the accuracy of the securities trading account (As), which has the most important component weight value of 0.90, the R^2 value is 0.81 and Trust in the Securities Trading Process (Ts) The weight of the most important component is the least, equal to 0.87. The R^2 value is 0.76.

Variable measurement model: Decision making to open a securities trading account with a securities company in Bangkok and its vicinity (DO) It was found that the factor weights (Factor Loading) of all values passed the specified criteria, which was to have an importance value greater than 0.3, with the promotion of the decision-making process for opening a securities trading account (Pd) having the most important factor weight value of 0.87, with an R^2 value of 0.75, followed by the perception of need (An) having the most important factor weight value of 0.85, with an R^2 value of 0.73. And investor response (Ir) has the least important component weight value of 0.83 with R^2 value of 0.69.

The results of the path analysis based on the modified linear structural equation model show the influence of the development of the causal relationship model of the factors affecting the decision to open a securities trading account with a securities company in Bangkok and its vicinity (DO) by considering the consistency and harmony, including the prediction equation of the structural model of the causal factors in the decision to open a securities trading account with a securities company in Bangkok and its vicinity (DO). From the results, the influence path of the causal elements can be explained as being positively influenced by the intention to use the securities trading account (IU) with a value of 0.33, which is statistically significant; being positively influenced by the government policy related to promoting the decision to open a securities trading account with a securities company (GP) with a value of 0.17, which is statistically significant; and marketing promotion of the securities company (MP). There is a statistically significant value of 0.20 and the creation of service innovation of securities companies (CS). The value of 0.31 is statistically significant.

It was also found that the intention to use a securities trading account (IU) was influenced by government policies related to promoting the decision to choose to open a securities trading account with a securities company (GP) with a statistically significant value of 0.15, and was influenced by the marketing promotion of the securities company (MP). Value 0.58 and is influenced by the innovation of securities companies (CS) There is a value of 0.29 that is statistically significant. Therefore, the research results on the decision-making guidelines for choosing to open a securities trading account with a securities company in Bangkok and its vicinity are consistent with the empirical data developed according to the theoretical concept, which is consistent with the empirical data. From the conclusions obtained from the quantitative and qualitative research of the causal factor model of the decision to open a securities trading account with a securities company in Bangkok and its vicinity, as shown in Figure 2.

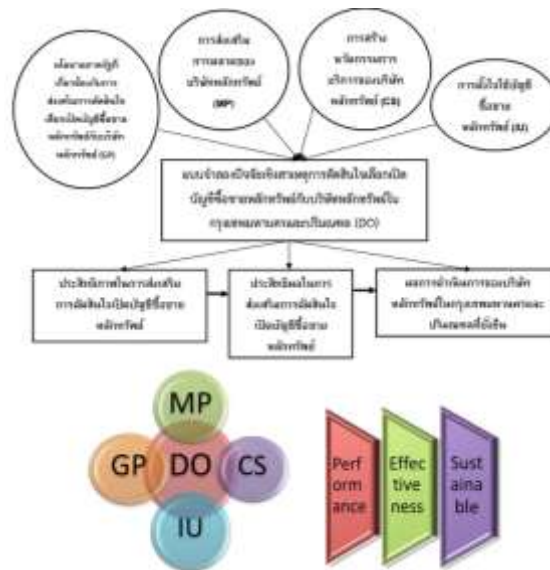


Figure 2: Model of causal factors influencing the decision to open a securities trading account with a securities company in Bangkok and its vicinity.

Discussion of results

This research, from the conclusion of the causal factor model of the decision to open a securities trading account with a securities company in Bangkok and its vicinity, has important issues that are discussed as follows:

1. Guidelines for developing government policies to be more effective in promoting the decision to open a securities trading account by upgrading regulations, upgrading rules and regulations to be up to date and in line with rapidly changing technology and financial environment, and creating clear measures to prevent and manage financial and investment risks. This is consistent with Aggarwal and Jha (2023) who found that the use of online technology in developing easy and convenient channels to access investment information, such as websites and applications that provide useful information. Promoting the use of advanced technology Supporting research and development of new technologies will help increase investment efficiency and safety. Promote the use of artificial intelligence and blockchain

2. More effective marketing of securities companies can be carried out by using advanced technologies such as AI and big data analytics to analyze investor behavior and needs, allowing marketing to be more accurate and targeted, increasing investor confidence. This is consistent with Jadhav, Gaikwad and Bapat (2023) who found that developing interesting and accessible marketing media, creating interesting and useful content for investors, such as learning videos, infographics and easy-to-understand and interesting articles, and using social media for marketing will help reach the target audience quickly and effectively.

3. Guidelines for developing service innovations to make them more efficient. Using modern technologies such as artificial intelligence (AI) and machine learning to analyze data and provide accurate and personalized investment advice, helping investors make better decisions, in line with Lee & Chen. (2024) It was found that presenting accurate information would help investors of all levels to use the platform conveniently. Developing high-performance applications that can work quickly and without technical problems.

4. To make the intention of using the securities trading account more effective, it can be done by increasing the convenience of using the account. Developing a trading platform with a user-friendly and efficient interface will help investors to make transactions quickly and

without problems, in line with Johnson. & Smith (2023) found that the development of mobile applications with complete functions and ease of use allows investors to follow the market and make transactions anytime, anywhere. Increasing security and reliability by using advanced data encryption technology, such as high-security data encryption to prevent cyberattacks and unauthorized access to data. Regular and continuous inspection and improvement of security systems to maintain the security of investor data and transactions.

5. Guidelines for developing future demand awareness to make investor demand awareness more effective. By using AI and Machine Learning to analyze investor data and behavior, the company can accurately and quickly recognize investor demand, in line with Martinez. & Wong (2024) found that creating a variety of communication channels, using social media to communicate and recognize investors' needs will help companies respond to needs quickly and efficiently.

AI- driven trading systems or Robo-Advisors will have a significant impact on investors' decisions based on data -driven decisions. By continuously analyzing market data and news in real time, it can provide updated and accurate advice that will help investors make decisions based on current market conditions. The use of automation reduces errors from decisions caused by emotions or personal feelings, allowing investors to invest more disciplined and systematically. Robo-Advisors can analyze and rank investors' risks and will allocate assets appropriately and automatically rebalance the portfolio according to market changes. Robo-Advisors ' operations often disclose the principles and algorithms used in decision-making, which helps create credibility and transparency, and this system often offers risk diversification through investment in various types of assets, which helps the portfolio to be more stable in the long run. In the future, Robo-Advisors will play an important role in changing investors' decision-making methods by providing accurate information and advice tailored to each person's risk profile, reducing investment costs, and increasing transparency in the investment process, allowing investors to make decisions more efficiently and systematically.

Economic uncertainty and regulatory changes have impacted securities companies in many dimensions, which affects branding in terms of trust and reliability. In times of economic uncertainty or new regulations, companies need to focus on building a strong and credible image to assure customers of their services. Companies may need to rebrand or adjust their communication approach to align with the changing environment, focusing on providing knowledge and transparency about the measures the company is taking to cope with risks. In terms of marketing promotion, due to market volatility, companies need to develop strategies that can be quickly adapted, whether it is focusing on online channels or using digital tools to reach target customers. In a situation where information changes rapidly, clear and timely communication can help build customer confidence. In terms of service innovation, companies need to invest in new technologies, such as automation, artificial intelligence (AI), or digital platforms, to increase efficiency and convenience in providing services. Developing products that comply with new regulations may open up opportunities to create new products that meet the needs of today's customers, such as products that emphasize transparency and effective risk management. Therefore, economic uncertainty and regulatory changes are driving securities companies to adapt quickly and develop strategies for branding, marketing, and service innovation. Responding effectively to these changes will not only help companies retain their existing customer base, but also open up opportunities to expand their markets and create competitive advantages.

In addition, from the conclusion, it can be seen that the competition between Thai securities companies and international brokerage companies is different in many aspects

because both groups have different strengths and weaknesses. The comparative analysis will cover many aspects, including regulations, marketing, customer relations, finance and investment, and global competition, market access, regulatory framework, technology and innovation, as well as business and service models. Thai securities companies have advantages in terms of understanding the domestic market and relations with the government and domestic economy, but face challenges in adapting to technology and expanding services internationally. International brokerage companies, on the other hand, offer access to a variety of markets with cutting-edge technology and international regulatory standards, but must adapt to Thailand in order to maintain their competitiveness. The success of both parties depends on their ability to adapt and apply new innovations to meet the changing needs of investors in the digital age and globalization. Cooperation and the development of service systems that meet both local and international needs will be key to future competition.

Examples of comparison of the Thai stock market standards with foreign markets such as Hong Kong and Singapore in terms of supervision and control, such as the Hong Kong and Singapore markets, there are strict supervision systems that are in line with international standards, resulting in international credibility, including the enforcement of clear regulations for risk assessment and inspection, strict policies and guidelines for information disclosure that are in line with international standards, such as clear reporting of operating results and disclosure of financial information, using modern technology systems that are stable and support fast transactions, which help increase liquidity and efficiency in trading, and the Hong Kong and Singapore markets are international financial centers with continuous foreign investors due to the stability and transparency of the markets. As for the Thai stock market, it is in the process of developing to be on par with international standards in terms of transparency and information disclosure. It is developing technology in both digital systems and online platforms. Although it is open to foreign investors, it sometimes faces issues of trust and full adaptation to international standards. In conclusion, the Hong Kong and Singapore stock markets have strict standards in terms of supervision, transparency, technology, and openness to foreign investors, which help these markets to be accepted internationally, while the Thai stock market is in the process of developing and improving various systems to be more competitive on the international stage, focusing on enhancing transparency, technology systems, and enforcing stricter regulations in the future.

In addition, from the analysis in all dimensions, it can be seen that the competition between Thai securities companies and international brokerage companies is complex and diverse, both in terms of technology strategies and responses to global market conditions. Therefore, investors and service providers must be flexible and continuously adapt to maintain their advantages in an era where change is normal in the modern financial market. It can be seen that Thai securities companies focus on providing services to domestic investors, have expertise in local markets, lower fees but smaller sizes and more limited products. International brokerage companies are large, have global networks, a variety of products, modern technology but higher fees and focus on large customers/institutions. The competition between Thai securities companies and international brokerage companies will cause both groups to continuously adapt and develop themselves to maintain their advantages in the rapidly changing financial market.

The causal factors of decision making in choosing to open a securities trading account with a securities company in Bangkok and its vicinity can be applied to develop marketing strategies and operate securities companies more efficiently and are also useful for the government sector in setting policies that promote sustainable growth of this industry.

Research Suggestions

The research suggestions are as follows:

1. In deciding to open a securities trading account with a securities company in Bangkok and its vicinity, it will be influenced by service, reliability, returns, and technology. When senior executives are aware of these factors, they can develop them to effectively influence their decision to open a securities trading account.

2. In planning activities leading to investors’ decision to open a securities trading account with a securities company to be effective, it will enable the business to grow in line with the economic conditions and competition in the changing world. Securities companies and senior executives, including those involved, can apply it to maximize the benefits for the development of the securities business in improving and developing guidelines to meet the needs of investors and to be able to compete sustainably.

3. Investors often expect technological facilities and equipment that will help support the use of securities trading accounts, including the preparation of a support system that is more accurate, the quality of the system and information, and security, which are important factors in creating credibility in using or conducting financial transactions and receiving the most benefits from securities trading accounts.

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