

STRATEGIC ANALYSIS OF ONLINE TRADING IN INDIA**B. Kunte**

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ABSTRACT

This research is mainly focused on present scenario on online trading in India. This research is based on secondary data. This research study focuses on history of online trading in India, Growth of Indian online trading firms, changing scenario of online trading and investment companies, Rise and fall of investing apps in India etc. This research will be helpful to all online trading firms to identify challenges and opportunities in front of them and to design their strategic plans accordingly. It will be also helpful to students, academicians and corporate.

Keywords: Online trading, Investment, Stock market, SWOT, Stock broker firms.

Introduction

There are a variety of features available in online trading, such as the ability for investors to register with a specific online trading platform and agree to the company's terms and conditions. The servers are linked to the stock exchange and the online trading platform's respective banks. Updates and current status are delivered via text message and email. As a result, the client can be identified through the procedure. By reading and comprehending the content offered by the Brokerages' websites, the client makes their own judgement. Nowadays, information flows like a river in the market and on many websites. This information is extremely beneficial to clients, and it is occasionally used as a point of reference.

Literature Review

P. Ancuta (2015), observed that there is a need to attract new people to invest in online trading and also have to strategize the business to keep the users active. As the investors are becoming aware more about the internet, they have started using online trading apps.

A. Bade (2017), identified that in India online trading has lots of scope as investors just started trading through online mode and specially with the use of mobile apps.

Research Methodology

Secondary data is the main source of this research study. The data is gathered from news articles, blogs, educational websites and some

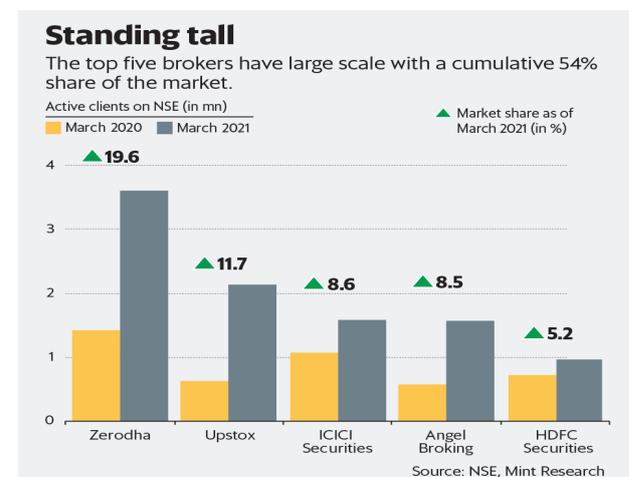
research papers. This research paper is mainly focused on strategic analysis of online trading in India.

Research Objectives

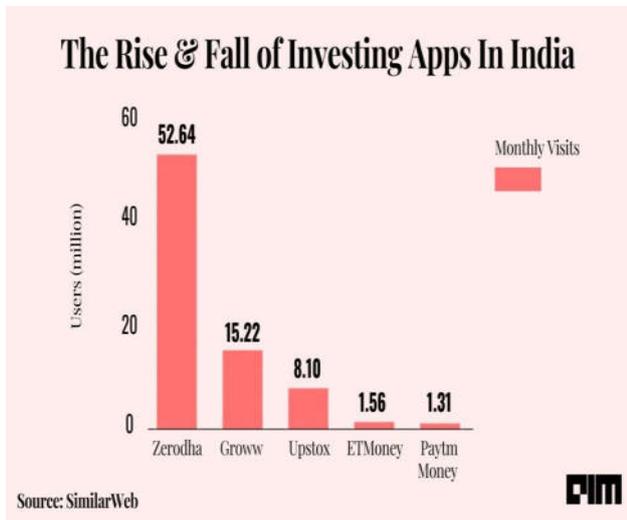
- To study the SWOT analysis of online trading in India
- To study the present status online trading firms in India.
- To study the opportunities and challenges for online trading companies in India.

Secondary Data Analysis

Zerodha, Upstox, ICICI securities, Angel Broking and HDFC Securities are the top five trading companies in India. These top five trading companies have 54% market share. As per the NSE these companies have highest active clients on National Stock Exchange (NSE).



Zerodha, Groww, Upstox, ETMoney and Paytm Money are top online trading and investing apps in India. As per the Similar web report these top online trading apps in terms of highest active users.



Zerodha and Upstox are two top market leaders in online trading in India. Both are discount brokers but the major difference is Zerodha offers direct mutual fund investment and upstox don't offer it.

Zerodha		Upstox	
Online Discount broker	👍	Online Discount broker	👍
Offers only Flat Fee Plan	👍	Offers Basic and Priority Plan	👎
Intraday Trading - Rs.20 or 0.03% (whichever is lower)	👍	Intraday Trading - Rs.20	👍
Kite, Console, Coin, Sensibull, GoldenPi - Platforms	👍	Upstox Pro Web, Upstox Pro Mobile & Upstox Pro Terminal	👎
Zerodha offers Direct Mutual Fund Investment	👍	Upstox does not offer Direct Mutual Fund Investment Facility	👎

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Zerodha is online discount broker while Angel broking is full service provider. Even though Zerodha is top market leader Angel broking still offers more margin to its investors.

Zerodha		Angel Broking	
Online Discount broker	👍	Full-service broker	👎
Doesn't provide research advisory	👎	Research advisory for your investments	👍
Equity Delivery Charge - NIL	👍	Equity Delivery Charge - NIL	👍
Intraday Trading - Rs.20 or 0.03% (whichever is lower)	👍	Intraday Trading - Rs.20	👍
Margin provided up to 20x	👎	Margin provided up to 40x	👍
Kite, Console, Coin, Sensibull, GoldenPi - Platforms	👍	Angel Broking App, Angel BEE, SpeedPRO - Platforms	👎
Zerodha offers Direct Mutual Fund Investment	👍	Angel Broking only offers Regular Mutual Funds Investment	👎
Single id for every client	👎	Operate multiple family member's accounts under single id	👍

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Challenges in front of Online trading companies

Common man generally lack in wisdom of share market and they don't believe on their own decision. So, mainly they are dependent on crowds decision. This is a time where the investors fails and hence, fall in a trap of buying unnecessary shares.

Mainly the investor doesn't have the information related to particular company. Generally, it happens with small and medium short-listed companies and they even don't find relevant to do research. Many investors are not aware about the up and down of the share prices.

In present scenario of the world, stock markets are integrated with world markets. Any type of fluctuation in global market, affects the Indian stock market. This kind of affect is sometime direct and sometime indirect.

Conclusion

Zerodha is the top online broking firm in India, it have 19.6 % market share in terms of active users followed by Upstox 11.7%, ICICI Securities 8.6%, Angel broking 8.5% and HDFC Securities 5.2%. It is also observed while studying that in terms of online trading and investment apps zerodha is leading the market with 52.64% followed by Groww 15.22%, Upstox 8.10%, ETMoney 1.56% and 1.31%.

Share of online trading is growing since 2015. Well-structured process needs to follow for online trading. Handling of online trading is easy but comes with some risk. In year 2019 the first-time user of online trading increases

across various organization. Awareness about usage of online trading is less across India.

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