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# A Study on Online Trading in Indian Stock Market

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**Abstract:** *This study explores the new trend in online trading in relation to businesses and brokerages. One of the key components of the Indian economy that affects the nation's financial health and rate of economic growth is the stock market. In the modern world, there are millions of internet users, many of whom come from rural backgrounds. GPL (Globalization, Privatization, and Liberalization) and the internet have had a significant impact on people's views during the past 30 years, starting in 1991. The sole factor determining a company's success is client pleasure. The goal of the current study is to determine consumer knowledge of internet trading. The study's primary goal is to comprehend how internet trading functions. The main justification for investing in the stock market is compelling and simple to understand*

**Keywords:** *online trading, stock market, privatization, economic growth.*

## I. INTRODUCTION

Online trading involves the purchasing and selling of different equities using various online platforms and methods. These companies that operate online trading platforms play a significant role in new industries, having a stronger impact on several financial institutions and the economy. Because of the internet, all of these enterprises have a successful history and will continue to have an impact for years to come. Online trading includes the purchasing and selling of bonds, shares, mutual funds, debts, gold, and many other items. Many companies have moved online in order to save time, provide consumers with convenience, and make money.

This has had a significant impact on sales and establishing a successful company. This company begins offering greater discounts on a variety of goods and services, satisfying the needs of internet businesses. Anyone can buy and sell shares, money, and other commodities using an online trading platform from the comfort of their own home. Anyone can use the internet platform; no special knowledge or training is required. The market's functioning and investors' methods of accessing it have changed as a result of online trading, which has been made possible by the internet.

Trading has moved online almost everywhere, and the Bombay Stock Exchange and the National Stock Exchange successfully undertake online trade. The most crucial element in internet commerce was probably connectivity, and India has made significant progress toward achieving connectivity across the country. You can use email or a mobile device to verify the status of your trade when trading online.

## II. REVIEW OF LITERATURE

The research paper "A Review of Online Trading" by Rebecca Davies and Stuart Cunningham (2012) claims that the literature is related to the roles and contributions of online trading and discusses them in a coherent, meta-analytic way. Two studies have been conducted to offer a view of the current internet trading practices in the United Kingdom (UK) in order to further advance knowledge in the field. Online surveys and interviews utilizing the Repertory Grid technique were used to gather the data. The participants' perceptions and preferences can be expressed using this method, which has roots in personal construct psychology, in their own words or personal constructions. Abdul Rahim (2013) 2 explains the relationship between SEBI and NSE in his research paper "Problems and Prospects of Online Share Trading Practices in India, International Journal of Marketing, Financial Services, and Management Research". NSE has implemented online trading of securities in accordance with SEBI regulations. In his research, he also included the advantages of investing in stocks or equity-oriented mutual funds over a longer period of time. In his research paper "Benefits and Drawbacks Of Online Trading," Petric Loana Ancuta (2015) 3 explains that investment and financial services companies should use other factors that influence the decision to switch from traditional to online trading to guide their marketing campaigns to attract more investors to online platforms. Additionally, he asserts that when investors have extensive stock market expertise, greater education, and computer savvy, they will convert to online trading. In his work "Impact of Internet Growth on Online Stock Trading in India," Dr. Sarika Srivastava (2016) notes that the internet has reduced geographical boundaries for customers and increased their knowledge of financial products and services. This research paper's main goal is to examine how the expansion of the internet has affected stock market trades.



The current condition of internet trading in India, in particular the size of the online trading market there, is also covered in the study. Professor Aadil Bade (2017) In the Department of Commerce's "Analysis: Demat Account and Online Trading.", in this work, which was published in the Scholarly Research Journal for Interdisciplinary Studies, Professor Aadil Bade has examined Demat Account and Online Trading. He claimed that online trading is still in its infancy in India.

### III. OBJECTIVES

- 1) To research the idea behind online trading.
- 2) To understand the growth of online trading.
- 3) To research the difficulties faced by Indian online traders.
- 4) To research India's internet trading SWOT analysis.

### IV. RESEARCH METHODOLOGY

Refers to the precise methods or processes utilized to locate, assess, compile, and choose relevant data. The methodology portion of a research paper aids the reader in assessing the validity of the study

#### A. Benefits of Online Trading:

Practical the manner in which ordinary people now invest in the stock market through numerous platforms has been significantly impacted by online trading. The client finds it very simple to access, peruse, and compare numerous reports and figures. Even the customer uses an online payment to complete the transaction. Today's market and online resources are rivers of information. Clients find this information to be highly useful, but it can also occasionally cause online trading to fail. The information is sent by the brokerages via email or chat, which helps cut down on the need for middlemen like agents. More power small businesses now have the ability or privilege to compete with numerous large organizations in the stock trading market thanks to online trading. The size of a certain organization is irrelevant when operating online. Individuals' control Due to online trading, customers can access or trade independently through a portal or website, where they can also make payments, purchase and sell stocks of other firms, and engage in intraday trading

#### B. Challenges in Indian Online Trading

- 1) Blindly adhering to trends the average person generally lacks knowledge of the stock market and confidence in their own judgment. Therefore, they rely primarily on the judgment of the audience. Investors struggle at this time and end up falling into the trap of purchasing irrational stocks.
- 2) Insufficient data on the mentioned firms the investor typically lacks knowledge about a specific company. Small and medium-sized short-listed companies frequently experience this, and many even feel that conducting research is not necessary
- 3) Worldwide Impacts In the current global environment, stock markets are interwoven with global markets. The Indian stock market is impacted by any form of change in the world market. This kind of impact can be both direct and indirect.

### V. ANALYSIS OF SECONDARY DATA

#### A. Tools For Data Collection

Questionnaire is the main tool of data collection.

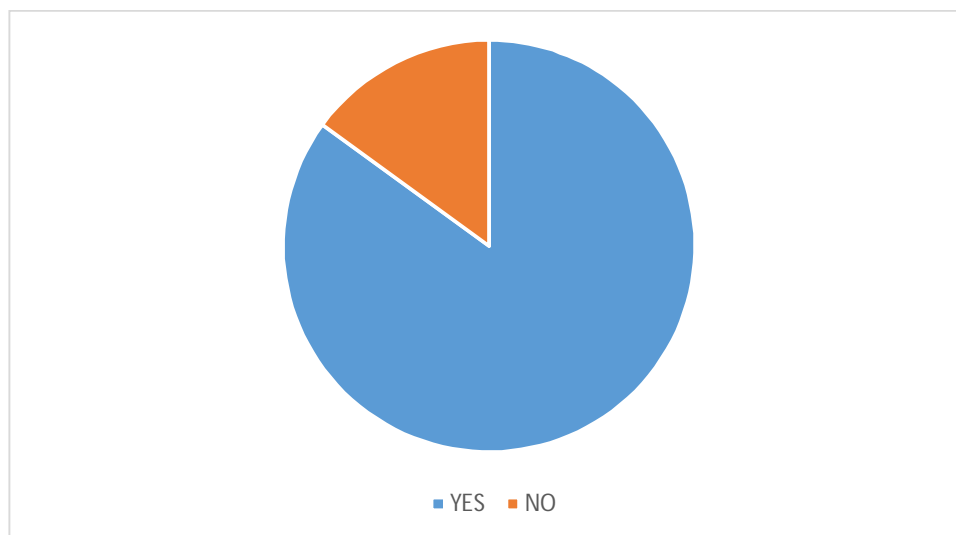
#### B. Statistical Tools Used

The following are the statistical tools used in this project to get specific results.

Q1. Do you have idea about any online trading platform?

- YES
- NO

| YES | NO  |
|-----|-----|
| 85% | 15% |



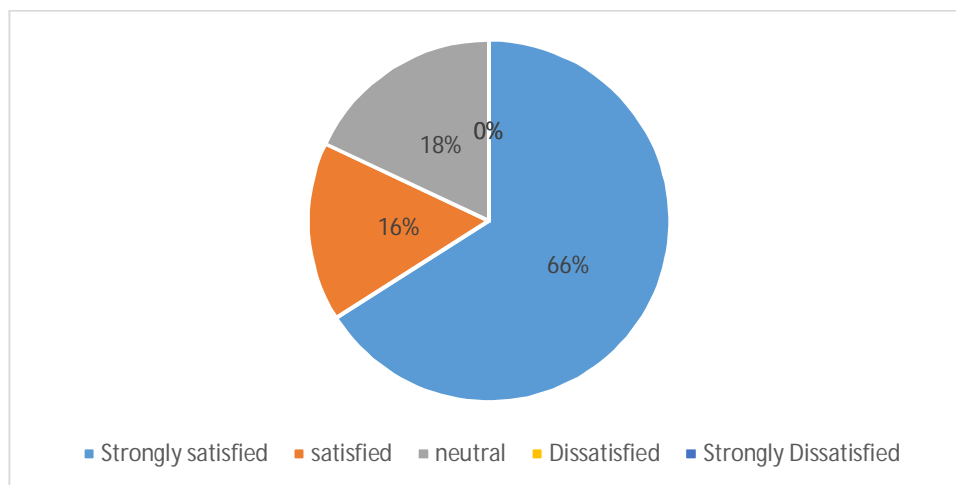
#### INTERPRETATION:

From the above chart we know that 85% people are using online trading platform whereas 15% of people are not using any trading platform.

Q2. To what extent are you satisfied with trading experience?

- Strongly satisfied
- Satisfied
- Neutral
- Dissatisfied
- Strongly dissatisfied

| Strongly satisfied | satisfied | neutral | Dissatisfied | Strongly Dissatisfied |
|--------------------|-----------|---------|--------------|-----------------------|
| 66%                | 16%       | 18%     | -            | -                     |



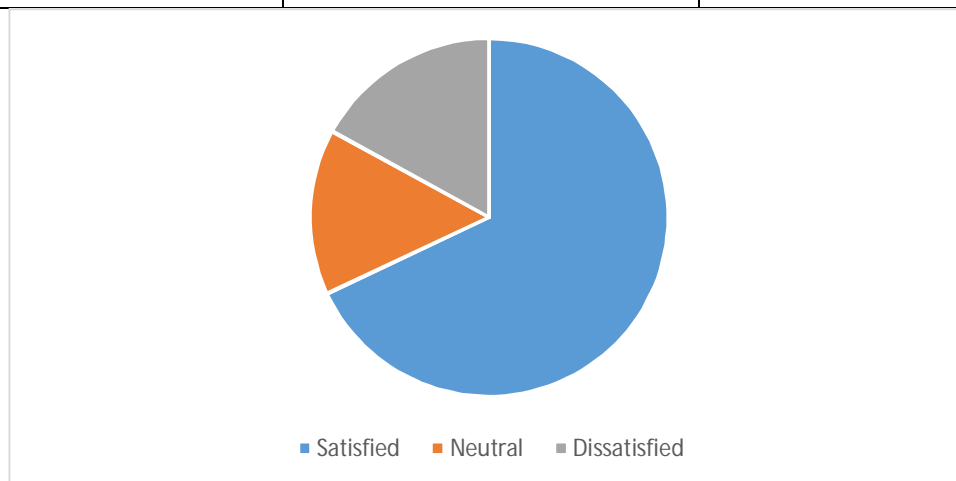
#### Interpretation:

From the above chart we know that among the people using online trading, 66% are highly enjoying online trading, 16% are satisfied and 18% have neutral feeling about trading.

Q3. Are you satisfied with the customer support team?

- Satisfied
- Neutral
- Dissatisfied

| Satisfied | Neutral | Dissatisfied |
|-----------|---------|--------------|
| 68%       | 15%     | 17%          |



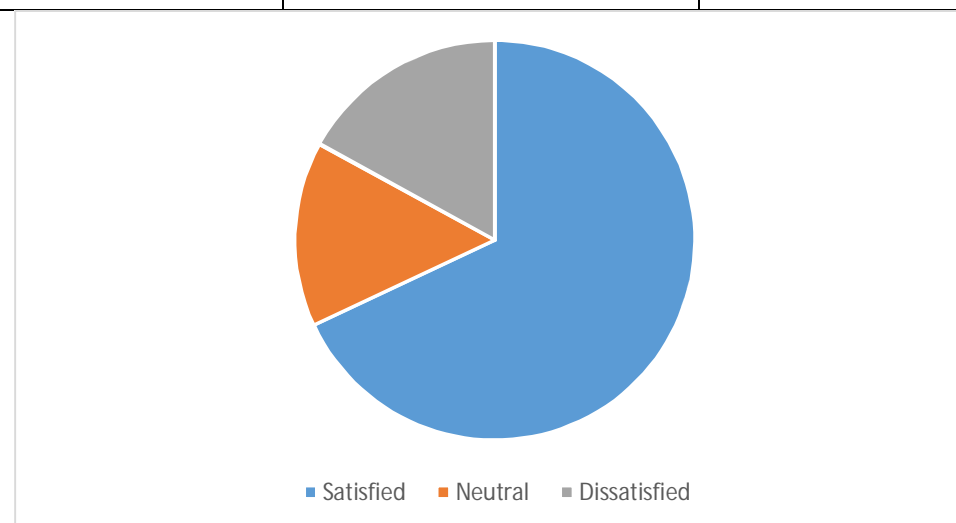
Interpretation:

From the above chart we have known that 68% people are satisfied with the customer support of the online trading platform, 15% people have neutral feeling and 17% are dissatisfied.

Q4. How would you describe trading outcomes?

- Successful
- Normal
- Unsuccessful

| successful | Normal | Unsuccessful |
|------------|--------|--------------|
| 70%        | 30%    | -            |



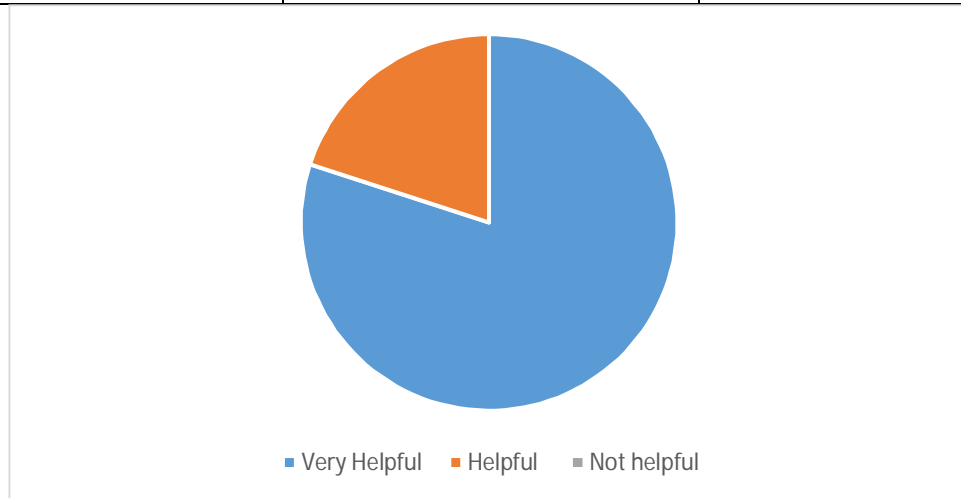
Interpretation:

From the above chart we know that 70% people have got successful outcome from trading whereas 30% have got normal outcomes and there are no unsuccessful outcomes.

Q5. Was the market research and analysis helpful?

- Very helpful
- Helpful
- Not helpful

| Very Helpful | Helpful | Not helpful |
|--------------|---------|-------------|
| 80%          | 20%     | -           |



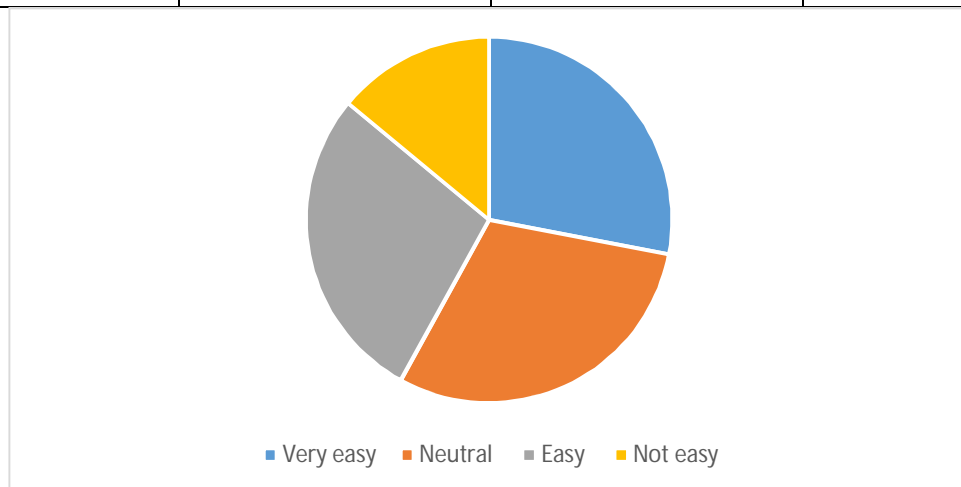
Interpretation:

From the above chart we know that 80% of people find the market and research analysis very helpful and 20% have found it helpful.

Q6. Is trading platform user friendly?

- Very easy
- Neutral
- Easy
- Not easy

| Very easy | Neutral | Easy | Not easy |
|-----------|---------|------|----------|
| 28%       | 30%     | 28%  | 14%      |



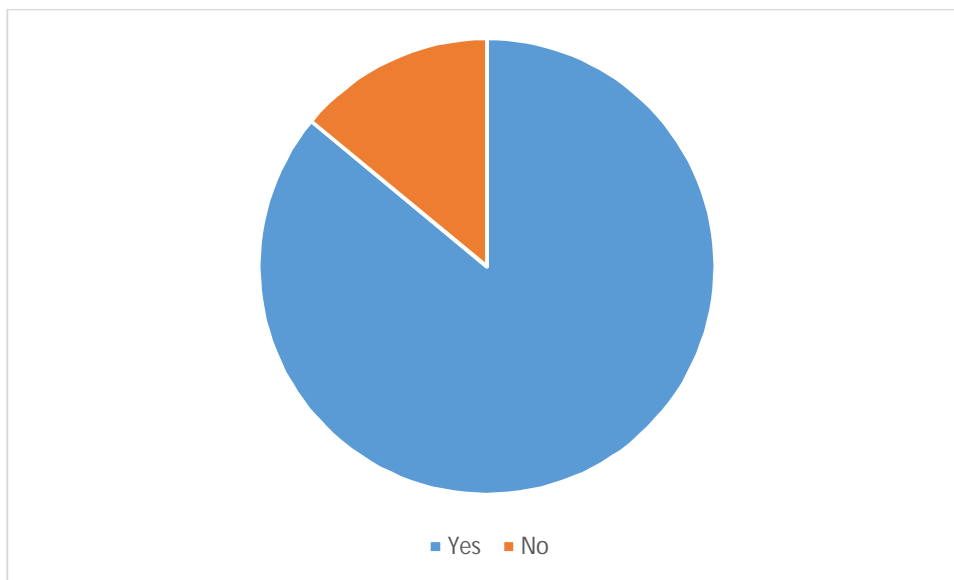
Interpretation:

From the above chart we know that 28% people found trading platform very easy and easy, 30% found it neutral and 14% found it not easy.

Q7. Are trading decisions usually influenced by market news and trends?

- Yes
- No

| Yes | No  |
|-----|-----|
| 86% | 14% |



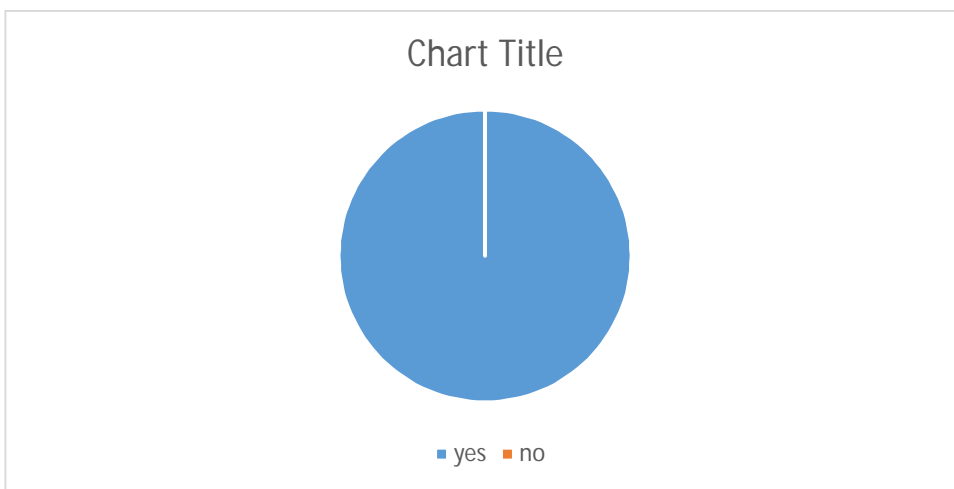
**Interpretation:**

From the above chart, we know that 86% of people feel that trading decisions are usually influenced by market news and trends whereas 14% people feel that market news and trends do not have any impact on trading.

Q8. Do you feel anxious when there is a market downturn or investments lose value?

- Yes
- No

| Yes  | No |
|------|----|
| 100% | -  |



**Interpretation:**

From the above chart we know that every person using a trading platform feel anxious when there is downturn or investment lose value.



## VI. FINDINGS

- 1) Online trading's market share has increased since 2015.
- 2) Online trading must adhere to a well-structured methodology.
- 3) Online trading is simple to manage but involves some risk.
- 4) Across all organizations, the number of people using online commerce for the first time is rising in 2019.
- 5) There is a lack of awareness of online trading in India.

## VII. SUGGESTIONS

- 1) Highlight the rapid growth of online trading platforms, driven by increased internet penetration and smartphone usage.
- 2) Explain the process of opening a Demat and trading account, which is mandatory for trading in India.
- 3) Mention popular Indian trading platforms like Zerodha, Upstox, and Groww, emphasizing their user-friendly interfaces.
- 4) Briefly outline SEBI's role in regulating online trading to ensure investor protection and transparency.
- 5) Mention the rise of algo-trading and AI-driven insights in online trading, making investing more accessible.
- 6) Encourage using online resources, webinars, and courses to understand market fundamentals and trading strategies.

## VIII. CONCLUSION

Contribution to the capital market is crucial because it closes the gap between capital revenue and deficit. Therefore, we need to enhance the variety of ways we invest. Everyone should support internet trade since it is essential to the growth of the economy. Online trading is drawing an increasing number of investors looking for profits. Tax advantage. To educate the client about online trading, numerous educational programs should be established. Online transactions must always be safe and have a sufficient backup and recovery plan. Access should be made fair and open as the primary goal. The investor should become knowledgeable about market developments. Investors should be aware that trading can have both positive and negative impacts before making an investment in the stock market.

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