



“STRATEGIC APPROACH OF STOCK BROKING LTD AND ITS COMPETITORS REGARDING DEMAT ACCOUNT AND SHARE TRADING ”

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ABSTRACT

The history of stock brokers can be traced back to the origins of the first stock exchange in 1602 at Amsterdam. Even before that brokers are said to have existed in France dealing with government securities. The Amsterdam Stock Exchange was involved in buying and selling of shares for the Dutch East India Company.

However, the first real stock exchange came up in Philadelphia in the United States during the late 18th century. Later it was the New York stock exchange which saw a rise in its popularity. Wall Street, as it was called, became the hub of brokerage activities. Earlier stock brokers were largely unorganized, but later most of them joined hands to form institutes and organizations.

INTRODUCTION TO THE INDUSTRY

The stock broking duties are now mostly taken up by major organizations with the smaller companies being absorbed by them. In India, too with increasing globalization the major corporations are penetrating deeper into the society.

Till the 1980's stock broking services were used only by the wealthy class who could afford them. Later with the advent of the Internet, stock broking became very easy. Thus, the price tag on stock brokers lowered considerably and their services became available even to the common man.

History of Stock Exchanges in India:

Stock markets refer to a market place where investors can buy and sell stocks. The price at which each buying and selling transaction takes is determined by the market forces (i.e. demand and supply for a particular stock).

In earlier times, buyers and sellers used to assemble at stock exchanges to make a transaction but now with the dawn of IT, most of the operations are done electronically and the stock markets have become almost paperless. Now investors don't have to gather at the Exchanges, and can trade freely from their home or office over the phone or through Internet.

Many more stock exchanges were established during 1980's, namely:

- Cochin Stock Exchange (1980)
- Uttar Pradesh Stock Exchange Association Limited (at Kanpur, 1982)
- Pune Stock Exchange Limited (1982)
- Ludhiana Stock Exchange Association Limited (1983)
- Gauhati Stock Exchange Limited (1984)
- Kanara Stock Exchange Limited (at Mangalore, 1985)
- Magadh Stock Exchange Association (at Patna, 1986)
- Jaipur Stock Exchange Limited (1989)
- Bhubaneswar Stock Exchange Association Limited (1989)
- Saurashtra Kutch Stock Exchange Limited (at Rajkot, 1989)
- Vadodara Stock Exchange Limited (at Baroda, 1990)
- Coimbatore Stock Exchange

OBJECTIVE OF STUDY

1. To study the financial products and services of Stock Broking Ltd.
2. To make a comparative study of competitors of Stock Broking Ltd. in NCR.
3. To Compare online share trading account with the big players in the market.
4. To understand the risk appetite of the investor and consumer.

RESEARH METHODOLOGY

Research Design:-

The design chosen for this project was “DESCRIPTIVE RESEARCH DESIGN” in nature, which is used when the purpose of research is:

- To describe the characteristics of certain groups:
- To estimate the prediction of people in a specified population who behave in a certain way.
- To make specific prediction.

The approaches to data collection are as follows:

Primary Data: These data are collected first time as original data. The data is recorded as observed or encountered. Essentially they are raw materials. They may be combined, totaled but they have not extensively been statistically processed.

Sources of primary data:

In this project primary data was collected through

1. Direct Observation
2. Questionnaire administered by Telephonic interview

Overview

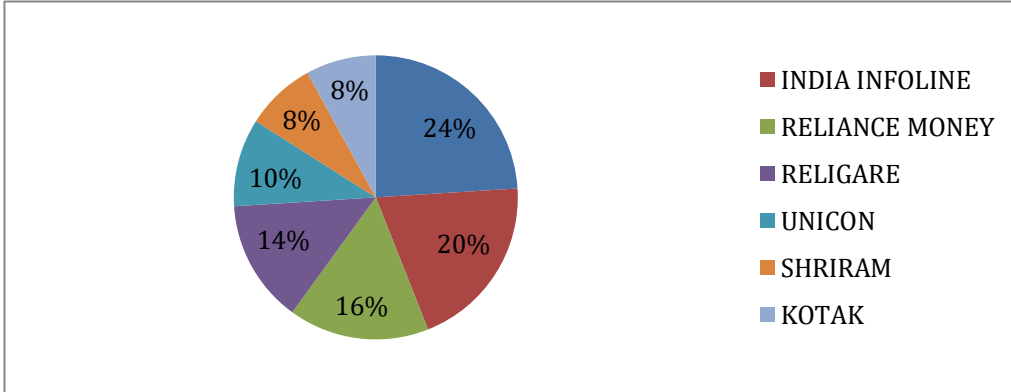
It was established as and company by five chartered accountants during the year 1979-80, and then its work was confined to audit and taxation only. Later on it diversified into financial and accounting services during the year 1981-82 with a capital of rs.150000. it achieved its first milestone after its first investment in technology. It became a known name during the year 1985-86 when it forayed into capital market as registrar.

It is well said that success is a journey not a destination and we can see it being proved. It added the feather of stock broking into its cap. At the same time it became the member of Hyderabad Stock Exchange through associate

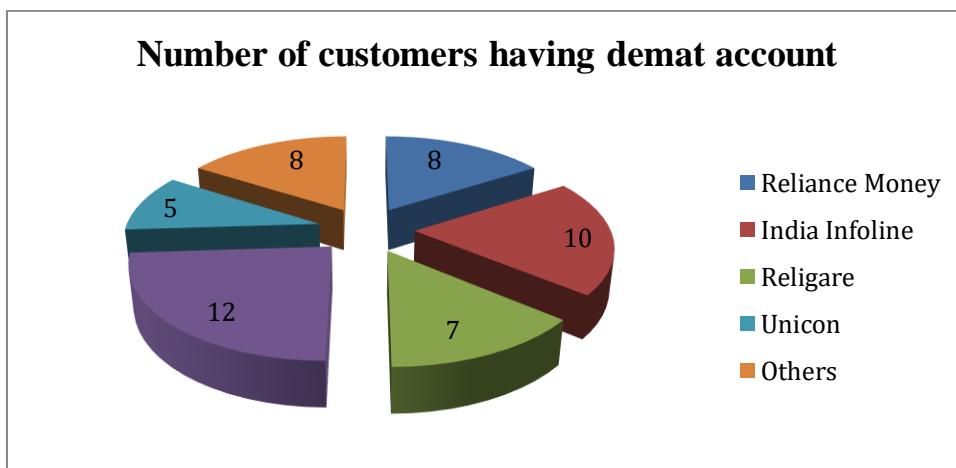
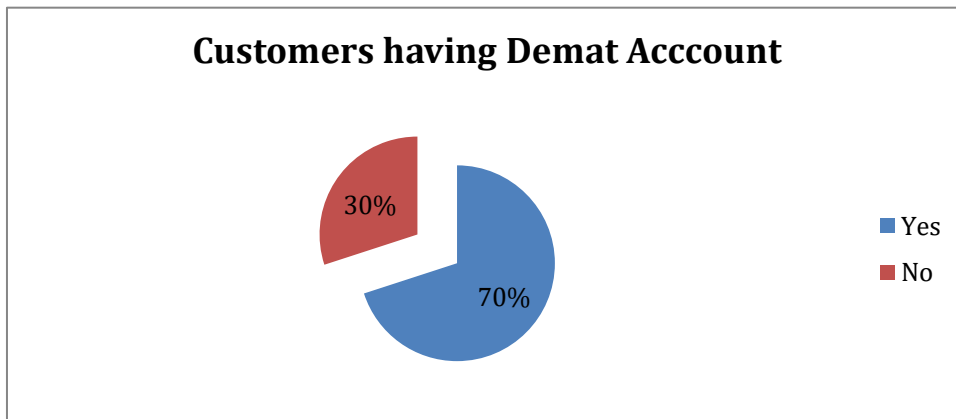
Then it stepped into the other most happening sector i.e; IT enabled services by establishing its own BPO units and at a gap of just 1 year it took the path of e-Business through its website www.karvy.com.

STOCK BROKING LTD.	24%
INDIA INFOLINE DATA ANALYSIS AND INTERPRETATION	20%
RELIANCE MONEY	16%
RELIGARE	14%
UNICON	10%

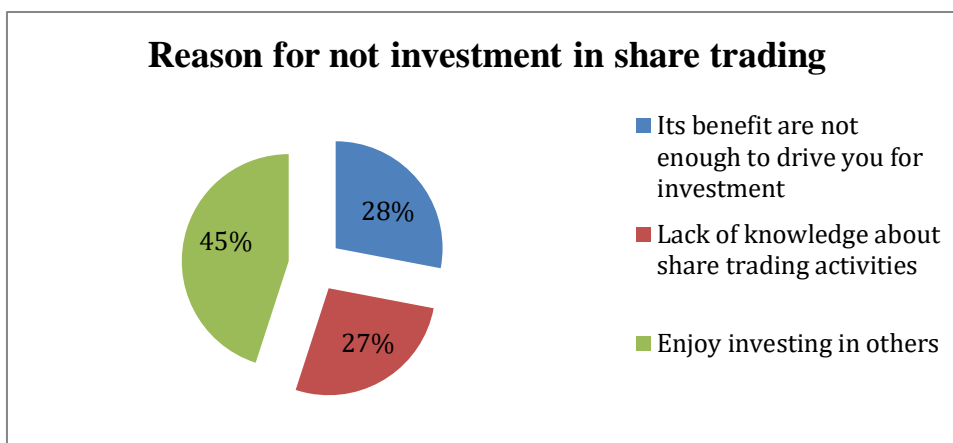
SHRIRAM	8%
KOTAK	8%



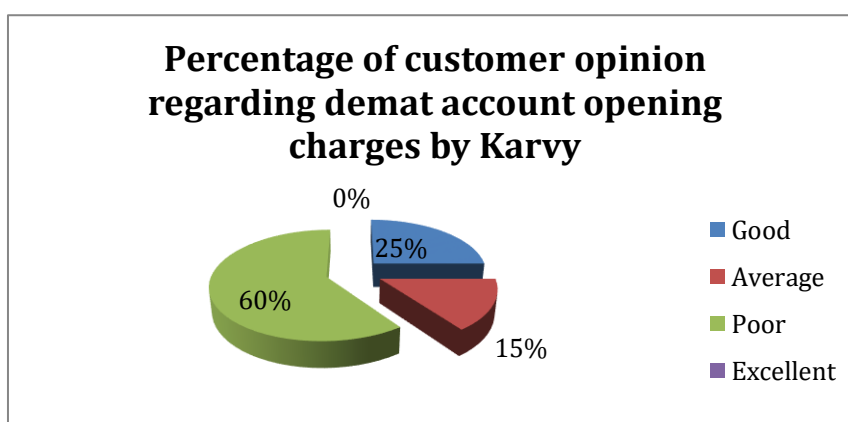
In this above pie chart, we see that 70% of the customers having their Demat Account in any Stock broking Company, while 30% are those persons who have no Demat account due to lack of knowledge about share trading business or lack of affordable money to invest in the share market.



In this above diagram, we see that out of 50 people sample size, 12 no. of customers having their demat account opened in while 10 number of customers having their demat account with India Infoline. Customers having demat account with Religare is counted as 7 from the whole sample size. Only 5 number of customers have engaged in Unicon under which demat account is opened.



From the above mentioned diagram, we are able to understand that 45% of the customers are willing to enjoy investing in others like life insurance, Mutual fund services, IPO etc. Apart from this 28% of the customers do not prefer share trading investment because of they perceive that the benefits are not enough to drive you for investment and rest 27% of the customers having lack of perfect knowledge about share trading activities.



In the above figure, we mentioned that approximate 60% of the customer care dissatisfied regarding charged applied during opening demat account and they ranked as poor on the basis of charges applied for opening demat account. A little portion of the customers ranked karvy good as 25% and 15% of the customers have given average ranking as compared to their competitors.

FINDINGS

After conducting research through applying questionnaire and telephonic interview I reached at a particular point. The major findings about related information are described as below:-

- People think that share trading is the best way to invest money in the share market to increase profit margin within a short period. They are aware of the fact and realizing its importance. The company should try to expand and build up its infrastructure because there is a large potential for share trading in India as guidelines provided by SEBI.
- In a single roof, we found that Stock Broking Ltd. is not only facilitating stock broking services to their customer but also different other financial services are being provided to the customer such as Mutual fund, Insurance, Commodities, DP, Merchant & Inv. Banking, PMS etc.
- The financial product of KSBL has good credibility as compared to its competitors in the NCR town (WB). The objective of the company is not only to facilitate better services to the customers but also to built-up long term mutual relationship with them.
- The entrance of private players will increase the competition and it would be a tough task to secure a good position in the market. In this tough period, it is necessary for the company to adopt the best market strategy in order to capture the large market share as well as potential customers against their rivals firms.
- With the help of above pie chart, we can easily access that 24% from the whole customers should preferred for investment in share trading activities and 70% of the customers having their own demat account in NCR town (West Bengal).

CONCLUSION

While doing my summer internship program I came to a conclusion that this training has helped me much in getting the thorough knowledge about some of the stock broking companies, how these companies are competing against each other for getting the more market share, how they are applying different marketing strategies to attract customers and making them satisfied.

I came to know about the demat account, its benefits, how does it provides services to the customers of which I was totally ignorant when I started my project.

I gathered much more knowledge about Stock Broking Ltd. its services, its strategies, and how every employees of it work hard to achieve the organizational goal i.e. achieve the maximum market share through customer satisfaction.

One thing that I noticed during my work that many people of NCR are not much more aware about the various financial products and services which had to be there. They are ignorant about demat account and lack of knowledge and information about it scared them of investing money in share market. So to generate awareness among them advertising campaign can result in fruitful results. Only a limited percentage of people are enjoying investing money in share market in NCR.

Lastly and not the least as a coin has two sides, It has favorable and unfavorable aspects. The favorable aspect is that it provides lot of benefits to its customers which some of its competitors fail to provide and again less awareness about it among people is its negative side which hinders them to invest their fund confidently.

RECOMMENDATIONS

1. It was observed that the most vital problem spotted is of ignorance. Investors should be made aware of the benefits. Nobody will invest until and unless he is fully convinced. Investors should be made to realize that ignorance is no longer bliss and what they are losing by not investing.
2. It is necessary for a growing company like to adopt some promotional tools to make it present before the willing investors of the country. Many people who are interested to invest in the share market but cannot rely upon because of its less popularity among the general public.
3. Infrastructure of a company plays a vital role for attracting customers from the market. From this side also, has to improve more in order to be caught up in the eye of the customers.
4. For better service providing should have to increase the number of terminals so that maximum no. of transaction can be executed in a short span of time and thus it would help in increasing the customer's satisfaction.

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