

# E-Commerce Expansion in Hyderabad: An Examination of Technological Drivers and Operational Frameworks

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## **Abstract:**

The rapid advancement of telecommunications infrastructure, particularly broadband and LAN internet connectivity, has transformed the global technological landscape by connecting billions worldwide. This digital revolution has significantly enhanced accessibility to financial products and services while eliminating geographical barriers. In India's investment sector, a notable paradigm shift has occurred - where investors previously depended entirely on brokers and financial advisors, they now actively participate in stock market transactions through digital platforms. The emergence of e-trading has introduced a secure alternative to traditional trading mechanisms, particularly relevant in light of historical financial scams like the Harshad Mehta case. This digital transformation has catalyzed an unprecedented boom in India's financial services sector, with online trading becoming a key growth driver. The Securities and Exchange Board of India (SEBI) has implemented robust technical frameworks to regulate this evolving space, enabling traders to operate seamlessly during market hours (9:30 am to 3:30 pm on weekdays) from any location. Within this context, this research paper specifically examines the dual dynamics of e-commerce expansion and its underlying technological infrastructure in Hyderabad District, analyzing how digital platforms are reshaping commercial interactions in this rapidly developing urban center.

**Keywords:** Internet, Technical Implications, SEBI, Online Trading, Stock Brokers

## **1. Introduction**

The advent of online trading in India dates back to 1995, marking a revolutionary shift in the financial landscape through the introduction of an internet-based trading platform that electronically integrated banking services with demat accounts. This digital transformation was pioneered by leading financial institutions such as ICICI, Religare, HDFC, India Bulls, SMC Online, and Sharekhan, among others. The market also witnessed the emergence of specialized brokerage firms like Ameritrade and Sure Trade, which further expanded investment opportunities for retail participants. Recognizing the growing demand, online brokers have continuously upgraded their technological infrastructure to support increased user capacity through enhanced simultaneous login capabilities. While traditional trading methods initially dominated the Indian securities market, the digital investment revolution has fundamentally altered market dynamics. The convenience and accessibility of online share trading has triggered an unprecedented surge in market participation, attracting a substantial influx of new investors to Indian stock exchanges and establishing digital platforms as the preferred mode of securities transactions. This technological evolution has not only democratized market access but also significantly contributed to the deepening and broadening of India's capital markets.

Online trading in India represents a transformative shift in investment practices, enabling individuals to execute stock market transactions independently through internet-based platforms without direct broker

intervention. The landscape features prominent trading portals alongside the sophisticated digital platforms of India's premier stock exchanges - the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). Defined fundamentally as internet-enabled securities trading, this innovation has democratized market access, bringing sophisticated investment tools within reach of retail investors. The proliferation of specialized trading websites has fueled remarkable growth in market participation, particularly attracting novice investors who previously remained passive observers. This digital revolution has fundamentally altered investor behavior, with a growing segment of active traders completely bypassing traditional brokerage offices in favor of conducting all transactions through online platforms. The success of online trading lies in its ability to combine convenience with autonomy, empowering a new generation of investors to engage directly with India's dynamic capital markets while reshaping the country's financial services ecosystem.

## 2. Review of Literature

A study done by **Madhavan V (2000)** on “Payments in India: The journey so far and the road ahead”, looks at how “the multiple payment systems have developed in India and considers the need for technology and a legal framework to ensure that an electronically linked payments and clearing system, including cheque truncation, can be implemented in future.”

An article entitled “Online trading: Trading @ the speed of light” done by **Jaiswal M., Vashist D. and Kumar A. (2004)**, “traces the growth of online trading from the year 2000 using statistics on volume of online trading from the year 2000 using statistics on volume of online trading, number of e- broking firms, brokerages and demographic patterns. Online trading has dramatically changed the way stock business has been conducted over the years.”

## 3. Objectives of Study

1. To examine the emergence and growth of online trading (e-commerce) in Hyderabad District.
2. To evaluate the online trading services offered by various stock trading platforms.
3. To identify and analyze the key factors influencing investor preferences in online trading.

## 4. Research Methodology

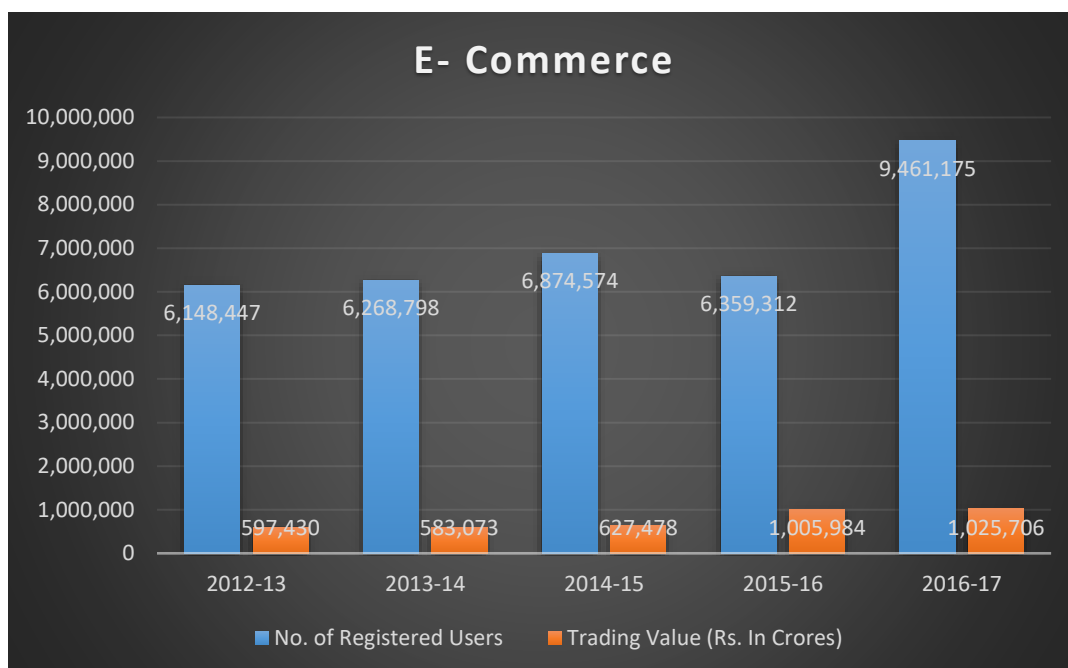
A survey was conducted in Hyderabad District during the period Jan 2018 to March 2018. A sample of 100 individual online trading investors in brokerage houses such as ICICI securities Ltd, Geojit Financial services, Reliance Money, Way 2 Wealth securities surveyed through a pre-tested questionnaire by Convenient Sampling method. It was collected through personal visits to the brokerage firms, by formal and informal talks.

### Analysis of Emergence and growth of online Trading in India

Year	No. of Registered Users	Trading Value (Rs. In Crores)	Trading Volume (in %)
2012-13	6,148,447	597,430	10.63
2013-14	6,268,798	583,073	10.76
2014-15	6,874,574	627,478	10.99
2015-16	6,359,312	1,005,984	11.62
2016-17	9,461,175	1,025,706	24.21

**Table 1 - Internet Trading Value (Online Trading)**

**Source: NSE Fact book**



**Graph 1 - Internet Trading Value (E-Commerce)**

Thus from the above Chart, it is clear that year wise growth both in terms of Registered Users in Online Trading and increase in Trading Volume in Stock Market Indices.

#### Analysis of Online Trading services available from different stock traders

Stock Brokers Fees for Online Trading				Online Trading Brokers Services				
Broker Name	Account Opening	Brokerage Amount	Demat Account	Equity	Debt	Mutual Funds	Commodity	Forex
ICICI Direct	Rs.1000		Rs.500	Yes	Yes	Yes	Yes	Yes
Angel Trade	Rs.0	Rs.500	Rs.500	Yes	Yes		Yes	
Reliance Money	Rs.0	As per transactional value	Rs.500	Yes	Yes	Yes	Yes	Yes
Share khan	Rs.750	Rs.400	Rs.400	Yes	Yes	Yes	Yes	Yes
Way2 wealth Securities	Rs.250	Rs.400		Yes	Yes	Yes	Yes	

**Table 2 – Services and Fees of Stock Brokers for Online Trading**

Source: Primary Data

The comparative analysis presented in the table highlights the variations in service charges and fees among leading online stock brokerage firms in India, including Geojit, Angel Broking, ICICI Direct, Share Khan, Reliance Money, and Way2Wealth Securities. The data clearly demonstrates significant differences in the pricing structures and service offerings these brokers provide for online trading platforms. Each firm has developed distinct fee models for their digital trading services, resulting in varying cost implications for investors. This disparity in charges reflects the competitive landscape of India's online brokerage industry, where different companies employ diverse pricing strategies while offering similar core trading functionalities. The comparison underscores the importance for investors to carefully evaluate these cost structures when selecting a brokerage partner for their online trading activities, as the fee differences can

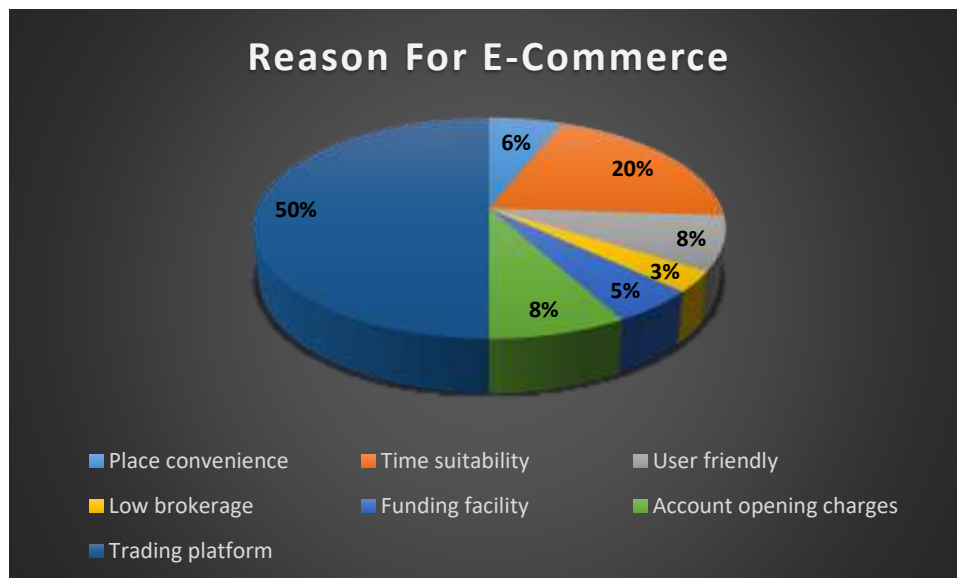
substantially impact overall investment returns.

#### Analysis of Factors influencing the Preference in Online Trading:

Factors	No. of Respondents
Place convenience	6
Time suitability	20
User friendly	8
Low brokerage	3
Funding facility	5
Account opening charges	8
Trading platform	50
<b>Total</b>	<b>100</b>

**Table 3 – Reasons for Preference of Online Trading**

Source: Primary Data



**Graph 2 –Preference For E-Commerce**

Thus from the above table it is clear that from the listed reasons which is most common identifiable factors influencing Investors to prefer for online Trading. Thus Trading Platform is the most common preferred reasons among the investors to prefer for Online Trading.

#### 5. Findings and Conclusion of the study

1. The research reveals a consistent year-on-year growth in the number of online traders, demonstrating the positive impact of increased awareness about digital trading platforms.
2. Analysis confirms significant variations in fee structures and service offerings among different stock brokerage firms, as each provides distinct value propositions to their clients.
3. Survey respondents overwhelmingly identified user-friendly trading platforms with convenient and flexible features as the primary reason for preferring online trading services.
4. The study highlights a strong correlation between growing digital literacy and the rapid expansion of online share trading participation among investors.
5. With continued advancements in internet accessibility and financial education, online trading adoption is projected to accelerate further, contributing substantially to India's socio-economic development.

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