

## Introduction of Online Trading

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### I. INTRODUCTION

21<sup>st</sup> Century is now being called as an Age of "Information Technology" Not only our country, that is India, but the entire world also has been crazy after "Information Technology". Information Technology is synonymous to money" is the definition, which is in vogue in today's. world. Now a day's Globalization is accepted all over the world. Therefore the global information is essential in every of and in business. It is most important in 21st century that, new technology is developed.

Information Technology (hence forth it is called as an IT) and business are co-related to each other. The technology changes are essential for the business. e.g. Internet, World Wide Web (hence forth it is called as the www), digital signature, digital cash, electronic banking, cyber laws, electronic advertising & publishing, digital delivery of goods and services, virtual transactions etc. are the tools of business in new commerce i.e. ON-LINE TRADING. This is the new business methodology that gives cost effective advantages to business. Time, Money, Labour, etc. are the main terms of any type of business. ON-LINE TRADING saves above things as compared to traditional commerce. This business also improves quality of goods and services. The main attractive thing is that the speed of business or delivery of goods, services are very high. ON-LINE TRADING includes buying-selling goods, product, services and information through network such as Internet, Extranet, and Intranet. Today there are some limitations but in future vast development of network will be seen i.e. Information Superhighway will give a new mode to world business and economy.

#### Revolution of On-line Trading

In the third year of on-line trading in 1993, the computer age offered investors more Internet services to place stock orders through on-line discount brokerage firms. Internet services provided on-line trading via six on-line brokerage firms, including America Online via E-Trade, CompuServe via Quick & Reilly, Spear Rees & Co. and Dow Jones News/Retrieval via Fidelity, Genie via Charles Schwab, and Prodigy via PC Financial Network (Davis & Johnston, 1993).

Charles Schwab & Co., Inc. introduced the first on-line trading software for the Microsoft Windows operating environment in 1993. The new software package, Street Smart, lets investor's trade on-line, get real time quotes, do research, and manage their portfolios 24-hours-a-day via their personal computer (Gideon, 1993).

Meanwhile, the other momentous news of 1999 in the on-line trading world was Merrill Lynch's announcement that it would offer on-line trading options--Merrill Lynch Direct--for its customers. Even though Merrill Lynch had been a holdout of on-line trading, Merrill Lynch Direct was evaluated and rated as a very worthy offering (Carey, 1999).

A survey reports published in magazine namely E-Business in May, 2002. The specialty of this survey is that, an important aspect of this study involved getting the views of chief executive officers of the companies. Few are related to e-business and some are the Directors of IT industries also. Survey shows – Is On-Line Trading unsuccessful in India? On-Line Trading is still in its early stages. Some of the important findings include:- On-Line Trading is primarily internally driven, cannot sell everything over the Internet, Selling in the Net may take time, but buying on the Net is on, Revenues from On-Line Trading are yet to take off, etc.

In ON-LINE TRADING physical goods, electronic materials, services, digital goods, advertising & marketing contact between trader and customer, trader and trader, or trader and company, etc. are support for shared business process. Business to customer ON-LINE TRADING developed in Telecom services, Travel, Automotive, Financial services, Books, Music, etc. now a days in India. The ON-LINE TRADING impacts upon a large number of business activities which are as follows -

1. Insurance & Finance.
2. Marketing & Advertising.
3. Supply of Physical & Digital goods and Services.
4. Banking transactions and digital payments.
5. Use of Public and Private services
6. Transport and Logistic Management
7. Accounting and Taxation
8. Product services and Maintenance
9. Co-operative product development

**Other than the above sector of business related to ON-LINE TRADING for their needs.**

### II. FEATURES OF ON-LINE TRADING

1. Reducing the supply-chain-its effect on the product cost would be less.
2. Improve better customer services, customer orders themselves.
3. Customer service of ordering is available 24 hours a day, 7 days in a week and also 365 days in a year.

4. Consumption on timing when order is given by customer, supplier dispatches the materials as soon as the order is received by them.
5. ON-LINE TRADING is more affordable than traditional commerce.
6. Through Internet ON-LINE TRADING can reach a more geographically dispersed customer.
7. Selling or Marketing cost is lower, advertising an expense is lower as compared to its world area publicity.
8. Provides up-to-date product catalogues and price-list at any time.
9. Various kinds of making payments to parties.
10. Availability of information trends will be a change in business, resulting minimum or lower cyber time.
11. ON-LINE TRADING allows more business partners to be reached than with traditional EDI.
12. Customer receive directions to use and if any technical specification about utilization.
13. Recognizing marketing trends and bringing new items to user's attention or suggesting alternatives to out-of-stick items.

#### Category of ON-LINE TRADING

1. Business To Business (B2B)
2. Business To Consumer (B2C)
3. Education To Students (E2S)
4. Consumer To Consumer (C2C)
5. Individual To Administration (I2A)

#### III. OPPORTUNITIES OF ON-LINE TRADING

ON-LINE TRADING is beneficial to businessman and consumer. In various businesses there are many organizations, persons, managements, customers, technicians, etc. are related to each other. Here the benefits are Internet, EDI, websites related for the above constituents. In ON-LINE TRADING there are some opportunities of online business. The opportunities depend on the nature of the business and the customers it serves. These are as follows -

1. Qualitative and specialized product can sell high quantity. If the product is to be appeal to well educated, well informed people.
2. If there is a reasonable product cost as compared to the other competitors product, then these goods can sold in global market.
3. The middle man in supply chain e.g. distributors, wholesalers, etc. traditional business category wind up and the cost of production should be reduced and customer can get goods at less prices.
4. Digital products, audio-video material can be sold through the Internet.
5. In e-business seller-customer relations are closer using the internet communication.
6. Organizations that already have website and other network operation can establish subsidiary sites for related consumable or subordinate products.
7. Vendors will be able to electronically notify potential customers about sales of items in which they are particularly interested.

8. The customer relations are closer, if any changes in the product, service being made than the product to be adjusted at that time or also adjust the price as compared to the demand.
9. The sample is allotted on the web or through internet the business can promote them economically.
10. Using the Internet for B2B, B2C transactions is less expensive than using private network.
11. Now online opportunities include easier comparative shopping for customers.
12. Business that configure products to consumer measurements or specifications can expand and made-to-order service to new market.

Information Technology Act (Cyber law)

Information Technology Act -2000 to "Provide legal recognition for transactions carried out by means of electronic data interchange and other means of electronic communication, commonly referred to as "Electronic CGUMrce", which involves the use of alternatives to paper-based methods of communication and storage of information to facilitate electronic filing of documents with the government agencies and further to amend the Indian Penal Code, the Indian Evidence Act, 1872, the Bankers Book Evidence Act, 1934 and for matters connected there with or incidental there to".

Regional Electronic Aids-to-Trade

#### Electronic Banking

1. Automatic Teller Machine (ATM)
2. Net Banking
3. International Debit Card
4. Inter city – Inter Branch Banking
5. Bill pay
6. Phone Banking
7. Mobile Banking

#### IV. CONCLUDING REMARK

“Up to 2000, there are tremendous changes in India also attract on that way. Government established a separate department of I.T. i.e. Information Technology. The bill of Cyber Laws, On-Line Trading is accepted by the Government. Some state governments apply the term On-Line Trading for the sake of social welfare. Online education is going to spread over the various levels. Research, Communication, entertainment i.e. chatting, E-mail also give a tremendous take up in that area. The world says that “Information is Money” and that is available on the Internet. All of above use are effective in development of On-Line Trading”.