

**TITLE** -A Study of The Rise of Trading Apps Since COVID-19

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### **A study of the rise of Trading apps since COVID-19**

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**ABSTRACT:** -

The COVID-19 crisis has recently stirred up the business world and the functioning of the economies. Investing in the stock market has seen a rise among retail investors, especially on mobile trading apps. This is due to the essential features of these mobile trading apps. Studying mobile application data from a globally representative sample, we find that the spread of COVID-19 and related government lockdowns led to a sizeable increase in the rate of finance app downloads. This research paper makes an attempt to look into stock brokers and their trading apps. The research paper presents important managerial implications for these investing apps' owners and designers.

**KEYWORDS:** Mobile Trading Apps, Trading behavior, Stock brokers, COVID-19.

**INTRODUCTION:** -

“Whatever you are, be a good one.”

- Abraham Lincoln

Indian stock market is an important constituent of the Indian financial system. India is one of the emerging economies. Indian stock market is one of the largest recipients of FDI (foreign direct investment) in major sectors and also it follows an open economy policy. Over the past two decades, the Indian stock market has shown magnificent growth. The novel coronavirus pandemic discloses to every individual the importance of building an emergency fund. Because of their income levels, millennials depend on investment apps to save for emergencies and be prepared for future rough times. So, if you are new to investing, start by saving for your first goal—an emergency fund—and work your way towards other financial goals through various SIPs in mutual funds in the right financial app.

A wide array of digital apps such as stock market apps, tax-saving tools, investment, and digital lending apps emerged to help millennials address their financial planning needs. This new trend is revealing young investors' appetites to save and invest and discover new investment opportunities. Investment apps provide some benefits these are - Allows for low minimum deposits, Excellent for new investors, It comes with low fees, Easy to use, Presents a curated basket of funds. However, the emergence of micro-investment apps has broadened investment options for the common man. This new, rebellious concept of investing has helped introduce a record number of new investors to the stock market.

Nikhil Kamath, co-founder and chief investment officer of Zerodha, said that "Retail investors, after a long time, seem to have come into the markets after a crash, buying large-cap blue-chip equity among the falls in between 8000 and 9000 Nifty, and are seeing substantial returns. This is a big hopeful for the ecosystem overall and could lead to increased participation from retail

in the days to come."The list of most popular stocks amongst the new beginners is dominated by large-cap companies like Infosys, Reliance, SBI, and HDFC Bank.

As per the Securities and Exchange Board of India (SEBI), the number of new demat accounts opened in the fiscal year 2020 was the most in at least a decade at 4.9 million, a 22.5% jump from the 4 million accounts opened in the previous year. We show that investors increase their average weekly trading power by 13.9% as the number of COVID-19 cases doubles. On average, investors add funds to their accounts, open more new accounts, and settle more new positions. We noticed the largest increase in trading between February 23 and March 22. This research paper makes an effort to look into some popular stock brokers and their mobile trading apps, analyse them using factors, and comment on the significance of these features from a marketing perspective.

#### **LITERATURE REVIEW: -**

Balapur et al., 2020 said that, Mobile apps have started dominating our everyday lives.

Anand et al., 2020 expressed in his research, Due to the proliferated technology and 'App Culture', we need them every nano second of our lives. From the 'Good Morning Messages' to the 'Daily Fitness Regime' to the 'Entertainment and Enjoyment' all have now been ruled by mobile apps. And the lockdown blues have added to this growth of 'App Culture' where people sitting in the hem of their houses have resorted to using more apps than ever. One such area where mobile app culture has grown is the stock market.

Rukhaiyar, 2020 explained that, many people have been using the mobile trading apps of stock broking brands since last couple of years. But the lockdown has witnessed a surge in stock trading and investing activity on mobile phones to the extent of 45% in May 2020 as compared to 24% in last year for the same.

Mookerjee et al., 2020 expressed, with 1.2 million new accounts opening at CDSL in March and April, stock broking brands apps like Zerodha and Upstox have seen around 20% rise in first time investors mainly under the age of 30 years.

Anand, 2020 said that, the two-month lockdown and the work from home ease have given more time to investors and users of mobile trading apps more time at their hands to concentrate on stock prices in a more focused way. The technology savvy investors of the new times also make the mobile trading apps a preference choice.

Welch 2020 explored security concerns as a potential demerit for growth of mobile trading apps. In stock trading and investing, time is actual money where information needs to be provided in a fraction of seconds to enable the investors make quick decisions.

Goodell, 2020, said that "the novel coronavirus has led to unprecedented repercussions on daily life and the economy." The outburst makes investors, policymakers, and the public at large aware of the fact that natural disasters can impose economic damage on a previously unknown scale.

Mookerjee et al., 2020 said that, many people jumped on this rise feeling the justified valuation of stock prices post March lows.

Anand, 2020 said that, many stock market analysts have also predicted this rise could go to doubling in 2020 and beyond in years ahead. With many people facing salary cuts, the stock markets give an extra advantage to people to earn some more money, which they see as a silver lining of the pandemic. This is not only a visible trend in metro cities but also in non-metro cities like Vizag, Patna, Agra, Jaipur etc.

Welch, 2020 explained, Mobile trading apps are more likely to attract to tech savvy investors when they find the user interface experience appealing in the first-time use.

Kindberg et al. 2004 have studied that it is often security concerns that make users susceptible to mobile apps.

Venkatesh 2000 found that the easy to use feature of an app makes the acceptance and usability of an app more favourable and likeable. So, ease of use becomes a key feature which an investor user of a mobile trading app looks for.

#### **RESEARCH OBJECTIVES: -**

- To study the rising of investment apps during the COVID-19 pandemic in India.
- To learn the concept of discount brokerage.
- To examine the impact of the mobile app during pandemic.
- To know the online discount broking apps in India,
- To find an increase in the number of trading platforms with a minimum brokerage fee.
- To move towards digital transformation.

#### **RESEARCH METHODOLOGY: -**

The data for the research was based on secondary sources of information. Different research papers, journals relevant websites have been consulted in order to make the study an effective one.

#### **TOP 5 ONLINE DISCOUNT BROKERS IN INDIA: -**

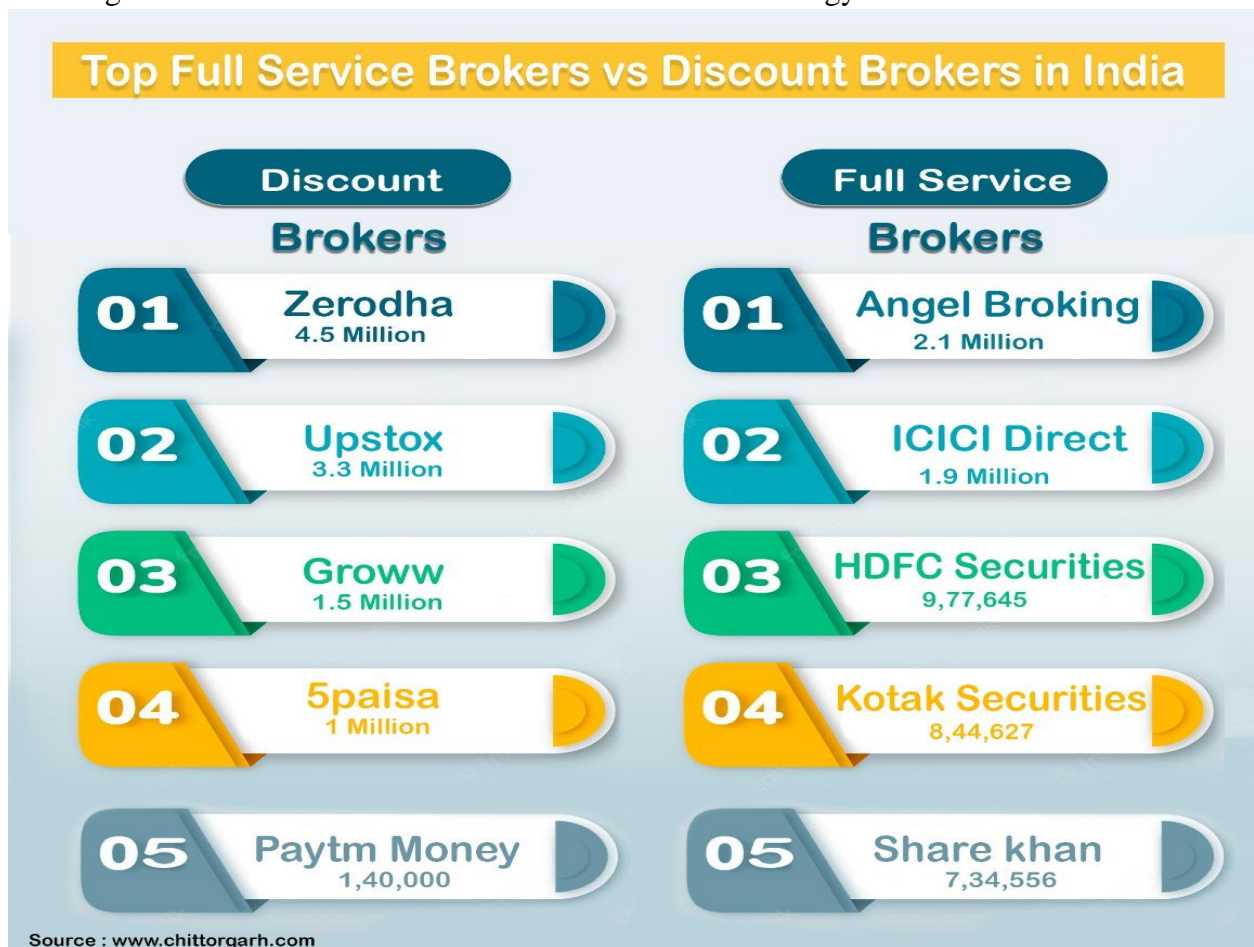
1. Zerodha is recognized as India's first and Best Stock Broker in India. In terms of total active client base, it is India's largest stock broker. Since 2010, it is the only stockbroker with a 6 million-plus active client base. Zerodha is one of the newest members of the Indian equity and derivatives trading economy and has pioneered the art of interweaving technology with conventional financial services. Zerodha is facilitating trading and investment opportunities for its customers.

2. Since 2011, Upstox has been a private discount broker located in Mumbai, India. Upstox has come up as a creative entity in recent times for its easiest access features on the mobile application. Users can find all the trading facilities on Upstox's trading platforms. They can trade in equity futures and options, commodities, equity intraday, currency, and derivatives via Upstox Pro. The Upstox trading platforms have impressive trading features, including charting, analysis, and more. The broker normally helps users place orders across its trading platforms easily and is highly recommended as the best stock broker in India offering online trading.

3. Groww is an innovative platform. The company was started in 2016. Every single thing is done electronically, giving ease to investment options as everything can be done on online platforms without physical mobility. As far as their extension is concerned, they have acquired a huge client base and expanded by partnering with 34 mutual fund houses.

4. Angel One, formerly known as Angel Broking, is a hybrid broker providing all services of full-service brokers at discounted brokerage rates. Angel One offers its services in the form of in-house trading solutions. It has just now been rebranded as "Angel One," whereas it was called "Angel Broking" earlier. It is a public limited company and a full-service and discount broker. Angel One provides intraday trading, investment advisory, portfolio management, demat account, IPO, portfolio health score, loan against shares, and much more. They give one of the best brokerage rates in the trading market, which is why more and more people are going for this brokerage house.

5. 5paisa.com is a major online stockbroker offering discount brokerage services to retail investors in India. 5paisa Capital Ltd. is a publicly traded and professionally managed company upgraded by IIFL founders. As of March 2021, it had over 1.2 million clients. 5Paisa online trading is accessible in equity, commodities, and currency at the BSE, NSE, and MCX. It is a flat rate discount stockbroker. It offers three subscription plans; Basic Pack, Power Investor Pack, and Ultra Trader Pack. The 5paisa trading platform has a mobile trading app, a trading website, and an installable trading terminal. These platforms are based on the latest technology and recognised for the best use of mobile technology in financial services.



**TOP 5 TRADING APPS OF 2022: -**

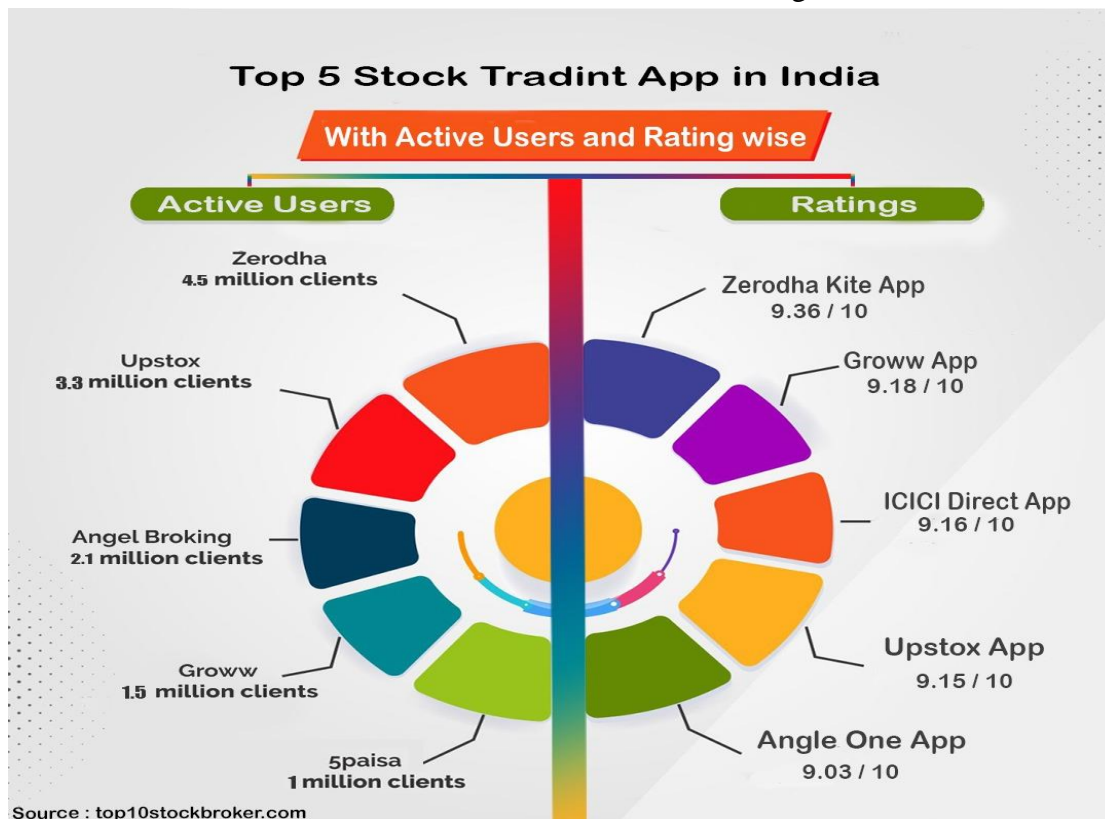
1. Zerodha is one of the top discount brokers that provides trading services. The Zerodha Kite app is accessible on both Android and iOS devices. It is one of the fastest-moving performance trading apps in the country, with a high volume of trades daily. The Zerodha Kite mobile app provides all the features that ensure a smooth trading experience. Kite App covers all technological features and is easy to use; another option is available in which you can manage your trading experience via a financial intermediary. The Zerodha Kite app is well-equipped with new features, including customer support that can get you past any obstacle.

2. Groww App is an extremely capable app that facilitates trading from anywhere and everywhere. Groww is in the process of introducing easy, fast, and convenient mutual funds and stock market investments via its Groww Mobile Trading App. The app is available for usage after registration, which is 100% paperless. The Grow app is the perfect centre for the best mutual funds and stocks. The app is the entry point to check share prices live and carry on with the trading process to make considerable returns from the stock market.

3. ICICI Direct Mobile App is replacing all other trading platforms of ICICI like the trade racer terminal & web application. Since mobile trading is suitable for any user, ICICI direct mobile app is getting more popular day by day. New traders and investors these days want a platform where the complete trading process can be controlled with their smartphones themselves. Therefore, the ICICI Direct App has become the best trading app in India for newcomers with its comprehensive mobile trading app. The ICICI Direct Mobile App comes with numerous features. The app is fully user-friendly, and its usability is very decent.

4. Upstox Pro Mobile App is one of the fastest & smoothest Mobile Trading apps available. No matter whether you are a first-time trader or a professional, In the stock market world, if you like to trade the right way, you will need an automated tool that makes investing easy. The Upstox Pro App will permit you to trade without taking on any real risk. It gives you directions daily and allows you to check your performance. Traders can create numerous watch lists, offer a real-time view of every stock, and provide you with up-to-date market news. And with these superior qualities and the advanced technique, you can only get them in the Upstox Pro Trading App, the stock market trading app for NSE, BSE, and MCX.

5. Angel One App makes sure that it aligns with the customer base's needs, offering the best possible trading platforms. The main aim of the Angel One app is to allow traders to trade stocks they have ordered. Angel One Broking has generated the Angel One app. The mobile app and the broker also offer various trading platforms, such as a Web trading platform, a robo-advisory platform, and a trading terminal. Additionally, the app guarantees best-in-class features besides an easy-to-use interface. The Angel One app is ideal for beginners and has emerged as the best trading app in India. It makes the best bet for beginners as well as for professionals with the help of its easy usability. The Angel One app is a source that brings up all the valuable stock market information, and it makes trading seamless for traders.



**FINDING: -**

In this research paper, I find that since the pandemic, there are more investors involved in the stock market. Especially youth move more toward the stock market because of the easy features of mobile apps. There are multiple reasons, therefore, why people are attracted toward the discount broker app. As per my findings, I found some good features of this app, like how we can easily open a DEMAT account online with no need to physically submit documents. Most of the discount brokerage apps provide zero account opening charges as well as low brokerage commissions compared to full-service brokerage firms. To use discount brokerage apps, people don't need technical knowledge; they can be easily used, and there are multiple videos available on YouTube that show people how to use these apps. This application can be used on both mobile devices and PCs, which is helpful to both users. This application provides all necessary security measures to secure the app from online hackers.

**CONCLUSION: -**

The development of financial and investment apps has helped level the playing field. Today, several millennials are benefiting from an automated investment advisor through investment apps. If you're coming into the world of investment without putting in time and effort, using the right investment app can help you grow wealth and meet your financial goals. After demonetization, a large number of people are now learning to invest and grow their money. For newcomers moving into the market, discount brokers make perfect sense to start with. Young traders are close with new technology; thus, they prefer discount brokers built on newer, more advanced platforms over traditional brokers. Discount brokers offer multiple advantages that facilitate the type of investor in India. In India, the number of traders and investors continues to increase every day at a rapid rate. This research paper also shows the top five stock brokers according to their client base and the top five trading apps according to their rating base in India.

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Suzanee Malhotra (December 2020), study of features of mobile trading apps: a silver lining of pandemic, J-GIBS Volume 12, Number 1

**WEB RESOURCES: -**

<https://www.google.com>

<https://www.livemint.com>

<https://www.ncbi.nlm.nih.gov>

<https://top10stockbroker.com/online-trading/>

<https://www.chittorgarh.com/>

<https://www.investopedia.com/>