

# [Sharekhan compnay analysis](https://assignbuster.com/sharekhan-compnay-analysis/)

ShareKhan is an online trading website. It was founded by SS Kantilal Ishwarlal who was a pioneer in the finance industry. ShareKhan is a subsidiary of SSKI which came to existence in 1922. SSKI is among the first few brokerage houses of India having an experience of more than 80 years into:-

Retail Broking

Institutional Broking

Wealth Management

Institutional Broking

SS Kantilal Ishwarlal is among the list of founders of the Bombay Stock Exchange. SSKI was an expert in the Institutional Broking business. Only in 1985 it entered the Retail Sector by launching a brand named “ ShareKhan”. It was the retail broking arm of the company.

ShareKhan is among the top financial services company in India. It provides a complete package of investment solutions in Equities, Derivatives, Commodities, IPO, Mutual funds, Depositary Services, Portfolio Management Services and Insurance.

ShareKhan made its presence felt in India through Sharekhan Branches & Franchisees and www. sharekhan. com. It has a ground network of around 300 centres, across 123 cities in India with a customer base of 1, 20, 000 and an equal number of demat customers.

On April 2002, it launched a new service called Speed Trade which was an online executable application that is equivalent to the broker terminals accompanied with other information that is used for Day Trade.

ShareKhan has various outlets which provide a full range of investment services like:-

Online Trading

Equity and Derivative trading on NSE & BSE

Commodities trading on MCX

Portfolio Management Services

Depository Services

IPO Services

ShareKhan is a perfect example of a B2C. B2C is an e-commerce term where any organisation sells its products directly to the customer online.

A major strength of ShareKhan would be its ability to provide Specialised & Custom made Research Products which highlight the investment philosophy of true Investors in the secondary stock market.

## Hierarchy of ShareKhan

CEO

Trainee

…. 4…….

…. 3…….

…. 2…….

…. 1…….

Sales Executive

Dealer

City Sales Manager

Branch Head

Cluster Head

Regional Head

Country Head

## Share Khan Services

ShareKhan is among India’s leading broker houses and is also the retail network of SSKI. It has a well established based of over 300 share shops in over 123 cities and India’s premier online trading portal www. sharekhan. com, where customers enjoy multichannel access to stock markets.

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## Offerings of Share Khan

ShareKhan offers all kinds of trading accounts i. e. online and offline. These days its main focus is online trading where users can access their accounts from any part of the globe and continue their trade. There is no restriction of going to a broker physically or settling due payments. It provides a fast, simple and convenient medium to carry out transactions. Share Khan’s product consists of a 4 in 1 concept which integrates:

D-mat Account

Trading Account

Bank Link

Dial N Trade

For carrying out trading activities every individual needs a D-mat account. All the share purchases are stored in this D-mat Account. Share Khan provides with a Trading Account. This Trading Account enables a user to transfer funds from his Savings Account in the bank to his trading account with any formal paper work. Share purchases and prices on which he trades in the terminal can be viewed on the website.

ShareKhan. com currently provides trading only on NSE and shall avail trading on BSE shares soon. The formalities for opening an account involve filling an agreement of 12 pages, photo proof, address proof and a cheque drawn in the favour of Sharekhan Ltd.

After finishing with the above formalities the customer receives his login information for the website i. e. UserId & Password, which will enable him to acces his trading account.

## Products of Share Khan

ShareKhan provides two types of products depending on the volume based needs of the investor. The products are as follows:-

## Classic Account:-

This product is most suitable for retail investors and allows them to trade through the website.

Only 25 scripts are allowed per terminal without the availability of technical charts.

It’s a JAVA Based Applet which lets you see the latest price of your scripts and trade by logging in the website.

This account also allows you to trade in Derivatives.

The cost for a lifetime account is Rs. 750 without any constraints on the minimum turnover.

## Speed Trade Account:-

This account is used by traders who trade more frequently throughout the day and capture the intra-day price movements. Such traders are called “ intra-day” traders.

Speed trade is an internet based application software which is available on a CD and provides the user with all the features on the screen thereby reducing the time to execute a trade.

Speed trade offers a tick by tick update on stock price movements with market depths and various intra-day charts which enable the user to make his analysis on stocks.

The cost for a lifetime account is Rs. 1000 with a minimum brokerage of Rs. 1500 to be produced every quarter.

## Bank connection

ShareKhan is affiliated with 11 banks which allow its customer to transfer their funds from their respective banks savings account and enjoy the trading facility online. The affiliated banks are as follows:-

HDFC BANK

OBC

CITI BANK

ICICI BANK

UNION BANK OF INDIA

INDUSIND BANK

CENTURION BANK (PUNJAB)

AXIS BANK

YES BANK

BANK OF INDIA

## Dial N Trade

An exclusive service available to all the customers of ShareKhan where in they can trade on shares via telephones. By dialling 1800-22-7500 a toll free number, the customers are redirected to a tele-broker who will buy and sell shares on his behalf.

## After Hour Orders

ShareKhan Customers can entail the facility of placing orders even after trading hours, and the orders are executed when the next trading session begins.

Brokerage:-

For Intraday Transactions they charge a brokerage of 0. 05% on each leg Transaction.

For Delivery Transactions they charge a brokerage of 0. 5% on each leg Transaction.

For Derivatives Transactions they charge a brokerage of 0. 05% on each leg Transaction.

## Trade in Commodity

ShareKhan also provides trading in commodities like Bullion: Gold/Silver, Agricultural commodities through ShareKhan Commodities Pvt Ltd, a subsidiary of its parent company SSKI.

## Research Team

Research and knowledge of markets provides better returns than reacting to false rumours and speculations. The research team provides information to their customers regarding various market conditions.

In the morning when a new trading session starts they provide “ Eagle Eye” which tells you about the market condition for the whole day.

In afternoon they provide “ High Noon” which provides the market condition upto this point and how the condition would be during the remaining half.

After the close of trading for the day they provide in-depth analysis and market summary for that day.

## Mobile N Trade Facility

Now ShareKhan provides the service of trading through mobile handsets. This service can be activated by paying an additional activation fee.

## Customers

These days almost everyone trades. With the invention of new technology more people are aware about the online trading services and hence register for the same. Its customer base ranges from Businessmen, housewives, students, shopkeepers to Senior Citizens, all of whom have some disposable money and like to make money by taking on some risk are potential ShareKhan customers. Also traders who like to invest their money in share markets are customers of ShareKhan.

Mostly the customers are divided into two categories depending on the type of transaction they do and money they invest in the share market. These people are generally Investors or Traders. Investors are those people who have money in excess after fulfilling their needs and hence invest money in the market while Traders are those who do daily transactions which form a part of their business. The transactions carried out by investors are called Delivery transactions whereas those carried out by traders are called Intra-day transactions.

## Competitors

ShareKhan is one of India’s premier trading institutions.

Its main competitors are:

## INDIA INFOLINE

## ICICI DIRECT

## INDIA BULLS

## RELIANCE MONEY

## KOTAK SECURITIES

## MOTILAL OSWAL

## ANAND RATHI

## RELIGARE ENTERPRISES

## HDFC SECURITIES

## Comparative Advantages

Simplified investing in stocks.

User friendly online trading facility.

Helps you choose the right shares.

Multichannel Access to stock markets.

Cost Effective.

Time Saving.

SSKI has over 80 years of experience.

Dedicated team of professionals.

Also offers value added service like Demat, Research, stock ideas etc.

“ First Step” programme for beginners.

Also provide services like daily SMS Alerts, mail alerts and stock recommendations.

ShareKhan also has tie ups with many banks which provides the user with the ability to transfer funds unlike ICICI Direct, HDFC Securities etc. Hence investors do not need to open a new account with a particular bank as it can establish a link with most modern banks.

## Technology

## Electronic Contract Note (ECN)

ShareKhan provides its customers the ECN facility to their customers on their email id. The same can also be accessed under the Services menu on their website. ShareKhan believes in reiterating its commitment to provide state of art technology and services to customers to add simplicity and convenience to their trading activities.

## Distinct features of Equity Back office on Net

You can also view details of your daily transaction like Order no, Quantity, Trade no, Market Rate etc. To view the above details the customers need to provide their transaction date. Alternatively customers can view their transactions by giving a date range in the Global Report – I Menu – Sauda(cash) option.

## SWOT Analysis

## Strengths :

## Weakness :

## Opportunities :

## Threat :

## Findings

According to a survey, most customers of ShareKhan it is pocket friendly.

70% of people say that ShareKhan is better than other stock brokers due to customer satisfaction.

Businessmen are more interested in stock markets than the other markets.

Commodity market is less preferred by people due to lack of knowledge.

People want to invest their money in security markets but don’t have the required knowledge.

People pay more attention to the brokerage than the services provided by brokerage houses.

## Conclusions

In a recent study conducted it was found that ShareKhan is a better service provider than the other stock brokers because they provide timely and accurate research and also provide tips on what stocks to buy and sell. ShareKhan Ltd also provides the facility of Trade Tiger as well as relationship manager facility for encouragement and protection of investor interest. It also provides alerts via the internet and mobile phone on the recent happenings, IPO releases and future prospects of that IPO.

Also people are not very educated about the commodities market and hence they should organise seminars to enhance knowledge of existing and potential customers.