

An Empirical Study of Customer's Choice of Wealth Management Services & their Relationship with the Demographic Variables

Lalat I Misra

Siksha O Anusandhan Deemed to be University, Bhubaneswar, India. lalatmisra@soa.ac.in

| Article Info | Abstract | | | | |
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| Volume 82 | Since the Wealth Management Industry is at its early stage in India, no | | | | |
| Page Number: 2303 - 2308 | detailed studies have been done in Indian Context which is evident from the | | | | |
| Publication Issue: | existing literatures. So, the study under consideration undertakes two | | | | |
| January-February 2020 | additional demographic variables for establishing their relationship with the | | | | |
| | factors influencing the consumer's choice for Wealth Management Services, | | | | |
| | which is not present in the existing literatures. The paper attempts to study | | | | |
| | the relationship between various demographic variables influencing the | | | | |
| | investment behaviour. It was found from the research that there is no | | | | |
| | significant difference between males and females towards availing the | | | | |
| Article History | wealth management services but significant difference has been found | | | | |
| Article Received: 14 March 2019 | various age groups, income groups, educational group and occupational | | | | |
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Keywords: Wealth management services, HNWI, Investor's behaviour.

I. Introduction

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In the year 1990 Wealth Management began as an idea in the US. At first after administrations were attempted by riches the board warning covering money related arranging that furnishes people with private banking/resource the executives/tax collection warning and portfolio the board. From the administrations referenced. portfolio the executives is normal assistance and the majority of different administrations are exceptionally customized. The administrations incorporate portfolio the executives and rebalancing, speculation the board and methodologies, financing charge warning and home arranging. As far as items it incorporates stocks and stock exchanging; value connected and organized reserve funds items, common assets and elective ventures.

The high total assets market in India is little contrasted with its immense population however its development is among the quickest on the planet, giving riches chiefs incredible breadth to extend. The development of the high total assets populace is completely down to the solid financial exhibition of the Indian economy, which has expanded the extent of high total assets business visionaries and business owners. The India high total assets individual is well on the way to be male, more than 65 years old and earned his riches through enterprise. As far as his



portfolio, he is extremely one-sided toward land, picking to allot the biggest bit of his riches to land speculation assets, as he considers genuine to be as a sheltered being venture.India though a growing economy, there has been a growing demand for the private banker with the emergence of new millionaires and growth in the money invested in the assets. The demand for private bankers has led to the emergence of wealth management services in India. According to the report in Economic times in 2018, an survey done by Vito India estimated that the established private bankers are counting more than 2500 and with 200 of them managing over Rs 1.000 crore.

II. Review of Literature

(Singh & Kaur, 2017) conducted a research on Robo-wealth management the advisors wherein the wealth management services are being provided by the machines and claimed that the decision made by the machines are more systematic and quantitative research. The major factor that influence a high net worth investor to deal with a bank depends on the capability of the advisor to provide quality services along product design with low risk and acceptable returns(Yu & Ting, 2011). In the paper by (Maznita Mokhtar & Azman 2013) showed the concern of Ismail. improving the service quality in Malaysia and suggested to improve the quality of wealth management services. Relationship management and rapport development has been considered as the key factors for dealing with the HNWI clients(Mclawrence, 2014). Theory of planned behaviour is considered to be the lucrative way that predict the buying behaviour of HNWI client while availing the wealth management services(Chan & Chan, 2011). (Dohmen et al., 2011) found that demographic characteristics like age gender and educational background of the parents has impact on the significant ability and willingness to take risk. Market environment and investment climate created and conducive to a HNWI bv developing creative programmes and policies influences in the positive investment decision(Obamuyi, 2013). (Ruel & Hauser, 2013) found that there is a significant difference between the investment pattern of married men and unmarried women. A study conducted show that there is significant difference in the investment pattern of business and service class and further business class investors are more prone to cognitive biases than the salaried class investors(Mittal, 2010). Significant difference was found between men and women while studying the investment pattern and gender has influence the an on investment decision(Albaity& Rahman, 2012)(Embrey & 1997)(Villamor, van Noordwijk, Fox. Djanibekov, Chiong-Javier, & Catacutan, 2014)(Ruel & Hauser, 2013).

Gap and Objective

Since the Wealth Management Industry is at its early stage in India, no detailed studies have been done in Indian Context which is evident from the existing literatures. So, the study under consideration undertakes two additional demographic variables for establishing their relationship with the factors influencing the consumer's choice for Wealth Management Services, which is not present in the existing literatures. The paper attempts to study the relationship between various demographic variables influencing the investment behaviour.

Hypothesis

 H_1 – There is a significant difference between demographic variables and consumer's choice for Wealth Management



Services.(Demographic Variables: Gender, Age, Income, Education, Occupation)

III. Research methodology

The survey was conducted in the national capital region of India, as it is the capital of India it was considered that the major portion of the HNWI will be available in this area. A total of 447 respondents were contacted through snow-ball sampling between June 2018 to August 2018 and the data was collected through a well drafted questionnaire.

Data Analysis and Interpretation

Since the data collected was more than 200 (N=447) according to the theorem of central

tendency the sample was assumed to be normally distributed(Clark-Carter, 2010). One sample t-test (Yockey, 2018)was conducted to considering the "Have you ever availed the Wealth Management Services?" and it was found that there is a significant difference in the mean of sample and the mean of total population

The demographic characteristics of the customers are summarized in below Table1. Most of the respondents (about 76.8%) were male. Respondents in the age group 31-40 yrs (42.6%) and 21-30 yrs (28.2%) were the major contributors. 73% respondents are Graduate or more. 12.7% of the respondents were students.

| Gender | male | 342 | 76.5 |
|---------------|------------------------|-----|-------|
| | female | 105 | 23.5 |
| Age | less than 30 | 63 | 14.1 |
| | 31-40 | 109 | 24.4 |
| | 41-50 | 193 | 43.2 |
| | 51-60 | 48 | 10.7 |
| | more than 61 | 34 | 7.6 |
| Income | Less than 20,00,000 | 152 | 34.0 |
| | 20,00,000-30,00,000 | 127 | 28.4 |
| | 30,00,000-40,00,000 | 72 | 16.1 |
| | 40,00,000-50,00,000 | 96 | 21.5 |
| Educational | Undergraduate | 165 | 36.9 |
| qualification | PG | 151 | 33.8 |
| | Professional education | 106 | 23.7 |
| | Higher Secondary | 25 | 5.6 |
| Occupation | 1.00 | 129 | 28.9 |
| | 2.00 | 126 | 28.2 |
| | 3.00 | 63 | 14.1 |
| | 4.00 | 129 | 28.9 |
| | Total | 447 | 100.0 |

Table 1 Profile of the respondents-N=447

| | | Sumor | | | | |
|---------------------------|----------------|---------|-----|-------------|--------|------|
| | | Squares | df | Mean Square | F | Sig. |
| Gender | Between Groups | .678 | 3 | .226 | 1.258 | .288 |
| | Within Groups | 79.657 | 443 | .180 | | |
| | Total | 80.336 | 446 | | | |
| Age | Between Groups | 31.687 | 3 | 10.562 | 9.715 | .000 |
| | Within Groups | 481.633 | 443 | 1.087 | | |
| | Total | 513.320 | 446 | | | |
| Income | Between Groups | 106.192 | 3 | 35.397 | 33.100 | .000 |
| | Within Groups | 473.745 | 443 | 1.069 | | |
| | Total | 579.937 | 446 | | | |
| Educational_qualification | Between Groups | 53.361 | 3 | 17.787 | 24.821 | .000 |
| | Within Groups | 317.458 | 443 | .717 | | |
| | Total | 370.819 | 446 | | | |
| Occupation | Between Groups | 72.749 | 3 | 24.250 | 19.434 | .000 |
| | Within Groups | 552.781 | 443 | 1.248 | | |
| | Total | 625.530 | 446 | | | |

One way ANOVA

From the yield of single direction ANOVA the criticalness of F-test is seen as 0.288. This showed at 95% certainty level, F-test demonstrates the sex isn't extraordinary. At the end of the day the sex the respondents are not altogether not the same as one another. So we dismiss the speculation and acknowledge the invalid theory that as far as "Have you at any point benefited the Wealth Management Services?" the sex of the respondents of various isn't altogether not quite the same as one another.

From the yield of single direction ANOVA the centrality of F-test is seen as 0.000. This demonstrated at 95% certainty level, F-test demonstrates the age is extraordinary. At the end of the day the age the respondents are fundamentally not the same as one another. So we dismiss the invalid theory and

acknowledge the other speculation that as far as "Have you at any point profited the Wealth Management Services?" the age of the respondents of various is essentially unique in relation to one another.

From the yield of single direction ANOVA the centrality of F-test is seen as 0.000. This demonstrated at 95% certainty level, F-test demonstrates the Income of the respondent is unique. At the end of the day the salary the respondents are fundamentally unique in relation to one another. So we dismiss the invalid speculation and acknowledge the theory that regarding "Have you at any point profited the Wealth Management Services?" the salary of respondents of various is altogether not the same as one another.

From the yield of single direction ANOVA the criticalness of F-test is seen as 0.000. This



demonstrated at 95% certainty level, F-test demonstrates the instruction of respondents is unique. As such the instruction the respondents are essentially not quite the same as one another. So we dismiss the invalid theory and acknowledge the other speculation that regarding "Have you at any point profited the Wealth Management Services?" the instruction of the respondents of various is altogether not quite the same as one another.

From the yield of single direction ANOVA the importance of F-test is seen as 0.000. This showed at 95% certainty level, F-test demonstrates the control of respondents is unique. As it were the control of the respondents is altogether unique in relation to one another. So we dismiss the invalid theory and acknowledge the other speculation that in terms of "Have you at any point profited the Wealth Management Services?" the control of the respondents of various is altogether not quite the same as one another.

Findings

The main objective of the paper is to find out theattempts to study the relationship between various demographic variables influencing the investment behaviour. Earlier researches have shown that gender is a significant influencer for investment behaviour but it was found from the research that there is no significant difference between males and females towards availing the wealth management services which was not corroborating to the earlier researches conducted where it was found that there is a significant difference in the investor behaviour towards males and females.(Albaity& Rahman, 2012)(Embrey & Fox, 1997)(Villamor et al., 2014)(Ruel & Hauser, 2013). Further significant difference has been found various age groups, income groups, educational group and occupational groups which were corroborating the earlier studies showing that demography impacts investment behaviour(Chan & Chan, 2011)(Dohmen et al., 2011).

IV. Managerial Implication

Since the study revealed that the demographic characteristics are vital influencers of the investment behaviour, the marketer have to real strategic in attracting the investors. They have to bear in mind that they have to be clear about each and every segment as the each and every characteristic is influencing the investment patterns. Previous researches have clearly depicted that service quality customised services with low risk and acceptable return(Yu & Ting, 2011) is the key to attract the HNWI. Further, focus should be relationship and rapport building on (Mclawrence, 2014) so that the HNWI can be retained for a longer time. Considering all these points the wealth management advisor has to design their services in accordance with the need of the clients.

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