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## **“Analysis of Investors Perception towards Wealth Management in Pune City- Maharashtra.”**

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### **ABSTRACT:**

Investing money has become very complex task because of the huge number of savings and investment companies and products offered by them, term and conditions by the investment and prevalent complex rules and regulations. Most of the investors are found to be unaware of investment avenues and rules and regulations.

This paper talks about what kind of investment the investors are doing and how they do it.

The region for the study is Pune city. The objective of this study is to know what is wealth management and also investor's preference about investment

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**Key words:** Investment, Wealth Management.

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### **Introduction:**

Wealth management is more than just investment advice, as it can encompass all parts of a person's financial life. The idea is that rather than trying to integrate pieces of advice and various products from a series of professionals, high net worth individuals benefit from a holistic approach in which a single manager coordinates all the services needed to manage their money and plan for their own or their family's current and future needs. While the use of a wealth manager is based on the theory that he or she can provide services in any aspect of the financial field, some choose to specialize in particular areas. This may be based on the expertise of the wealth manager in question, or the primary focus of the business within which the wealth manager operates.

In certain instances, a wealth management advisor may have to coordinate input from outside financial experts as well as the client's own agents (attorney, accountants, etc.) to craft out the optimal strategy to benefit the client. Some wealth managers also provide banking services or advice on philanthropic activities.

A wealth management advisor needs affluent individuals, but not all affluent individuals need a wealth management advisor. This service is usually appropriate for wealthy individuals with a broad array of diverse needs.

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### **Review of literature:**

**Velmuruganetal (2015)** concludes that investment done in various investment avenues with the expectation of capital appreciation and short and long term earnings. The basic idea behind investment of all government, private, self-employed and retired person in this study is to utilize the surplus money in favorable plans so that the money will be rolled back as well as it will give high returns also. When a common men thinks about investment he will never go for any risky plan. In the present scenario the share and gold market is highly uncertain and unpredictable, so the investor should analyze the market cautiously and then make investment decision.

**Wymanetal (2014)** say that digital is a threat to established participants in wealth management. Younger, technologically-savvy investors have a greater comfort level with self- directed investing than the older generation of today. These investors have also grown up in a world where young companies routinely disrupt older companies- and often create entirely new industries. As a result, the next generation of investors is likely to have a greater openness to directing their savings to entities that rely on new models and different technologies-all at lower cost – than established wealth managers. But there are also digitally – oriented opportunities for established wealth managers to deepen their connection with investors through the use of enhanced communications platforms, while also improving the overall investor experience. Significantly, technology can also be harnessed to reduce operating costs-savings that can be passed along as lower fees to investors.

**Patil Sonali & Nandawar Kalpana (2014)** In their article “A study on Preferred Investment Avenues Among Salaried People With Reference To Pune, India” Concluded that Investors are aware about investment avenues available in India but still investors are preferred to invest in bank deposit, real

estate, metals (Gold). The data analysis reveals that the safety is important factor while doing investment so remaining avenues are less considerable while doing investment by investors.

**Cognizant reports (2011)** published a report which say that India's wealth management services sector is largely fragmented, which isn't surprising given the industry is still in its early days. Most organized players have so far focused mainly on the urban segment, leaving untapped about one-fifth of India's high net worth individuals (HNWI) population. While early entrants and established local players have gained trust with potential investors, firms looking to enter the market will need to invest heavily in brand-building exercises to convey their trustworthiness. Hence, it is recommended that firms take a long-term view while evaluating potential return on investment, the overall outlook and trends in India indicate a huge potential for growth for new and established wealth management firms.

**Sharma (2008-2010)** concluded that Indian investors are very conservative and less risk taker. They prefer to invest their money into safe securities even they know that they will get the less return on the investment and may be possible that they could not cover up the inflation rate but still they prefer to invest in these securities. This is not because they all are risk averse or they do not want to get more return but it is because of lack of knowledge and lack of expertise services in small cities. Investors are not getting the expert's services because they are not aware of such kind of services.

**Bahbah (2009)** in a research on timeless strategies for building financial security in wealth management, elucidated that various measures to increase the awareness must be taken to guide the people regarding the importance of wealth management services to manage their wealth. After gaining wealth, it is more important to safeguard it by managing in an effective and diverse manner. By following a proper saving and investment plan; and correct utilization of wealth in a planned way provides a secured future for a family. To achieve this professional financial advisers are appointed to help their clients through professional wealth management. The customer centric solution is one of the best solutions for the needs of wealth management, definitely that would ease to overcome several challenges faced by customers at every level of wealth management business. The wealth management business cycle includes covering acquisition, identification, reporting and servicing (Brennan and Xia, 2002).

**Dr. Kiran (2009)** risk tolerance represents the minimum and maximum limits for an investor's ability to bear risk. Hui, Zheng and Wang (2013) and Gai and Vause (2006) have collectively referred Risk Appetite as the investor's preference and willingness of an investor to bear risk, which is further dependent upon the level to which an individual dislikes the uncertainty and the degree of such uncertainty. Tversky and Kahneman (1974) in a study on Judgment under uncertainty; heuristics and biases reveal that predicting and forecasting under uncertainty do not usually follow probability rules.

**Dr. K SantiSwarup (2003)** in her research article "Measures for improving common investor confidence in Indian primary market a survey", concentrates on the decisions taken by the investors while investing in primary markets, the study indicates that the sample investors give importance to their own analysis as compared to broker's advice. They also consider market price as a better indicator than analyst recommendations. The study also identifies factors. This study suggests that investors need to be assured of some return and current level of risk associated with investment in the market is very high.

They have had bad experience in terms of lower market price after listing and high issue price. Accordingly number of measures in terms of regulatory, policy level and market Oriented were suggested to improve the investor confidence in equity primary markets. However, this papers does not highlight the measures for improving investor confidence in secondary market.

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### Objectives:

- To know the importance of the wealth management.
- To understand the investor's need for wealth management.
- To study the investment objectives of the investors.

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### Research methodology:

**Sample size:** 122

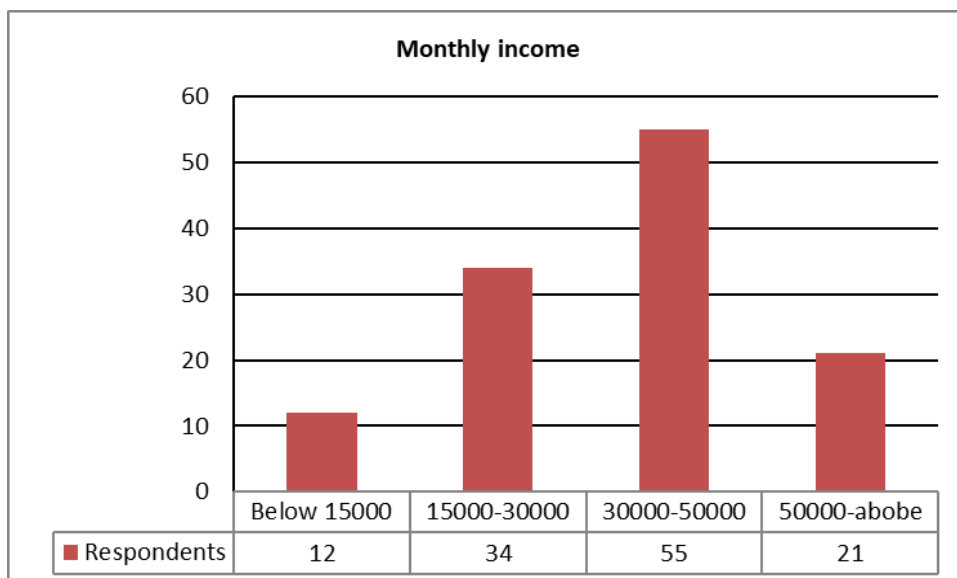
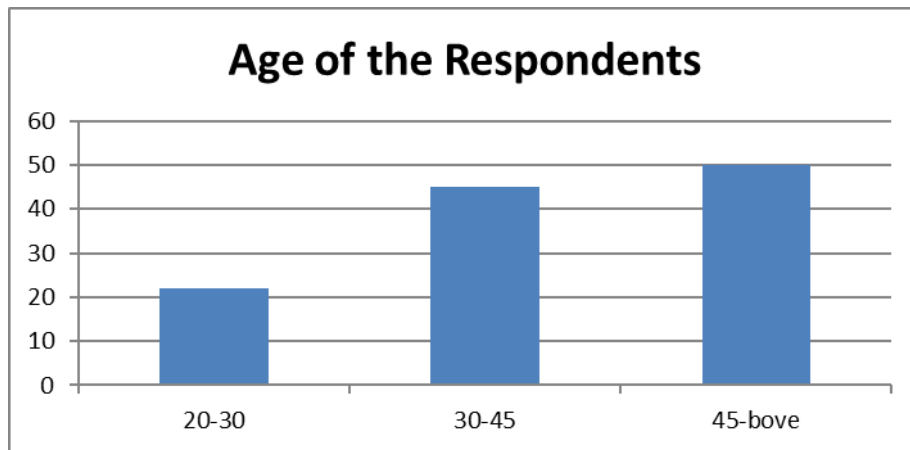
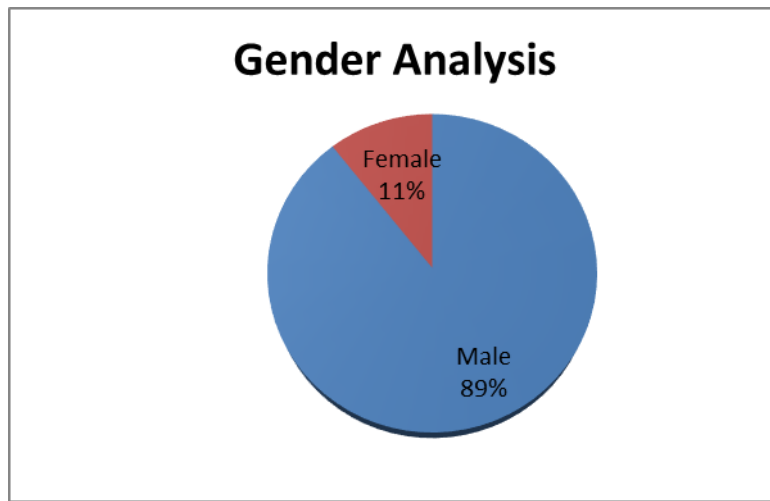
**Sampling Technique:** Convenient sampling

**Type of Data;** Primary Data (Questionnaire)

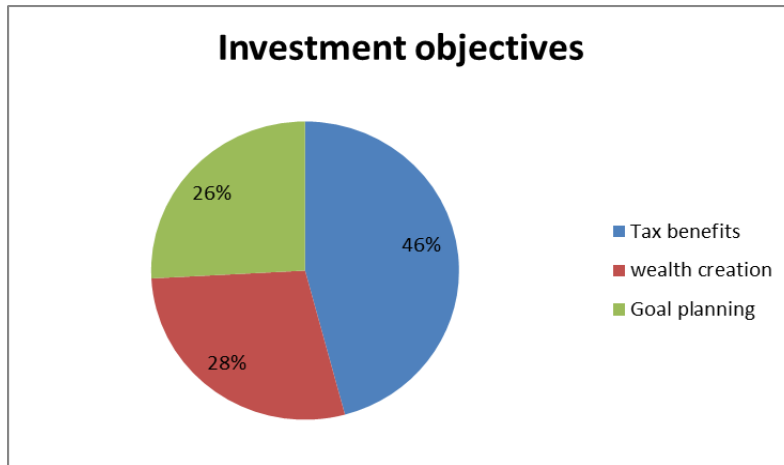
**Data Analysis:** Descriptive Statistics

**Limitations:** Study Restricted to Pune city Region

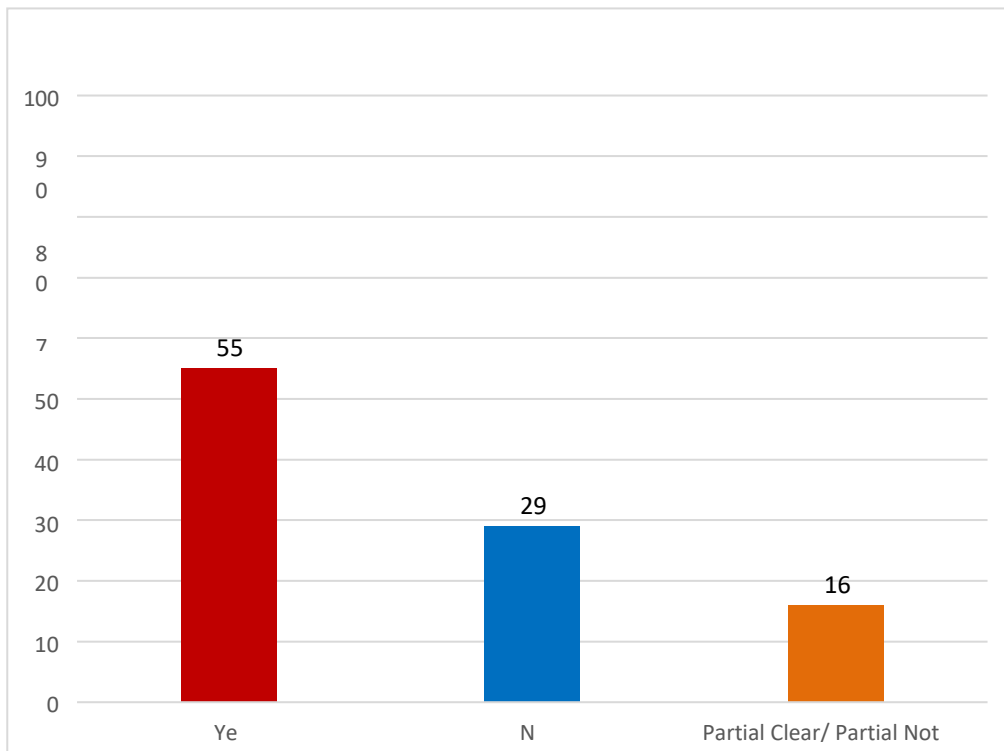
**Data Analysis:**



*What is your investment objectives?*



*Are you aware about wealth management services?*



**Interpretation:**

From the above graph, we can see that, 55% of the population is aware, 29% is not aware and 16% are partial clear & partial not cleared about wealth management services.

It says that there are more people are aware about wealth management services compare to entire population.

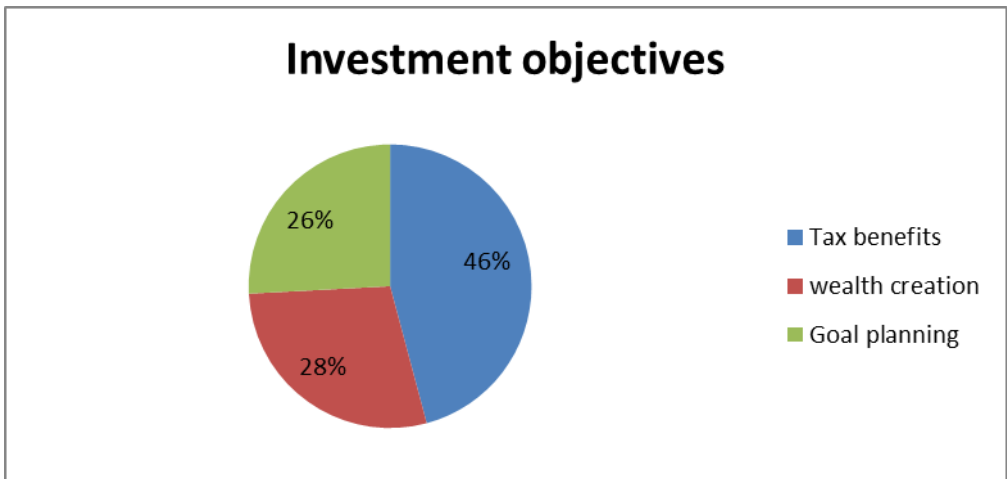
*Do you take any advice from any wealth manager/ advisor before investing?*



**Interpretation:**

From the above graph, we can see that, 12% of the population takes advises, 78% do not take any advice and 10% takes advises sometimes from the wealth manager/advisor before investing.  
 It says that the large portion of entire population do not take any advises before investingtheir wealth.

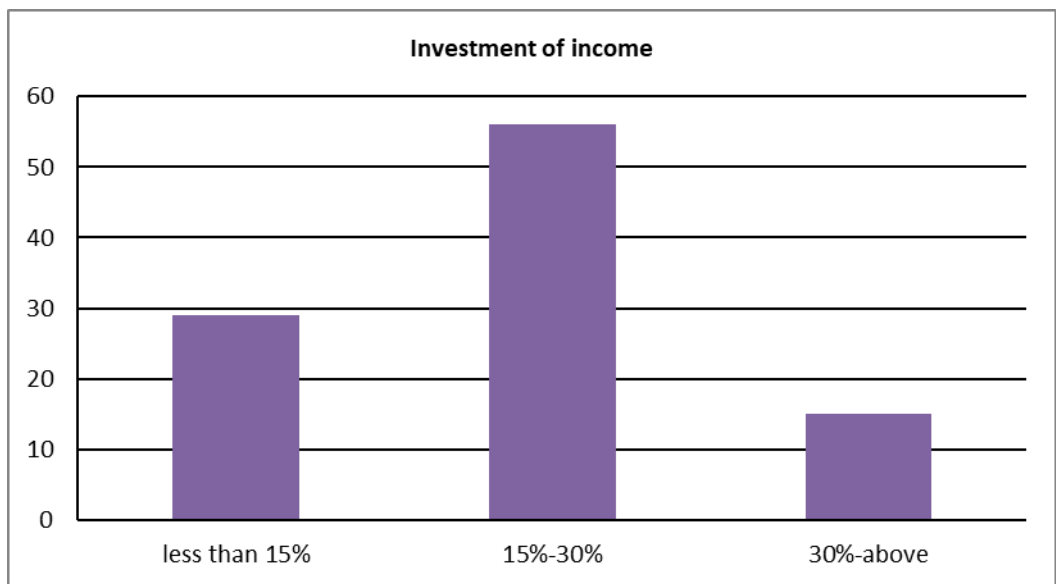
*what is your primary objective for your investment?*



**Interpretation:**

From the above graph, we can see that, 29% of the population have wealth creation, 37% have goal planning and 34% have tax benefits objective before investing.  
 It says that more people are goal oriented with their wealth investment.

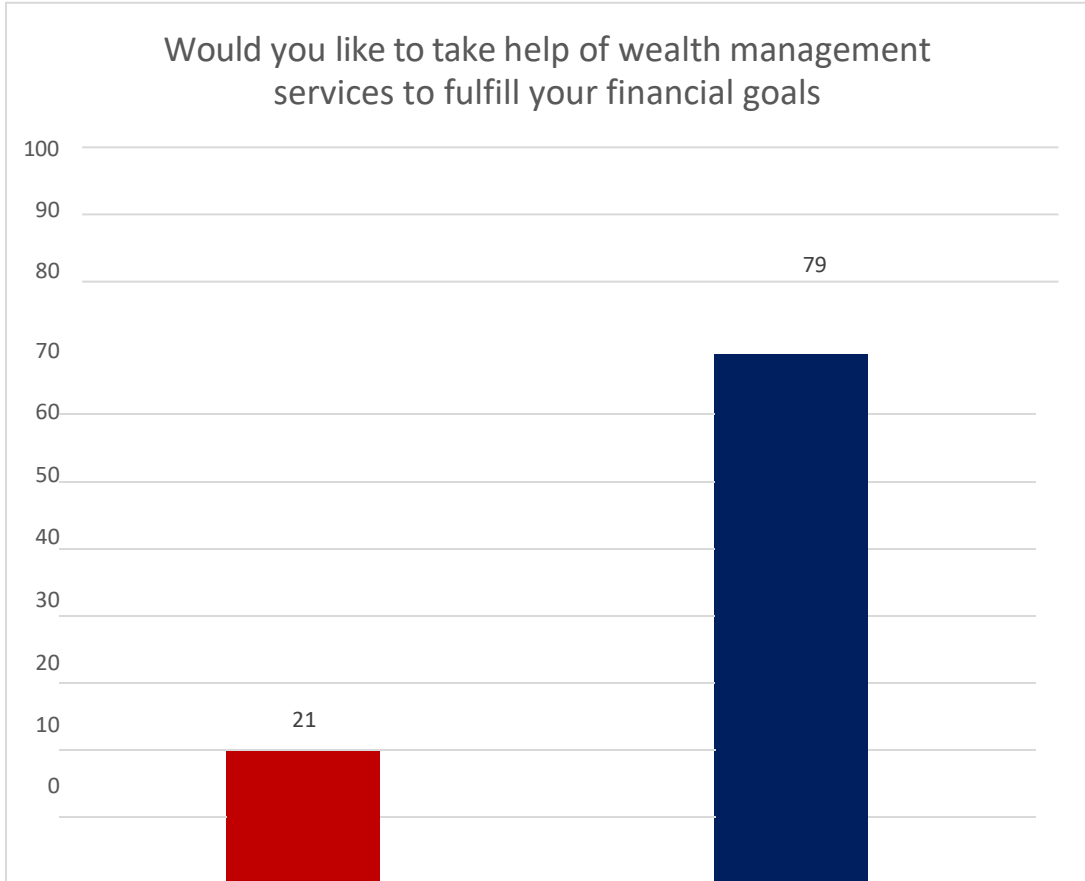
*What percentage of your monthly income do you save?*



**Interpretation:**

From the above graph, we can see that, 29% of the population saves less 15%, 56% saves 15% to 30% and 15% saves 30% to 50% from their monthly income..  
 It says that the more people save 15% to 30% from their monthly income.

*Would you like to take help of wealth management services to fulfill your financial goals?*

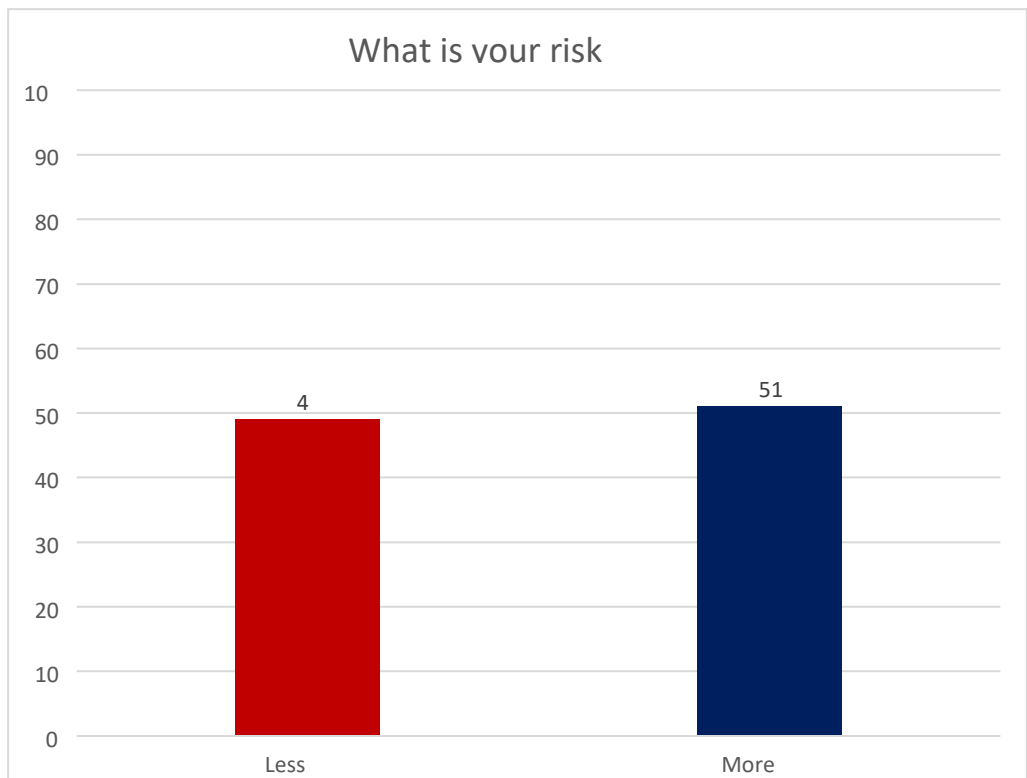


**Interpretation:**

From the above graph, we can see that, 21% of the population is willing and 79% is not interested to taking any help from the wealth management services to fulfill their financial goals.

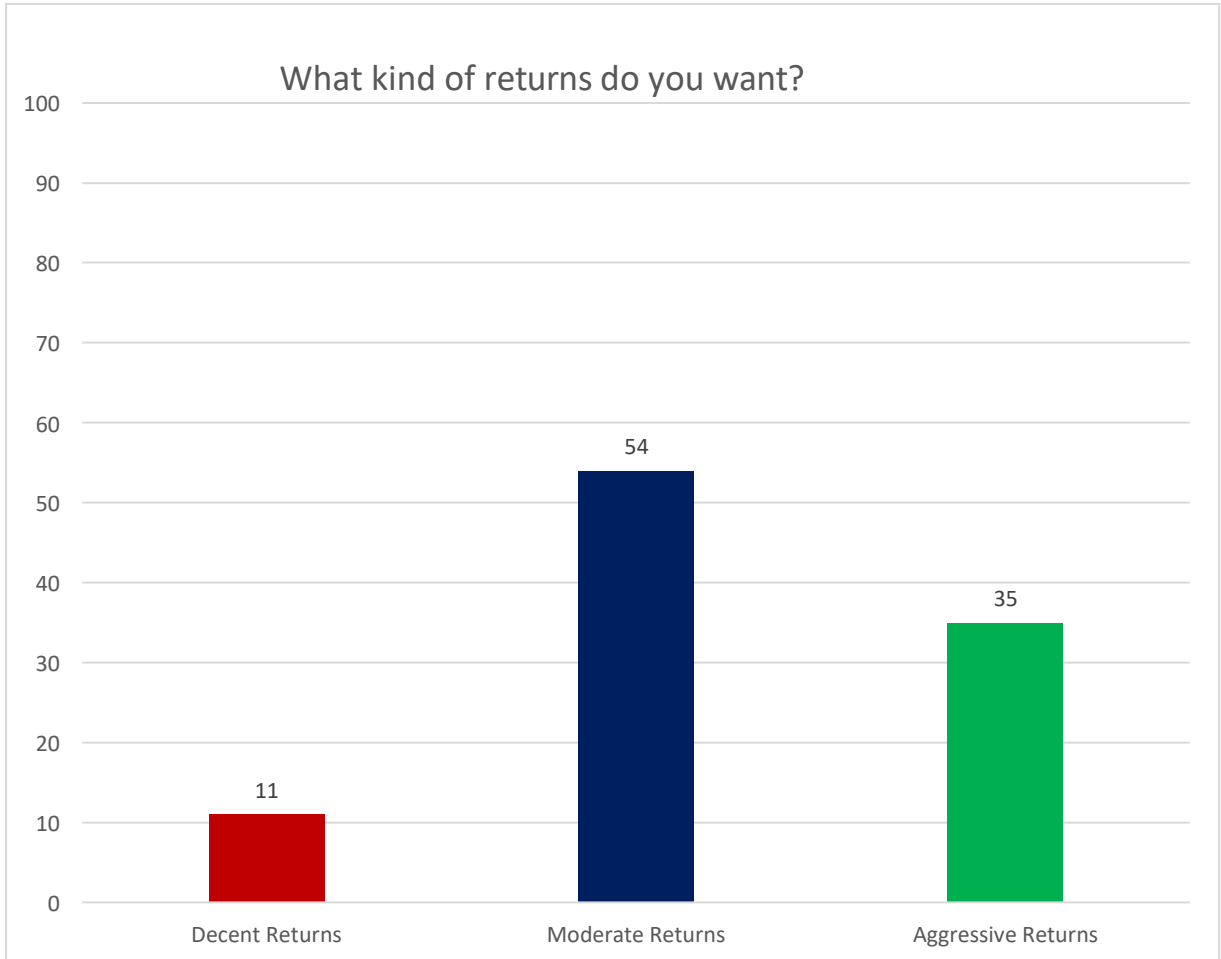
It says that the more are not willing to take any help or services to fulfill their financial goals from wealth management.

*What is your risk profile?*



**Interpretation:**

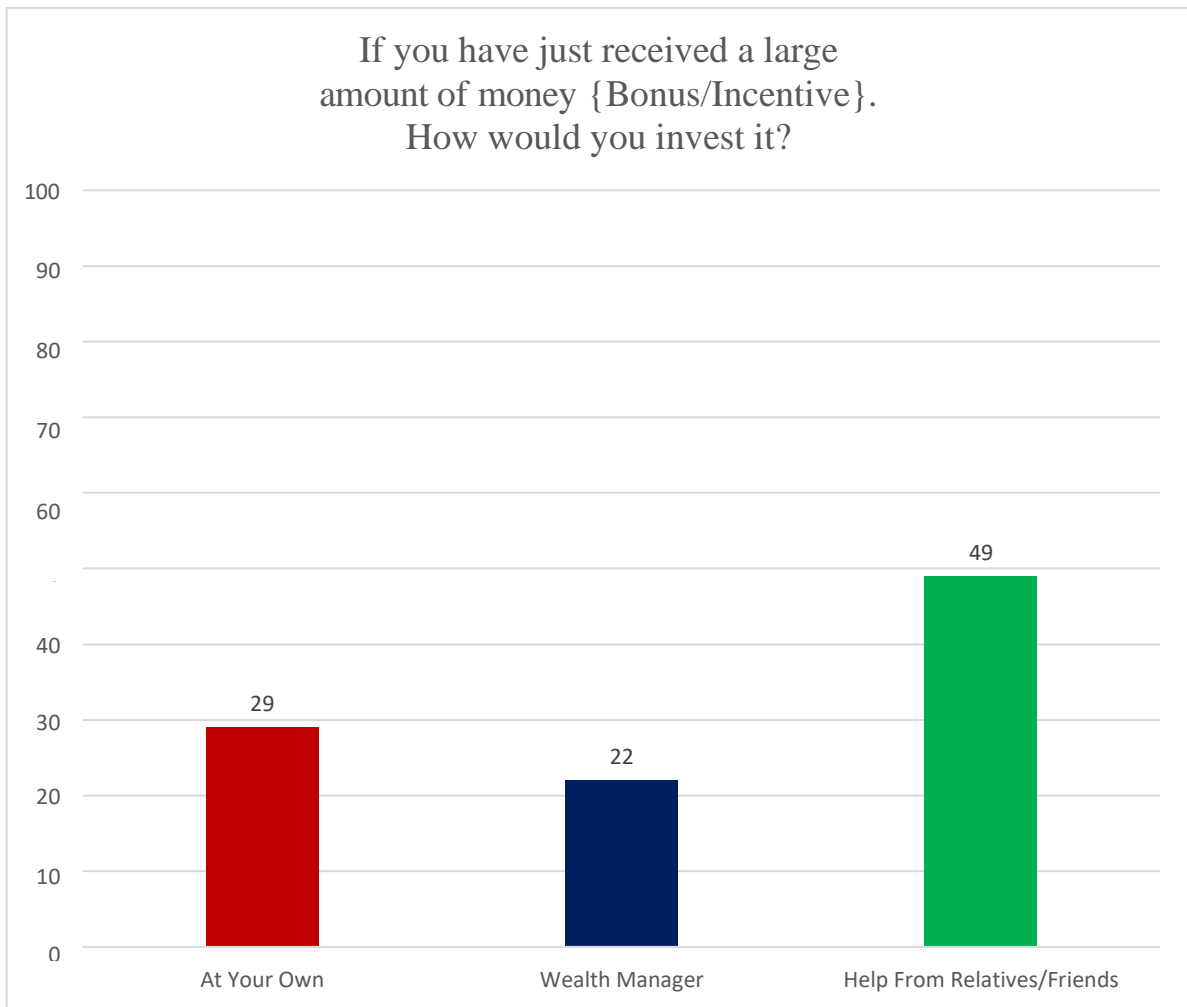
From the above graph, we can see that, 49% of the population is less risky and 51% are more risky. It says that the more risky people investors are more comparing to entire population.

***What kind of returns do you want?*****Interpretation:**

From the above graph, we can see that, 11% of the population wants decent returns, 54% of the population wants moderate returns and 35% of the population wants aggressive returns.

It says that, investor who wants moderate returns are more comparing to entire population.

***If you have just received a large amount of money (bonus/incentive). How would you invest it?***



**Interpretation:**

From the above graph, we can see that, 29% of the population invest money as their own decision, 22% population takes help from wealth manager and 49% take help from their relatives/friends.

It says that, investor who takes help from relatives/friends for investments are more comparing to entire population.

**Would you like to get a call from us regarding wealth management?**





**Interpretation:**

From the above graph, we can see that, 2% would like to get a call and 98% would not like to get a call regarding wealth management information. It says that, people from not like to get a call are more in entire population.

**Observation:**

1. In the study the researcher has investigated 122 respondents of Pune city & it reveals that 55% investors are aware, 29% investors are not aware and 16% investors are partial clear and partial not cleared regarding wealth management services.
2. Large portion of respondents i.e. 78% do not take any advises from the wealth manager before investing and 10% investors take only for sometimes and only 12% investors takes the advice from wealth manager.
3. More investors from respondents i.e. 37% invests in goal oriented plans, 34% investors have tax benefit objective and 29% investors have wealth creation objective while investing their money.
4. The researcher found that more people saves 15% to 30% money from their monthly income i.e. 56%.
5. Most of investors are beginner in their investment experience as the percentage is 58.
6. Large portion of the investors would not like to take any help of wealth management services to fulfill their financial goals even they are lacking of investment experience and their percentage is 79.
7. Investors are willing to take more risk in investment rather than less risk as the percentage is 51.
8. Large portion of respondents wants moderate returns on their investment as the percentage is 54%.
9. Half of the respondents will take help from their relatives or friends if they received any large amount of money rather than taking help from wealth managers as the percentage is 49%.
10. Investors are not willing to listen any information or need not any help from the wealth management services regarding financial services as the percentage is 98%.

**Conclusion:**

The study on preferred investment avenues among salaried people has been undertaken with the key objectives such as to find preferred investment avenues & also to know the awareness level of investors. Analysis of the study was undertaken with the help of survey conducted. After the analysis & interpretation of data it is concluded that Investors are aware about investment avenues available in India but still investors are preferred to invest in bank deposit, real estate, metals(Gold).The data analysis reveals that the safety is important factor while doing investment so remaining avenues are less considerable while doing investment by investors.

**Suggestions:**

Awareness programs has to be conducted by stock broking firms, because most of the respondents are thinking these avenues are loss making & having no good return on it. Hence the researchers have concluded that most of the investors prefer secured regular income on investment in the study Area.

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