Wealth Management Practices by Investors in Tier 2 Cities - A Case Study of Bhubaneswar City

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With pool of investment choices available, one must select the most appropriate one. The person wishing to do financial planning must know all the various investment choices and how these can be chosen for the purpose of attaining the overall objectives. The details of making the investment along with the various ways in which the investment has to be maintained and managed. This study examined on people's choice in investment avenues of tier II city, like Bhubaneswar. Data were collected using structured questionnaires. Data were analyzed using descriptive statistics.

Key words: Wealth management, Behaviour of people in investment choices

INTRODUCTION

Wealth, just like your health, must be carefully preserved. Your assets need to be protected against the potential threats of erosion by taxation, the effects of inflation and investment risks. Professional Financial Planning is the process which aims to help you realize your ambitions - whatever they may be. As professional financial advisers we can help you make informed decisions about your financial future, short, medium and long term.

As multinational companies and IT firms are now targeting small cities for the expansion of their business due to which money has started flowing into such two tier cities. Wealth/Asset management has also big a very important aspect in tier two cities. Due to the expansion of financial firms, people from small cities or towns now do have enough money and are looking for ways and means to expand their wealth or as you may put it forward they want their money to work.

You will almost certainly have plans of one kind or another - buying a home, starting a family, living abroad, perhaps retiring, but such ambitions have financial implications and you can't leave it all to chance. Careful planning

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aims to help turn your plans into reality and the sooner you start your financial planning the greater your chance of realising your goals.

INVESTMENT OPTIONS:

Another aspect. Once a family has significant wealth, the problem becomes how to preserve it for future generations—a surprisingly difficult task. Effective multigenerational wealth management requires a family to tackle the personal issues that determine who should benefit from the wealth, the tax hurdles that stand in the way of its efficient transfer, and the capital markets uncertainties that make it challenging to invest it prudently.

The starting point in any transfer plan is for the senior generation to define who they'd like the beneficiaries of the funds to be, how much they'd like to give, and when they'd like them to receive the assets. It seems as if this should be a relatively straightforward exercise.

However, wealth transfer is fraught with decisions that are both financially complex and deeply personal—and often the two are at odds. For instance, arguably the most powerful incentive to transfer wealth during one's lifetime is a desire to minimize transfer taxes. But transferring significant funds to younger generations at too young an age runs the risk of spoiling them and curbing the incentive for hard work that contributed to the family's financial success. Balancing tax-efficient wealth transfer with the psychological well-being of the younger generations is a delicate and difficult task. It's a question that has generated many, often contradictory, points of view.

LITERATURE REVIEW:

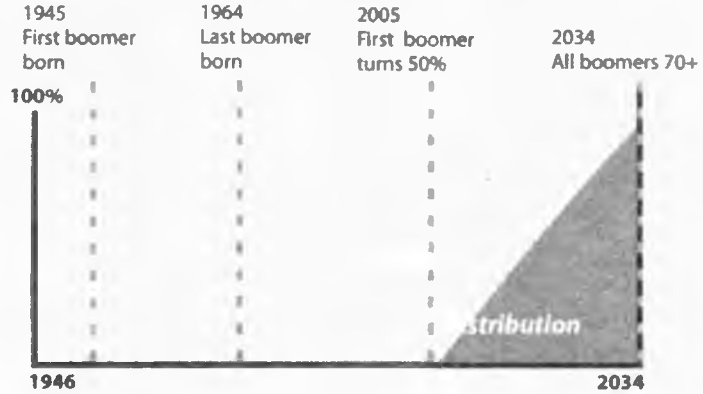
Wealth management is the process of investing your wealth and planning out a strategy so that your money "works" for you, ensuring that you will continue to be comfortable financially throughout your lifetime. Wealth management does not only imply that you are focused on saving money in the present; it also means taking that money and investing it into financial vehicles to make even more money (aka having your money "work" for you). People who practice a proper wealth management strategy will be far better financially throughout the course of their lifetime in comparison to individuals who do not follow a strategy.

If you're entirely new to investing, it is best to consult with a financial advisor that can help you in planning your wealth management strategy. Don't ever invest your money blindly; it is important that you know how to invest, how much to invest, and when to invest.

The Baby Boomers Transition

In the coming two centuries due to the events caused by mortality and inheritance in tier two cities a lump sum amount of money will get transferred to the new generation. This transfer when combined with the baby boomer generation's mass conversion from accumulation of wealth into retirement distributions will open the gate of opportunities for wealth managers in tier two cities.

Tier two cities is now foreseeing the greatest inter-generational wealth transfer ever. Baby boomers move on with their estate plans for the next decade combined with the wealth transfer associated with the death rate of the currently retired generation.

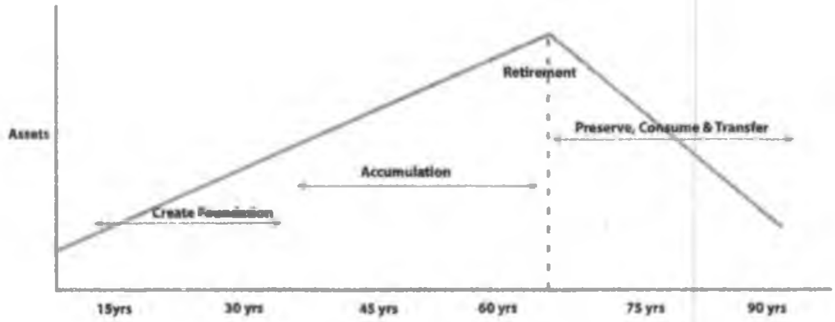


Source: Fidelity

When wealth is transferred into the hands of the new generation who are technologically more advanced and are quite aware about the do's and don'ts in the field of wealth management. To survive in this ever growing competing world, wealth managers of tier two cities need to come up with new innovations/ideas and modify their operating models for better customer experience. They also need to build personal relationships with this new generation by gaining their trust.

To keep the windows of opportunity open wealth management institutions needs to divide/breakdown the market as per the characteristics of the investor, such as investable assets, demographics, and spending behaviour, for them to create the right products, services and delivery channels. This will instil trust and loyalty for the wealth management institution of tier two cities.

Estate planning, old age healthcare and other similar plans will not be on top of the priority list for the new generation as they are still in their wealth accumulation stage. These plans will come to the picture when the investors move towards their retirement stage.



Stages in Wealth Management

LANDSCAPE FOR WEALTH MANAGEMENT

The problem with trying to define wealth-management technology is that the business model itself is very broad and deep in scope, crossing investment management, asset management, capital markets and investment banking. It is hard to pin down a single system or definition of wealth-management services or technology functionality. It essentially cuts across many different servicing and channel requirements needing a large portfolio of technology applications. Such technology needs to be introduced in tier two cities so people may have a better understanding on how to invest or expand their wealth.

TECHNOLOGICAL ADVANCEMENT in "Wealth management in two tier cities:

A comprehensive platform of web-based tools and capabilities

Wealth Passport is an industry-leading technology platform developed by Northern Trust's Global Family & Private Investment Offices to meet the specialized needs of ultra high-net-worth families and the family offices and advisors who serve them.Wealth Passport is an industry-leading, web-based platform for ultra-high-net-worth families, their family offices and their advisors. It offers them advanced data aggregation and reporting capabilities with detailed summaries of their net worth and performance measurement data — enabling them to make informed strategic decisions.

With respect to market, the requirement of wealthy individuals living in two tier cities in a wealth management solution depends on his stage of wealth-building/distribution, and specific on-going financial needs. And what they want in products and services is often event-related, like retirement, care-giving, business liquidation or generational wealth transfer, all of which must be considered during financial planning. This can be a challenge for wealth managers who must profile their wealthy clients and determine the best solution that will create a satisfactory client experience and achieve profitability targets for the firm. Each individual's situation, while seemingly unique, can be profiled with a class of products and services.

The diversified range of investment management objectives related to investment strategies is also crucial, especially in two tier cities. Example:

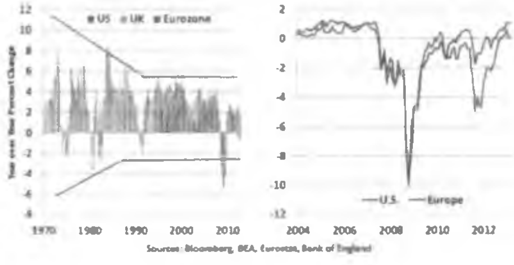
for preserving principal and maximizing current income versus maximizing the growth of the portfolio. These would require different wealth management solutions. If the HNW individual's focus on retirement as an event, then the investment strategy would focus on income generation, protection of wealth and succession management aspects to determine what he or she will need financially to maintain their planned lifestyle throughout the retirement.

At the same time, if the wealth manager is expecting to support creation of the individual's estate, then the issues are different. In estate planning, the advisor must consider how best to effectively manage the complex and time consuming process of collecting, safeguarding, transitioning and distributing the assets of his customer. Depending upon the client needs, often a wealth manager will need to frame a customized solution that includes charitable giving, agency services like escrow services, litigation settlements, classes of beneficiaries, etc. This diversity of client requirements, particularly in estate and Trust planning, requires wealth management technology solutions to be highly flexible and customized to address the wealthy individual's complexity in financial needs.

EVERYONE WANTS FINANCIAL STABILITY, BUT AT WHAT COST?

Policy makers have always shown keen interest in financial stability. All departments within central banks have been formed to monitor financial conditions and recommend policies to prevent a recurrence of the 2008 crisis. But the measure designed to ensure stability comes with cost and unintended consequences.

The goal of financial stability will be a recurring theme in the coming years, and promises to affect just about everyone. Prior to the crisis, major economies enjoyed a period that became known as "the great moderation." For 20 years, real GDP growth moved within a narrow range. Thinking was developed that we had become the master of the business cycle. Financial conditions seemed extremely stable. But now is the state of Great Instability. Market discipline is no longer regarded as the most suitable tool to head off the trouble, and so the world is presently engaged in a broad exercise in financial re-regulation.

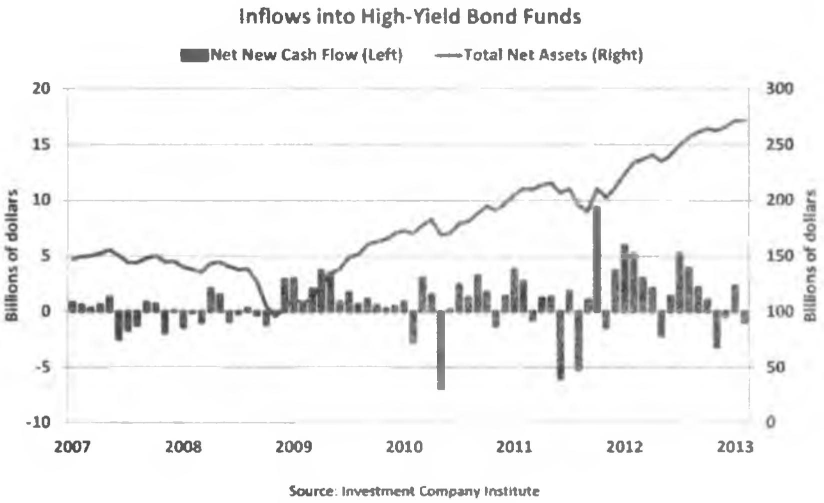


Sources: Bloomberg, BEA, Eurostat, Bank of England

A more succinct expression of principles, as opposed to a lengthy list of rules, might better adapt to changing circumstances. And there is scant evidence that complicated rules do a more effective job of deterring misbehavior; the Basel II capital standards are a case in point. For principles to be effective, though, supervisors must be intelligent and consistent as they apply the discretion that such a system would necessitate.

Another concerning aspect is the small handful of global firms that are so large, expansive, and interconnected that prospective failure would be immensely costly to society. Policy makers therefore have little choice but to forestall that outcome and put public money at risk. Because of this implicit backstop, these mega-banks enjoy a funding cost advantage over smaller firms.

It has been observed that this community of very large global firms will be facing much higher capital minima and much tougher regulatory requirements. This may result in moderation in their scale and scope. And therefore, the world's financial giants are being asked to write "living wills," that provide an outline for unwinding their operations. And the additional oversight will help to detect potential problems early, before the firms impose costs on the public.



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As stated, even with all the good intentions, there is no guarantee that the rush to re-regulate will be successful. The next crisis may look nothing like the one just past and the political will to take tough preventative steps during good times cannot be taken for granted. Further, one has to pay the cost of seeking financial stability that goes beyond the investment in compliance. As it is with stocks, economies that seek a lower variance of outcomes may see their expected performance diminish.

The trend which has been mentioned above is not restricted to tier I cities but the similar behaviour is seen in tier II cities. With growing infrastructure and fast rate of development seen in all major sectors, financial firms have spread their roots deep in these lands as well. Broadened thinking and the ultra-awareness raised among the people of tier II cities have made them follow the same path towards their financial stability as done by tier-I cities.

Notes:

http://wwwac.northerntrust.com/content//media/attachment/data/commentary/1304/document weekly_economic_commentary_041213.pdf?1366874430253

INVESTMENT TREND IN REAL ESTATE BY TIER II CITIES

Where the main areas of the property investments are the metro related areas and the tier I cities in India, the Indian government is forced to concentrate on alternative smaller cities like the Tier II and other cities. Few of the areas like Indore, Jaipur, Kochi, Ludhiana, Bhubaneswar, Nasik, Nagpur and Chandigarh are in demand. The Indian real estate is now attracted towards these areas and is extending its new avenues for development. The realtors expecting it to be great option are introducing a huge array of constructions, services and solutions for the development and the benefit of investors as a whole.

Also the current situation and demand of the residential real estate market in the Tier I and the metro areas has forced the property investors to move on to the Tier II cities. Apart from just the spread of residential projects in the Tier II cities, there is also an equivalent demand for the commercial property in these areas. Also there is an increased change in the lifestyle of people and they have adopted the mall culture.

Owning to all these aspects the developers find these cities more lucrative and also have various options for construction with better returns. Also the developers are witnessing greater investments in these areas when compared to metro cities. Most of the investors prefer investing in these areas because of the lesser time taken each project takes for construction and gives better returns. The labour is cheap with safer markets along with a higher yield.

said this segment of buyers has mostly purchased gold coins in crores and have stashed them in bank lockers. "A decline in the price of gold has always been a temporary phenomenon. Hoping that it will shoot up again, the short-term investors who buy and sell high-end housing properties are buying the yellow metal only to sell when the price shoots up again," said Pradipta Kumar Biswasray, president of Real Estate Developers Association of Odisha (REDA).

INVESTORS PHYSIOLOGY

Behavioural finance or behavioural economics is the study of the psychological biases that impact the decision-making of an individual. The impact of psychology can be clearly seen in investor behaviour such as herding. This can lead to fear of regret, where investors avoid selling a poorly performing investment because they do not want to admit to having made a bad decision to begin with.

Understanding how emotions or psychology can impact our decision-making can help us avoid some of the most common investment traps investors can fall into.

The following behavioural biases are observed:

Overconfidence

Investors believe that their decisions are superior to those of others and, as a result, they are more inclined to make risky investments.

Recency

Investors tend to put more emphasis on the recent past when making decisions about the future, expecting that the future is more likely to look like the recent past. This is also known as anchoring.

Loss aversion

Investors may "feel" losses more keenly than gains and may therefore sell loss making investments more quickly

Disposition affect

Investors sell their "winners" too early, but hold on to "losers" for too long.

The analysis shows that the recent past (that is the recency investor) tends to lead to the greatest underperformance. While the loss averse and disposition investors also underperform sometimes in comparison to the rational investor, the amount of underperformance is not as extreme. It is stated that decision are highly influenced by the happenings in current environment and the direction of extreme market moves.

Experts say that emotions and psychology play an important role in financial investment decision-making. Understanding one's own biases as an investor and putting in place processes and techniques to avoid or reduce the impact of these biases should be an essential part of a disciplined approach to investing field. For an instance, before buying a stock you should determine your exit strategy: at what level you will sell the stock and take profits, or at what point you will sell the stock despite not having made a profit.

THE GREATEST NEED OF THE HOUR IN TIER TWO CITIES:

GOOD PENSION FUNDS

A pension is a company-sponsored fund that is supposed to provide a company's employees with a livable income for the time after their retirement. There are two types of pensions-defined-contribution plans and defined-benefit plans.

1. Defined-contribution plans , the amount of money contributed to the plan by the company is set from the get. The money is then invested over the span of the employee's career, and the eventual balance in the account is paid out upon retirement. With this type of plan, the value of the employee's pension is based on the performance of the investments, so the benefit to the employee is uncertain.

2. Defined-benefit plans, on the other hand, specify the ultimate payouts to retirees, regardless of the returns on the pension fund's investments. In a defined-benefit plan, the company is on the hook for whatever the fund can't generate.

The Employee Perspective

Nowadays, one might wonder just how relevant pensions are for an employee either because they're self-employed or because their employers don't offer them. With an all-but-condemned Social Security system, many people are relying solely on self-directed retirement programs such as 401(k)s and IRAs. There are a growing number of people who retired with pensions, but then saw their plans collapse as their pensions' sponsor companies hit hard times.

Company Perspective

When companies sponsor a pension plan for their employees, they're essentially making an unofficial statement about how important are their employees for them. Many top managers justify limiting pensions by citing "responsibilities to shareholders", but providing adequate retirement planning is often in a company's best interests.

Notes:

http://www.investopedia.com/articles/retirement/07/how_pensions_work.asp

ESTIMATED SIZE OF PENSION MARKET

Experts estimate the size of the pension market to grow as follows:

Year Size of the pension market	INR billion
2005	1166
2010	1569
2015	2154
2020	2986
2025	4064

Replacement rate risk -

This is the risk that the individual's post-retirement income is insufficient to provide a good standard of living enjoyed while in service. Post-retirement incomes must bear some relation to ones final salaries, since living standards are linked to these.

Inflation risk -

This is meant to reduce post-retirement living standards in real terms. Real incomes are protected while one is in active service through suitable wage indexing.

Social security risk -

This refers to the possibility that Social Security and other retirement benefits may prove to be lower than what the individual had anticipated and planned for. Individuals have, in anticipation of this contingency, turned to personal pensions schemes in recent years to recoup shortfall in expected earnings.

Longevity risk -

This risk is the possibility that the individual might live too long after retirement and thus outlives his resources.

Investment risk -

This is the possibility of retirement funds being rendered inadequate or even wiped out because the underlying investments performed badly relative to expectations due to default by debtors or a fall in the market value of investments.

CONCLUSION

Retirement income is an extremely important component of every individual's lifecycle. Pension funds are powerful engines of growth and go a long way in strengthening capital markets as they provide large amounts of long-term funds. A good pension system should maximise investment returns by wise investments and should keep expenses of the pension provider to the bare minimum. It should provide multiple options to cater to the different needs of different age and income groups. A lot of consumer education is required to explain to the people the benefit of small savings over long periods to provide for a secure old age.

FINANCIAL PLANNING IN TIER TWO CITIES ON A TRAJECTORY

Investors in tier two cities, unlike those in tier one cities, are yet to grasp or accept the timeless principles of investing through a proper financial or investment plan. This is the essence of what we all desire and strive for. We all have new and evolving – sometimes unlimited – needs and wishes. Evolution of new and more adventurous aspirations is seen as one progress through life's journey.

We all know that the number of earning years is limited with respect to money and that many of the goals of one's life are financial in nature. So why is it so that we still think "All will be okay and not plan for a financial future"? To achieve maximum benefit of the hard work and to ensure accomplishment of one's goals, proper planning through a certified wealth adviser almost becomes a necessity.

A few generations ago, the thought of saving for retirement was overlooked. But as Indian families move to a nuclear and independent existence, the need for financial independence and carefree retirement years has become a critical evolutionary exercise.

UNDERSTANDING FINANCIAL PLANNING

Financial planning is a process through which one can design a roadmap to fulfill the financial goals of one's life. It enables one to draw out the family's entire cash flow of all current and future incomes, and all of the current and expected expenses. It evaluates the current financial situation, outstanding liabilities and insurance position, and matches those against the future financial goals of the individual and family as a whole.

Financial planning also helps to analyze and chalk out a plan to reign-in expenses and outstanding liabilities in a more manageable and structured manner. Further, a comprehensive financial plan assesses options for succession planning to ensure that the family's financial security is well maintained, even at the time of there being grave eventualities and contingencies.

How to apply?

Financial planning involves the following ongoing process:

- Establish goals and objectives
- Review the current financial situation
- Develop a strategy to meet needs
- Implement the strategy
- Assess insurance and succession requirements
- Review goals and financial status on a periodic basis
- This is an evolving process and therefore reviewed on a regular basis.

Evaluating the risk profile and building a portfolio that implements long-term asset allocation strategies to achieve a real rate of return in order to diminish the effects of inflation on savings is one of the main deliverables of a sound financial plan.

A disciplined approach to savings and investments

A typical trap investors fall into is to think financial planning is as easy task, as doing a cash-flow analysis. Financial planning requires discipline along with choice of appropriate investment assets to meet not only current financial needs but also to fulfill future needs; an understanding that certain goals may need to be sacrificed – and if that is not possible – then certain current lifestyle behaviour need to be changed in order to meet the financial goals in the future.

METHODOLOGY

This part explain the methodology used in this study. The methodology includes data and sources of data, sample size, area of the study and framework of analysis. The study is based on primary and secondary data. Primary data have been collected from respondents through a structure questionnaire covering different groups of peoples among Bhubaneswar City. The secondary have been collected from various books, magazine, journals, news papers and websites.

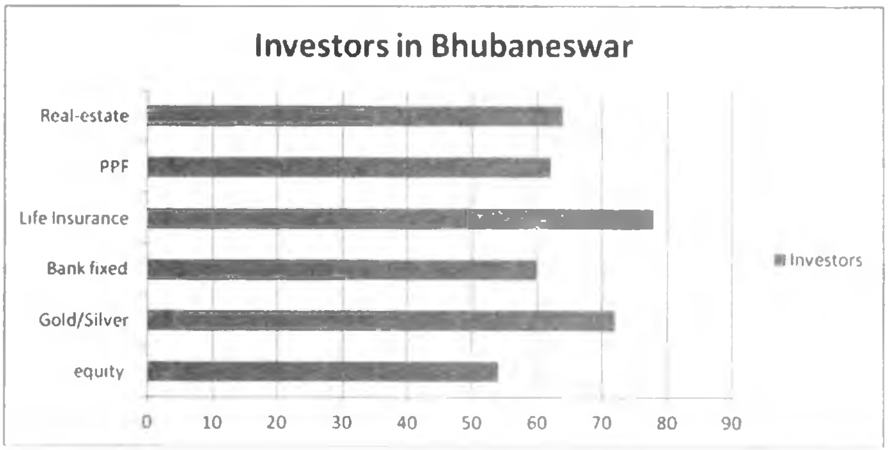
Cluster sampling technique is used to select the respondent from the available database.

DATA COLLECTION METHODS

Personal survey method was used to collect data from the Internet users in the Bhubaneswar city. Through random sampling method the respondents were interviewed through a structured questionnaire. All the respondents belong to the age group of 20 to 70 years. Data from other secondary sources such as Websites and Journals were also collected for this research work.

DATA ANALYSIS:

	CATEGORIES	PERCENTAGE
GENDER	MALE	84%
	FEMALE	16%
AGE	20-30	46%
(in years)	30-40	24%
	40-50	22%
	50 n above	8%
LEVEL OF EDUCATION	matriculation	8%
	Graduation	76%
	post graduation	16%
OCCUPATION	self-employed	44%
	Employed(Govt. /Private)	38%
	Other	12%
ANNUAL INCOME	< 150000	6%
(in rupees)	150000 – 300000	12%
	300000 – 600000	64%
	600000 <	18%



FINDINGS
SOME BEST PRACTICES

AGGREGATE AND RATIONALIZE THE DATA

Firms need to aggregate all data related to the wealth management value chain from across the firms' including all products and varying client related data, into a data services management facility. Rationalizing multiple sources of the same data and creating a master data management structure will provide the best intelligence to facilitate advisors in providing quality customer support. In order to achieve this, financial institutions should have integrated end-to-end automated workflow and data cleansing, consolidation and presentation services.

Now, if an investor profile is multi-purposed and compiled from rationalized data sources across all client activities, it results in substantial time and cost savings as there is no need to re-key data, or have multiple sources with varying accuracy. This is particularly important when the firm is serving UHNW families whose data is often associated with a client's household and associated third parties such as accountants, lawyers and other advisors.

SERVICE-ORIENTED ARCHITECTURE (SOA)

Data quality and integrity is ensured if a wealth manager utilizes a Service-Oriented Architecture (SOA) wealth management platform where all product and client services are defined as business services, and data is aggregated from providers and made available in meaningful formats for consumption by users. An SOA platform can integrate existing applications in an open and extendable framework, which will of greater use.

When implementing specific data aggregation services such as product catalogues, it is best to use system mechanisms that employ a logical data model in order to avoid a lengthy data warehousing effort and save the cost of purchasing new database servers. Product catalogues should offer comprehensive support for all types of financial products and their affinity to one another for cross-selling, and restrictions for use in certain client instances.

INTEGRATED CRM

Wealth management firms need to have a highly contextualized CRM system based on current data so that advisors do not need to feed the client information into multiple systems. Firms need to optimize and integrate client-facing front office processes, such as client profiling, on-boarding, and converting investment proposals to investment strategy execution. A good CRM system should capture client and prospect information, conduct basic analysis, and generate compelling and compliant proposals. Investor and investment constraints should be automatically integrated into all of the wealth manager's processes so that advisors are in a position to act on alerts if there is any change in the investor's portfolio outside the parameters prescribed for their style and risk.

SETTING A CLEAR INVESTMENT POLICY PROCESS

A clear and well stated policy and documented process is necessary to ensure regulatory compliance. The Markets in Financial Instruments Directive (MiFID) that promotes rules for individual investors can get the best execution available when there is an IPS (investment policy statement). In addition, wealth managers should have the ability to store investment guidance and constraints as part of their investor profile. Workflows that support adherence to a firm's compliance policies should pop up alerts to notify advisors and clients when portfolios are out of compliance.

CONCLUSION

The study on wealth management practices has been undertaken with the objective, to analyze the investment choice of residents of Bhubaneswar city, India. The current target audience of the survey is relatively small due to its low level of awareness but, this should not be underestimated. There is good potential for growth in Wealth management in Bhubaneswar city. This study provides an insight into the attitude measurement towards Investment Behaviour and the attributes of it that affects the attitude of investors. There might be a chance that the perceptions of the respondents are varying; it's mainly due to diversity in social life, living pattern, income level etc. Income level of a respondent is an important factor which affects his portfolio. Middle age group, Lower income level groups respondents are preferred to invest more in Insurance and bank deposit as compared to other investment avenues. The mere limitation of this study is that it is confined only to a very small geographic area and the sample size is small. Analysis such as correlating demographic factors with the attitude towards Investment Behaviour can be done in future study. A more detailed study can be carried out to acquire insights into the phenomena, based on a larger sample size and with a better distribution of respondents' demographics.

Factors responsible:

- While the realty trend in Tier I cities have reached a saturation point, with the yield gap witnessing significant margin of 9.5 to 10 per cent, the Tier II cities record a yield of 10.5 to 11.5 per cent.
- Affordable prices of property in such cities are flocking up with investors.
- There are various sectors like the pharmaceuticals, financial institutions, educational institutions, IT and ITES sectors which are coming up in these areas and henceforth attracting more number of buyers.
- The government is also taking special measures to provide the smaller cities with infrastructural facilities and the initiation of the SEZs. These factors have also resulted in the promotion of the smaller cities.
- There is a demand in these smaller cities due to the large scale investments by the corporate sector.
- The rising property prices in these areas are portraying a promising future to the investors and are driving the investors in buying properties in these areas predicting the long term returns.

Henceforth, the Tier II cities are termed as the extension cities of the booming metros. The Real Estate in Bhubaneswar scene has seen considerable rise in demand. This main reason for this is expanding city population and the rising disposable incomes of Bhubaneswar's denizens. As a matter of fact, in some areas of the city, the price of Real Estate has risen by a staggering 300 per cent! With numerous options in every segment like low-priced homes, premium housing and luxurious housing schemes, the supply aspect in property has been equally diversified in Bhubaneswar. To attract more and more buyers, builders in this part of the country are coming up with newer and newer projects in Orissa. Bhubaneswar has come forward as the most favored city because of its strategic position for trans-national companies.

Notes: http://www.commonfloor.com/guide/upcoming-cities-in-india-tier-ii-and-tier-iii-cities-13319.html

INVESTMENT TREND IN GOLD:

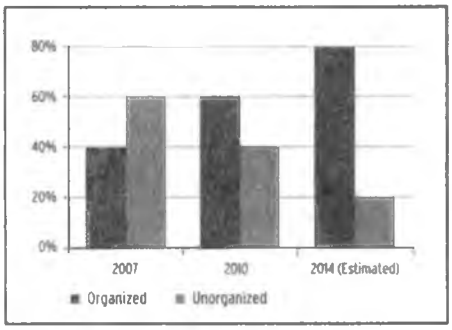
Recent update: Bhubaneswar ditches real-estate for yellow metal

Apart from retail buyers rushing to jewellery shops to buy gold lured by a sharp fall in prices, several short-term real estate investors here are buying the yellow metal worth crores of rupees.

According to sources, investors in the city generally put their money in high end-properties during conceptual stage and sell those when these are ready for possession by a handsome profit margin. But due to a perceived slump in the housing sector, many of them have now jumped into gold. Sources

Some Important statistics:

Wealth Management Market Share
Organized and Unorganized Sectors



Source: "Key Trends in the Indian Wealth Management Market," Celent, December 2010.

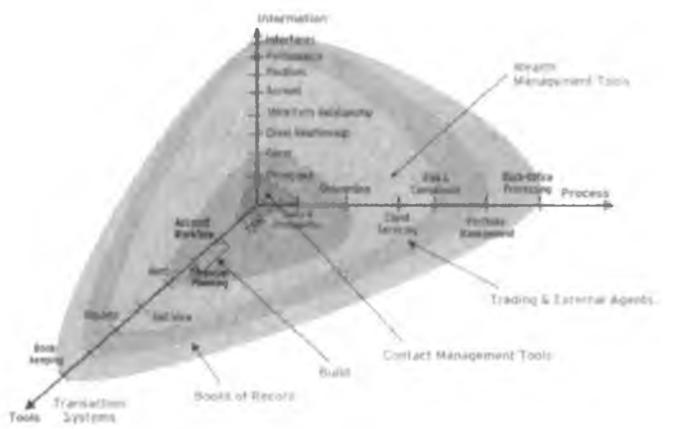
Wealth management objectives and channel preferences:

Age group	Primary Objective	Prefferred primary Channels	level of Service	Technology Adoption
Below 30	Building wealth	Online	Standard services	Expert
30 – 50	Accumulating wealth	Online+personal	Customized services	Proficient/Conversant
50+	Accumulating wealth,retirement planning	Almost entirely personal	Individual services	Conversant/Beginner
60+	Protecting wealth,succession planning	Entirely personal	Individual services	Beginner

Players in wealth management space:

Business Models	Market position	Examples	Main Characteristics
Universal banks	Strong	Kotak,HDFC,ICICI,HSBC,Axis	• Developed lending offerings. • Good reach. • Large players,relatively low entry levels for wealth management services. • Cross-sell potential with retail/corporate network
wealth Management Specialists	Medium	Deutshe, BNP Paribas	• Primarily foreign players with focus on advisory and offering of managed/structured products. • Wide range of wealth management entry levels;typically high entry barriers.
Global investment banks	Weak	Morgan Stanley	• Focus on the ultra high net worth segment. • Industrialist approach to service clients with investment banking products.
Brokers/Dealers[online/retail]	Strong	DSP Merrill Lyuch,ICICI Direct	• Wide range of brokers targeting mass affluent market without focused approach for HNWI segment. • Domestic equity/mutual funds focus. • Limited research recommendations.
Family Office	Weak	Client Associations	• Holistic advisory services for specific clients segments suck as entrepreneurs, professionals.
Others	Medium	Independent Fund/Insurance Advisors	• Very Low entry levels. • Serve clients across segments. • No dedicated wealth management offering • Commission-driven model

Personal Profile:



The 360-degree service model is delivered through wealth management processes relying heavily on the information and specialized tools shown in the other two dimensions.

QUESTIONNAIRE

Name : ____________________

Age : ____________ Occupation: ____________

Contact no.: ____________ email id: ____________

Address: ____________________

____

1. Have you ever planned any investment for future? Y/N

   If yes: What percentage of your income do you invest?

   a. 0-10% b.10%-30% c.30%-50%

2. Why is investment important to you?

A) ____________________

3. Which of the following fields suits your area of investment?

- Savings

  ☐ Education funding ☐ Retirement funding ☐ Health Emergency

- Wealth Accumulation

  ☐ Business Expansion ☐ House Funding ☐ Foreign Trip

- Income replacement

3. Which factor do you consider before investing?

   a. Low risk b. Safety of principal

   c. High returns d. maturity period

4. In which sector do you prefer to invest?

   a. Private sector b. Public Sector

   c. Government Sector d.foreign sector

5. Do you have any plan to buy any house in near future? Y/N

6. Are you gadget freak? Y/N

7. Have ever thought about emergency-saving fund? Y/N

8. Your preference in gold investment a. high b. neutral c. low

   Reason : ____________________

9. Do you find investment in real estate a better option? Y/N

   Reason : ____________________

10. Do you have interest in stock market? Y/N

    Reason : ____________________

11. Any other field where you have invested or wish to invest?

    a. FD b. MF-SIP c. ELSS

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