Perceived Service Quality: A Comparative Analysis Between Mass Affluent And High Net Worth Investors Availing Wealth Management Services

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Abstract

India has the potential to become a high-growth Wealth Management Services (WMS) market supported by its mass affluent and High Net worth (HNW) investor base, improving wealth levels among global Indians, strengthening regulatory environment and an increasing share of organized players, including relationship managers who act as financial advisors. The purpose of this paper is to examine the major objectives set besides investors mind while availing WMS along with major sources of information affecting their decision while availing WMS. The data used to test the hypothesis has been collected from 290 Mass affluent and 210 HNW investors availing WMS from various service providers in Punjab. The findings serve as a valuable reference for WMS Providers to understand challenges disturbing service quality with respect to objectives behind availing WMS and sources of information**.** WMS providers in terms of their communication with the investors should set up, design and develop their sources of information in such a way that it should be more understandable to both set of investors. Mass affluent investors in comparison to HNW investors are more sensitive as they demand more personal touch and clear processing of funds. Therefore, the study strongly recommends that WMS providers should function in such a way as to send great contents to the prospects and ensure disclosure of pertinent way and means of wealth creation on a regular basis both congenial to mass affluent and HNW investors.

Keywords: Wealth Management Services, Mass Affluent Investors, High Net worth Investors.

1. Introduction

Intense competition and continuous changes in Indian financial intermediation causes financial system to change its ways. The pressure of meeting challenges like changing demands of clients, new rules and advances in technologies have compelled intermediaries to change the old ways of doing business **(Malik, 2014)**. To gain competitive advantage, traditional approaches will no longer work. With the increase in challenges and opportunities, service providers need to be more innovative. Older customers wants personal touch but remain loyal, young investors are capricious, volatile, vacillating and are able to negotiate the best deals.

Current competitive environment is presenting tremendous challenges for the financial intermediaries. Customers become increasingly pioneering and free spirited and also more controlling in their relationships with banks. As with the change in expectations of the clients to have more diversified investment avenues, looking for more difficult questions to be answered and asking for assurance**,** there arises a need to look for alternative products building.“There is a need of system that should be open to new products e.g. real estate, gold along with traditional products including bonds, stock so that more general and specific investment recommendations based on customer and product profiles can be provided” **(Gonzalez-Carrasco et al., 2012).** After China, India is considered to be the second most captivating market for WMS **(Grover, 2015).** WM industry in India developed in response to the arrival of mass affluence during the latter

part of 20th century; desire existing among clients to participate in their fund management, eagerness existing among WMS providers to extend offerings according to changing demands and recognition among advisors that, for many clients, traditional financial services are inadequate. Servicing client and delivering value becomes the focal point for service providers. The control of banking industry in Indian Financial System is being challenged by the new rivals in the form of Corporate Financial Advisors and Independent Financial Advisors. But the significant contributory entity in the development of WM industry is banks which bring the revolutionary change by changing its landscape.

2. RELATED LITERATURE

Study of financial market has been a subject of a multichannel analysis but inquiry into WM area is sporadic. Literature evidenced service quality as a strategic force in WM industry. Service quality is of high priority in WMS as WMS is highly professionalized section and for achieving trust and confidence of client, banker should adopt highly intense relationship oriented marketing approach (**Horn & Rudolf, 2011**). Safety of the capital is most demanding factor in any investment activity. While no investment option is completely safe, still risk averse investors are more partial to products which involve no or little risk. Similar conclusions are given by **Gakhar et al. (2013).** Technological advances have remarkably refined operations and lowered the cost of doing business. Importance of technology as a valuable factor in investment process is spotlighted by **Pikkarainen et al (2004)**. Results indicated that factors like "Perceived use, Perceived ease of use, Perceived enjoyment, information on online banking, security and privacy" greatly affects the acceptance of online banking. Internet connections emerged as important factor in acceptance of online banking. Young people are more likely and are more inclined to adopt online banking (**Karjaluoto et al, 2009; Alagheband, 2006**). **Sohail & Shanmugham (2003)** demonstrated that affluent masses are more inclined towards online services thus, requiring the banking industry to change the ways of banking. **Sureshchander et al., (2002)** identified five factors which are very much influential in Investment Decisions namley:

"Core services, human element of service delivery, systemization of service delivery, tangibles of service and social responsibility". **Ghouri (2010)** while studying the investment behavior investigated the seven factors effecting the customer loyalty and switching viz price, reputation, service quality, effective advertising competition, involuntary switching, distance and switching cost of customer switching and found that price had the maximum impact on switching behavior, distance become the second and most surprisingly advertising became the last factor. So need in today's competitive world is more customized service otherwise switching will overpower loyalty. Customer satisfaction and loyalty are related but sometimes their relationship is asymmetrical as dissatisfaction may leads switching but satisfaction does not guarantee retention as evident by the research of **Mittal & Lassar (1998)**. **Mittal (2016**) attempted to revisit the **Mittal &Lassar (1998**) to find out the core issues behind loyalty and identified other moderators of loyalty such as relationship quality, trust, price value and image along with the satisfaction. Customers' expectations are very high and the service providers require to adopt innovative and strategic steps to maintain in competitive environment (**Popli & Vadgama, 2012)**. **Krishnamurthy et al., (2010)** in their research looked for dimensions like service charges, interest rate and complaint handling along with dimensions of tangibles, reliability, responsiveness, assurance, and empathy to study customers perceived service quality. **Viswacheda et al., (2012)** discussed the importance of relationship manager and signalled that success of the portfolio management depends on trust between client and the wealth manager. **Wu et al., (2009)** enriched the literature on WMS by conducting research to analyze performance of three Taiwan banks by applying Fuzzy AHP MCDM based on the BSC dimensions namely 'Customer', 'Finance', 'Learning and Growth' and 'Internal Processes'. Another significant research contributed for WM industry is of **Yu & Ting (2011)**. The research area was to identify key factors affecting customer's choice for WMS and indicated that quality of service was the most influential factor followed by product and image. Highlighting the importance of technology in investments environ **Sunikka (2009)** aimed to develop a

WMS concept by examining variables which influence consumers' channel preferences in WMS and results indicated that searching of information is more convenient in electronic service whereas "convenience, personalization and safety constructs" are more found in personal service attributes. There is vast amount of investment selection literature, both at the global and Indian level regarding factors affecting investment behaviour, however, with regards to WMS, there is a huge gap. Reviewing the literature on factors affecting over all investment behaviour helped a lot in conception of an idea, hypothesis formulation, and selection of tools for analysis and to conclude with the meaningful solution. These studies also helped in finding out the important variables affecting overall investment behaviour.

3. RESEARCH METHODOLOGY

a) Objective of the Study:

To study the perception of investors regarding the factors influencing the behaviour of investors while availing WMS

b) Sample

As per the requirement of the study, the respondents consist of two types of Investors viz.: mass affluent and HNW investors. The operational definition of mass affluent investors for the purpose of the study has been kept as "any investor who has invested in any of the product offered under WMS during the period starting from 1st of Jan, 2018 to 31st Dec, 2018 and whose individual investment at the time of study was less than `15 lacs and less". The operational definition considered for HNW investors is "any investor who has invested in the product offered under WMS during the period starting from 1st of Jan, 2018 to 31st December, 2018 and whose individual investment at the time of study was `15 lacs and more". The study has been conducted in major cities of Punjab as Jalandhar, Ludhiana, Amritsar and Chandigarh as major providers of WMS are located in these regions only. For broader coverage of investors, Phagwara and Kapurthala have also been covered because in these cities most of the NRIs have their origin with huge wealth and they constitute very big chunk of mass affluent and HNW investors. The population for the study is entire universe of mass affluent and HNW investors. But the study has been limited to the six cities under survey. Since it is not feasible for enlisting entire universe of investors in these six cities, the list of the investors is prepared with the help of advisors there after sample of investors has been selected from this prepared list. Investors after being connected over phone, introduced regarding the research and the objectives of the project. From the list of 610 investors, 600 investors are being contacted, out of which 550 investors from different cities agreed to be the part of the project. 50 questionnaires are found to be incomplete in some or the other respect. So out of 550 respondents, responses of 500 investors are found to be valid and taken into consideration which consists of 290 mass affluent investors and 210 HNW investors.

c) Hypotheses of the Study

To make comparative analysis of the behaviour of mass affluent and HNW investors, the study has been conducted under the structure of the following mentioned Null Hypotheses:

1. H_0: The relative importance of different objectives behind availing WMS is not significantly different across different categories of investors.

H_a: The relative importance of different objectives behind availing WMS is significantly different across different categories of investors.

2.   Ho: The relative importance of different sources of information is not significantly different across different categories of investors.

Ha: The relative importance of different sources of information is significantly different across different categories of investors.

3.   Ho: The mean score of rating given to the different factors (as a combination of all the variables) under construct objectives behind availing WMS is less than or equal to mean score 3.

Ha: The mean score of rating given to the different factors (as a combination of all the variables) under construct objectives behind availing WMS is more than mean score 3.

4. H_0: The relative importance of different factors (as a combination of all the variables) related to construct

objectives behind availing WMS is not significantly different across different categories of investors.

H$_a$: The relative importance of different factors (as a combination of all the variables) related to construct objectives behind availing WMS is significantly different across different categories of investors.

5.   Ho: The mean score of rating given to the different factors (as a combination of all the variables) related to construct sources of information is less than or equal to mean score 3.

Ha: The mean score of rating given to the different factors (as a combination of all the variables) related to construct sources of information is more than mean score 3.

6.   H$_0$: The relative importance of different factors (as a combination of all the variables) related to construct sources

of information is not significantly different across different categories of investors.

H$_a$: The relative importance of different factors (as a combination of all the variables) related to construct sources of information is significantly different across different categories of investors.

4.   DATA ANALYSIS

4.1   Importance of Construct 'Objectives behind Availing WMS'

Every product or a service has a purpose of satisfying some need or want of the investor. Investor wants to avail WMS because he wants to fulfil his need or some requirement. It is also possible that the purposes of availing WMS for different investors are different. Importance attached by investors to different objectives is depicted in Table 1.

Table 1: Mean Importance given by Investor to Construct 'Objectives behind availing WMS'

	Objectives behind availing WMS	Mass Affluent Investors Mean (SD) (N=290)	High Net Worth Investors Mean (SD) (N=210)
1	Capital appreciation	3.76 (1.11)	3.56 (1.16)
2	Regular Income Generation	3.60 (1.09)	3.39 (1.08)
3	Tax Benefits	3.78 (0.99)	3.85 (1.02)
4	Risk Reduction	4.13 (0.89)	3.88 (0.91)
5	Assured Returns	3.67 (1.09)	3.32 (1.10)
6	Focused strategies	4.24 (0.85)	4.14 (0.94)
7	Diversification	4.05 (0.88)	3.92 (1.04)
8	Easier Investment process	3.58 (1.14)	3.28 (1.07)
9	Liquidity	3.83 (1.13)	3.72 (1.12)
10	Professional Expertise	4.27 (0.66)	4.22 (0.82)
11	Product variety at single platform	3.98 (0.99)	3.89 (0.94)
12	Helpful in parking excess funds	4.02 (0.91)	4.11 (0.92)
13	Safety of Capital	4.20 (0.90)	3.95 (0.98)

Results indicate that mass affluent investors assign highest importance to professional expertise (M= 4.27, SD= 0.66) followed by

focused strategies (M =4.24, SD= 0.85) and safety of capital (M = 4.20, SD= 0.90). Gakhar et al. (2013) also highlighted that investors

consider safety of principal as a priority factor before choosing any investment options. HNW investors assign highest importance to professional expertise (M = 4.22, SD = 0.82) followed by focused strategies (M =4.14, SD= 0.94) and helpful in parking excess funds (M = 4.11, SD = 0.92). Geetha & Ramesh (2011) also suggested that the lower income level groups preferred to take more safety in investment rather than higher income level. Easier investment process has emerged as a least important objective as indicated by mass affluent investors (M= 3.58, SD= 1.14) and HNW investors (M = 3.28, SD = 1.07).

4.2   Importance of construct 'Sources of Information'

Different sources of information about WMS add the level of awareness and importance to the investors. WMS providers take the help of different sources to provide the information about their services and associated benefits. Importance given by investors to different sources of information is depicted in Table 2.

Result indicate that mass affluent investors assign highest importance to reports from experts (M= 4.37, SD= 0.69) followed by wealth manager's recommendations (M =4.28, SD= 0.65) and seminar / conferences (M = 4.23, SD= 0.87). HNW investors assign highest importance to wealth manager's recommendations (M = 4.22, SD = 0.82) followed by expert talk/advise from analysts on TV (M = 4.14, SD = 0.94) and report from experts (M = 3.92, SD = 1.04). Similar results are also suggested by James (2000), when researcher highlighted the importance of broker's advice and Gakhar et al. (2013) argued that good number of investors goes for news channels and internet. Outdoor media advertisement has emerged as a least important source of information as indicated by mass affluent investors (M=2.78, SD= 1.10) and HNW investors (M = 2.72, SD = 1.14). Outdoor media advertisement also emerged as least importance source of information in study conducted by Gupta & Chander (2010). Similarly Gonzalez-Carrasco et al (2012) stated that features of WMS and current economic situation make advertisement a difficult process.

Table 2: Importance given by Investor to construct 'Sources of Information'

S. No.	Sources of Information	Mass Affluent Investors Mean (SD) (N=290)	High Net Worth Investors Mean (SD) (N=210)
1	Family members'/ Friends' advice recommendations	3.71 (1.11)	3.56 (1.16)
2	Bank Teller/ other bank employee	3.54 (1.12)	3.39 (1.08)
3	Direct mails from Financial advisors	3.65 (1.12)	3.85 (1.02)
4	Promotional telephone calls/ SMS	3.56 (1.16)	3.28 (1.07)
5	Advices from colleagues, business associates	3.63 (1.09)	3.32 (1.10)
6	Wealth manager recommendations	4.28 (0.65)	4.22 (0.82)
7	Seminar / Conferences	4.23 (0.87)	3.95 (0.98)
8	Return performance (Published performance reports)	4.16 (0.88)	3.88 (0.91)
9	Books/ Magazines/ Journals	3.84 (1.15)	3.72 (1.12)
10	Expert talk/Advise from analysts on TV	4.20 (0.82)	4.14 (0.94)
11	Social media	2.96 (1.18)	2.93 (1.22)
12	Websites	3.99 (1.01)	3.89 (0.94)

13	Reports from Experts	4.37 (0.69)	3.92 (1.04)
14	Television Advertisement	2.98 (1.20)	2.97 (1.24)
15	Print Media advertisement	3.03 (1.16)	3.06 (1.14)
16	Outdoor Media Advertisement	2.78 (1.10)	2.72 (1.14)
17	Online Advertisement	3.20 (1.28)	3.23 (1.28)

4.3 Application of Independent Sample t-test with respect to importance attached to various 'Objectives behind availing WMS'

In above section, attempt has been made efforts are to analyze the importance of various identified objectives for mass affluent and HNW investors. Here comparative analysis has been made to find out the relative importance of different objectives behind availing WMS across different categories of investors to check the following hypothesis.

H_0: The relative importance of different objectives behind availing WMS is not significantly different across different categories of investors.

H_a: The relative importance of different objectives behind availing WMS is significantly different across different categories of investors.

The mean score and t-statistics of independent sample t-test are shown in the Table 3.

Table 3: Independent Sample t-Test Results with respect to construct 'Objectives behind availing WMS'

	Objectives behind availing WMS	Mass Affluent Investors Mean (SD) (N=290)	High Net Worth Investors Mean (SD) (N=210)	p value	Remarks
1	Capital appreciation	3.76 (1.11)	3.56 (1.16)	0.065	No Significant Difference
2	Regular Income Generation	3.60 (1.09)	3.39 (1.08)	0.033	Significant Difference
3	Tax Benefits	3.78 (0.99)	3.85 (1.02)	0.454	No Significant Difference
4	Risk Reduction	4.13 (0.89)	3.88 (0.91)	0.002	Significant Difference
5	Assured Returns	3.67 (1.09)	3.32 (1.10)	0.001	Significant Difference
6	Focused strategies	4.24 (0.85)	4.14 (0.94)	0.24	No Significant Difference
7	Diversification	4.05 (0.88)	3.92 (1.04)	0.134	No Significant Difference
8	Easier Investment process	3.58 (1.14)	3.28 (1.07)	0.002	Significant Difference

9	Liquidity	3.83 (1.13)	3.72 (1.12)	0.28	No Significant Difference
10	Professional Expertise	4.27 (.066)	4.22 (0.82)	0.468	No Significant Difference
11	Product variety at single platform	3.98 (0.99)	3.89 (0.94)	0.289	No Significant Difference
12	Helpful in parking excess funds	4.02 (0.91)	4.11 (0.92)	0.276	No Significant Difference
13	Safety of Capital	4.20 (0.90)	3.95 (0.98)	0.003	Significant Difference

Result indicates that there exists significant difference between mass affluent and HNW investors in case of regular income generation, easier investment process, assured returns, safety of capital and risk reduction. No difference exists between mass affluent and HNW investors in certain objectives like capital appreciation, tax benefits, focused strategies, liquidity, professional expertise, product variety at single platform, helpful in parking excess funds and diversification.

4.4 Application of Independent Sample t-test with respect to importance attached to 'Sources of Information'

In order to analyze the difference, if any, between the relative importances of different sources of information across different categories of investors, following hypothesis has been used.

Ho: The relative importance of different sources of information is not significantly different across different categories of investors.

Ha: The relative importance of different sources of information is significantly different across different categories of investors.

Results of Table 4 indicates that there exists significant difference in the behaviour of mass affluent and HNW investors in case of direct mails from financial advisors, promotional telephone calls / SMS, advices from colleagues / business associates, seminar / conferences, return performance and reports from experts. No difference exist in the behaviour of mass affluent and HNW investors in case of family members/ friends advice recommendations, bank teller/ other bank employee, wealth manager recommendations, books/ magazines/ journals, expert talk/advise from analysts on TV, social media, websites, television advertisement, print media advertisement, outdoor media advertisement and online advertisement.

Table 4: Independent Sample t-Test results with respect to construct 'Sources of Information'

	Sources of Information	Mass Affluent Investors Mean (SD) (N=290)	High Net Worth Investors Mean (SD) (N=210)	T statistics (p value)	Remarks
1	Family members'/ Friends' advice recommendations	3.71 (1.11)	3.56 (1.16)	0.138	No Significant Difference
2	Bank Teller/ other bank employee	3.54 (1.12)	3.39 (1.08)	0.122	No Significant Difference

	Sources of Information	Mass Affluent Investors Mean (SD) (N=290)	High Net Worth Investors Mean (SD) (N=210)	T statistics (p value)	Remarks
3	Direct mails from Financial advisors	3.65 (1.12)	3.85 (1.02)	0.042	Significant Difference
4	Promotional telephone calls/ SMS	3.56 (1.16)	3.28 (1.07)	0.006	Significant Difference
5	Advices from colleagues, business associates	3.63 (1.09)	3.32 (1.10)	0.002	Significant Difference
6	Wealth manager recommendations	4.28 (0.65)	4.22 (0.82)	0.353	No Significant Difference
7	Seminar / Conferences	4.23 (0.87)	3.95 (0.98)	0.001	Significant Difference
8	Return performance (Published performance reports)	4.16 (0.88)	3.88 (0.91)	0.001	Significant Difference
9	Books/ Magazines/ Journals	3.84 (1.15)	3.72 (1.12)	0.255	No Significant Difference
10	Expert talk/Advise from analysts on TV	4.20 (0.82)	4.14 (0.94)	0.499	No Significant Difference
11	Social media	2.96 (1.18)	2.93 (1.22)	0.791	No Significant Difference
12	Websites	3.99 (1.01)	3.89 (0.94)	0.260	No Significant Difference
13	Reports from Experts	4.37 (0.69)	3.92 (1.04)	0.000	Significant Difference
14	Television Advertisement	2.98 (1.20)	2.97 (1.24)	0.968	No Significant Difference
15	Print Media advertisement	3.03 (1.16)	3.06 (1.14)	0.742	No Significant Difference
16	Outdoor Media Advertisement	2.78 (1.10)	2.72 (1.14)	0.607	No Significant Difference
17	Online Advertisement	3.20 (1.28)	3.23 (1.28)	0.805	No Significant Difference

4.5 Application of Factor Analysis to importance attached by Investors to various 'Objectives behind Availing WMS'

Following section presents factor analysis results when applied on the investors'

behaviour towards various variables under the construct 'Objectives behind availing WMS' as shown in Table 5. With the help of factor analysis, important factors from the set of 13 variables can be represented in to a set of smaller hypothetical variables.

Table 5: Factors' summary of construct 'Objectives behind availing WMS'

Variables	Label	Factor Loading	Factor name	Variance explained by Factor (%)
Capital appreciation	X_1	0.929	Return Enhancement with Limited Risk	37.59
Risk Reduction	X_4	0.912		
Tax Benefits	X_3	0.883		
Regular Income Generation	X_2	0.882		
Assured Returns	X_5	0.865		
Diversification	X_7	0.807	Easier and Diversified Investment Process	19.02
Product variety at single platform	X_{11}	0.664		
Liquidity	X_9	0.658		
Easier investment process	X_8	0.650		
Professional Expertise	X_{10}	0.791	Professionalism and Safety of Funds	7.85
Helpful in parking excess funds	X_{12}	0.675		
Safety of Capital	X_{13}	0.605		
Focused strategies	X_6	0.436		

The study further attempted to find out the important factors out of the extracted factor by applying one sample two tailed t- test. Following null hypothesis is tested with the mean value of 3 or less than 3. If the null hypothesis is rejected, it implies that particular factor is an important factor affecting investors' decision to invest.

Ho: The mean score of rating given to the different factors (as a combination of all variables) under construct 'Objectives behind availing WMS' is less than or equal to mean score 3.

Ha: The mean score of rating given to the different factors (as a combination of all variables) under construct 'Objectives behind availing WMS' is more than mean score 3.

Table 6 depicts the scale characteristics for differentiating between mass affluent and HNW investors on account of extracted factors of 'Objectives behind availing WMS' construct. Results indicate that mass affluent investors and HNW investors consider all the factors of 'Objectives behind availing WMS' construct as an important factor affecting investor's decision. Mean values (SD) under factor Return enhancement with limited risk of mass affluent and HNW investors are 3.68 (0.99) and 3.50 (0.98) respectively and are significant at 5% level of significance, thus leads to acceptance of alternative hypothesis. Mean values (SD) under extracted Factor Easier and diversified investment process of mass affluent and HNW investors are 4.04 (0.72) and 3.86 (0.74) respectively and are significant at 5% level of significance leads to acceptance of alternative hypothesis. Mean values (SD) under extracted factor Professionalism and safety of funds of mass affluent and HNW investors are 4.15 (0.58) and 4.10 (0.63) respectively and again are significant at 5% level of significance leads to acceptance of alternative hypothesis. As there is no statistical evidence of acceptance of null hypothesis, it can be concluded that these all factors of 'Objectives behind availing WMS' construct are of huge importance to investors.

Table 6: Comparison of Investors on the basis of Mean Importance Attached to Factors related to construct 'Objectives behind Availing WMS'

Extracted Factors	Factor Descriptive Statistics	

	Parameter	Mass Affluent Investors	Remarks	High Net Worth Investors	Remarks
Return Enhancement with Limited Risk	Mean Value	3.68	Significant Difference	3.50	Significant Difference
	Standard Deviation	0.99		0.98	
	p value	0.00		0.000	
Easier and Diversified Investment Process	Mean Value	4.04	Significant Difference	3.86	Significant Difference
	Standard Deviation	0.72		0.74	
	p value	0.00		0.00	
Professionalism and Safety of Funds	Mean Value	4.15	Significant Difference	4.10	Significant Difference
	Standard Deviation	0.58		0.63	
	p value	0.00		0.00	

Further on Anderson Rubin Factor scores are analysed to compare the importance attached by mass affluent and HNW investors on account of extracted factors. Independent Sample t- test is employed to test the following hypothesis:

H_0: The relative importance of different factors (as a combination of all variables) related to construct 'Objectives behind availing WMS' is not significantly different across different categories of investors.

H_a: The relative importance of different factors (as a combination of all variables) related to construct 'Objectives behind availing WMS' is significantly different across different categories of investors.

Table 7: Comparison of Importance Attached by Investors to Different Factors Related to construct 'Objectives Behind Availing WMS' on the basis of Anderson – Rubin Factor Scores

Extracted Factors	Parameter	Anderson – Rubin Factor Scores		p value	Remarks
		Mass Affluent Investors	High Net Worth Investors		
Return Enhancement with Limited Risk	Mean Value	0.08	-0.10	0.06	No Significant Difference
	Standard Deviation	0.97	1.03		
Easier and Diversified Investment Process	Mean Value	0.10	-0.14	0.006	Significant Difference
	Standard Deviation	0.94	1.06		
Professionalism and Safety of Funds	Mean Value	-0.03	0.04	0.483	No Significant Difference
	Standard Deviation	0.92	1.11		

It is clear from the Table 6 and Table 7 that mass affluent investors assign highest value (M = 3.68) to the factor Return enhancement with limited risk as compared to HNW investors (M = 3.50) but the difference between the two is found to be insignificant, (p > 0.05) leaving no statistical evidence to reject the null hypothesis. Similarly, for the factor Easier and diversified

investment process, mass affluent investors assign highest importance (M = 4.04) as compared to HNW Investors (M = 3.86), and also difference between the investors is found to be significant, (p < 0.05). Factor Professionalism and Safety of Funds has been assigned highest value by mass affluent investors (M = 4.15) as compared to HNW Investors (M = 4.10) but the difference between them is not found to be significant, (p >.05) leads to acceptance of null hypothesis.

4.6 Application of Factor Analysis to importance attached by Investors to various 'Sources of Information'

Following section presents factor analysis results when applied on the investors' behaviour towards various variables under the construct 'Sources of information' as shown in table 8. With the help of factor analysis, important factors from the set of 17 factors can be represented in to a set of smaller hypothetical variables.

Table 8: Factor Summary for the Construct 'Sources of information'

Variable	Label	Factor Loading	Factor name	Variance explained by Factor (%)
Promotional telephone calls/ SMS	X_4	0.910	Peer and Professional Advices	26.64
Family members'/ Friends' advice recommendations	X_1	0.902		
Bank Teller/ other bank employee	X_2	0.878		
Direct mails from Financial advisors	X_3	0.866		
Advices from colleagues, business associates	X_5	0.809		
Television Advertisement	X_{14}	0.896	Media Advertisement	19.92
Social media	X_{11}	0.885		
Outdoor Media Advertisement	X_{16}	0.803		
Online Advertisement	X_{17}	0.771		
Print Media advertisement	X_{15}	0.737		
Seminar / Conferences	X_7	0.766	Reference and Knowledge sources	13.50
Books/ Magazines/ Journals	X_9	0.746		
Websites	X_{12}	0.730		
Return performance (Published performance reports)	X_8	0.632		
Wealth manager recommendations	X_6	0.817	Expert Recommendations	6.07
Reports from Experts	X_{13}	0.740		
Expert talk/Advise from analysts on TV	X_{10}	0.481		

The study further attempts to test the following null hypothesis:

Ho: The mean score of rating given to the factors (as a combination of all variables) related to construct 'Sources of Information' is less than or equal to mean score 3.

Ha: The mean score of rating given to the factors (as a combination of all variables)

related to construct 'Sources of Information' is more than mean score 3.

Table 9: Comparison of Investors on the basis of Mean Importance Attached to Factors related to Sources of Information Construct

Extracted Factors	Factor Descriptive Statistics				
	Parameter	Mass Affluent Investors	Remarks	High Net Worth Investors	Remarks
Peer and Professional Advices	Mean Value	3.72	Significant Difference	3.48	Significant Difference
	Standard Deviation	0.97		0.98	
	p value	0.000		0.000	
Media Advertisement	Mean Value	2.99	No Significant Difference	2.98	No Significant Difference
	Standard Deviation	0.98		0.97	
	p value	0.581		0.595	
References and Knowledge sources	Mean Value	4.05	Significant Difference	3.86	Significant Difference
	Standard Deviation	0.73		0.74	
	p value	0.000		0.000	
Expert Recommendations	Mean Value	4.28	Significant Difference	4.09	Significant Difference
	Standard Deviation	0.56		0.63	
	p value	0.000		0.000	

Table 9 depicts the scale characteristics for differentiating between two sets of investors on account of extracted factors. Results indicate that both mass affluent and HNW investors consider peer and professional advices, expert recommendations and references and knowledge sources as an important source of information and regards media advertisement as not an important source of information. Mean values (SD) under factor Peer and professional advices of mass affluent and HNW investors are 3.72 (0.97) and 3.48 (0.98) respectively and are significant at 5% level of significance, thus acceptance of alternative hypothesis. Mean values (SD) under extracted factor Expert recommendations of mass affluent and HNW investors are 4.28 (0.56) and 4.09 (0.63) respectively and are significant at 5% level of significance leads to acceptance of alternative hypothesis. Mean values (SD) under extracted factor Reference and knowledge sources of mass affluent and HNW investors are 4.05 (0.73) and 3.86 (0.74) respectively and again are significant at 5% level of significance leads to acceptance of alternative hypothesis and rejection of null hypothesis. As there is no

statistical evidence for acceptance of null hypothesis, it can be concluded that these three factors are important sources of information. In case of Media advertisement factor, there is no statistical evidence to reject the null hypothesis which leads to conclusion that investors perceive advertisement as not an important source of information

Further Anderson Rubin Factor scores are analyzed to compare the relative importance of extracted factors to check the following hypothesis.

H_0: The relative importance of different factors (as a combination of all variables) related to construct 'Sources of Information' is not significantly different across different categories of investors.

H_a: The relative importance of different factors (as a combination of all variables) related to construct 'Sources of Information' is significantly different across different categories of investors.

It is clear from the Table 9 and Table 10 that mass affluent investors assign highest value (M = 3.72) to the factor Peer and

professional advices as compared to HNW investors (M = 3.48) but the difference between the two is not found to be significant, (p > 0.05) leaving no statistical evidence to reject the null hypothesis. Similarly, for the factor Media advertisement, mass affluent and HNW investors assign although equal importance (mass affluent investors M = 2.99 and HNW investors M= 2.98) and also the difference between them is not found to be significant, (p > 0.05). Mass affluent investors assign highest value (M = 4.05) to factor Knowledge and

references as compared to HNW investors (M = 3.86) and also the difference between the two is found to be significant, (p < 0.05) leads to rejection of null hypothesis. Similar results are evident for factor Expert recommendations where mass affluent investors attach highest importance to Expert recommendations (M=4.28) and HNW investors assign importance of 4.09 and also difference between them is also found to be significant (p < 0.05) leads to acceptance of alternative hypothesis.

Table 10: Comparison of Importance Attached by Investors to Different Factors Related to construct 'Sources of Information' on the basis of Anderson – Rubin Factor Scores

Extracted Factors	Parameter	Anderson – Rubin Factor Scores		p value	Remarks
		Mass Affluent Investors	High Net Worth Investors		
Peer and Professional Advices	Mean Value	0.04	-0.06	0.240	No Significant Difference
	Standard Deviation	0.97	1.04		
Media Advertisement	Mean Value	0.00	-0.01	0.907	No Significant Difference
	Standard Deviation	1.01	0.99		
References and Knowledge sources	Mean Value	0.09	-0.12	0.021	Significant Difference
	Standard Deviation	0.96	1.04		
Expert Recommendations	Mean Value	0.11	-0.15	0.007	Significant Difference
	Standard Deviation	0.90	1.11		

5. FINDINGS

5.1 Objectives behind Availing WMS

❖ Out of various variables attached with 'objectives behind availing WMS', both mass affluent and HNW investors assigns highest importance to professional expertise and attach lowest importance to easier investment process.

❖ However, there exist significant difference between the perceptions of mass affluent and HNW investors with respect to importance of objectives behind availing WMS as mass affluent investors give more importance to regular income generation, easier

investment process, assured returns, safety of capital and risk reduction in comparison to HNW investors where these investors give relative less importance.

❖ Factor analysis results of construct 'objectives behind availing in WMS' generated three factors namely –return enhancement with limited risk (37.59), easier and diversified investment process (19.02) and professionalism and safety of funds (7.85).

❖ At 5% level of significance against the null hypothesis of mean value ≤ 3.0, scale characteristics for differentiating between mass affluent and HNW investors on account of extracted

factors of 'objectives behind availing WMS' reveals that mass affluent and HNW investors consider all the factors of objectives behind availing WMS construct as important factors affecting investment decision.

❖ In terms of comparison between mass affluent and HNW investors against the factors extracted within construct 'objectives behind availing WMS', both mass affluent and HNW investors vary in their perception towards importance of factor easier and diversified investment process as mass affluent investors assigned significantly higher importance to easier and diversified investment process in comparison to HNW investors.

5.2 Sources of Information

❖ From the list of various sources of information influencing investors' decision to avail WMS, mass affluent assigns highest importance to reports from experts while HNW investors attach highest importance to wealth manager's recommendations. Outdoor media advertisement has emerged as least important source of information as indicated by mass affluent and HNW investors.

❖ Significant difference exist among the perceptions of mass affluent and HNW investors with respect to importance of various sources of information viz: direct mail from financial advisors; promotional telephone calls/SMS; advices from colleagues, business associates; seminar and conferences; return performance and reports from experts. HNW in comparison to mass affluent investors assign highest importance to direct mail from financial advisors while mass affluent investors attach highest importance to promotional telephone calls/SMS; advices from colleagues, business associates; seminar and conferences; return performance and reports from experts.

❖ The construct of sources of information generated four factors namely – peer

and professional advices (26.64), media advertisement (19.92), reference and knowledge sources (13.50) and expert recommendations (6.07).

❖ At 5% level of significance against the null hypothesis of mean value ≤ 3.0, results indicates that mass affluent and HNW investors consider peer and professional advices, expert recommendations and references and knowledge sources as an important source of information and regards media advertisement as not an important source of information.

❖ From the extracted factor sources of information, mass affluent investors and HNW investors vary in their perception towards importance of factor reference and knowledge sources and expert recommendations and in both cases mass affluent assign higher importance to reference and knowledge sources and to expert recommendations in comparison to HNW investors.

6.   PRACTICAL IMPLICATIONS

The study especially recommends that WMS providers should highlight their experience in managing money, should try to build up their repute and brand name and invest more in customer service orientation. WMS providers should try to allocate more resources to various variables under the component expert recommendation, professionalism, safety of funds and expenses involved. Advertisement has emerged as unimportant variables, this implication is very important for WMS providers as they spend lot of their resources in improving their location and advertisements in order to attract the investors. Thus the pivotal point for WMS providers is to inspect, explore and examine their advertising campaign keeping in mind the return expectancy and at the same time should try to focus on more differentiating points in order to make them more effective in the context of WMS selection.

7.   SCOPE FOR FURTHER RESEARCH

The entire data is cross sectional in nature and the study restricts conclusion to association and not causation. The development of time series data over performance variables and testing of

the same would lead to finding the relation between purchase behaviour and selection criteria in a more effective manner. Data of the study has been collected only from the six cities of Jalandhar, Ludhiana, Amritsar, Chandigarh, Phagwara and Kapurthala. Inclusion of Metro cities outside Punjab where WMS are more volatile may leads to more valid results.

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