



A study on “Developing Comprehensive Wealth Management Strategies for retail investors”

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ABSTRACT:

Investment advisory services are essential for helping investors make informed financial decisions in a complex and changing market. In India, the rapid growth of capital markets, regulatory changes by the Securities and Exchange Board of India (SEBI), and increased financial awareness among retail investors have greatly expanded the need for professional advisory services. This study offers a practical approach to investment advisory in India, focusing on ICICI Securities, a leading financial services provider in the country. The research looks at the advisory framework used by ICICI Securities. It covers client profiling, risk assessment, asset allocation strategies, portfolio diversification, and the use of technology-based platforms for investment recommendations. It also reviews the variety of products available, such as equity, mutual funds, derivatives, insurance, and wealth management solutions. The study shows how ICICI Securities combines research insights, digital tools, and personalized advisory services to meet the diverse needs of investors.

KEYWORDS: Investment advisory services, Securities and Exchange Board of India (SEBI), ICICI Securities, portfolio diversification, Asset Allocation Strategy.

INTRODUCTION:

Investment advisory services are now a key part of the modern financial system, especially in emerging economies like India. More retail investors are participating, financial services are becoming digital, regulations are evolving, and awareness about wealth creation is increasing, all of which have raised the demand for professional investment guidance. In a fast-moving and uncertain market, a structured approach to investment advice helps investors achieve financial goals while managing risk effectively. The Indian financial market is regulated by the Securities and Exchange Board of India (SEBI), which ensures transparency, investor protection, and ethical practices. SEBI's guidelines for Registered Investment Advisers (RIAs) emphasize suitability, risk assessment, and clear disclosures, thereby strengthening the advisory framework and boosting investor confidence. With technological advancements, advisory services have evolved from traditional broker-driven models to integrated, research-based digital platforms offering a wide range of financial products. A leading player in this sector is ICICI Securities, which provides comprehensive investment solutions through both physical and digital channels.

OBJECTIVES:

- To understand the concept and importance of investment advisory services in the Indian financial market.
- To review the regulatory framework governing investment advisory in India.
- To examine the advisory process used by ICICI Securities, which includes client profiling, risk assessment, financial planning, and portfolio construction.
- To investigate the range of investment products and services offered by ICICI Securities, such as equity trading, mutual funds, derivatives, insurance, and wealth management solutions.

SCOPE:

The study focuses on examining the practical approach to investment advisory services in India, particularly regarding ICICI Securities. It aims to understand how structured advisory practices are carried out within the rules set by the Securities and Exchange Board of India (SEBI).

PROBLEM STATEMENT:

The rapid growth of financial markets in India has increased investment options for investors. While this offers better wealth creation opportunities, it also creates confusion, especially for retail investors with limited financial knowledge. Market volatility, diverse products, and changing economic conditions make decision-making difficult. Despite regulations by Securities and Exchange Board of India (SEBI), investors still struggle to choose suitable investments. Poor risk assessment, lack of diversification, and emotional decisions often lead to lower returns or losses.

LITERATURE REVIEW:

Key literature highlights the evolution of wealth management and investor behavior over time. Meir Statman (2000)[1] and Richard H. Thaler (2015)[2] emphasized that investor decisions are influenced by biases and emotions, forming the base of behavioral finance. Peter Lynch (1989)[3] and Charles D. Ellis (1998)[4] highlighted disciplined and long-term investing approaches, while Zvi Bodie et al. (2008)[5] provided theoretical frameworks like risk-return analysis. Nassim Nicholas Taleb (2007)[6] introduced the concept of unpredictable “black swan” events in portfolio planning. Recent contributions by Michael Kitces (2013)[7], Jonathan Clements (2016)[8], Monika Halan (2018)[9], and industry experts like Sundeep Sikka and Kalpen Parekh (2019)[10] focus on technology, investor awareness, and personalized advisory. Overall, the literature stresses combining behavioral insights, theoretical models, and practical strategies for effective wealth management.

RESEARCH METHODOLOGY:

A well-structured research design ensures the study is systematic, objective-driven, and reliable. This study examines wealth management effectiveness in India using both primary and secondary data. **Primary data** was collected through a Google Form questionnaire from 100+ investors, focusing on investment behavior and financial awareness. Additional insights were taken from journals, reports, and financial platforms like Economic Times and Moneycontrol.

RESEARCH GAP:

Existing literature focuses on areas like investment principles, diversification, behavioral finance, and regulations, but mostly in isolation. There is limited research integrating these aspects into a comprehensive strategy for retail investors in India. Empirical evidence on the combined impact of advisory services, technology, and financial products on investor decisions is lacking. Studies also do not adequately assess the effectiveness of firms like ICICI Securities. Hence, a holistic and data-driven approach to wealth management is needed.

HYPOTHESES:

H1: Investor awareness of advisory services significantly influences investment decision-making.

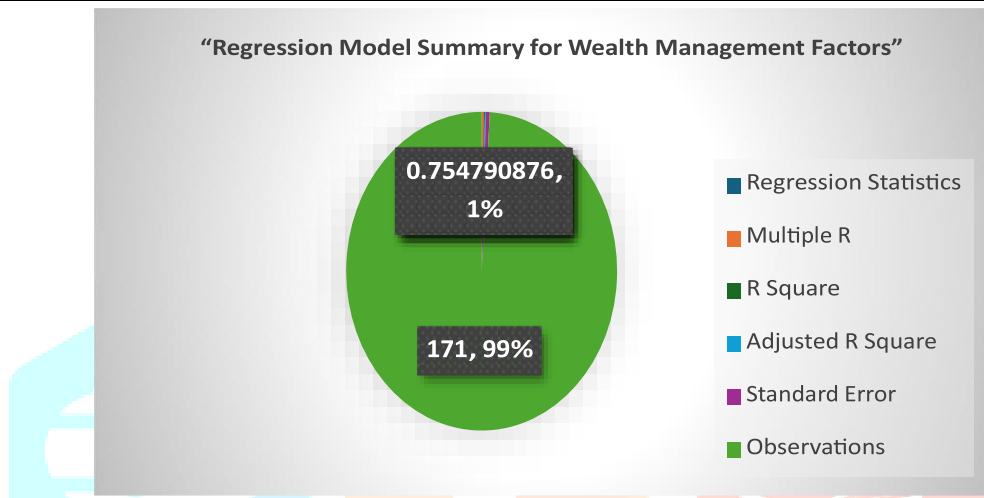
H2: SEBI’s regulatory framework significantly impacts investor trust and adoption of advisory services.

H3: The structured advisory process significantly affects client satisfaction.

DATA ANALYSIS:

Table1: Regression Analysis Summary

Regression Statistics	
Multiple R	0.477660611
R Square	0.228159659
Adjusted R Square	0.204770558
Standard Error	0.754790876
Observations	171

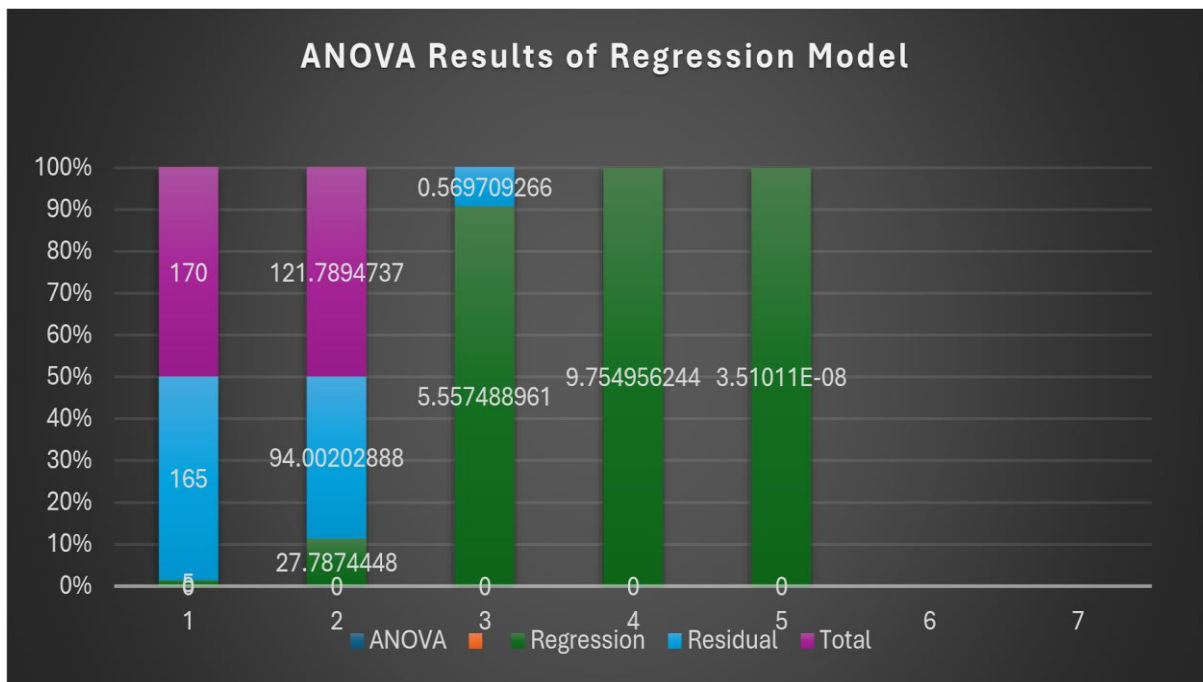


Interpratation:

From the results of the regression analysis, there exists a moderately strong correlation between the independent and dependent variables, as can be deduced from the Multiple R of 0.4776. Based on the R Square result of 0.2282, it implies that about 22.8% of the variance in the dependent variable is explained by the model, hence giving an indication that the predictive ability of the model is poor. The Adjusted R Square of 0.2048 further gives an indication that the explanatory ability of the model is poor since it implies that after adjustment for the number of predictors, only about 20.5% of the variance is explained by the model. The standard error of 0.7548 implies that the model has a moderate prediction error. Since the model uses 171 observations, it is sufficient.

Table 2: ANOVA Results for Hypothesis Testing

ANOVA	df	SS	MS	F	Significance F
Regression	5	27.7874448	5.557488961	9.754956244	3.51011E-08
Residual	165	94.00202888	0.569709266		
Total	170	121.7894737			

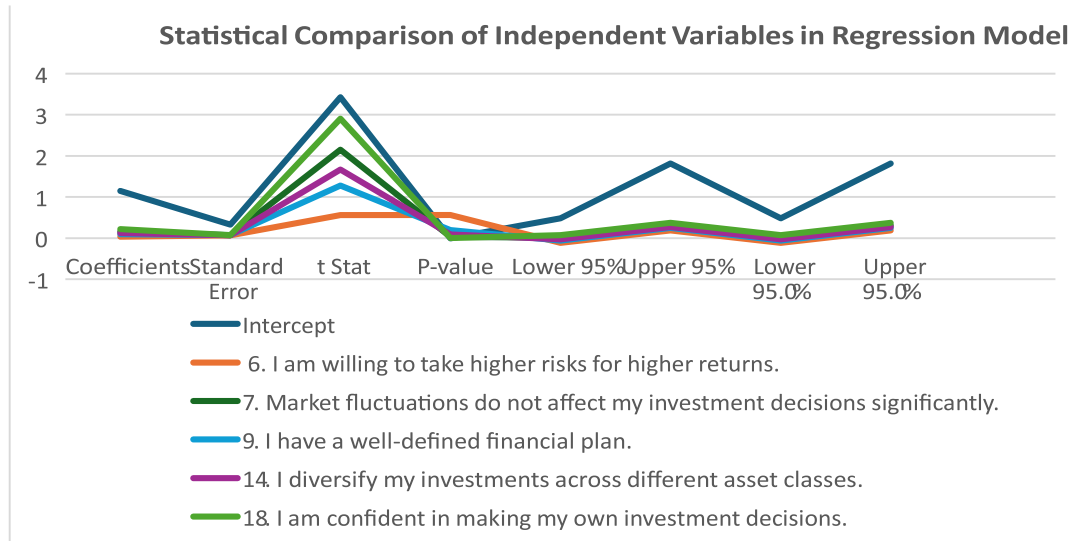


Interpratation:

The result of the ANOVA test shows that the regression equation is statistically significant. The F-value is 9.755, which is high enough to prove that the regression equation is a better fit than a regression equation with only one independent variable. What is more important is that the value of the significance F, which is 3.51E-08 and lower than 0.05, proves the statistical significance of the model at the 5% level. In other words, the group of independent variables as a whole has an influence on the dependent variable. Moreover, the regression sums of squares, which equals 27.79, is much lower than the residual sum of squares, which equals 94.00.

Table 3: Regression Output: Coefficients and Statistical Significance

Coefficients	Stand ard Error	t Stat	Pvalue	Lowe r 95%	Upper 95%
Intercept	1.154516801	0.336314667	3.43284702	0.000755134	0.490481777
6.RiskTolera nce.	0.043784178	0.077049755	0.568258498	0.570631989	-0.108346375
7.MarketRes ilience	0.163317014	0.0756984	2.157469827	0.032415735	0.013854639
9.FinancialP lanning	0.100944099	0.078635937	1.283689149	0.201050545	-0.054318283
14.Diversifi cation	0.125840529	0.075415061	1.668639229	0.09708535	-0.023062408
18.Decision Confidence	0.224648877	0.077140566	2.912201578	0.004085913	0.072339024



Interpretations:

As depicted in the regression plot, it can be seen that the most influential factor is the intercept as it has both the highest coefficient and highest t-value among all variables. This implies that there is a considerable presence of a base effect in this model. The remaining independent variables include Risk Tolerance, Market Resilience, Financial Planning, Diversification, and Decision Confidence, which have positive yet small coefficients, meaning that their effects on the dependent variable are minimal. These variables have a low t-value and high p-values, implying that they are not significant predictors of the dependent variable in this model. Of these variables, it seems that Decision Confidence and Risk Tolerance have more influence than others.

FINDINGS:

- Majority of investors belong to the 25–35 age group.
- Middle-income earners form the largest investor segment.
- Most respondents have less than 3 years of investment experience.
- Mutual funds and equities are the most preferred investment options
- Investors allocate around 10–20% of their income for investments.
- Retail investors show high comfort with digital investment platforms
- Many investors have not used professional advisory services.
- Goal-based planning (retirement, education, wealth creation) is highly important to investors.

SUGGESTIONS:

- Conduct financial literacy and awareness programs for retail investors.
- Strengthen risk profiling as per Securities and Exchange Board of India guidelines.
- Encourage goal-based financial planning instead of product-based selling.
- Promote diversified investment portfolios to reduce risk.
- Provide hybrid advisory services (digital + human support).
- Offer affordable and transparent advisory fee structures.
- Ensure regular portfolio monitoring and rebalancing.
- Use advanced technology tools to improve personalized advisory services.

CONCLUSION:

This study concludes that wealth management is becoming increasingly important for retail investors in India. Young and middle-income investors are actively participating in financial markets, but many lack proper knowledge and experience. Investors prefer mutual funds and equities and are comfortable using digital platforms for investments. However, guidance is still needed for proper risk assessment, diversification, and goal-based planning. With regulations from the Securities and Exchange Board of India and support from firms like ICICI Securities, structured and technology-driven advisory services can help investors achieve long-term financial growth and stability.

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