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IMPACT OF FINANCIAL ADVISORY SERVICES ON INVESTMENT DECISIONS OF CLIENTS – A STUDY WITH REFERENCE TO PRAKALA WEALTH PVT. LTD, CHENNAI

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ABSTRACT
The financial advisory industry has become increasingly important in helping investors make informed and goal-oriented investment decisions in today's complex financial environment. This study analyses the impact of financial advisory services on the investment decisions of clients with reference to Prakala Wealth Pvt. Ltd., Chennai. The research focuses on understanding how advisory services influence investor behaviour, financial planning, risk management, and overall investment satisfaction. The study is descriptive in nature and is based on both primary and secondary data. Primary data was collected through structured questionnaires from 66 respondents who are clients of the company. Secondary data was collected from journals, books, SEBI reports, websites, and company records. Statistical tools such as percentage analysis, correlation, and regression analysis were used for interpretation. The findings reveal that financial advisory services significantly improve investor awareness and investment discipline. Most respondents consider financial advisors important in investment decision-making. However, moderate satisfaction levels indicate the need for better transparency, communication, and personalized services. Correlation analysis shows a strong positive relationship between advisor communication and client satisfaction. The study concludes that financial advisory services play a vital role in improving investment decisions and long-term financial well-being.

KEYWORDS: *Financial Advisory Services, Investment Decisions, Investor Behaviour, Client Satisfaction, Wealth Management.*

INTRODUCTION

Investment decisions have become more complex due to changing market conditions, increasing financial products, inflation, and economic uncertainty. Investors today seek not only higher returns but also safety, liquidity, tax benefits, and long-term financial stability. However, lack of financial literacy and behavioural biases often affect rational investment decisions. Financial advisory services help investors make informed decisions by providing professional guidance regarding portfolio management, financial planning, risk management, retirement planning, and wealth creation. Advisors analyse the financial goals, risk tolerance, and investment preferences of clients before recommending suitable investment options. The financial advisory industry in India has grown rapidly after economic liberalization and digital transformation. Increasing participation in mutual funds, stock markets, and SIP investments has further increased the need for professional advisory services. This study focuses on analysing the impact of financial advisory services on investment decisions of clients associated with Prakala Wealth Pvt. Ltd., Chennai.

OBJECTIVES OF THE STUDY

Primary Objective

To analyse the impact of financial advisory services on the investment decisions of clients with reference to Prakala Wealth Pvt. Ltd.

Secondary Objectives

- To examine the awareness level of clients regarding financial advisory services.
- To identify factors influencing investment decisions.
- To assess client satisfaction towards advisory services.
- To analyse changes in investment behaviour after availing advisory services.

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SCOPE OF THE STUDY

The study focuses on clients of Prakala Wealth Pvt. Ltd., Chennai. It covers investment behaviour, financial planning, risk management, advisory effectiveness, and client satisfaction. The research mainly examines how advisory services influence investment decisions and financial confidence among investors.

LIMITATIONS OF THE STUDY

- The study is limited to 66 respondents.
- The research is confined to one organization.
- Responses are based on personal opinions and perceptions.
- Market conditions and economic changes may affect investment behaviour.
- Time constraints limited deeper analysis.

REVIEW OF LITERATURE

1. Harry Markowitz (2000) emphasized portfolio diversification and the importance of professional guidance in investment management. Eugene Fama (2003) explained that investors require expert advice to understand market efficiency and investment opportunities. Ranganathan (2005) identified financial literacy as a major factor affecting investment decisions in India.
2. Barber and Odean (2008) highlighted behavioural biases among investors and stressed the role of advisors in reducing emotional decisions. Subramanian and Velayutham (2010) stated that advisory services improve investor confidence and financial planning effectiveness.
3. SEBI Investor Survey (2014) revealed that transparency and investor protection are key determinants of trust in advisory services. Gupta and Jain (2016) found that investors prefer personalized advisory solutions. K. Seethal and Menaka Baskaran (2018) observed that financial advisors reduce investment risk and improve performance.
4. Recent studies by Sharma and Karthikeyan (2021) and Pradeep Kumar and S. Devi (2022) highlighted the growing use of digital financial advisory platforms and customized investment planning. Current industry trends indicate increasing adoption of AI-driven financial planning and technology-based wealth management services.

RESEARCH METHODOLOGY

Research Design

The study adopts a descriptive research design.

Sources of Data

Primary Data

Primary data was collected from clients of Prakala Wealth Pvt. Ltd. through structured questionnaires.

Secondary Data

Secondary data was collected from journals, books, company reports, SEBI publications, websites, and research articles.

Sample Size

Population: Approximately 150 clients

Sample Size: 66 respondents

Sampling Technique

Convenience sampling method was used.

Statistical Tools Used

- Percentage Analysis
- Correlation Analysis
- Regression Analysis

DATA ANALYSIS AND INTERPRETATION

The analysis reveals that the majority of respondents belong to the age group below 25 years, indicating growing investment awareness among young investors. Male respondents constitute the majority of the sample. Most respondents possess undergraduate and postgraduate qualifications. Bank deposits and mutual funds are the most

preferred investment avenues due to safety and stable returns. Wealth creation and tax saving are the major investment objectives among respondents. Around 69.7% of respondents are aware of financial advisory services, but only 54.55% currently use such services. Most respondents rate their financial knowledge as moderate and consult advisors occasionally before making investment decisions. A majority of respondents consider financial advisors important in investment decision-making. However, many respondents remain neutral regarding service quality, transparency, communication, and investment performance improvement.

Regression Analysis: Regression analysis between financial knowledge and consultation with financial advisors indicates a positive relationship. As financial knowledge increases, consultation with advisors also increases.
Correlation Analysis: Correlation analysis between advisor communication and overall satisfaction shows a strong positive correlation ($r = 0.90$). This indicates that timely communication and regular updates significantly improve client satisfaction.

FINDINGS

- Majority of respondents are below 25 years of age.
- Male respondents dominate the sample population.
- Bank deposits and mutual funds are the most preferred investment options.
- Wealth creation and tax saving are primary investment objectives.
- Awareness of financial advisory services is high.
- Usage of advisory services remains moderate.
- Financial knowledge among respondents is mostly moderate.
- Advisors are considered important for investment decisions.
- Transparency and communication need improvement.
- Communication strongly influences overall client satisfaction.
- Advisory services moderately improve investment performance.

SUGGESTIONS

- Financial advisors should improve communication and provide regular portfolio updates.
- Transparency regarding fees, risks, and returns should be enhanced.
- Financial literacy programs and awareness campaigns should be conducted.
- Advisors should offer personalized investment solutions based on client needs.
- Digital platforms and technology-driven services should be improved.
- Relationship management should focus on long-term trust and customer engagement.
- Advisory firms should improve service quality to reduce neutral perceptions among clients.

CONCLUSION

The study concludes that financial advisory services significantly influence investment decisions and investor behaviour. Financial advisors help investors make informed decisions, manage risks, and achieve long-term financial goals. Although awareness of advisory services is high, the actual usage and satisfaction levels remain moderate due to concerns regarding communication, transparency, and service quality. The study also confirms that effective communication plays a major role in improving client satisfaction. Overall, financial advisory services are essential in today's complex financial environment. By improving transparency, personalization, and technology integration, financial advisory firms can enhance client trust, satisfaction, and investment outcomes.

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