



## “A STUDY ON WEALTH MANAGEMENT SERVICES OF ICICI BANK”

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### **Abstract**

*Indian economy is standing with the special pillar called “banking”. banking plays a vital role in developing the country with the advancement of technology, banks now a days concentrate more towards new application-based services along with its primary services to survive in the market. This paper made an attempt to know that customers awareness wealth management services and also to find out that the benefits customers are availing out of wealth management service which is provided by the bank. To collect the data for research the primary data collection method is used i.e. questionnaire. The outcome of paper will help us to understand the wealth management service of the ICICI bank.*

**Key Words: Banking, Technology, Customers, Wealth Management.**

### **Introduction to banking:**

Banks play a major role in the development of the country. They operate the system of payments and settlement which act as a safe port for depositor’s funds. The banks receive those amounts which is in surplus from the customer and lend it to the deficit borrowers who are in need of the amount. This mediation process helps to match the deposit and loan supply and benefits liquidity to an economy. The concept of banking is drastically changed in the recent past year with the introduction of new economic policy 1991, this policy was launched under the leadership of P.V Narasimha Rao which made a huge change in all the sectors including banking with the help of new policy the transfer of technology from other nation has become easy task for the India, with this advantage technology ruled the Indian market and still at present also it ruling the economy. The banks started to adopt new technology in the business to deal with customers’ demands and to provide the banking service at ease, simple, fast mode, with the target of reaching the market globally.

Further to succeed in the competition the Indian banks started to provide the expansive range of different services along with the traditional services of accepting the deposits, lending loans, advances, cash, credit overdraft and discounting of bills. Here we focus on the varied financial services banks providing to its customers, this simple conceptualization of banking business have radically changed. The largest banks in the country have transformed themselves, typically via merger and acquisition into multiproduct financial service combination with offerings including: retail banking, asset management, brokerage, insurance, investment banking, and wealth management.

### **Introduction to wealth management**

Wealth management is an investment advisory service that combines other financial services to address the needs of affluent clients. Using a counselling process, the advisor assembles information about the client’s requirements and specific situation, then tailors a personalized strategy that uses a range of financial products and services. Often, a complete approach is taken within wealth management. To meet the complex desires of a client, a broad range of services—such as accounting and tax services, investment advice, estate planning, retirement plans will be provided. While fee structures vary across comprehensive wealth management services, typically, fees are based on a client’s assets under management.



### ❖ Areas of wealth management



### Benefits of Wealth Management

The following are the benefits clients going to draw from the bank in the name of wealth management service:

1. Helps in creating a financial plan
2. Helps to eliminate financial stress
3. Helps in getting personalized services
4. Provides a relationship-based approach
5. Function as a consultant

### Challenges of Wealth Management

The below challenges have to be kept in mind by both clients as well as the wealth managers(banker) while managing the wealth.

1. High exposure to equities
2. Drop in property value
3. Occupation of clients

### Review of literature

**Vincent F. Yu and Hsiu-I Ting (2010)** in their research article entitled “Identifying key factors affecting consumers' choice of wealth management services: an AHP approach”, it is found that the main factor which is going to interrupt wealth management service from the banks is “risk”, the study says that the burden of risk is the main factors whereby customer is terrified, when compare to other factors which is highlighted has quality of service, products, image.

**M Holly Isdale (2006)** in their research article entitled “Strategies for Simplifying and Increasing the Effectiveness of Wealth Management”, it is discussed that how effectively one can manage wealth by having proper timelines in hand. The wealthy families have to follow the proper stream to hold good of the available wealth with the advice of bankers or wealth managers is highlighted in the study. It also includes tax planning, estate planning, investment policy, retirement plans, and family holidays.



**Pankaj M Madhani(2007)**in their research article entitled “Wealth management emerging opportunities”,it is found that the ways for enhancing the opportunity to have good wealth management that is by renewed focus, diversify, strategic plan, advisory, multichannel accessibility, and personal touch. It is said that customers are the main pillars for the banks hence we have to be focused to at all the wealth management process to get the best service to the clients. It also understood that by technology adoption now job of bankers or wealth managers is quite ease and reduce the cost of service, but new product and innovation has to take place to be in the competition. Further the it also found that different levels or process of wealth management clients has to take, the step up to manage wealth, here it is considering five level where in the level one we have to start the plan for expanding the wealth for future next we have to ask for expert help and make good decision about the investment plan with available information, even with this one has to be ready to have balanced risk with expected return. In total it is also said that we have to work on the sustainable competition.

**Carlson Chan and Andrew Chan (2010)**in their research article entitled “Attitude toward wealth management services Implications for international banks in China”, the study made in Taiwan, says that customers behavior is more important because the factors affecting their perception make a sense while making the decision, hence at the entry level of selection with wealth services should be proper and second it is believed that users of this nation need to have flexible services with strong home country banking, next factor they would like to concentrate is on brand image, the Taiwan based banks are attracting the customers with cultural affinity, but it got the drawback with maintenance of regional relation database since they got branches in other places, investors’portfolios are becoming global, customers are demanding concise and comprehensive reporting and total portfolio advice.

**Stephen M. Horan, Ph.D., CFA, CIPM, CFA Institute.** Titled as “The future of wealth management: Unpicking where the puck is going”. the study found that certain demographic and technological trends will be driving forces that will shape the clients. The study demographic trends are studied with ageing investor population, influence of women, young investors, whereas technology also important part for successful wealth management here client are demanding digital capability from the wealth management. It concluded that women, young investors also get into the facility of managing the wealth by educating and training them and expected to provide digital experience for the clients

### Research Design

- **Objective of the study**

1. To study the customer awareness on wealth management services provide by the bank.
2. To know benefits customers are availing out of wealth management service which is provided by the bank.

- **Scope of the study**

The present study is restricted to understand the customer awareness on wealth management and to know the benefits they are availing out of wealth management service by the bank. The study is conducted to know the wealth management financial service which is provided by the bank to the customers.

- **Research methodology**

In order to do the “Study on wealth management services of ICICI Bank”. I have collected the data in two methods:

- i. Primary data: Questionnaires are issued to the customers for the study
- ii. Secondary data: The secondary resources are collected for the study from the website of bank, articles and other source.

Sample area: The bank customers are the target population for the study.

Sample size: As the questionnaires are issued to the 50 population out of which 38 responses are collected for the analysis.

Sample method: For the study the simple random sampling method is used.



### Limitation of the study

1. The study was restricted to few factors due to the information from customers are collected.
2. The questionnaires are provided for the population of 50, hence we can only draw limited analysis.
3. The study was considered for the limited time.

### Data analysis and findings

The study on wealth management financial services of the ICICI bank, was analyzed based on the questionnaires issued to the customers from the responses collected below analysis is made:

1. The analysis is found that between the age of **26-35 years i.e., 68.4%** are answered the question which shows the young sing of awareness about wealth management services, followed by < 25 years ,36-45 years and > 46 years i.e., 15.8%,10.5% and 2.6% respectively.
2. The highest number of populationsare **female responses i.e,65.8%** when compare to male population by 34.2%. which shows that women are more active in the future oriented goals by keeping the knowledge of wealth management they are going to serve their financial needs in a better way.
3. As per the analysis made the majority of population that **is 73.7%is well educated** with the post-graduation degree hence the survey is made a sense when compare to other degree like graduation and other education level the following percentage 18.4% and 7.9% whereas pre-university, < matriculation degree is not at all presented in the survey.
4. The employees belong to private sectors are more with the **% of 73.7** to be in the survey which also more benefited to analyze that the wealth management services because we can say that the need of wealth management is much more required to the private employees when compare to the self-employees with 5.3%, public employees with 7.9% but other employment type apart with this is standing with the 13.2%.
5. Majority of the population is in the **income group of 1,00,000 to 5,00,000 Rs i.e., 47.4%** and next with the slab of 50,000 to 1,00,000 Rs which shows the wealth management services is made benefited for all the level of earning population. And majority of population also having the savings account for more than five years which again shows that population is aware of their financial goals. And users of wealth services are going to transact both online and offline mode.
6. It is analyzed that the **76.3% of customers are aware of wealth management services** when compare to others and the awareness on this is received form the majority of friends and family.
7. With the various wealth management services like investment plans, legal estate planning, accounting and tax service and other, major plan is opted from the customers is **investment plans** next come other services, accounting and tax services and legal estate planning.
8. The analysis shows that the customers are going to grow their wealth through majority of **investment products** and property plans when compare to loans and other plans.
9. We have gone through the analysis how bank is going to give the benefits and we found that by offering relevant advice at 15.8%, by getting timely alerts on maturity by 21%, and by updating on the market developments 13%it shown that all of the above services at 50 %. Hence, we can say that **customers are benefiting** with all the services bank is offering to them.



10. The protection of wealth against risk is found “**medium**” on the scale of low, high and extreme. And majority of investment plan opted from customers is **equity** by 36.8%, when compare to debt (10.5%) and alternate asset (34.2%). Whereas still customer selected none of the plan.
11. Bank is providing regular updates on the investment made, and also found that **financial goals** of individual is going to changes over a period of 1-4 years and 5-7 years, still customers are found where their financial goals are constant.
12. It is analyzed that among special banking privileges “**rate of interest**” is in top rank when compare to e locker, charge waivers, family wealth account and personalized debit card. It also analyzed the lifestyle privileges customers drawn from bank in that entertainment and travel got high rank (31.6%) when compare to special offers on brands, investment seminars, lifestyle events and dinning.
13. It is found that majority of customer opted for **exclusive customer care** services other than online chat, request call and branches of bank for smooth functioning. And also found that all of the wealth management services are preferred by sample of population among will drafting, trust services, succession planning. Overall wealth management services **found good**.

### Suggestions

1. It is suggested that to provide more awareness on wealth management services from the bank and bank websites.
2. It is said to make the customers to avail all the services by providing more information through adds, personal contact.
3. Suggested to involve customers in making investment plan to meet their financial goals.

### Conclusion

Wealth management financial service is the present and future financial goals of every individual it should be opted from every bank customer to have a balanced life; hence it is concluded that the customer awareness is still required and benefit of the wealth management service has to reach for every bank account holder compulsorily.

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