

83 percent Indian investors willing to pay a nominal fee for advice, DSP BlackRock study

Also, majority of investors who invested through financial intermediaries are highly satisfied with the service they get.

Almost eight out of every ten Indian investors are willing to pay a nominal fee for an advice, shows a recent study called 'DSP BlackRock India Investor Pulse Survey' done by Cicero Research. However, the research has not specifically mentioned the quantum of fee which investors are comfortable paying for a financial advice.

The online survey was done across 26 locations which surveyed 1500 English speaking respondents in the age group of 25-74 years who are primarily urban and financially aware. These respondents were a mix of retail and affluent investors. The survey provides insights into how investors are dealing with their life decisions and approaching their finances.

A whopping 83% of respondents who were currently investing without paying a fee said that they would pay a fee for financial advice. Only 14% of such investors were unwilling to pay any fee for financial advice.

The study found that those who paid fee for advice were highly satisfied with the services of financial intermediaries. 88% of such respondents felt that their financial advisor had either provided excellent value or good value for fee. In terms of the satisfaction level, 55% respondents were very satisfied with the service they got from a professional financial advisor while 43% were moderately satisfied. These figures are much higher than the global average. Globally, 43% of investors were satisfied with the services of financial advisors.

Another interesting aspect of the research was the reliability on financial advisors. It showed that 39% respondents rely on financial advisors for all of their investment decisions. Similarly, 38% respondents take most of their investment decisions with the help of financial advisers. Only 3% investors took investment decisions on their own.

Ajit Menon, EVP, Head – Sales and Co-head Marketing, DSP BlackRock Mutual Fund said, "The satisfaction level of advised investors was higher than those who didn't consult financial intermediaries. This tells us that investor education is essential for the mutual fund industry and for financial intermediaries."

Meanwhile, the study shows that India stands second when it comes to using a financial intermediary for investments. A large proportion of Indians i.e. 41% engage the services of financial intermediaries to invest. Only Hong Kong is slightly ahead of India with 42% people engaging the services of financial intermediaries. Countries like US and UK lag much behind India and China in terms of channelizing their investments through financial intermediaries.