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Does The Indian Investor Seek Financial Advice? A Logistic Regression Analysis

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ABSTRACT

The functioning of the stock market is based on the availability of information. Many retail investors use a prescriptive form of decision-making (Hammond et al., 1998). Investment intermediaries are one of the influencing sources of information for a stock market investor. Thus, there is growing importance to the advisory function of various investment intermediaries Basing the help-seeking model of Joo & Grable (1999,2001), the present study develops a demographic and socio-economic profile of those investors who seek investment advice in India. Using the snowball sampling technique, data is collected from financial advice-seeking and non-seeking retail investors. Logistic regression analysis indicates that aged investors with more savings, large portfolio sizes, and high expected returns are the major seekers of financial advice. This study addresses the major institutional barrier financial advisory services face, i.e., consumer profiling and targeting (Westermann et al, 2020). It highlights the importance of delivering tailored financial advisory services.

Keywords: Help-Seeking Behavior, Investment Advice, Financial Advice Seeking Attitude, Retail Investors, Investor Profiling

INTRODUCTION

India's stock market has moved to the world's top five clubs, with a market capitalization of listed firms amounting to 5.54 trillion dollars (CEIC Data,2024). Being recognized as the world's fastest-growing economy (World Economic Forum, 2022), investors are expected to enter the capital markets at exponential rates in the coming years. The post-pandemic period showed a voluminous transition of retail investors to this high-yielding market.

Indian share and global markets have fallen to unbelievable levels during the pandemic. When the world feared the prevailing uncertainty, High-Net-worth Individuals supported and entered the capital markets and stood as pillars. The market upturn occurred within months and more retail investors transferred from unattractive traditional investments. The retail segment accounts for around 36% of the total client participation in the capital market (Mint,2024).

However, analyzing the trading behavior of quarterly cohorts of active retail investors since the COVID-19 pandemic reveals a declining trend in the last two quarters of the financial year 2022. Hence the query arises as to whether the retail

investors leave the market as they lack the knowledge to handle the repeating turmoil of the market or the fear that the Foreign Institutional Investors would once again play at their costs. It's the right time for financial advisors to act to address the investors' needs by utilizing their experience and expertise.

In order to cater to the retail segment on fiduciary principles, a proper understanding of investors' demographic and socio-economic characteristics along with investment and behavioral factors is important. The question arises as to isn't it important for financial advisors to know their clients? Who are the target customer base in the coming years? What makes the seekers different from the non-seekers? The financial advisors must group the investors based on their financial goals, risk tolerance levels, and return expectations, using a standardized questionnaire, and recommend the predefined model portfolio or a customized portfolio to their clients ((Bhatia et al., 2020)). The study aims at developing a socio-demographic and economic profile of the dependent cohort among the investors. In the developing and the fast-growing economy of India, its crucial to ensure a reliable financial advisory system. Since the country lacks a proper mechanism to tackle it, this study would provide insights into the necessity of customer profiling and its predictive capacity in customer targeting of financial advisory services.

The current research finds that the socio-economic profile of investors influences their financial advice-seeking attitude((Reiter-Gavish et al., 2021);(Glenn & Heckman, 2020)). Also, the study establishes the predictive capacity of investor profiles through a logistic regression analysis.

This research contributes to the existing literature on the advice seeking attitude of retail investors. Consumer profiling and targeting have been major concerns in financial advice provision (ASIC,2010) in developing and emerging countries including India. The study provides financial advisors with insights into whom they should cater to in the post-pandemic period.

The remainder of this paper proceeds as follows. Section 2 describes the literature review and the hypotheses. Section 3 discusses the theoretical frame followed by objectives in section 4. Section 5 presents the methodology. Section 6 describes the analysis. Section 7 discusses the empirical findings, and Section 8 carries out discussion. It is followed by section 9 with implications and ends with limitations and scope for future research.

REVIEW OF LITERATURE

Most retail investors use a prescriptive form of decision-making (Raiffa,1968) and depend on investment advisors, indicating the growing importance of the advisory function of investment intermediaries. Advice-seeking requires the investor to identify and choose among the various financial advisors (Joo and Grable, 2001). Also, it demands admitting the lack of competence in financial management along with the willingness to disclose these personal financial affairs to an outsider(Akhtar, 2020). The step model of financial advice-seeking requires investors to pass through the following stages: exhibiting a financial behavior, evaluating their behavior, identifying its cause, forming a decision to seek help, and choosing between help-seeking alternatives (Grable and Joo, 1999), (Westermann et al., 2020). Consumer characteristics which include demographic and socioeconomic factors influence the decision to seek financial advice ((Grable and Joo, 2001);(Clark et al., 2019);(Mohammadifirouzeh et al., 2023)). The following factors are considered in the present study.

Age

Age as a factor increases the likelihood of using financial advice (Hanna, 2011(Lim et al., 2023)). Thus, older investors rely more on financial advice (Grable and Joo, 2001; Joo & Grable, 2001; Finke et al., 2011; West, 2012; Letkiewicz et al., 2016;(Bailey et al., 2021)). Members of the Baby Boomers and Generation X were more likely to have sought professional financial advice compared to members of the Generation Y cohort (Marsden et al., 2011).

In contrast to this, the young investors aged 18-44 is found to be significant in seeking all types of financial advice (Alyousif et al., 2017). Hung and Yoong (2010) found no significant relationship between age and the advice seeking attitude of investors.

Gender

Gender has influence on the financial advice-seeking attitude of investors (Alyousif & Kalenkoski, 2017). Women are more likely to seek advice than men (Joo & Grable, 2001; Finke et al., 2011; Collins, 2012; Glenn & Heckman, 2020). Men seek less advice due to their overconfidence in managing finances (Finke et al., 2011; Hackethal et al., 2012; Robb

et al., 2012; Bhattacharya et.al, 2012; Lim et al., 2023). The lower levels of financial literacy and lower confidence in their financial abilities motivate women to be advice-seekers (Tabea et al., 2021;Mohammadifirouzeh et al., 2023). In contrast to this, Hung and Yoong (2010) found no significant difference in advice-seeking as a function of gender. Also, there were instances of men seeking advice more than women(Wang-Ly et al., 2022).

Education

A highly educated group of investors are likely to seek more financial advice. Thus, investors with a bachelor's degree or higher are more likely to utilize financial advice (Chang, 2005; Collins, 2012; Clark et. al,2018,Glenn & Heckman, 2020) except for Hung and Yoong (2010) who found no significant relationship, and Guiso and Jappelli (2006) who found a negative relationship. Graduates were found to depend on themselves rather than depending on an advisor(Lim et al., 2023).

Occupation

As the occupational complexity increases, professionals do seek more financial advice in comparison to other occupation categories (Reiter-Gavish et al., 2021). Whereas self-employed investors are less likely to follow financial advice as they would take more risk without any fear (Hussain Shah et al., 2020).

Income

Higher-income individuals seek more financial help than the lower segment (Finke et al., 2011; Grable and Joo, 2001; Joo & Grable, 2001;(Jonsson et al., 2017)Letkiewicz et al., 2016;; Alyousif et al., 2017). In contrast to this, certain studies didn't find support for the predicted associations between high wealth or high income and the probability of seeking financial advice (Calcagno & Monticone, 2015).

Savings

Those investors with higher savings are likely to invest more and hence seek financial advice to make optimal investment decisions (Mietzner & Molterer, 2018).

Stock Market Investment Percentage

Unlike the previous studies, this research work tries to find the investment profile related determinants which can influence the advice seeking attitude of investors. Thus, the percentage of savings invested in the stock market is also considered for prediction.

Portfolio Investment Size

There are not many studies that have considered the predictive capacity of portfolio investment size about the advice-seeking attitude of investors. Hence the researchers have considered this in their study.

Investment Experience

More experienced investors have higher odds of seeking financial advice (Mietzner & Molterer, 2018), (Hackethal, 2012). Contrary to this Calcagno, 2015 and Kramer, 2016 finds that experience is not related to financial advice seeking. As the investors earn experience, their seeking attitude declines over the years (Bachmann & Hens, 2015)

Average Return Earned

The average return earned in percentage on investments is also not seen much in previous studies as a determinant of financial advice-seeking attitude. Thus, the present study undertakes this gap and reports the results.

The above contradictory results call for a new study in this respect. Also, the researchers incorporate factors not considered prior to get more insights into the area.

THEORETICAL FRAMEWORK

Consumer decision-making is a process consisting of the following five steps: Problem recognition, Information search, Evaluation of alternatives, Purchase decision, and Post Purchase Behaviour. Making an optimal investment decision demands good information. Search costs for such information (Alyousif & Kalenkoski, 2017) and sophisticated details on

what, when, and how to invest are the major issues an investor faces during decision-making. Experts like investment advisors help to reduce the tedious task of information search and the associated costs. They provide valuable information through advice, thereby controlling the situation of financial information overload (Todd & Seay, 2020).

‘‘Advice” has typically been defined very restrictively, as a recommendation concerning which alternative the decision-maker should choose (Harvey and Fischer, 1997). People often seek the advice of others before making decisions. Such decisions have been studied under theories like the Judge-Advisor System (e.g., Bonaccio & Dalal, 2006; Sniezek & Van Swol,2001), the Hierarchical Decision-Making Team (e.g., Hollenbeck et al., 1995; Humphrey, Hollenbeck, Meyer, & Ilgen, 2002), and Staff Decision-Making (Brehmer & Hagafors, 1986).

Advice seeking attitude is studied through a five-step process in Advice Seeking Model ((J. E. Grable & Joo, 2001); (J. E. Grable & Joo, 2014)). The five steps are (1) exhibiting a personal financial behavior; (2) evaluating their behavior; (3) identifying the cause of their behavior (e.g. certain trigger events like a loss of job or divorce); (4) forming a decision to seek help; and (5) choosing between help-seeking alternatives. It is in the fourth step the decision to seek help from an outside source or expert arises.

The decision to depend on a financial advisor is made by an investor after matching the potential costs and potential benefits. Cost-benefit judgments will be adjusted to match the situation ((Marsden et al., 2011);(Karabulut, 2012)). It’s not just these associated costs, but socio-demographic profile and other investor characteristics also influence the decision to seek help(West, 2012;Clark et al., 2019;Fan, 2021). Based on the review and the theoretical frame, the following objectives are examined in the current research work.

OBJECTIVES OF THE STUDY

1. To evaluate the demographic profile of the investors
2. To investigate the socio-economic profile of the investors
3. To determine the predictive capacity of the demographic and socio-economic based investor profile in financial advice seeking attitude of investors.

METHODOLOGY

Data

The key objective of the study is to identify the factors affecting financial advice-seeking attitude of individual investors and also to develop a socio-economic profile of seekers and non - seekers. The universe of the study consists of retail investors in Kerala. 118 investors chosen by snowball sampling form the sample for the study. Primary data is collected using a structured interview schedule during the period from February 2024 to April 2024. Secondary data is collected from reports of SEBI, NISM, research journals, public records, and other related publications.

Dependent variable: The dependent variable is the advice seeking attitude of the individual investors. It is evaluated using the question, “Do you depend on any financial advisory service?”

Dependent variable is financial advice seeking and hence respondents who answered that they depend on a financial advisor were coded as 1 and those who didn’t depend where coded as 0. To address the situation that the respondents would have used other sources of information in addition to the financial advisor, those who have indicated the dependence on a financial advisor as a source are coded as 1.

Independent Variable: The factors affecting the advice-seeking attitude of investors consist of age, gender, education, occupation, annual household income, savings, portfolio size, and years of experience in the stock market.

Independent variables included demographic variables like age and gender and socio-economic variables like education, occupation, income, savings percentage, average household income, investment size, its percentage out of savings, investment frequency, and average return earned. Age and gender have a great influence on advice-seeking attitudes and behavior.

Education was measured using the following six categories- SSLC, Plus Two, Under-graduation, Post-graduation, Professional, and Others. The occupation of respondents was classified into Salaried, Business, Professional, Self-employed, Retired, and Others. Differing education and occupation also help to differentiate behaviors and attitudes, hence used in the study ((Joo & Grable, 2001);(Lal et al., 2023)). Those who have private employment, or are self-employed or

running a business have a different investment decision making attitude when compared with the salaried and professionals.

Based on the sample distribution, four income slabs were developed, as <10,00,000, 10,00,000 -25,00,000, 25,00,000-50,00,000, and above 50,00,000. Portfolio investment size was also measured using the same slabs or categorization.

Stock market experience of investors was also considered as an independent variable, measured by the classes 0-3 years, 3-5 years, 5-10 years, 10-15 years and more than 15 years.

Average Return earned in percentage was evaluated by classifying into four groups, <10%, 10-15%,15-20%, and above 20%. A similar slab was used to classify the savings as a percentage of income variable and stock investment as a percentage of savings.

ANALYSIS

Our analysis proceeds in two steps. First, we examined descriptive statistics to explore the differences between investors generally, and then we split them between advice seekers and non-seekers.

Descriptive Statistics

The full investor survey sample consisted of 150 investors, but after listwise deletion for missing data of the variable set, our analytical sample consisted of 118 investors. The sample descriptive statistics for the full sample, along with those depending on or non-depending a financial advisor for advice are presented in Table 1.

Table 1: **Demographic and Socio-Economic Characteristics of the of the Advice Seekers and Non-Seekers (118 Investors)**

Sl. No	Particulars	Full Sample	Advice Seeker	Percentage	Non-Seeker	Percentage
1	**Age**					
	18-29	17	8	47.05%	9	52.95%
	30-49	53	36	67.92%	17	32.08%
	50-64	39	35	89.74%	4	10.26%
	>=65	9	8	88.89%	1	11.11%
2	**Gender**					
	Male	93	66	66.67%	27	33.33%
	Female	25	21	84%	4	16%
3	**Education**					
	SSLC	3	3	100%	0	0
	Plus 2	1	0	0	1	100%
	Under Graduate	24	18	75%	6	25%
	Post Graduate	35	24	68.57%	11	31.43%
	Professional	49	36	73.47%	13	26.53%
	Others	6	6	100%	0	100%
4	**Occupation**					
	Salaried	56	37	66.67%	19	33.33%
	Business	18	15	83.3%	3	16.67%
	Profession	5	4	80%	1	20%
	Self employed	11	8	72.73%	3	27.3%
	Retired	23	19	82.61%	4	17.39%
	Others	5	4	80%	1	20%
5	**Annual Household Income**					
	<10,00,000	56	39	69.64%	17	

	10,00,000-25,00,000	52	41	78.85%	11	21.15%
	25,00,000-50,00,000	7	4	57.14%	3	42.86%
	>50,00,000	3	3	100%	0	0
6	**Savings (% of Income)**					
	<10%	17	14	82.35%	3	17.65%
	10-15%	24	18	75%	6	25%
	15-20%	32	27	84.37%	5	15.63%
	>20%	45	28	62.22%	17	37.79%
7	**Stock market investment (% of Savings)**					
	<10%	39	32	82.05%	7	17.95%
	10-15%	30	20	66.67%	10	33.33%
	15-20%	19	14	73.68%	5	26.32%
	>20%	30	21	70%	9	30%
8	**Portfolio Investment Size**					
	<10,00,000	67	52	77.61%	15	22.39%
	10,00,000-25,00,000	27	14	51.85%	13	48.15%
	25,00,000-50,00,000	13	11	84.62%	2	15.38%
	>50,00,000	11	10	90.91%	1	9.09%
9	**Stock market experience**					
	0-3 years	16	7	43.75%	9	56.25%
	3-5 years	39	29	74.36%	10	25.64%
	5-10 years	16	13	81.25%	3	18.75%
	10-15 years	13	9	69.23%	4	30.77%
	>15 years	34	29	85.29%	5	14.71%
10	**Investment Frequency**					
	Intraday	17	12	70.59%	5	29.41%
	Monthly	58	39	67.24%	19	32.75%
	Quarterly	27	22	81.48%	5	18.52%
	Yearly	16	14	87.5%	2	12.5%
11	**Average return earned**					
	<10%	25	20	80%	5	20%
	10-15%	49	32	65.31%	17	34.69%
	15-20%	25	21	84%	4	16%
	>20%	19	14	73.68%	5	26.32%

Source: Compiled from the results of data analysis

Out of the total sample studied 78.8% are male and the rest of the investors are female. Approximately 44.9% of the investors fall in the age group of 30-49, followed by 33.1% of them in the category of 50-64. 20.3% of the sample are degree holders and 29.6% are post-graduates. A majority of the sample constitutes the professionally qualified group of investors (41.5%). The majority of these investors are salaried accounting for 47.46% of the sample. The approximate annual household income of most investors falls below twenty-five lakhs. A major proportion of investors save above 20% of their income, of which less than 10% is invested in stock market by most of them. But around 25% of the savers invest 10-15% and another 25%, invest more than 20% in stock markets. The approximate portfolio size held by the majority of sample investors is less than ten lakhs. Around 9% invest more than fifty lakhs in the stock market through modes like direct equity, ETFs, SIP, and Mutual funds. 43.2% of the investors have only 3-5 years of experience and 28.8% of them has more than 15 years of experience in the stock market. The least experience (0-3 years) is possessed by just 3.34% of the sample. Majority (49%) of the investors carry out transactions once in a month. 41.5% of the investors

earned 10-15% return from their stock market investments, while 21% earned 15-20% return, and more than 20% return was earned by 16% of the investors.

Multivariate Analysis

The help-seeking model developed by (Grable et al., 1999) and (Joo & Grable, 2001) indicates that help-seeking behavior is influenced by demographic and socio-economic factors. The effect of socio-demographic characteristics on the dependency on financial advisors is thus analyzed in this study. Almost 87 % of investors seek financial advice in the sample selected.

Binary Logistic regression is used to check whether how likely an observation or respondent belongs to a specific group using their demographic and socio-economic characteristics as predictors. Logistic regression is used to predict a categorical (usually dichotomous) variable from a set of predictor variables. Hence, in order to determine who seeks the financial advice the following logit model is used by the researchers:

The model is expressed as follows:

$$\text{logit}(pi) = \ln(pi/\ 1-pi) = \beta 0 + \beta 1xi1 + \beta 2xi2 + \beta 3xi3 + \ldots\ldots + \beta kxik$$

Where, pi represents the probability of having used a financial advisor (i.e., yi = 1),

β represents a vector of estimated coefficients (including an intercept), and

x represents a vector of demographic and socio-economic factors (Allison, 2012).

The hypothesis set for the study is as follows:

H1: There is no significant impact of demographic characteristics of investors on their financial advice seeking.

H2: There is no significant impact of the socio-economic characteristics of investors on their financial advice seeking.

Financial advice seeking is the dependent variable and demographic and socio-economic variables are the predictors. The cut-off value of 0.5 is chosen for classifying the investors into two categories as advice seeking is measured using a yes or no question. Hence, those who score above 0.5 will be categorized as advice seekers. Each of the independent variables has different categories and the researcher has to specify one as the reference category. In the case of age, it's the 18-29 category, and males are chosen in the case of gender. SSLC in education, and salaried in occupation are the reference categories.

The less than 10% option is chosen as the reference category for saving percentage, stock investment percentage, and return earned, whereas the less than ten lakhs class is considered the reference group in case of annual household income and portfolio size. Stock market experience of 0-3 years and trading frequency of intraday is chosen as the reference groups.

Table 2: Case Processing Summary

Classification Table[a]					
			Predicted		
			depend_fa		Percentage
	Observed		No	Yes	Correct
Step 1	depend_fa	No	20	11	64.5
		Yes	5	82	94.3
	Overall Percentage				86.4
a. The cut value is .500					

Source: Compiled from the results of data analysis

The classification table indicates the specificity and sensitivity of the model in classifying the respondents into seekers and non-seekers. Row 1 indicating specificity reflects the accuracy of the model in correctly classifying investors into group 0, i.e., the non-seekers. The percentage correct associated with row 2 indicates the sensitivity as it reflects the accuracy of the model in correctly classifying investors into group 1, i.e., the advice seekers.

Out of the total 118 respondents, 102 cases were rightly classified but the rest 16 cases were misclassified. The overall classification accuracy for the model is 86.4% and hence the model predicts rightly those who don't intend to seek advice. Logistic regression analysis provides a predictive capacity to the investor data.

Table 3: Strength of Relationship of Model

Model Summary			
Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	67.125[a]	.442	.646
a. Estimation terminated at iteration number 20 because maximum iterations has been reached. Final solution cannot be found.			

Source: Compiled from the results of data analysis

The strength of the relationship between predictor variables and dependent variables, i.e., the model fit is measured using Pseudo R^2 measures of Cox and Snell R Square and Nagelkerke R Square. The model explained 64.6% (Nagelkerke R Square) of the variance in financial advice seeking of investors, thus indicating a strong relationship with the predictors.

Table 4: Hosmer and Lemeshow Test

Hosmer and Lemeshow Test			
Step	Chi-square	df	Sig.
1	6.721	8	0.567

Source: Compiled from the results of data analysis

The probability of Model Chi-square (6.721 significant with 0.567) is higher than the required level of significance, i.e., 0.05. This desirable outcome of non-significance indicates that model prediction doesn't significantly differ from the observed. This non-significance of the H-S test is indicative of a well-fitting model. It leads to the conclusion that the model constructed by researchers(observed) and the model predicted by regression(predicted) are not different.

Table 5: Variables in the Equation

Variables in the Equation									
								95% C.I. for EXP(B)	
		B	S.E.	Wald	df	Sig.	Exp(B)	Lower	Upper
Step 1[a]	age								
	age (1)	4.072	1.634	6.20	1	0.01	58.701	2.384	1445.20
	age (2)	6.735	2.770	5.91	1	0.01	841.07	3.688	191833.97
	age (3)	5.820	2.608	4.98	1	0.02	337.02	2.031	55929.17
	gender (1)	1.828	1.500	1.48	1	0.22	6.219	0.328	117.723
	education								
	education(1)	-40.067	43747.7	0.00	1	0.99	0.000	0.000	
	education(2)	-21.544	17273.9	0.00	1	0.99	0.000	0.000	
	education(3)	-21.177	17273.9	0.00	1	0.99	0.000	0.000	
	education(4)	-21.740	17273.9	0.00	1	0.99	0.000	0.000	
	education(5)	1.506	21111.1	0.00	1	1.00	4.510	0.000	
	occupation								

	occupation(1)	1.136	1.369	0.68	1	0.40	3.113	0.213	45.571
	occupation(2)	4.938	3.914	1.59	1	0.20	139.520	0.065	299217.527
	occupation(3)	-0.424	1.528	0.07	1	0.78	0.655	0.033	13.082
	occupation(4)	-2.433	1.843	1.74	1	0.18	0.088	0.002	3.251
	occupation(5)	2.444	2.305	1.12	1	0.28	11.513	0.126	1054.62
	annualhouseinc								
	annualhouseinc(1)	1.747	0.920	3.61	1	0.05	5.739	0.946	34.803
	annualhouseinc(2)	1.134	1.424	0.63	1	0.42	3.107	0.190	50.684
	annualhouseinc(3)	18.516	20160.6	0.00	1	0.99	109977278	0.000	
	savings_percent								
	savings_percent(1)	-2.412	1.647	2.14	1	0.14	0.090	0.004	2.263
	savings_percent(2)	-0.527	1.591	0.11	1	0.74	0.590	0.026	13.337
	savings_percent(3)	-4.674	1.857	6.33	1	0.01	0.009	0.000	0.355
	stmkt_percent								
	stmkt_percent(1)	-1.566	1.136	1.90	1	0.16	0.209	0.023	1.936
	stmkt_percent(2)	0.077	1.299	0.00	1	0.95	1.080	0.085	13.766
	stmkt_percent(3)	-0.469	1.210	0.15	1	0.69	0.625	0.058	6.697
	portfolio_size								
	portfolio_size(1)	-2.296	0.987	5.40	1	0.02	0.101	0.015	0.697
	portfolio_size(2)	-1.042	1.711	0.37	1	0.54	0.353	0.012	10.084
	portfolio_size(3)	0.479	1.813	0.07	1	0.79	1.615	0.046	56.463
	stmkt_exp								
	stmkt_exp(1)	0.324	1.580	0.04	1	0.83	1.383	0.062	30.607
	stmkt_exp(2)	-1.934	1.523	1.61	1	0.20	0.145	0.007	2.860
	stmkt_exp(3)	1.337	1.294	1.06	1	0.30	3.806	0.301	48.085
	invest_freq								
	invest_freq(1)	-0.064	1.317	0.00	1	0.96	0.938	0.071	12.396
	invest_freq(2)	2.204	1.644	1.79	1	0.18	9.065	0.361	227.471
	invest_freq(3)	2.373	1.689	1.97	1	0.16	10.730	0.392	294.065
	return_percent								
	return_percent (1)	1.460	1.381	1.11	1	0.29	4.304	0.287	64.440

	return_percent (2)	3.958	1.934	4.19	1	0.04	52.355	1.183	2316.18
	return_percent (3)	3.656	1.675	4.766	1	0.02	38.719	1.453	1031.76
	Constant	18.575	17273.978	0.000	1	0.99	116681957		
a. Variable(s) entered on step 1: age, gender, education, occupation, annualhouseinc, savings_percent, stmkt_percent, portfolio_size, stmkt_exp, invest_freq, return_percent.									

Source: Compiled from the results of data analysis.

EMPIRICAL FINDINGS

The results indicate that age, savings as a percentage of annual household income, portfolio size, and return as a percentage of investment amount are significant variables in predicting the financial advice seekers among the investors as depicted in Table 5.

The age category of 30-49 was found significant with a coefficient value of (4.072) (p=0.013). Also, age categories of 50-64 and those aged above 65 are found significant with coefficient values of (6.735) (p=0.015) and (5.820) (p=0.026) respectively. There exists a positive relationship between age and advice-seeking attitude as indicated by the positive values of the odds ratio or Exp(B). Hence, as the age increases the probability of seeking advice increases.

Concerning education, no significance is found among the different education categories. Neither lower nor higher level of education category influences the advice-seeking attitude. Also, in the case of occupation, insignificance is found and hence it does not influence the advice-seeking attitude of investors.

Annual household income is a positive but non-significant predictor of advice-seeking attitude. The odds ratio indicates that for every one unit increase in annual household income in the category 10-25 lakhs, the odds of expressing an attitude to seek advice increased by a factor of 5.739 and in the category 25-50 lakhs by a factor of 3.107.

Investors with a savings percentage of above 20% are found to have significant values with negative coefficients of (-4.674) (p=0.012). Hence it likely falls to the non- advice seeking group. It also indicates that an increase in savings percentage above 20% would decrease the probability of being an advice seeker as Exp(B), i.e., the odds ratio, of this category 0.009 is less than 1.

Investment in the stock market as a percentage of savings is also found to be insignificant in the model prediction.

The size of portfolio investment made by the investors was found to be significant at the portfolio size (1) level of 10-25 lakhs. The coefficient value of this level is negative (-2.296), (p=0.020). Also, the relationship is negative as reported by the Exp(B) value of 0.101 is less than 1. As we move from a low to a high level of portfolio investment, the predicted probability of belonging to an advice-seeking group of investors will decrease by 0.101 times.

However, stock market experience and investment frequency indicate insignificance in the model prediction.

Return on investment is a positive and significant predictor of advice-seeking. Concerning return earned by investors, 15-20% and above 20% categories are found to be significant predictors with coefficients (3.958) (p=0.041) and (3.656) (p=0.029) respectively. They indicate a positive relationship, implying that they have a higher chance to fall in the advice-seeking category. The Exp (B) values being greater than 1, reflect that an increase in every unit of return earned will increase the chance of an investor depending on an advisor by a factor of 52.355 and 38.719 respectively in the significant classes. Those with return earned below 10% and 10-15% didn't show any significance, even though, they were positive.

The hypotheses H1 and H2 tested the impact of socio economic and demographic variables on advice seeking attitude of investors. The hypotheses are rejected for variables such as age, annual household income, savings percentage, and return percentage.

To sum up, the binary logistic regression analysis was conducted to predict the investors' advice-seeking attitude – seeker or non-seeker, from the responses of 118 investors based on age, gender, education, occupation, employment status, annual household income, savings percentage, portfolio size, investment frequency and expected return percentage from the stock market as predictors could estimate the prediction of categorization of their financial advice seeking attitude with 86.4% accuracy.

DISCUSSION

The results indicate that women (84%) do seek more advice compared to men and this attitude might be that women underestimate their ability in financial matters. 87% of the non-seekers are men. This result is consistent with the previous studies. Older are more willing to demand professional advice (Sackley, 2002; Hackethal et al., 2012;Glenn et al., 2020) maybe because of a higher opportunity cost of time or risk of managing finances by themselves. This behaviour depends on the cognitive capability and financial literacy of the investors (Kim et.al, 2019). But among them, women are more likely to seek financial advice than older men (Fan, 2021). The young investors have low investment portfolio value or don't understand the importance of financial advice at their age are the two possible explanations for this disparity seen (Reiter-Gavish et al., 2021).

Undergraduate men depend on financial advice more than undergraduate females. 20.3% of the sample are degree holders, out of which around 83% are help seekers. Majority of the advice seekers are salaried accounting for 47.5% of the investors. It is seen that as education increases the advice-seeking attitude of both men and women goes up (Grable & Joo (1999); Clark et al (2019); Glenn & Heckman (2020)). Educated investors approve of the value associated with professional advice in investment affairs. Professionals, both qualified and employed appear to be taking more advice than the salaried group of investors. Also professionally qualified men are seeking more advice than women. The current results obtained are in sharp contrast to the research findings that as occupational complexity increases, investor sophistication increases and dependency reduces(Reiter-Gavish et al., 2021). This might be due to other factors such as lack of time or lack of expertise in the finance field.

Contradicting the past literature (Mietzner & Molterer, 2018), we find that as savings increase the dependency reduces. This result is due to the new group of high-income, high-saving investors who make investment decisions independently using zero brokerage services. This group constitutes the young salaried people who are highly paid. Being tech savvy enables them to carry out stock market transactions through online platforms without advisory services. Such investors use the internet as their information source.

It is identified that in the initial years of stock market investment, financial advisory dependency is very low. As the experience of men in the stock market increases, they depend on financial advice, indicating their understanding of the value addition financial advice brings to investment decision-making. But men with 3-5 years of experience show an invariable approach towards financial advice. The higher the experience of the investors, they are more likely to seek financial help.

The findings indicate that there is a negative advice-seeking attitude among investors with a portfolio size of 10 -25 lakhs. This arises due to the reduced range of services and care offered by the advisory companies to this segment of investors. The advisors are focused more on the high portfolio-owning investor groups. This negligence creates less satisfaction among these potential investors resulting in them moving out from fee-based services.

Investors with higher annual household income depend on financial advice while making investment decisions. The investors who have high wealth will be participating more in the financial markets and advisors will cater the wealthier clients more than the retail investors with low portfolio size (Uhl & Rohner, 2018).

Contrary to previous studies (Reiter-Gavish et al., 2021), gender is found to be insignificant in its prediction. Education and occupation also are non-significant predictors of financial advice-seeking attitude of investors.

The research also finds that higher investment return earned, i.e. 15-20% and above 20%, develops a favorable attitude to advice seeking. This indicates that advisor performance will enhance the advice seeking among investors. Investors are willing to pay as well when they get better returns from advice (Chauhan & Dey, 2020).

IMPLICATIONS

The study would significantly contribute to the financial advice-seeking literature concerning developing countries.

Policy Implications

Financial advice-seeking results in better financial behavior and enables investors to cope with financially stressful events (Moreland, 2018). It would improve client-advisor relationships and lead to optimal financial decisions, resulting in investors' financial well-being (Westermann et al., 2020). As most of the Indians are now employed in the private sector,

financial planning would be a necessity and this enhances the significance of financial advice. The low dependency especially of the millennial group, the educated and well-employed is a serious matter to be considered by the government and the policy makers. It's an indication to educators and policymakers about the importance of integrating financial lessons in the curriculum beginning with primary education. There is also a duty on the government to ensure the quality of financial advice, guaranteeing fiduciary duty to augment trust in the financial service (Westermann et al., 2020).

Practical Implications

It extends previous research and provides financial advisors with the data on whom they should cater to in the post-pandemic period. Traditional financial advisors facing tough competition from robo-advisors and zero brokerage houses, can utilize the research findings in developing attractive service models that are service-oriented and cost-effective to Indian investors. The results provide helpful information to financial professionals, educators, and policymakers(Kumar, S., Goyal, N., & Basu, 2017). It helps to know the demographic and socio-economic profile of the advice-seeking group of retail investors in the financial market. This helps financial advisors to approach the needy at the appropriate time. This would help in market segmentation and accordingly develop tailored products to meet client needs (Clark et al., 2019). From another angle, this study enables us to identify the clients who are less likely to seek professional financial advice. Advisors need to focus on investment performance to attract and retain more clients.

LIMITATIONS AND FUTURE SCOPE

Several limitations should be noted. The geographical limitation of the study might affect its generalizability to other economies. The study has considered only the basic profile of the investors. The psychological profile of advice seekers, and their knowledge level, could be an add-on. More elaborative studies on the economic profile would form the base for new portfolio developments, thus generating better returns at manageable risks to the clients. Consequently, future studies are needed to ameliorate these measurement issues.

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