

**BENORI**



# Digital Wealth Management Market in India

May 2022

## Introduction

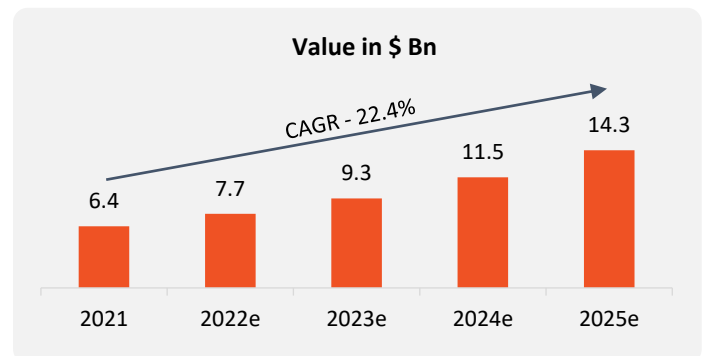
Over the years, India’s wealth management ecosystem, has witnessed a massive transformation. Traditionally, wealth management industry in India used to operate through a highly relationship-driven business model. However, the pandemic has led to the rise of digital wealth management. **Digital Wealth management** is an investment solution that utilizes digital tools to offer investors a wide range of savings and investment products. This includes services such as investment management, financial planning, tax planning and estate planning.

Millennials preferred investing in capital markets at a steady clip as pay losses, economic woes and increased time at home forced them to look for new income streams during the pandemic. The surge in retail investors is because of prolonged lockdown in 2020 which enables them to explore investment tech platforms at their convenience. The pandemic induced high volatility in the market which compelled retail investors to diversify their investments. They find these platforms a true innovator which yields 9-11% fixed returns with less risk.

[\(Source\)](#)

## Market size of Digital Investment Platforms

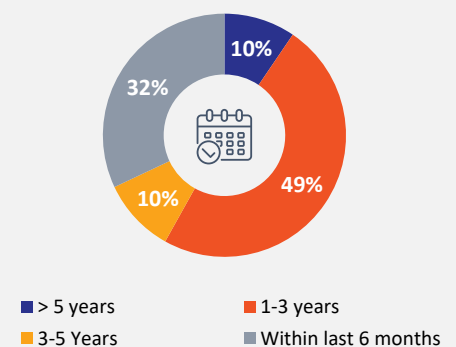
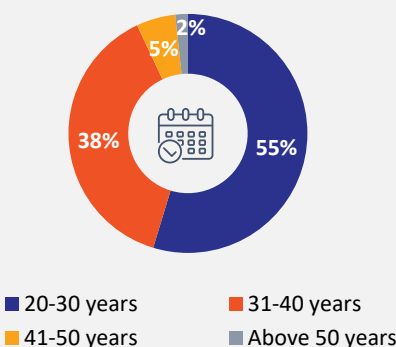
Digital investment market size is expected to grow at a 5-year CAGR of 22.4% and reach **USD 14.3 billion by 2025 from USD 6.4 billion in 2021**. The growth can be attributed to consumers’ tech awareness, growing millennial population, diverse offerings, advancements in technology, a growing number of investment tech startups and government support.



[\(Source\)](#)

## Consumer behavior

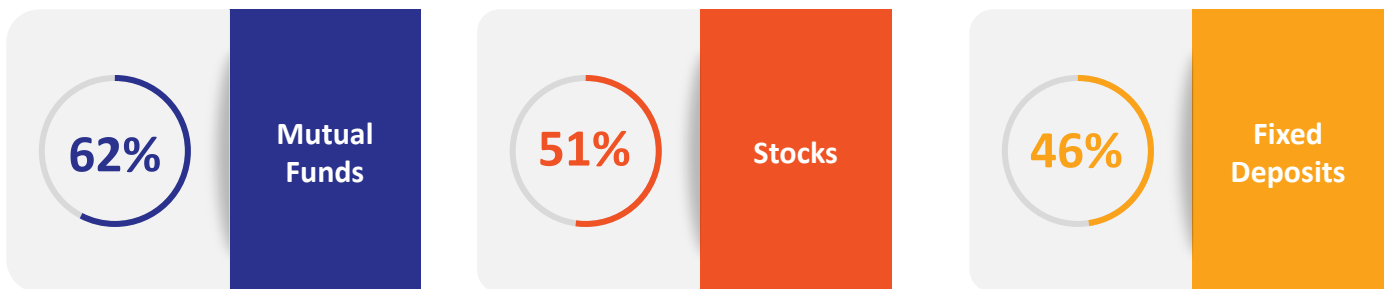
We have conducted an online survey to understand the growing Digital Wealth Management Market in India, along with some insights on investor’s perspective, choice, and satisfaction level from their current investment platform.



- Through the survey we found out that, 49% of the total investors have started investing during the pandemic (1-3 years)
- Majority of investors who are inclined towards digital investing, fall in the Gen Z and millennial categories
- Investors working in private sector (53%) contribute more into digital investments compared to other professions
- 36% of the investors' awareness is through a friend/relative followed by awareness through financial websites/social media (32%). 17% consult from financial advisors while 14% rely on traditional media (newspapers, TV, and radio)
- Investors in tier 1 cities are more inclined towards digital wealth investment platform (62%) compared to tier 2 cities (38%)

## Digital wealth investment platform

Through the survey, we also found out the various aspects of investor's interest and satisfaction level with digital investment and the benefits they get from investing online:



<b>Rise in digital wealth investment platform</b>	<ul style="list-style-type: none"> <li>• Getting a higher return is the major factor contributing to the rise in digital investment platform (72%) followed by savings for retirement (51%)</li> <li>• Both these factors also influence 42% of young investors to attain their financial goals</li> </ul>
<b>Satisfaction level (87%)</b>	<ul style="list-style-type: none"> <li>• 68% of investors are satisfied, as investing digitally is user-friendly and easy to operate</li> <li>• 59% investors believe that it has an easy and convenient KYC process</li> <li>• Higher returns also attribute for a higher satisfaction amongst these investors (53%)</li> </ul>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Investors find this as the easiest and most convenient platform for investment (72%)</li> <li>• Most of them believe that it has a variety of products in a single platform, thus making it easy to compare and choose (55%)</li> <li>• Also, the brokerage fees are less, giving them an advantage to invest hassle-free (47%)</li> </ul>

## Improvement areas

A small chunk (9%), of the total investors who are moderately satisfied with their current investment platforms suggested some improvement areas for these platforms:

- Investors demand for more transparency in terms of product details and knowledge in order to get high returns
- Minimum brokerage fee can result in increased satisfaction level among investors

Also, according to the Investors following three are the major risk factors while doing investments online:



**60%**

PRIVACY



**58%**

POTENTIAL  
KNOWLEDGE GAP



**41%**

RELIABILITY

## Outlook

The digital investment landscape has continuously evolved with the advancement in technology to provide customers with a variety of investing options. Investors nowadays look for a more secure, convenient, and hassle-free method to save especially amid Covid-19 pandemic. With an increase in growth of the number of investors relying on digital technology will certainly urge the financial institutions to come up with more user-friendly technologies to promote digital investment. These technologies will keep their customers happy as it will make the process of making investment easier and the queues shorter, all this without the hassle of going and investing money.

## About Benori Knowledge

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Benori Knowledge is a global provider of custom research and analytics solutions across industries, including consumer & retail, technology, media & telecom, internet & e-commerce, professional services, financial services, healthcare, industrials and education & social. We offer solutions aimed at supporting our clients' strategic needs that are critical to accelerate their growth and value creation.

Our team of knowledge consultants is committed to minimising the challenges faced due to high costs, poor access and low quality of knowledge processes, and transforming them to deliver world-class and cost-effective information, intelligence and insights.

Headquartered in India, we serve clients across the world.

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[info@benoriknowledge.com](mailto:info@benoriknowledge.com)

[benoriknowledge.com](http://benoriknowledge.com)

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