“Impact of trust-building strategies on investment decisions: Mediating role of the financial advisor-client relationship”

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IMPACT OF TRUST-BUILDING STRATEGIES ON INVESTMENT DECISIONS: MEDIATING ROLE OF THE FINANCIAL ADVISOR-CLIENT RELATIONSHIP

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Abstract

Trust is a fundamental element in financial interactions, particularly in the advisory sector, influencing investment decisions and overall client satisfaction. This study aims to explore the impact of trust-building strategies on investment decisions through the financial advisor-client relationship. The research employs a structured questionnaire to gather data on trust-building strategies, the advisor-client relationship, and investment decisions. The study found that trust-building strategies, such as transparency and competence demonstration, positively influenced investor decisions. Specifically, 78% of investors reported increased confidence in their investment choices after engaging with advisors who prioritized transparency and expertise. Moreover, 85% of investors indicated a preference for advisors who demonstrated reliability and ethical conduct, leading to a stronger advisor-client relationship. The findings underscore the importance of trust in financial advisory services and suggest that enhancing trust through transparent practices can lead to more informed and collaborative decision-making processes. The study emphasizes the evolving nature of investment decision-making and proposes integrating technological innovations like AI and robo-advisors. The study provides valuable insights for financial institutions to invest in advisor training and guidance, benefiting all stakeholders involved.

Keywords trust-building, financial advisory, investor decisions, transparency, competence, reliability, ethical conduct, advisor-client relationship, investment outcomes

JEL Classification G11, G23, D14

INTRODUCTION

The success of investment decisions is intricately linked to establishing and maintaining trust between investors and financial advisors. In today's complex financial landscape, where markets are volatile and investment options are vast, investors rely heavily on the expertise and guidance of financial professionals to navigate uncertainties and maximize returns. The relationship between investors and financial advisors is not merely transactional. Still, it is built on a foundation of trust, wherein investors place their faith in the advisor's competence, integrity, and commitment to their financial well-being. Trust-building strategies play a pivotal role in fostering this essential bond, encompassing various communication, transparency, and reliability mechanisms employed by advisors to instill confidence in their clients.

This study seeks to explore the mediating role of the financial advisor-client relationship in the context of trust-building strategies and investment decision-making. By examining how trust is cultivated and sustained within this dynamic relationship, the study aims to shed

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light on the intricate mechanisms that underpin investor confidence and decision-making processes. Understanding the nuances of this relationship is crucial, as it influences not only the outcomes of individual investment decisions but also the overall financial well-being and satisfaction of investors.

At its core, this study addresses a significant scientific problem by recognizing the fundamental importance of trust in financial interactions. In an environment characterized by risk and uncertainty, trust is a cornerstone, facilitating collaboration and informed decision-making between investors and advisors. By focusing on trust-building strategies and their impact on investment decisions, this study contributes to a deeper understanding of the dynamics at play in the financial advisory realm. Ultimately, the findings of this study have the potential to inform both practitioners and policymakers, guiding efforts to enhance trust and transparency within the financial services industry and bolstering investor confidence in the process.

1. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

In terms of financial choices, credibility becomes essential, particularly when it pertains to investing, where uncertainties and risks are always there. The enactment of trust-building tactics by financial advisors is crucial for cultivating a strong advisor-client relationship, which subsequently impacts investing decisions and results. With an emphasis on the mediating function of the financial advisor-client relationship, this literature review investigates the influence of trust-building tactics on investing decisions.

The strategy of building trust has been explained by focusing on trust directives, trust tenets, and the development of the trust process. Trust building is one of the components that make up the division of strategic thinking. Trust is the most crucial component of the financing sector to make any kind of investment decision, as emphasized by Lim et al. (2024). The concepts of formalizing and growing trust are commonly discussed in venture capital and entrepreneurship, as well as quick trust and cooperation. A feasible paradigm for analyzing collaboration and trust applies to the informal process of making investment decisions. Investors conducted preliminary due diligence on potential investments and assessed the middleman who had initially recommended the offer, as discussed by Lunawat et al. (2024) and Lim et al. (2024).

According to Pallavi and Dsa (2024), financial advisors are hired to develop trust by fostering honesty, consistency, and competence among clients or investors. To build a strategy and increase investors' honesty and trustworthiness towards the financial advisor, the advisor provides precise information about the products and investment dangers (Wagner, 2024; Badrinarayanan, 2024). The clients of advisors in the realm of finance, who possess strong knowledge and skill in evaluating investment marketing prospects, developments in the marketplace, and financial strategies, have trust in them. This provides investors with direction for their future investing choices, as illustrated by Meier et al. (2016) and Lim et al. (2024).

Establishing trust between investors and financial advisors depends extensively on effective communication. Providing investors with concise and understandable knowledge regarding the financial aspects of investments stimulates open lines of communication through which advisors can address their queries and concerns (Nourallah, 2023). Integrity-driven financial advisors also respect moral principles by being truthful, equitable, and open, avoiding conflicts of interest and revealing any possible prejudices. Investors and financial advisors form a close bond and mutual trust when the advisors demonstrate empathy for their needs. Using the techniques of financial advisors, this trust-building approach empowers clients to make investment decisions, as demonstrated by Rane et al. (2024) and Badrinarayanan (2024).

According to Brooks and Williams (2024) and Pea-Assounga et al. (2024), there are risks and uncertainties involved; making decisions can be challenging, making it hard to forecast outcomes and select among a number of preferences. Instead of

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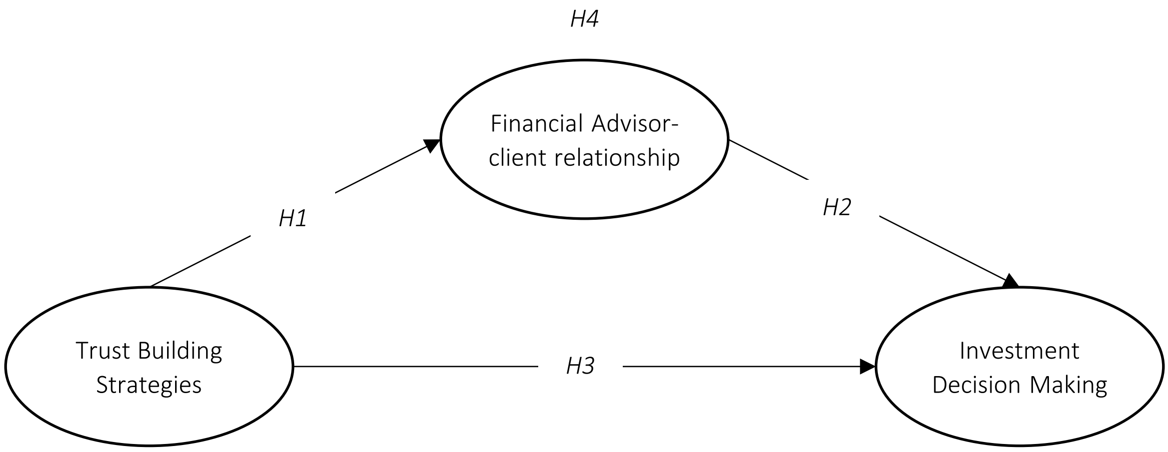

Figure 1. Conceptual model

investigating possibilities that would optimize their situation, investors frequently settle for a solution that satisfies them. It is said that investors base their decisions on the outward appearance of a situation, preconceived notions, or emotions like optimism, fear, greed, or herd instinct. Another crucial factor is ignorance of finance, which frequently leads to inaction on the part of investors and contributes to illogical investment decisions (Nizar & Daljono, 2024; Jureviciene & Jermakova, 2012). A thorough analysis of the financial behavior of Lithuanian citizens revealed that the majority make indifferent, overtaking moderate-risk investments, prefer safer instruments for investing, and base their judgments on cognitive variations (Jureviciene & Jermakova, 2012). Since moral judgments are incorporated into investment decisions in the financial markets, some rational decision theorists contend that moral concerns might cause inefficiencies in investment decisions (Leyani et al., 2024). On the other hand, the growing market demand for socially conscious investments implies that moral and financial factors play a role in investing decisions (Hofmann et al., 2008; Leyani et al., 2024).

Jain and Mandot (2012) highlight that financial markets frequently change their risk exposure from a more conservative to a more volatile one. Bank deposits, government or private bonds, equities, exchange-traded funds (ETF), mutual funds, insurance, and so on are among the many investment options that investors have access to, contingent on their level of risk tolerance. The majority of investors seek to generate a consistent income stream from their investments, and each investor's projected rate of return varies according to their degree of risk tolerance and market expertise (Brooks & Williams, 2024). Boakye, D. (2018) emphasizes that investors possess a wide range of options or choices in the market while making investment decisions. The decisions entail choosing the best option out of all those offered to investors in the market; some investment decisions are simple, while others are complicated and require several strategies. It evaluates and identifies the behavioral biases that investors may have when making investing decisions. It also identifies the effects of these behavioral biases, which are typically variations in the judgements made in a given context that result in faulty or irrational decisions (Nizar & Daljono, 2024).

Although there is an assortment of information on trust-building and investment behavior, further study is necessary to fully comprehend the various other components of trust-building strategies, including investor education through evaluation and comprehension, skill, coherence, and empowerment. Furthermore, studies on the efficacy of various trust-building strategies used by financial advisors and their influence on investors' decision-making and results are required. Thus, understanding the trust dynamics and decision-making processes in the context of investment through financial advisors can be improved by filling in these study gaps.

From the above critical evaluation of literature, the following hypotheses are developed:

H1: *Trust-building strategies employed by financial advisors positively influence the financial advisor-client relationship.*

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H2: *The financial advisor-client relationship positively influences investment decisions.*

H3: *Trust-building strategies employed by financial advisors positively influence investment decisions.*

H4: *The financial advisor-client relationship mediates the relationship between trust-building strategies employed by financial advisors and investment decisions.*

The above-stated hypotheses are depicted in Figure 1.

2. METHODOLOGY

2.1. Samples and data collection

The data were collected from a sample of 400 retail investors who had received advice from financial advisors within the past five years. Recruitment of client was facilitated through Pureprofile, a survey recruiting agency, employing a stratified approach based on demographic variables like age, gender, and investment experience to ensure sample diversity and representativeness. Survey invitations, along with the questionnaire, were sent to potential respondents via their Pureprofile accounts, and screening questions were used to confirm eligibility as financial advisor clients within the past five years. Respondents completed the survey, incentivized by cash payments for the entire sample, and all collected data were anonymized using random identification numbers to protect respondent privacy and confidentiality.

2.2. Description of participants

The detailed analysis of the investor profile presented in Table 1 unveils several noteworthy trends. Firstly, the significant presence of younger individuals, with nearly half falling under the age of 25 and a substantial portion (42%) aged between 25 and 34, indicates a growing interest in investment among the youth demographic. Moreover, the gender distribution reveals a disparity, with males constituting the majority (56%) of the sample, echoing broader trends in financial markets. Educational attainment among investors is notably high, with an overwhelming majority (88%) holding Master's Degrees, suggesting a correlation between higher education and participation in investment activities. Despite their educational attainment, the majority of investors report annual household incomes below ₹500,000, indicating that financial resources for investment may be limited for many individuals in the sample. Additionally, the distribution of risk tolerance levels demonstrates a preference for moderate risk among the majority (74%) of investors, aligning with a cautious approach to investment. Furthermore, the varying levels of investment experience, with a substantial proportion categorized as intermediate (60%) or novice (28%), highlight the diverse range of expertise within the sample and underscore the importance of tailored investment strategies and guidance by financial advisors to meet the specific needs and preferences of investors at different stages of their investment journey.

Table 1. Description of participants

Variables	Category	Frequency	%
Age	Under 25	184	46
	25-34	168	42
	35-54	48	12
Gender	Male	224	56
	Female	176	44
Education	High School or equivalent	8	4
	Bachelor's Degree	24	6
	Master's Degree	352	88
	Other	16	2
Annual household income before taxes	Less than ₹500,000	248	62
	₹500,000 - ₹1,000,000	80	20
	₹1,000,001 - ₹1,500,000	24	6
	₹1,500,001 - ₹2,000,000	8	2
	₹2,000,001 - ₹2,500,000	8	2
	More than ₹2,500,000	32	8
Risk tolerance level	Low	96	24
	Moderate	296	74
	High	8	2
Investment Experience	Novice	112	28
	Intermediate	240	60
	Experienced	40	10
	Expert	8	2

2.3. Measurements: dependent variable, independent variables, and the mediator

This section outlines the measurements employed in the study, along with an evaluation of their dimensionality and the epistemic relationships involved, as described by Picón et al. (2014).

Epistemic relationships, crucial for understanding measurement models, delineate the associations between constructs and their indicators. To establish these relationships, a structured questionnaire was developed and utilized as the primary survey tool. Initially, the instrument underwent extensive pretesting, involving delivery to professionals and individual investors, aimed at enhancing its format. Subsequently, the questionnaire was administered to fellow researchers in face-to-face interactions to identify and rectify any potential comprehension errors during completion (Brown & Coverley, 1999).

The questionnaire consists of 48 questions gathering information about Trust Building Strategies, Financial advisor-client relationships, and Investment decisions of individual investors. It is divided into four broad sections. The first section includes demographic and socioeconomic questions (six items, multiple choices). The second section comprises 18 questions (five-point Likert scale) focusing on Trust Building Strategies (Six dimensions) adapted from Lundholm and McCauley (1997), Shropshire (2008), and Rainey and Sunder (2014). The third section contains 15 questions (five-point Likert-type scale) related to the measurement of financial advisor-client relationships adapted from Yeske (2002), Hackethal and Lang (2010), and Rainey and Sunder (2014). The final section includes 15 questions (five-point scale) concerning investment decision-making adapted from Cram and Lusardi (2020), Mitchell et al. (2018), Barber et al. (2017), Malik and Michaely (2021), and Statman (2022).

3. RESULTS

3.1. Measurement model assessment

To confirm the validity and reliability of the constructs and their dimensions, the measurement model needs to satisfy Hair et al.'s (2010) recommendations. The literature in the domain of trust-building strategies argued 6 constructs having 3 items each, financial advisor-client relationship with 5 constructs having 3 items each, and investment decision-making with 5 constructs having 3 items each. However, the first round of measurement model assessment revealed a low contribution of two constructs under-investment decision-making, i.e., Involvement and Control and Performance and Results, due to which these two constructs have been removed. Moreover, due to the low factor loading (i.e., less than 0.6), CE1 from Communication Effectiveness, RA3 from Responsiveness and Availability, and UC1 from Understanding and Clarity have been removed. The second round of measurement model assessment found the factor loadings above the threshold of.60; all remaining 39 of the included indicators were deemed intact and not subject to removal (See Figure 2 and Appendix 1). The results depicted a favorable index of goodness of fit as recommended by Hair et al. (2010; 1998), Hu and Bentler (1999), and Byrne (2001, 2013) (SRMR = 0.076; GFI = 0.913; AGFI = 0.908; CFI = 0.921; NFI = .915; RMSEA = 0.056). Moreover, the factor loadings, alpha coefficient, Composite Reliability (CR), and Average Variance Extracted (AVE) are all displayed in Table 2. Every build has an AVE and CR that are higher than the recommended values of 0.50 and 0.70, Where trust-building strategies' dimensions such as competence demonstration (CR = 0.878; AVE = 0.736), Personalized Communication (CR = 0.811; AVE = 0.592), Ethical Conduct (CR = 0.825; AVE = 0.607), Consistency and Reliability (CR = 0.768; AVE = 0.527) and Client Education and Empowerment (CR = 0.811; AVE = 0.603) depicted satisfactory composite reliability and convergent validity. Moreover, in the case of Financial Advisor-Client Relationship the dimensions such as Trust and Rapport (CR = 0.786; AVE = 0.543), Communication Effectiveness (CR = 0.750; AVE = 0.603), Professionalism and Integrity (CR = 0.791; AVE = 0.555), Responsiveness and Availability (CR = 0.739; AVE = 0.583) and Understanding of Financial Needs (CR = 0.817; AVE = 0.595) have also depicted acceptable results. Lastly, the dimensions of Investment Decision Making such as Understanding and Clarity (CR = 0.701; AVE = 0.542), Alignment with Financial Goals (CR = 0.781; AVE = 0.563) and Evaluation and Adjustment (CR = 0.818; AVE = 0.601) have also passed the reliability and convergent validity test. Thus, reliability and convergent validity are validated.

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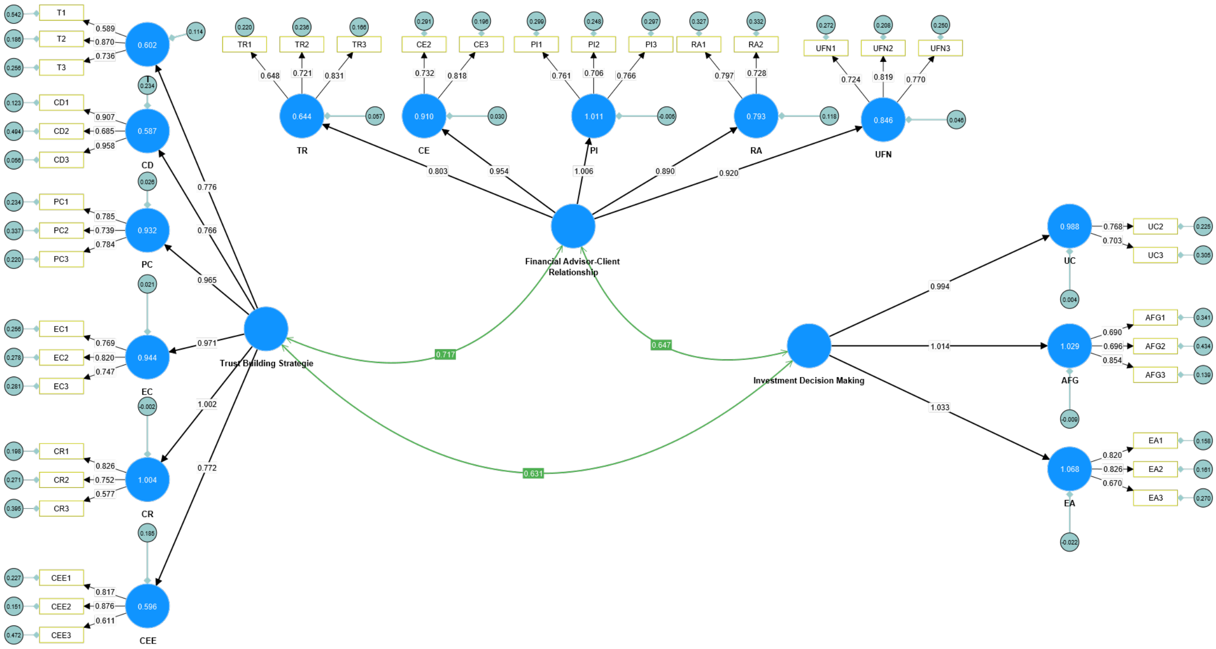

Figure 2. Measurement model

Discriminant validity is similarly demonstrated and shown in Table 2 in accordance with the recommendation made by Fornell and Larcker (1981). According to Gefen et al. (2000), the square root of AVE for each construct must be larger than the inter-correlations with other constructs in order to be considered discriminant valid. Table 3 demonstrates that for each pair of constructs, the square roots of AVE were higher than the correlation coefficients. The outcomes offer proof of the measures' discriminant validity.

3.2. Structural model assessment

Following the measurement model's validation, the study used maximum likelihood estimation in structural equation modeling, or SEM, to analyze the model. The study took into account trust-building strategies as the endogenous variable, financial advisor-client relationships as the mediators, and investment decision-making as the exogenous variable in this model.

Table 2. Discriminant validity

	T	CD	PC	EC	CR	CEE	TR	CE	PI	RA	UFN	UC	AFG	EA
T	0.741													
CD	0.716	0.858												
PC	0.723	0.800	0.769											
EC	0.711	0.788	0.745	0.779										
CR	0.709	0.786	0.733	0.743	0.726									
CEE	0.735	0.812	0.731	0.731	0.697	0.777								
TR	0.739	0.816	0.757	0.729	0.685	0.692	0.737							
CE	0.724	0.801	0.761	0.755	0.683	0.685	0.720	0.777						
PI	0.714	0.791	0.746	0.759	0.709	0.671	0.708	0.724	0.745					
RA	0.740	0.817	0.736	0.744	0.713	0.731	0.706	0.715	0.690	0.764				
UFN	0.727	0.804	0.762	0.734	0.698	0.717	0.732	0.708	0.716	0.721	0.771			
UC	0.718	0.795	0.749	0.760	0.688	0.719	0.736	0.694	0.720	0.708	0.745	0.736		
AFG	0.711	0.788	0.740	0.747	0.714	0.751	0.721	0.704	0.705	0.699	0.764	0.731	0.750	
EA	0.697	0.774	0.733	0.738	0.701	0.716	0.711	0.692	0.695	0.692	0.719	0.727	0.744	0.775

Note: T – Transparency, CD – Competence Demonstration, PC – Personalized Communication, EC – Ethical Conduct, CR – Consistency and Reliability, CEE – Client Education and Empowerment, TR – Trust and Rapport, CE – Communication Effectiveness, PI – Professionalism and Integrity, RA – Responsiveness and Availability, UFN – Understanding of Financial Needs, UC – Understanding and Clarity, AFG – Alignment with Financial Goals, EA – Evaluation and Adjustment.

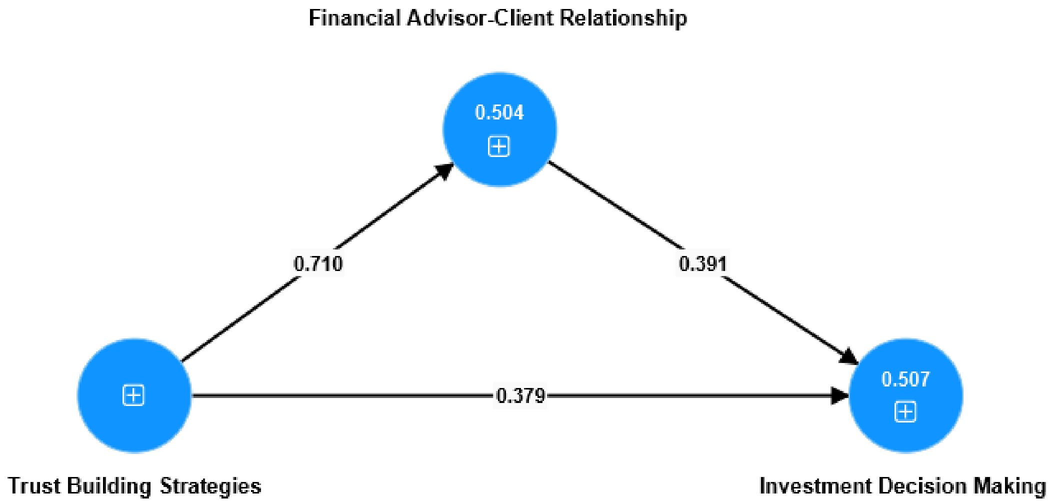

Figure 3. Structural model

Table 3. Path coefficients

Hypothesis	Relationship	Path Coefficients
H1	Trust Building Strategies → Financial Advisor-Client Relationship	0.710
H2	Financial Advisor-Client Relationship → Investment Decision Making	0.391
H3	Trust Building Strategies → Investment Decision Making	0.379
H4	Trust Building Strategies → Financial Advisor-Client Relationship → Investment Decision Making	0.278

Further, the path coefficient (see Table 3) was examined to test the hypothesis and examine the mediating role of the financial advisor-client relationship. As a result, H1 was tested to assess whether trust-building strategies are relevant in enhancing financial advisor-client relationships. As per the results, it is evidenced that trust-building strategies significantly enhance financial advisor-client relationships (0.710). It indicates that Trust-building strategies employed by financial advisors, such as transparency, competence demonstration, personalized communication, ethical conduct, consistency and reliability, and client education and empowerment, positively influence the financial advisor-client relationship (H1). Therefore, H4 holds true.

Moreover, H2 was examined to analyze the influence of the financial advisor-client relationship on investors' investment decision-making. The results indicated that the financial advisor-client relationship significantly and directly impacts Investment Decision Making (0.391), which proves that financial advisor-client relationships such as trust and rapport, communication effectiveness, professionalism and integrity, responsiveness and availability, and understanding of financial needs positively influence investment decisions (H2). Therefore, H2 is accepted.

In addition, H3 addresses whether trust-building strategies play a vital role in supporting investment decision-making. The result demonstrates that trust-building strategies are significantly vital for investors' investment decision-making (0.379), which argues that Trust-building strategies employed by financial advisors positively influence investment decisions (H3). Hence, H3 is accepted.

In addition to the above-mentioned direct path estimates examination, the study also examined the specific mediation effects. H4 was formulated to test whether the financial advisor-client relationship plays a mediating role in boosting the influence of various trust-building strategies on investor's investment decision-making. The specific mediation effect of the financial Advisor-Client Relationship between trust-building strategies and investment decision-making depicted a statistically significant result (TBS → FACR → IDM = .278). Therefore, the financial advisor-

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client relationship mediates the relationship between trust-building strategies employed by financial advisors and investment decisions (H4). As a result, H4 is accepted.

4. DISCUSSION

The present study anticipated investigating the influence of trust-building strategies employed by financial advisors on investor's decision-making through the financial advisor-client relationship. First, we assessed how effective the trust-building strategies are in shaping the financial advisor-client relationship, and as a result, it was proved that these strategies positively and remarkably contribute to a financial advisor-client relationship (H1). This finding supports previous ideas that argue building trust through stronger relationships with customers, attending to their issues, and raising levels of involvement and dedication (Gurun et al., 2018), and these trust-building strategies enhance strong financial advisor-client relationships (Hunt et al., 2022, 2023). Moreover, studies argue that in order to give sound financial advice and enhance the advisor-client relationship, advisors must employ trust-building strategies. The similarity in the present and past results indicates the relevance of trust-building strategies, which is due to the fact that trust promotes investor confidence in advisors, which again fosters mutual respect, understanding, and empathy as well as loyalty and dedication to grow their investments. Secondly, the study discovered that the financial advisor-client relationship significantly impacts investors' decision-making (H2). In support of this result, Wan and Lighthall (2022) found that investors' understanding of various investment account types was much improved when investment advisors and broker-dealers disclosed a relationship description. Retail investors were able to make more informed decisions as a result of their improved understanding. This study also argued that after obtaining the information, investors preferred and chose broker-dealers more, which was linked to improved understanding and investing experience. In a different study, Pagliaro et al. (2021) analyzed financial advisors' summary notes and projected investor demands in volatile markets using natural language processing, which made it possible for advisors to teach investors behavior and steer them away from making poor financial decisions. Like existing studies, the present study has also proved that a better financial advisor-client relationship leads to better investment decisions. However, compared to previous research, this study has provided an extensive notion of the financial advisor-client relationship, which included varied components such as trust and rapport between the client and advisor, communication effectiveness of the advisor, professionalism and integrity, responsiveness and availability, and understanding the financial needs of the clients is the main reason due to which investors' decision making has shown an upward trend in the present study.

Moreover, the present study proved that trust-building strategies employed by financial advisors are significantly vital in shaping investment decisions (H3). In line with this result, numerous researchers have strongly argued that investment decisions are significantly influenced by the trust-building strategies used by financial advisors (Burke & Hung, 2016; Cruciani et al., 2018; Nourallah et al., 2023; Ritzer-Angerer, 2019). This is due to the fact that trust-building strategies build confidence among the investors, enabling them to feel less stressed and anxious regarding their risk and return, which ultimately contributes to their long-term financial goals. Hence, it is argued that trust-building strategies employed by financial advisors, such as transparency, competence demonstration, personalized communication, ethical conduct, consistency and reliability, and client education and empowerment, are significantly vital to boosting investors' decision-making. However, present results strongly argued that trust-building strategies employed by the financial advisor remarkably enhance investor's decision-making when there is a strong financial advisor-client relationship compared to mere direct contribution (H4). Hence, it is evident that along with numerous trusts building strategies, the financial advisor-client relationship is significant to boost strong investment decisions. This is due to the fact that investment decisions are favorably impacted by the client's risk tolerance, which is influenced by things like financial literacy and the client's trust in the advisor (Nguyen et al., 2016). This emphasizes how crucial the advisor-client relationship is to successfully directing decisions. Hence, it is essential for financial advisors to design trust-building strategies that enhance their relationship with clients having varied backgrounds and also assist them in making effective investment decisions, which supports the ideologies of social exchange theory.

CONCLUSION

The landscape of investment decision-making has become increasingly complex, drawing significant attention from scholars in recent decades. In light of this, the current study sought to investigate the relevance of trust-building strategies employed by financial advisors and their impact on clients' investment decision-making processes. The findings shed light on the profound influence of these strategies in enhancing the advisor-client relationship, ultimately contributing to more effective investment decisions by investors. This study argues that while trust-building strategies serve as a catalyst for improving investors' decision-making capabilities, it is the establishment of a strong and symbiotic financial advisor-client relationship that truly amplifies the quality of these decisions. This relationship acts as a conduit through which trust flows, fostering a sense of confidence and assurance in clients, thereby empowering them to make informed and prudent investment choices. However, it is crucial to recognize that investors' individual experiences and risk tolerances also significantly influence their decision-making processes. While financial advisors provide expertise and guidance, investors bring their unique perspectives and preferences to the table. Therefore, successful investment decision-making is a collaborative endeavor that requires a balance between professional advice and personal judgment. In the realm of long-term financial planning and wealth management, the role of financial advisors is indispensable. These professionals play a pivotal role in helping clients navigate complex financial markets, mitigate risks, and achieve their financial objectives. Central to this role is the cultivation of trust, which serves as the foundation of a mutually beneficial relationship between advisors and clients. This study underscores the importance of trust-building in fostering successful advisor-client relationships and ensuring a secure and prosperous financial future for investors. By prioritizing trust and nurturing meaningful connections with clients, financial advisors can enhance investors' financial literacy, confidence, and overall well-being. In conclusion, this study advocates for the continued emphasis on trust-building strategies within the financial advisory profession as a cornerstone of effective investment decision-making and client satisfaction.

AUTHOR CONTRIBUTIONS

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Writing – review & editing: Abhinandan Kulal, Habeeb Ur Rahiman, S. M. Riha Parvin, Ujwala Kambali, Madhura K., Abhishek N.

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APPENDIX A

Table A1. Factor loadings, alpha coefficient, Composite Reliability (CR), and Average Variance Extracted (AVE)

Construct	Items	Code	λ	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
Trust-Building Strategies						
Transparency	My financial advisor is transparent about their fees, investment strategies, and potential conflicts of interest.	T1	0.589	0.782	0.777	0.549
	I feel well-informed about the costs associated with my investments through my financial advisor's transparency.	T2	0.870			
	My financial advisor openly discusses the risks and potential drawbacks of recommended investment options.	T3	0.736			
Competence Demonstration	I trust my financial advisor's expertise and competence in financial matters.	CD1	0.907	0.874	0.878	0.736
	My financial advisor provides clear explanations and demonstrates deep knowledge in their recommendations.	CD2	0.685			
	I have confidence in my financial advisor's ability to navigate complex financial situations effectively.	CD3	0.958			
Personalized Communication	My financial advisor communicates with me in a personalized manner, tailored to my individual needs and preferences.	PC1	0.785	0.812	0.811	0.592
	I feel that my financial advisor takes the time to understand my financial goals and objectives.	PC2	0.739			
	My financial advisor adjusts their communication style to accommodate my level of financial knowledge and understanding.	PC3	0.784			
Ethical Conduct	My financial advisor conducts themselves with integrity and adheres to ethical standards.	EC1	0.769	0.821	0.825	0.607
	I trust that my financial advisor prioritizes my best interests in their recommendations.	EC2	0.820			
	My financial advisor discloses any potential conflicts of interest and acts transparently in their dealings with me.	EC3	0.747			
Consistency and Reliability	My financial advisor consistently delivers on promises, meets deadlines, and provides reliable information.	CR1	0.826	0.784	0.768	0.527
	I can rely on my financial advisor to follow through on commitments and provide timely updates.	CR2	0.752			
	My financial advisor maintains a consistent level of service and communication over time.	CR3	0.577			
Client Education and Empowerment	I appreciate my financial advisor's efforts to educate me about financial concepts and empower me to make informed decisions.	CEE1	0.817	0.796	0.811	0.603
	My financial advisor provides resources and guidance to help me understand my investment options better.	CEE2	0.876			
	I feel empowered to ask questions and engage in discussions about my financial future with my advisor.	CEE3	0.611			

Table A1 (cont.). Factor loadings, alpha coefficient, Composite Reliability (CR), and Average Variance Extracted (AVE)

Construct	Items	Code	λ	Cronbach's alpha	Composite reliability (rho_c)	Average variance extracted (AVE)
Financial Advisor-Client Relationship						
Trust and Rapport	I trust my financial advisor to act in my best interests.	TR1	0.648	0.769	0.786	0.543
	I feel comfortable discussing my financial goals and concerns with my advisor.	TR2	0.721			
	My financial advisor makes an effort to build a strong rapport with me.	TR3	0.831			
Communication Effectiveness	I receive timely and informative updates from my advisor.	CE2	0.732	0.749	0.750	0.603
	My advisor listens attentively to my questions and concerns.	CE3	0.818			
Professionalism and Integrity	My financial advisor demonstrates professionalism in their interactions with me.	PI1	0.761	0.783	0.791	0.555
	I believe my advisor operates with integrity and ethical conduct.	PI2	0.706			
	I feel confident that my advisor provides honest and unbiased advice.	PI3	0.766			
Responsiveness and Availability	My financial advisor is responsive to my inquiries and requests.	RA1	0.797	0.734	0.739	0.583
	I can easily reach my advisor when I need assistance or guidance.	RA2	0.728			
Understanding of Financial Needs	My financial advisor understands my financial goals and objectives.	UFN1	0.724	0.809	0.817	0.595
	I believe my advisor tailors recommendations to suit my individual needs and circumstances.	UFN2	0.819			
	My advisor demonstrates a deep understanding of financial products and investment strategies.	UFN3	0.770			
Investment Decision Making						
Understanding and Clarity	The reasons behind my investment decisions are easily understandable.	UC2	0.768	0.701	0.701	0.542
	I am confident in my knowledge of the risks associated with my investment choices.	UC3	0.703			
Alignment with Financial Goals	My investment decisions are closely aligned with my financial goals and objectives.	AFG1	0.690	0.776	0.781	0.563
	I consider my long-term financial interests when making investment decisions.	AFG2	0.696			
	I am satisfied with how well my investment portfolio reflects my financial aspirations.	AFG3	0.854			
Evaluation and Adjustment	I regularly review and evaluate the performance of my investments.	EA1	0.820	0.809	0.818	0.601
	I am proactive in making adjustments to my investment portfolio when necessary.	EA2	0.826			
	I take responsibility for monitoring and managing my investments effectively.	EA3	0.670			

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