

# Regulatory Focus and Investment Adviser's Recommending Behavior

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## **Abstract**

This study aims to examine the effect of regulatory-focused visual cue on investment adviser's recommending behavior. Using two experiments with 368 participants, the study demonstrates that after viewing a promotion-focused image and message, investment advisers tend to recommend investment plan with higher return potential. In contrast, investment advisers tend to recommend a more stable and safer investment plan after viewing a prevention-focused image and message. Furthermore, when the visual cue is presented together with task incentive, regulatory fit plays a crucial role in influencing investment advisers' behavior. The effect of the regulatory-focused visual cue maintains (reduces) when there is a regulatory fit (non-fit) between the visual cue and task incentive message. The findings provide better understanding on how regulatory-focused visual cue may influence investment advisers' behavior even though they are supposed to behave professionally when advising their clients.

**Keywords:** *regulatory focus; recommending behavior; visual cue*

**Track:** Consumer Behaviour