

A STUDY ON POST-PANDEMIC INVESTMENT BEHAVIOUR WITH REFERENCE TO VASAI VIRAR CITY

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ABSTRACT

The objective of doing this research is to study post COVID-19 pandemic investment behaviour, after pandemic we have observed people were having pessimistic opinion about investment avenues during that particular timeframe of restriction that is during March 25th, 2020 to May 31st, 2020. As we have seen Stock Market was all time low during this timeframe and it was observed from herd that they had negative investment statements out of various investment avenue due to each and every sector was impacted due to pandemic i.e. as follow in below table.

Name	Date	Change	% Change	Close
Black Monday I	9 March	-2,013.76	-7.79%	23,851.02
Black Thursday	12 March	-2,352.60	-9.99%	21,200.62
Black Monday II	16 March	-2,997.10	-12.93%	20,188.52

Keywords: Pandemic, COVID-19, Investment avenues, Stock Market, Investment behaviour

INTRODUCTION & RATIONALE

Investment is an crucial aspect of everyone life. Although most of Indian population is the youth, there is low awareness regarding various investment portfolio and its vitality. Moreover, The first ever positive case of COVID 19 in India was identified & registered on 30th January 2020 (India Today). After than Cases have been seen with increased trend regularly and substantially over the year and till now but with downward trend. On March 25th, 2020 Indian Government declared a three weeklong country-wide lockdown to restrict an increment of cases due to the fast spread of the virus. During this period, all educational institutions, offices, public and tourist places, public utilities, religious places,

and non-essential businesses and services (including retail establishments) were shut down. Modes of transport were also restricted. This lockdown eventually extended from April 15th, 2020 to May 3rd, 2020 and then from May 4th, 2020 to May 17th 2020. Indeed, the lockdown continued till May 31st 2020 after which services were again made available in a phased manner.

The on-going pandemic has drastic impact in everyone life and not only on the Investment Industry but now it has been observed Indian markets have shown positive recovery after restoring in phased manner in short span of time and will hopefully revive soon.

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PROBLEM STATEMENT:

The need of the study is occurred due to pulling back of investments by Investors from various investment portfolio, this study will help to identify the trend of investors investment movement whether its still going downward or moving upward.

OBJECTIVES:

TO STUDY THE IMPACT OF POST-PANDEMIC ON BEHAVIOUR OF INVESTORS

The On-going Covid-19 pandemic has erupted havoc in Investment industry due to the major factors like changes in stock markets, fall in GDP, Increasing Unemployment so with help of this study we can examine how the investment behaviour of individual have impacted arising due to COVID-19 Outbreak due to reduction in Profit, Unemployment, savings, rise in prices of essential commodities, etc.

Behavioural finance indicates that investors mimics others actions during the period of fear, panic & uncertainty resulting into Herding Behaviour. It was observed that investors were showing herd behaviour which is usual irrational behaviour of investment which might results in unusual losses and may be negative returns in a Financial Markets.

HYPOTHESIS OF THE STUDY:

H0 : The Post-Pandemic Investment behaviour have not resulted in market recovery.

H1 : The Post-Pandemic Investment behaviour have resulted in market recovery.

LIMITATIONS

1. The study is based on random sampling method instead of consensus method.
2. Respondents belonged to a Tier 3 cities in Vasai Taluka, and findings may not be generalized to other regions.

SCOPE OF THE STUDY:

Future research could be conducted to study the initiatives taken by government and individuals policymakers to enhance financial

literacy in Vasai Virar City and their impact on the investment habits of the population.

LITERATURE REVIEW:

The COVID-19 outbreak has significantly impacted the economy. Given the huge population and problematic circumstances of the economy, especially the financial sector and the lockdown concept and social distance criteria have proven to be unsettling. Due to measures taken by the government to control further spread of the COVID-19 such as lockdown and the stock market crash, individual investor's willingness to invest in mutual funds and stock market impacted negatively. It also indicates the fact that mutual fund associations and policymakers should conduct campaigns in smaller towns to enhance financial literacy of people. (Arpita Gurbaxini and Rajani Gupte, 2021)

The impact of COVID 19 is huge and the economy is going to take time to completely recover from it. The BFSI sector was still thriving throughout the pandemic so the losses are not that much. The investments industry also did not witness a huge downfall but still the impact was visible. Considering it is a global pandemic, the recovery will be tough but retail investors need to have faith and should not completely shift to the traditional, safer modes of investment. Indian investment industries' future is very bright and for retail investors, return on their investment is also positive. (Dr. Vishwanath Karad, 2020)

Due to the ongoing deadly COVID-19 outbreak, economies of all countries across globe has already collapsed as well as it has weakened the stock markets' performance and hurt the sentiments of stock market participants. This article is discussing the behaviour of the stock market in India during the situation of the COVID-19 pandemic. (Rosy Dhall, Bhanwar Singh, 2020)

RESEARCH METHODOLOGY:

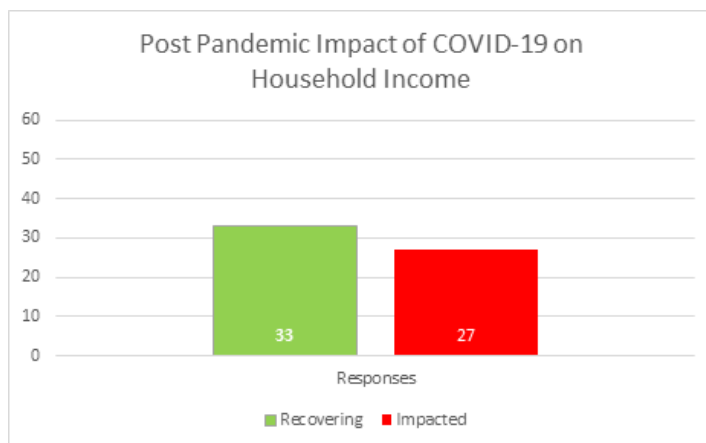
The present study used convenience sampling and followed the primary survey method. Respondents (male and female) were a group of investors whose age group 25 to 55.

The participants belonged to a small city – Vasai Virar - in the state of Maharashtra (India); the town has a population of nearly 1,222,390. Mainly, the residents of Vasai Virar either own

businesses or employed in the service sector. A well-structured questionnaire was framed and randomly circulated among 60 investors.

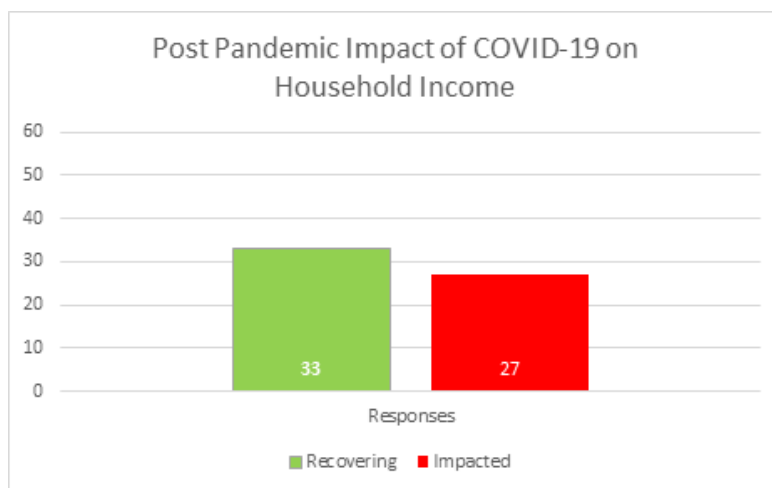
1) Post Pandemic Impact of COVID-19 on Household Income ?

Event	Responses	out of	% of Responses
Recovering	33	60	55%
Impacted	27	60	45%



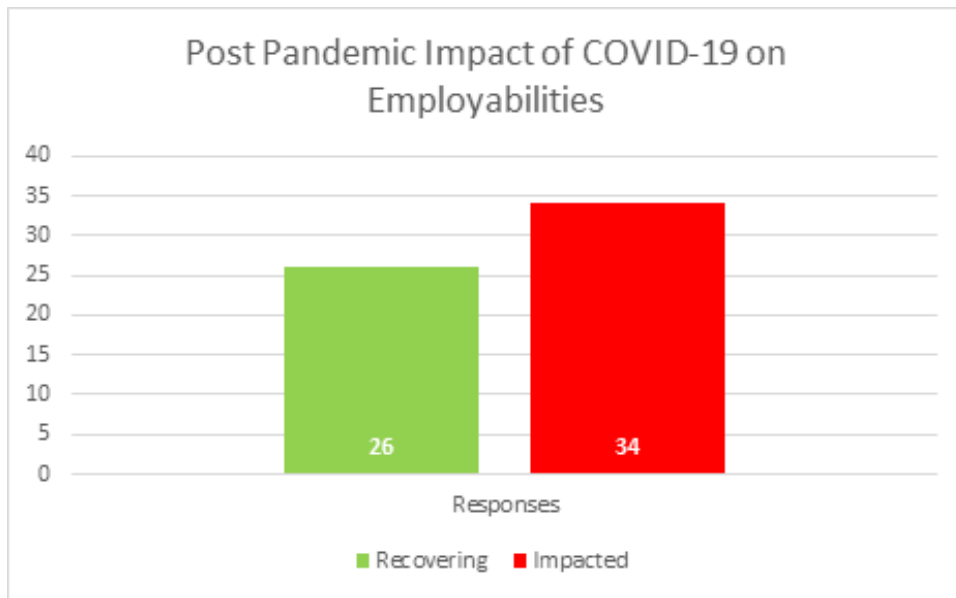
2) Post Pandemic Impact of COVID-19 on Investment Avenue ?

Event	Responses	out of	% of Responses
Recovering	31	60	52%
Impacted	29	60	48%



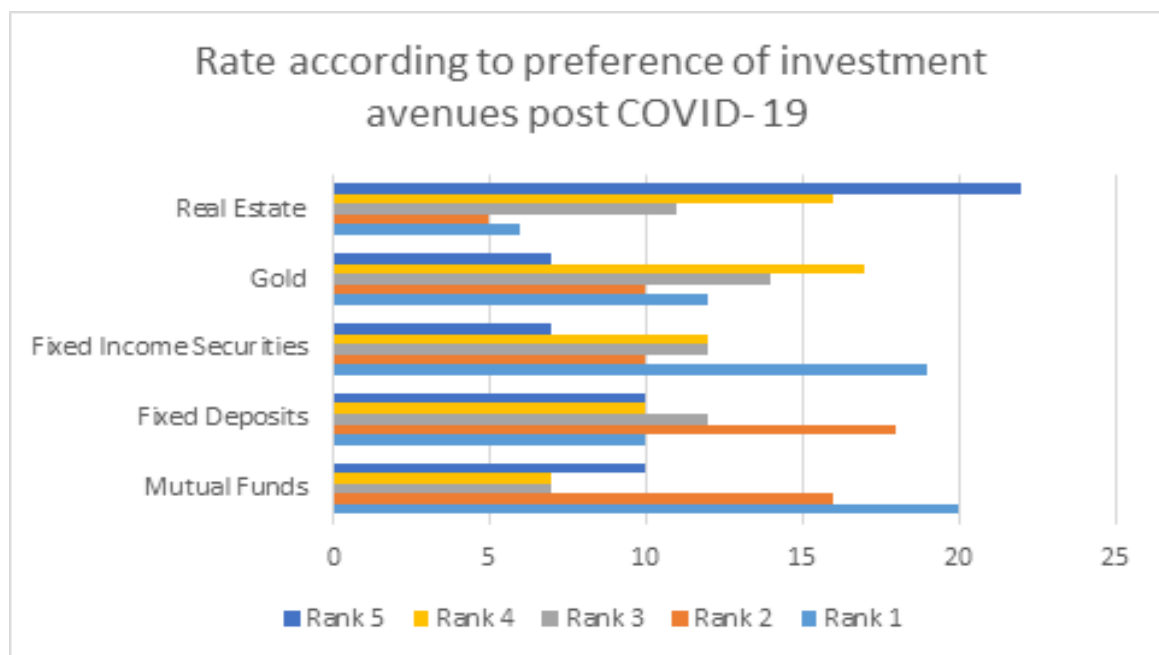
3) Post Pandemic Impact of COVID-19 on Employabilities ?

Event	Responses	out of	% of Responses
Recovering	26	60	43%
Impacted	34	60	57%



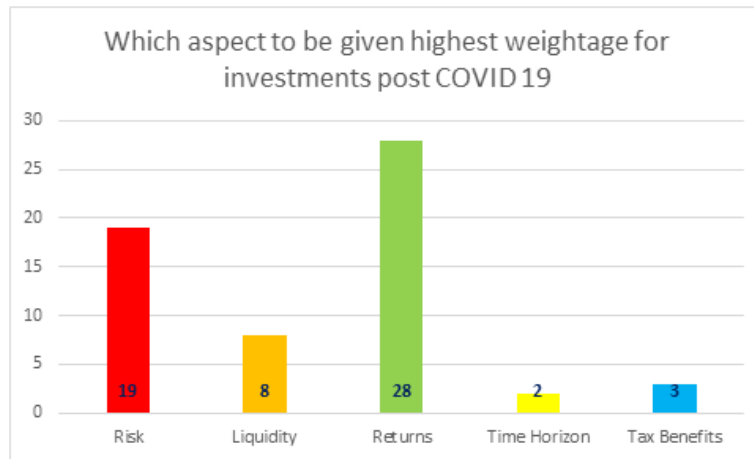
4) Rate according to preference of investment avenues post COVID- 19 ?

Event	Mutual Funds	Fixed Deposits	Fixed Income Securities	Gold	Real Estate
Rank 1	20	10	19	12	6
Rank 2	16	18	10	10	5
Rank 3	7	12	12	14	11
Rank 4	7	10	12	17	16
Rank 5	10	10	7	7	22
Total	60	60	60	60	60



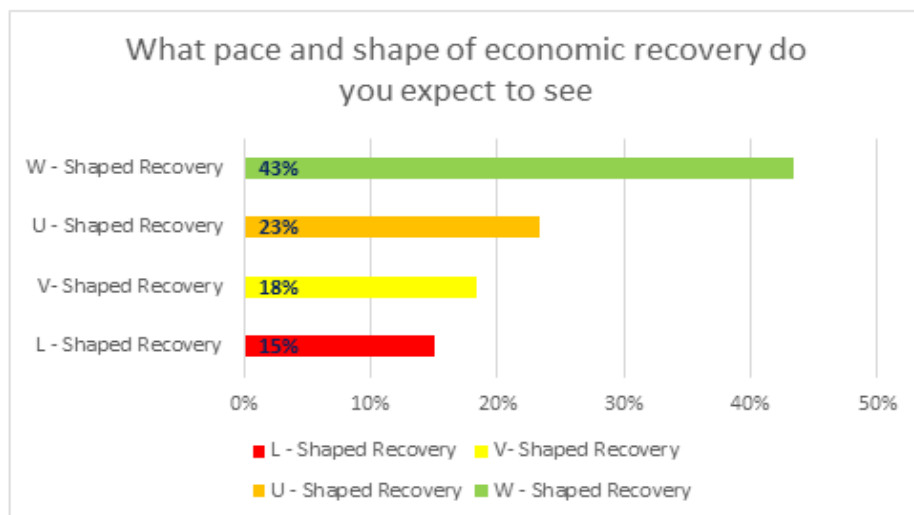
5) Which aspect to be given highest weightage for investments post COVID 19 ?

Event	Responses	out of	% of Responses
Risk	19	60	32%
Liquidity	8	60	13%
Returns	28	60	47%
Time Horizon	2	60	3%
Tax Benefits	3	60	5%
Total	60	60	100%



6) What pace and shape of economic recovery do you expect to see ?

Event	Responses	out of	% of Responses
L - Shaped Recovery	9	60	15%
V- Shaped Recovery	11	60	18%
U - Shaped Recovery	14	60	23%
W - Shaped Recovery	26	60	43%
Total	60	60	100%



F-Test 2-Samples for Variances		
	<i>Variable No. 1</i>	<i>Variable No. 2</i>
Mean	36	24
Variance	92	92
Observations	5	5
Df	4	4
F	1	
P(F<=f) one-tail	0.5	
F Critical one-tail	0.156538	

Since f-value is “1” higher than your F critical value i.e. “0.16”, null hypothesis is rejected as our two responses have unequal variances. Hence, the Null hypothesis is being rejected & the alternate hypothesis is accepted i.e. The Post-Pandemic Investment behaviour have resulted in market recovery.

INFERENCE:

The On-going Pandemic COVID-19 outbreak has significantly impacted the Global economy. Creating problematic circumstances of the economy for huge population, especially the financial sector and social distancing & the lockdown have proven to be aimless. Due to measures taken by the government to control the further spread of COVID-19 such as lockdown due to which the stock market crash, individual investor’s willingness to invest in various investments avenue and the stock market impacted negatively. In Current scenario, investors seem to have become more risk averse, and prefer relatively secure investment options offering moderate return with low risk. Investors also need to be educated about other investment avenue, time to enter and exit the stock market, and mutual fund schemes. It also throws some light on the fact that RBI, SEBI, mutual fund associations and policymakers should conduct awareness campaigns for smaller cities to enhance financial education for people.

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