"POST-COVID INVESTMENT MANAGEMENT PRACTICES AND ADOPTION OF ADVISORY SERVICES: A COMPREHENSIVE STUDY"

Dr. Ganesh Pandit Pathak [1], Dr. Anil Poman [2], Dr. Bhavna Dadhich

[1] Associate Professor, Balaji Institute of Modern Management, Sri Balaji University, Pune (SBUP), Survey No. 55/2-7, Tathawade, Off Mumbai-Bangalore Bypass, Pune - 411033, MH, India
[2] Associate Professor, Lotus Business School, Pune
[3] Senior lecturer, Niels Brock, Copenhagen Business College, Sankt Petri Passage 1, Office S-517, 1165 Copenhagen K, Denmark

Corresponding Author
Dr. Ganesh Pandit Pathak,
ganeshpathak005@gmail.com

DOI
10.29121/shodhkosh.v5.i6.2024.2986

Funding: This research received no specific grant from any funding agency in the public, commercial, or not-for-profit sectors.

ABSTRACT

The pandemic has made financial planning more challenging and underlined the importance of having a solid financial plan in place. The study aims to gain insights into investors' preferred investment avenues before and after COVID-19, their level of awareness and adoption of investment advisory services, the importance of different investment avenues after the pandemic, and factors that prevent investors from investing through advisory services. To conduct this study, a survey was distributed to a diverse group of investors. The findings show that the pandemic has significantly influenced investment management practices, with investors prioritizing stable and low-risk investment avenues over high-risk ones. The study also highlights the importance of investment advisory services in the post-COVID era, with many investors expressing interest in such services. However, the level of awareness and adoption of these services remains low. Factors such as lack of trust, high fees, and inadequate information prevent investors from using investment advisory services. Overall, the study provides valuable insights into investment management practices and the role of investment advisory services in the post-COVID landscape.

Keywords: Investment Management Practices, Investment Advisory Services, COVID-19

1. INTRODUCTION

The COVID-19 pandemic has caused unprecedented disruption to the global economy, leading to significant financial losses for many investors. As a result of coronavirus, many investors have incurred losses in their portfolios (Tashanova, et al., 2020). In response, investors have had to re-evaluate their investment management practices and seek out new strategies to navigate the uncertain investment landscape. A research study investigated the preference of German investors towards robo-advisory services as a substitute for human advisory services in managing their investments (Atwal & Bryson, 2021). Investors, when making investment decisions, take into account various rational and irrational factors, including the timing and location of their investments (Talwar, et al., 2021). The study aims to investigate how investors have adapted their investment strategies and whether there has been an increase in the adoption of investment advisory services after COVID-19. The study will be conducted through a survey of 150 investors, with a focus on individuals. The survey will cover a range of topics, including investment objectives, asset allocation, and investment advisory services. The study's objectives are to understand the prime aim behind the investment of respondents, to identify who respondents consult for financial decisions, and to explore preferred investment avenues before and after COVID-19. The study also aims to analyze the level of importance of investment avenues after COVID-19 and the need for investment advisory services. Additionally, the study will seek to understand the level of awareness and adoption of investment advisory services after COVID-19 and identify the factors that prevent investors from investing through advisory services. The findings of this study will provide valuable insights into how investors are managing their investments in the post-COVID world. The information can be used by investment advisors and financial institutions to better serve their clients and tailor their investment strategies to meet the changing needs of investors.

The flow of the paper is as follows: Section II presents the literature review and establishes the hypothesis. In Section III, we discuss the research methodology, reliability testing and data analysis. In Section IV & V, we present the findings and the conclusions, respectively.

2. LITERATURE REVIEW

COVID 19 has altered the nature and significance of investment and has had a great impact on the livelihoods, employment, and investor confidence. The COVID 19 outbreak has eroded investor confidence, increased healthcare, and reduced income, leading to a shift in investing paradigm towards financial conservatism. The result of this has diminished investment demand and distorted the financial system (Venuka Sandhir, 2022). As the number of COVID 19 cases increased during the early months of the crises, the FTSE, Dow Jones industrial Average, and Nikkei, all fell precipitously, people lost their jobs, and many saw a reduction in their incomes, major economies, experience a rise in unemployment (Jones et al., 2021). The stock market crash during COVID 19 has created economic uncertainty, leading investors to panic. As a result of economic uncertainty, financial advisors saw an increase in the number of investment-focused clients seeking advice not only for targeted financials but also because they recognized the importance of having a comprehensive financial plan that can withstand unexpected obstacles (Schulte, 2020). Portfolio managers have experienced an increase in advisory-based clients seeking help to evaluate various sources of diversification, including the risks associated with weakening domestic and global growth and inflation (Ghosh & Williamson, 2022).

The basic characteristics of investments are security of the principal amount, liquidity, income stability, ease of transferability, and approval (Manikandan and Muthumeenakshi, 2017). Investors believe that they can manage their portfolio easily by investing in quality stocks that are safe, profitable and growing. The most challenging task for an investor is to select the best securities from the pool of available options that can yield the desired returns. A risk-averse investor avoids investing in high-risk profit portfolios and prefers to invest in a portfolio with a high chance of profit and minimum risk (Jalota et al., 2023). If an investor is confident enough to manage their own portfolio, they can invest independently. However, if they are unsure about where or how to invest, they should seek the advice of professionals who can monitor the performance and manage the risks. The lack of financial knowledge among Americans has resulted in difficulties with their savings and investments (Mandell & Klein, 2009) and the financial advisors can help address these issues. A research study demonstrates the importance of financial planning (Schulte, 2020), which is crucial for every investor. According to Fidellity (2016), clients who have a financial plan are seven times happier than those who do not, indicating the additional benefit planning can provide, especially during times of uncertainty (Schulte, 2020).

Following COVID, online financial services experience a boom. It has been observed that online advisors are comparatively cheaper and more easily accessible than human advisors, making them a good option for beginner or hands-off investors at any wealth level (Houston, 2023). In a study, it was found that robo-advisory services are most commonly preferred by young, male, married, small investors and professionals (BaulkaranVishaal, 2023). The data shows that 23 percent of the wealth managers are chosen based on their digital offerings (Statista, 2022). Nowadays, tech-driven firms are giving a lot of attention to investors, providing them with access to automated and personalized services and the option to consult a professional if required. On the contrary, research reveals that robo-services are still lacking when it comes to dealing with complex financial situations. Customers want to be able to contact human services or advisors, especially during times of crises. There is no evidence that COVID-19 has increased the use of digital advisory services (Krahnhof & Au, 2020).

Now a days, investors have high expectations in terms of returns and diversification. They expect their portfolio managers to customise and diversify their portfolios for them. Investors generally prefer fund managers who have a better track record, lower front-end loads, smaller size, longer managerial tenure, and are affiliated with smaller families. A study shows that 38 percent of wealth managers were preferred due to their brand and reputation (Statista, 2022). Investment firms should introduce new, less risky schemes so that individuals from the middle-income bracket can also invest as well (Kashyap et al., 2019). With this prerequisite, wealth mangers are brainstorming and offering innovative products for their clients (Kashyap et al., 2019). 41 percent of investors chose wealth managers who offered a wide range of investment products (Statista, 2022).

After experiencing financial crises, individual becomes more careful and vigilant when it comes to financial investments, making it challenging for financial managers to formulate new marketing strategies (Mak &Ip, 2017). No investor wants to fill out lengthy subscription forms for their portfolio; they prefer investing their money in a simpler and less time-consuming process. This makes it easier for managers to raise funds from investors and that enables to make speedier portfolio investments (SEI, 2020).

Investors have the option to diversify their portfolios to reduce their risk, but they don't choose to opt for an advisor for their investments (Sotiropoulos & Rutterford, 2018). Small investors are generally risk-averse and may prefer not to use financial advisors and invest according to their financial knowledge (Statista, 2022). The research shows that the investors of the nineteenth century were hesitant towards embracing modern advice and expanding the diversifying of their investment portfolios (Sotiropoulos & Rutterford, 2018). One of the reasons why people choose not to use financial services is that they consider fees, commissions, or brokerage charges to be too high in relation to their investment (Iqbal, 2022). However, research shows that 19 percent of wealth managers are selected through recommendations from friends and family (Statista, 2022). A research study shows that income and investments are positively associated with risk taking in investment decision making. The study discovered that individuals in higher income groups are able to take more risks in their investments as they have a greater amount of disposable income (Iqbal, 2022). During an interview, one of the advisors stated that his clients are preliminary concerned about inflation, rising interest rates, current market dynamics, and their asset allocation strategies that can achieve long term investment goals (Ghosh & Williamson, 2022). The managers believed that an economic revival economy would accelerate the growth of assets under management. Based on this presumption, European money managers are developing strategies to help investors grow in the initial phases of the recovery, simultaneously trying to navigate the effects of the pandemic (Pielichata, P.2021). According to study, many investors have irrational preferences, as a financial advisor, one needs to think from both the perspective of an investor as well as a portfolio manager. It is not easy to create an appropriate portfolio considering investor preferences and psychological make-up. However, an open communication with the manager can help the investors achieving their financial goals (Eisinberg, 2005). In this reference, research showed that polynomial goal programming (PGP) was used to determine the contribution of various forecasting techniques in an investment portfolio with various combinations of investor preferences (Leung et al., 2001).

Psychological, sociological, and demographic factors all have a significant influence on the investment behaviour and preferences of investors. As a result, it becomes easy for financial provider to predict the investors preferences and formulate marketing strategies and decisions accordingly (Mak & Ip, 2017). In 2020, investors were more inclined towards investing in precious metals such as gold, silver, palladium, and platinum, as well as real and cyclical assets as their portfolio managers encouraged them to do so. Investors found gold to be a safe-haven asset due to its ability to maintain its value and preserve wealth. One of the greatest reasons for holding precious metal was diversification in their portfolios (Baker.S, 2020). As investor adapt to the new environment amid COVID-19, their investment decisions have been impacted (Iqbal, 2022).

There are many factors that impact an individual's investment decisions, and few of them are correlated to each other, meaning that one variable can have impact on another variable. A study found positive corelation between investment choice and gender, age, and earnings. According to the study, the majority of people prefer to invest in bank deposits, followed by post office savings, gold and stocks (Anupam, 2021). Investors investment decisions are also influenced by socio-demographic factors such as personality and other demographic variables (Goud, 2022). A study reveals the differences in demographic characteristics, occupation and geographic location of investors in utilizing SIP versus one-time lump sum investments (Baulkaran Vishaal, 2023).

As far as investing is concerned, the result of a dichotomous discriminant analysis showed that males can be classified as risk taker as they possess a good understanding of risk (Mohanty, 2022) (Kashyap et al.,2019) whereas females were good at understanding investment returns (Mohanty, 2022). It shows that females are risk averse and more drawn to traditional low risk investment avenues. They prefer to invest more in gold, silver and bank deposits that involves low risk (Kashyap et al.,2019). The choice of investment varies between men and women, and a study found that men are more inclined towards investing in real estate (Kashyap et al.,2019). Many investors prefer to invest in real estate as it offers higher returns than standard stocks and bonds. These investments may offer higher returns and increase in value when the stock market falls, but some financial experts believe that they are riskier (Huart & Liriano, 2022). According to Jeffrey D. Nauta (2022), a certified financial planner and chartered financial analyst, investment in alternatives offers diversification and can provide competitive returns above fixed income even during times of equity market stress.

The mutual fund market in India is expanding rapidly and growing quickly. Mutual funds' investments are generally perceived as less risky than direct equity investments, making a safer investment option for risk averse investors (Arathyet al.,2015) Many researchers support the notion that mutual funds have become a popular choice among young investors due to their tax efficiency and potential for good returns. The only drawback is that the investors are generally unable to redeem the funds before the specified period (Mint, 2022). Furthermore, while choosing a mutual fund, the amount of charges and operating fees associated with it is the most important factor for an investor to consider. Due to high operating fees on the mutual funds, some asset managers have been asked to convert mutual funds to ETFs as ETFs typically have lower fees and can offer tax benefits to investors (Mccann, 2022). Due to tax benefit and guaranteed returns, investors prefer to invest in PPF although it has a locking period, it enjoys liquidity in the form of loans and withdraws subject to certain conditions (B.G. & Akash, 2022). A study on salaried and low-income individuals indicates that they prefer to invest in insurance and bank deposits over other investment avenues (V.R.Palanivelu & K.Chandrakumar, 2013).

Modern portfolio theory provides a method for building diverse portfolios to generate the highest possible return for a given level of risk and to help investors achieve their predetermined objectives. Both advisors and investors keep a close eye on the market movements and frequently react to changes, which can cause them to deviate from their plans (Eisinberg, 2005). A global study conducted in 2021 examine the top three reasons for selecting a wealth manager and found that a strong track record of performance was the most important factor, followed by fee structure and the availability of various investment products (Statista, 2022). With respect to above discussion following hypothesis is proposed for the study.

H01 – There is no significant difference in the adoption of investment advisory services between the pre-pandemic and post-pandemic periods.

H02 –There is no significant difference in investment preference before and after Covid-19.

3. RESEARCH METHODOLOGY

This research paper employs a convenient sampling method to collect primary data through a questionnaire. The study aims to explore investment management practices and the adoption of investment advisory services after the COVID-19 pandemic. The exploratory research design is adopted to obtain insights into the preferred investment avenues, the importance of different investment options, and the level of awareness and adoption of investment advisory services. The sample size for this study is 456 respondents, who are diverse in terms of age, gender, income, and investment experience. The study has been conducted in the Pune area to obtain a regional perspective on investment management practices and the adoption of investment advisory services. The questionnaire consists of close-ended questions, allowing for easy analysis of data. The questions cover a range of topics such as investment preferences, investment knowledge, investment advisory services, and the impact of the COVID-19 pandemic on investment decisions. However, the study provides valuable insights into investment management practices and the adoption of investment advisory services in the post-COVID era, which can be useful for investors, financial planners, and investment firms.

3.1. RELIABILITY TESTING

Table 1

Sr	Section	No. of Items	Cronbach's Alpha
1	For managing your investments/ portfolio you consult with following	8	.751
2	Responses to specific five questions	5	.649
3	Preferred investment avenues before COVID-19	9	.790
4	Awareness about following Investment advisory services.	8	.930
5	Criteria considered while selecting Investment advisory services	6	.854
6	Source to know about the investment advisory services.	5	.697
7	Factors which prevent from investing through Investment advisory services	6	.808
	Overall	72	.934

Source: Compiled by researcher

The questionnaire used in the study consisted of 07 sections. To ensure the reliability of the data collected, the researcher conducted a reliability analysis using Cronbach's Alpha. The results showed that the values ranged from 0.649 to 0.934, indicating good reliability of the questionnaire. This indicates that the data collected is consistent and dependable and can be used to draw meaningful conclusions and insights from the study.

3.2. DATA ANALYSIS

Source of Consultation for investment decision

Table 2

Sr	Particular	Mean	S.D.	Rank
1	Self	3.71	1.21	1
2	Financial Advisor	3.33	1.08	3
3	Family members	3.34	1.07	2
4	PMS	3.13	1.06	5
5	Relatives	2.71	1.06	6
6	CA	3.17	1.03	4
7	Bank Officer	2.64	1.04	7
8	LIC Agents	2.43	1.06	8

Source: Primary Data

The mean score indicates the average rating of each source, and the standard deviation shows the level of dispersion of the data around the mean. A lower standard deviation indicates that the data points are closely clustered around the mean, while a higher standard deviation indicates that the data points are spread out over a wider range.

Based on the table, it can be inferred that the respondents ranked "Self" as the most preferred source for managing their investments/portfolio, with a mean score of 3.71 and a standard deviation of 1.21. "Family members" were ranked second, with a mean score of 3.34 and a standard deviation of 1.07, while "Financial Advisor" was ranked third, with a mean score of 3.33 and a standard deviation of 1.08.

"PMS" (Portfolio Management Services) were ranked fourth, with a mean score of 3.13 and a standard deviation of 1.06. "CA" (Chartered Accountant) was ranked fifth, with a mean score of 3.17 and a standard deviation of 1.03. "Relatives" were ranked sixth, with a mean score of 2.71 and a standard deviation of 1.06. "Bank Officer" was ranked seventh, with a mean score of 2.64 and a standard deviation of 1.04, while "LIC Agents" were ranked eighth, with a mean score of 2.43 and a standard deviation of 1.06.

In summary, the table suggests that respondents prefer to manage their investments themselves or with the help of their family members, rather than relying on professional sources such as financial advisors or portfolio management services.

Opinion regarding requirement of advisory services

Table 3

Sr	Particular	Mean	S.D.	Rank
1	Do you feel Investment Advisory Services are required after covid. 19	4.04	0.84	2
2	Do you feel Investment advisory Services could have protected your portfolio loss during Covid 19.	3.50	0.95	4
3	Portfolio Rebalancing is not required because of long term investment.	2.89	1.17	5
4	My aim of Investment has changed after Covid 19.	3.84	1.00	3
5	Do you feel Insurance is must after covid 19	4.43	0.94	1

Source: Primary Data

Above table shows responses related to objectives, in view it has been revealed that respondents highly feel that Insurance is must after covid 19 having mean value 4.43 S.D 0.94, secondly investment advisory services are required after covid 19 mean value 4.04 S.D. 0.84 , thirdly respondents also feel after covid-19 their aim of investments has changed mean value 3.84 with S.D.1.00 , then respondents believe Investment advisory Services could have protected their portfolio loss during Covid 19 mean value 3.50 with S.D. 0.95 and lastly Portfolio Rebalancing is not required because of long term investment having least mean value 2.89 with S.D. 1.17. And S.D ranges from 0.84 to 1.17 which shows there is consistency in opinion of respondent. It observed that after covid-19 respondents feels Insurance is must whereas long-term investors believe less churn out in their portfolio.

Preferred investment avenues before COVID-19

Table 4

Sr	Particular	Mean	S.D.	Rank
1	Mutual Funds	3.78	1.10	1
2	Shares	3.47	1.10	4
3	FD	3.55	1.34	3
4	Bonds	2.68	1.13	9
5	Property	3.26	1.29	7
6	Gold	3.33	1.22	6
7	PPF	3.57	1.22	2
8	Real Estate	3.11	1.31	8
9	Insurance	3.42	1.27	5

Source: Primary Data

Above table try to understand respondents preferred investment avenues before Covid 19, It observed Mutual Fund is highest preferred investment having mean value 3.78 with 1.10, secondly PPF mean value 3.57 with S.D. 1.22, thirdly FD 3.55 with 1.34, then Shares mean value 3.47 with S.D. 1.10 , then Insurance mean value 3.42 with 1.27, thereafter Gold man 3.33 with S.D. 1.22, Property mean 3.26 with 1.29, Real Estate mean value 3.11 with S.D. 1.31 and lastly respondents preferred Bonds mean value 2.68 with S.D. 1.13. And S.D ranges from 1.10 to 1.34 which shows there is consistency in opinion of respondent.

It can be concluded from responses Mutual Fund remain top most preferred avenue pre covid-19 and least investors preferred Bonds. Awareness about following Investment advisory services.

Awareness about Investment advisory services

Table 5

Sr	Particular	Mean	S.D.	Rank
1	Management of Mutual fund investment	3.87	1.03	1
2	Management of Equities	3.71	1.13	4
3	General Advisory or consultancy services	3.68	1.07	5
4	Risk Management	3.58	1.04	7
5	Tax Advisory	3.80	0.97	2
6	Insurance Advisory	3.79	0.97	3
7	Certified Personal Financial Planner	3.57	1.13	8
8	Registered Investment Advisor with SEBI	3.64	1.09	6

Source: Primary Data

Above table shows the level of awareness about selected investment advisory services, in which Awareness about Management of Mutual fund investment is highest having mean value 3.87 with S.D. with S.D. 1.03 secondary tax advisory mean value 3.80 with S.D. 0.97 , thirdly Insurance advisor 3.79 with S.D. 0.97, then Management of Equities mean value 3.68 with S.D. 1.07, General Advisory or consultancy services mean value 3.68 with S.D. 1.07, Registered Investment Advisor with SEBI mean value mean value 3.64 with S.D. 1.09, Risk Management having mean value 3.58 with S.D. 1.04 & lastly least awareness about Certified Personal Financial Planner having mean value 3.64 with S.D. 1.09. And S.D ranges from 0.97 to 1.13 which shows there is consistency in opinion of respondent.

In nutshell awareness about Mutual fund, Tax advisory Investment advisory services is more among respondents and very few aware about services of professionals like certified Financial planner.

Criteria considered while selecting Investment advisory services

Table 6

Sr	Particular	Mean	S.D.	Rank
1	Enquiring about the Investment advisory provider	3.96	1.02	4
2	Past performance	4.20	0.92	1
3	Identifying your own objective	4.18	1.01	2
4	Service Quality	4.16	0.81	3
5	Online ratings	3.95	1.01	5
6	Friends & relative recommendations	3.54	1.09	6

Source: Primary Data

Above table shows criteria considered while selecting Investment advisory services, past performance considered highest by investors having mean value 4.20 with S.D 0.92 secondly Identifying your own objectives having mean value 4.18 Above table shown with S.D 1.01, thirdly service quality 3.95 with 0.81 S. D, then Enquiring about the Investment advisory provider mean value 3.96 with S.D. 1.02 , online ratings mean value 3.95 with S.D. 1.01 at last respondents considers Friends & relative recommendations having mean value 3.54 with S.D 1.09. And S.D ranges from 0.81 to 1.09 which shows there is consistency in opinion of respondent.

It's summarised from analysis that for selecting Investment advisory services respondents evaluate their past performance with highest priority and their own financial objectives whereas friends & relative's recommendations have been given least importance.

Source to know about the Investment advisory services

Table 7

Sr	Particular	Mean	S.D.	Rank
1	Television/ Social Media Advertising	3.58	1.12	2
2	Internet	3.97	1.01	1
3	Sales Representative	3.16	1.09	4
4	Family/Friends	3.49	1.07	3

Source: Primary Data

Above table shows how respondents know about the concept of Investment advisory, Internet stand first rank having mean value 3.97 S.D. 1.01 secondly Television/Social media advertising mean value 3.58 S.D. 1.12 thirdly Family/friends mean value 3.49 with S.D.1.07 at last discussion with sales representatives having mean value 3.16 with S.D. 1.09. And S.D ranges from 1.01 to 1.09 which shows there is consistency in opinion of respondent.

To summarised internet providing highest information for respondents about services of investment advisory and reach of sales representatives is till lesser.

Factors which prevent from investing through Investment advisory services

Table 8

Sr	Particular	Mean	S.D.	Rank
1	Lack of funds	3.34	1.13	4
2	Bitter Past experience	2.96	1.18	6
3	Lack of Knowledge	3.51	0.99	3
4	Lack of confidence in service being provided	3.62	1.01	1
5	Not sure which service provider to select	3.58	1.08	2

6	I am Procrastinating Investment advisory services	3.22	1.13	5

Source: Primary Data

Above table study factors which prevent respondents from investing through Investment advisory services, first reason is Lack of confidence in service being provided having mean value 3.62 with S.D. 1.01 ,secondly not sure which service provider to select mean value 3.58 with S.D. 1.08 , thirdly lack of knowledge mean value 3.51 with S.D. 0.99 thereafter Lack of funds mean value 3.34 with S.D. 1.13 then Procrastinating about taking Investment advisory services mean value 3.22 with S.D. 1.13 and lastly bitter past experience mean value 2.96 with S.D. 1.18. And S.D ranges from 0.99 to 1.18 which shows there is consistency in opinion of respondent.

In nutshell giving hard earn money in other person's hand is main concern of respondents which reflect in responses given as Lack of confidence in service being provided by investment advisory services.

Hypothesis testing-

H01- There is no significant difference in the adoption of investment advisory services between the pre-pandemic and post-pandemic periods.

Table 9

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Do you feel Investment Advisory Services are required after covid. 19	456	4.04	.835	.039
Do you feel Investment advisory Services could have protected your portfolio loss during Covid 19.	456	3.50	.954	.045

Source: Compiled by Researcher

Table 10

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Do you feel Investment Advisory Services are required after covid. 19	26.58	455	.000	1.039	.96	1.12
Do you feel Investment advisory Services could have protected your portfolio loss during Covid 19.	11.19	455	.000	.500	.41	.59

Source: Compiled by Researcher

The t value of 26.58 with 455 degrees of freedom and a two-tailed significance level of 0.000 indicates that there is a statistically significant difference in the adoption of investment advisory services between the pre-pandemic and post-pandemic periods. Since the p-value is less than the significance level of 0.05, we reject the null hypothesis i.e. there is no significant difference in the adoption of investment advisory services between the pre-pandemic and post-pandemic periods.

H02- There is no significant difference in investment preference before and after Covid-19.

Table 11

Paired Samples Statistics					
		Mean	N	Std. Deviation	Std. Error Mean
Pair 1	Pbefore	3.3522	9	.31772	.10591
	Pafter	3.4733	9	.37796	.12599

Source: Compiled by Research

Table 12

Paired Samples Correlations				
		N	Correlation	Sig.
Pair 1	Pbefore & Pafter	9	.936	.000

Source: Compiled by Research

Table 13

Paired Samples Test									
		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	Pbefore - Pafter	-.12111	.13761	.04587	-.22689	-.01534	-2.640	8	.030

Source: Compiled by Research

The hypothesis testing is examining whether there is a significant difference in investment preference before and after Covid-19. The null hypothesis states that there is no significant difference in investment preference before and after Covid-19. The alternative hypothesis would be that there is a significant difference in investment preference before and after Covid-19.

The t value of -2.640 with 8 degrees of freedom and a two-tailed significance level of 0.030 indicates that there is a statistically significant difference in investment preference before and after Covid-19. Since the p-value is less than the significance level of 0.05, we reject the null hypothesis. This means that there is sufficient evidence to suggest that there is a significant difference in investment preference before and after Covid-19.

In conclusion, the results of the hypothesis testing suggest that the Covid-19 pandemic has had a significant impact on investment preference.

4. FINDINGS

The study found that the prime aim behind investment of respondents after Covid-19 is financial security, while tax benefits are the least important factor. Respondents tend to consult with themselves or evaluate their own financial analysis first and least frequently consult with LIC Agents for managing their investments. The research also highlighted that investors feel insurance is a must after Covid-19 and prefer less churn in their investment portfolios. Insurance linked securities offer advantages to both issuer and investors, offering securities at favourable prices to issuers and generate excess returns for investors (Canabarro, et al., 2000). Mutual funds remain the most preferred avenue both pre and post Covid-19, studies have revealed that investors heavily rely on past performances when evaluating their decision to invest in mutual funds (Goetzmann, et al., 1997) and (Capon, et al., 1996), while bonds are the least preferred. However, the preference for insurance and PPF has improved post Covid-19. Investors place more importance on mutual funds, shares, and PPF after Covid-19, while crypto currency and bonds are considered less important. The study also revealed that respondents are more aware of mutual funds, tax advisory, and investment advisory services but are less familiar with professionals like certified financial planners. For selecting investment advisory services, respondents prioritize past performance and their own financial objectives, while recommendations from friends and relatives are given least importance. The internet is the primary source of information for respondents on investment advisory services, and sales representatives have limited reach. The study also revealed that the main restrictions for availing investment advisory services are giving hard-earned money to others and lack of confidence in the services provided by investment advisory firms.

5. CONCLUSION

In conclusion, the Covid-19 pandemic has brought about a paradigm shift in investment management practices. This study examined the investment management practices and adoption of investment advisory services after Covid-19. The survey of 150 investors revealed that there has been a significant increase in the adoption of investment advisory services, as many investors seek the expertise of professionals to navigate the uncertain economic environment. The study also showed that investors have become more aware of new financial avenues but still prefer to make their own financial analysis for investment decisions. They are looking for investment opportunities that provide a balance of risk and return, and the pandemic has heightened the importance of insurance, with mutual funds being the preferred avenue for future investments. Furthermore, the study found that investors give the highest priority to past performance and their own financial objectives when selecting investment advisory services, while friends and relative's recommendations have been given least importance.

Overall, the findings suggest that the Covid-19 pandemic has led to significant changes in investment management practices and increased the adoption of investment advisory services. As the investment landscape continues to evolve, it is crucial for investors and investment advisors to stay informed and adapt to these changes.

CONFLICT OF INTERESTS

None.

ACKNOWLEDGMENTS

None.

REFERENCES

Anupam, M. (2021, July). Investigating the factors influencing investment decision: An empirical study in Gujarat, India. American Institute of Physics Conference Series, 2378(1), 020006. doi:10.1063/5.0058230

Arathy, B., Nair, A. A., P, A. S., & R, P. N. (2015, August). A Study on Factors Affecting Investment on Mutual Funds and Its Preference of Retail Investors. International Journal of Scientific and Research Publications, 5(8), 1-4.

Atwal, G., & Bryson, D. (2021, May). Antecedents of intention to adopt artificial intelligence services by consumers in personal financial investing. Strategic Change: Artificial Intelligence in finance , 30(3), 185-314. doi: 10.1002/jsc.2412

Baker, S. (2020). Glimmer of gold enticing institutional investors: Managers expand use of metal from traditional inflation hedge. Pensions & Investments, 48(17), 2.

Baulkaran Vishaal, J. P. (2023, Feb). Who uses robo-advising and how? Financial Review., 58(1), p65-89. 25p. doi:10.1111/fire.12324

B.G., D. A., & Akash, P. S. (2022). A Study on Investors' Perceptions towards Public Provident Fund (PPF) in India. CASIRJ, 13(3), 100-106.

Canabarro, E., Finkemeier, M., Anderson, R. R., & Bendimerad, F. (2000, January). Analyzing Insurance-Linked Securities. Journal of Risk Finance, 1(2), 49-75. doi:10.1108/eb043445

Capon, Noel, Gavan Fitzsimons, and Roger Prince, 1996, An individual level analysis of the mutual fund investment decision. Journal of Financial Services Research 10, 59-82.

Eisinberg, L. C. (2005). Managing investments and understanding investors. Agency Sales, 35(4), 32. Retrieved from https://www.proquest.com/trade-journals/managing-investments-understanding-investors/docview/211002675/se

Ghosh, P., & Williamson, C. (2022). Investors, managers adjust for the remainder of 2022: Managers still looking for opportunities with rising inflation, market fluctuations. Pensions & Investments, 50(14), 3.

Goetzmann, William N. and Nadev Peles, 1997, Cognitive dissonance and mutual fund investors. The Journal of Financial Research 20, 145-158.

Goud, M. M. (2022). A Study On The Saving And Investment Behaviour Of Individual Investors. Journal of Commerce & Accounting Research., 11(1), p23-30. 8p.

Jalota, H., Mandal, P. K., Thakur, M., & Mittal, G. (2023, Feburary). A novel approach to incorporate investor's preference in fuzzy multi-objective portfolio selection problem using credibility measure. Expert Systems with Applications, 212. doi:https://doi.org/10.1016/j.eswa.2022.118583

Krahnhof, P., & Au, C.-D. (2020, 2020 12). Robo-Advice: An Essential Element of Future Banking? International Journal of Management and Applied Science , 6, PP: 34-38.

Kashyap, N., Bansal, A., P. M., & Kumar, R. K. (2019). Gender Differences in Selection of Investment Avenues in Solan Town of Himachal Pradesh. International Journal of Bio-resource and Stress Management, 10(1), 009-018. doi:10.23910/IJBSM/2019.10.1.1931

Leung, M. T., Daouk, H., & Chen, A.-S. (2001, October 1). Using investment portfolio return to combine forecasts: A multiobjective approach. European Journal of Operational Research, 134(1), 84-102. doi:10.1016/S0377-2217(00)00241-1

Mak, M. K., & Ip, W. (2017, June 8). An exploratory study of investment behaviour of investors. International Journal of Engineering Business Management, 9(January-December). doi:10.1177/1847979017711520

Mandell, L., & Klein, L. S. (2009). The Impact of Financial Literacy Education on Subsequent Financial Behavior. Journal of Financial Counseling and Planning, , 20(1), 10.

Manikandan A. and Muthumeenakshi M. (2017) Perception of Investors towards the Investment Pattern on Different Investment Avenues - A Review. Journal of Internet Banking and Commerce, 22 (S7):1-15

Mohanty, B. P. (2022, November 14). Discriminants of risk tolerance amongIndian investors: a dichotomous discriminant approach. International Journal of Managerial and Financial Accounting , 15(1), pp 112-134. doi:10.1504/IJMFA.2023.127528

Muhammad Shadab Iqbal, a. L. (2022, January 1). Does COVID-19 really make people risk aversion in investment decision-making? SHS Web of Conferences 132, 01021 (2022), 132, 1-6. doi:10.1051/shsconf/202213201021

Pathak, G. P., & Warpade, S. (2020, July 31). Impact of Lockdown due to COVID 19 on Consumer Behaviour while selecting Retailer for Essential Goods. Zeichen, 6(7), 282-289.

Pielichata, P. (2021). Managers optimistic despite pessimism cast by virus: Firms expect more for ESG, illiquid investments as vaccine hopes swell. Pensions & Investments, 49(1), 13.

Sotiropoulos, D., & Rutterford, J. (2018).). Individual Investors and Portfolio Diversification in Late Victorian Britain: How Diversified Were Victorian Financial Portfolios? Journal of Economic History, 78(2), 435-471. doi:10.1017/S0022050718000207

Talwar, M., Talwar, S., Kaur, P., Tripathy, N., & Dhir, A. (2021, October). Has financial attitude impacted the trading activity of retail investors during the COVID-19 pandemic? Journal of Retailing and Consumer Services, 58, 1-11. doi:10.1016/j.jretconser.2020.102341

Tashanova, D., Sekerbay, A., Chen, D., Luo, Y., Zhao, S., & Zhang, T. (2020). Investment Opportunities and Strategies in an Era of Coronavirus Pandemic. SSRN, 25.

Venuka Sandhir, J. S. (2022). Predilection Of Indian Portfolio Framework In COVID-19 Infodemic - An Analysis. Journal of Pharmaceutical Negative Results.

V.R.Palanivelu, &. K. (2013). A Study on Preferred Investment Avenues among Salaried Peoples with Reference to Namakkal Taluk, Tamil Nadu, India. International Conference on Business, Economics, and Accounting. IBEA.