

## A STUDY ON AWARENESS OF GLOBAL CRISIS AMONG RETAIL INVESTORS IN AHILYANAGAR DISTRICT

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### Abstract

Recurrent global crises are having an increasing impact on global financial markets; therefore, investor knowledge is a critical factor in determining investment behaviour. This study looks at retail investors' awareness of global crises and how they affect their investment behaviours in the Ahilyanagar District. Based on primary data gathered using a standardized questionnaire, the study is empirical in nature. It examines the degree of investor awareness, important information sources, and how this awareness affects investment decisions and risk perception. The results show that retail investors have different levels of awareness, and that their primary information sources are digital media and financial news sites. Increased portfolio diversity and cautious investment behaviours are linked to higher awareness.

### Introduction:

The frequency and severity of global crises, from pandemics and financial meltdowns to geopolitical conflicts and climate-related disruptions, have drastically changed the dynamics of investment behaviour globally in recent decades. A crucial component of the financial ecosystem, retail investors are especially susceptible to the fallout from such crises because of their limited resources, dependence on public information, and sensitivity to market volatility. Their investment choices, risk tolerance, and portfolio strategies are significantly influenced by their awareness and perception of these worldwide problems. With an increasing number of retail investors, the Ahilyanagar district offers a unique environment for analysing these trends. The district, which is located in Maharashtra, exhibits both urban and semi-urban investing trends, with people becoming more involved in mutual funds, equities markets, and online financial platforms. However, nothing is known about how well-informed these investors are about worldwide crises like the COVID-19 pandemic, the 2008 financial crisis, or current geopolitical concerns. In order to improve financial literacy and resilience, politicians, financial institutions, and educators must all have a thorough understanding of their degree of knowledge.

### Review Of Literature

**Shubham Prafulkumar Chavhan, (2025)** examined the investor emotion influences Indian stock market volatility by fusing empirical research with psychological concepts. It emphasizes how emotional biases like loss aversion, herd mentality, and overconfidence have a big impact on investing techniques and frequently increase volatility during difficult times. The study shows that while logical,

well-informed tactics stabilize returns, elevated investor sentiment causes short-term swings using sentiment indicators and market data. The results highlight how crucial it is to combine behavioural finance with empirical models in order to better comprehend volatility and direct investors toward more robust, fact-based decision-making.

**Ameur (2024)**, explored the relationship between financial crises and investor behaviour, emphasizing how economic shocks influence financial decision-making processes. The study found that during crisis periods investors tend to adopt defensive investment strategies such as diversification, increased savings, and reduced exposure to high-risk assets. The research highlights the significance of financial awareness and access to accurate market information in helping investors manage uncertainty and minimize losses during global economic disruptions.

### **Shinde & Ingale (2023)**

Investigated that investor awareness regarding portfolio management and risk diversification. Their findings revealed that investors with better knowledge of financial markets are more likely to diversify their investments and manage risks effectively. The study also highlighted that awareness about global economic conditions, interest rate changes, and financial crises can significantly influence investment planning. The authors emphasized the need for educational initiatives and awareness programs to improve investor decision-making capabilities.

**L.A.Smales (2021):** explores how investor attention affected the performance of the global stock market during the pandemic, as measured by Google Search Volume for "coronavirus." According to the study, increases in search activity,

which indicate increased anxiety among retail investors, were closely linked to worse market returns, especially during the severe decline that occurred in February and March of 2020. Investor attention is a major behavioural driver of financial instability during crises, since this shows that increased information demand enhanced risk aversion and selling pressure across markets. The study adds to the body of research on behavioural finance by establishing a connection between search-based attention metrics and worldwide returns. It also emphasizes how sentiment and information flow influence market dynamics during extraordinary occurrences.

**Financial Literacy and Retail Investors' Financial Welfare: Evidence from Mutual Fund Investment Outcomes in China (2020)**, reported that the welfare of ordinary investors in China's mutual fund sector is impacted by financial literacy. The authors discover that greater financial literacy is associated with better investment success, reduced fees, and enhanced financial welfare using a special dataset that combines investor surveys and fund outcomes. The findings indicate that literacy is favourably influenced by education and experience, and that there are notable gender inequalities, with women exhibiting lower literacy levels than men. The significance of investor education in improving long-term financial well-being and decision-making is emphasized in the paper.

**Surbhi Dubey (2019)**, Examined knowledgeable, perceptive, and involved retail investors are in India's equities markets. Retail investors are defined in the survey as those who invest less than ₹2 lakhs per year, and it emphasizes how little they know about risk management techniques, regulatory frameworks, and market mechanics. According to research, a sizable percentage of investors lack sufficient financial literacy and rely on unofficial sources of information, even though many are driven by the possibility of profit. In order to improve informed involvement, the report highlights the necessity of more robust awareness campaigns and organized investor education programs.

**Economou et al. (2017)** explored investor behaviour during different financial crises across global markets. The book integrates behavioural finance concepts to explain how fear, uncertainty, and psychological biases affect investor decisions during crisis periods. It highlights that retail investors often react emotionally to market volatility, leading to panic selling or herd behaviour. The study suggests that greater financial awareness and understanding of global economic trends can help investors make rational decisions

and avoid impulsive reactions during financial crises.

#### **Research Problem Statement:**

Despite their awareness of such events is still undetermined, retail investors in the Ahilyanagar region are becoming more and more exposed to worldwide crises that disrupt financial markets. Their capacity to anticipate risks and modify investment strategies may be hampered by their reliance on local networks and limited access to current information. Concerns regarding misinformed decision-making and susceptibility to market shocks are raised by this knowledge gap.

***The lack of district-specific research on investor awareness emphasizes the need to investigate perceptions of global crises and whether awareness levels are adequate to guarantee financial resilience.***

#### **Rational Of the Study:**

The cornerstone with regional financial participation is made up of retail investors, but their decision-making is frequently impacted by a lack of knowledge about global issues. Markets are immediately impacted by events like financial downturns, pandemics, and geopolitical wars, but it's unknown how much Ahilyanagar district investors are aware of and react to these disruptions. To find gaps in adaptability and financial literacy, it is crucial to examine their awareness. This study will shed light on how district-level perceptions of world events are shaped, helping financial institutions, educators, and politicians create focused interventions that improve investor awareness while preserving economic stability.

#### **Objectives of the study:**

1. To assess the level of awareness of global crisis among retail investors in ahilyanagar district.
2. To analyse the sources of information influencing awareness of global crisis among retail investors in ahilyanagar district.
3. To analyse the impact of awareness of global crisis on investment decisions and risk perception of retail investors in ahilyanagar district.

#### **Research Methodology:**

##### **A. Research design:**

Exploratory Research Design is an examination into a subject in an attempt to gain further insights through this topic researcher starts to explore the general impact of financial platforms on financial inclusion of youth.

Descriptive research what exist and may be help to uncover new facts and meaning so the researcher collects information with the help of structured questionnaire, observation and personal interview a

descriptive research design quantitative methods like surveys can systematically describe and quantify these findings offering a clear and detailed picture of financial platforms and financial inclusion of youth.

### B. Sources of Data Collection:

a. **Primary Data:** Questionnaire, Interview, Observation and Discussion.

b. **Secondary Data:** Journals, Books, Websites.

### C. Sample Design:

a. **Sample Population:** For this study the target population is retail investors of ahilyanagar district.

b. **Sample Size:** Researcher would like to collect data 200 retail investors.

c. **Sample Area:** Researcher would like to select retail investor of Indian stock exchanges in Ahilyanagar district

d. **Sample Technique:** Stratified Sampling: To the research sample researcher would like to use stratified sampling for selecting respondent.

e. **Sample Instrument:** To the collection of data researcher would like to use structure Questionnaire.

### Scope Of the Study:

The study focuses on examining the level of awareness among retail investors in Ahilyanagar district regarding global economic crises and their impact on investment decisions. It covers investors who participate in various investment avenues such as equity shares, mutual funds, bonds, gold, and other financial instruments. The research aims to understand how retail investors perceive global events such as financial crises, pandemics, geopolitical conflicts, inflation, and economic recessions, and how these events influence their risk perception and investment behaviour. By analyzing these aspects, the study seeks to provide insights into the financial awareness and decision-making ability of retail investors, which may help in improving investor education and financial literacy initiatives.

### Limitation Of the Study:

This study is limited to retail investors residing in Ahilyanagar District only; therefore, the results cannot be generalized to other regions. Data is collected through self-reported questionnaires, which may involve response bias and inaccurate disclosure of awareness levels. The study measures awareness, not actual investment behaviour, which may differ in practice. Time constraints make the findings relevant only to the specific study period, as awareness of global crises changes rapidly with evolving international events.

### Need And Significance of The Study:

Global crises such as economic recessions, pandemics, and geopolitical conflicts significantly

affect financial markets and investment decisions. As retail investors are increasingly participating in financial markets, it is important to understand their awareness about the impact of such crises. This study aims to examine the awareness level of retail investors in the Ahilyanagar district and identify gaps in their understanding.

The study helps to understand the level of awareness of retail investors about global crises and their impact on financial markets.

It identifies the knowledge gap among investors regarding global economic events and investment risks.

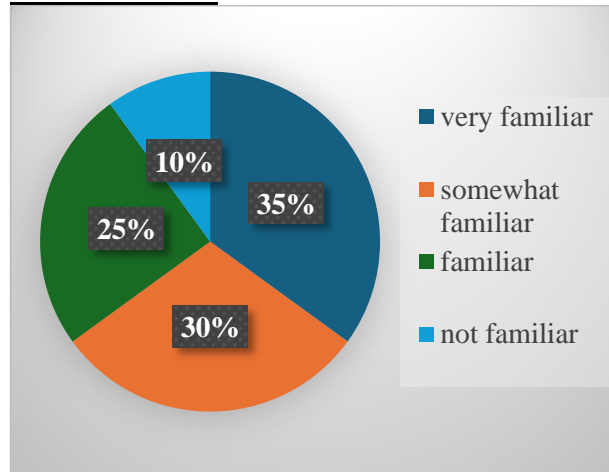
The study provides useful insights for financial institutions and advisors to design effective investor awareness programs.

It contributes to improving financial literacy among retail investors in the Ahilyanagar district.

The study also supports the development of strategies to protect retail investors from potential financial losses during global crises.

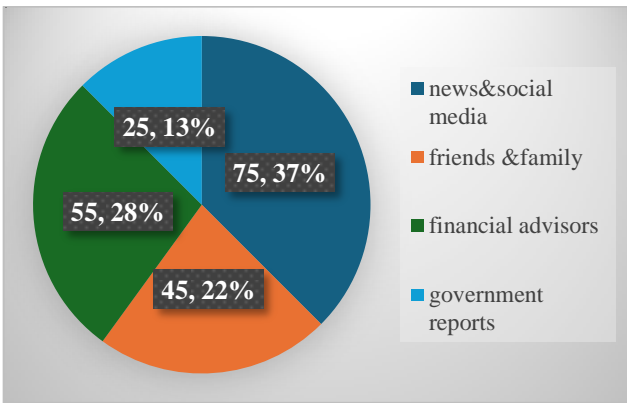
### Data Analysis and Interpretation:

#### Awareness level:



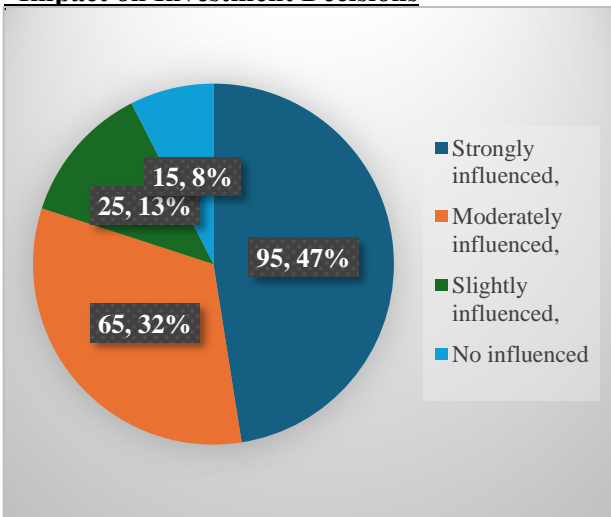
**Interpretation:** the above graph highlighted that 80 respondents being very familiar and 60 somewhat familiar, indicating strong overall awareness. A smaller group of 40 investors reported being familiar at a basic level, while only 20 admitted to not being familiar, reflecting limited exposure.

#### Sources of information:



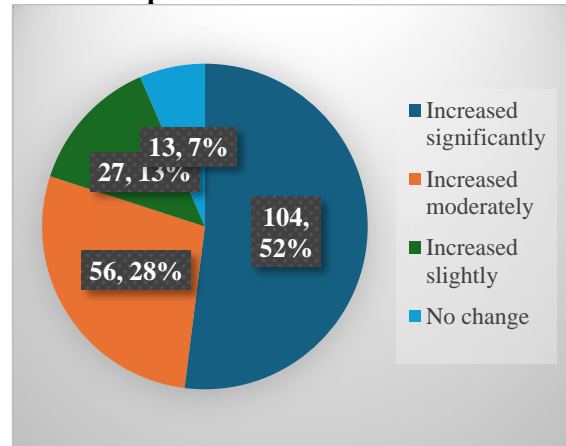
**Interpretation:** the above chart highlighted that news and social media (75 respondents) are the most common source of awareness about global crises among retail investors. Financial advisors (55 respondents) also play a significant role, while friends and family (45 respondents) provide moderate influence. Government reports (25 respondents) are the least relied upon, indicating limited use of official information.

**Impact on Investment Decisions**



**Interpretation:** the above graph highlighted 95 respondents are strongly influenced by awareness of global crises in their investment decisions, while 65 are moderately influenced, reflecting a significant impact overall. A smaller group of 25 respondents are slightly influenced, indicating limited effect. Only 15 respondents reported no influence, showing minimal awareness impact.

**Risk Perception**



**Interpretation:** the above chart highlighted that 104 respondents reported their investment risk perception increased significantly during global crises, while 56 experienced a moderate increase. A smaller group of 27 noted only a slight increase, and 13 indicated no change in their perception.

**Findings**

- In the findings of the study 40% of respondents are very familiar, 30% are somewhat familiar, 20% are familiar at a basic level, and 10% are not familiar with global crises. This highlights that overall awareness is strong, though the depth of understanding varies among investors.
- 41.7% of respondents rely on news and social media, making it the most common source of awareness. 30.6% depend on financial advisors, 25% on friends and family, while only 13.9% use government reports, highlighting limited reliance on official information.
- 47.5% of respondents are strongly influenced by awareness of global crises in their investment decisions, while 32.5% are moderately influenced. Only 12.5% are slightly influenced and 7.5% report no influence, highlighting that most investors' decisions are shaped by crisis awareness.
- 52% of respondents reported a significant increase in investment risk perception during global crises, while 28% experienced a moderate increase. A smaller group of 13.5% noted a slight increase, and only 6.5% indicated no change, showing that most investors become more risk-averse in such situations.

**Conclusion:**

Based on the study, Ahilyanagar district's retail investors have a keen awareness of global issues, and this awareness significantly influences their investment choices. Government reports are still underutilized, indicating a lack of reliance on official channels, while news, social media, and financial advisors become the most popular

information sources. A pronounced inclination toward caution and risk aversion is evident in the majority of investors' reports of increased risk perception during crises. Overall, the results show that global crises are major factors in investor decision-making rather than incidental ones, underscoring the critical need for reliable, organized communication to support resilient and well-informed investing practices.

**Suggestions:**

**On the basis of conclusion research would like to suggest various suggestions –**

- Enhance official communication channels so investors can access clear, reliable information during global crises, reducing dependence on informal sources.
- Promote financial literacy and awareness programs to help investors interpret crises effectively and make informed, resilient decisions.
- Strengthen the role of financial advisors by equipping them with updated insights, enabling them to guide investors with balanced strategies during uncertain times.

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