

THE INVESTORS' INTENTION TO INVEST IN THE STOCK MARKET DURING THE CURRENT ECONOMIC CRISIS IN SRI LANKAN CONTEXT: USING THE EXTENDED THEORY OF PLANNED BEHAVIOUR

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ABSTRACT

The primary objective of this study is to investigate the behavior of individual investors in the stock market during Sri Lanka's economic crisis. The study employs an extended version of the Theory of Planned Behaviour (TPB) to comprehensively understand the factors influencing individual investor decisions. Utilizing a quantitative approach, this study examines investors' intention to invest in the stock market during the current economic crisis in Sri Lanka by expanding the theory of planned behavior. Based on the research problem, the individual investor intention towards the stock market is handled as the dependent variable in this study, while investor attitudes, subjective norms, perceived behavioral control, and perceived risk are treated as independent variables, and perceived knowledge of economic crisis is treated as a moderate variable in the relationship between investor attitudes and investor intention. Primary data were collected through a self-administered questionnaire distributed to a sample of 110 respondents from existing and potential investors in the Colombo Stock Market. The convenience sampling method was used to collect data, and the regression results demonstrated that amid the economic crisis, the subjective norms towards investing had the largest impact on individuals' intention to participate in the stock market, and perceived behavioral control had a highly significant influence on individuals' investor intentions. This study examines only current and prospective individual investors in the Colombo stock market during Sri Lanka's economic crisis. Few studies have attempted to include perceived risk and perceived knowledge of economic crises within the investors' decision-making framework, and future research should focus on comparative studies among diverse market contexts. Owing to Sri Lanka's economic crisis, the Theory of Planned behaviours (TPB) put in this study has contributed valuable insight for stock market participants, policymakers, financial professionals, and regulators to make effective and informed investment decisions, especially with reference to the crisis situation.

Keywords: Attitude, perceived risk, perceived behavior control, subjective norms, theory of planned behaviour (TPB), economic crisis, investor behaviour