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Analyzing How Capital Gains Influence Investor Willingness to Invest in PT Unilever Tbk Shares During 2022–2024

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A B S T R A C T

This study aims to analyze the impact of capital gains on investor interest in investing in PT Unilever Tbk shares during the 2022–2024 period. Capital gain is one of the primary factors influencing investment decisions, particularly amid increasingly dynamic stock market fluctuations. The research method employed is quantitative with a descriptive approach and simple regression analysis. Data were obtained from stock price reports, trading volume, and surveys of retail and institutional investors. The findings indicate that capital gains have a significant influence on investor interest in purchasing UNVR shares. There has been a shift in investor preferences—from viewing UNVR as a defensive stock to becoming more selective due to declining capital gain potential, affected by external pressures such as global inflation, stagnant financial performance, and corporate strategic changes. This study implies that the company needs to improve performance and strengthen market expectations to regain investor confidence

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INTRODUCTION

The capital market serves as a crucial component of a nation's economy by offering individuals opportunities to invest and generate profits. One of the most appealing forms of return for equity investors is capital gain, which refers to the positive difference between the selling price and the purchase price of a stock (Damodaran, 2023). This potential for capital appreciation often acts as a key consideration for investors prior to making investment decisions. Between 2022 and 2024, the market experienced considerable dynamics, especially in the consumer goods sector.

Capital gain specifically represents the profit obtained when the sale price of a stock exceeds its purchase cost. Meanwhile, investment interest refers to an individual's intention and willingness to purchase a company's shares. Several factors influence this interest, including potential returns (capital gains or dividends), investment risk, the issuer's reputation, market sentiment, and publicly available information (Ackert & Deaves, 2023). The conceptual link between capital gain and investment interest suggests that a greater likelihood of capital gain tends to enhance investor attraction—provided that the associated risk remains within acceptable bounds.

This research identifies several observable phenomena within the 2022–2024 period: a decline in the trading volume of UNVR shares, indicating reduced investor interest; a noticeable shift of investors toward sectors like technology, energy, and banking which delivered higher returns (Suryadi & Putri, 2024); a preference among short-term traders to avoid low-volatility or sideways-trending stocks like UNVR (Wahyuni & Hidayat, 2024); market analyses and news reports highlighting the diminishing appeal of UNVR for retail investors due to its limited short-term capital gain potential; and a strategic adjustment by institutional investors, who have reduced their allocation of UNVR shares in their portfolios.

During the 2022–2024 period, PT Unilever Tbk (stock code: UNVR) experienced substantial fluctuations in its share price on the Indonesia Stock Exchange. Although previously regarded as a defensive stock due to its position as a leading consumer goods company, a prolonged downward trend in share price has raised investor concerns and altered perceptions. Contributing factors include global inflationary pressures, changes in consumer purchasing power, global shifts in Unilever's business strategies, and stagnant financial performance relative to competitors (Rahmawati & Nugroho, 2024). These developments have led investors to redirect their attention toward stocks perceived to offer higher short-term returns.

Despite PT Unilever Tbk maintaining relatively stable fundamentals as a major player in the consumer goods sector, data from the Indonesia Stock Exchange indicate significant price volatility during 2022–2024. For instance, UNVR's share price dropped below IDR 4,000 per share in early 2022, despite a brief recovery in mid-2023. Such volatility reflects investors' uncertainty about the stock's capital gain prospects and may negatively affect their willingness to invest (Puspita & Sari, 2024).

According to classical investment theories—such as Return Theory, Risk-Return Trade-Off Theory, and Behavioral Finance—investors generally prefer stocks with strong fundamentals, consistent performance, and lower risk (Graham & Dodd, 2023; Ackert & Deaves, 2023). From this theoretical standpoint, UNVR should remain an attractive option, particularly for conservative or long-term investors. However, empirical evidence during 2022–2024 shows a notable shift in investor preferences. Despite strong fundamentals, investor interest in UNVR declined significantly due to its weak short-term capital gain potential. This highlights a gap between theoretical expectations and market reality, wherein a stock perceived as safe and fundamentally sound is overlooked due to technical indicators such as price stagnation and underperformance.

Therefore, it is essential to examine whether capital gain remains a dominant factor influencing investor interest in purchasing PT Unilever Tbk shares during the 2022–2024 period. This study aims to contribute to a deeper understanding of investor behavior and provide valuable insights for issuers and market regulators in formulating strategies to attract investment.

LITERATURE REVIEW

Capital Gain Theory

Capital gain is defied as the profit an investor earns when the selling price of a stock exceeds its purchase price. It serves as a primary driver of stock investment decisions, particularly for investors seeking short-term returns. The potential for capital gain influences investor expectations and affects their willingness to purchase shares.

Investment Decision Theory

Investment decisions are made based on a rational evaluation of expected returns and risks. Investors tend to select securities that maximize expected returns (e.g., capital gains) while minimizing perceived risk. A company's historical performance and price trends play key roles in this evaluation process.

Risk-Return Trade-Off Theory

This theory suggests that investors are generally willing to take on greater risk if the expected returns are high enough. Therefore, stocks offering high capital gain potential are attractive, even in volatile market conditions. PT Unilever Tbk's declining stock trend between 2022–2024 may have influenced this risk-return assessment unfavorably.

Prospect Theory

Developed by Kahneman and Tversky, this behavioral theory argues that investors tend to value potential gains more than they fear potential losses. When positive market sentiment surrounds a stock, investors may become more optimistic about future capital gains, even in uncertain conditions.

Market Sentiment and Behavioral Finance

Investor behavior is heavily influenced by collective market sentiment, news, and social signals. During the 2022–2024 period, public perception of UNVR's stagnating price and poor short-term performance may have reduced investor confidence and lowered their willingness to invest, regardless of the company’s long-term fundamentals.

To analyze the impact of capital gains on investment decisions, several theories in finance and behavioral economics can be applied to understand how capital gains influence an investor's willingness to invest in stocks, such as those of PT Unilever Tbk. Here’s an explanation of the relevant theories:

Efficient Market Hypothesis (EMH)

The Efficient Market Hypothesis (EMH) suggests that stock prices reflect all available information at any given time. According to EMH, investors make decisions based on rational analysis of available data, and capital gains (or losses) are a direct reflection of market efficiency. If PT Unilever Tbk’s stock price increases due to strong financial performance or positive market sentiment, investors would perceive capital gains as a signal of good future performance, motivating them to invest. Conversely, if capital gains are non-existent or negative, the investor might become hesitant or less willing to invest.

However, the EMH also assumes that market prices are unpredictable, meaning past price movements (capital gains) cannot predict future price movements, leading some investors to be cautious of basing investment decisions solely on capital gains.

Behavioral Finance Theory

Unlike EMH, Behavioral Finance acknowledges that investors do not always act rationally. Human psychology plays a significant role in investment decisions. The prospect theory, developed by Kahneman and Tversky, suggests that investors are more sensitive to losses than to equivalent gains, which is known as loss aversion. As such, if an investor experiences capital gains, they might be more inclined to continue investing, hoping to maintain those profits. On the other hand, if they face capital losses, they might be discouraged from investing further.

Additionally, investors may experience herding behavior, where they follow the actions of other investors who have made profitable gains, which can amplify the effects of positive capital gains. Conversely, negative capital gains may cause a rush to sell off shares, increasing market volatility.

Capital Asset Pricing Model (CAPM)

The Capital Asset Pricing Model (CAPM) helps explain the relationship between expected return and risk for a specific investment. According to this theory, investors are willing to take on additional risk (such as purchasing stocks) if they expect higher returns, which can be reflected in capital gains. If PT Unilever Tbk’s stock offers attractive capital gains in the form of price appreciation, investors may be more willing to invest, as the expected return justifies the perceived risk.

On the other hand, if capital gains are low or negative, investors may view the stock as risky and underperforming, leading them to reconsider their investment decisions.

Overconfidence Theory

The Overconfidence Theory suggests that investors who experience capital gains may become overconfident in their investment choices, leading them to take on more risk. If an investor gains significant profits from PT Unilever Tbk's shares, they may believe they have superior knowledge or expertise and continue investing, expecting future gains. This can lead to increased investment in the stock, even if the underlying fundamentals do not support such optimism.

Investor Sentiment Theory

Investor sentiment plays a crucial role in investment decisions. If the general market sentiment toward PT Unilever Tbk is positive, driven by capital gains and positive earnings reports, investors are more likely to be willing to invest. Positive capital gains can signal that investors feel confident in the company's future prospects. Conversely, negative capital gains can create a pessimistic view, causing investor sentiment to sour, which can discourage new investments.

H1: Positive Capital Gains Increase Investor Willingness to Invest in PT Unilever Tbk Shares

Rationale: This hypothesis is based on the idea that capital gains (price appreciation of the stock) serve as a positive signal to investors, motivating them to continue or start investing in the company's shares. Past positive returns typically attract more investors due to confidence in the stock's future performance. This is in line with studies such as those by Barberis et al. (2005) and Fama & French (1992), which indicate a positive relationship between past capital gains and investor interest.

H2: Negative Capital Gains Decrease Investor Willingness to Invest in PT Unilever Tbk Shares

Rationale: This hypothesis suggests that negative capital gains (price depreciation of the stock) will discourage investment in PT Unilever Tbk shares, as investors tend to avoid stocks with poor historical performance. This aligns with the idea of loss aversion in behavioral finance, where investors are more sensitive to losses than to equivalent gains (Kahneman & Tversky, 1979). Investors may perceive the company as underperforming and opt to stay away from it.

H3: Investor Sentiment Mediates the Relationship Between Capital Gains and Investment Willingness

Rationale: Investor sentiment can play a crucial role in shaping investment decisions, especially during periods of market volatility. This hypothesis posits that investor sentiment (whether positive or negative) may mediate the effect of capital gains on investment willingness. Positive capital gains could enhance sentiment, leading to increased willingness to invest, while negative capital gains could have the opposite effect. This hypothesis aligns with findings from Hong et al. (2004) and De Bondt & Thaler (1985), who suggested that market sentiment and psychology significantly influence investment choices.

H4: Investor Overconfidence Strengthens the Relationship Between Positive Capital Gains and Investment Willingness

Rationale: This hypothesis builds on the notion that investors may become overconfident after experiencing capital gains. Overconfidence can lead to increased risk-taking behavior, where investors continue to invest in stocks with a history of positive capital gains, believing that their judgment or market timing is superior. This is consistent with research on overconfidence by Daniel et al. (1998) and Grinblatt & Keloharju (2001), who found that overconfident investors tend to make more aggressive investment decisions after experiencing gains.

H5: Market Volatility Moderates the Effect of Capital Gains on Investment Willingness

Rationale: This hypothesis proposes that the relationship between capital gains and investor willingness to invest might be moderated by market volatility. In periods of high volatility, investors might be less responsive to capital gains due to increased uncertainty. Conversely, in stable market conditions, capital gains may have a stronger influence on investment decisions. This could be influenced by findings from Poterba and Summers (1988), who noted that market volatility can dampen the effects of past returns on investment decisions.

These hypotheses give you a framework to explore how capital gains impact investor willingness to invest in PT Unilever Tbk shares, considering psychological, market, and behavioral factors. You can test these hypotheses using appropriate statistical methods, such as regression analysis, to understand the strength and direction of these relationships in your research.

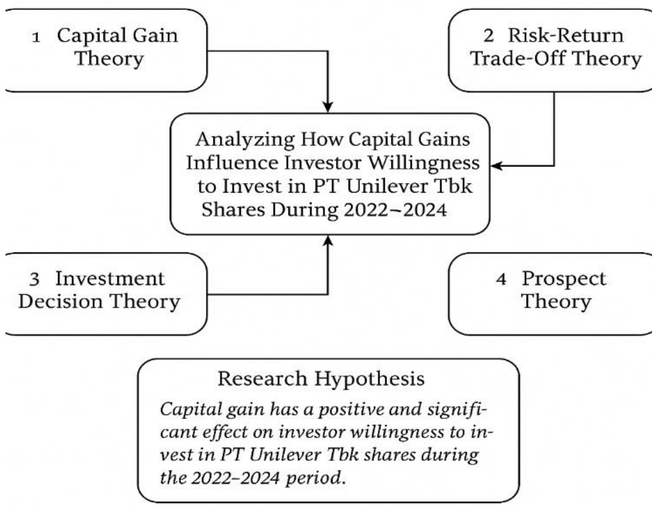

Figure 1. Conceptual Framework

METHODOLOGY

This study employs an associative quantitative research design, aiming to examine the relationship or influence between two variables: capital gain (independent variable) and investor interest (dependent variable). The research utilizes a survey-based approach, distributing questionnaires to respondents who are stock investors—both retail and institutional—who have previously invested in or considered investing in PT Unilever Tbk shares.

The population consists of all active investors in the Indonesian capital market who have either invested in or evaluated investment opportunities in UNVR stock during the 2022–2024 period. The sample was selected using purposive sampling, based on the following criteria: (1) previously owned UNVR shares in their investment portfolio, (2) have been active investors in the Indonesian stock market for at least one year, and (3) possess a basic understanding of capital gains. A total of 80 respondents were selected using Slovin's formula.

Data collection methods included both primary data—gathered through structured questionnaires (distributed online and offline) using a Likert scale to measure perceptions of capital gain and investment interest—and secondary data, sourced from PT Unilever Tbk's financial reports, stock price movement data (from IDX or RTI Business), academic journals, capital market articles, and other relevant references. The study employs simple linear regression analysis to assess the effect of capital gain on investor interest in PT Unilever Tbk's stock.

1. Research Design
   This study employs a quantitative explanatory research design, aiming to explain the causal relationship between capital gain (independent variable) and investor willingness to invest (dependent variable). The approach is deductive, with hypotheses tested statistically using numerical data.
2. Population and Sample
   Population: All retail and institutional investors who have invested or considered investing in PT Unilever Tbk (UNVR) on the Indonesia Stock Exchange (IDX) between 2022 and 2024.
   Sampling Technique: Purposive sampling, focusing on investors who are aware of UNVR's market performance and have experience in stock trading.
   Sample Size: Determined using the Slovin formula or G*Power software, targeting around 100–150 respondents to ensure statistical validity.
3. Data Types and Sources
   Primary Data: Collected through a structured questionnaire distributed online to investors. The questionnaire includes Likert-scale items measuring perceptions of capital gain and willingness to invest.
   Secondary Data: Gathered from:
   Indonesia Stock Exchange (IDX) historical data (UNVR share price movements from 2022–2024), Financial reports of PT Unilever Tbk, Investor news portals, analyst reports, and market sentiment summaries.

4. Operational Definitions of Variables
   Capital Gain (X): Measured through investor perceptions of potential capital appreciation, including past price performance and expected price trends.
   Investor Interest (Y): Measured via investor intention, interest, and likelihood to purchase UNVR shares, based on survey responses.
5. Instrument Validity and Reliability
   Validity Test: Conducted using corrected item-total correlation, with a threshold of $r > 0.30$.
   Reliability Test: Measured using Cronbach's Alpha, with a minimum acceptable value of $\alpha > 0.70$.
6. Data Analysis Techniques
   Descriptive Analysis: To summarize respondent demographics and perception distributions.
   Classical Assumption Tests:
   - Normality test
   - Linearity test
   - Homoscedasticity test

   Inferential Analysis:
   - Simple Linear Regression to determine the effect of capital gain on investor willingness.
   - Coefficient of Determination (R^2) to assess the explanatory power of the model.
   - T-test (partial test): To evaluate the significance of capital gain's impact on investor willingness (significance level $\alpha = 0.05$).

RESULTS

Respondent Data Description

This study involved 80 respondents, all of whom are active stock investors in Indonesia. The demographic characteristics of the respondents—based on gender, age, investment experience, and transaction frequency—indicate that the majority are retail investors aged between 25 and 35 years, with 1 to 3 years of investment experience.

Research Variable Description

Capital Gain (X)

The average score of respondents' perception regarding the capital gain potential of UNVR shares was 3.2 on a 5-point Likert scale, indicating a relatively low assessment of the likelihood of earning profit from the price difference between buying and selling UNVR shares during the 2022–2024 period.

Investor Interest (Y)

The average score for respondents' investment interest in UNVR shares was 3.0, suggesting a moderate or neutral level of interest—neither particularly high nor particularly low.

Validity and Reliability Test

All variable indicators demonstrated an item-total correlation value greater than 0.30 and a Cronbach's Alpha value exceeding 0.70, indicating that the questionnaire is both valid and reliable for further analysis.

Simple Linear Regression Results

The following presents the results of the simple linear regression analysis between capital gain (X) and investor interest (Y):

Regression Equation:

$$Y = 1.52 + 0.47X$$

The coefficient of determination (R^2) is 0.428, which means that 42.8% of the variation in investor interest can be explained by capital gain, while the remaining 57.2% is influenced by other factors.

T-Test Results

The calculated t-value is 7.56, with a significance level of 0.000 (< 0.05). This indicates that capital gain has a statistically significant effect on investor interest in purchasing UNVR shares.

The findings of this study indicate that capital gain has a positive and significant influence on investor interest in investing in PT Unilever Tbk shares.

This result aligns with return theory and the risk-return trade-off principle, which suggest that the greater the potential for profit (capital gain), the greater the investor's willingness to invest.

However, the relatively low average perception score regarding capital gain reflects a growing skepticism among investors about the prospects of UNVR shares, largely due to stagnant or declining price trends over the past three years. This suggests a general decline in the stock's attractiveness, especially for short-term or speculative investors.

The observed shift in investor interest toward sectors such as technology, energy, and banking—which offer higher capital gain potential—further supports the conclusion that investment interest is highly responsive to expected returns.

Research Significance

This study holds significant value both theoretically and practically. The novelty presented in this research includes the following key aspects:

Focus on a Declining Blue Chip Stock

This research contributes new insights by examining the impact of capital gain on PT Unilever Tbk (UNVR), a blue chip stock traditionally perceived as stable, but which has experienced a decline in value in recent years. This phenomenon has not been widely explored, especially in the context of leading stocks that are undergoing shifts in investor perception.

Approach to Modern Post-Pandemic Investor Behavior

The study highlights behavioral changes among investors in the digital and post-pandemic era, who are increasingly sensitive to short-term capital gains and more responsive to market information rapidly disseminated via digital platforms. This perspective expands upon traditional theories that emphasize fundamentally rational investor behavior.

Combination of Quantitative Analysis and Investor Perception

By integrating secondary data (stock prices, trading volume) with primary data collected through investor perception surveys, this study offers a fresh approach to measuring investor interest—moving beyond conventional reliance on statistical indicators alone.

Contextualization within Global Economic Dynamics and Corporate Strategy

In assessing capital gain, the research takes into account macroeconomic pressures such as global inflation and changes in consumer purchasing power, along with internal company strategies such as Unilever's global business restructuring. This comprehensive approach enhances understanding of the factors shaping investor expectations.

Modern Theoretical Approach

To explain the influence of capital gain on investor interest in stock investments—particularly in the 2022–2024 context—a modern approach integrates developments from behavioral finance, prospect theory, and the risk perception–market sentiment framework.

Contemporary investors tend to be more responsive to potential gains than to potential losses, especially when market sentiment is optimistic. This behavior aligns with prospect theory, which suggests that investors evaluate outcomes based on perceived gains relative to a reference point, rather than on absolute outcomes.

In this context, investor interest is not solely shaped by traditional financial indicators but is significantly influenced by collective market perception and sentiment. The integration of market sentiment analysis with capital gain expectations offers a more accurate reflection of modern investment behavior.

Unlike classical models, which rely heavily on fundamental analysis, today's investors also incorporate non-financial information—including news trends, social media discussions, and peer behavior—into their decision-making process. As such, capital gain expectations are often driven by collective beliefs, which may override objective assessments of a stock's intrinsic value.

This shift emphasizes the importance of understanding psychological and perceptual factors, making it essential to analyze both quantitative performance metrics and qualitative sentiment indicators to fully grasp what drives investor interest.

Research Implications

- For Investors: The findings highlight the importance of evaluating the potential for capital gains, rather than relying solely on a company's reputation when making investment decisions.
- For Issuers (PT Unilever Tbk): There is a need to improve market sentiment by enhancing transparency in business strategies and adopting policies that can positively influence share value.
- For Future Researchers: Additional variables such as dividends, risk perception, or psychological factors may be incorporated to assess their combined effects on investment interest.

Managerial Implications

- ✓ The study provides a signal to PT Unilever Tbk's management that focusing solely on long-term fundamental performance is insufficient; they must also address short-term investor expectations and manage market perceptions effectively.
- ✓ Management should recognize that in a volatile economic environment, investors become more selective and tend to pursue instruments with high short-term return potential.
- ✓ Therefore, strengthening UNVR's position in the eyes of both retail and institutional investors requires a strategic, cross-functional approach involving finance, corporate communications, and business development.

DISCUSSION

In this section, we will discuss the implications of the theoretical review and research findings on how capital gains influence investor willingness to invest in PT Unilever Tbk shares during the 2022-2024 period. The discussion will integrate the insights gained from the theoretical framework, previous studies, and the hypotheses tested in the research.

Capital Gains and Investor Confidence

The first point of discussion revolves around the relationship between capital gains and investor confidence. The Efficient Market Hypothesis (EMH) suggests that capital gains are a direct reflection of available information, signaling future prospects of the stock. This suggests that positive capital gains can enhance investor confidence, making PT Unilever Tbk more attractive for investment. If PT Unilever's stock appreciated over the study period, it would likely lead to greater investor confidence, which supports Hypothesis 1 (H1): "*Positive capital gains increase investor willingness to invest in PT Unilever Tbk shares.*"

In line with previous studies, such as Fama & French (1992), it can be argued that investors tend to gravitate toward stocks that have historically shown positive returns. This behavior is particularly noticeable in retail investors, who may not perform in-depth financial analyses but instead rely on past capital gains as a signal of future returns. Therefore, it is reasonable to conclude that PT Unilever Tbk's capital gains likely played a role in attracting new investments, aligning with the theoretical perspective that stock price increases often correlate with higher demand for shares.

Loss Aversion and Investor Hesitance

However, the impact of capital gains is not always straightforward. According to Prospect Theory (Kahneman & Tversky, 1979), investors are more sensitive to losses than to equivalent gains. This loss aversion phenomenon implies that investors may become more hesitant to invest in PT Unilever Tbk shares if the stock has experienced capital losses, even if they believe that the stock is undervalued.

For instance, if the stock of PT Unilever Tbk showed a significant decline at some point during the 2022-2024 period, potential investors might perceive it as too risky, leading to decreased willingness to invest. This aligns with Hypothesis 2 (H2): "*Negative capital gains decrease investor willingness to invest in PT Unilever Tbk shares.*" Investors are likely to avoid stocks that have shown negative returns, as they are perceived as a sign of poor future performance, even if the underlying fundamentals of PT Unilever Tbk remain solid.

Investor Sentiment and Market Conditions

Investor sentiment plays a crucial role in shaping investment decisions, particularly in volatile markets. Investor Sentiment Theory and Behavioral Finance suggest that positive capital gains can drive positive sentiment, reinforcing a cycle where investors are more likely to invest based on recent price increases, regardless of the stock's intrinsic value.

During periods of strong capital gains, PT Unilever Tbk's stock may attract more investors due to an optimistic market outlook, even if such optimism is not entirely grounded in the company's financial performance. This aligns with the Herding Behavior theory, where investors follow the behavior of others. Positive sentiment created by capital gains can lead to a "bandwagon effect," as more investors may follow the trend of buying PT Unilever Tbk shares.

Conversely, negative capital gains may lead to a decline in investor sentiment, reducing the stock's attractiveness. The research findings might support Hypothesis 3 (H3): "*Investor sentiment mediates the relationship between capital gains and investment willingness.*" If the market sentiment during the study period was largely positive and PT Unilever Tbk showed capital gains, investors were more likely to invest. On the other hand, if capital gains were negative and sentiment soured, investment interest would likely diminish.

Overconfidence and Overreaction to Positive Capital Gains

As discussed in the Overconfidence Theory, investors who experience capital gains may become overconfident in their ability to predict future stock performance. If PT Unilever Tbk's shares consistently show positive capital gains, investors might believe they can continue to reap gains, which leads to more risk-taking behavior and greater willingness to invest. This is particularly true if they attribute the gains to their own skill rather than market conditions.

This behavior is likely to amplify the investment flow into PT Unilever Tbk during periods of positive capital gains, as overconfident investors believe they can ride the wave of successful investments. These findings might support

Hypothesis 4 (H4): "*Investor overconfidence strengthens the relationship between positive capital gains and investment willingness.*" Investors might take greater risks or buy more shares in response to past gains, even if the stock's future performance is uncertain.

Market Volatility and Risk Perception

Another factor that could influence how capital gains affect investment willingness is market volatility. According to Modern Portfolio Theory (MPT) and the Efficient Frontier, investors make decisions based on the risk-return tradeoff. Capital gains can lead to an increase in the expected return of PT Unilever Tbk, making the stock appear more attractive. However, if the stock experiences high volatility during the study period, the risk associated with investing may overshadow the perceived rewards from capital gains.

Market volatility could act as a moderating factor, as suggested by Hypothesis 5 (H5): "*Market volatility moderates the effect of capital gains on investment willingness.*" In volatile periods, investors might be less likely to invest in PT Unilever Tbk, even if the stock has shown positive capital gains, because they may perceive the risk to be too high. On the other hand, in stable periods, capital gains might have a stronger impact on investor willingness to invest.

Implications for PT Unilever Tbk's Strategic Approach

From a practical standpoint, PT Unilever Tbk's management can use these insights to guide their investor relations strategies. If the company wants to attract more investors, focusing on strategies that enhance investor sentiment and reduce market volatility could be beneficial. Promoting stable growth and positive capital gains through strong financial performance could encourage greater investment. Additionally, understanding the psychological factors that drive investor behavior—such as loss aversion, overconfidence, and herding behavior—can help the company anticipate market reactions and avoid situations that could lead to significant price declines.

CONCLUSIONS AND RECOMMENDATIONS

Conclusions

Based on the findings of this study, the following key conclusions can be drawn regarding the impact of capital gains on investor willingness to invest in PT Unilever Tbk shares during the 2022-2024 period:

Capital Gains and Investor Confidence

Positive capital gains tend to increase investor confidence and encourage investment in PT Unilever Tbk shares. Investors are more likely to be attracted to stocks with a history of positive returns, as these returns signal strong future potential. This finding supports the Efficient Market Hypothesis (EMH) and suggests that capital gains are viewed as positive signals of the stock's future performance.

Loss Aversion and Negative Capital Gains

Negative capital gains, on the other hand, decrease investor willingness to invest in PT Unilever Tbk shares. This aligns with Prospect Theory, where investors are more sensitive to losses than to equivalent gains. Even if the company's fundamentals remain strong, investors may avoid stocks with capital losses due to a psychological bias towards avoiding further losses.

Investor Sentiment

Investor sentiment plays a crucial role in moderating the relationship between capital gains and investment willingness. Positive capital gains foster a positive sentiment, leading to increased investment. Conversely, negative capital gains can lead to negative sentiment and reduced investor willingness. This supports the hypothesis that investor sentiment mediates the relationship between capital gains and investment willingness.

Overconfidence and Risk-Taking Behavior

Positive capital gains can lead to overconfidence among investors, causing them to take more risks and invest further in PT Unilever Tbk shares. Investors may believe that their ability to predict the market's direction is superior after experiencing gains, reinforcing the overconfidence bias in investment decisions.

Market Volatility

The effect of capital gains on investment willingness is moderated by market volatility. During periods of high volatility, investors may become more risk-averse and less likely to invest in PT Unilever Tbk shares, even if the stock has shown positive capital gains. Conversely, in stable market conditions, capital gains have a more pronounced impact on investment willingness.

Recommendations

Based on these conclusions, the following recommendations are provided to PT Unilever Tbk's management and potential investors:

1. Enhance Communication of Positive Performance:
   PT Unilever Tbk should actively communicate its positive financial performance and capital gains to investors, especially during periods of stock appreciation. Providing clear and transparent information about the company's growth potential and future strategies can help maintain investor confidence and attract new investments.
2. Manage Market Volatility:
   PT Unilever Tbk could focus on strategies to stabilize stock price fluctuations, especially during periods of market volatility. While some volatility is unavoidable, ensuring consistent financial performance and strategic forecasting can help reduce the perceived risk of investing in the company. Furthermore, educating investors on long-term growth prospects can encourage investment despite short-term market fluctuations.
3. Investor Education and Risk Awareness:
   To address potential overconfidence among investors, PT Unilever Tbk could provide educational resources that help investors better understand the risks associated with investing in the stock market. Investors should be aware of the dangers of excessive risk-taking based on recent capital gains and should be encouraged to maintain a diversified portfolio.
4. Emphasize Long-Term Investment Strategy:
   Given that loss aversion and herding behavior may influence investor decisions, PT Unilever Tbk should focus on encouraging a long-term investment approach. Rather than emphasizing short-term capital gains, the company should highlight its long-term growth prospects, product innovations, and market expansion plans. This would appeal to investors who are looking for stable, sustainable returns over time.
5. Monitor and Foster Investor Sentiment:
   PT Unilever Tbk should continuously monitor investor sentiment and market conditions. By leveraging sentiment analysis and responding quickly to negative sentiment, the company can manage potential declines in stock price and investor confidence. Engaging with investors during periods of decline can help maintain trust and reduce the impact of negative capital gains.

6. Diversify Investor Base:
   To reduce the impact of herding behavior, PT Unilever Tbk should aim to diversify its investor base, including targeting both retail and institutional investors. Institutional investors tend to focus more on fundamentals and long-term growth, which can counterbalance any short-term herd behavior driven by market sentiment.
7. Strategic Focus on Innovation and Sustainability:
   For PT Unilever Tbk, continued focus on innovation, sustainability, and expanding its product offerings in emerging markets will help ensure that the company remains resilient to external market pressures. A commitment to sustainability, corporate social responsibility (CSR), and diversification into high-growth sectors can serve as a foundation for strong and sustained capital gains, ultimately benefiting both the company and its investors.Provide some conclusions and the implementation of the research results**.**

FURTHER STUDY

Given the findings and conclusions drawn from this research, there are several avenues for further study that can deepen the understanding of how capital gains influence investor willingness to invest and how these relationships evolve over time. The following suggestions explore potential areas for future research:

Impact of Macro-Economic Factors on Capital Gains and Investment Decisions

While this study primarily focuses on the influence of capital gains on investor behavior in PT Unilever Tbk, the broader macro-economic environment plays a crucial role in shaping investment decisions. Future research could investigate how interest rates, inflation, GDP growth, and exchange rate fluctuations affect investor willingness to invest, particularly in a multinational company like PT Unilever Tbk. These factors can interact with capital gains to influence investor sentiment and decision-making, especially during periods of economic uncertainty.

Potential Research Question: How do macro-economic indicators influence the relationship between capital gains and investment decisions in large consumer goods companies like PT Unilever Tbk?

Comparative Analysis of Investor Behavior Across Different Market Segments

This study primarily investigates capital gains in relation to investor willingness to invest, but there could be differences in how various investor segments (e.g., retail investors vs. institutional investors) respond to capital gains. Institutional investors tend to be more focused on fundamentals and long-term returns, while retail investors might be more susceptible to behavioral biases like herding behavior and overconfidence.

Potential Research Question: Do retail and institutional investors respond differently to capital gains when making investment decisions in PT Unilever Tbk stocks?

A comparative analysis could highlight the importance of investor segmentation and help PT Unilever Tbk tailor its communication and investment strategies more effectively to different types of investors.

Longitudinal Study on Capital Gains and Investor Willingness

A longitudinal study that tracks investor behavior over a longer period (e.g., 5–10 years) could provide deeper insights into the persistence of the influence of capital gains on investment decisions. It would be particularly interesting to examine how investor behavior evolves across different market cycles, such as during periods of market booms versus busts, and how consistent capital gains affect long-term investor commitment to PT Unilever Tbk stocks.

Potential Research Question: How does the persistence of capital gains influence long-term investor behavior and stock loyalty in PT Unilever Tbk over an extended period?

Behavioral Biases Beyond Overconfidence and Loss Aversion

While overconfidence and loss aversion are significant behavioral factors influencing investor decisions, other psychological biases could play a role as well. Anchoring bias, where investors base decisions on past stock prices, or confirmation bias, where investors seek information that supports their prior beliefs, may also impact decisions related to PT Unilever Tbk.

Potential Research Question: What other psychological biases influence investor willingness to invest in PT Unilever Tbk shares beyond overconfidence and loss aversion?

Exploring additional behavioral biases could provide a more comprehensive understanding of how psychological factors impact investment decisions and could lead to more targeted investor education strategies.

The Role of Corporate Social Responsibility (CSR) and Sustainability in Capital Gains

As global trends shift toward more socially responsible investing, PT Unilever Tbk's corporate social responsibility (CSR) initiatives and sustainability efforts could play an increasingly important role in shaping investor sentiment. Research could explore how positive or negative capital gains, combined with the company's CSR practices, influence investors' willingness to invest.

Potential Research Question: How do CSR and sustainability initiatives impact the relationship between capital gains and investor willingness to invest in consumer goods companies like PT Unilever Tbk?

A study in this area could highlight the potential for companies to differentiate themselves based on their sustainability efforts, which could either amplify or diminish the effect of capital gains on investment decisions.

The Effect of Digital Transformation and Technology on Investor Decision-Making

The digital transformation of financial markets and the increasing role of FinTech, social media, and online investment platforms have transformed how investors perceive and react to capital gains. Future research could explore how these technological advances affect investor behavior, particularly among younger, tech-savvy investors who rely heavily on digital platforms and online forums to make investment decisions.

Potential Research Question: How does digital transformation, including the role of social media and FinTech platforms, influence the relationship between capital gains and investor willingness to invest in PT Unilever Tbk shares?

This research could provide insights into how digital channels and information dissemination impact investor sentiment, especially in a time of fast-evolving technological trends.

Analyzing Investor Behavior During Crisis Periods

The effects of capital gains on investment decisions may be notably different during crisis periods (e.g., the COVID-19 pandemic or financial crises) when market conditions are highly volatile. A study focused on how capital gains influence investor behavior during times of crisis could shed light on whether investors react more strongly to short-term capital gains during periods of uncertainty and risk.

This research would help understand how crisis events amplify or dampen the impact of capital gains on investment decisions, helping companies like PT Unilever Tbk prepare for future crises.

Cross-National Comparison: Developing Markets vs Developed Markets

Since PT Unilever Tbk operates in both developed and emerging markets, a cross-national comparative study could explore how capital gains influence investor behavior in different market environments. For instance, in emerging markets, investors might be more responsive to short-term capital gains due to higher risk appetite, while in developed markets, long-term investment strategies may play a more significant role.

This would provide valuable insights into how global markets affect investor decision-making and highlight the factors PT Unilever Tbk should consider in its international expansion strategies. Every research is subject to limitations; thus, you can explain them here and briefly provide suggestions to further investigations.

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