



IMPACT OF COVID-19 ON ZOOM VIDEO COMMUNICATIONS INC. STOCK PRICE (NOVEMBER 2020 - APRIL 2021)

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Abstract: Coronavirus Disease 2019 (Covid-19) first appeared in the city of Wuhan-China at the end of 2019, then slowly spread throughout the world. This study aims to analyze the stock price movement of Zoom Video Communications Inc (Zm) during the Covid-19 pandemic and the Effect of Covid-19 on the stock price of Zoom Video Communications Inc (Zm). The analytical method used in this research is descriptive quantitative. The analytical tool used in this study is multiple linear regression analysis and hypothesis testing in this study using the t test and F test through the SPSS Version 22 for Windows program. The results show that stock price movements when new cases, total cases, new deaths and total deaths are confirmed, providing information that stock prices tend to rise during Covid-19 cases. New Cases, Total Cases, New Deaths and Total Covid-19 Deaths simultaneously have a significant effect on Stock Prices. Partially New Cases, New Deaths and Total Covid-19 Deaths have a significant effect on Zoom's stock price while the total Covid-19 cases have no significant effect on Zoom's stock prices.

Keywords: Covid-19, Stock Price, Zoom

INTRODUCTION

Coronavirus Disease 2019 (Covid-19) first appeared in the city of Wuhan – China at the end of 2019, then slowly spread to all parts of the world. Based on data from WHO as of November 30, 2021, the spread of this virus has reached more than 200 countries in the world, with 262,245,827 confirmed cases and 5,222,537 cases of death and on March 11, 2020, WHO has declared Covid-19 a pandemic. The emergence of the corona virus pandemic or covid-19 is able to paralyze the activities of all people who are carried out outside the home. Coronaviruses are a large family of viruses that cause mild to severe illness, such as the common cold or the common cold and serious illnesses such as MERS and SARS. The Covid-19 pandemic cannot be controlled quickly, so it requires proper management from both the government and the community. One of the preventions to stop the transmission of Covid-19 which is recommended by the government is to stay at home. This limits everyone from doing activities outside the home so that people must be able to take advantage of the sophistication of today's technology.

One of the activities affected by the Covid-19 pandemic is education. Learning during the pandemic cannot be carried out face-to-face and as an alternative, distance learning is

carried out online (online). In addition to education, working online from home (work from home) is an option for workers/employees/employees during the Covid-19 pandemic. The Covid-19 pandemic has not only changed the mode of study and work from face-to-face (offline) to online, but also affects business/economic activities in terms of decreasing profits and decreasing economic growth.

Another sector that is affected is the investment sector. Since the beginning of 2020, global economic performance has also been depressed due to negative sentiment from the corona virus. Especially after the World Health Organization (WHO) announced the status of the corona virus as a global pandemic, the pressure on the economy was getting stronger, and the United States economy was no exception.

One of the companies that is expected to benefit from this increase in stock prices is Zoom. Zoom Video Communications, Inc. (Zm) is an American communications technology company headquartered in San Jose, California. Zoom cloud meeting is an online meeting application with the concept of screen sharing. This application allows users to meet face-to-face with more than 100 participants and connect with participants directly into the same room and conduct meetings. Zoom is an application that provides remote conferencing services by combining video conferencing, online meetings, chat, to mobile collaboration. This is the background of this thesis research which raises the Impact of Covid on the Share Price of Zoom Video Communications Inc (Zm) as the focus of the discussion. data collection using data on the nasdaq stock market in the United States.

Further research problems are formulated as research questions as follows.

- 1) How was the stock price movement of Zoom Video Communications Inc (Zm) during the Covid-19 pandemic?
- 2) How will Covid-19 affect the share price of Zoom Video Communications Inc (Zm)?

LITERATURE REVIEW

Capital market

The capital market in general is a meeting place between supply and demand for securities. In this place, market participants, namely individuals or business entities that have excess funds (surplus funds) invest in securities offered by issuers. The capital market plays a role in supporting the implementation of national development in order to increase equity, growth, and stability of the national economy in the direction of increasing people's welfare. The following is an understanding of the capital market put forward by experts:

According to Tandelilin (2017), The capital market is a meeting between parties who have excess funds and those who need funds by trading securities. The capital market can also be interpreted as a market for trading securities which generally have a lifespan of more than 1 year, such as stocks, bonds and mutual funds. According to Mishkin (2017) The capital market is a place where various parties, especially companies, sell stocks and bonds with the aim that the proceeds from these sales will be used as additional funds or to strengthen the company's capital. According to Hartono (2016) The capital market is a meeting place between buyers and sellers with the risk of profit and loss. Short-term funding requirements are generally obtained in the money market (eg commercial banks). The capital market is a means for companies to increase their long-term funding needs by selling shares or issuing bonds.

So it can be concluded that the capital market is a mechanism for buying and selling long-term capital market instruments between sellers and buyers, whether individuals, corporations or governments. The capital market has a big role in the economy of a country. Apart from being a means to invest, the capital market is also a source of funds for companies. at the same time plays a role in carrying out its two functions, namely the economic function and the financial function.

Stock

Stocks are one of the capital market instruments that are most in demand by investors because they provide an attractive level of profit. Shares can be defined as a sign of a person's or unilateral equity participation (business entity) in a company or limited liability company. By including capital, the party has a claim on the company's income, claims on company assets, and is entitled to attend the general meeting of shareholders.

According to Hartono (2016), shares (stock) are company ownership rights that are sold. If the company only issues one class of shares, these shares are called common stock. To attract other potential investors, a company may also issue another class of shares, called preferred stock.

According to Hayes (2020), Stocks are securities that represent the ownership of a small part of the company. Shareholders can be given rights to assets and profits earned by the company in proportion to how many shares they own. According to Joshi (2017) the profits obtained from share ownership are the result of company profits distributed to shareholders in addition to setting aside retained earnings for other company needs. Fast-growing companies often pay little or nothing, because most of their revenue is held in the company. On the other hand, a company that is well established or has a long history of profits is likely to pay relatively high returns to its shareholders.”

Based on the understanding of the experts above, it can be concluded that shares are proof of ownership of a company in which the nominal value, company name, and rights and obligations are explained to each holder. In this study, the stock used as the object of research is Zoom Inc. stock. Zoom shares are included in the type of common stock. The stock price is the closing price of the stock market during the observation period for each type of stock sampled and its movement is always observed by investors. One of the basic concepts in financial management is that the goal of financial management is to maximize the value of the company. For companies that have gone public, this goal can be achieved by maximizing the market value of the share price in question. Thus, decision making is always based on considerations of maximizing the wealth of shareholders.

Covid-19 And Stock Prices

The impact of the Covid-19 pandemic is feared to cause a recession, according to the International Monetary Fund (IMF) stating that the economic crisis caused by Covid-19 will be more severe than during the 2008 economic crisis. Of course, this impact will also be felt on global financial markets. . The Nikkei market price trend is experiencing stock price volatility and most of it is a downward trend since the outbreak of Covid-19 (Sansa, 2020). The Covid-19 pandemic has caused the market to become negative due to the low assessment of investors (Nasution, Erlina, & Muda, 2020). The Corona virus caused a severe impact on the capital market, and affected the investment decisions of investors so that the global stock market weakened (Burhanuddin & Abdi, 2020).

Hypothesis

Based on this framework, the writer can formulate the following hypothesis:

H1: There is an influence between new cases (Covid-19) and stock prices

H2: There is an effect between the total cases (Covid-19) and stock prices

H3: There is an effect between new deaths (Covid-19) and stock prices

H4 : There is an effect between total deaths (Covid-19) and stock prices.

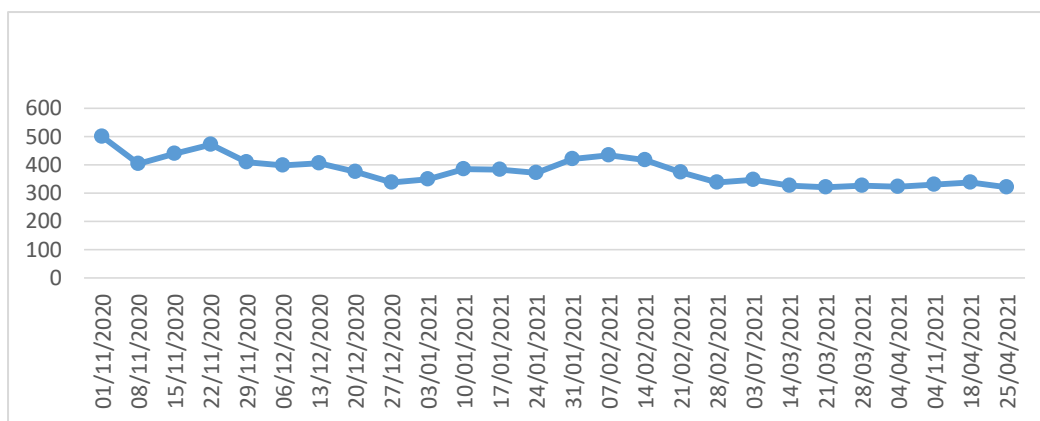
RESEARCH METHODS

The analytical method used in this research is descriptive quantitative. The analytical tool used in this study is multiple linear regression analysis and hypothesis testing in this study using the t test and F test through the SPSS Version 22 for Windows program.

FINDINGS AND DISCUSSION

Zoom Stock Price Movement

Zoom stock price movements during the observation period (1 November 2020 – 25 April 2021) can be seen in Picture 1.



Picture 1
Zoom Stock Price Movement Chart

Source : <https://www.investing.com/equities/zoom-video-communications>

This picture shows the movement of the increase and decrease in Zoom's share price from November 1, 2020 to April 25, 2021. The highest increase in share price occurred on November 1, 2020 with a price reaching 500.11 USD while the lowest decline in share price occurred in April 25, 2021 for \$319.57 USD.

Multiple Linear Regression

Multiple linear regression analysis was used to determine the relationship or influence of the independent variables, namely New Cases, Total Cases, New Deaths and Total Covid-19 deaths on the variable, namely Stock Price. Data processing was carried out using the SPSS program, table 1 shows the results of multiple linear regression analysis.

Table 1
Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients	
	B	Std. Error
KONSTANTA (a)	630.174	48.147
X1	-.001	.000
X2	-3.562E-7	.000
X3	.064	.028
X4	-.001	.000

a. Dependent Variable: Y

Source: Processed data

From the table of the results of the regression analysis above, the following regression equation is obtained:

$$Y = 630,174 - 0.001X1 - 3.562E-7X2 + 0.064X3 - 0.001X4$$

F Significant Test (Simultaneous Effect Test)

Simultaneous testing is carried out to show whether all the variables used in the regression model have a significant effect on the Y variable (Stock Price). All of these variables were tested simultaneously using the F test. Table 2 shows the results of the significant F test.

Table 2
F Significant Test Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	42797.258	4	10699.315	12.316	.000 ^b
Residual	18244.038	21	868.764		
Total	61041.296	25			

a. Dependent Variable: Y

b. Predictors: (Constant), X4, X2, X3, X1

Source: Processed data

Based on table 1.2 above, it can be seen that the probability (sig.) is $0.000 < 0.05$. And $F_{count} (12.316) > F_{table} (2.840)$. This means that it can be concluded that changes in the variables of New Cases (X1), Total Cases (X2), New Deaths (X3) and Total Deaths (X4) of Covid-19 simultaneously (simultaneously) have a significant effect on changes in Y (Stock Price).

T Significant Test (Partial Effect Test)

Partial regression model testing is used to determine whether each independent variable forming the regression model individually has a significant effect on the dependent variable. To test this relationship, the T test is used, namely by comparing the value of T_{count} with T_{table} . The independent variable forming the regression model is said to have a significant effect if $T_{count} > T_{table}$ or significant < 0.05 . Table 3 shows the results of the significant T test.

Table 3
T . Significant Test Results

Model	Standardized Coefficients	t	Sig.
	Beta		
KONSTANTA (a)		13.089	.000
X1	-.956	-3.180	.005
X2	-.098	-.483	.634
X3	.675	2.246	.036
X4	-1.251	-6.226	.000

a. Dependent Variable: Y

Source: Processed data

Based on the results of the T test above, the effect of the independent variable on the dependent variable can be explained as follows:

- 1) There is an influence between new cases (Covid-19) and stock prices
The first hypothesis regarding the new case variable (X1), it is known that the significance is $0.005 < 0.05$, so partially the new case (X1) has a negative effect on stock prices.
Hypothesis 1: Hypothesis Accepted
- 2) There is an influence between the total cases (Covid-19) and stock prices
The second hypothesis regarding the total case variable (X2), it is known that the significance is $0.634 > 0.05$, so partially the total case (X2) has no effect on stock prices.

Hypothesis 2: Rejected

- 3) There is an influence between new deaths (Covid-19) and stock prices

The third hypothesis regarding the new death variable (X3), it is known that the significance is $0.036 < 0.05$, then partially new death (X3) has a positive effect on stock prices.

Hypothesis 3: Accepted

- 4) There is an effect between total deaths (Covid-19) and stock prices.

The fourth hypothesis regarding the total mortality variable (X4), it is known that the significance is $0.000 < 0.05$, then partially the total death (X4) has a negative effect on stock prices.

Hypothesis 4: Accepted

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The results of the study show that stock price movements when new cases, total cases, new deaths and total deaths of Covid-19 are confirmed, providing information that stock prices tend to rise when Covid-19 cases are disclosed. New Cases, Total Cases, New Deaths and Total Covid-19 Deaths simultaneously (simultaneously) have a significant effect on Stock Prices. Partially New Cases, New Deaths and Total Covid-19 Deaths have a significant effect on Zoom's stock price while the total Covid-19 cases have no significant effect on Zoom's stock prices.

Recommendations

- 1) For further research, it is expected that a larger population should be used in order to truly represent the entire company under study.
- 2) For investors who will invest their shares, it is better to consider their investment decisions to pay attention to financial performance.

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