

FACTORS INFLUENCING GOLD INVESTMENT ATTITUDE AMONG WOMEN INVESTORS: A Study With Reference to Cuddalore District of Tamilnadu

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KEYWORDS

Family Influence, Knowledge and Awareness, Social Status, Investment Attitude, Gold investment, Women Investors

ABSTRACT

Several family, knowledge and awareness and social factors contribute investment attitudes toward gold in India. Gold is seen as a store of value, a hedge against economic uncertainties, and an essential component of cultural traditions, particularly for weddings and festivals. In this scenario, the present study aimed to understand the major factors which contribute investment attitude among women investors on gold. A sample size of 571 women investors were selected from Cuddalore district of Tamilnadu for the study by using non-probability convenience sampling technique. Descriptive Statistics and Regression analysis were applied. The study findings state that the knowledge and awareness, and Family factors contribute significantly on investment attitude among women to invest on gold. Managerial implications are given in this paper.

INTRODUCTION AND BACKGROUND

Several economic, cultural, social, demographic, and psychological factors contribute investment attitudes toward gold in India. Gold is seen as a store of value, a hedge against economic uncertainties, and an essential component of cultural traditions, particularly for weddings and festivals. The influence of friends, relatives, parents, spouse, cultural and traditional values, and demonstrative needs are major reasons for buying more gold.

The preference for physical assets makes Indian households view gold as a safe haven, especially in rural areas where it is seen as a portable and secure investment. Gold serves as a means to pass down wealth through generations, signifying financial stability and security. Even among those with limited resources, gold is considered a solution to multiple problems, further cementing its social importance.

India's young population and shifting attitudes, driven by technology and increased spending on luxury goods, present both opportunities and challenges for gold demand. While a growing middle class and rising incomes support increased gold demand, a declining savings rate and the availability of alternative investment avenues pose obstacles. The Indian government aims to transform the gold market through initiatives like "Make in India" and the establishment of bullion exchanges to provide an efficient market for gold.

Gold is widely perceived as a less risky and safe investment, influencing investor behavior. Investors often view gold less from returns perspective and more as a means of ensuring a long-term diversified investment portfolio. Many investors make their own investment decisions based on self-analysis and available market information, highlighting the importance of investor education to boost investment in paper and digital gold.

Knowledge and awareness significantly influence investment attitudes toward gold, affecting investor optimism, portfolio performance, and decision-making (World Gold Council, 2024; and State Street Global Advisors, 2024). Financial literacy and understanding of market trends are key factors in shaping these attitudes and behaviors.

REVIEW OF LITERATURE

An earlier research study undertaken by Jastram (1977) indicates that gold is an efficient inflation-deflation hedge. In continuation of this Van Tassel (1979) says that gold, as a commodity, it would be in demand in the future due to its contribution as an exhaustible resource and a long-term inflation hedge. The recent studies by Singh and Joshi (2019), Starr and Tran (2008), Mani and Vuyyuri (2003), Blose (1996), and Chua and Woodward (1982) are supporting the earlier studies.

STATEMENT OF THE PROBLEM

Global market trends, including international gold rates, inflation, geopolitical tensions, and economic stability, influence gold prices in India. Gold is often used as a hedging tool against inflation, with its value typically rising as the cost of living increases. Conversely, there is generally an inverse relationship between gold and interest rates; lower rates make gold more appealing, while higher rates can reduce its attractiveness as investors prefer fixed-income investments. Gold is deeply ingrained in Indian culture, considered a symbol of wealth, status, purity, and good fortune. It is central to many rituals, with gifting gold deeply ingrained in marriage traditions, generating approximately 50% of annual gold demand in India. Seasonal celebrations, wedding seasons, and religious festivals also drive up local demand, influencing gold prices. This cultural demand consistently outstrips investment-grade gold demand, making it a crucial factor in the global gold market. In the above aspects, the researcher intended to find out the major factors which contribute the investment attitude on gold among women at Cuddalore District of Tamil Nadu state.

OBJECTIVE OF THE STUDY

To analyse the relationship between factors of gold investment decision (Family Influence, Knowledge and Awareness, and Social Status) and Investment Attitude among Women at Cuddalore District of Tamilnadu.

HYPOTHESIS

- There is a relationship between factors of gold investment decision on Investment Attitude.

RESEARCH METHODOLOGY

The present study has adopted the descriptive study design, which describes the nature of study variables and their relationships. The study is confined to the women investors who invest in gold from Jewellery showrooms, share market, and government agencies in various forms namely, Exchange Traded Funds (ETF), Physical/ Jewels, Gold Certificates, and Government Agencies at different taluks of Cuddalore district, Tamilnadu State. A well-designed and pre-tested tool contains Family Influence, Knowledge and Awareness, and Social Status. Family Influence factor consists of five statements according to Shafinar Ismail et al. (2014), Knowledge and Awareness consists of ten statements, and Social Status factor consists of eight statements, Investment Attitude scale has 8-items Likert scaled developed by Zaimal Azhar et al. (2017) adopting Likert's five-point scale (Strongly Agree – 5, Agree – 4, Neither Agree nor Disagree – 3, Disagree – 2 and Strongly Disagree – 1) was used to assess the responses.

Population and Sample

Population of the present study is infinite. In order to justify the population, the researcher has visited to the Jewellery shops, the authorized share marketers, government agencies etc. where the women investors who intended to invest in gold at different taluks of Cuddalore district, Tamilnadu State. Sample size of the study is 571 women investors selected for the study by using non-probability convenience sampling technique

RESULTS AND DISCUSSION

Table - 1. Results of Mean, Standard Deviation and Rank on the factors of family influence in investment on gold among women investors.

S. No.	Family Influence Factors	Mean	Std. Deviation	Rank
1.	Parents play an important role in investing gold	4.58	0.687	1
2.	Number of children related to invest gold	4.46	0.723	2
3.	My family used to keep record of income and expenditures	4.46	0.730	3
4.	Satisfy children's need	4.28	0.829	4
5.	Past experience helps to invest gold	4.25	0.822	5

Source: Computed

Table – 1 shows the mean and standard deviation of the family factors which influence in investment on gold among women investors are assessed and the factors are ranked, the result shows that the factor, “Parents play an important role in investing gold” (mean = 4.58; S.D. = 0.687) is found to be higher and ranked first among the overall women investors.

Table - 2. Results of Mean, Standard Deviation and Rank on the factors of Knowledge and Awareness in investment on gold among women investors.

S. No.	Knowledge and Awareness Factors	Mean	Std. Deviation	Rank
1	I am aware that investments are good for financial planning	4.50	0.717	1
2	Advertisements present the true picture of gold designs	4.43	0.810	2
3	I am aware that investments is important in the future	4.39	0.860	3
4	I am aware that investment can give more income	4.32	0.884	4
5	Showing of designs in gold advertisements is more impressive	4.30	0.825	5
6	Advertising gold shops are familiar	4.22	0.862	6
7	I am aware of investments	4.21	0.986	7
8	Regular advertisements are more effective than timely advertisements	4.19	0.905	8
9	Festival advertisements differ from normal advertisements	4.11	1.061	9
10	I am aware that investment has high risk	4.03	0.969	10

Source: Computed.

Table – 2 shows the mean and standard deviation of the knowledge and awareness factors which influence in investment on gold among women investors are assessed and the factors are ranked, the result shows that the factor, “I am aware that investments are good for financial planning” (mean = 4.50; S.D. = 0.717), “Advertisements present the true picture of gold designs” (mean = 4.43; S.D. = 0.810), and “I am aware that investment is important in the future” (mean = 4.39; S.D. = 0.860) are found to be higher and ranked the top three positions among the overall women investors.

Table - 3. Results of Mean, Standard Deviation and Rank on the factors of Social Status in investment on gold among women investors.

S. No.	Social Status Factors	Mean	Std. Deviation	Rank
1	From jewel I learn about fashions and about what to buy to impress others.	2.34	1.251	1
2	New jewel models promote undesirable values in our society	2.02	1.129	2
3	Gold shows the social status	1.95	1.142	3
4	I like to purchase gold before others do.	1.74	1.095	4
5	New jewel models people live a world of fantasy	1.73	1.149	5
6	I use gold to create my social identity	1.70	1.088	6
7	Overall, it is exciting to buy the latest jewel models	1.68	1.056	7
8	Overall, I enjoy buying the latest model jewel	1.60	0.950	8

Source: Computed.

Table – 3 shows the mean and standard deviation of the social status factors which influence in investment on gold among women investors are assessed and the factors are ranked, the result shows that the factor, “From jewel, I learn about fashions and about what to buy to impress others” (mean = 2.34; S.D. = 1.251), and “New jewel models promote undesirable values in our society” (mean = 2.02; S.D. = 1.129) are found to be higher and ranked the top two positions among the overall women investors.

Table - 4. Results of Mean, Standard Deviation and Rank on the factors of Investment Attitude on gold among women investors.

S. No.	Investment Attitude Factors	Mean	Std. Deviation	Rank
1	I generally have a specific objective while making investment	4.49	0.724	1
2	Investment in gold is extremely valuable	4.27	0.709	2
3	Gold investment is good for people	3.99	0.664	3
4	I generally review my investment progress very frequently	3.94	0.799	4
5	Gold investment should be encouraged	3.94	0.834	5
6	Gold investment gives better return	3.91	0.703	6
7	I am confident that if I wish I can regularly invest	3.82	0.894	7
8	I take lot of efforts while making investment	3.62	0.808	8

Source: Computed.

Table – 4 shows the mean and standard deviation of the investment attitude factors which influence on gold investment among women investors are assessed and the factors are ranked, the result shows that the factor, “I generally have a specific objective while making investment” (mean = 4.49; S.D. = 0.724), “Investment in gold is extremely valuable” (mean = 4.27; S.D. = 0.709), and “Gold investment is good for people” (mean = 3.99; S.D. = 0.664) are found to be higher and ranked the top three positions among the overall women investors.

Table 5. Results of Multiple Regression for factors of gold investment decision on Investment Attitude

Variables	Unstandardized Co-efficient	S.E.	Standardized Co-efficients	't'-value	'p' value
Constant	2.515	0.194		12.950	0.000
Social Status	0.066	0.050	0.074	1.303	0.193
Knowledge and Awareness	0.253	0.040	0.335	6.266	0.000
Family Factors	0.060	0.025	0.101	2.368	0.018

Dependent Variable: Investment Attitude

R – 0.371; R Square – 0.138; F – 30.191**

Hypothesis : There is a relationship between factors of gold investment decision on Investment Attitude.

The multiple regression coefficient is found to be 0.371 measures the degree of relationship between the actual values and the predicted value of the investment attitude. Because the predicted values are obtained as a liner combination of Social Status, Knowledge and Awareness, and Family Factors. The coefficient value of 0.371 indicates that the relationship between investment attitude and the independent variables is quite and positive.

The coefficient of determination R-square measures the goodness-of-fit of the estimated sample regression plan in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R-square is 0.138 simply means that about 13.80 per cent of the variation in investment attitude is explained by the estimated sample regression plan that uses Social Status, Knowledge and Awareness, and Family Factors as the independent variables and R-square value is significant at 0.01 level.

The co-efficient Social Status is found to be 0.066, which represents the partial effect of investment attitude along with the other investment decision factors. The estimated positive sign implies that such effect is positive that the investment attitude would increase by 0.066 for every unit increase of social status and this co-efficient value is insignificant. The co-efficient Knowledge and Awareness is found to be 0.253, which represents the partial effect of investment attitude along with the other investment decision factors. The estimated positive sign implies that such effect is positive that the investment attitude would increase by 0.253 for every unit increase of knowledge and awareness and this co-efficient value is significant at the 0.01 level. The co-efficient Family Factors is found to be 0.060, which represents the partial effect of investment attitude along with the other investment decision factors. The estimated positive sign implies that such effect is positive that the investment attitude would increase by 0.060 for every unit increase of family factors and this co-efficient value is significant at the 0.01 level. Hence, the proposed hypothesis is accepted.

DISCUSSION

The family factors which influence in investment on gold among women investors is found that Parents play an important role in investing gold; the knowledge and awareness factors is concern, the women investors consider the gold investments are good for financial planning as well as investment on gold is more important for their future; and the women investors mainly aware on the advertisements of the showrooms with respect to the design elements of the jewels. The women investors have affinity on fashion designs, while investing on gold and jewels in order to impress others.

The major investment attitude factors which influence much on gold investment are: the women investors have a specific objective while making investment and consider investment in gold is extremely valuable view gold investment is good for people. In order to

test the hypothesis regression analysis was applied and the explanatory variables, the knowledge and awareness, and family factors contribute significantly on investment attitude among women to investment on gold.

POLICY IMPLICATION

The family influence is an important factor on making investment decision on gold. Past experience on financial planning, saving habits within the family members may influence significantly the investment attitude among women. Financial literacy, social status among women can also boost their investment decision on gold. Policymakers may also effectively create awareness among the investors through advertisements and publicity.

CONCLUSION

The present study aimed to know the factors which influence on investment decision in gold among women investors in Cuddalore district of Tamilnadu. Majority of the women have confusion due to a lack of knowledge and awareness, at the same time they are very clear to in identifying the low-risk investment options. The present study found that Investment attitude in gold is contributed significantly by the factors knowledge and awareness, and social status.

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