

Investment Behaviour of Women Investors on Gold: A Study with Reference to Cuddalore District of Tamilnadu

S. Murugan¹, M. Kamaraj²

¹Ph.D. Research Scholar, Department of Business Administration, Annamalai University, India, muruganselvarangam@gmail.com

²Associate Professor, Department of Business Administration, Annamalai University, India, kamarajaudde@gmail.com

Gold is regarded as valuable metal in India, it has been used by people as a luxury good in the society. In Indian many investment avenues, investment in gold is the people first preference. The main aim of the present study is to assess the investment behaviour among women investors in gold at Cuddalore district of Tamilnadu. A sample size of 571 women investors were selected for the study by using non-probability convenience sampling technique. Descriptive Statistics and One-way Analysis of Variance test were applied. The study findings state that the investment behaviour factors such as, Profitability, Safety, Conventional, Traditional Value, Ideal Investment Tool, Future Prospects and Trust Worthiness are considered as important factors of low family income group women, while the factors, Safety, Time Value of Money, Tax Aversion and Risk management are considered to invest in gold among the higher family income group respondents. From this study it is also considered that the respondents do not differ on their gold investment behavioural factors as, conventional, traditional value and risk management. Managerial implications are given in this paper.

Keywords: Investment Behaviour, Gold investment, Women Investors

1. Introduction

Gold is regarded as a valuable metal in India, it has been used by people as a luxury good in the society. Gold is seen as a symbol of power, prestige and authority. Gold keeps a big sentimental meaning in Indian culture. The Indian traditions stimulate investing in gold for special and auspicious occasions namely, Weddings, important celebrations and festivals. In Indian many investment avenues are there, but investment in gold is the people first preference. The reasons by which Indians regarded gold as an important investment are: it is considered as easily liquid, returns good on investment, a status symbol etc.

Indian gold market is the largest in the world, it is the major avenue for savings of the low-income group and middle-income group households. Investors perceive gold as a safe

investment, who purchase is in different forms like, gold bars, coins, jewellery, exchange-traded funds, etc. Demand for gold in India is very strong, it gives economic, cultural and social significance.

Investment behaviour says that individuals make decision by evaluating the usefulness and consider the value of the goods and necessities. The investment behaviour constitutes the motives, gathering product information, criteria for evaluation, experience in both pre and post investment.

Investors often view gold as a reliable investment for several reasons. Gold is seen as a hedge against inflation and a diversifier for investment portfolios (Soniya Garg, 2021). Investors are concerned about inflation and commonly invest in both physical gold and gold-backed financial instruments (Samuel and Ramraj, 2021).

The investment behavior of investors towards gold is influenced by various factors. These include the perceived benefits and returns expected from gold investments, as well as investors' personal needs and risk preferences (Samuel and Ramraj (2021); and Sree Devi (2024). Factors like the current market conditions, gold prices, and investor demographics also play a role in shaping their investment decisions (Ranganathan Mottur, 2021). Behavioral finance principles suggest that investor psychology and emotions, such as risk aversion, also impact their decisions to invest in gold (Sree Devi, 2024). Investors may view gold as a "safe haven" asset during times of economic uncertainty (Samuel and Ramraj, 2021). Overall, gold remains a popular investment choice among investors, driven by its perceived stability, inflation-hedging properties, and role in portfolio diversification. Investors' behavior towards gold is a complex interplay of rational and behavioral factors (Sree Devi, 2024; Samuel and Ramraj, 2021; and Ranganathan Mottur, 2021).

STATEMENT OF THE PROBLEM

Gold prices are affected by various factors, including supply and demand, central bank reserves, inflation, and economic uncertainty. Mining production and central bank policies also play a role in determining gold prices. Economic instability often leads to increased demand for gold, driving up its price, while rising interest rates can decrease demand. Geopolitical events and technological advancements in gold mining further influence its price. Market sentiment significantly impacts gold prices, with fear and greed being primary drivers. During times of economic uncertainty or geopolitical instability, investors often flock to gold as a safe haven, driving up prices. Positive sentiment and momentum can fuel buying frenzies, while negative news can exacerbate selling pressure. Investors should be aware of their emotional biases and avoid making impulsive decisions based on short-term market movements. In the above aspects, the researcher intended to assess the perception of women investors and their behaviour on investment in gold at Cuddalore District of Tamil Nadu state.

OBJECTIVE OF THE STUDY

- To assess investment behaviour on Gold among Women at Cuddalore District of Tamilnadu.

HYPOTHESIS

- There is no significant difference among women investors on gold with respect to their Family Monthly Income.

2. 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 29-items Likert scaled Investment Behaviour developed by Hundal, et al. (2013) 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 investors behaviour.

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

3. Results and Discussion

Table – 1: Results of Mean and Standard Deviation on Investment Behaviour in Gold among Women in Cuddalore District of Tamilnadu.

Investment Behaviour	Family Monthly Income (in Rupees)												Total		
	Upto 25,000			25,001 to 50,000			50,001 to 100,000			Above One Lakh					
	N	M	S.D.	N	M	S.D.	N	M	S.D.	N	M	S.D.	N	M	S.D.
Profitability	38	3.51	0.68	208	3.19	0.64	292	3.20	0.65	33	3.30	0.76	571	3.22	0.66
Safety	38	3.54	0.56	208	3.31	0.61	292	3.35	0.63	33	3.55	0.65	571	3.36	0.63
Time Value of Money	38	3.89	0.52	208	3.68	0.63	292	3.79	0.52	33	3.92	0.53	571	3.77	0.57
Conventional	38	3.48	0.71	208	3.37	0.60	292	3.33	0.65	33	3.35	0.75	571	3.36	0.64
Traditional Value	38	3.53	0.70	208	3.23	0.68	292	3.32	0.78	33	3.33	0.87	571	3.30	0.75
Ideal Investment Tool	38	3.51	0.69	208	3.21	0.74	292	3.08	0.80	33	3.43	0.69	571	3.18	0.77
Future Prospects	38	3.46	0.71	208	2.90	0.95	292	2.80	1.01	33	3.14	1.07	571	2.90	0.99

Tax Aversion	38	3.75	0.72	208	4.07	0.71	292	4.19	0.68	33	4.24	0.60	571	4.12	0.70
Risk Management	38	3.71	0.83	208	3.62	0.70	292	3.62	0.76	33	3.83	0.76	571	3.64	0.75
Trust Worthiness	38	3.87	0.60	208	3.52	0.78	292	3.39	0.77	33	3.56	0.95	571	3.48	0.78

Source: Computed from Primary Data; N – No. of Respondents; M – Mean; S.D. – Standard Deviation

This study assessed the factors of investment behaviour among women respondents according to their family monthly income (Table – 1). The results of mean scores show that the ‘upto Rs.25,000’ family monthly income group has secured high mean scores on the investment behaviour factors namely: Profitability, Safety, Conventional, Traditional Value, Ideal Investment Tool, Future Prospects and Trust Worthiness than other income group respondents, on the other hand the ‘above Rs. One lakh’ monthly income group has secured high mean scores for the investment behaviour factors namely, Safety, Time Value of Money, Tax Aversion and Risk Management.

Table – 2: Results of One-way Analysis of Variance test on Investment Behaviour in Gold among Women in Cuddalore District of Tamilnadu.

Sources of Variation		Sum of Squares	df	Mean Square	F-value	p-value
Profitability	Between Groups	3.649	3	1.216	2.850	0.037*
	Within Groups	241.979	567	.427		
	Total	245.628	570			
Safety	Between Groups	3.035	3	1.012	2.610	0.051*
	Within Groups	219.733	567	.388		
	Total	222.768	570			
Time Value of Money	Between Groups	3.040	3	1.013	3.161	0.024*
	Within Groups	181.781	567	.321		
	Total	184.821	570			
Conventional	Between Groups	.772	3	.257	0.622	0.601 (NS)
	Within Groups	234.879	567	.414		
	Total	235.651	570			
Traditional Value	Between Groups	3.009	3	1.003	1.813	0.144 (NS)
	Within Groups	313.708	567	.553		
	Total	316.716	570			
Ideal Investment Tool	Between Groups	9.052	3	3.017	5.179	0.002**
	Within Groups	330.298	567	.583		
	Total	339.350	570			
Future Prospects	Between Groups	16.524	3	5.508	5.800	0.001**

	Within Groups	538.484	567	.950		
	Total	555.008	570			
Tax Aversion	Between Groups	7.697	3	2.566	5.421	0.001**
	Within Groups	268.348	567	.473		
	Total	276.046	570			
Risk Management	Between Groups	1.677	3	.559	1.006	0.390 (NS)
	Within Groups	315.054	567	.556		
	Total	316.731	570			
Trust Worthiness	Between Groups	8.924	3	2.975	4.986	0.002**
	Within Groups	338.280	567	.597		
	Total	347.204	570			

Source: Computed. NS – Not Significant;

* - Significant difference at 0.05 level; ** - Significant difference at 0.01 level

In order to know the significance difference among the various monthly income groups on their investment behaviour, one-way analysis of variance test was applied (Table – 2) and the obtained 'F' values are found to be 2.850 ($p = 0.037$) for Profitability, 2.610 ($p = 0.051$) for Safety, 3.161 ($p = 0.024$) for Time Value of Money, 0.622 ($p = 0.601$) for Conventional, 1.813 ($p = 0.144$) or Traditional Value, 5.179 ($p = 0.002$) for Ideal Investment Tool, 5.800 ($p = 0.001$) for Future Prospects, 5.421 ($p = 0.001$) for Tax Aversion, 1.006 ($p = 0.390$) for Risk Management, and 4.986 ($p = 0.002$) for Trust Worthiness. From the result it is known that the investment behaviour factors namely, Profitability, Safety, and Time Value of Money are differed significantly at the 0.05 level among the different monthly income groups women investors, whereas, Ideal investment tool, future prospects, tax aversion and trustworthiness are differed significantly at the 0.01 level and the factors namely, conventional, traditional value and risk management are not differed.

Family Monthly income is an important economic factor which is important in investment on gold, in this study it is implied that the investment behaviour factors Profitability, Safety, Conventional, Traditional Value, Ideal Investment Tool, Future Prospects and Trust Worthiness are considered as important factors of low income group, while the factors, Safety, Time Value of Money, Tax Aversion and Risk management are considered to invest in gold among the higher family income group respondents. From this study it is also considered that the respondents do not differ on their gold investment behaviour factors namely, conventional, traditional value and risk management.

POLICY IMPLICATIONS

Several factors influence women's attitudes and behaviors toward investing in gold, including Profitability, safety, time value of money, conventional, traditional value, ideal investment tool, future prospects, tax aversion, risk management, trust worthiness etc. Women are often more risk-averse than men and may hesitate to invest due to a lack of knowledge or confidence. To encourage women to invest, it is important to address the investment knowledge gap, provide role models, and create supportive networks where women can discuss investing in a *Nanotechnology Perceptions* Vol. 20 No. S16 (2024)

social setting.

3. Conclusion

The present study aimed to assess the investment behaviour among women investors in gold at Cuddalore district of Tamilnadu. The study findings state that the investment behaviour factors such as, Profitability, Safety, Conventional, Traditional Value, Ideal Investment Tool, Future Prospects and Trust Worthiness are considered as important factors of low family income group women, while the factors, Safety, Time Value of Money, Tax Aversion and Risk management are considered to invest in gold among the higher family income group respondents. From this study it is also considered that the respondents do not differ on their gold investment behavioural factors as, conventional, traditional value and risk management. Several factors influence women's decisions to invest in gold. A significant motivator for women is the desire to grow their wealth over the long term. Many women are also driven by the need for financial security, especially during times of global uncertainty. Cultural factors also play a crucial role, particularly in countries like India, where gold jewellery is a traditional investment and a symbol of wealth and status. A lack of knowledge can hold women back from investing; many express they would start investing if they had a clearer understanding of low-risk options.

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