

A Study on Investment in Gold among Working People in Thoothukudi City

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Abstract

Gold is a metal that offers a variety of investment opportunities and has cultural and traditional value. In this piece, I've concentrated on gold investments made by working people and attempted to ascertain their opinions on the subject. For this article, I used both primary and secondary data.

Keywords: Culture, Investment behaviour, gold

Introduction

From a financial perspective, an investment is the purchase or creation of an asset with the hope of receiving dividends, interest, rent, or some mix of these returns. Such as gold investment, real estate, shares, debentures, fixed deposits, etc., this article just discusses gold investment. One of the valuable metals that people have recognised for millennia is gold. It has a global currency value. Therefore, people value gold more. I used both primary and secondary data in this article. I have gathered information from Thoothukudi city working population.

Objective

1. To investigate the attitudes of working people in Thoothukudi city regarding gold investments.
2. To research the customer's investing priorities and factors that influence their decision to purchase gold.

Review of Literature

1. A. Kamila Fathima, Dr. A.Hamil (2016) A STUDY ON INVESTMENT IN GOLD AMONG WORKING PEOPLE IN PALAYAMKOTTAI. Age, gender, income, occupation, and degree of return anticipation all influence a buyer's investment behaviour. The bulk of respondents in this post are female, and they are quite willing to answer the questions on gold investment. The ways that working people in various jobs invest in gold do not differ significantly. People who are eager to invest in gold also believe it to be safe in theory. The majority of working individuals would rather purchase gold for personal purposes. The respondents' motivation for buying gold has nothing to do

with their occupation. There is no correlation between people's income level and how satisfied they are with waste. Nearly every income bracket is dissatisfied with the waste they incurred from charging for gold.

2. Shobha C. V. (2018) A STUDY ON GOLD AS A SAFER INVESTMENT ALTERNATIVE AMONG SMALL AND MEDIUM INVESTORS WITH SPECIAL REFERENCE TO KOZHIKODE DISTRICT. This project investigates 'gold as a safer investment alternative among other investment' by conducting a risk and return analysis of gold prices, stock index and bond yield for a period 1st quarter of 2012- 1st quarter of 2017. A GARCH (1, 1) model was estimated to understand the daily volatility between the daily gold prices, daily stock index, and bond yield. The results show that the daily volatility of gold prices is less when compared to stock index and bond yield. The daily volatility of bond yield is high inspite of its being considered as the risk free. The study also found that when various factors (age, gender, educational level, marital status, income level) that influence investors to make investment in gold was analysed educational qualification as a variable was not found significant ($p=0.8308$) at 5% level of significance.

3. Rita Remeikiene (2018) THE MAIN GOLD PRICE DETERMINANTS AND THE FORECAST OF GOLD PRICE FUTURE TRENDS. Although the demand for gold as an asset is traditionally linked to the attitude that gold may serve as an efficient hedge against inflation, the results of previous scientific studies proved the efficiency of this strategy only in the long run. As gold is nobody's debenture, it can help investors manage foreign asset risks at low costs, especially in the economies where exchange rates are highly volatile, and interest rates are structurally high. Gold is also considered as a hedge against the overall risk of a portfolio since it retains its value during the periods of economic crises when the value of other assets is dramatically decreasing; what is more, gold ensures diversification of investment and provides protection against so-called "tail risk", i.e. against the risk that portfolio returns may deviate from their average within the amplitude higher than three regular values of standard deviation.

4. Ahmad Fauzi Abdul Wahab. (2020) GOLD INVESTMENT INTENTION AMONG URBAN PUBLIC SECTOR EMPLOYEES IN MALAYSIA. These results are helpful information that might be used in a training program designed to enhance employees' personal financial behaviour. Exposure to gold investment is necessary for the development of a favourable attitude towards gold investing in the near future. Using family members or friends as role models for gold investing is significant because of their ability to influence other family members or group members, which in

turn influences their intention to invest. To increase investment intention before making an investment, one must also believe that one can control one's own actions. Over time, it is anticipated that the combined effect of these three elements will improve people's financial well-being.

5. Sharma, Meenal (2022) A Study of the Factors Affecting Gold as an Investment Option.

Gold as an investment option is more popular as compared to ornamentation value. Investment demand in gold market in the form of coins or bars has increased since the gold jewellery has slid from 3,205 tonnes to 2,417 tonnes between 2000 and 2007 (The Economist, 2010). Gold is seen as the most popular investments after traditional banking and the more recent mutual funds (Muruthi, 2012). In respect of annual returns on domestic assets (2001-2013), gold is amongst second highest return generating financial instrument after House price Index (RBI, NSE, A.T. Kearney Analysis). Even though the annual consumption of gold which was estimated at 65 tonnes in 1982, has increased to over 500 tonnes, presently about 80% is for jewellery fabrication (mainly over 22 carat purity) for domestic demand, 15% for investor demand and barely 5% for industrial use (Bureau of Indian Standards, 2013). Though there has been a drastic shift in the gold's preference as end users are turning into investors, the pace is slow. India is the world's largest consumer of gold.

Research Methodology

Sampling Design

Sampling Size: The sample size of this study consists of 70 respondents.

Sampling Method: The simple random sampling method is used for collecting data in this study.

Data Collection

Both the primary and secondary data is used to collect the details from the respondents.

Primary Data: Primary data are collected from 70 sample respondents with the help of well-structured questionnaire, which is pre-tested.

Secondary Data: The primary data are supplemented by spat of secondary sources of data. The secondary sources being the published research and articles collected from various journals, books and internet etc.

Tools for analysis

The various tools use for the data analysis is

Percentage analysis

Rank analysis

Limitation of Study

Since the research was limited to convenience sampling, the reliability and validity of the project is limited. It could not be generalized. The sample size also limited to forty in a high populated Thoothukudi city. Even it may be justified by the spend on the study and the resources available for the study is very limited.

Results and Discussion

Table 1: Demographic Profile of Respondents

Demographic	Options	Respondents	Percentage
age	15-25	10	14.2%
	25-35	12	17.3%
	35-45	28	40.0%
	above 45	20	28.5%
	Total	70	100%
gender	Male	37	52.8%
	Female	33	47.2%
	Total	70	100%
education	school	22	31.5%
	UG	25	35.7%
	PG	23	32.8%
	Total	70	100%
occupation	Pvt employee	18	25.7%
	Gvrt employee	24	34.3%
	other	28	40%
	Total	70	100%
Income level	Up to 15000	10	14.4%
	15001-25000	15	21.4%
	25001-35000	20	28.5%
	35001 & above	25	35.7%
	Total	70	100%

Inference

The demographic profile of the 70 respondents reveals a diverse representation. In terms of age, the majority fall within the 35–45 age group (40%), followed by those above 45 (28.5%), 25–35 (17.3%), and 15–25 (14.2%). Gender distribution shows a slightly higher proportion of male respondents (52.8%) compared to females (47.2%). Regarding educational qualifications, 35.7% of respondents are undergraduates, 32.8% postgraduates, and 31.5% have completed school education. When examining occupational status, 40% of the respondents are engaged in other types of work, while 34.3% are government employees and 25.7% work in the private sector. In terms of income levels, the largest group earns ₹35,001 and above (35.7%), followed by ₹25,001–₹35,000 (28.5%),

₹15,001–₹25,000 (21.4%), and up to ₹15,000 (14.4%). This demographic breakdown highlights a fairly balanced representation across various age groups, genders, educational levels, occupations, and income brackets.

Table 2: Factors Influencing Gold Investment Behaviour of Respondents

Factors	5	4	3	2	1	Total score	Final rank
Gold is a safe and stable investment	150	100	30	6	2	288	VI
Gold provides financial security during uncertain times	125	100	48	6	1	280	VIII
I follow gold price trends before investing	100	140	39	4	0	283	VII
Culture/tradition influences my gold investment decisions	140	128	24	2	1	294	V
I know about digital gold and gold bonds	160	112	18	4	2	296	IV
I prefer physical gold over digital/paper gold	100	80	54	16	4	254	X
I trust gold more than other investments (stocks, FDs, etc.)	170	104	24	4	0	302	III
Gold is part of my financial planning	180	96	30	0	0	306	I
Gold protects wealth from inflation	160	120	21	2	0	303	II
I would invest more if aware of modern gold options	90	112	54	8	2	266	IX

Inference

The analysis of factors influencing gold investment reveals that "Gold is part of my financial planning" ranks the highest among respondents, with a total score of 306, highlighting its importance as a long-term financial asset. Closely following are "Gold protects wealth from inflation" (score: 303) and "I trust gold more than other investments" (score: 302), indicating that many view gold as a reliable hedge against inflation and a safer alternative to other investment options. Awareness of digital gold and gold bonds holds a respectable fourth position (296), suggesting growing familiarity with modern investment avenues. Cultural and traditional factors also significantly influence decisions, ranking fifth (294), showing that gold's value is not just financial but also cultural. Other considerations like gold's safety and stability (288), trend-following before investing (283) and its role in financial security (280) fall in the middle ranks. Interestingly, the preference for physical gold over digital/paper gold ranks low at tenth (254), while the lack of awareness about modern gold

options still affects investment decisions, placing "I would invest more if aware of modern gold options" in the ninth position (266). This suggests a need for increased financial literacy and awareness about evolving gold investment methods among customers.

Table 3: Respondents' Opinions on Factors Influencing Their Gold Investment Decisions

Factors	5	4	3	2	1	Total scour	Final rank
I prefer safe, low-risk investments	160	112	18	4	2	296	IV
Long-term returns matter in gold investment	140	128	24	2	1	294	V
I choose gold during uncertain economic times	100	140	39	4	0	283	VII
Family/peer suggestions affect my gold purchase	125	100	48	6	1	280	VIII
I buy gold more during festivals/occasions	150	100	30	6	2	288	VI
Market trends affect my gold investment decisions	90	112	54	8	2	266	IX
Advertisements influence me to buy gold	160	120	21	2	0	303	II
I invest in gold to preserve wealth, not for short-term profit	180	96	30	0	0	306	I
Tax benefits or government schemes affect my decision	170	104	24	4	0	302	III
Liquidity is an important factor in buying gold	100	80	54	16	4	254	X

Inference

The analysis of gold investment motivations shows that the most influential factor is the perception of gold as a tool for wealth preservation rather than short-term profit, which received the highest score of 306, ranking first. This is followed closely by the impact of advertisements (score: 303) and tax benefits or government schemes (302), suggesting that both media influence and policy incentives play a significant role in investment behavior. A preference for safe, low-risk investments ranks fourth (296), emphasizing the conservative nature of most investors. Long-term returns (294) and festival-related purchases (288) also influence decisions, underscoring both financial and cultural motivations. Meanwhile, factors such as economic uncertainty (283), family or peer suggestions (280), and market trends (266) are less dominant, though still relevant. The least influential factor appears to be liquidity concerns, ranking tenth with a score of 254, indicating that most respondents may not view ease of converting gold to cash as a priority in their decision-making. Overall, the

findings reflect a strong inclination toward gold as a stable, long-term investment shaped by both emotional and practical considerations.

Findings

1. Most respondents (68.5%) are aged 35 and above, indicating that middle-aged and older individuals are more likely to participate in gold-related investments or surveys.
2. A large portion (68.5%) of respondents hold undergraduate or postgraduate degrees, showing that educated individuals are actively involved in investment decisions.
3. Most people see gold as a key part of their financial planning, which shows they consider it a long-term and safe investment.
4. Awareness of digital gold and gold bonds is increasing, but many still prefer traditional forms due to lack of information or trust.
5. Most people invest in gold to protect their wealth for the long term, not for quick profits, showing they see gold as a safe and lasting asset.
6. Advertisements and government schemes strongly influence investment decisions, showing that external promotion and policy benefits matter to investors.

Suggestions

1. Banks and financial institutions should design gold-related products that appeal to middle-aged and senior customers, focusing on stability, safety, and long-term benefits.
2. Awareness programs about gold investment options can be conducted in colleges and workplaces, targeting educated individuals who are more open to modern investment methods like digital gold and gold bonds.
3. Banks and financial advisors should promote the benefits of digital gold and gold bonds through simple awareness campaigns, especially targeting younger and tech-savvy investors.
4. Financial literacy programs should highlight how gold can protect against inflation and support long-term planning, helping more people include it wisely in their investment portfolios.
5. Financial institutions should focus marketing campaigns on gold's long-term value and safety, since these are key reasons why people choose to invest in it.
6. The government and banks should continue promoting schemes like gold bonds and highlight their tax benefits, as these can encourage more people to invest in formal and modern gold options.

Conclusion

Age, gender, income, occupation, and degree of return anticipation all influence a buyer's investment behaviour. The bulk of respondents in this post are female, and they are quite willing to answer the questions on gold investment. The ways that working people in various jobs invest in gold do not differ significantly. People who are eager to invest in gold also believe it to be safe in theory. The majority of working individuals would rather purchase gold for personal purposes. The respondents' motivation for buying gold has nothing to do with their occupation. There is no correlation between people's income level and how satisfied they are with waste. Nearly every income bracket is dissatisfied with the waste they incurred from charging for gold. The majority of people believe that different gold investing schemes encourage people to develop certain habits. As a result, even with the availability of various investment options, gold investing behaviour remains unchanged.

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