

## A STUDY OF FACTORS INFLUENCING GOLD INVESTMENT DECISIONS OF RETAIL CUSTOMERS IN INDIA

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**Abstract:** Investment is employment of funds with an object of earning income or capital appreciation. Each individual is different in nature and so are their needs including financial needs. In the light of the above this paper aims at identifying the factors that influence the investment decisions / behavior of the retail consumers with respect to gold investment. Gold being one of the important investment alternatives and being very popular in India, by this paper an attempt has been made to identify the factors. The study has focused a sample which covers consumers from the city of Mumbai - the financial hub of India. The study was conducted in two stages. In stage one; we identified the most important factors which affect individual investments decision. In the stage second, we identified the differences in the perception of investors in the decision of investing on basis of age and gender. The study concludes that there are six important factors which affects the investment buying behavior i.e. motives, risk & returns, opinions, market information, benefits and security. Finally, the study also concludes that the age and gender primarily decides the risk taking capacity of the investors.

**Key words:** Investment, Gold, Perception of customers, Risk and returns, Demographics, Motives

### 1. INTRODUCTION

Investment is employment of funds with an object of earning income or capital appreciation. Many individuals find the process of investment very interesting and challenging as they can participate actually in the decision making process and see the results for themselves. Since these decisions are being made by individuals, they are bound to make some or other type of error and as a result will not always make profit. A proper understanding of money, savings, various available investment avenues, risk and returns attached to it etc is important in order to gain and build wealth. From good old days, fixed deposits, recurring deposits, PPF has been the popular modes of investments. With development and globalization people were exposed to new avenues of investment and Gold has been one such avenue.

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Gold is one of the oldest precious metals known to man & for years it has been valued as a global currency, an investment, a commodity and an object of beauty and India is not an exception to this. India's love affair with gold is timeless spanning over centuries and millennia. In India, Gold is not just another precious metal but it is a part of our culture, an inseparable part of our belief system and a matter of pride.

Gold has always been considered a sacred item in life and is a must in every religious function- reason being that Gold is pure having passed through fire in its process of evolution. Gold has become an inseparable part of almost every household in Indian Society and infused into the blood of an Indian. It's being seen as symbol of good fortune and prosperity. Over a few thousands of years, many kings, emperors and dynasties featuring countless wars, conquests and political upheavals have ruled the Indian subcontinent. Gold acted as a common medium of exchange or store of value across the monetary systems of different kingdoms across the subcontinent and thus resulted into safeguarding wealth in spite of the various wars and changes in the rulers. The stable purchasing power ability of gold and the intrinsic value feature of gold makes it a safe investment especially during the time of recession with high risk such as inflation, exchange rate fluctuations etc.

## **2. LITERATURE REVIEW**

### **Benefits, Motives, Opinion**

Every individual is different in nature, has different motives, objectives. They differ demographically. Research indicates that investor's behavior will be affected by personality traits, interpretation of information, return and risk, tax aversion, responses to news, sentiments etc. (Maital *et al.* 1986).

Each individual differs from other as each one has a different personality, traits and features. As a result individuals think in different manner and that they have different opinions and biases of their own, which impact the decision making process, the way information is collected, interpreted, evaluated and used.

Mittal 2008 observed in his research on personality types and investment choices that Indian investors are mainly of four types -Casual, Technical, Informal and Cautious.

Similar to Mittal, V. Sujata and Dr. S. Kumaresan (2013) in their study of influence of lifestyle perception on gold purchase decision observed that gender has a significant influence on gold buying behavior. Lifestyle were classified into three types of perception namely - Attitude, Opinion and Activities and concluded that there is a positive correlation between attitude, opinion and gold buying behavior of consumers. They also observed that attitude being an unpredictable factor, constant reading of attitude is required to predict buyer's decision making.

KulkanyaNapompech (2010) in his study on factors influencing gold consumption for savings and investment purposes, by people in the Bangkok Metropolitan Area observed that, gender, age, education and Income level all are associated with or influence the gold consumption. Also factors such as interest rate of Bank deposits, political stability, fluctuation in the oil prices, inflation rate, risk of investment, government financial policies play vital role in gold consumption decision.

Dr. D. Harikanth and B. Pragathi (Nov 2012), in their paper on behavioral finance concluded that Income level and occupation plays very important role in the selection of investment avenues. They also observed that factors like security, periodic returns, tax benefit, secured future play a vital role in the decision making process and that male investors are ready to take more risk as compared to female investors.

### **Gold as Safe Haven**

Anli Suresh (2011) observed that the mindset of the Indian's towards gold (being more than status symbol) has changed but still the demand for gold has not decreased in spite of ever increasing price and also did a comparative study between people's quest for real income, savings and price of gold to decide which factor actually impacts the demand for Gold. The author concluded that the demand for gold is a product of savings and people's quest for real income and that the long lasting cultural and socio economic trends will remain to be the underlying reasons for the demand.

Mansor H. Ibrahim & A.H. Baharom (2010) studied the daily data for the period 2001 to 2010 of Malaysian market and concluded that role of Gold as an investment in the recent years has changed and that it acts as a safe haven, as a hedge but its role as a diversification asset weakens in a extreme market condition.

### **Gold as an Investment**

Mitchell Ratner and Steven Klein (Spring 2008), studied the impact of holding gold as an investment for US investor based on the data for the years 1975 to 2005 in two situations- gold as a standalone asset and gold as a part of global investment portfolio and concluded that as a standalone asset, there was extra ordinary appreciation in gold in certain periods of time however in a long run the US stock market Index surpassed the gold advantage by simple method of BUY and Hold. The other conclusion was that there exist a low correlation between US Stock and Gold and that adding gold to the portfolio results in marginal long term benefits to the US investors.

Dr. M. Jayanthi, T. Poongothai, R. Preethi (April 2014), in their paper on "An Investor's Investment in Gold: Physical vs. Paper" observed that for Indians Gold

is an important form of investment and it is more than just an asset. They concluded the study by stating that for traditional and prestigious value, people prefer physical gold over paper gold.

### **Risk, Return and Investment Decisions**

Dr. B.N. Panda and Prof. J.K.Pande in their study on Perception of risk and return for individual investments observed that earlier studies mainly focused on co-relation between gender and investments and that these studies concluded that women investors are more conservative in comparison to men.

Like Schemidt and Sevak, Julie R Agnew etc al (2003) observed that women investors are more risk averse than men in general and as a result they invest into less risky assets. They also viewed that there is difference between the quantum of financial literacy between men and women. And that probably this is one of the reasons for differenced in their investment decisions.

Manoj Kumar Dash (2010) in his study on “factors influencing Investment Decisions of generations in India” viewed that today’s investors are much mature and prefers to invest as per their risk appetite. Those Modern investors make their investment decisions based on information from some source and reference groups. Their decisions may be impacted by overconfidence and narrow framing but they do consider various factors such as security, opinions, hedging, and benefits while investing.

### **Demographic Factors and Investment Decisions**

Dr. Ananthapadmanabha Achar (2012), in his research paper “Saving and Investment Behavior of teachers - An empirical study” observed that individual characteristics of teachers such as age, gender, marital status, and lifestyle determined the savings and investment behavior of teaching community. And in similar manner, their family characteristics such as monthly family income, stage of family life cycle, and upbringing status emerged as determinants of their savings and investment behavior.

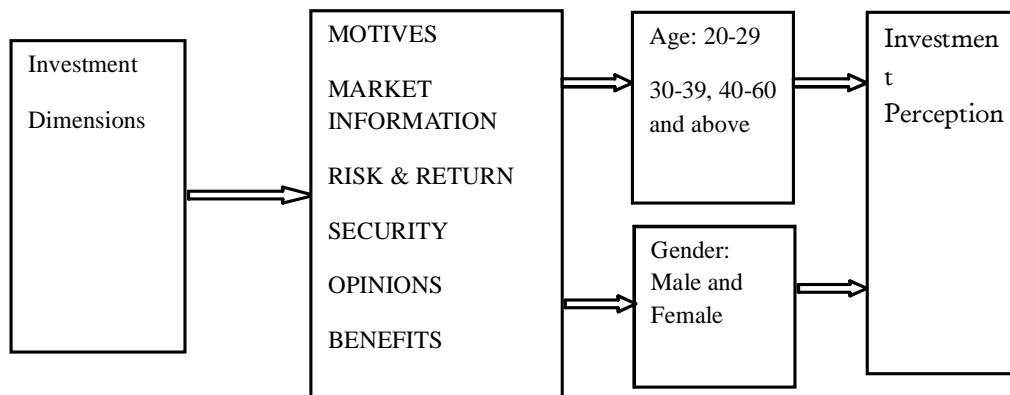
P. Bhanu Sireesha and Chi. Sree laxmi (2013), in their study of impact of demographic factors (such as gender, age, education, occupation etc.) on investment avenues, observed that demographic factor have an influence on the decision making of the investors. It was also observed that Income along with savings showed an impact on the purpose of Investment and that Friends mostly influence the investment decisions.

William E Warron, Robert E Stevens and C William Mc Conkey (1990), in their study on segmentation of investors based on lifestyle characteristics (Attitude, opinions etc.) and demographics, viewed that lifestyle characteristics should be

used as a variable for the segmentation. They observed that investors in the same age or income group need not necessarily have the same financial needs or investment needs. They concluded that lifestyle attitude to a great extent helps in differentiating between active and passive investors as well as light and heavy investors in a particular investment class for e.g. Stock & Bonds.

### 3. RESEARCH METHODOLOGY

A three pages questionnaire consisting of seven subscales was developed. The questionnaire was developed on the four different scales i.e. nominal, ordinal, interval and ratio. In the first subscale, demographic information such as age, gender, education qualification and annual income were sought. In the remaining six subscales questions were taken on different factors which affect the investment pattern of the individual. The factors for the study are motives, market information, risk and return, security, opinion and benefits. The factors in the questionnaire was scored on a 5 point Likert scale from 1) strongly agree to 5) strongly disagree. The theoretical model is given below:



### 4. DATA ANALYSIS

The data collected from the survey was scored and entered in the computer for analysis by the SPSS (21.0) package. Some preliminary results relating to the sample characteristics, the reliability of the questionnaire are reported in this section.

#### (a) Respondents Characteristics

We collected our data by distributing the forms personally. Of the 200 questionnaire forms distributed, 150 forms were returned. Details of respondents such as age, gender education and annual income are depicted in the table below:

**Table 1**  
**Details of Respondents**

Age	20-29	97	64.7%
	30-39	21	40%
	40-60 and above	32	21.3%
Gender	Male	93	62%
	Female	57	38%
Education	Graduate	82	54.74%
	post Graduate	68	45.3%
Annual Income	Below 25000	19	12.7%
	25000 - 44999	79	52.7%
	45000 - 100000 and	52	34.7%
	Above		

### (b) Reliability of Scale

To assess the reliability of the instruments, the Cronbach (1981) alpha coefficients for the total questionnaire and the six subscales were calculated and reported in Table 2. The Cronbach alpha is the most widely used index for determining internal consistency (Kerlinger 1986). It has been generally accepted that in the early stages of the research on hypothesized measure of construct, reliabilities of 0.50 or higher are needed, while for widely used scales, the reliabilities should not be below 0.60 (Nunnally, 1978). In the current subscales alpha coefficients exceed 0.5, so we can conclude that the homogeneity of the items comprising them, and indicates acceptable level of reliability.

**Table 2**  
**Reliability Statistics**

Cronbach's Alpha
0.889

### (c) Perceptual Factors (Identification of Factors)

To understand the investment pattern of individuals (investors) 44 statements were identified. Each statement describes one aspect of perception. The opinion of investments was collected in Likert five point scales. Studying all the 44 statements would have been tedious and, in fact not necessary also. So the factor analysis is conducted to reduce the number of factors. Factor analysis is a technique in which the initial set of variables should be highly correlated. In our study, the correlation coefficients between all the variables are very high and are found to be statistically significant.

The purpose of factor analysis was tested using two analyses, namely KMO test and Bartlett's test of Sphericity. The Kaiser - Olkin Measure of sampling adequacy is a statistics which indicates the proportion of variance in the variables

which might be caused by new factors. The values of KMO is considered as greater than 0.50 then the factor analysis is considered as useful,

**Table 3**  
**KMO Value**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	0.682
Bartlett's test of Sphericity Approx Chi-Square	3085.85
Df	946
Sig	.000

From the table 3, we observed the KMO measure is 0.682 which is greater than the 0.50, so the factor analysis is considered to be useful with the data. The chi-square value for Bartlett's test of Sphericity is 3085.85 and the significant values is 0.000 which is significant at 99% confidence level so we can say that data is suitable for the factor analysis.

The next step in the factor analysis is to identify the number of factors. The rule of thumb is applied to choose the number of factors for whose 'Eigen value' is greater than one is taken by using principal component analysis method is used.

**Table 4**  
**Perceptual Factors with Percentage Of Variance Explained**

<i>Factors</i>	<i>Eigen Value</i>	<i>% Variance Explained</i>	<i>% Cumulative Variance</i>
Motives	3.262	16.310	16.310
Market Information	2.446	12.231	28.540
Risk & Return	2.232	11.159	39.700
Security	2.001	10.003	49.703
Opinions	1.605	8.023	57.726
Benefits	1.265	6.325	64.054

By performing factor analysis 13 variables are first reduced to 8 variables and then further reduced to six component factors (table 4). Each factor includes some statement which is also called as the variables. Each variable represent the investment behavior of the individuals. The six perceptual variables which have Eigen value more than unity is taken for consideration. The six factors represent 64% of total variance which is very significant and the remaining variables are explained by other factors. The first factor motives accounts for 16% per cent of total variance and other factors accounts remaining 48% variance.

The list of six factors along with their labels and variables (statements along with loading) included under these factors are listed below:

**Motives:** This factor contains variables related to the reasons/ objects behind gold buying decisions of the retails consumers. These variables mainly talk about the time, necessity, future needs, known /unknown emergencies etc. as the motives behind the gold investment.

**Market Movements:** This factor contains variables related to the reactions of investors due to market movements and investments in gold in paper form (ETF/ Mutual fund). Mainly it covers the variables related to perception, beliefs, risk and returns etc. related to investment in paper gold and market movements/ information.

**Risk and Return:** This factor covers variables which mainly focus upon the perceptions of the consumers with respect to the risk and returns and investment in physical gold. The risk of reduction in the value of investment due to market fluctuations, reduction in resale value, theft etc.

**Security:** This factor contains the variables related to the security perceived by the customers while making investment in gold. Variables like rate of return, instrument with financial security etc. are covered under this factor.

**Opinions:** This factor basically refers to the thought process that an investor goes through before making an investment decision. Basically these variables are the discussions, suggestions etc. which investors look for before finalizing on their investment decision related to gold investment.

**Benefits:** This factor includes variables which mainly talk about the expected, perceived benefits consumers look for while making investment in gold. Benefits like gold has an ornamental value which other investments lack, it can be purchased in cash, no documents are required for etc. are covered under this factor.

**Table 5**  
**Factor Loading for Motive Factor (F1)**

<i>Variable</i>	<i>Factors Loading</i>
Purchase of gold happens during festivals	0.877
Purchase of gold happens as a provision for children's marriage	0.601
Purchase of gold is done as it gives sense of pride or prestige / status symbol	0.864
Purchase of gold happens as you don't know what is gold mutual fund or gold ETF	0.710
Gold price is important while buying Gold	0.577



**Table 6**  
**Factor Loading for Market Information Factor (F2)**

<i>Variable</i>	<i>Factors Loading</i>
Purchase of gold through mutual fund/ ET is risky because you cannot see the gold you purchased in your hand	0.670
Purchase of gold through mutual fund/ ET is risky because there is a possibility of decrease in the value of investment due to the stock market fluctuation.	0.789
Purchase of gold through mutual fund/ ET is risky because you do not understand the stock market	0.793
Purchase of gold through mutual fund/ ET is risky because you are unaware about the stock market conditions	0.779

**Table 7**  
**Factor Loading for Risk and Return Factor (F3)**

<i>Variable</i>	<i>Factors Loading</i>
Purchase of gold in physical form (Coins, bars rings etc) is risky due the possibility of theft.	0.698
Purchase of gold in physical form (Coins, bars rings etc) is risky due to the resale value or price issue.	0.516
Purchase of gold in physical form (Coins, bars rings etc) is risky because there is a possibility of decrease in the value due the market fluctuations.	0.758
Purchase of gold in physical form (Coins, bars rings etc) is risky because of decrease in the resale value due to the making charges	0,798

**Table 8**  
**Factor Loading for Security Factor (F4)**

<i>Variable</i>	<i>Factors Loading</i>
Purchase of gold is like investing in an instrument that will give at least 15-20% returns	0.739
Gold is an investment vehicle which provides financial security	0.571
Value of gold has not decreased for long time so it is beneficial investment	0.833

**Table 9**  
**Factor Loading for Opinions Factor (F5)**

<i>Variable</i>	<i>Factors Loading</i>
Gold purchase should be decided based on financial market analysis	0.654

**Table 10**  
**Factor Loading for Benefits Factor (F6)**

<i>Variable</i>	<i>Factors Loading</i>
Purchase of gold happens because gold has an ornamental value which other investments lack	0.805

#### (d) Descriptive analysis of Factors

##### (i) Basis of Age

The primary purpose of the research is to identify the important factor considered by the respondents which influence investment pattern of the person in India. The study also indicates the most important factors which they would prefer to consider before making an investment with respect to age. Mean and standard deviation scores of different factors are shown in table 11.

**Table 11**  
**Descriptive Analysis of Factors on the Basis of Age**

	20 - 29			30 - 39			40 - 60 and Above			One Way Anova	
	<i>Mean</i>	<i>S.D</i>	<i>Rank</i>	<i>Mean</i>	<i>S.D</i>	<i>Rank</i>	<i>Mean</i>	<i>S.D</i>	<i>Rank</i>	<i>F Value</i>	<i>P Value</i>
Motives	2.0433	(0.8422)	2	1.9905	(0.6913)	3	3.3875	(0.58351)	1	59.857	0.000
Market Information	2.9098	(0.9690)	1	2.5714	(0.96223)	2	2.4297	(0.21284)	3	4.030	0.020
Risk & Return	2.8067	(0.8232)	1	2.6310	(0.91042)	2	2.1953	(0.56345)	3	2.276	0.106
Security	2.3058	(0.9387)	3	2.6190	(0.79082)	1	2.2604	(0.30214)	2	4.789	0.010
Opinions	2.2990	(1.12884)	2	2.3333	(1.1972)	1	1.9688	(0.17678)	3	8.835	0.000
Benefits	2.3711	(1.19303)	2	2.3810	(1.2031)	1	1.9688	(0.17678)	3	1.751	0.177

Factor 1, was labeled as 'Motives'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (40- 60 and above) is the highest i.e. 3.38 followed by the age group 20-29 years and 30-39 years. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of motives in all age group.

$H_{1a}$  : There is significant difference of motives in all age group.

From the above table, we observed that p value (0.000) for the factor motives is less than  $\alpha$  (0.005), so reject null hypothesis and we accept alternative hypothesis. Therefore, it can be concluded that there is significant difference of motives in all age group.

Factor 2, was labeled as 'Market information'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (20-29 years) is the highest i.e. 2.90 followed by the age group 30-39 years and 40-60 and above. We have taken the hypothesis that:

$H_{0b}$  : There is no significant difference of market information in all age group.

$H_{1b}$  : There is significant difference of market information in all age group.

From the above table, we observed that p value (0.020) for the factor market information is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of market information in all age group.

Factor 3, was labeled as 'Risk and Returns'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (20-29 years) is the highest i.e. 2.90 followed by the age group 30-39 years and 40-60 and above. We have taken the hypothesis that:

$H_{0c}$  : There is no significant difference of Risk and Returns in all age group.

$H_{1c}$  : There is significant difference of Risk and Returns in all age group.

From the above table, we observed that p value (0.106) for the factor Risk and Returns is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Risk and Returns in all age group.

Factor 4, was labeled as 'Security'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (30-39 years) is the highest i.e. 2.61 followed by the age group 20-29 years and 40-60 and above. We have taken the hypothesis that:

$H_{0d}$  : There is no significant difference of Security in all age group.

$H_{1d}$  : There is significant difference of Security in all age group.

From the above table, we observed that p value (0.010) for the factor security is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Security in all age group.

Factor 5, was labeled as 'Opinion'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (30-39 years) is the highest i.e. 2.33 followed by the age group 20-29 years and 40-60 and above. We have taken the hypothesis that:

$H_{0e}$  : There is no significant difference of Opinion in all age group.

$H_{1e}$  : There is significant difference of Opinion in all age group.

From the above table, we observed that p value (0.000) for the factor Opinion is less than  $\alpha$  (0.005), so reject null hypothesis and we accept alternative hypothesis. Therefore, it can be concluded that there is significant difference of Opinion in all age group

Factor 6, was labeled as 'Benefits'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of age group (30-39 years) is the highest i.e. 2.38 followed by the age group 20-29 years and 40-60 and above. We have taken the hypothesis that:

$H_{0e}$  : There is no significant difference of Benefits in all age group.

$H_{1e}$  : There is significant difference of Benefits in all age group.

From the above table, we observed that p value (0.177) for the factor Benefits is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Benefits in all age group.

Finally we can conclude, that the factors Market information, risk and returns, security and benefits influence the investment pattern.

**(ii) Bases of Gender:** Further we will identify the most important factors which they would prefer to consider before making an investment with respect to gender.

**Table 11**  
**Descriptive Analysis of Factors on the Basis of Gender**

	Male			Female			T Value	P Value
	Mean	S.D.	Rank	Mean	S.D.	Rank		
Motives	2.1097	0.88294	2	2.6702	0.9595	1	-3.578	0.001
Market Information	2.8065	0.98572	1	2.6842	0.688	2	0.892	0.374
Risk & Return	2.6747	0.82074	1	2.6140	0.8279	22	0.438	0.662
Security	2.3190	0.88998	2	2.3743	0.7184	1	-0.417	0.677
Opinions	2.2903	1.0992	1	2.1404	0.8750	2	0.923	0.358
Benefits	2.3118	1.141	2	2.2456	0.9502	1	0.383	0.7022

Factor 1, was labeled as 'Motives'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of female is the highest i.e. 2.67 followed by the male. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of motives with respect to gender.

$H_{1a}$  : There is significant difference of motives with respect to gender.

From the above table, we observed that p value (0.001) for the factor motives is less than  $\alpha$  (0.005), so reject null hypothesis and we accept alternative hypothesis. Therefore, it can be concluded that there is significant difference of motives with respect to gender.

Factor 2, was labeled as 'Market information'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of male is the highest i.e. 2.80 followed by the female. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of Market information with respect to gender.

$H_{1a}$  : There is significant difference of Market information with respect to gender.

From the above table, we observed that p value (0.374) for the factor Market information is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Market information with respect to gender.

Factor 3, was labeled as 'Risk & Returns'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of male is the highest i.e. 2.67 followed by the female. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of Risk & Returns with respect to gender.

$H_{1a}$  : There is significant difference of Risk & Returns with respect to gender.

From the above table, we observed that p value (0.662) for the factor Risk & Returns is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Risk & Returns with respect to gender.

Factor 4, was labeled as 'Security'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of female is the highest i.e. 2.37 followed by the male. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of Security with respect to gender.

$H_{1a}$  : There is significant difference of Security with respect to gender.

From the above table, we observed that p value (0.67) for the factor Security is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Security with respect to gender.

Factor 5, was labeled as 'Opinions'. While comparing the means score and standard deviation value of different age group, it was found that that the mean

score of male is the highest i.e. 2.29 followed by the female. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of Opinions with respect to gender.

$H_{1a}$  : There is significant difference of Opinions with respect to gender.

From the above table, we observed that p value (0.358) for the factor Opinions is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Opinions with respect to gender.

Factor 6, was labeled as 'Benefits'. While comparing the means score and standard deviation value of different age group, it was found that that the mean score of female is the highest i.e. 2.24 followed by the male. We have taken the hypothesis that:

$H_{0a}$  : There is no significant difference of Benefits with respect to gender.

$H_{1a}$  : There is significant difference of Benefits with respect to gender.

From the above table, we observed that p value (0.702) for the factor Benefits is greater than  $\alpha$  (0.005), so accept null hypothesis and we reject alternative hypothesis. Therefore, it can be concluded that there is no significant difference of Benefits with respect to gender.

Finally we can conclude, that the factors Market information, risk and returns, opinions, security and benefits influence the investment pattern with respect to gender.

## 5. CONCLUSIONS

It can be concluded that today investors is well informed and makes investment decisions based on their risk appetite, however the attraction towards gold as a status symbol has still remained. The study concludes that there are six important factors which affects the investment buying behavior i.e. motives, risk & returns, opinions, market information, benefits and security. Finally, the study also concludes that with respect to age and gender, the factors like risk & returns, opinions, market information, benefits and security affects the investment buying decision of the investors in India.

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