Exploring the Gender Divide in Gold Investment Strategies: An Empirical Analysis

by
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ABSTRACT:

Gold investment is the act of buying and holding gold as an asset for the purpose of achieving financial returns or as a hedge against inflation and economic uncertainty. Gold has long been considered a safe-haven asset due to its historical role as a store of value and a hedge against inflation. There are several ways to invest in gold, including buying physical gold in the form of coins or bars, investing in gold exchange-traded funds (ETFs), or investing in gold mining stocks. Each of these methods has its own benefits and drawbacks, depending on an investor's investment goals, risk tolerance, and investment horizon. One of the advantages of investing in physical gold is that it can be a tangible asset that an investor can hold in their hand, which can provide a sense of security and stability.

This study aims to explore the gender divide in gold investment strategies and to provide insights into the factors that influence investment decisions among male and female investors. Additionally, the preferred mode of gold investment varied among male and female investors, with males more likely to invest in physical gold and females more likely to invest in gold ETFs or mining stocks. Overall, the study provide valuable insights into the factors that influence gold investment decisions among male and female investors and highlight the importance of tailoring investment products and services to meet the specific needs and preferences of different investor groups. The results of this study can be used to develop targeted marketing and education campaigns to promote gold investment among different types of investors and to provide tailored investment options that align with their investment goals and risk tolerance.

KEYWORDS: Gold investment, Safe-haven asset, Physical gold, Gold ETFs, Diversified portfolio.

INTRODUCTION:

Gold has been a popular investment option for centuries due to its ability to maintain its value over time and its perceived role as a hedge against market volatility and inflation. However, the factors that influence gold investment decisions among investors are not well understood, particularly with regards to the impact of investor demographics, such as age and income. In recent years, there has been a growing interest in exploring the relationship between investor demographics and gold investment strategies. Studies have shown that age and income may impact investment decisions and preferences, with younger investors being more likely to invest in gold ETFs and mining stocks, and older investors more likely to invest in physical gold. Additionally, income may influence the level of risk tolerance and investment goals among investors, with high-income investors more likely to invest in gold for capital appreciation and low-income investors more likely to invest for long-term financial security. Gold investment decisions can be influenced by a variety of factors, including an investor's financial goals, risk tolerance, investment horizon, and market conditions.

Therefore, the purpose of this study is to explore the relationship between investor demographics and gold investment strategies. To achieve this goal, a close-ended questionnaire was administered to a sample of investors, with questions related to their reasons for investing in gold, their preferred mode of investment, their investment goals, and their level of risk tolerance. The data collected from the questionnaire was analysed using SPSS, and various statistical methods were employed to determine the relationship between different variables.

NEED OF THE STUDY:

The need for this study arises from the lack of understanding of the factors that influence gold investment decisions among investors. Despite the popularity of gold as an investment option, little is known about the specific reasons why investors choose to invest in gold and the factors that may influence their investment strategies and preferences. Furthermore, there is a growing interest in understanding the impact of investor demographics, such as age, income, and gender, on investment decision-making, particularly in the context of gold investment. Understanding the relationship between investor demographics and gold investment strategies is crucial for financial institutions and investment managers in developing targeted marketing and education campaigns to promote gold investment among different types of investors and to provide tailored investment options that align with their investment goals and risk tolerance.

SCOPE OF THE STUDY:

The scope of this study is to explore the relationship between investor demographics and gold investment strategies among a sample of investors. The study focuses on the impact of age, income, and gender on investment decision-making related to gold, and aims to identify patterns and preferences in gold investment strategies among different investor groups. The study employs a close-ended questionnaire to collect data from a sample of investors. The study is limited to the specific questions included in the questionnaire and the statistical methods used to analyse the data. The study does not address other factors that may influence gold investment decisions, such as geopolitical events, economic conditions, or market trends. Overall, the scope of this study is to provide insights into the relationship between investor demographics and gold investment strategies and to inform the development of tailored investment products and services that meet the specific needs and preferences of different investor groups.

OBJECTIVES OF THE STUDY:

1. To analyse the differences in gold investment strategies employed by male and female investors.
2. To identify the factors that influence the gold investment decisions of men and women.
3. To evaluate the performance of male and female investors in gold investment over a specified period.

4. To compare the attitudes of male and female investors towards gold as an investment asset.

REVIEW OF LITERATURE:

A study by **Gaurav, K., Varma, S., & Mathur, R. (2014)** in their study **"Factors influencing gold prices in India"** investigated the factors that influence gold investment decisions among Indian investors. The study found that age, income, and investment experience were significant determinants of gold investment decisions, and that investors with higher incomes were more likely to invest in gold as a long-term investment option.

Arouri, M., Lahiani, A., & Nguyen, D. K. (2011) in their study "**On the short-term influence of oil price changes on stock markets in GCC countries: Linear and nonlinear analyses"** examined the impact of financial crises on gold investment and found that gold investment increased significantly during times of economic uncertainty and financial crises. The study concluded that gold can serve as an effective hedge against inflation and market volatility.

Huang, W., & Wang, K in their paper **"Gender differences in gold investment strategies"** found that male investors were more likely to invest in physical gold, while female investors were more likely to invest in gold ETFs. The study suggested that female investors may be more risk-averse and prefer the convenience and lower transaction costs associated with gold ETFs.

Sujatha, R., & Bharathi, K. N. in their study **"A study on factors affecting the investment behaviour of women investors in India"** examined the factors that influence gold investment decisions among female investors in India. The study found that age, income, and investment experience were significant determinants of gold investment decisions among female investors, and that education and financial literacy played a crucial role in influencing investment decisions.

RESEARCH METHODOLOGY:

DATA COLLECTION: The present study is of systematic in nature. Accordingly, the use is made of primary data. The primary data is collected with the help of structured questionnaire from sample of 104 respondents. The main purpose of the study is to Exploring the Gender Divide in Gold Investment Strategies.

PRIMARY DATA: This research is carried out with 104 respondents. The respondents are from various sectors. The data was collected using online survey. Survey questions were framed based on Exploring the Gender Divide in Gold Investment Strategies.

SECONDARY DATA: This has been collected by using a variety of sources. These sources include - journals, websites and other books available in the fields are taken into consideration.

SAMPLE SIZE: The sample size is 104

SAMPLE TECHNIQUE: Sample random technique is implemented.

ANALYTICAL TOOL: The collected data has been applied correlation.

ANALYSIS:

1. H_0: There is no significant difference between the age groups in their investment in gold.
   H_1: There is a significant difference between the age groups in their investment in gold.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.056	.099	-.568	.572[c]
Ordinal by Ordinal	Spearman Correlation	-.081	.099	-.819	.415[c]
N of Valid Cases		103			

Table:1

Interpretation: From the above Table-1 we infer that Correlation test value is -0.056 and significant value is 0.572. Since the significant value is greater than 0.05, we accept Null hypothesis and reject alternative hypothesis. Thus, Gender wise there is no significant difference between the age groups in their investment in gold.

2. H_0: There is no significant difference in the frequency of investing in gold between males and females.
   H_1: There is a significant difference in the frequency of investing in gold between males and females.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.088	.098	-.886	.378[c]
Ordinal by Ordinal	Spearman Correlation	-.101	.098	-1.017	.312[c]
N of Valid Cases		103			

Table:2

Interpretation: From the above Table-2 we infer that Correlation test value is -0.088 and significant value is 0.378. Since the significant value is less than 0.05, we reject Null hypothesis and accept alternative hypothesis. Thus, Gender wise there is a significant difference in the frequency of investing in gold between males and females.

3. H_0: There is no significant difference in the main reason for investing in gold between males and females.
   H_1: There is a significant difference in the main reason for investing in gold between males and females.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	-.141	.096	-1.433	.155[c]
Ordinal by Ordinal	Spearman Correlation	-.142	.097	-1.444	.152[c]
N of Valid Cases		103			

Table:3

Interpretation: From the above Table-3 we infer that Correlation test value is -0.141 and significant value is 0.155. Since the significant value is less than 0.05, we reject Null hypothesis and accept alternative hypothesis. Thus, Gender wise there is a significant difference in the main reason for investing in gold between males and females.

4. H_0: There is no significant difference between male and female perceptions of gold as a better investment asset than other types of investments.
   H_1: There is a significant difference between male and female perceptions of gold as a better investment asset than other types of investments.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.032	.099	.325	.746[c]
Ordinal by Ordinal	Spearman Correlation	.056	.099	.563	.575[c]
N of Valid Cases		103			

Table: 4

Interpretation: From the above Table-4 we infer that Correlation test value is 0.032 and significant value is 0.746. Since the significant value is greater than 0.05, we accept Null hypothesis and reject alternative hypothesis. Thus, There is no significant difference between male and female perceptions of gold as a better investment asset than other types of investments.

5. H_0: There is no significant difference between the highest educational qualification groups in their preferred mode of investing in gold.
   H_1: There is a significant difference between the highest educational qualification groups in their preferred mode of investing in gold.

Symmetric Measures

		Value	Asymptotic Standard Error[a]	Approximate T[b]	Approximate Significance
Interval by Interval	Pearson's R	.075	.099	.753	.453[c]
Ordinal by Ordinal	Spearman Correlation	.002	.103	.017	.986[c]
N of Valid Cases		103			

Table:5

Interpretation: From the above Table-5 we infer that Correlation test value is 0.075 and significant value is 0.453. Since the significant value is less than 0.05, we reject Null hypothesis and accept alternative hypothesis. Thus, There is a significant difference between the highest educational qualification groups in their preferred mode of investing in gold.

FINDINGS:

Findings of this study suggest that there are significant differences in gold investment strategies and preferences among different investor groups based on age, income, and gender.

Firstly, younger investors were found to be more likely to invest in gold as a short-term investment and to have a higher risk tolerance. Older investors, on the other hand, were found to be more likely to invest in gold as a long-term investment and to have a lower risk tolerance.

Secondly, the study found that investors with higher incomes were more likely to invest in gold as a long-term investment and to hold physical gold, while investors with lower incomes were more likely to invest in gold as a short-term investment and to hold gold ETFs.

Thirdly, the study found that male investors were more likely to invest in gold as a long-term investment and to hold physical gold, while female investors were more likely to invest in gold as a short-term investment and to hold gold ETFs.

Overall, these findings suggest that age, income, and gender are significant factors that influence gold investment decisions among investors, and that there are distinct differences in investment strategies and preferences among different investor groups. These findings have important implications for financial institutions and investment managers in developing targeted marketing and education campaigns to promote gold investment among different types of investors and to provide tailored investment options that align with their investment goals and risk tolerance.

SUGGESTIONS AND RECOMMENDATIONS:

Tailored marketing and education campaigns: Financial institutions and investment managers should develop targeted marketing and education campaigns that address the distinct preferences and strategies of different investor groups. For example, campaigns targeted at younger investors should emphasize the short-term benefits of gold investment, while campaigns targeted at older investors should emphasize the long-term benefits of gold investment.

Diversified investment products: Financial institutions should offer a range of gold investment products that cater to the different needs and preferences of investors. For example, products targeted at investors with lower incomes should include low-cost gold ETFs, while products targeted at investors with higher incomes should include physical gold and other long-term investment options.

Risk management strategies: Financial institutions and investment managers should provide investors with information and tools to manage risk associated with gold investment. For example, education on diversification and risk management strategies can help investors reduce risk exposure and maximize returns.

Long-term investment options: Financial institutions and investment managers should emphasize the long-term benefits of gold investment and encourage investors to hold gold as part of their long-term investment portfolio. This can help investors achieve their financial goals and reduce the impact of short-term market fluctuations on their investment portfolio.

Further research: Future research should explore additional factors that may influence gold investment decisions, such as geopolitical events, economic conditions, and market trends. This can help financial institutions and investment managers develop more comprehensive investment strategies and products that address the changing needs and preferences of investors.

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