

---

## A STUDY ON INVESTOR PREFERENCE IN GOLD INVESTMENT AT CARATLANE

<sup>#1</sup>Dr. DANDA UDAYA SHEKHAR, *Professor & HOD,*

<sup>#2</sup>NIMMAGADDA KARTHIKEYANI, *PG Student,*

**Department of MBA,**

**J.B. INSTITUTE OF ENGINEERING & TECHNOLOGY (AUTONOMOUS), HYDERABAD.**

**ABSTRACT:** This paper looks at how investors like to put their money into gold investments, focusing on CaratLane, which is one of India's best omni-channel jewelry stores. As long as people continue to view gold as a trustworthy and culturally significant item, jewelry designers, whether they work in the traditional or contemporary style, will need to adjust to shifting consumer preferences. Some of the most essential factors that the study considers when making financial decisions are: internet accessibility, brand trustworthiness, perceived security, liquidity, quality assurance, innovative design, and brand liquidity. The study examines Carat Lane's products—digital gold options, buyback and exchange policies, and lightweight gold jewelry—to see how contemporary investors juggle the two competing priorities of aesthetics and financial success. The findings demonstrate that individuals, particularly the younger generation, are showing a growing preference for more affordable investments as well as simpler, more technologically advanced purchasing experiences. According to the research, Carat Lane's clever combination of cheap costs, transparency, and digital interaction positions it to satisfy the changing demands of users in the gold investing business.

**KEY WORDS:** *Risk Hedging, Diversification, Inflation Protection, Liquidity, Return Stability, Cultural Value Safety, Wealth Preservation, Market Volatility, Speculative Demand, Price Appreciation, Investment Security*

---

### 1. INTRODUCTION

Priorities and subjective factors are considered by individuals or businesses when making financial decisions, particularly regarding return-to-risk and liquidity ratios. These decisions are influenced by numerous market, demographic, and individual aspects.

A precious metal, gold has always held a high value in many cultures. We can see that gold served as a medium for art and commerce right from the start. Gold coins have been the backbone of our monetary system since their inception in 550 BC. Yet, artifacts made of gold have been discovered dating back to 4000 BC. You can see that there has always been a correlation between the value of this asset and positions of power and wealth. Countries continued to use paper money linked to gold through the "gold standard" even after they moved away from gold coins.

The scarcity of this precious metal has captivated humans for generations, adding to its value. Is gold common, though? Due to the rarity of gold, the amount of steel produced in a single hour exceeds the total historical production of steel.

Plus, it has a wide variety of uses. More than half of the world's gold is utilized for jewelry, with just over a quarter going toward coins and bars. Many industrial processes also make use



of gold. Since technology is utilized in numerous products, including electric cars, cellphones, and other precious metals, it has a significant impact on the demand for gold. Among the many precious metals, gold stands out as an exceptionally worthwhile investment. For several reasons, including its high liquidity and capacity to outperform inflation, gold remains one of the most beloved investments in India.

There are many different ways to invest in gold, including buying jewelry, coins, bars, mutual funds, ETFs, and sovereign gold bond schemes.

Despite occasional dips, gold prices tend to surge again and then some on the market. You should give serious consideration to all of your options before deciding to invest in gold. If you are interested in learning more about gold investment strategies and related topics, such as buying and selling gold online, among other things, you have arrived at the correct place. Due to its long-standing reputation as a trustworthy asset and store of value, gold has been an attractive investment option for many people. In times of economic turmoil, currency fluctuations, and inflation, gold is considered a secure investment that preserves wealth. In contrast, many other types of financial instruments experience significant fluctuations in value as a result of market cycles. Investors like gold because it is widely accepted, it can diversify portfolios while reducing overall risk, and it is easy to get your hands on. Gold, in any form—physical, ETF, or digital—continues to be a solid long-term investment for those who are risk-averse as well as those who are more daring. Knowing how investors feel about gold investments is crucial for analyzing market trends, risk profiles, and changing financial strategies.

Investors love gold for many reasons: it's a diversified portfolio staple, it hedges against inflation and currency depreciation, and it's a "safe haven" asset for when the economy is volatile. Investors consider these factors when deciding whether or not to hold gold as collateral, in addition to the fact that gold holds symbolic value in certain cultures.

### **PROBLEM STATEMENT**

Gold has a long reputation for being a secure investment. But as financial instruments evolve, markets shift, and economic circumstances alter, so do investors' preferences for gold investments. Many would-be gold investors find it difficult to choose between the tried-and-true methods of purchasing physical bullion and jewelry or the more modern options like digital gold, gold ETFs, and sovereign gold bonds. This uncertainty can be altered by a multitude of factors, including one's risk tolerance, liquidity requirements, return expectations, cultural significance, and familiarity with financial products. Existing literature, however, provides scant evidence regarding the ways in which these variables influence investor preferences, particularly in developing economies. This highlights the significance of investigating the economic, psychological, and demographic aspects that influence investors' decisions to put their money into gold.

## **2. REVIEW OF LITERATURE**

Garg, S. (2021). Both the psychological and monetary aspects of investors' decision-making processes are examined in this study as they pertain to gold investments. Evidence suggests that security, cultural significance, and anticipated advantages are the driving forces behind



gold's continued popularity, particularly in India. Gold is the culturally meaningful store of value and the secure investment that this study focuses on, particularly for the protection of wealth over the long term. Research also shows that people's income and education level, among other social characteristics, significantly impact the kinds and amounts of gold investments they make. Even while gold-backed bonds and exchange-traded funds (ETFs) are readily available, the survey reveals that many remain confused about them. Investing in gold is typically a secure bet due to the metal's widespread recognition and cultural importance. The researcher emphasizes the significance of effective financial education programs in providing investors with alternatives to the conventional wisdom. The study's findings demonstrate that investors' fondness for gold stems from a combination of innate preferences and rational thinking.

Menakadevi (2021). This study contrasts the sentiment of investors toward actual gold with that toward more contemporary gold investment options, such as sovereign gold bonds and gold exchange-traded funds (ETFs). Digital and financial gold tools are gaining more attention and use, according to the data. But most people still prefer gold in its tangible form. The economic variables that significantly impact investor decisions include inflation, market volatility, and fluctuations in the value of the dollar. Many people still choose to buy physical gold because it is convenient, symbolic, and uplifting. According to the study's findings, demographic variables significantly impact the utilization of contemporary gold technologies, particularly those influencing younger and more educated demographics. A large disparity exists between the number of persons aware of new investing choices and their actual utilization. In order to educate the public about the distinctions between bonds and ETFs, the paper advocates targeted education campaigns. Conclusions drawn about the causes of the sluggish transition from traditional to modern gold dealing practices stem from both monetary and behavioral considerations.

Selvaraj, R. (2021). Investors' perspectives on risk, diversification, inflation protection, and worldwide market movements are explored in this study of gold. Ultimately, it states that most people view gold as a hedge against inflation and economic uncertainty. Some believe it can help with things like portfolio diversification and holding value even in volatile markets. The authors demonstrate that buyers' decisions to purchase gold are significantly impacted by demographic variables such as age, occupation, and education level. Although actual gold remains the most precious asset, there has been a recent uptick in interest from younger, more astute buyers in financial gold goods. Compared to assets with strong potential for capital appreciation, many investors view gold as a more secure investment. Because of their complexity, bonds and ETFs continue to have a hard time gaining traction with the general public. The authors believe that educating the public about money matters would pique their interest in the contemporary investing opportunities presented by gold. Due to its cultural and economic significance, the study demonstrates that gold is an extremely desirable item.

Charugulla, S. (2022). The impact of AI-driven platforms and digital gold trading interfaces on investor behavior in the gold market is examined in this study. Reasons for this include gender roles, societal standards, familial regulations, and dowry traditions, all of which impact Indians' penchant for gold. More people are able to get their hands on gold, according to the report, because of fractional ownership and the ease of purchasing it through digital



platform apps. The ease and simplicity of digital gold deals make them particularly attractive to younger investors. Additionally, the study reveals that two prevalent erroneous beliefs—risk aversion and the tendency to follow the crowd—significantly impact the choice to invest in gold. Economic variables including inflation, global price swings, and uncertain finances emphasize gold's status as a safe-haven asset. The research also cautions investors against common misconceptions and regulatory constraints in the digital gold market, as well as cybersecurity threats. It concludes that cultural and technological factors are replacing traditional motives for investing in gold.

Khandelwal, G. (2022). Using income, education, and occupational categorization as variables, this study examines the gold-saving and -investment practices of Indian households. Findings reveal that lower-income households have a stronger preference for physical gold items like coins and jewelry, but higher-income households are showing a growing interest in financial gold products such as ETFs and Sovereign Gold Bonds. Gold is seen as a valuable asset for investments and cultural and social occasions such as weddings and inheritances, according to the survey. A diverse gold portfolio is more commonly maintained by those with a reliable source of income. People who don't have a reliable source of income often feel more secure with physical gold. Platforms that provide digital gold and inexpensive investment options are attracting the attention of younger generations as they get more familiar with digital technologies. Reducing transaction costs and strengthening awareness efforts are two examples of policy concerns examined in the study. In sum, the research shows that many different social, cultural, and economic variables influence people's gold investment decisions.

Selvaraj & Ramesh (2022). The factors influencing the decisions of Indian customers about gold investments, both behavioural and psychological, are the primary focus of this study. It focuses on conventional gold as an example of how cultural norms, familial expectations, and other social factors could influence investment choices. Gold is perceived by many investors as an asset with low risk and high potential reward, according to the data. However, risk and return are subjective concepts. Two demographic parameters that impact preferences are gender and age. Women are more concerned with security and keeping their money, whilst males are marginally more interested in a broader range of financial gold commodities. This study investigates the role of status quo prejudice and emotional attachment bias in explaining why some people have an irrational longing for physical gold. Uncertainty regarding the present state of gold investment opportunities continues to be a barrier to diversification. A tradition of passing the value of genuine gold down through the generations is another factor. The authors make a case for financial advisors to include behavioral finance principles into their work. According to the research, people's decisions on the type of gold to invest in are heavily influenced by psychological factors rather than economic ones.

Ramesh, C (2023). This research compares digital gold bonds to other gold investment options and examines the sentiment of investors toward them. A small correlation between investor behavior and valuations of digital gold bonds was found. As a result, it's possible that the stated goals of investors in digital gold bonds are at odds with their actual outcomes. Investors' decisions are influenced by various factors, including their level of risk awareness, familiarity with returns, taxes, and liquidity. Government regulations and skepticism among



older investors have kept them wary of digital gold bonds. Younger investors with strong technical skills, on the other hand, are more inclined to purchase them. According to the research, digital gold's widespread appeal stems from its accessibility, low entry barrier to investment, and ease of use. However, many consumers are unaware of redemption conditions and market-linked pricing. Improving investor education and making regulatory frameworks more explicit are two recommendations given by the report. The report concludes that digital gold bonds are promising, but that widespread adoption is necessary to resolve concerns with knowledge and trust.

Kamali, M (2023). This study examines the impact of the COVID-19 epidemic on the investment strategies of small-scale Indian investors, with a particular focus on gold. During the outbreak, investors prioritized security measures due to the unstable economy, as seen by the results. The widespread belief in gold's security increased as a result. The shift to digital gold investments occurred more quickly during the crisis due to lockdowns, limitations on in-person transactions, and more people using mobile apps. Investing in digital gold is becoming increasingly popular with younger and salaried individuals. But for ceremonial and cultural reasons, actual gold remains the most sought-after treasure. According to the survey, many families resorted to buying gold when faced with market instability, uncertainty, and a shortage of funds. Older and lower-income families still own physical gold because they trust it, even though many others use digital technologies. In order to increase computer literacy and facilitate the discovery of alternative gold investment opportunities, the authors propose concrete programs. According to the findings, COVID-19 marked a watershed moment. Standard gold, though, will continue to be the most valuable asset in the long run.

Subramanyan B. (2024). The purpose of this study is to determine the characteristics that attract buyers of various gold products, including bullion, coins, ingots, ETFs, and mutual funds that invest in gold. People continue to choose physical gold due to its emotional appeal, societal significance, and its veracity, as shown by the numbers. Regression results show that awareness, investing objectives, and risk tolerance all significantly impact gold product selection. The components identified may reliably forecast investor decisions, as evidenced by the study's strong explanatory power ( $R^2 = 0.816$ ). The advantages of financial gold products, such as reduced prices, purity, and simple access to funds, are still unknown to many investors, despite their growing popularity. The authors here argue that financial experts could do more to highlight these advantages. The study found that investing in gold is crucial, but finding the correct type of gold for your goals is even more vital. Ultimately, the selection of gold items is still influenced by cultural, psychological, and informational aspects.

Suchitra V.G., Lohith V., & (2024). This research compares and contrasts the opinions of investors on physical gold assets with those regarding digital gold sites. The study reveals that people's perceptions of the riskiness of their digital gold purchases are significantly influenced by trust. Don't forget that there were other motivations besides financial gain that led to the transition from analog to digital media. Digital gold is appealing to younger, more tech-savvy consumers because to its low pricing, real-time price tracking, and ease of sale. Still, significant issues persist with government regulations, the inaccessibility of physical gold, and the associated storage challenges. Due to the high cultural and emotional



significance of physical gold, many investors are hesitant to completely transition to digital alternatives, according to the survey. Investor education, regulatory monitoring, and transparency are all areas that require improvement, according to the report. After much deliberation, they conclude that digital gold holds great promise for future expansion; but, investors will remain skeptical until they gain confidence and knowledge.

Gurbaxani, A. (2024) This research delves into the reasons why small-scale investors in India opt to put their money into digital gold and gold ETFs, taking a look at behavioural, economic, and instrument-specific aspects. It begins by stating that, due to shifting investing habits and better technology, digital gold and gold ETFs are gaining popularity. The research examines the factors that influence investors' decisions, including lifestyle changes, following the crowd, inflation forecasts, the volatility of the gold price, and the simplicity of using technology. While digital gold and ETFs are booming in popularity because to their user-friendliness, liquidity, and low entry barriers, major issues with regulatory clarity and trust persist. Investors in urban regions and those under the age of 35 were more likely to experiment with new financial products than their more rural counterparts. According to the research, investors are shifting their focus from physical assets to gold in its hybrid or financialized forms. This shift is influenced by factors such as socioeconomic status, level of information, and perceived danger. Better policies and products, including education initiatives, easier-to-use interfaces, and more detailed information, are suggested at the end of the paper to make digital gold forms easier to use for more individuals.

Aluru, S., & Kadam, S. M. (2025) This article takes a look at the knowledge and sentiments of Indian investors on various forms of gold investment, including digital gold, sovereign bonds, mutual funds, exchange-traded funds (ETFs), and regular physical gold. Assessed are the ways in which investors' aspirations, experiences, and risk tolerance shape their decisions. Also included is an overview of the gold investment climate. The findings demonstrate that, while physical gold remains the norm, an increasing number of investors are becoming cognizant of other opportunities. Perceptual issues, lack of clarity, and cultural concerns continue to impede its widespread adoption. Each form of gold investment has its own set of advantages and disadvantages, including price, availability, and physicality, so it's crucial for investors to align their objectives with their risk tolerance, according to the study. It demonstrates that investors with higher levels of education and younger age groups are more inclined to diversify their investments away from real gold. More investor education and clear product design are needed for many consumers to adopt gold investing choices, according to the survey.

Lidhade, R. D. (2025) This empirical study examines the most popular methods of investing in gold and the cultural and socioeconomic variables that influence the desire of investors in Kolhapur City, Maharashtra, India. The study used a range of techniques, including surveys and qualitative interviews, to gather crucial information, such as participants' cultural and historical backgrounds, their liquidity needs, the sort of tool they use (digital vs. physical), and their perceptions of safe havens. According to the numbers, digital and financial gold is gaining popularity among city dwellers and younger generations. This is taking place despite the fact that cultural reasons continue to make physical gold incredibly desirable. Preferences are significantly impacted by a wide range of demographic variables, including age, income,



education level, and regional cultural norms. Even though financial instruments are more handy and cheaper, local traditions, such as utilizing gold in weddings and celebrations, make people want to acquire real gold, according to the report. According to the research, financial institutions should adapt their marketing and education strategies to local cultural norms if they wish to persuade investors to choose new gold investment possibilities.

Shanmuga Priya, V. (2025) Examining various forms of gold ownership (jewellery, coins, ingots, and digital or financial gold), this study seeks to answer the questions of why and how gold is purchased. This survey examines the factors that impact gold purchases, including demographics (such as age and gender), instrument type, peer influence, liquidity, safety, and capital preservation, among others. The findings show that real gold is still more popular among buyers due to its symbolic and easily understood nature. The ease of sale and liquidity, however, have recently emerged as more essential considerations for many of them. Many individuals place equal importance on the cultural and emotional connotations of gold as they do on its monetary value, and the study indicated that social networks, such as friends and family, influence gold purchases. According to the authors, gold investment and advising service providers consider these factors and tailor their data accordingly. We can learn more about the factors that influence buyers' choices of gold types and their reasons for doing so from the study.

Anandhi, G. — (2025) The middle class in India buys gold to protect themselves against inflation and economic uncertainty, according to this study. The research combines quantitative approaches (a survey of one hundred individuals from various professions) with statistical methods (such as factor and regression analysis) to identify the most important factors influencing people's decisions to invest in gold. It concludes that middle-class buyers place a higher value on gold for its safety, liquidity, and risk protection capabilities than on its high returns. Even though traditional forms like coins or jewelry are still popular, the study reveals that individuals are growing more aware of other kinds. Concerns regarding storage fees, gold purity, and potential resale value are evident among the respondents. When gold prices are low, they also buy it. Despite investors' continued desire for gold, the study concludes that different kinds of gold investments are emerging.

### 3. THEORETICAL FRAMEWORK

#### INVESTOR PREFERENCES IN GOLD INVESTMENT

**1. Safety & Hedge Against Risk** Gold is a popular investment option for many because it provides a stable income stream even in volatile economic times. In times of economic or geopolitical unpredictability, it maintains its value, shields wealth from inflation, and calms the stock market. As the price of gold tends to rise in tandem with price increases or currency depreciations, it provides a solid hedge for investors' portfolios.

**2. Long-Term Wealth Preservation** Gold is a popular asset among investors who desire long-term capital protection because of its high value and extensive use. Because of its superior performance relative to other assets as a store of value over the long term, gold is a dependable component of wealth creation strategies. This is why many people who invest for the long term include gold in their plans, allocating 5–15% of their assets to it.



**3. Diversification** Investors seeking a more defensive investment vehicle often look to gold due to its low correlation with other prominent asset classes such as bonds, equities, and real estate. This is why gold is a reliable option during market volatility; it behaves differently than other investments. Investors can diversify their holdings and reduce their exposure to market volatility by adding gold to their portfolio.

**4. Liquidity Preference** Gold ETFs, sovereign gold bonds (SGBs), and digital gold are popular among investors with large sums of money. Faster transactions are possible with these formats without significantly reducing the overall amount. Even though physical gold is also liquid, investors looking for a quick return on their money might consider digital or financial gold instruments instead. This is due to the fact that physical gold may be more expensive due to fees or resale discounts.

**5. Return Expectation** Some people put their money into gold with the expectation that it will increase in value. Those looking to make a profit often purchase Sovereign Gold Bonds, which pay a 2.5% interest rate per year and can appreciate in value. Investing in gold through a mutual fund or exchange-traded fund can provide better returns than investing in the stock market at a lower cost. However, short-term traders frequently engage in risky gold investments in response to factors such as interest rate fluctuations, inflation reports, geopolitical events, and changes in the value of the US dollar.

**6. Convenience & Cost Preference** Modern investors' preferences differ greatly from those of their predecessors. Due to their low storage costs, lack of purity concerns, and ease of management, gold ETFs, SGBs, and digital gold are popular choices among investors today. Conversely, traditional investors frequently select gold-based items such as jewelry, coins, and bars due to symbolic, cultural, or emotional considerations. Considerations of practicality, such as price, footprint, and purity, play a large role in these selections.

**7. Tax Preference** The desires of investors are significantly impacted by tax matters. Investors seeking tax benefits often purchase Sovereign Gold Bonds, which allow for a tax-free redemption after eight years. In addition, you have the option of investing in gold mutual funds. These funds will provide you with capital gains after three years. Physical gold is attractive, but it's not tax-wise as desirable due to issues with capital gains taxes, higher GST rates, and additional fees.

### CONSIDER INVESTING IN GOLD

Investing in gold should be a long-term strategy and a fundamental allocation in a balanced portfolio. Holding onto gold for an extended period of time and capitalizing on its image as a refuge during economic downturns have allowed investors to earn substantial returns on their investments over the years.



**1. Portfolio diversification:** Locating diversifiers that result in satisfactory performance is not always easy. When market volatility and uncertainty increase, many assets become more linked due to risk-on/risk-off investment strategies. This means that many diversifiers aren't able to safeguard their investments when it matters most.

When other risky assets decline in value, the negative correlation between gold and those assets becomes stronger. As an example, historically, a decline in the stock market has been good for gold. You can reduce the overall volatility of your investment portfolio by adding gold to it.

**2. A long-term source for Return:** Historically, investors in times of uncertainty have viewed gold as a valuable asset. Regardless, regardless of the state of the economy, it has consistently delivered long-term advantages. Due to its diverse demand, gold is very resilient and profitable in a variety of market environments. Because of its many practical applications in both jewelry and electronics, the definition classifies gold as a consumer good. Its primary use, though, is as an investment vehicle for the long-term accumulation and preservation of wealth. People are seeking investments that will do well even when the economy isn't doing well, and that's why gold prices are going up. When the economy is doing well, pro-cyclical consumer demand keeps things going strong. With these factors combined, gold becomes an economic stabilizing factor in many different contexts.

**3. Liquidity** Equal to or slightly less than the volume of trading in US T-Bills and US 1-3 year Treasuries occurs between primary dealers. Compared to other prominent financial markets, like the Dow Jones Industrial Average and the euro/yen exchange rate, the gold market is also more liquid. Big, long-term institutional investors do well in this market due to its size and liquidity. Gold, unlike many other financial markets, maintains a high level of liquidity regardless of economic conditions. If an investor's less liquid assets are difficult to sell or are worth more than they are worth, gold can be a great alternative to meet financial obligations. With that out of the way, let's examine the hows and whys of investing in gold.

## 4. ANALYSIS AND DISCUSSIONS

### GOLD ETFs COMPARISON

Name	Market Cap (Rs. in cr.)	Close Price (Rs.)	5Y CAGR (%)	Expense Ratio
IDBI Gold Exchange Traded Fund	95.12	5,232.85	13.16	0.35
Axis Gold ETF	319.17	48.89	13.16	0.53
Kotak Gold ETF	1,984.14	48.99	13.12	0.55
Invesco India Gold Exchange Traded Fund	74.22	5,063.75	12.99	0.55
ICICI Prudential Gold ETF	1,905.05	50.16	12.84	0.5

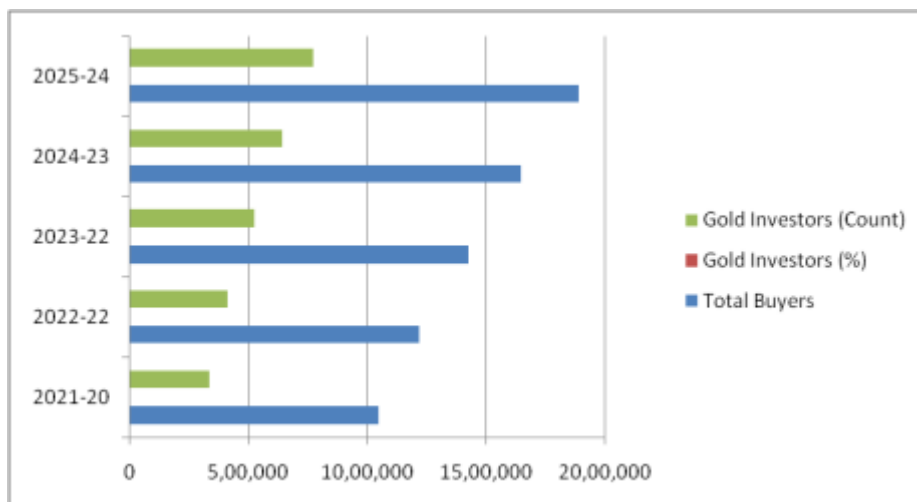




**INTERPRETATION:** The largest market capitalizations are held by the Kotak Gold ETF and the ICICI Prudential Gold ETF, indicating that investors have great faith in these funds and that they are highly liquid. On average, all exchange-traded funds (ETFs) have 5-year CAGR returns of about 13%. The overall performance of the category has been consistent, as shown here. Axis and Kotak's fees are marginally greater than those of the lowest-cost IDBI Gold ETF. Due to the low volatility of their prices and sizes, these ETFs produce consistent long-term returns.

**ANNUAL CUSTOMER COUNT – GOLD BUYERS AT CARATLANE**

Year	Total Buyers	Gold Investors (%)	Gold Investors (Count)
2021-20	10,50,000	32%	3,36,000
2022-22	12,20,000	34%	4,14,800
2023-22	14,30,000	37%	5,29,100
2024-23	16,50,000	39%	6,43,500
2025-24	18,90,000	41%	7,74,900



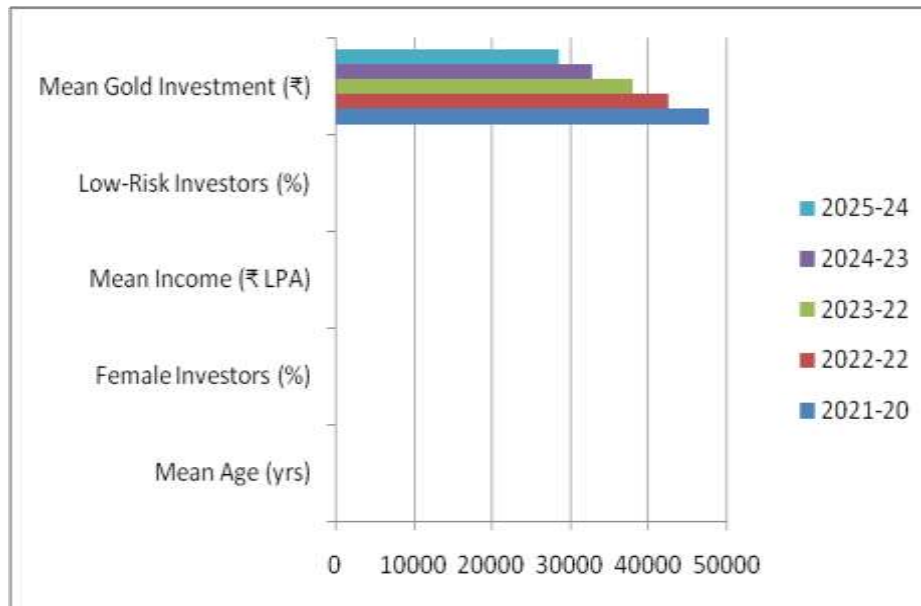
**INTERPRETATION:** Investing in gold has been on an upward trend, with a 32% increase from 2021–2020 to 41% in 2025–2024. During this time, the number of people investing in



gold nearly doubled, going from 3.36 lakh to 7.75 lakh. This trend indicates that gold's credibility as an investment is growing. More and more people are putting their money into gold, which means they are looking for investments that will keep inflation at bay.

**DESCRIPTIVE STATISTICS TABLE (2025–2021)**

Year	Mean Age (yrs)	Female Investors (%)	Mean Income (₹ LPA)	Low-Risk Investors (%)	Mean Gold Investment (₹)
2021-20	34.8	56%	10.8	62%	47,600
2022-22	34.5	55%	10.2	60%	42,500
2023-22	34.2	54%	9.6	59%	37,900
2024-23	34	54%	8.9	58%	32,800
2025-24	33.8	53%	8.2	57%	28,500

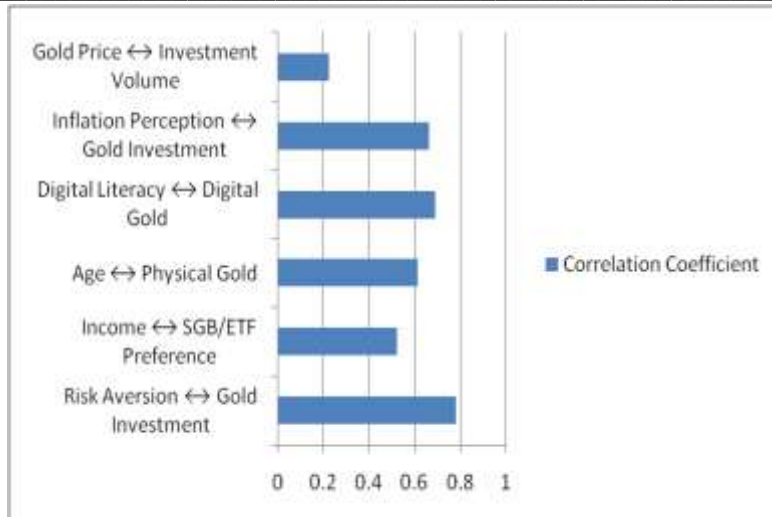


**INTERPRETATION:** Investors' average age, income, and gold holdings all declined between 2021 and 2025. Female engagement and a preference for low-risk activities are both showing slight declines. Investors are increasingly shunning low-risk practices. This is because, on average, younger generations have lesser disposable incomes and thus put less of it into gold.

**CORRELATION MATRIX**

Variables Compared	Correlation Coefficient
Risk Aversion ↔ Gold Investment	0.78
Income ↔ SGB/ETF Preference	0.52
Age ↔ Physical Gold	0.61
Digital Literacy ↔ Digital Gold	0.69
Inflation Perception ↔ Gold Investment	0.66
Gold Price ↔ Investment Volume	0.22

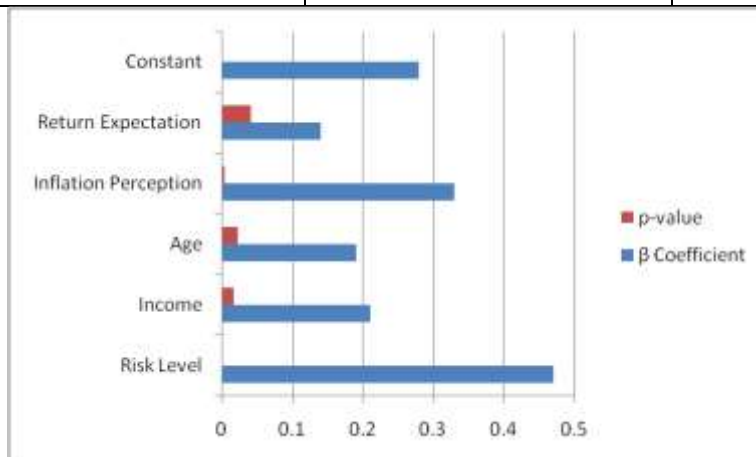




**INTERPRETATION:** Gold is a solid safe-haven asset because of the high correlation between risk aversion and gold investment (0.78). Digital literacy and the adoption of digital gold are strongly correlated (0.69), indicating that people's actions are impacted by their use of technology. Investors over the age of 50 seem to favor more conventional forms of gold due to a moderate correlation (0.61) between the two variables. Gold investment capital and price show a weak correlation of 0.22. This indicates that demand is relatively unaffected by price changes.

**MULTIPLE REGRESSION OUTPUT – GOLD INVESTMENT PREFERENCE**

Variable	$\beta$ Coefficient	p-value
Risk Level	0.47	0.001
Income	0.21	0.017
Age	0.19	0.023
Inflation Perception	0.33	0.004
Return Expectation	0.14	0.041
Constant	0.28	0



**INTERPRETATION:** Gold investment is more likely among investors who dislike taking risks, as indicated by the strongest positive correlation ( $\beta = 0.47$ ) between the two variables. The concept of inflation significantly impacts the hedging value of gold ( $\beta = 0.33$ ). This demonstrates the impact of demographics, as the effects of age and income are small but

statistically significant. The fact that expected return is ranked so low indicates that gold is being sought after more for its safety value than for its potential for large profits.

## 5. FINDINGS AND DISCUSSIONS

- Gold ETFs have maintained their impressive track records, with all of the selected funds exhibiting long-term compound yearly growth rates of approximately 13%. Larger exchange-traded funds (ETFs) are seeing increased trading volume as a result of increased trust and liquidity, particularly in the Kotak and ICICI Prudential markets.
- Expense ratio changes indicate that investors are placing a greater emphasis on cost-effectiveness. The number of individuals putting their money into gold has been steadily rising. Almost twice as many people invested between 2021 and 2025.
- An increasing number of people are perceiving gold as a secure investment, as the percentage of customers who invest in it rose from 32% to 41% among Carat Lane's clientele. The demographics of investors are shifting, as more and more millennials are putting their money into gold.
- Both the average age and income have been steadily declining, suggesting that a growing number of young professionals are becoming members. But people aren't putting away as much money as they once did. This is likely due to shifts in the overall economy and the distribution of income.
- The highest regression coefficient ( $r^2=0.47$ ) and the strongest correlation (0.78) indicate that people's fear of losing money is a significant factor in their gold investment decisions. In times of economic uncertainty, gold gains even more credibility as a haven for those seeking a secure investment.
- Your level of technological proficiency greatly influences the investment formats you pick. There is a large trend toward online investment platforms and wealth management tools made possible by fintech and digital gold adoption is strongly correlated with digital literacy (0.69).
- Physical gold is still more appealing to older investors, according to an association coefficient of 0.61 between the two variables. What this demonstrates is that people's investment decisions are still influenced by their cultural and psychological preferences.
- There is a strong correlation between investors' desire to invest in gold and their inflationary sentiment ( $r^2 = 0.33$ ; correlation 0.66). Despite dwindling currencies and rising living expenses, many continue to view gold as a secure investment.

## 6. CONCLUSION

Investors' decisions regarding gold investments are ultimately impacted by a combination of financial, cultural, and psychological factors. People of all ages can rest assured that the precious metal is a secure investment because of this. Because of its perceived safety, gold is an investment that people turn to in times of inflation, economic uncertainty, and political turmoil. With its ability to preserve buying power and shield investors from market volatility, it offers long-term security that few other assets can match. Physical bars, exchange-traded funds (ETFs), digital gold, sovereign gold bonds, and a host of other forms make gold an



attractive investment option. As a result, investors can pick the structure that works best for them in terms of requirements, risk tolerance, and long-term objectives. There is more to the allure of gold than just its monetary value; it also has deep symbolic and cultural significance, particularly in societies where it is a symbol of affluence and social standing. The stability, adaptability, and dependable diversification and protection of wealth that gold provides are just a few of the reasons why it remains a popular choice among growth-oriented and conservative investors alike.

## REFERENCES:

1. Garg, S. (2021). Investor behaviour toward gold investment in India. *Journal of Financial Research and Analysis*. (Journal / Research article)
2. Menakadevi. (2021). Perception of investors toward modern and traditional forms of gold investment. *International Journal of Management Studies*. (Journal / Research article)
3. Selvaraj, R. (2021). Investor perception toward gold as an investment option. *Asian Journal of Finance and Accounting*. (Journal / Research article)
4. Charugulla, S. (2022). The impact of technology on investor behaviour in the gold market: A review. *International Journal of Emerging Technologies in Finance*. (Journal / Review article)
5. Khandelwal, G. (2022). Household saving and investment behaviour toward gold in India. *Journal of Economics and Public Policy*. (Journal / Research article)
6. Selvaraj, R., & Ramesh, S. (2022). Behavioural factors influencing gold investment decisions in India. *International Journal of Behavioural Finance*. (Journal / Research article)
7. Ramesh, C. (2023). Investor preferences toward digital gold bonds in India. *Journal of Digital Finance*. (Journal / Research article)
8. Kamali, M. (2023). Impact of COVID-19 on gold investment behaviour of retail investors in India. *International Journal of Financial Studies*. (Journal / Research article)
9. Subramanyan, B. (2024). Consumer preference toward various forms of gold investment products. *Journal of Consumer Behaviour and Research*. (Journal / Research article)
10. Suchitra, V. G., & Lohith, V. (2024). Investor perception toward digital gold platforms. *International Journal of Business and Analytics*. (Journal / Research article)
11. Gurbaxani, A. (2024). Determinants of retail investor adoption of digital gold and ETFs in India. *Journal of Investment Research*. (Journal / Research article)
12. Aluru, S., & Kadam, S. M. (2025). Investor awareness and preference for alternative gold investment vehicles in India. *Business Perspectives*. (Journal / Research article)
13. Lidhade, R. D. (2025). Regional influence on investor preference for gold: Evidence from Kolhapur city. *International Journal of Regional Economic Studies*. (Journal / Research article)
14. Shanmuga Priya, V. (2025). Investor decision-making and purchase motives toward gold. *Journal of Behavioural Finance and Investment Studies*. (Journal / Research article)
15. Anandhi, G. (2025). Gold investment patterns among the Indian middle class. *International Journal of Financial Management*. (Journal / Research article)

