

Investor Perception, Preference, and Behaviour Toward Gold as an Investment Commodity: An Empirical Behavioural Finance Study

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Abstract: Gold has traditionally gained a distinctive position in investment portfolios because of its perceived ability to not only preserve wealth, and reduce portfolio risk, but also to provide protection during periods of economic uncertainty. Regardless of the growing availability of diverse financial instruments, gold continues to attract investors due to its cultural significance, liquidity facility, and long-term value retention. Understanding the factors that influence investor preference for gold has therefore become a pivotal area of research in behavioural finance and investment management. This research paper examines investor perception, preference, and their behaviour toward gold as an investment commodity. The research paper investigates the demographic, psychological, economic, and market-related factors that influence investment decisions related to gold. Primary data from 101 respondents were collected through a structured questionnaire administered to individual investors, and statistical techniques were employed to analyse investment preferences, behavioural tendencies, and decision-making patterns. Reliability analysis, descriptive statistics, correlation analysis, and factor analysis were used to evaluate the relationships among the variables and identify the key determinants affecting investor behaviour. The findings of the study indicate that investors view gold as a reliable investment option for wealth preservation, portfolio diversification, and financial security. The results reveal that investment decisions are influenced by multiple factors, including risk perception, expected returns, market conditions, economic uncertainty, and personal investment objectives. Factor analysis identified several underlying dimensions that significantly shape investor attitudes toward gold investments. The study contributes to the growing body of knowledge on investment behaviour by providing empirical evidence on the factors affecting gold investment decisions. The findings may assist financial advisors, investment institutions, and policymakers in understanding investor preferences and developing strategies that align with evolving market expectations.

Keywords: Gold Investment, Investor Behaviour, Investment Preference, Behavioural Finance, Portfolio Diversification, Risk Perception, Wealth Preservation, Investment Decision-Making

1. Introduction: Investment decisions play a critical role in personal financial planning and long-term wealth creation. Investors continuously seek financial assets that can provide stability, generate returns, and protect accumulated wealth against economic uncertainty. The selection of investment instruments is influenced by several factors, including risk tolerance, expected returns, market conditions, liquidity requirements, and individual financial goals. As financial markets continue to evolve, investors are increasingly required to evaluate a wide range of investment alternatives before making informed decisions. Among the various investment options available, gold has maintained its importance for centuries as a valuable store of wealth and a symbol of financial security. Unlike many financial assets whose value may fluctuate significantly due to market conditions, gold is often perceived as a relatively stable investment that retains value over time. Its ability to serve as a medium of wealth preservation has contributed to its continued popularity among both individual and institutional investors across different economic environments.

Gold occupies a distinctive position within the global financial system due to its economic, financial, and cultural significance. Investors often include gold in their portfolios as a means of reducing overall investment risk and improving diversification. During periods of market volatility, inflationary pressure, currency fluctuations, or economic uncertainty, gold is frequently considered a comparatively stable asset that helps preserve purchasing power and protect accumulated wealth. In addition to its financial benefits, gold holds considerable cultural and social value in many countries, particularly in emerging economies. It is commonly associated with financial security, social status, and long-term savings. These characteristics have contributed to sustained demand for gold in both physical and financial forms, making it an important component of investment portfolios across different demographic and economic groups.

The nature of gold investment has undergone significant transformation over recent decades. Traditionally, investors primarily purchased physical gold in the form of jewellery, coins, and bars. However, technological advancements and financial innovation have expanded the range of investment opportunities available to investors. Modern gold investment instruments now include gold exchange-traded funds, sovereign gold bonds, digital gold platforms, and gold-based mutual funds. These developments have increased accessibility and flexibility for investors while reducing many of the storage, security, and transaction-related challenges associated with physical gold ownership. As investment alternatives continue to expand, it becomes increasingly important to understand how investors perceive these options and what factors influence their decisions when selecting gold as an investment vehicle.

Investment decisions are not determined solely by financial information and market performance. Behavioural finance research suggests that psychological, emotional, and social factors often influence investor judgement and decision-making processes. Investors may respond differently to identical market conditions based on their individual experiences, risk preferences, expectations, and perceptions of uncertainty.

Understanding investor behaviour is particularly important in the context of gold investments because perceptions regarding safety, stability, and future value often influence investment choices. Factors such as confidence in economic conditions, market sentiment, financial literacy, investment experience, and personal objectives can significantly affect how investors evaluate gold as an investment option. Examining these behavioural dimensions provides valuable insights into the motivations underlying investment decisions.

2. Literature Review: Gold has historically been regarded as one of the most important investment assets due to its ability to preserve wealth and provide financial security during periods of economic uncertainty. Unlike many financial instruments whose values fluctuate significantly because of market conditions, gold has maintained long-term investor confidence because of its intrinsic value, liquidity, and universal acceptance. Researchers have consistently highlighted the role of gold as a hedge against inflation, currency depreciation, and market volatility. Studies by Baur and Lucey (2018), Capie et al. (2019), and Tiwari et al. (2019) found that gold serves as an effective protective asset during adverse economic conditions and contributes to portfolio diversification.

The investment importance of gold has further increased because of its ability to perform differently from traditional assets such as stocks and bonds. Bouri et al. (2020) and Ciner et al. (2019) reported that gold demonstrates safe-haven characteristics during periods of financial instability. Similarly, Parhi (2019) observed that gold provides favourable risk-adjusted returns and contributes to overall portfolio stability. These findings indicate that gold continues to remain a preferred investment option for investors seeking wealth preservation and long-term financial protection.

Reddy, R. K. V. (2024) explored how demographic variables influence the sources through which investors acquire financial and investment-related information. The study emphasized that effective investment decisions are largely dependent on the awareness levels of investors and the information channels they utilize. The findings highlighted that demographic factors such as age, education, occupation, and income significantly affect investment awareness and consequently influence investment choices. The significance of Reddy, R. K. V. (2024) work lies in establishing the relationship between investor profiles and financial decision-making behavior. His findings suggest that investors do not make decisions solely on the basis of objective financial information but are also influenced by accessibility to information, financial literacy, and socio-economic characteristics. These insights are highly relevant to behavioral finance, which argues that investor decisions are often shaped by psychological and informational factors rather than pure rationality.

Investor perception plays a significant role in determining investment decisions and portfolio allocation strategies. Perception reflects the beliefs, attitudes, and expectations that investors associate with a particular investment option. Gold is widely perceived as a safe, reliable, and stable asset that can protect wealth from economic uncertainty and market fluctuations. Studies have shown that investors generally consider safety, liquidity, and long-term value preservation as the primary reasons for investing in gold. Research conducted by Jain and Shukla (2019) revealed that investor preference toward gold is strongly influenced by perceptions of security and financial stability. Krishnakumar and Lissy (2025) similarly reported that positive investor perceptions significantly increase investment interest in gold. Auxilia Felicitas (2010) further emphasized that investors view gold as an effective wealth preservation instrument. These findings demonstrate that investor perception remains one of the most important determinants of gold investment behaviour.

Traditional financial theories assume that investors make rational decisions based on risk and return considerations. However, behavioural finance suggests that investment decisions are also influenced by psychological and emotional factors. Kahneman and Tversky's (1979) Prospect Theory explains that investors are generally loss-averse and tend to prefer investment options that reduce perceived risk. This behavioural tendency contributes to the popularity of gold during uncertain economic conditions. Several studies have examined the influence of behavioural factors on investment decisions. Hundal (2019) found that investor behaviour is often affected by herd mentality and psychological biases. Goyal and Kumar (2023) reported that behavioural biases significantly influence investment choices in emerging economies. Similarly, Chen and Xiao (2022), Menon (2020), and Yadav and Gupta (2022) observed that investor attitudes, emotions, and risk perceptions play a crucial role in commodity investment decisions. These studies indicate that behavioural considerations are important for understanding investor preference toward gold investments.

Investor behaviour is often shaped by demographic and socio-economic factors such as age, education, income, occupation, financial literacy, and cultural background. These variables influence how investors perceive investment opportunities and allocate financial resources. Research suggests that demographic characteristics contribute significantly to differences in investment preferences and risk-taking behaviour. Jayashree Kowtal (2018) reported that age, education, and income significantly affect investment decisions. Velmurugan et al. (2018) found that household investment behaviour varies across demographic groups and socio-economic conditions. Sharma and Singh (2021) further highlighted the importance of financial literacy in shaping investment decisions. In countries such as India, cultural traditions and social practices also influence gold ownership and investment behaviour. As a result, demographic and socio-economic factors continue to play an important role in determining investor preference toward gold.

The emergence of financial innovation has expanded the range of gold investment opportunities available to investors. While physical gold remains the most common form of investment, alternative instruments such as Gold Exchange-Traded Funds (ETFs), Sovereign Gold Bonds (SGBs), Digital Gold, and gold-based mutual funds have gained increasing attention. These instruments offer advantages such as convenience, transparency, improved liquidity, and reduced storage costs. Ignatius (2018) discussed the opportunities and challenges associated with different gold investment avenues in India. Rangasamy and Raghavi (2022) compared investor preferences for physical and electronic gold and found that traditional forms continue to dominate despite growing awareness of digital alternatives. Shah (2025) examined investor participation in sovereign gold bonds and highlighted the influence of demographic and policy-related factors on adoption. These studies indicate that although modern gold investment products are becoming more popular, investor acceptance remains influenced by familiarity, awareness, and perceived security.

3. Research Gap: Although extensive research has been conducted on gold investment and investor behaviour, several gaps remain in the existing literature. Most studies focus either on financial performance and market behaviour or on behavioural aspects of investment decisions. Limited research has integrated investor perception, preference, and behaviour within a single analytical framework. Furthermore, many studies have concentrated on gold price movements, inflation hedging, and diversification benefits while providing comparatively less attention to the behavioural mechanisms that influence investment decisions.

In addition, the increasing availability of modern gold investment products has changed the investment landscape, yet empirical evidence regarding investor acceptance and behavioural responses toward these alternatives remains limited. There is therefore a need for comprehensive research that simultaneously examines demographic, behavioural, financial, and socio-economic factors influencing investor preference toward gold investments. The present study addresses this gap by developing an integrated framework to analyse investor perception, preference, and behaviour toward gold as an investment commodity.

4. Research Objectives: The primary objectives of this study are:

- To examine investor perception toward gold as an investment commodity.
- To identify the factors influencing investor preference for gold investments.
- To analyse behavioural and demographic determinants affecting investment decisions.
- To evaluate the relationship between investor characteristics and gold investment behaviour.
- To identify the major dimensions influencing investment preferences through statistical analysis.

5. Research Methodology

5.1 Research Design: The present study adopts a quantitative and descriptive research design to examine investor perception, preference, and behaviour toward gold as an investment commodity. A descriptive research approach is appropriate when the objective is to systematically analyse attitudes, opinions, and behavioural patterns of a target population. The design enables the collection of measurable data and facilitates the examination of relationships among factors influencing investment decisions. The study aims to identify the key determinants affecting investor preference for gold and evaluate how financial, behavioural, and socio-economic factors influence investment behaviour. A quantitative approach was selected because it allows objective measurement of investor responses and supports the use of statistical techniques for hypothesis testing and empirical validation of the proposed research model.

5.2 Research Approach: A quantitative research approach was employed to ensure systematic data collection and objective analysis. The study relies on numerical data obtained through a structured questionnaire and applies statistical techniques to evaluate investor attitudes and behavioural patterns.

Quantitative research is particularly useful in behavioural finance studies because it enables the measurement of perceptions, preferences, and decision-making tendencies across a diverse group of respondents. The approach also facilitates hypothesis testing and empirical verification of the proposed conceptual framework. By using quantitative methods, the study seeks to provide reliable evidence regarding the factors that influence investor behaviour toward gold investments and the relationships among the variables under investigation.

5.3 Sources of Data

- **Primary Data:** Primary data were collected directly from respondents through a structured questionnaire designed specifically for this study. The questionnaire included questions related to demographic characteristics, investment preferences, investor perceptions, and behavioural aspects associated with gold investment. Collecting primary data allowed the study to obtain current and relevant information directly from individuals involved in investment activities. The questionnaire was distributed among investors with varying levels of investment experience, educational backgrounds, occupations, and income categories. This approach ensured the inclusion of diverse viewpoints and provided a broader understanding of investor attitudes toward gold investment.
- **Secondary Data:** Secondary data were collected from academic journals, research articles, books, industry reports, financial publications, and relevant literature related to behavioural finance and investment management. These sources were used to develop the theoretical framework, identify research gaps, formulate hypotheses, and support the interpretation of empirical findings. The use of secondary data also helped establish the academic foundation of the study by integrating insights from previous research and contemporary investment literature.

5.4 Sampling Design

- **Target Population:** The target population consisted of individuals who invest or possess an interest in investment opportunities, particularly those involving gold and related financial products. The study focused on investors with varying levels of experience and financial knowledge to capture diverse investment perspectives.
- **Sampling Technique:** A convenience sampling technique was employed for data collection. Respondents were selected based on accessibility, availability, and willingness to participate in the survey. Although convenience sampling may limit the generalizability of findings, it is widely used in behavioural and exploratory research where access to respondents is a practical consideration.
- **Sample Size:** A total of 101 valid responses were collected and used for analysis. The sample included respondents from different age groups, educational levels, occupations, and income categories. The sample size was considered sufficient for conducting descriptive statistics, reliability testing, correlation analysis, factor analysis, and hypothesis testing.

5.5 Research Instrument: The primary instrument used for data collection was a structured questionnaire consisting of four major sections as Demographic Information, Investment Profile, Perception, Investor Preference and Behaviour

5.6 Measurement Scale: A five-point Likert scale was used to measure respondents' attitudes and perceptions. The scale provides a simple and effective method for quantifying behavioural responses and evaluating levels of agreement with different statements.

5.7 Variable Measurement Framework: The study examined several constructs associated with investor behaviour toward gold investment. These variables were measured using multiple indicators derived from existing literature and research objectives.

Construct	Indicators
Investor Perception	Safety, Reliability, Stability, Liquidity, Wealth Preservation
Financial Security Factors	Safety, Returns, Liquidity, Ease of Purchase
Socio-Economic Factors	Culture, Family Influence, Government Policies, Financial Literacy
Investor Preference	Gold Preference, Gold Allocation, Investment Choice
Investment Behaviour	Investment Frequency, Future Investment Intention, Portfolio Allocation

The measurement framework ensured comprehensive evaluation of the factors influencing investment decisions.

5.8 Reliability and Validity Assessment

- Reliability Analysis:** Reliability refers to the consistency and stability of measurement items used in the study. Internal consistency was evaluated using Cronbach's Alpha coefficient, which is one of the most widely accepted reliability measures in behavioural research. A Cronbach's Alpha value greater than 0.70 is generally considered acceptable, indicating satisfactory reliability of the measurement instrument.
- Validity Assessment:** Content validity was established through an extensive review of literature and consultation with academic experts. Construct validity was assessed using factor analysis to determine whether the measurement items accurately represented the underlying constructs. The validity assessment ensured that the questionnaire effectively measured investor perception, preference, and behavioural characteristics relevant to gold investment decisions.

5.9 Statistical Techniques Used: Several statistical techniques were employed to analyse the collected data and test the proposed hypotheses. Descriptive statistics were used to summarise respondent characteristics and identify general investment patterns. Mean score analysis was performed to rank the importance of factors influencing investment decisions. The one-sample t-test was used to evaluate whether investors significantly perceive gold as a safe investment option. The chi-square test was applied to examine relationships between demographic variables and investor perceptions. Correlation analysis was used to determine the strength and direction of relationships between investor perception and investment behaviour. Factor analysis was employed to identify the underlying dimensions influencing investor preference toward gold investment. Prior to factor extraction, sampling adequacy was assessed using the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's. These statistical techniques collectively enabled comprehensive analysis of investor behaviour and provided empirical support for evaluating the proposed hypotheses.

6. Research Framework for Data Analysis: The collected data were systematically processed through multiple stages, including data screening, coding, statistical analysis, and interpretation. Reliability and validity assessments were conducted prior to hypothesis testing to ensure the quality of the dataset. Subsequently, descriptive statistics, inferential analysis, correlation analysis, and factor analysis were performed to evaluate investor behaviour and identify the major determinants of gold investment decisions. The methodological framework provides a robust foundation for examining investor perception, preference, and behaviour toward gold investment. The next section presents the empirical findings and discusses the results obtained from the statistical analyses.

6.1 Respondent Profile Analysis: The demographic profile of respondents provides important insights into the characteristics of investors participating in the study. A total of 101 valid responses were collected from individuals belonging to different age groups, educational backgrounds, occupations, and income categories. The diversity of the sample enabled a comprehensive assessment of investor perception, preference, and behaviour toward gold investment. The analysis indicates that investment decisions are influenced by a combination of demographic and behavioural factors. Variations in income level, occupation, and investment experience were observed across respondents, suggesting that individual characteristics contribute to differences in investment preferences and portfolio allocation decisions. Understanding these characteristics provides a useful foundation for interpreting the investment behaviour observed in subsequent analyses.

6.2 Investor Preference for Gold Investment Forms: One of the primary objectives of the study was to identify the forms of gold investment preferred by investors. The results reveal that physical gold remains the most preferred investment option among respondents. A substantial majority of investors continue to favour jewellery, coins, and gold bars over modern investment alternatives such as Gold Exchange-Traded Funds (ETFs), Sovereign Gold Bonds (SGBs), and Digital Gold. The dominance of physical gold indicates that traditional investment behaviour continues to play a significant role in investment decision-making. Familiarity, ease of understanding, cultural significance, and perceived ownership benefits contribute to the continued preference for physical gold. Although awareness of modern gold investment products is gradually increasing, adoption levels remain comparatively low, suggesting the need for greater investor education and financial awareness initiatives.

6.3 Factors Influencing Gold Investment Decisions: To understand the determinants of investment preference, respondents were asked to evaluate several factors influencing their gold investment decisions. Mean score analysis revealed that safety and security emerged as the most influential factor, followed by expected returns, liquidity, and ease of purchase. These findings indicate that investors primarily view gold as a protective asset capable of preserving wealth and reducing financial risk. The results further suggest that investors place greater emphasis on financial considerations than socio-cultural influences when making investment decisions. While cultural significance and government policies continue to influence investor attitudes, financial security attributes appear to play a more dominant role. This shift reflects the growing tendency of investors to evaluate gold not only as a traditional asset but also as an important component of long-term financial planning.

6.4 Investor Perception Toward Gold as a Safe Investment: The perception of gold as a safe investment was evaluated using a one-sample t-test. The analysis revealed that the average perception score was significantly higher than the neutral benchmark value, indicating strong agreement among respondents regarding the safety and reliability of gold as an investment option. This finding reinforces the widely accepted view that gold functions as a dependable store of value during periods of economic uncertainty. Investors continue to associate gold with stability, wealth preservation, and protection against adverse market conditions. The strong safety perception identified in the study provides empirical evidence supporting the continued relevance of gold in contemporary investment portfolios.

6.5 Influence of Demographic Characteristics: A chi-square analysis was conducted to examine whether demographic factors significantly influence investor perception toward gold. The results indicated that age did not have a statistically significant relationship with investor perception. This finding suggests that positive attitudes toward gold are relatively consistent across different age groups. The absence of significant variation implies that gold enjoys broad acceptance among investors regardless of age. Unlike certain investment products that appeal primarily to specific demographic segments, gold appears to

maintain widespread attractiveness across diverse investor categories. This characteristic contributes to its enduring popularity and strengthens its position as a universally accepted investment asset.

6.6 Factor Analysis and Underlying Investment Dimensions: Factor analysis was performed to identify the underlying dimensions influencing investor preference toward gold investment. Prior to factor extraction, the Kaiser-Meyer-Olkin (KMO) measure and Bartlett's Test of Sphericity confirmed the suitability of the data for factor analysis. The results indicated satisfactory sampling adequacy and significant interrelationships among the variables. The analysis extracted two major dimensions influencing investment decisions. The first factor, labelled Financial Security Factors, included safety, liquidity, expected returns, and ease of purchase. The second factor, labelled Socio-Economic Influence Factors, included cultural significance and government-related influences. The dominance of financial security attributes demonstrates that investors primarily evaluate gold based on its ability to preserve wealth and provide financial stability, while socio-economic influences act as supporting determinants of investment behaviour.

6.7 Relationship Between Safety Perception and Investment Behaviour To examine the relationship between investor perception and actual investment behaviour, correlation analysis was conducted between safety perception and investment frequency. The results revealed a moderate positive relationship, indicating that investors who perceive gold as a safer investment tend to invest more frequently. This finding provides important behavioural insights into investment decision-making. The positive relationship suggests that investor confidence significantly influences investment participation. When investors believe that an asset can effectively protect wealth and reduce risk, they are more likely to allocate funds toward that asset on a regular basis. The result also supports behavioural finance arguments that perceptions and attitudes play a crucial role in shaping investment behaviour.

6.8 Gold Investment Behaviour The analysis of investment frequency indicates that the majority of respondents invest in gold occasionally rather than regularly. This finding suggests that investors generally view gold as a complementary investment asset rather than a primary source of wealth creation. Gold is commonly used as a portfolio balancing instrument that provides protection during uncertain economic conditions while complementing other investment alternatives. Despite the moderate frequency of investment, the percentage of respondents who never invest in gold was extremely low. This observation highlights the widespread acceptance of gold among investors and confirms its continued relevance in personal financial planning. The results suggest that gold remains an important component of investment portfolios regardless of changes in financial markets and investment trends.

6.9 Hypothesis Testing Results: The proposed hypotheses were evaluated using the results obtained from descriptive and inferential statistical analyses. The findings provide substantial support for the conceptual framework developed in this study. Investor perception was found to positively influence investor preference, while financial security factors and socio-economic influences significantly contributed to investment preferences. Similarly, investor preference demonstrated a positive relationship with actual investment behaviour. Income level was found to influence investment allocation decisions, and financial literacy showed a positive association with the adoption of modern gold investment instruments. These findings validate the proposed relationships among the variables and provide empirical support for the theoretical foundations of the study.

6.10 Discussion of Findings: The findings of this study provide important insights into investor behaviour toward gold investment. The results indicate that investors continue to regard gold as a secure and reliable investment option capable of preserving wealth and reducing financial uncertainty. Safety, liquidity,

expected returns, and ease of purchase emerged as the most influential determinants of investment preference, highlighting the importance of financial security considerations in investment decision-making. The study also demonstrates that investor behaviour is influenced by both financial and behavioural factors. While economic considerations remain important, perceptions, attitudes, and socio-economic influences contribute significantly to investment decisions. The strong preference for physical gold further suggests that traditional investment practices continue to coexist with emerging financial innovations. Overall, the findings support the view that gold remains a valuable investment asset because of its perceived stability, wealth preservation capability, and broad investor acceptance.

6.11 Summary of Results: The empirical analysis confirms that investor preference toward gold is driven primarily by financial security considerations, supported by behavioural and socio-economic influences. Physical gold remains the dominant investment form, while awareness of modern investment alternatives is gradually increasing. The extracted factors, correlation results, and hypothesis testing outcomes collectively demonstrate that investor perception plays a central role in shaping investment preference and behaviour. These findings contribute to the understanding of investment decision-making and provide evidence that gold continues to occupy a significant position within investor portfolios. The results also establish a foundation for discussing the theoretical, managerial, and policy implications of the study, which are presented in the next section.

7. Theoretical Implications: The findings of this study contribute to the growing body of knowledge in behavioural finance and investment management by providing empirical evidence on the factors influencing investor preference and behaviour toward gold investment. The study demonstrates that investment decisions are not influenced solely by expected returns and financial considerations but are also shaped by investor perceptions, behavioural tendencies, and socio-economic influences. The results support the view that investor behaviour is a multidimensional phenomenon in which psychological and financial factors interact to influence investment choices.

The study further extends existing literature by integrating investor perception, preference, and behavioural outcomes within a single analytical framework. While previous studies have often examined these factors separately, the present research highlights their interconnected nature. The findings confirm that perceptions regarding safety, stability, and wealth preservation significantly influence investor preferences, which subsequently affect actual investment behaviour. This integrated perspective provides a more comprehensive understanding of investment decision-making in the context of gold investment.

7.1 Managerial Implications: The findings offer valuable insights for financial institutions, investment advisors, wealth managers, and organizations involved in gold-related financial products. The results indicate that safety, liquidity, and wealth preservation are the primary factors influencing investor preference. Financial service providers can therefore design investment products and communication strategies that emphasize these attributes to better align with investor expectations and preferences.

The study also highlights the growing importance of investor awareness regarding modern gold investment alternatives. Although physical gold remains the most preferred form of investment, increasing financial literacy and awareness may encourage greater adoption of investment products such as Gold Exchange-Traded Funds, Sovereign Gold Bonds, and Digital Gold. Financial institutions can use these findings to develop educational initiatives and investor outreach programmes that improve understanding of available investment options and their associated benefits.

7.2 Practical Implications: From an investor perspective, the findings emphasize the importance of considering multiple factors when making investment decisions. Investors should evaluate investment alternatives based not only on expected returns but also on risk characteristics, liquidity, diversification

benefits, and long-term financial objectives. The results suggest that gold can serve as an effective component of a diversified investment portfolio because of its perceived stability and wealth preservation characteristics. The study also demonstrates that investor perceptions significantly influence investment behaviour. Therefore, improving financial awareness and investment knowledge can help investors make more informed decisions. Understanding the factors that drive investment preferences may enable individuals to develop more balanced investment strategies that align with their financial goals, risk tolerance, and investment horizon.

7.3 Policy Implications: The findings provide useful information for policymakers and regulatory authorities involved in financial market development and investor protection. The strong preference for gold among investors highlights its continued significance within household investment portfolios. Policymakers can use these insights to promote financial literacy initiatives that help investors understand the benefits and risks associated with different forms of gold investment. Furthermore, increasing awareness of regulated gold investment products may contribute to greater participation in formal financial markets. Policies aimed at improving transparency, accessibility, and investor education can support informed decision-making and encourage the adoption of secure and efficient investment alternatives. Such initiatives may contribute to broader financial inclusion and more effective investment practices among individual investors.

8. Conclusion: This study examined investor perception, preference, and behaviour toward gold as an investment commodity. The research was conducted to understand the factors that influence investment decisions and to evaluate the role of financial, behavioural, and socio-economic determinants in shaping investor attitudes toward gold. Using primary data collected from individual investors, the study employed statistical techniques to analyse investment preferences, behavioural patterns, and the relationships among key variables. The findings reveal that gold continues to be regarded as a trusted and reliable investment option. Safety, liquidity, expected returns, and wealth preservation emerged as the most influential factors affecting investor preference. The results also indicate that investor perception plays a significant role in determining investment behaviour. Individuals who perceive gold as a safe and stable investment are more likely to prefer gold and allocate a portion of their investments toward it. The analysis further shows that demographic and socio-economic factors contribute to investment decisions, although financial security considerations remain the primary determinants of investor preference. Factor analysis identified two major dimensions influencing gold investment decisions: Financial Security Factors and Socio-Economic Influence Factors. Among these, financial security considerations were found to exert the strongest influence on investor behaviour. The study also revealed a positive relationship between safety perception and investment participation, highlighting the importance of investor confidence in shaping investment decisions. Overall, the findings confirm that gold remains an important component of investment portfolios due to its perceived stability, liquidity, and wealth preservation capability. The study contributes to the understanding of investor behaviour and provides useful insights for investors, financial institutions, and policymakers seeking to develop effective investment strategies and financial products that meet investor needs.

9. Future Research Directions Future studies may expand the scope of research by incorporating larger and more diverse samples across different geographical regions and investor categories. Comparative studies involving urban and rural investors, experienced and novice investors, or different demographic groups may provide deeper insights into investment behaviour and preference patterns. Researchers may also examine emerging gold investment products and digital investment platforms to understand how technological advancements are influencing investor decisions. Longitudinal studies can be conducted to analyse changes in investor behaviour over time and evaluate the impact of economic events on investment

preferences. Further research may incorporate additional behavioural variables such as risk tolerance, financial confidence, investment experience, and decision-making biases to develop a more comprehensive understanding of investment behaviour. The application of advanced statistical and predictive modelling techniques may also provide deeper insights into the factors influencing investor preference and portfolio allocation decisions. Such studies can contribute to the continued development of behavioural finance literature and improve understanding of contemporary investment practices.

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