Influence Of Gold Supremacy on Investors in Erode District

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***Abstract*—Investment is the act of allocating money or resources into assets with the expectation of earning future returns or profits. An investor is a person who commits money to various assets or ventures with the goal of gaining financial returns. Gold supremacy reflects investors' strong preference for gold as a secure, stable, and prestigious asset, influencing their investment decisions through cultural, emotional, and economic factors. Gold continues to dominate as a preferred investment choice among investors in Erode District despite the availability of modern financial instruments. Many investors view gold as a symbol of safety, stability, and prestige rather than just an asset. In this juncture, this study aimed to examine influence of gold supremacy on investors in Erode district. This study adopted research design is descriptive method. This study utilized both primary and secondary sources. A structured questionnaire has been developed by the researchers and distributed among target population to collect the primary data of socio-economic profile and factors influence of gold supremacy on investors with the help of 5 points Likert's scaling technique. The secondary data from published article, books, journals, internet sources, etc. are collected. This study has applied random sampling technique to prefer the sample size of 135 investors in the study area. The collected data have been entered and tabulated into MS-Excel software and analyzed by using the statistical techniques like percentage analysis, mean score, standard deviation and Chi-square test through SPSS 26.0 software. Also, this study has developed null hypothesis to examine the relationship between influence of gold supremacy on investors and selected independent variables. This study noticed that high level of influence of gold supremacy has been perceived by investors who belong to between 30–45 years of age group, male, invest in gold for status symbol, who prefer ornaments, coins and biscuits and prefer fresh gold to invest in Erode district.**

***Index Terms*—Gold Supremacy, Investment, Investor Perception, Financial Security, Wealth Creation, Cultural Value, Economic Stability, Investment Decision.**

I. INTRODUCTION

Investment is the process of allocating money, time, or resources into assets or ventures with the expectation of earning future returns or profits. It plays a vital role in wealth creation and financial security. Individuals invest in various options such as gold, stocks, real estate, or mutual funds based on their income, risk-bearing capacity, and goals. Effective investment decisions require proper planning, market awareness, and understanding of economic conditions. Investors are individuals or institutions who allocate their money into various assets or ventures with the goal of earning returns or profits. They assess risk, market trends, and financial opportunities before investing. Investors play a key role in economic growth by providing capital for business development, innovation, and wealth generation. Gold supremacy on investors mentions to the dominant influence and strong preference that gold holds as a safe and reliable investment option. Investors consider gold as a symbol of wealth, security, and stability, especially during economic uncertainty. Its consistent value, liquidity, and cultural significance make it a preferred choice over other investment avenues. Many investors perceive gold as a hedge against inflation and currency fluctuations. The emotional and traditional attachment to gold also strengthens its supremacy. Thus, gold continues to attract investors seeking both financial safety and social prestige, reinforcing its long-standing dominance in the investment landscape. The influence of gold supremacy on investors highlights the strong preference for gold as a secure and reliable investment. Investors are drawn to its stability, cultural value, and ability to protect wealth during economic fluctuations. Gold's prestige and consistent returns influence investment behavior, making it a favored choice for financial security and long-term wealth preservation.

II. REVIEW OF LITERATURE

According to Ganesamurthy and Anjuka (2025) measured that gold continues to be the most preferred investment among Indian investors due to its cultural significance, liquidity and stability during economic fluctuations. Also, investors showed greater awareness of physical gold compared to modern instruments like ETFs, bonds and deposits. Further, risk perception and traditional beliefs strongly influenced investment choices. The researchers Kalaiyarasan and Chandrasekaran (2024) revealed that considerable number of respondents perceive digital gold as a safer and more transparent investment compared to physical gold. In addition, trust in technology was higher among investors favoring digital gold, while traditional preferences still influenced some towards physical gold. Similarly, gender significantly affected social influence on investment choices, and age showed a negative relationship with trust in investment. The study of Khandelwal (2022) assumed that gold remains the most preferred investment choice, with 56% of investors favoring it over silver and diamond. Also, female investors showed a stronger inclination toward gold, primarily in the form of jewelry and coins, while male investors preferred bullion bars and ETFs. Although ETFs and futures are considered more profitable and convenient, many investors lack awareness about these modern gold investment options beyond traditional forms.

In view of Muralidharan and Nagabhushanam (2020) displayed that demographic factors such as monthly income and monthly savings significantly influence an individual's decision to invest in gold in Chennai city. It was observed that investors with higher income and savings are more inclined to invest in gold regularly. Furthermore, the study indicated that gender, age, and marital status do not majorly affect gold investment patterns, as gold continues to be viewed as a safe and stable investment option across all categories. Vasudevan and Vidhya (2019) illustrated that customer satisfaction in purchasing gold jewellery in Erode District is primarily influenced by quality, brand reputation, service, employee interaction and showroom amenities. Further, artistic design, luxurious appearance, and workmanship were key factors attracting customers. Additionally, urban customers emphasized fair pricing, accurate weight, and brand comparison, while rural customers valued exchange options and price negotiations. Also, socio-economic factors such as gender, income, and education also played a significant role in shaping buying behaviour and satisfaction. Mubeen (2017) justified that gold purchase behaviour among buyers in Erode City is primarily influenced by factors such as investment alternatives, liquidity, safety, quality consciousness, customs, and traditions. Moreover, demographic variables like age, income, and education showed significant variation in purchase patterns whereas gold continues to serve as a safe investment, a status symbol, and an essential component of cultural and traditional practices.

III. STATEMENT OF THE PROBLEM

The value of gold has long been recognized as a symbol of wealth, security, and social prestige in India. In recent years, the supremacy of gold as an investment option has continued to influence investor preferences, particularly in semi-urban and rural areas such as Erode District. Despite the emergence of modern investment avenues like mutual funds, equities and real estate, many investors still prioritize gold due to its cultural importance, perceived safety, and consistent returns. However, this overreliance on gold may limit portfolio diversification and overall financial growth. Understanding why investors in Erode District continue to prefer gold and how its supremacy influences their investment decisions is essential. This study seeks to examine the influence of gold supremacy on investors in Erode district.

IV. OBJECTIVES OF THE STUDY

- To explore the demographic profile of the selected investors in Erode District.
- To analyze the influence of gold supremacy on investors in the study area.

V. HYPOTHESES OF THE STUDY

- There is no significant relationship between reason for investing in gold pattern and influence of gold supremacy on investors.
- There is no significant relationship between type of gold preferred to invest and influence of gold supremacy on investors.
- There is no significant relationship between choice to invest in gold and influence of gold supremacy on investors.

VI. RESEARCH DESIGN AND TECHNIQUE

The study adopted a descriptive research design to analyze the influence of gold supremacy on investors in Erode District. Both primary and secondary data were utilized to gain an in-depth understanding of the research problem. The population of the study comprised individual investors residing in Erode District. A well-structured questionnaire based on a five-point Likert scale was used to collect data on demographic factors and perceptions related to gold investment behavior. A total of 135 investors were selected using a random sampling technique. The collected data were tabulated and organized using MS Excel, while appropriate statistical tools such as percentage analysis, mean score, standard deviation and Chi-square test were applied through SPSS 26.0 to examine and test the formulated hypotheses.

VII. RESULTS AND DISCUSSION

7.1 Demographic Profile of the Respondents

The demographic profile of the selected investors and the influence of gold supremacy on investors have been furnished in the below table.

Table 1 Demographic Profile and Influence of Gold Supremacy on Investors

S.No.	Variables	No. of Respondents	Percentage	Mean Score
	Age			
1	Below 30 years	29	21.5	3.58
2	30 – 45 years	62	45.9	3.68
3	Above 45 years	44	32.6	3.61
	Total	135	100.0	
	Gender			
1	Male	89	65.9	3.75
2	Female	46	34.1	3.57
	Total	135	100.0	
	Reason for investing in Gold			
1	Rising price	25	18.5	3.71
2	Affordability	36	26.7	3.45
3	Wealth creation	43	31.8	3.60
4	Status Symbol	31	23.0	3.74
	Total	135	100.0	
	Type of Gold preferred to Invest			
1	Ornaments only	42	31.1	3.38
2	Ornaments, coins and biscuits	58	43.0	3.77
3	Ornaments and utensils	35	25.9	3.71
	Total	135	100.0	
	Choice to Invest in Gold			
1	Fresh gold	61	45.2	3.70
2	Used gold	28	20.7	3.63
3	Both	46	34.1	3.54
	Total	135	100.0	

- The above table mentioned that 21.5% of the investors are below 30 years of age category, 45.9% of the investors are between 30–45 years and 32.6% of the investors are belong to above 45 years of age segment.
- The analysis observed that 65.9% of the investors are male and 34.1% are female.
- It is assumed from the analysis that 18.5% of the investors invest in gold due to rising prices, 26.7% of the investors invest due to affordability, 31.8% of the investors invest for wealth creation and 23.0% of the investors invest for status symbol.
- The analysis explored that 31.1% of the investors prefer gold for ornaments only, 43.0% of the investors prefer ornaments, coins and biscuits and 25.9% of the investors prefer gold for ornaments and utensils.
- The analysis confirmed that 45.2% of the investors prefer fresh gold to invest, 20.7% prefer used gold and 34.1% prefer both to invest.

7.2 Influence of Gold Supremacy on Investors

This section primarily examined the influence of gold supremacy on investors. For the purpose of this study, the researcher developed eight statements related to influence of gold supremacy on investors. The Cronbach's Alpha value for these statements is 0.917, indicating that the reliability of the scale is excellent and suitable for analysis. The analysis justified that most investors agreed with the statement, 'Gold possess healthier resale value', which recorded a mean score of 4.03 and a standard deviation of 1.17, followed by 'Specialized investment asset of last resort', with a mean score of 3.85 and a standard deviation of 1.25. Testing of Hypothesis (Chi-Square Test)

7.3 Relationship between Demographic Profile and Influence of Gold Supremacy on Investors (Chi-Square Test)

With a view to find the degree of association between demographic profile of the selected investors and influence of gold supremacy on investors, a cross-tabulation has been framed. In order to find the relationship between selected independent variables and influence of gold supremacy on investors, hypotheses are developed and analyzed by applying Chi-square test.

Reason for investing in Gold Pattern and Influence of Gold Supremacy on Investors

H0: There is no significant relationship between reason for investing in gold pattern and influence of gold supremacy on investors.

Table 2: Reason for investing in Gold Pattern and Influence of Gold Supremacy on Investors

S.No	Reason for investing in Gold	Influence of gold supremacy on investors			Total	Chi-Square Value
		Low	Medium	High		
1	Rising price	7(28.0%)	14(56.0%)	4(16.0%)	25(100.0%)	16.409(0.012**)
2	Affordability	9(25.0%)	5(13.9%)	22(61.1%)	36(100.0%)	
3	Wealth creation	10(23.3%)	14(32.6%)	19(44.2%)	43(100.0%)	
4	Status Symbol	5(16.1%)	13(41.9%)	13(41.9%)	31(100.0%)	
	Total	31	46	58	135	

Note: Parenthesis indicates 'p' value; * – Significant at 5% level

It is noticed from the above table that the 'p' value is lesser than 0.05 and the null hypothesis is rejected. Hence, there is a significant relationship between reason for investing in gold and influence of gold supremacy on investors

Type of Gold preferred to Invest and Influence of Gold Supremacy on Investors

H0: There is no significant relationship between type of gold preferred to invest and influence of gold suprema investors.

Table 3: Type of Gold preferred to Invest and Influence of Gold Supremacy on Investors

S.No	Type of Gold preferred to Invest	Influence of gold supremacy on investors			Total	Chi-Square Value
		Low	Medium	High		
1	Ornaments only	16(38.1%)	18(42.9%)	8(19.0%)	42(100.0%)	20.753(0.000*)
2	Ornaments, coins and biscuits	9(15.5%)	13(22.4%)	36(62.1%)	58(100.0%)	
3	Ornaments and utensils	6(17.1%)	15(42.9%)	14(40.0%)	35(100.0%)	
	Total	31	46	58	135	

Note: Parenthesis indicates 'p' value; * – Significant at 1% level

It is displayed from the above table that the 'p' value is lesser than 0.05 and the null hypothesis is rejected. Therefore, there is a close significant relationship between type of gold preferred to invest and influence of gold supremacy on investors.

Choice to Invest in Gold and Influence of Gold Supremacy on Investors

H0: There is no significant relationship between choice to invest in gold and influence of gold supremacy on investors.

Table 4: Choice to Invest in Gold and Influence of gold supremacy on investors

S.No	Choice to Invest in Gold	Influence of gold supremacy on investors			Total	Chi-Square Value
		Low	Medium	High		
1	Fresh gold	13(21.3%)	20(32.8%)	28(45.9%)	61(100.0%)	6.490(0.165NS
2	Used gold	8(28.6%)	5(17.9%)	15(53.6%)	28(100.0%)	
3	Both	10(21.7%)	21(45.7%)	15(32.6%)	46(100.0%)	
	Total	31	46	58	135	

Note: Parenthesis indicates 'p' value; NS – Not Significant

It is assumed from the above table that the 'p' value is greater than 0.05 and the null hypothesis is accepted. Hence, there is no significant relationship between choice to invest in gold and influence of gold supremacy on investors.

VIII. FINDINGS

- It is indicated that most of the investors belong to the age group of 30–45 years of age group. Also, high level of influence of gold supremacy has been perceived by investors aged between 30–45 years of age segment.
- It is indicated that most of the investors are male. Further, high level of influence of gold supremacy has been perceived by male investors.
- It is identified that most of the investors invest in gold for wealth creation. Moreover, high level of influence of gold supremacy has been perceived by investors who invest in gold for status symbol.
- It is measured that most of the investors prefer gold to invest in ornaments, coins and biscuits. Further, high level of influence of gold supremacy has been perceived by investors who prefer ornaments, coins and biscuits.
- It is indicated that most of the investors prefer fresh gold to invest. In addition, high level of influence of gold supremacy has been perceived by investors who prefer fresh gold to invest.
- The mean score analysis noticed that most investors agreed with the statement, 'Gold possess healthier resale value', which recorded a mean score of 4.03 followed by 'Specialized investment asset of last resort', with a mean score of 3.85.
- The Chi-square test assumed that there is a significant relationship between reason for investing in gold and influence of gold supremacy on investors.

- From the Chi-square analysis, it is proved that there is a close significant relationship between type of gold preferred to invest and influence of gold supremacy on investors.
- It is mentioned from the Chi-square test that there is no significant relationship between choice to invest in gold and influence of gold supremacy on investors.

IX. SUGGESTIONS

- The findings noticed that a high level of influence of gold supremacy has been perceived by investors aged between 30–45 years. This study suggests that investment firms and financial advisors should develop customized gold investment schemes targeting this active age group to strengthen their investment potential.
- The findings noticed that a high level of influence of gold supremacy has been perceived by male investors. This study suggests that awareness programs and promotional campaigns should be initiated to encourage female investors to actively participate in gold investments.
- The findings noticed that a high level of influence of gold supremacy has been perceived by investors who invest in gold for status symbol. This study suggests that jewelers and gold marketers can design premium and designer gold collections to attract such investors and enhance their satisfaction.
- The findings noticed that a high level of influence of gold supremacy has been perceived by investors who prefer ornaments, coins, and biscuits. This study suggests that dealers and financial institutions should offer flexible investment options and schemes covering all these forms to cater to diverse investor preferences.
- The findings noticed that a high level of influence of gold supremacy has been perceived by investors who prefer fresh gold to invest. This study suggests that jewelers and retailers should ensure transparency in pricing and purity certifications to retain trust and attract more investors toward fresh gold purchases.

X. CONCLUSION

This study aimed to examine the influence of gold supremacy on investors in Erode district. Gold supremacy refers to the dominant preference and trust investors place in gold as a stable and secure investment asset. This research justified that there is a significant relationship between influence of gold supremacy on investors and selected variables like reason for investing in gold and type of gold preferred to invest. The study pointed out that investors view gold as a stable and prestigious investment option influenced by cultural and economic factors. Also, financial institutions and jewelers should design innovative gold-based investment schemes to attract a wider investor base while awareness programs can be organized to promote informed and diversified investment decisions among investors in Erode district.

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