

A Study on Awareness and Perception of Digital Gold Purchases with Special Reference to Coimbatore City

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ABSTRACT

Digital platforms have made it possible for individuals to invest in gold without physical possession. This study examines the level of familiarity and perception of digital gold investment among selected respondents in Coimbatore city. Information required for the study was gathered from 80 participants using a survey method. Analytical tools such as percentage method, Chi-square technique and trend analysis were applied for examining the collected responses. The outcome of the study shows that digital gold is viewed as a flexible investment option, although certain trust-related factors affect the investment preference of respondents.

Keywords: Digital Gold, Investment Awareness, Investor Perception, Online Gold Investment, Financial Technology

I. INTRODUCTION

Gold has been considered as a traditional form of investment in India due to its long-term value and financial security. In addition to physical gold, technological developments in financial services have introduced new investment options such as digital gold. Digital gold enables individuals to purchase and hold gold through online platforms without the requirement of physical storage. This mode of investment has gained attention due to its convenience, accessibility and flexibility for small-scale investors.

In recent years, the usage of mobile-based payment applications has increased significantly in urban regions. As a result, individuals are becoming more aware of alternative investment opportunities offered through digital platforms. However, the transition from physical gold ownership to digital investment involves certain behavioural factors such as trust, transparency and security. Therefore, this study attempts to analyse the level of awareness and perception of digital gold investment among selected respondents in Coimbatore city.

II. REVIEW OF LITERATURE

1. Hemalatha and Pavithra (2018) examined women investors' perception towards gold investment and found that gold continues to be considered a safe and reliable investment option among individuals due to its long-term value and security. The study also highlighted that awareness plays a significant role in influencing investment decisions.
2. Menakadevi et al. (2021) conducted a study on investment behaviour in gold instruments with reference to Indian households and reported that the adoption of digital platforms has gradually influenced individuals to shift from traditional physical gold investment to modern digital investment alternatives due to convenience and accessibility.

III. OBJECTIVES OF THE STUDY

- To analyse the level of awareness of digital gold investment among selected respondents in Coimbatore city.
- To examine the perception of individuals towards digital gold as an investment option.
- To identify the factors influencing preference towards digital gold investment.

IV. RESEARCH METHODOLOGY

The study follows a descriptive research approach to understand the awareness and perception towards digital gold investment among individuals. Information required for the study was obtained from 80 respondents residing in Coimbatore city through a survey method. Percentage method was used to analyse the demographic profile and

awareness level of respondents. In addition, Chi-square technique was applied to identify the relationship between selected variables. Trend analysis was used to observe the pattern in digital gold investment behaviour.

V. RESULTS AND DISCUSSION

Table 1: Age Distribution of Respondents.

| Age Group | Number of Respondents | Percentage |
|-----------|-----------------------|------------|
| Below 20 | 8 | 10.0 |
| 21–30 | 25 | 31.3 |
| 31–40 | 38 | 47.5 |
| Above 40 | 9 | 11.3 |
| Total | 80 | 100 |

Source: Survey Data

The table indicates that the highest proportion of respondents (47.5%) belong to the 31–40 age group, followed by 31.3% in the 21–30 age group. This suggests that middle-aged individuals constitute the dominant segment of the sample population.

Table 2: Gender Distribution of Respondents

| Gender | Number of Respondents | Percentage |
|--------|-----------------------|------------|
| Male | 44 | 55.0 |
| Female | 36 | 45.0 |
| Total | 80 | 100 |

Source: Survey Data

The table shows that 55% of the respondents are male, while 45% are female. This indicates a relatively balanced representation of both genders in the study sample.

Table 3: Awareness of Making Charges

| Response | Number of Respondents | Percentage |
|----------|-----------------------|------------|
| Yes | 66 | 82.5 |
| No | 14 | 17.5 |
| Total | 80 | 100 |

Source: Survey Data

The table reveals that 82.5% of respondents are aware of the making charges associated with physical gold purchase, while 17.5% are not aware. This indicates a high level of cost awareness among the respondents.

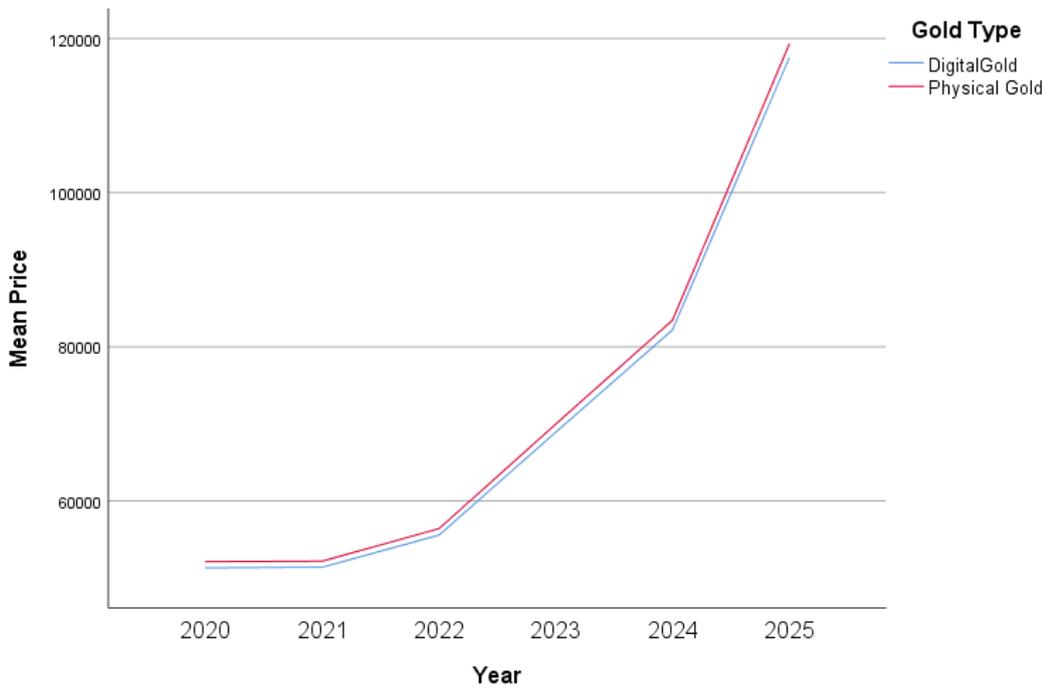


Figure 1: Trend Analysis of Digital and Physical Gold Prices (2020–2025)

The above figure shows an increasing trend in both digital and physical gold prices from 2020 to 2025. The steady rise in gold prices has encouraged investors to consider digital gold as a convenient and flexible investment option.

Figure 2: Chi-square Test Result

| Test Statistic | Value | df | P-Value |
|--------------------|---------|----|---------|
| Pearson Chi-Square | 110.028 | 16 | 0.000 |

The calculated Chi-square value is 110.028 with 16 degrees of freedom and the corresponding p-value is 0.000, which is less than the 0.05 level of significance. Hence, the null hypothesis is rejected and it can be concluded that there is a significant association between advertisement exposure and investment behaviour of respondents.

VI. FINDINGS

1. The majority of respondents (47.5%) belong to the 31–40 age group, indicating that middle-aged individuals constitute the dominant segment of the sample.
2. Male respondents (55%) slightly outnumber female respondents (45%) in the study sample.
3. A significant proportion of respondents (82.5%) are aware of the making charges associated with gold purchase.
4. The Chi-square analysis indicates a significant association between advertisement exposure and investment behaviour of respondents at 5% level of significance.
5. Trend analysis indicates a steady increase in both digital and physical gold prices from 2020 to 2025.

VII. SUGGESTIONS

1. Digital gold platforms may consider enhancing security features to improve investor confidence towards online gold investment.
2. Fintech companies may adopt targeted advertisement strategies, as promotional exposure significantly influences investment behaviour.
3. Digital gold providers may improve transparency in pricing and transaction details to build trust among potential investors.
4. Jewellery retailers may integrate digital gold investment options within existing physical stores to attract traditional investors.

5. Digital investment platforms may introduce simplified micro-investment plans for wider participation among middle-income groups.

VIII. CONCLUSION

Digital gold investment is gradually gaining awareness among individuals in Coimbatore city. However, concerns related to trust and security continue to influence investment preference towards physical gold. Increasing transparency and effective promotional strategies may enhance the adoption of digital gold investment in future.

IX. REFERENCES

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