



# A Study On Investor Awareness And Preference Towards Digital Gold

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## ABSTRACT

The present study titled “*A Study on the Awareness and Preference of Investors Towards Digital Gold Investment in Coimbatore*” aims to examine the level of awareness and perception of investors regarding digital gold as an emerging investment option. With the rapid digitalization of financial services, investment avenues have evolved significantly, offering more convenience and accessibility. Digital gold allows investors to purchase gold in small quantities online and store it securely without physical handling.

The study is based on both primary and secondary data. Primary data was collected through a structured questionnaire distributed among investors in Coimbatore, while secondary data was gathered from journals, websites, and financial reports. The study analyses factors such as awareness level, investment behaviour, preference over traditional gold, satisfaction level, and problems faced by investors.

The findings indicate that while a significant number of investors are aware of digital gold, there is still a need to increase awareness regarding its safety, reliability, and long-term benefits. The study concludes that digital gold has strong potential for growth due to its convenience, affordability, and security, but greater efforts are needed to build trust among investors.

**KEYWORDS:** Digital Gold, Investment, Investor Awareness, Preference, Financial Technology

## INTRODUCTION

Gold has always been considered one of the most secure and preferred investment options in India. Traditionally, people invest in physical gold in the form of jewels, coins, and bars. However, physical gold involves issues such as storage, safety, and additional costs like making charges.

With advancements in technology and the rise of financial technology (FinTech), a new form of investment known as digital gold has emerged. Digital gold allows investors to buy, sell, and store

gold online without physically holding it. The gold purchased is backed by physical gold stored in secured vaults by trusted service providers.

Digital gold investment is gaining popularity due to its advantages such as ease of access, low minimum investment, high liquidity, and safety. Investors can start investing with very small amounts, making it attractive to a wide range of people.

Despite these benefits, many investors are still unaware of digital gold or hesitant to invest due to lack of trust and knowledge. Therefore, this study aims to analyse the awareness level and preferences of investors towards digital gold investment in Coimbatore.

### **OBJECTIVES OF THE STUDY**

1. To study the level of awareness about digital gold among investors.
2. To analyse the preference of investors towards digital gold investment.
3. To identify factors influencing investment decisions in digital gold.
4. To compare digital gold with physical gold investment.
5. To examine the problems faced by investors in digital gold.

### **STATEMENT OF THE PROBLEM**

In recent years, digital gold has emerged as a modern investment option. However, many investors still prefer traditional forms of gold investment due to lack of awareness, trust issues, and concerns regarding safety and reliability.

There is uncertainty among investors regarding the security of digital platforms, storage of gold, and authenticity of the investment. Moreover, limited knowledge about how digital gold works prevents potential investors from adopting it.

Hence, this study attempts to identify the level of awareness and understand the preferences of investors towards digital gold investment in Coimbatore, and to analyze the factors influencing their decisions.

### **SCOPE OF THE STUDY**

The study focuses on investors residing in Coimbatore city and their awareness and preference towards digital gold investment. It covers various aspects such as demographic profile, investment behaviour, level of awareness, satisfaction, and problems faced.

The study is useful for:

- Financial institutions and fintech companies to understand investor behaviour
- Policymakers to improve digital financial literacy
- Researchers for further studies in investment behaviour

However, the study is limited only to digital gold and does not cover other investment options.

## LIMITATIONS OF THE STUDY

The study has the following limitations:

- The study is confined only to Coimbatore city
- The sample size is limited and may not represent the entire population
- The data collected is based on respondents' opinions, which may be biased
- Time constraints limited the depth of the study
- Some respondents may not have complete knowledge about digital gold

## RESEARCH METHODOLOGY

### 1. AREA OF THE STUDY

The study is conducted in Coimbatore. The city is known for its growing urban population, industrial development, and increasing adoption of digital financial services. This makes it an ideal location to analyse investor awareness and preferences towards digital gold investment.

### 2.SOURCE OF DATA

For the purpose of this research study, both primary data and secondary data have been used. Primary data were collected directly from the respondents. The secondary data was collected from websites, Journals, Textbooks, Newspapers and related studies.

### 3.SAMPLE DESIGN

Sample design refers to the technique or procedure the research would adopt in selecting items for the sample. In this research study, convenient sampling technique has been used for selecting the sample respondents.

### 4. SAMPLE SIZE

Sample size refers to the number of respondents to be selected from the area to constitute a sample. The sample size for the study confined to 100 respondents.

### 5. STATISTICAL TOOLS USED IN ANALYSIS

The collected data is analysed using simple statistical tools such as:

- **Percentage Analysis** – to interpret awareness and preferences
- **Ranking Analysis** – to analyse the ranks of respondents

## SIMPLE PERCENTAGE ANALYSIS

Table 1

## AGE WISE CLASSIFICATION OF THE RESPONDENTS

Age	Respondents	
	Nos	%
Below 20yrs	45	45
20yrs-30yrs	48	48
30yrs-40yrs	5	5
Above 40yrs	2	2
<b>Total</b>	<b>100</b>	<b>100</b>

The above table indicates that among the total respondents taken for the study, 45% of them are below 20 years of age. About 48% of the respondents belong to the age group of 20–30 years. Only 5% of the respondents fall in the age group of 30–40 years, and the remaining 2% are above 40 years of age.

**Majority (48%) of the respondents are between 20yrs-30yrs of age.**

Table 2

## SOURCE OF AWARENESS ABOUT DIGITAL GOLD

DIGITAL GOLD	Respondents	
	Nos	%
Socialmedia	38	38
Friends/Family	40	40
Advertisement	19	19
Financial Advisors	3	3
<b>Total</b>	<b>100</b>	<b>100</b>

The above table indicates that among the total respondents taken for the study, 40% of them came to know about digital gold through friends and family. About 38% of the respondents gained awareness through social media. Around 19% of them were informed through advertisements, while only 3% of the respondents came to know about digital gold through financial advisors.

Majority (40%) of the respondents have come to know about digital gold through friends and family.

Table 3

INVESTMENT AMOUNT IN DIGITAL GOLD

INVESTMENT AMOUNT IN DIGITAL GOLD	Respondents	
	Nos	%
Below ₹1,000	30	30
₹1,000 – ₹5,000	47	47
₹5,000 – ₹10,000	17	17
Above ₹10,000	6	6
<b>Total</b>	<b>100</b>	<b>100</b>

The table shows that the majority of respondents (47%) invest between ₹1,000 and ₹5,000 in digital gold. About 30% invest below ₹1,000, indicating that many investors prefer small investments. Around 17% invest between ₹5,000 and ₹10,000, while only 6% invest above ₹10,000. This indicates that most investors prefer to invest small or moderate amounts in digital gold.

The majority of respondents (47%) invest between ₹1,000 and ₹5,000 in digital gold.

## RANKING ANALYSIS

Response	Weight	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Highly Satisfied	5	22	20	19	24	15
Score		110	100	95	120	75
Satisfied	4	25	19	22	15	19
Score		100	76	88	60	76
Neutral	3	22	17	26	13	22
Score		66	51	78	39	66
Dissatisfied	2	23	13	24	19	21
Score		46	26	48	38	42
Highly Dissatisfied	1	18	25	22	15	20
Score		18	25	22	15	20
Total Weighted Score		340	278	331	272	279
<b>Rank</b>		<b>1</b>	<b>4</b>	<b>2</b>	<b>5</b>	<b>3</b>

## EXPERIENCE IN DIGITAL GOLD INVESTMENT

The above table clearly indicates that the majority of the respondents' experience in digital gold investment is influenced by highly satisfied factors, which are ranked first. This is followed by satisfied factors, which occupy the next important position. Neutral responses are ranked third, indicating a moderate level of experience among respondents. Further, dissatisfied factors are ranked fourth, while highly dissatisfied factors are placed last.

**Majority of the respondents are more influenced by highly satisfied and satisfied factors in their experience towards digital gold investment**

### INVESTOR MOTIVATION TOWARDS DIGITAL GOLD WITH MINIMAL INVESTMENT

Response	Weight	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5
Strongly Agree	5	22	18	19	24	17
Score		110	90	95	120	85
Agree	4	23	16	17	19	25
Score		92	64	68	76	100
Neutral	3	21	23	25	12	9
Score		63	69	75	36	27
Disagree	2	22	19	20	18	21
Score		44	38	40	36	42
Strongly Disagree	1	24	17	18	20	21
Score		24	17	18	20	21
Total Weighted Score		333	278	296	288	275
<b>Rank</b>		<b>1</b>	<b>4</b>	<b>2</b>	<b>3</b>	<b>5</b>

The above table clearly indicates that the majority of the respondents strongly agree that the ability to invest small amounts motivates them to invest in digital gold, as it is ranked first with the highest weighted score. This is followed by agree, which holds the next significant position. Neutral responses are ranked third, indicating a moderate level of opinion. Further, disagree is ranked fourth, while strongly disagree is placed last.

**The majority of the respondents belong to Rank I, indicating that they highly prefer and are strongly influenced by the ability to invest small amounts in digital gold.**

### SUGGESTIONS

1. Financial institutions and digital platforms should conduct awareness campaigns to educate people about digital gold investment and its benefits.
2. Since some respondents face trust and security concerns, companies should provide clear information about security measures, storage facilities, and government regulations.

3. Training programs, online tutorials, and financial literacy initiatives can help investors better understand digital gold and make informed investment decisions.

## CONCLUSION

The study examined the awareness and preference of investors towards digital gold investment in Coimbatore. The findings reveal that most respondents are aware of digital gold and have a positive perception of it as an investment option. Many investors prefer digital gold because it is convenient, easy to purchase, and allows investment in small amounts.

The study also shows that mobile wallet apps are widely used for investing in digital gold, and most investors are satisfied with their investment experience. However, some respondents still face trust issues and lack of awareness, which indicates the need for better investor education and improved security communication.

## REFERENCE

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