

**A STUDY ON ALTERNATIVE GOLD INVESTMENT STRATEGY AND
INVESTOR WITH SPECIAL REFERENCE TO COIMBATORE CITY**

Corresponding author

JAYA DEEPAN. T

4/92, CHINTHAMANIPUDUR SOUTH, IRUGURE

IRUGURE(POST)

COIMBATORE 641103

A STUDY ON ALTERNATIVE GOLD INVESTMENT STRATEGY AND INVESTOR WITH SPECIAL REFERENCE TO COIMBATORE CITY

Dr. S. DHARCHANA, M.Com., M.Phil., Ph.D., Associate Professor

Department of Commerce, Dr. N.G.P. Arts and Science College, Coimbatore

JAYA DEEPAN. T, Third Year B.Com., Dr. N.G.P. Arts and Science College, Coimbatore

ABSTRAT

One popular investment option among investors has been gold. How investors behave towards different investment routes varies depending on their needs, expectations for returns, and other factors. Every investment strategy has advantages and disadvantages. Gold is a unique investment option with a few unique features. For reasons of financial security as well as tradition, it is highly popular. In the Indian setting, gold was purchased by people as jewelry for special occasions like holidays and marriages. The most popular way to invest in gold used to be through jewelers, but now there are more possibilities, such as gold bars, gold exchange-traded funds (ETFs), SGBs, etc. This essay uses factor analysis to investigate the different aspects that affect investors' decisions to invest in gold.

INTRODUCTION

If traditional techniques are combined with innovative strategies to optimize the value of this timeless asset. As the economy and markets grow increasingly unpredictable, wise investors are turning more and more to alternate methods of reducing risk and diversifying their holdings. Investing in alternative gold, which has benefits over traditional gold ownership, is a good solution. Opportunities abound in the world, from cutting-edge mining projects and trade platforms to digital currencies backed by gold deposits. In this exploration, we examine the strategies, choices, and elements that define the alternative gold investment market, giving you the information and abilities to navigate this intriguing terrain with assurance."

STATEMENT OF PROBLEM

Through analyzing various factors like risk tolerance, return on investment, and liquidity, investors may identify the best alternative gold investment options. To evaluate the effects of various gold investment strategies on investment behavior in terms of variables like investment volume, frequency, and length. Should look into the connections between gold investing techniques and other investment choices, such real estate or other asset classes. To determine the opportunities and difficulties involved in promoting alternative gold investing techniques in.

SCOPE OF STUDY

The range of research concerning alternative gold investment comprises multiple aspects, such as investigating unconventional approaches to gold investing beyond standard channels such as physical gold bullion or gold exchange-traded funds (ETFs). This entails looking into alternative investments including gold futures, options, mining equities, and even digital assets like gold backed cryptocurrency. Furthermore, studies may examine the behavior of these alternative gold investments under various market scenarios, evaluating their liquidity, diversification advantages, and risk-return profiles in relation to more conventional gold investment options.

OBJECTIVES

- ❖ To Understand the Demographic factors of the respondents.
- ❖ To identify the factors that affecting investors' decisions on gold investments.
- ❖ To analyze alternative gold investment strategies and investors.
- ❖ To assess the risk-return profile of different gold investment strategies.

RESEARCH METHODOLOGY

PERIOD OF STUDY

The study was conducted for the period of three months.

AREA OF STUDY

The study is taken in Coimbatore city.

SAMPLE AND SAMPLING

Simple Random Sampling: Each individual has an equal probability of selection.

PRIMARY DATA

Questionnaire is the main tool for collecting primary data. It has been designed in a systematic manner with the help of Google forms. All the adequate and relevant questions were included in the questionnaire.

SECONDARY DATA

Secondary data was collected from Books, Magazines, Articles, and Journal Publications.

TOOLS

- ❖ Simple percentage analysis
- ❖ Anova
- ❖ T-test
- ❖ Rank Analysis
- ❖ Weighted Average

LIMITATION

- ❖ Alternative investments often come with higher risk levels. This risk factor could influence the results, and the study may need to acknowledge and factor in these inherent risks.
- ❖ If the study focuses only on successful alternative gold investments, it may suffer from survivorship bias, neglecting those investments that have failed or underperformed.

REVIEW OF LITRATURE

1. Samuel Anbu Selvan & Ramraj, (2022), Stated that during this pandemic, most customers switched from making monthly purchases to making purchases once a year. And the survey shows that there are 10 things that affect whether or not someone buys gold jewellery: price, quality, trustworthiness/safety, advertising, brand, liquidity, ease of use, transparency, recommendations from family and friends, and shop display.

2. P., Prabha, P., & Natarajan, M. L. (2021) is to undertake a quantitative analysis of investors' rationale for investing in gold and to identify elements that promote a better comprehension of gold schemes and understanding of complex gold investment behavior. According to research, the majority of investors are unaware of any of the scams, therefore they choose physical gold in terms of jewelry and wish to invest in gold ETFs and sovereign gold bonds, which yield higher returns.

3. Gharib et al. (2021), show a bilateral contagion impact of bubbles in the oil and gold market during COVID19. However, the above-mentioned empirical studies focused on the gold performance during the pandemic; we attempt to forecast the gold prices for the post-pandemic era in India, one of the largest importers of gold globally.

4. Dey and Sampath (2020), while investigating the spillover of five major asset classes in India, find a paradigm shift in the dynamics of gold's impact on the Indian economy post demonetization. The study highlights the emergence of IT sector as a critical mediator between the gold and the rupee-dollar exchange rate markets in India. Indeed, any form of economic reform impacts the gold prices in India.

5. Mishra, S. K., & Mohapatra, A. K. D. (2020). [4] explain the value of Gold ETF as an alternative investment to actual gold. The functioning processes of Gold ETFs are explained in

this paper, as well as the benefits of Gold ETFs. The continual climb in the gold price has made gold and gold-backed assets an appealing investment alternative. As a result, it should be considered as part of an individual's entire investing plan to reduce risk and increase returns.

DATA ANALYSIS

ONE WAY ANOVA

AGE AND PURPOSE OF INVESTMENT IN GOLD

ANOVA					
AGE					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	220.401	4	55.100	2.363	.054
Within Groups	5689.679	244	23.318		
Total	5910.080	248			

INTERPRETATION:

Anova was conducted between age and Purpose of investment in gold. The results show that, with degrees of freedom 4 and F-value 55.100, the significance value is 0.054, which is greater than 0.05 so the H₀ is accepted.

There is no significant difference between Age and Purpose of Investment in Gold

T-TEST

GENDER AND PURPOSE OF INVESTMENT IN GOLD

Independent Samples Test											
		Levene's Test for Equality of Variances		t-test for Equality of Means							
		F	Sig.	t	df	Significance		Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
						One-Sided P	Two-Sided P			Lower	Upper
Gender	Equal variances assumed	4.463	0.36	-215	247	.415	.830	-.13318	.61997	-1.35428	1.08792
	Equal variances not assumed			-.214	239.826	.415	.830	-.13318	.62109	-1.35666	1.09030

INTERPRETATION:

Independent Samples t-test was conducted between Gender and Purpose of investment in gold. The results show that, with T-value of -215, the significance value (P-value) is 0.830, which is greater than 0.05 so the H₀ is accepted.

H₀= There is no significant difference between Gender and the purpose of investment in Gold.

RANK ANALYSIS**SATISFICATION ON ALTERNATIVE GOLD INVESTMENT**

FACTORS	1	2	3	4	5	TOTAL	RANK
	5	4	3	2	1		
HIGHLY DISSATISFIED	113	49	46	24	18	250	1
	565	196	138	48	18	965	
DISSATISFIED	42	94	66	36	12	250	2
	210	376	198	72	12	862	
NETURAL	45	41	112	39	13	250	3
	225	164	336	78	13	816	
SATISFIED	39	34	47	96	34	250	4
	195	136	141	192	34	698	
HIGHLY SATISFIED	39	38	54	50	69	250	5
	195	152	162	100	69	678	

INTERPRETATION

From the above table Highly Dissatisfied has gained the top priority in ranking by the respondents, followed by Dissatisfied, Netural, Satisfied, highly satisfied.

Hence it is inferred that Highly Dissatisfied has got the highest importance and Highly Satisfied has got the lowest importance in the terms of Alternative Gold Investment.

FINDINGS:

- ❖ There is no significant difference between Age and purpose of investment in Gold.
- ❖ There is no significant difference between Gender and the purpose of investment in Gold.
- ❖ The Study shows that Highly Dissatisfied has gained the top priority in ranking by the respondents, followed by Dissatisfied, Neutral, Satisfied, highly satisfied. Hence it is inferred that Highly Dissatisfied has got the highest importance and Highly Satisfied has got the lowest importance in the terms of Alternative Gold Investment.

SUGGESTION

- ❖ According to the study, investing in real estate not only entails little risk but also provides superior security, which alleviates investor worry. According to some, gold is a tangible asset that has historically held a high market value throughout generations. One of the best ways to invest in gold is to buy gold coins. People view gold as a safety net in case of calamities in the future. Selling gold coins or using them as collateral for gold loans is easy. Therefore, investing in gold coins gives you the assurance of future gains.
- ❖ These enable one to track the price of gold without having to buy the metal itself.
- ❖ These make investments in a range of stocks from companies that extract gold. This has some upside potential from the firms themselves, but it also involves stock market risk.
- ❖ With the exception of carrying actual gold ownership, these are traded similarly to stocks. It offers diversification benefits and doesn't require any storage on your end.

CONCLUSION

Alternative gold investing is the practice of investing in gold in methods other than buying real gold coins or bullion. Investors now have more methods to gain exposure to the prized metal thanks to these unconventional investment options.

The data analysis shows that buying gold coins is a considerable preference among investors. A number of variables, including inflation, political unpredictability, and economic uncertainty, all contribute to the belief that gold's value as a safe-haven asset has increased. Those that purchase gold coins are typically older and have higher incomes, indicating that they are less risk-averse and have more investing experience. They are also more likely to have a long-term investing strategy and to see gold coins as a long-term way to save money.