



STUDY OF AWARENESS, PERCEPTION AND SATISFACTION LEVEL OF GOLD BULLION INVESTORS

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ABSTRACT

In the current market scenario of high volatility and the subsequent rapidly changing market place, various avenues for investment in gold are creating the confusion among Investors. In the midst of several options gold bullion is finding a space for itself in the minds of investors rather in a slow and steady manner. The study aims to analyse the awareness, perception and satisfaction level of gold bullion investors. For the research primary data and secondary data has been collected and analysed in detail. The study revealed that the promotional measures in the market are inadequate to influence the buyers and suggested proper measures to improve the same.

INTRODUCTION

There are a large number of investment instruments available today. In India, number of investment alternatives are available for the investors. Some of them are marketable and liquid while others are non- marketable and some of them are highly risky while others are almost risk less. People have to choose Proper Avenue among them, depending upon his specific need, risk preference, and return expected. Normally an investor is one who postpones his current consumption and the resources saved are invested in financial assets or other assets in the hope that some benefits will occur in future. Investors are savers, but all savers need not be investors. An investor may employ his resources either in financial asset or other physical assets. Someone who provides a business with capital and someone who buy a stock are both investors. Investment is putting money into an asset with the expectation of capital appreciation, dividends or interest earning.

Gold is the oldest precious metal known to man. People consider gold as a true asset. Gold may very soon attain the status called Peak Gold. Peak gold is the date at which the maximum rate of global gold extraction is reached, after which the rate of production enters declines. This shows that there is an ever growing demand for the shining yellow metal whether it is in the shape of a coin or a biscuit or bar or in the form of beautiful ornament. Gold plays a fundamental role in the marriage

ceremony and when it comes to Indian weddings, the fascination for gold is ceaseless and is considered a necessary rather than a luxury. A growing range of methods now allows investors to either buy gold, or simply gain exposure to gold price movements. From gold coins, online accounts, exchange traded funds and complex financial products, to mining stocks, the most appropriate gold investments will depend upon the investor's specific requirements and outlook.

A gold coin is a coin made mostly or entirely of gold. In modern times, most gold coins are intended either to be sold to collectors or to be used as bullion coins. Gold has been used as money for many reasons. Gold is also easily transportable as it has a high value to weight ratio compared to other commodities such as silver. Gold bars which are stamped rather than cast, and therefore often thinner and flatter than cast bars are often called biscuits or wafers. We usually make no differentiation between types or shapes of bars, so whether it looks like a wafer, biscuit or ingot, we called them all bars. These bars carry a special number and the stamp of a recognised refiner. A gold bar is a quantity of refined metallic gold of any shape that is made by a bar producer meeting standard conditions of manufacture, labeling and record keeping. Larger gold bars that are produced by pouring the molten metal into molds are called ingots. Smaller bars may be manufactured by minting or stamping from appropriately rolled gold sheet.

STATEMENT OF THE PROBLEM

In India, different types of investment modes are available. From the safety point of view, liquidity point of view and the like investments can be categorized. One of such investment mode is investment on gold bullion. Earlier people used to invest their money in banks. Now things have been changed. There are tremendous changes happening in the financial sector. Securities with innovative features are available for making investment.

Investment on gold is a new trend existing in our economy. Most of the people prefer investments in gold jewellery. But there is another mode of investment which is more liquid and safer than investment in gold jewellery. Investment in gold bullion is such an investment option. But unfortunately, majority of the investors are unaware about the benefits offered by gold bullion investments. So the present study is an attempt to analyze the awareness, preference and the satisfaction level of the gold bullion investors. Various problems faced by gold bullion investors also forms part of the study. Gold bullion investors from Thiruvananthapuram city is only selected for the study.

OBJECTIVES OF THE STUDY

- To identify the investment habits
- To analyze the awareness of gold bullion investors.
- To study the opinion of the investors on gold bullion investment.
- To analyze the satisfaction level of the gold bullion investors.

METHODOLOGY

The present study is descriptive in nature. 90 respondents were selected at random using Judgment Sampling of Non Probability Sampling Method. Both primary and secondary data were used for analyzing the collected data. Primary data were collected from gold bullion investors. Separate schedules have been used to collect the primary data in person. Secondary data were mainly collected from newspapers and internet. Various statistical methods like percentage analysis, Garrett's ranking method, graphs and diagrams were used for analyzing the collected data. Interview schedule was prepared and used for collecting data from the selected respondents.

LIMITATIONS OF THE STUDY

The researchers had to confine the study on accounts of the limitations listed below.

1. The study has been limited to the native town of the researcher.
2. The primary data were collected from the sampling respondents while they were busy. Their considered opinion may vary from time to time. However the validity of such data is ensured as the researcher contacted them in personnel.

ANALYSIS AND INTERPRETATION

Based on analysis the various interpretations are given below.

1. Age Group and Preference of Gold Bullion

Age group	Number of persons	Percentage
Below 20	-	-
21-40	75	83
41-60	15	17
Above 60	-	-
Total	90	100

The above table deals with age wise classification of the respondents. The table shows that, the 83 per cent of the respondents belongs to the age group 21-40 and the remaining 17 per cent falls under the category of 41-60.

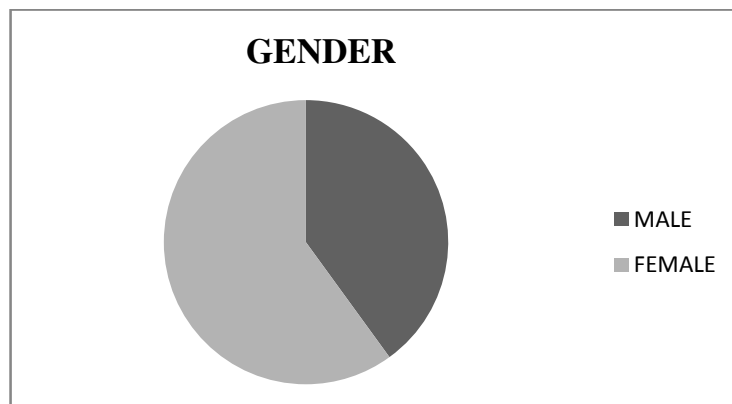
Majority of the respondents (83percent) belongs to the age group of 21-40.

2. Gender and Preference of Gold Bullion

Gender	Number of persons	Percentage
Male	30	33
Female	60	67
Total	90	100

The above table deals with gender wise classification of the respondents. The table shows that 33percent of respondents falls under the category males and the remaining 67 percent belongs to females.

Majority of the respondents (67 percent) are females.



3. Occupation and Preference of Gold Bullion

Occupation	Number of persons	Percentage
Self employed	5	6
Professional	60	60
Student	-	-
Retired	5	6
Business	10	11
Others	10	11
Total	90	100

The above table deals with the occupation wise classification of the respondents. The table shows that the 60 per cent of respondents are professionals, 11 per cent of respondents are businessmen, 11 per cent of respondents belongs to other category, 6 per cent of respondents belongs to self employed and the remaining 6 per cent belongs to retired category. Majority of the respondents (60 per cent) are professionals

4. Annual Income and Preference

Annual income	Number of persons	Percentage
Less than 1 lakh	5	5
1-2 lakhs	20	22
2-3 lakhs	15	17
Above 3 lakhs	50	56
Total	90	100

The above table deals with the income wise classification of the respondents. The table shows that the 56 per cent of the respondents belongs to the income group above 3 lakhs, 22 per cent of the respondents belongs to the income group 1-2 lakhs, 17 per cent of the respondents belongs to the income group 1-2 lakhs and the remaining 5 per cent belongs to the income group less than 1 lakh. Majority of the respondents (56 per cent) falls under the income bracket of above 3 lakhs.

5. Opinion on Savings

Opinion	Number of persons	Percentage
Yes	90	100
No	-	-
Total	90	100

The above table deals with the opinion of the respondents on savings. The table shows that the 100 per cent of the respondents have savings.

6. Yearly Savings and Preference

Yearly savings	Number of persons	Percentage
Below 1 lakh	10	11
1-2 lakhs	15	17
2-3 lakhs	20	22
Above 3 lakhs	45	50
Total	90	100

The above table deals with the yearly wise savings of the respondents. The table shows that 50 per cent of the respondents belongs to the savings category above 3 lakhs, 22 per cent of the respondents belong to the savings category 2-3 lakhs, 17 per cent of the respondents belongs to the savings category 1-2 lakhs and the remaining 11 per cent falls under the category below 1 lakh.

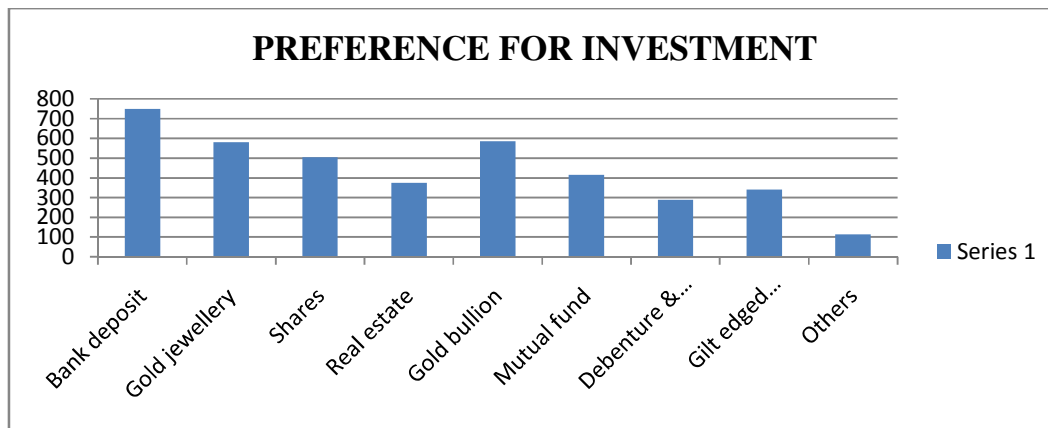
Majority of the respondents (50 per cent) stated that they are able to save above 3 lakhs annually.

7. Preference for Investment

Preference	I	II	III	IV	V	VI	VII	VIII	IX	Total	Ranks
Bank deposit	55	25	-	5	5					750	I
Gold jewellery	5	30	25	10	5	-	5	10	-	580	III
Shares	10	5	20	10	10	20	15	-	-	505	IV
Real estate	5	-	5	15	15	15	5	25	5	375	VI
Gold bullion	15	20	10	25	-	10	10	-	-	585	II
Mutual fund	-	10	25	15	5	20	15	-	-	415	V
Debenture & bond	-	-	5	-	10	15	25	35	-	290	VIII
Gilt edged securities	-	-	-	10	35	5	15	20	5	340	VII
Others	-	-	-	-	-	5	5	-	80	115	IX

The above table deals with the preference for investment. The table shows that majority of the respondents prefer bank deposit as investment and hence it got first rank. It is followed by gold bullion and gold jewellery in second and third rank respectively. Other preferred mode of investments are shares, mutual fund, real estate, gilt edged securities, debenture bond, Chitty(others) which got fourth, fifth, sixth, seventh, eighth, and ninth ranks respectively.

Majority of the respondents opined that bank deposit is the most preferred mode of investment. Gold bullion is the second preferred mode of investment.

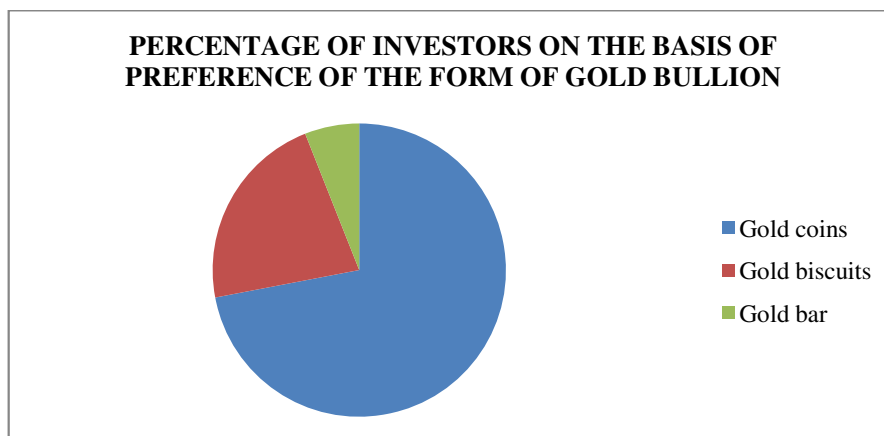


8. Most Preferred Form of Gold Bullion

Form	Number of investors	Percentage
Gold coins	65	72
Gold biscuits	20	22
Gold bars	5	6
Total	90	100

The above table deals with the most preferred form of gold bullion. The table shows that 72 percent of the investors prefer gold coin, 22 per cent of the investors prefer gold biscuits and the remaining 6 per cent prefer gold bars.

Majority of the respondents (72 per cent) prefer gold coins as the most preferred form of gold bullion.

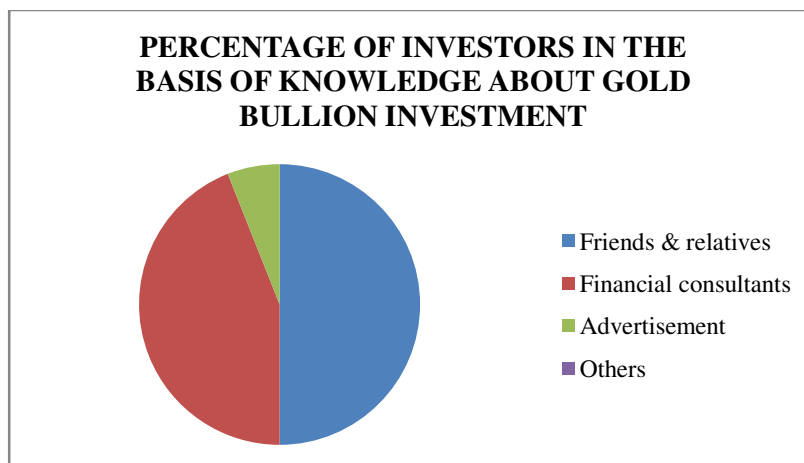


9. Knowledge about Gold Bullion Investments

Source of knowledge	Number of investors	Percentage
Friends & relatives	45	50
Financial consultant	40	44
Advertisement	5	6
Others	-	-
Total	90	100

The above table deals with the source of knowledge about gold bullion investments. 50 per cent of the respondents opined that Friends and Relatives are their source of information. 44 percent of the respondents are of the opinion that Financial Consultants are their source of information and the remaining 6 percent are of the opinion that advertisement is their source of information.

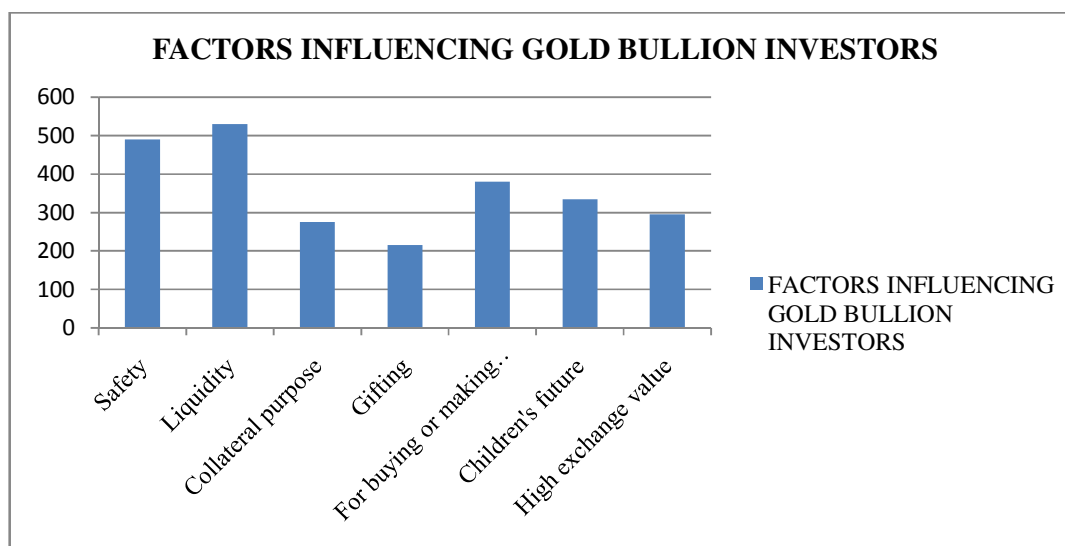
Majority of the investors (50 per cent) opined that Friends and Relatives are their major source of information.



10. Factors Influencing Gold Bullion Investors

Factors	I	II	III	IV	V	VI	VII	Total	Ranks
Safety	25	25	15	15	10	-	-	490	II
Liquidity	40	20	15	10	5	-	-	530	I
Collateral purpose	-	15	15	5	5	25	25	275	VI
Gifting	-	10	-	5	15	30	30	215	VII
For buying or making ornaments	15	-	30	15	15	5	10	380	III
Children's future	-	15	10	35	5	15	10	335	IV
High exchange value	10	5	5	5	35	15	15	295	V

The above table deals with the factors influencing gold bullion investors. The table shows that, liquidity is the main factor influenced the gold bullion investors and hence it got first rank. Safety is an important factor influenced the investor towards gold bullion which secured second rank. Many of the investors opined that for buying or making ornaments they invest in gold bullion and this factor secured third rank. Liquidity is the main factor influenced the gold bullion investors and hence it got first rank

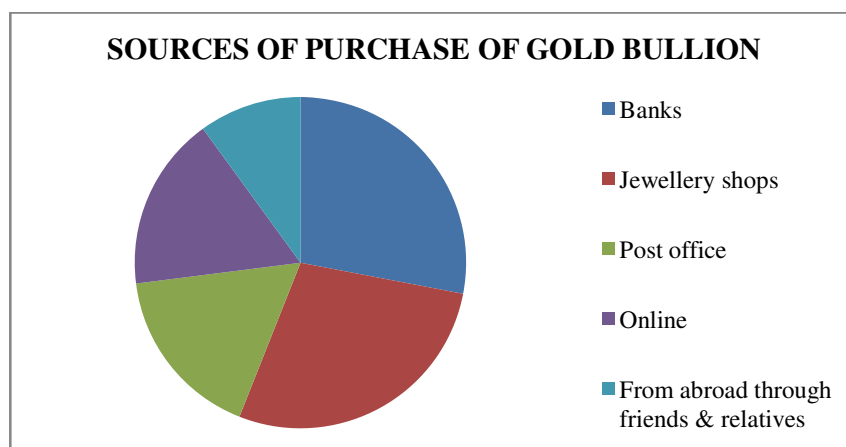


11. Sources of Purchase of Gold Bullion

SOURCES	Number of investors	Percentage
Banks	25	28
Jewellery shops	25	28
Post office	15	17
Online	15	17
From abroad through friends & relatives	10	10
Others	-	-
Total	90	100

The above table exhibits the sources of purchase of gold bullion. Majority of the respondents (28 per cent) opined that their sources of purchase of gold bullion are banks and jewellery shops. Besides these sources post office and online are the next major sources for purchasing gold bullion

for many investors. Some of the respondents (10 per cent) prefer to buy gold bullion through their friends and relatives living abroad.



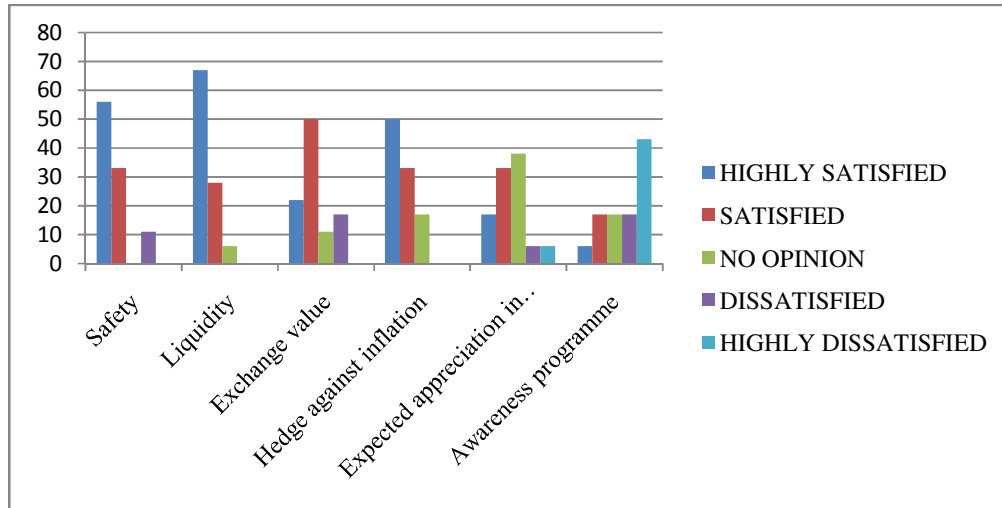
12. Satisfaction Level of Gold Bullion Investors on Various Factors

FACTORS	HS		S		NO		DS		HDS		TOTAL
	NO	%	NO	%	NO	%	NO	%	NO	%	
Safety	50	56	30	33	-	-	10	11	-	-	90
Liquidity	60	67	25	28	5	6	-	-	-	-	90
Exchange value	20	22	45	50	10	11	15	17	-	-	90
Hedge against inflation	45	50	30	33	15	17	-	-	-	-	90
Expected appreciation in the value	15	17	30	33	35	38	5	6	5	6	90
Awareness programme	4	4	16	18	17	19	19	21	34	38	90

HS:Highly Satisfied; S:Satisfied; NO: No Opinion, DS: Dissatisfied; HDS: Highly Dissatisfied

The above table depicts the satisfaction level of gold bullion investors on various factors. Majority of the respondents (56 per cent) are highly satisfied on the factor safety, 33 per cent are satisfied and the remaining 11 per cent are dissatisfied. 67 per cent of the respondents are highly satisfied on the factor liquidity, 28 per cent are satisfied and the remaining 6 percent have no opinion. Majority of the respondents (50 per cent) are satisfied on the exchange value of gold bullion, 22 per cent are highly satisfied, 17 per cent are dissatisfied,11 per cent have no opinion. Majority of the respondents (50 per cent) are highly satisfied on the factor that gold bullion is a perfect hedge against inflation. 33 per cent are satisfied, and the remaining 17 per cent have no opinion.38 per cent of the respondents have no opinion on the factor expected appreciation in the value whereas 33 per cent are satisfied, 17 per cent are highly satisfied, 6 per cent each expressed dissatisfied and highly dissatisfied. 38 per cent of the respondents are highly dissatisfied on the awareness programmes, 21 per cent are dissatisfied, 19 per cent have no opinion, 18 per cent are satisfied and the remaining 4 per cent are highly satisfied

Majority of the respondents are highly satisfied on the factors such as safety, liquidity and perfect hedge against inflation, majority are satisfied on the exchange value of gold bullion whereas majority are highly dissatisfied on the awareness programmes and majority have no opinion on the factor expected appreciation in the value of gold bullion.



13. Opinion of the Gold Bullion Investors

Statement	HA		A		NO		DA		HDA		Total
	NO	%	NO	%	NO	%	NO	%	NO	%	
Doesn't require a bank locker for safe store	15	17	30	33	25	28	20	22	-	-	90
Bank or jewellers cuts some percentage during the resale	26	29	24	27	-	-	-	-	40	44	90
Advantage of gifting during festivals or marriage	40	44	45	50	-	-	5	6	-	-	90
An alternative way of investing in relatively small amount of gold	50	55	25	28	10	11	5	6	-	-	90
Less risk	50	55	20	22	10	11	6	7	4	4	90
Less volatile	50	55	25	28	15	17	-	-	-	-	90
Yield high return	31	34	29	32	19	21	6	7	5	6	90

The above table shows the opinion of the respondents on the gold bullion as a mode of investment. Majority of the respondents (33 per cent) agreed with the statement that it doesn't require a bank locker for safe store. 28 per cent of the respondents expressed no opinion, 22 per cent disagreed with the statement and the remaining 17 per cent highly agreed with this statement.

44 per cent of the respondents highly disagree with the statement that bank or jewellers cuts some percentage during the resale. 29 per cent of the respondents highly agree with the statement and the remaining respondents agree with the statement.

50 per cent of the respondents agreed that gold bullion has the advantage of gifting during festivals or marriage, 44 per cent agreed with this statement and the remaining 6 per cent disagree with this statement.

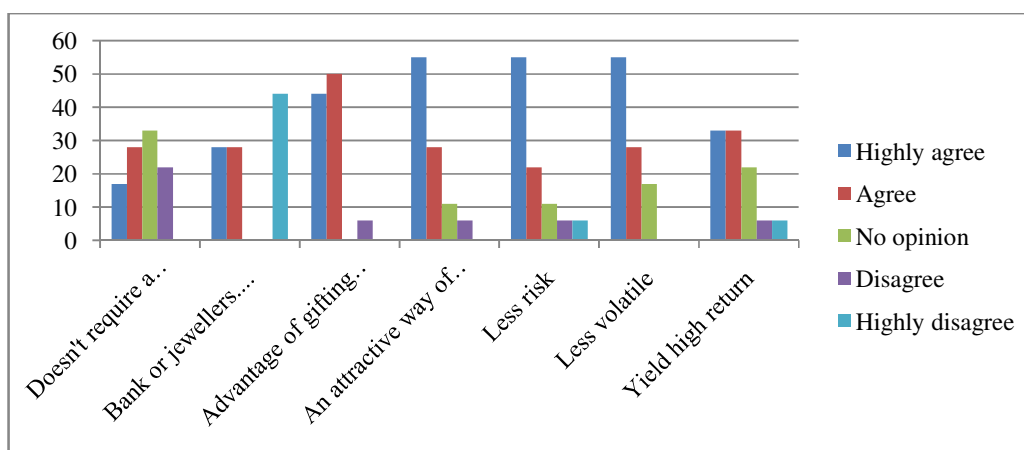
55 per cent of the respondents highly agree with the statement that gold bullion is an alternative way of investing in relatively small amount of gold. 28 per cent of the respondents agree with this statement, 11 per cent expressed no opinion and the remaining 6 per cent disagree with this statement.

55 per cent of the respondents highly agree with the statement that investment in gold bullion is less risky, 22 per cent agree with this statement, 11 per cent have no opinion, 7 per cent disagree with this statement and the remaining 4 per cent highly disagree with this statement.

55 per cent of the respondents highly agree with the statement that investment in gold bullion is highly volatile. 28 per cent agree with this statement and the remaining 17 per cent have no opinion.

34 per cent of the respondents highly agree with the statement that investment in gold bullion makes high yield, 32 per cent agree with this statement, 21 per cent have no opinion, 7 per cent disagree with this statement and the remaining 6 per cent highly disagree with this statement.

.Majority of the respondents (33 per cent) agreed with the statement that it doesn't require a bank locker for safe store, majority (44 per cent) of the respondents highly disagree with the statement that bank or jewellers cuts some percentage during the resale, 50 per cent of the respondents agreed that gold bullion has the advantage of gifting during festivals or marriage, 55 per cent of the respondents highly agree with the statement that gold bullion is an alternative way of investing in relatively small amount of gold, 55 per cent of the respondents highly agree with the statement that investment in gold bullion is less risky, 55 per cent of the respondents highly agree with the statement that investment in gold bullion is highly volatile and majority 34 per cent of the respondents highly agree with the statement that investment in gold bullion makes high yield



FINDINGS OF THE STUDY

1. Majority of the respondents (83percent) belongs to the age group of 21-40.
2. Majority of the respondents (67 percent) are females.
3. Majority of the respondents (60 per cent) are professionals
4. Majority of the respondents (56 per cent) falls under the income bracket of above 3 lakhs.
5. 100 per cent of the respondents have savings.\
6. Majority of the respondents (50 per cent) stated that they are able to save above 3 lakhs annually.
7. The table shows that the majority of the investors prefer investment in gold bullion as it is highly safe.
8. The table shows that majority of the respondents prefer bank deposit as investment and hence it got first rank. Gold bullion is the second preferred mode of investment.
9. Majority of the respondents (72 per cent) prefer gold coins as the most preferred form of gold bullion.
10. Majority of the investors (50 per cent) opined that Friends and Relatives are their source of information.
11. Liquidity is the main factor influenced the gold bullion investors and hence it got first rank

12. Majority of the respondents are highly satisfied on the factors such as safety, liquidity and perfect hedge against inflation, majority are satisfied on the exchange value of gold bullion whereas majority are highly dissatisfied on the awareness programmes and majority have no opinion on the factor expected appreciation in the value of gold bullion.
13. Majority of the respondents (33 per cent) agreed with the statement that it doesn't require a bank locker for safe store, majority (44 per cent) of the respondents highly disagree with the statement that bank or jewellers cuts some percentage during the resale, 50 per cent of the respondents agreed that gold bullion has the advantage of gifting during festivals or marriage, 55 per cent of the respondents highly agree with the statement that gold bullion is an alternative way of investing in relatively small amount of gold, 55 per cent of the respondents highly agree with the statement that investment in gold bullion is less risky, 55 per cent of the respondents highly agree with the statement that investment in gold bullion is highly volatile and majority 34 per cent of the respondents highly agree with the statement that investment in gold bullion makes high yield.

SUGGESTIONS

The awareness about gold bullion among people needs to be substantially enhanced in order to attract more and more prospective buyers. Jewellery shops normally promote gold jewellery as their product and are shy to highlight the availability of gold bullion quite often. There should be a change in this attitude from the part of the gold jewellery shop owners. Steps should be taken to give proper training to the staffs in the post office to induce more people towards gold bullion and the concerned authorities should provide attractive incentives for the post office personnel so that they will promote the habit of buying gold bullion through post office.

CONCLUSION

Numerous investment opportunities are available in our economy which offers various benefits to the prospective investors. Gold bullion is one among them. It is an investment mode which is attractive to all classes of people. But unfortunately, majority of the investors are not fully aware of the benefits offered by gold bullion. People are still stuck with other forms of investments which are not as attractive as gold bullion. Through this study the researcher brought into lights the opinion, satisfaction level and awareness of gold bullion investors. As it is an easy mode of investment even for a layman

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