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The Psychological Dynamics of Gold Investment: An Examination of Investor Behavior within the Gold Market of Bengaluru.

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ABSTRACT

The purpose of this investigation is to assess the impact of investment trends and historical investment experience on the returns derived from gold investments. It intends to investigate how individual behaviors, shaped by psychological and educational determinants, influence investment decisions within the gold market of Bengaluru. Through the assessment of the correlation between behavioral dimensions, such as risk tolerance and market perception and educational attainment, the research aims to pinpoint the primary factors that drive gold investment decisions. The outcomes are expected to yield insights into investor psychology, providing significant implications for financial planners, policymakers and investors who aspire to enhance their strategies within the ever-evolving landscape of gold investments. The Present study is exploratory study. A systematic questionnaire was used to conduct the survey. Data were collected in both offline and online. Online data were collected from google forms. Respondents were selected through a random sampling and convenience sampling technique. For data analysis, a total of 120 responses were used. The regression analysis elucidates a notable effect of investment experience and strategic approach on returns, with a p-value of less than 0.05 signifying a relationship between the independent and dependent variables. The chi-square outcomes reveal that mental accounting, self-deception and emotional factors exert a substantial influence on individual investors' decision-making processes regarding investments in gold (p-value < 0.05). This research presents a distinctive viewpoint by amalgamating behavioral psychology with educational elements to elucidate the decision-making mechanisms associated with gold investments. Through an in-depth exploration of the relationships among investment behaviors, experiential learning and financial yields, it emphasizes previously disregarded variables that affect investor actions within the gold market of Bengaluru, thereby making substantial contributions to both academic discussions and practical investment practices.

Keywords: Gold investment behavior, Behavioral finance, Investment psychology, Bengaluru market, Investment returns and Financial decision-making.

INTRODUCTION

Gold has long held a revered position in Indian culture and economics, with its attraction extending far beyond its status as a precious metal. In Bengaluru, a city at the forefront of India's technological revolution, the interplay between traditional investment preferences and modern financial thinking provides a unique backdrop for examining investor behavior. While classical economic theory posits that investors make rational decisions based on risk-return trade-offs, the reality of investment choices, particularly in gold, often deviates from these models. Gold holds a unique position in the Indian investment landscape, serving as both an emotional and financial asset. Unlike other financial instruments, gold possesses an emotional appeal that attracts both conventional and contemporary investors. Investment decisions, however, are not always rational and are influenced by heterogeneous factors. This study seeks to bridge the gap between emotions and returns in the context of gold investments. The liquidity, intrinsic worth and potential protection against inflation and currency devaluation make gold a highly valued investment option. In India, gold coins and bars have been trusted investment instruments across generations. The value of gold has increased significantly over the past few years, with

prices rising more than 50% in just three years prior to the study. This research aims to understand if uniformity in investment decision-making towards gold can be achieved through the prism of behavioral factors. By examining quantifiable aspects alongside dimensions that may not be easily quantified, such as emotions, this study provides a comprehensive view of the factors influencing gold investment decisions in Bengaluru.

1. ***Literature Review***

Garci,M et.al,(2024)This study examines how algorithmic trading affects human behavioral biases in gold futures markets from 2019-2023. It finds that algorithms reduce biases like disposition effect and herding, especially during volatility, improving market efficiency. Different strategies have varied impacts on human behavior, while humans adapt to algorithmic presence, evolving market dynamics.

Lee et.al(2023)This study examines the neural basis of overconfidence in gold futures trading using fMRI. It found that overconfident decisions correlate with increased activity in the ventromedial prefrontal cortex and decreased activity in the anterior insula. Higher market volatility amplifies these effects. The research suggests a neurobiological foundation for excessive trading and potential for neuro feedback interventions.

Kim et.al, (2022). This research explores herding behavior in gold ETF markets from a cross-cultural perspective. Analyzing daily data from gold ETFs in five countries (USA, China, India, Germany and Japan) from 2018 to 2022, the study measured herding behavior using the cross-sectional absolute deviation (CSAD) method and incorporated Hofstede's cultural dimensions to examine cultural effects. Panel regression analysis and quantile regression were employed to test for herding under different market conditions. The study finds significant evidence of herding across all examined markets, with varying intensities. Results indicate that cultural dimensions, particularly individualism and uncertainty avoidance, play a crucial role in shaping herding tendencies. Countries with higher collectivism and uncertainty avoidance exhibit stronger herding behavior in gold ETF markets. The research also reveals asymmetric herding effects, with stronger herding observed during market downturns and high volatility periods. Furthermore, the study demonstrates that global economic uncertainty amplifies herding behavior, suggesting that gold's safe-haven status may paradoxically contribute to increased market inefficiency during crises. These findings contribute to the behavioral finance literature by highlighting the importance of cultural factors in understanding investor behavior in gold markets and their implications for international portfolio management and market efficiency.

The role of gold as hedge and safe haven asset is examined by Md. Akhtaruzzaman (2021) in different phases of COVID-19 pandemic crisis and has considered 2 phases where in Phase-I it has resulted as safe haven but in Phase -2 it has lost its safe haven.

Tekam (2020) examined the behavioural factors which drive Indians' consumption and demand for gold by analyzing how an individual's behavior and decision is a result of interaction with their immediate culture and social environment influencing their thinking consciously and subconsciously, thereby encouraging them to invest in gold and brings out the psychological aspects of decision-making process of investing.

Dirk (2018) conducted empirical research on the time of investment of gold as well as on holdings of gold. This paper considers around 4000 timings which includes seasonal timings, technical timings and fundamental timings. The researchers have applied Sharpe ratio, Sortino Ratio from December 1979-December 2017 and concluded that there are no particular timings for purchase and hold for gold as it's not well performed in any of the strategy.

Suryawanshi et al. (2016) noted the bounded rationality which includes the four different steps of the decision making process in behavioural finance. First, identify the objective then criteria followed by alternatives of investment and lastly select the best choice. The paper identified cognitive biases in behavioural finance which influenced investments in gold as commodity.

Kumari (2016) acknowledged that the behavioral finance is a mixture of psychological and sociological finance concepts that add to the conventional finance models by incorporating cognitive elements into the decision-making system. Behavioral finance deals with how people collect the data and interpret it. In essence, cognitive finance analyses how individuals make economic choices.

G. Venkatachalam (2015) in the study on investor's behavior towards Gold ETF's in Indian stock market which investigates on the performance of Gold ETF's and investors behavior towards investment in Indian stock market and also to analyse the factors influencing Gold ETF's in Tamil Nadu and applied statistical tools like mean, Factor analysis, cluster analysis, correlation and regression analysis.

Kristofek (2015) conducted empirical research on gold prices, currencies and other assets like stock or commodity market which focused on ranking of gold markets. It has covered a period of 2011 to 2014 the most crucial period and also included a wide range of portfolios of 142 gold prices for different currencies where they applied the efficiency Index based on fractal dimensions and concluded that gold prices are more efficient for less traded currencies and vice versa that is gold prices is less efficient for highly traded currencies. Mehta (2015) found empirical results of the study suggest that

both male and female investors are very clear and focused on their financial goals while investing and both genders get influenced by anchoring bias when they invest.

Bhunia et al. (2013) investigated the Indian stock market index reaction on Indian gold price by using daily time series data between 2nd January 1991 and 10th August 2012 with the application of econometric methods such as bi-variate and multivariate co integration test. Results confine that in times of national crisis, bank failures, rupee depreciation and negative interest rate; people consider gold as a solid asset and safe haven. There is a diminutive chance of getting better returns in the stock investment due to a fragile economic and financial position.

Santhi (2013) in an empirical paper concludes that people buy gold because of its liquidity appreciation, safety, beauty and universal exchange. The study was conducted in Madurai city of Tamil Nadu with 75 respondents and also highlights the advantages and disadvantages of investment of gold in India.

V.R. Palanivelu (2013) in an empirical paper which states that there are many factors such as education level, awareness about the current financial system and age of investors will have significant impact on investment of gold. Mohan (2012) opined that domestic and international gold prices are closely interlinked. And then their study examines the nature of the changes in the factors affecting international gold prices during the last two decades. Short-run volatility in international gold prices used to be due to fluctuations in traditional factors such as international commodity prices, US dollar exchange rate and equity prices.

2. Problem Statement

Investments in gold are considered to be important in the Indian culture with a long association since centuries. India is the second largest consumer of gold and is popular investment avenue which has the ability to provide liquidity and return. In the present age of uncertainty in both domestic and international markets, investment in gold was leading the race as the most sought after assets in the year 2020. Gold is not widely available as it is a scarce resource on earth which ensures that the demand for gold as an asset may never go out of fashion. Given this insight and background, this paper finds it interesting to understand the people's approach towards their behavioural aspects of investment decision making towards gold.

3. Research Objective

- To analyse the impact of investment pattern and investment experience on the returns derived towards gold.
- To evaluate the relationship between behavioural dimensions and educational background influencing the investment decisions of individual investors towards gold.

4. PROFILE OF THE INVESTOR

This part comprises the investors personal profile. The personal profile elements that are used include gender, age groups, marital status, education qualification, yearly income, savings, investment pattern and investment experience. The objective of the research was to get a more comprehensive understanding of the numerous aspects of investors' dimensions that influence their behavioural pattern towards investing in gold and its different types of financial instruments.

5. Results and Discussion:

Table-1 Gender of the respodents

Male	47.5%
Female	52.5%

The population consists of 47.5% males and 52.5% females.

Table- 2: Age of the respondents

Age	No. of respondents
19-25	19%
25-35	36%
35 & Above	55%

The survey results indicate a significant age skew towards older respondents. The majority of participants, comprising 70% of the sample, are over 35 years old. This suggests that the survey largely represents the views and experiences of a more mature demographic. The remaining respondents are predominantly in the 25-35 age range (23%), with only a small fraction (7%) under 25 years old. This age distribution implies that the findings may not fully capture the perspectives of younger adults and youth, potentially limiting the survey's representativeness across all age groups.

Table- 3: Marital status of the respondents

Married	83%
Unmarried	17%

The data reveals a significant predominance of married individuals among the respondents. Out of the total sample, 100 participants, representing 83% of the surveyed population, reported being married. In contrast, only 20 respondents, accounting for 17% of the sample, identified as unmarried. This distribution highlights a substantial marital status imbalance within the surveyed group, with married individuals forming the clear majority.

TABLE : 4 Educational qualification of the respondents

SCHOOL LEVEL	2%
UNDER GRADUATE	25%
POST GRADUATE	68%
OTHERS	5%

The Table clearly shows that the majority of participants (68%) are at the Post Graduate level. Under Graduates make up a quarter of the group at 25%. Only a small portion (2%) are at the School Level and 5% fall into the "Others" category.

Table -5: Annual income of the respondents

Below 1,00,000	12%
1,00,001 to 3,00,000	20%
3,00,001 to 5,00,000	18%
Above 5,00,000	50%

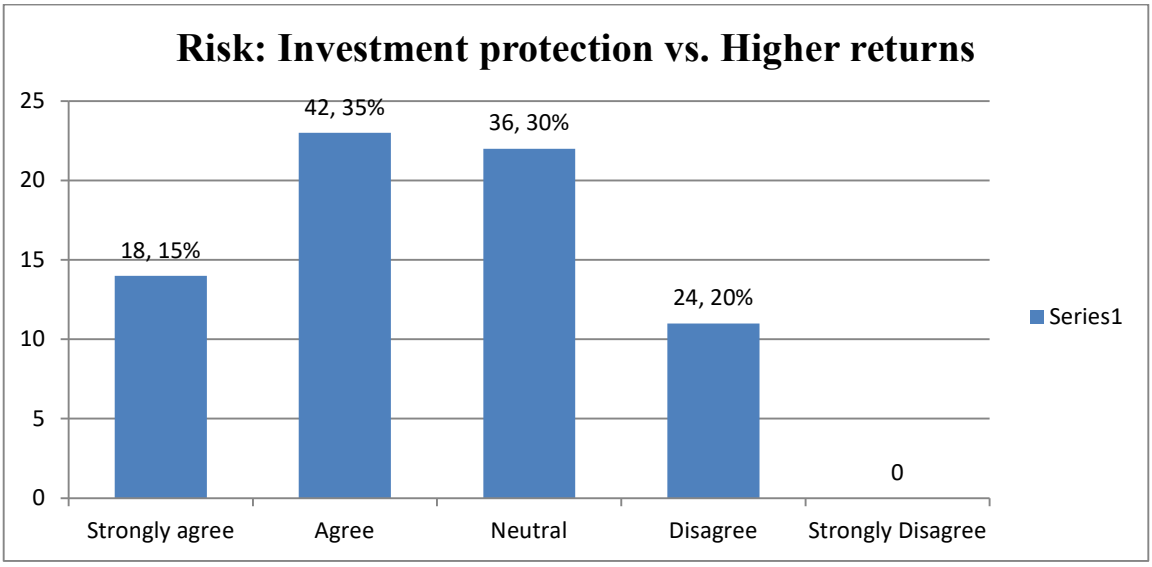
There's a significant disparity in income levels among the respondents. Half of the respondents (50%) earn above 5,00,000 annually, while only 12% earn below 1,00,000. This suggests a considerable income gap within the surveyed population.The largest group (50%) earns above 5,00,000 annually, indicating that a substantial portion of the respondents are in higher income brackets. This could suggest that the survey population might be skewed towards more affluent individuals or professionals.The middle-income categories (1,00,001 to 3,00,000 and 3,00,001 to 5,00,000) together comprise 38% of the respondents. This represents a significant middle-class segment in the surveyed population. The smallest group (12%) earns below 1,00,000 annually. This could indicate either a smaller representation of lower-income individuals in the survey or reflect the economic conditions of the area or industry being studied.

Figure 6: Investment behavioral pattern of the respondents

Very Conservative	8%
Some What Conservative	17%
Moderate	68%
Somewhat Aggressive	5%
Aggressive	2%

Inference: The majority of investors (68%) exhibit a moderate investment approach, indicating a balanced risk tolerance. This suggests a preference for stability while still seeking some growth potential. Conservative investors make up a significant portion, with 17% being somewhat conservative and 8% very conservative. This implies that a quarter of investors prioritize capital preservation and lower risk. Only a small fraction of investors displays aggressive tendencies, with 5% being somewhat aggressive and 2% very aggressive. This indicates that risk-taking behavior is less common among the surveyed group. Overall, the data suggests a predominantly cautious to balanced investment climate, with most investors favoring moderate strategies and a notable lean towards conservative approaches. High-risk investment behaviors are relatively uncommon in this group.

Figure 7: Comparative preference of investment protection and higher returns of the respondents



Inference: 35% of the respondents numbering 42 are in agreement that investment in gold is more important than higher returns, while 36 respondents accounting for 30 percent are neutral in their behavior towards investment protection, 20 percent of the respondents numbering 24 strongly agree that investment in gold is more important than higher returns and only 15 percent of the respondents numbering 18 disagree that investment in gold is more important than higher returns.

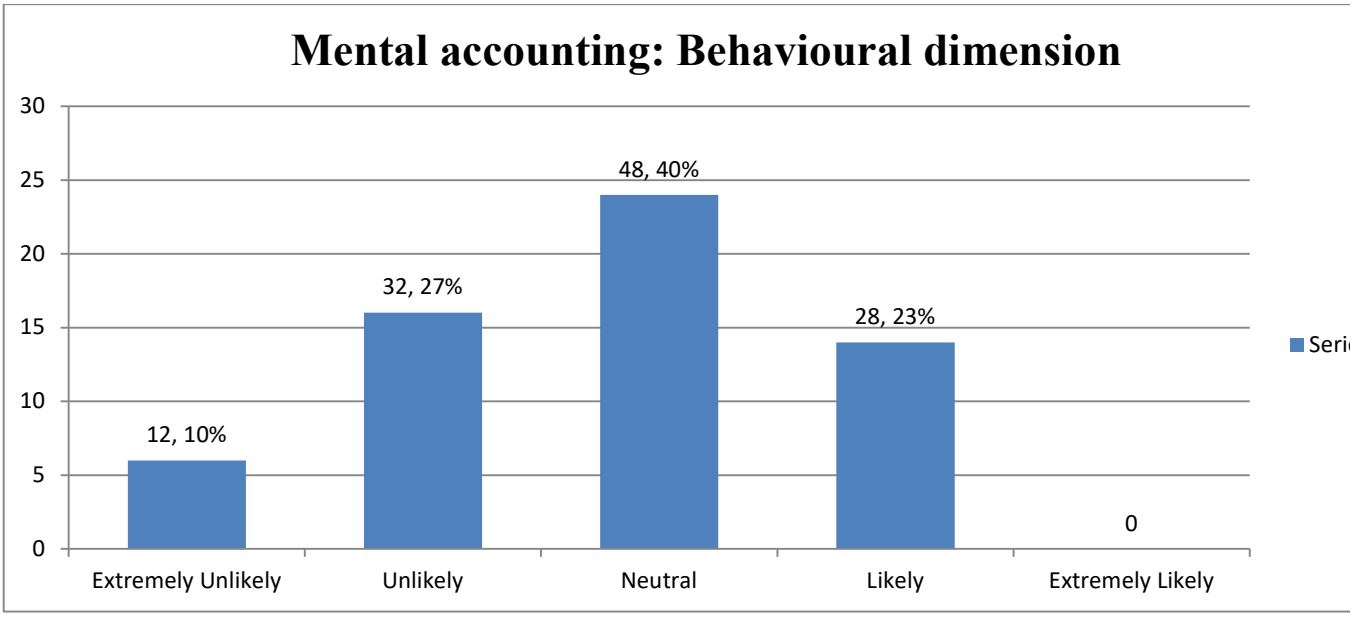
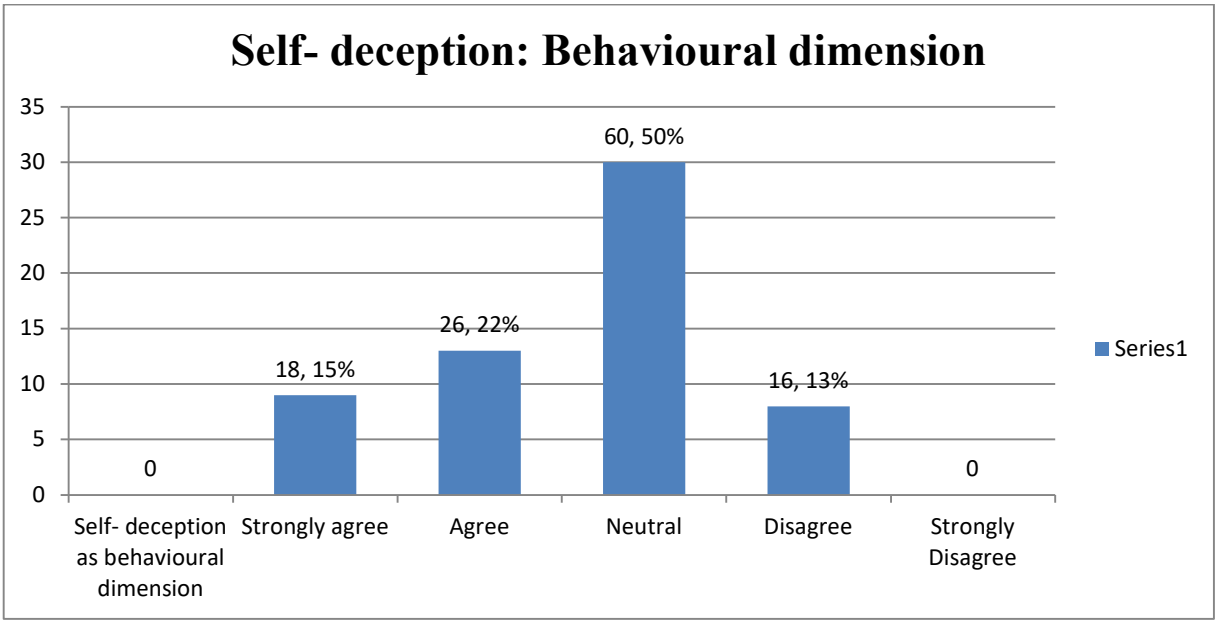


Figure 8: Evaluation of behavioural dimension (mental accounting aspect) of the respondents.

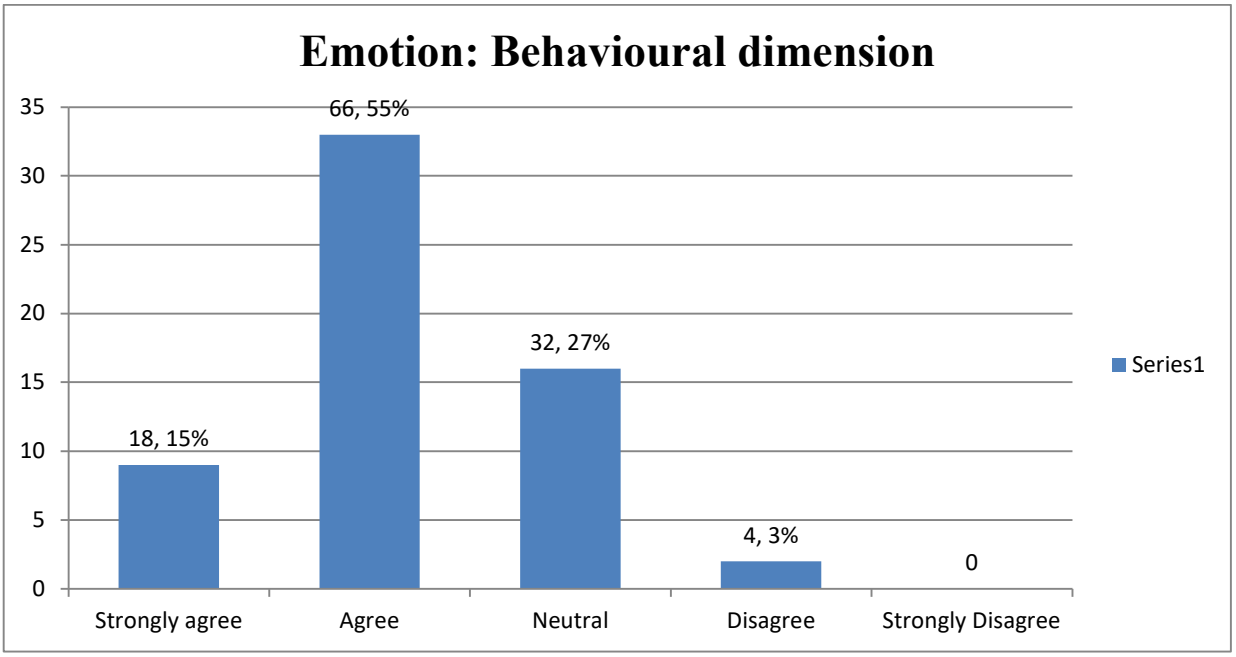
Inference: The mental accounting behavioural dimension has 40 percent of the respondents numbering 48 are neutral in admitting that prior loss makes them take less risks as that loss keeps on running in their mind, 32 respondents accounting for 27 percent are unlikely to sell gold if it has increased in value and avoid selling gold if it has decreased in value, 28 respondents accounting for 23 percent are likely to indulge in speculative investments from the gain and 12 respondents accounting for 10 percent are extremely unlikely to invest excess cash in hand or at bank in gold irrespective of market prospects.

Figure 9: Evaluation of behavioural dimension (self-deception aspect) of the respondents



Inference: Self- deception as a behavioural dimension has seen that 60 respondents accounting for 50 percent are neutral with the statement on finding opportunity to invest in gold despite unfavorable market conditions to get good return, while 26 respondents accounting for 22 percent agree with the statement that they prefer to buy gold as jewellery or bullion rather ETF, SGB or digital gold as it is assumed to be safe and secure, 18 respondents accounting for 15 percent strongly agree that skills and knowledge that they possess can keep them ahead of present market trends in gold and 16 respondents accounting for 13 percent disagree to the statement that they have the ability to accurately anticipate good or poor returns in gold investment.

Figure 10: Evaluation of behavioural dimension (emotional aspect) of the respondents



Inference: Emotion as a behavioural dimension has witnessed 66 respondents accounting for 55 percent agree to the statement about the positive approach and outlook of personality encourages them to invest in gold, 32 respondents accounting for 27 percent are neutral in their stands that if the gold market is going through a slump, they tell myself to wait for longer term and convince themselves that they can gain in the future, 18 respondents accounting for 15 percent strongly disagree to the statement that gold investment acts as an asset as well as possession and it is a part of family legacy and sentiment that they want to pass onto the future generations while 4 respondents accounting for 3 percent consider holding gold as symbol of status that enhances my reputation in the society

Objective-1 The investment pattern and investment experience have no impact on the return derived towards investment in Gold.

NullHypothesis-1

Ho1: The Investment pattern and investment objective have no impact on the return derived towards investment in Gold.

To substantiate the hypothesis and fulfill the study's primary research objective a regression analysis was conducted to investigate the relationship between investment pattern and investment experience. By treating investment pattern as the independent variable and investment experience as the dependent variable, the study aimed to explore their interconnection. This statistical approach provides a systematic method to examine how different investment strategies correlate with an investor's accumulated experience. The regression analysis seeks to uncover potential patterns and insights into how investment behaviors develop over time and how experience might influence future investment approaches. By quantitatively assessing these relationships, the research provides empirical evidence about the dynamic interaction between investment strategy and experiential learning.

Table 5.1: Regression Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.713[a]	.609	.501	.60301
a. Predictors: (Constant), Investment Pattern, Investment Experience				

Interpretation:

The regression analysis provides compelling evidence to reject the null hypothesis, revealing a strong relationship between investment pattern, experience, and returns. With an R-value of 0.713, the study demonstrates a significant positive correlation, explaining 60.9% of variance in investment returns. The Adjusted R-Square of 0.501 confirms substantial explanatory power, indicating that investment characteristics are meaningful predictors of financial performance. The findings highlight that systematic investment approaches and accumulated experience substantially contribute to investment outcomes. While 60.9% of return variability is explained by investment pattern and experience, the remaining 39.1% suggests potential influences from other unaccounted factors. Practically, this research underscores the importance of continuous learning and structured investment strategies in enhancing financial performance. **The conclusion definitively rejects the null hypothesis, demonstrating that investment pattern and experience significantly influence investment returns, providing valuable insights for investors seeking to optimize their financial decision-making**.

Hypothesis-2

NullHypothesis(H_o2)

Ho 2- Investment Pattern and Investment Experience do not significantly affect the Returns Derived from gold investments.

In order to validate the proposed hypothesis and demonstrate the first research goal ANOVA table provided is part of a regression analysis that evaluates the impact of **Investment Pattern** and **Investment Experience** on **Returns Derived** from gold investments. The dependent variable, **Returns Derived**, represents the outcome the model seeks to predict. The independent variables, **Investment Pattern** and **Investment Experience**, serve as predictors. Investment Pattern reflects the behavior or strategy used in making investment decisions, while Investment Experience indicates the level of expertise or the duration of involvement in investment activities. This model examines how Investment Pattern and Investment Experience collectively influence Returns Derived, with the statistically significant results highlighting that these factors are critical in explaining variations in investment returns.

Table 5.2: ANOVA

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3823.528	2	1911.764	12.745	.000[b]
	Residual	17550.330	117	150.003		
	Total	21373.858	119			
a. Dependent Variable: Returns Derived						

b. Predictors: (Constant), Investment Pattern, Investment Experience

Interpretation

The ANOVA results demonstrate that Investment Pattern and Investment Experience significantly influence Returns Derived from gold investments. The p-value of 0.000 is well below the conventional threshold of 0.05, confirming that the regression model is statistically significant, meaning the relationship is not due to chance. The F-value of 12.745 further supports this conclusion, indicating that the variance explained by the model is much larger than the unexplained variance. The model includes 2 degrees of freedom for the predictors and 117 for the residuals, suggesting a total sample size of 120. The Regression Sum of Squares (3823.528) shows the variance explained by the model, while the Residual Sum of Squares (17550.330) represents unexplained variance. The Total Sum of Squares (21373.858) combines both, indicating the total variance in Returns Derived. The Mean Square for Regression (1911.764) compared to the Mean Square for Residual (150.003) contributes to the large F-value. Despite the model's significance, the larger residual variance suggests other factors may also influence returns. Overall, the results confirm that Investment Pattern and Investment Experience are critical predictors of Returns Derived, providing valuable insights for investors and financial advisors. Since the p-value is **0.000**, which is less than 0.05, we **reject the null hypothesis (H_0)**.

The results indicate that **Investment Pattern** and **Investment Experience** have a statistically significant effect on the **Returns Derived** from gold investments. This confirms that these factors play an important role in influencing investment returns.

HYPOTHESIS – 3

H_03 - Investment Experience has no significant effect on Investment Pattern

Demonstrating the hypothesis through proof that addresses the study's first fundamental objective The regression analysis shows a statistically significant positive relationship between Investment Experience and Investment Pattern. For each unit increase in Investment Experience, Investment Pattern increases by 0.161 units. The p-value of 0.027 indicates significance, with a moderate effect size (Beta = 0.205), confirming the impact of Investment Experience.

Table -5.3 Regression Coefficent

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.021	3.101		.007	.045
	Investment Experience	.161	.072	.205	2.235	.027
	Investment Pattern	.226	.045	.463	5.045	.000

a. Dependent Variable: Investment Pattern, Independent variable : Investment Experience

Interpretation

The results show that **Investment Experience** has a significant positive effect on **Investment Pattern**. With a p-value of 0.027, we reject the null hypothesis, confirming that Investment Experience contributes to changes in Investment Pattern. Specifically, a higher level of Investment Experience leads to a more defined or strategic Investment Pattern. However, the standardized coefficient suggests the effect size is moderate, indicating other factors may also influence Investment Pattern. The intercept, though statistically significant, provides minimal practical impact in this model. Since the **p-value (0.027)** is less than **0.05**, we **reject the null hypothesis (H_0)**. This indicates that **Investment Experience** has a significant effect on **Investment Pattern**.

Objective-2

To evaluate the relationship between behavioural dimensions and educational background influencing the investment decisions of individual investors towards gold.

Null Hypothesis (H_{01}):

Ho1-There is no significant relationship between mental accounting as a behavioral dimension and educational qualification. (The distribution of mental accounting dimensions is independent of educational qualification.

Verifying the hypothesis by applying the Chi-Square test to explore the association between mental accounting and educational qualification

Table 5.4: Chi- Square Tests between mental accounting dimension and educational qualification

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.326[a]	3	.014
Likelihood Ratio	5.431	3	.013
Linear-by-Linear Association	2.328	1	.012
N of Valid Cases	120		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 5.80.

Interpretation

Given that the p-value is **0.014** (less than 0.05), we **reject the null hypothesis** and conclude that there is a significant relationship between **mental accounting** as a behavioral dimension and **educational qualification**. This implies that the way individuals engage in mental accounting behaviors is influenced by their level of education. For instance, individuals with higher educational qualifications may exhibit different mental accounting behaviors compared to those with lower qualifications.This finding can have practical implications in understanding how financial decision-making varies across different educational groups, which could inform targeted financial education programs or interventions designed to improve financial literacy and decision-making.

NullHypothesis-2

Ho2-There is no significant association between the self-deception dimension and educational qualification. In other words, educational qualification does not influence self-deception.

The chi-square test reveals a statistically significant relationship between self-deception and educational qualification.

Table 5.5: Chi- Square Tests between self-deception dimension and educational qualification.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	34.796[a]	9	.001
Likelihood Ratio	30.517	9	.001
Linear-by-Linear Association	2.250	1	.013
N of Valid Cases	120		
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is .15.			

Interpretation:

The **Pearson Chi-Square** and **Likelihood Ratio** tests both show significant p-values (0.001), which are less than the common significance threshold of 0.05. This indicates that there is a significant association between self-deception and educational qualification.The **Linear-by-Linear Association** test also reveals a significant p-value of 0.013, suggesting that there is a consistent, linear relationship between educational qualification and self-deception.The fact that **0% of cells** have an expected count less than 5 indicates that the assumptions of the Chi-Square test are satisfied, strengthening the validity of the results. There is sufficient evidence to conclude that there is a significant association between self-deception and educational qualification. **Therefore, the null hypothesis is rejected**, and the alternative hypothesis (H_1) is accepted that is educational qualification influences self-deception.

6. Limitations of the study

The emphasis on the gold market in Bengaluru may restrict the applicability of the findings to alternative regions or nations that exhibit unique cultural, economic or market dynamics. The research may encounter obstacles in acquiring a representative sample of gold investors, as participants may exhibit heterogeneity in terms of age, income or investment acumen. Comprehending human behavior predominantly depends on the data that individuals voluntarily disclose, which can frequently be swayed by influences such as the desire to present oneself favorably or challenges in accurate recollection. The intricate nature of behavioral constructs, including risk tolerance and decision-making, indicates that the methodologies employed may inadequately capture these phenomena. Utilizing educational attainment as a metric for decision-making competence may overlook other crucial elements, such as professional experience or financial literacy.

7. Findings and Conclusions

7.1 Findings

Majority of the investors accounting for 68 percent are moderate in the investment approach which becomes significant in assessing their behavioural dimensions.

Majority of the investors accounting for 33 percent are ready to forego their returns prioritizing investment in gold.

From the mental accounting aspect it seen that investors accounting for 40 percent are wary of the prior losses that can influence risk appetite and investors accounting for 23 percent do indulge in speculative investment from the gains made.

Self- deception as a behavioural dimension has resulted in respondents accounting for 50 percent who seem to be in dilemma on finding opportunities to invest in gold despite unfavorable market condition and the preferred mode of investment in gold is jewellery or bullion.

Majority of the respondents accounting for 55 percent from the emotional aspect are in agreement about the positive approach and outlook encouraging investment in gold while 3 percent of the respondents consider gold as symbol that enhances their reputation in the society.

The regression analysis shows that previous investment experience and investment pattern has a significant impact on the returns derived as p- value is less than 0.05 which establishes the relationship between independent and dependent variables.

The chi- square results show that the behavioural dimensions mental accounting, self- deception and emotions displayed a p- value is less than 0.05 which implies that these behavioural dimensions influence the investment decisions of individual investors towards gold.

7.2 Conclusion

Investors should diversify their investments in gold that would protect them against the effect of inflation. The behavioural dimensions have given a vivid picture of the circumstances and factors influencing the investor behavior. The paper found that demographic factors influence the investors to invest in gold while also comparing that with their past investment pattern, investment experience, risk appetite, mental accounting, self- deception and emotional aspect of behavioural dimension. Investors do not always tend to behave rationally. The decisions are influenced by the behavioural dimensions selected for the study. This work can assist the retail investors to identify their behavioural pattern towards investing in gold that would make them take informed decision, while also providing insight to the financial intermediaries and expert advisors. The study concluded that both investment patterns and experience are crucial determinants of returns in gold investments. Investors who adopt moderate investment approaches and have significant experience in the gold market are more likely to achieve higher returns.This finding emphasizes the importance of developing a balanced and informed investment strategy and gaining market experience to enhance the performance of gold investments.In summary, the study found that investors with a balanced approach to risk and those who have accumulated experience in gold investments are more likely to achieve better returns. This underscores the importance of strategic decision-making and market knowledge in maximizing returns from gold investments.

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