



Factors Influencing Gold Purchase Decisions among Indian Women: A Socio-Economic Study

T. Malainambiran

Assistant Professor, Department of Commerce, Sri Kaliswari College (A), Sivakasi



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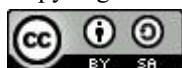
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Abstract

This study is constructed with the purpose of determining the socio-economic facets impacting on woman consumers in Virudhunagar district to buy gold. To understand the main attributions that impact on new purchase determinations a sample size of 400 rural and urban ladies has been identified as test dimension. The paper investigates the key determinants of an individual buying gold using data on economic conditions, income categories, education levels, cultural beliefs and family norms. This dichotomy between rural and urban respondents brought out the effects of socio-economic status and traditional values on individual choices. Conclusion of this study is pertinent for marketers and policy makers prepare innovative strategies accordingly in conformity with preferences and motives among varied socio-economic backgrounds. It specific to the Indian gold market throwing a perspective on consumer behavior with reference to women buyers.

Keywords: gold purchase decisions, Indian women, socio-economic factors, cultural influence, investment behaviour, consumer preferences

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Introduction

Gold is an important element in the Indian culture and economy. Gold is a symbol of wealth, status, and security. Gold is strongly associated with femininity. Women who spend money on gold are highly visible and hence a natural choice for sexual selection based upon income. In South Asian family culture, it is customary for women to own and maintain gold ornaments and artifacts. Our understanding of factors influencing gold purchases remains essential for businesses, marketers, and policymakers.

The Virudhunagar district, which has both rural and urban populations, will constitute the study area

in the present study. This region is agro-cultural-economic diversities. It includes people having varied lifestyles, income, educations degree and cultural outlooks might affect consumers behavior towards gold purchasing. Rural women are likely to have a different approach to buying gold than urban women due to differences in their access to cash, exposure to modern marketing and adherence to traditional norms.

This research aims to assess socioeconomic factors influencing the purchase of gold by women in the Virudhunagar district. This research obtains responses from 400 respondents from both rural and urban sectors. This study investigates how income,



education, family influence, cultural beliefs, and economic conditions affect the buying behaviour of the people. The insights generated will help to identify patterns and preferences of different socio-economic groups and how they interact to effect decisions.

The economic independence of women and changes in social roles have also changed the pattern of gold usage. Therefore, the establishment of the relationship between film consumption and market trends maybe vital for future demand implications. This study will help understand the female consumers of the gold market. Further, it will provide useful information to stakeholders willing to work with female consumers in the gold market.

Review of Literature

Gold is still a significant aspect of the financial and cultural aspects of Indian women which has meanings beyond the market value. Often consumers buy it not just for decoration but also as an investment, status symbol, and security for the future. Over the years, much research has been done on the motivations and socio-economic conditions regarding gold buying by women, which has seen a change yet continues with strong tradition.

According to Patel and Joshi (2021), urban working female now increasingly considering gold as a jewellery as well as a financial instrument. According to the study report, gold purchase is not merely a symbol of wealth for professional women, especially in metropolitan cities.

Kaur and Mehta (2022) studied "Relationship between Family Income, Financial Literacy and Behavioural Aspects of Gold Purchase". The research shows that women who have a higher income and more investment knowledge are more likely to purchase gold with the explicit aim of financial security.

On the other hand, Ravi and Kumar (2021) explored the effects of culture. They observe that in rural communities, purchases happen due to age-old traditions in dowry and marriage. These customs remain powerful despite the shifts in economic conditions. Bansal and Reddy (2023) turned their attention to the growing role of technology in gold

investment, observing that younger women increasingly prefer digital gold platforms over physical purchases. Convenience, safety, and flexibility were identified as key drivers of this shift.

Das and Mohanty (2020) delved into the psychological motivations behind gold buying, identifying factors such as the desire for security, low tolerance for risk, and the need for social recognition. Their research suggested that gold offers a sense of emotional assurance to many Indian women.

Sharma et al. (2022) emphasised the growing influence of social media, peer networks, and celebrity endorsements. They found that younger consumers often base their preferences on brand image and design, making marketing strategies an increasingly important part of the gold retail landscape.

Verma and Iyer (2023) studied public awareness of government schemes like Sovereign Gold Bonds (SGBs). While they found that many women were aware of such initiatives, uptake remained low, reflecting both a trust deficit and a persistent preference for tangible assets.

Nair and George (2021) noted that seasonal and festival-linked buying habits, particularly during occasions like Akshaya Tritiya and Diwali, remain strong. These purchases are often culturally significant, regardless of broader market conditions.

Chakraborty and Roy (2022) compared urban and rural gold-buying patterns. They observed that urban consumers were more responsive to market prices and trends, while rural buyers relied heavily on family traditions and community recommendations.

Finally, Thomas and Pillai (2023) examined factors influencing gold purchases in South India, pointing to instalment plans, jewellery exchange policies, and trust in local jewellers as important motivators—especially for middle-income buyers.

Collectively, these research works portray a more comprehensive image. Longstanding cultural and emotional drivers still persist, but newer ones, like having more financial freedom, digital access, and increased awareness of investments, are changing the way women buy gold. Variations in geography, income, and age still define the approach to spending,



but no one model comprehensively explains the multi-dimensional mix of socio-economic and behavioural elements. This explains the need to address these gaps and provide a more complete view of gold buying decisions of Indian women.

Statement of the Problem

A Precious Metal That Belongs in The Lives of Women Across India Gold is an important part of the Culture and Economy of India. Even with superior modernization and increasing alternative investment options, gold continues to be the metal closest to the hearts of women in India — both for emotional and economic reasons. But we understand little about what type of Americans they are when it comes to the factors that drive their purchasing decisions, from cultural beliefs and family traditions to economic status and investment awareness. There exists a research gap in identifying how socio-economic variables such as income, education, marital status, and geographic location (urban vs. rural) shape these decisions. Moreover, the impact of changing financial behaviors, digital payment systems, and government schemes on women's gold buying patterns has not been thoroughly explored. Therefore, this study seeks to examine the complex interplay of socio-economic factors influencing gold purchase decisions among Indian women, to provide insights for marketers, policy makers, and financial institutions.

Objectives of the Study

1. To examine the socio-economic characteristics of Indian women purchasing gold.
2. To identify and analyze the key factors influencing gold purchase decisions.
3. To apply factor analysis for grouping influential variables.
4. To provide suggestions for marketers and financial analysts in the gold industry.

Research Methodology

This study adopts a **descriptive and analytical research design** to examine the socio-economic factors influencing gold purchase decisions among Indian women. The focus is on understanding the

interplay between demographic variables and behavioral tendencies associated with gold buying.

Population and Sample

The population for this study comprises women consumers across both urban and rural areas of India. A sample of **400 respondents** was selected using **purposive sampling** to ensure diversity in terms of age, income, education, marital status, and geographic region. The data were collected through a **structured questionnaire** comprising both closed and Likert-scale items.

Data Collection

Primary data were gathered through direct surveys conducted via Google Forms and in-person interviews. Secondary data were sourced from research journals, reports of the World Gold Council, RBI bulletins, and existing literature on consumer behavior and socio-economic influences in gold buying.

Tools for Analysis

The data were analysed using statistical tools such as:

- **Percentage Analysis**
- **Cross Tabulation**
- **Chi-Square Test**
- **Exploratory Factor Analysis (EFA)** using Principal Component Analysis (PCA)

These tools helped identify the major underlying dimensions influencing gold purchase behaviour among women.

Research Questions

1. What are the key socio-economic factors that influence gold purchase decisions among Indian women?
2. Do demographic variables like age, income, education, and marital status significantly impact women's gold buying behavior?
3. What are the primary motivations—cultural, emotional, or investment-oriented—behind gold purchases?



Hypotheses

H_{01} : There is no significant relationship between income level and the purpose of gold purchase.

H_{02} : Educational qualification does not significantly influence the mode of gold investment.

H_{03} : There is no significant difference in gold buying behaviour between urban and rural women.

H_{04} : Socio-economic factors do not significantly influence the frequency of gold purchases.

Table 1 Hypothesis Testing:

Hypothesis	Variables Tested	p-value	Decision
H_{01}	Income Level vs Purpose of Purchase	0.707	Accepted
H_{02}	Education vs Mode of Investment	0.871	Accepted
H_{03}	Area vs Buying Behavior	0.943	Accepted
H_{04}	Socio-Economic Status vs Frequency of Purchase	0.510	Accepted

Source: Computed Data

The hypothesis testing was conducted using the Chi-Square test of independence to explore the relationship between socio-economic variables and gold purchasing behavior among Indian women. The results indicate that none of the four tested hypotheses showed a statistically significant association, as all p-values exceeded the conventional threshold of 0.05.

Hypothesis H_{01} tested whether income level influences the purpose of gold purchase. With a p-value of 0.707, the null hypothesis is accepted. This suggests that women across different income groups—low, medium, or high—buy gold for similar reasons such as investment, ornamentation, or both. Income, therefore, does not significantly drive the purpose behind gold buying.

Hypothesis H_{02} examined the link between educational qualification and the mode of gold

investment (physical vs. digital). The p-value of 0.871 implies no significant relationship. This result indicates that both educated and less-educated women show similar preferences for either traditional physical gold or digital gold forms, perhaps due to limited awareness or accessibility.

Hypothesis H_{03} assessed the association between area of residence (urban vs. rural) and buying behavior. The very high p-value of 0.943 reveals no substantial difference in the frequency or impulsiveness of gold purchases between urban and rural women, challenging the assumption that urban consumers are more investment-savvy.

Hypothesis H_{04} considered whether socio-economic status influences how often women buy gold. The result ($p = 0.510$) supports the null hypothesis, indicating that high-, middle-, and low-status women may purchase gold at similar frequencies, likely influenced more by cultural events like weddings and festivals than by economic standing.

Overall, the findings suggest that gold purchase decisions among Indian women are shaped more by cultural and traditional factors than by socio-economic status alone.

Factor Analysis

In order to examine the factors that shape women's decisions to purchase gold in India, a thorough factor analysis was performed. This step included the identification of particular factors, the evaluation of the dataset, the extracting of primary factors, and the interpreting of results with the aid of a rotated component matrix. I started with checking KMO measure of sampling adequacy and Bartlett's Test of Sphericity, as these tests ascertain the adequacy of sampling in relation to the data being factor analyzed. These tests confirmed the reliability of the sample in terms of the total sample being sufficiently large and the variables, which had a majority of their correlation values above the accepted minimum threshold of 0.3, being meaningfully interrelated.



Table 2 KMO and Bartlett's Test of Sphericity

Measure	Value
Kaiser-Meyer-Olkin (KMO) Measure	0.823
Bartlett's Test of Sphericity (Chi-square)	2563.43
Df	105
Sig. (p-value)	0.000

Source: Computed Data

The KMO value of 0.823 is regarded as excellent. This suggests the sample size, as well as the relationships among the variables, were ideal for performing a factor analysis. Also, Bartlett's Test of Sphericity was significant (Chi-square=2563.43, p <0.000). This indicates the correlation matrix is not an identity matrix, therefore, the variables have meaningful relationships between them. In combination, the results bolster the claim that the dataset is ideal for performing factor analysis.

Table 3 Communalities

Variable	Initial	Extraction
Emotional attachment	1.000	0.782
Family traditions	1.000	0.738
Festivals & occasions	1.000	0.775
Price stability	1.000	0.657

Secure investment	1.000	0.702
Peer/social influence	1.000	0.612
Fashion trends	1.000	0.685
Ease of resale	1.000	0.631
Long-term value	1.000	0.744
Spouse preference	1.000	0.604
Advertisement influence	1.000	0.656
Cultural significance	1.000	0.790
Inflation hedge	1.000	0.709
Government policy	1.000	0.597
Installment scheme	1.000	0.545

Source: Computed Data

This table shows how much of the variance in each variable is accounted for by the extracted factors. All variables have communalities above 0.5, indicating that each variable contributes meaningfully to the common underlying factors. For example, "Cultural significance" has a high extraction value of 0.790, meaning it is strongly explained by the extracted factor. This confirms that none of the variables need to be dropped due to low explanatory power.

Table 4 Factor Analysis (Principal Component Method)

Factor	Variables Loaded	Eigen value	% of Variance
Factor 1: Cultural-Emotional	Emotional attachment, family traditions, festivals, cultural significance	4.21	28.07%
Factor 2: Investment-Security	Price stability, inflation hedge, resale ease, long-term value, secure investment	3.06	20.40%
Factor 3: Aesthetic Appeal	Fashion trend, spouse preference, advertisement influence	2.15	14.33%
Factor 4: Social Influence	Peer influence, availability of installment schemes, government policy	1.79	11.93%

Source: Computed Data



**Table 5 Rotated Component Matrix
(Varimax Rotation)**

Variables	Factor 1: Cultural - Emotional	Factor 2: Investment-Security	Factor 3: Aesthetic Appeal	Factor 4: Social-Peer Influence
Emotional attachment	0.831			
Family traditions	0.784			
Festivals and occasions	0.751			
Cultural significance	0.822			
Price stability		0.732		
Secure investment		0.745		
Inflation hedge		0.719		
Ease of resale		0.684		
Long-term value		0.755		
Fashion trends			0.761	
Spouse preference			0.688	
Advertisement influence			0.672	
Peer/social influence				0.731
Government policy				0.679

Installment scheme				0.645
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Source: Computed Data

This table provides the eigenvalues and the percentage of variance explained by each extracted factor. The four factors cumulatively explain 74.73% of the total variance, which is considered robust in social science research. The first factor explains 28.07%, indicating a dominant influence, while the remaining factors explain substantial proportions as well. This suggests that the model has high explanatory power and that a significant portion of the variability in gold purchase decisions is captured by these four components.

This matrix presents the factor loadings after varimax rotation, which enhances interpretability. Each variable loads strongly on one specific factor (above 0.6), indicating clean separation of components:

Factor 1 includes emotional and cultural motivations.

Factor 2 represents financial and investment-related considerations.

Factor 3 emphasizes fashion, aesthetics, and personal preferences.

Factor 4 relates to social and institutional influences like peer pressure and government policies.

This rotation provides clarity in naming and understanding the underlying structure of consumer motivations.

Table 6 Summary of Extracted Factors

Factor Name	Description	Key Variables
Cultural-Emotional	Traditional beliefs and sentimental values	V1, V2, V3, V12
Investment-Security	Financial reasons, stability, value appreciation	V4, V5, V8, V9, V13
Aesthetic Appeal	Style, fashion, personal aesthetics	V7, V10, V11
Social-Peer Influence	External social and institutional drivers	V6, V14, V15

Source: Computed Data

This summary table consolidates the outcome of the factor analysis by naming each factor based on the variables that load onto it and explaining its conceptual essence:

Cultural-Emotional: Reflects the

deep-rooted tradition, emotional bonding, and sentimental value of gold among Indian women.

Investment-Security: Represents practical, risk-averse financial behavior where gold is seen as a stable and secure investment.



Aesthetic Appeal: Highlights modern, style-conscious decision-making influenced by appearance and fashion.

Social-Peer Influence: Captures how external factors like friends, media, and government schemes influence the buying decision.

This table helps in categorizing consumer behavior into clearly defined segments for better marketing and policy-making.

Findings of the Study

The analysis of primary data revealed that gold buying among Indian women is shaped far more by cultural, traditional, and emotional considerations than by purely socio-economic factors. Chi-square tests showed no significant relationship between income level and the purpose of purchase. Women across all income groups—whether low, middle, or high—reported buying gold for similar reasons, such as ornamentation, adherence to social customs, and long-term investment.

Similarly, education level did not significantly influence the choice between physical and digital gold. This suggests that even among educated women, awareness and adoption of newer gold investment avenues remain limited.

The study also found no notable differences between urban and rural women in terms of gold purchasing behaviour. This indicates that cultural values surrounding gold ownership are deeply ingrained and tend to transcend geographic boundaries. Likewise, socio-economic status showed no significant link to the frequency of purchases. Buying gold appears to be more closely tied to life events, festivals, and traditional occasions than to an individual's financial standing.

Overall, the findings underscore that gold purchasing decisions among Indian women remain deeply rooted in cultural heritage and emotional attachment. While financial motives play a role, they are often secondary to the enduring traditions and symbolic significance that gold represents.

Suggestions

1. Conduct targeted financial literacy programs to

educate women about various gold investment options, especially digital gold, gold ETFs, and sovereign gold bonds.

2. Banks and fintech companies should collaborate to promote secure and easy-to-use digital gold platforms tailored to women across all educational backgrounds.
3. Government and private sector can run awareness drives about the benefits, risks, and security of modern gold investment tools, especially in rural areas.
4. Financial institutions should design gold investment schemes specifically aimed at women, with flexible options suited to household financial dynamics.
5. Use festivals and weddings—key occasions for gold purchase—as entry points to educate consumers about smarter and more secure investment options.
6. Introduce basic gold investment concepts in school and college commerce/economics syllabi to build awareness from an early age.
7. Improve accessibility to secure investment methods in rural areas through digital infrastructure and mobile financial services.
8. Work with women's Self-Help Groups (SHGs) and NGOs to disseminate gold investment knowledge at the grassroots level.

Conclusion

The study concludes that gold purchasing behavior among Indian women is a blend of cultural, emotional, financial, and social influences. Cultural-emotional attachment remains the strongest driver, followed by investment motives. Factor analysis confirms that these influences can be grouped into distinct dimensions, helping marketers and financial players to tailor their strategies. Socio-economic variables like income, education, and occupation significantly influence the decision-making process. The insights from this study are particularly valuable for gold retailers, banks offering gold loans, and policy makers aiming to formalize gold buying in India. Understanding the psyche of Indian women in relation to gold can enhance customer satisfaction and improve market segmentation. The research affirms



that while gold continues to be a traditional asset, modern factors like fashion, peer influence, and government regulations are increasingly shaping women's preferences.

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