

DETERMINANTS OF DIGITAL GOLD INVESTMENT INTENTION AMONG RETAIL INVESTORS IN CHENNAI: EXAMINING THE MEDIATING ROLE OF INVESTMENT ATTITUDE

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Abstract

Retail Investment behavior has shifted due to rapid advancement of financial technology, and virtual gold has become popular investment option in India. With an emphasis on financial literacy, trust in digital gold platforms, perceived security, and perceived Ease of use, this study investigates the factors impacting the intent of retail investors in Chennai to make an investment in digital gold. Utilizing investment mindset as a mediating variable. The convenience sampling method and a structured questionnaire were utilized to acquire primary data from 120 retail investors utilizing a quantitative research approach with a study design that was descriptive in nature. Multiple regression, sobel mediation, and Pearson correlation were used to evaluate the hypothesis according to correlation data, digital gold investment intention was most strongly correlated with trust in digital gold platforms ($r = 0.678$, $p < .001$). the indicated factors accounted for 56.2% of the variance in digital gold investment intention, as determined by regression analysis ($R^2 = 0.562$; $F = 126.707$, $p < 0.001$). investment attitude for financial literacy, trust in digital platforms, and perceived security were found to possess a partial mediating function by the Sobel test, but whereas perceived ease of use did not exhibit any significant mediation ($Z=1.346$, $P=1.78$). Fintech firms, financial institutions and policymakers should ought to implement insightful results to foster ethical digital gold investment in India.

Keywords: Digital gold investment, financial literacy, trusts in digital gold platforms, investment attitude,

retail investors.

Introduction

In India, gold has historically been preferred investment option for financial stability and assets preservation digital gold has evolved into a practical investment alternative that allows investors to purchase, sell and store gold via internet platforms due to the fintech industry's explosive rise. Its appeal among retail investors has grown because to its accessibility, affordability, transparency and ease of use. The term Digital gold investment intention describes a person's willingness to use digital platforms to invest in digital gold. Financial literacy, security, ease of use promotes investing convenience and well-informed decision making. Easy access, safe storage, high levels of liquidity and small-scale investment are all advantages provided by digital gold. The association between these elements and the intention to invest in digital gold may be mediated by investing attitude which also affects investment decisions. A few research investigations have examined at these factors and the mediating function of investment attitude among Chennai's retail investors, despite its increasing popularity. Therefore, using investment attitude as a mediator, this study investigates the impact of financial literacy, security, ease of use on digital gold investment intention.in order to boost the investors' confidence and encourage prudent digital gold investing. The findings offer helpful insights for digital gold platforms, financial institutions and legislators.

Review of literature

Raj Kumar (2022), the study pinpointed the issue of investing in digital gold instead of physical gold which is a result of investors behavior and changing technology. The study's goal is to analyze the idea of gold, its advantages, its risk, and the processes involved in buying it. Reputable journals, publications, and other e-sources provided secondary data for the study. According to the results, gold guarantees investors accessibility affordability, liquidity, security and financial inclusion and attracting Millennials. The study recommended increased awareness and a lack of regulatory structures. Despite obstacles gold has the potential to change the investment landscape of the digital gold. It also emphasizes the possibility for diversification in modern investments and the need for expansion in new economics

Ajay Shukla and shrasty Katiyar (2023), the study examined the problem of unreliable prediction of gold demand in India considering its cultural and investment importance. The study examined historical data from 2017 to 2021 to forecast gold demand for 2022-2027. The historical pattern is gold demand was the primary component taken into consideration the study used the linear trend analysis method and a quantitative research design determined by the secondary data. The discoveries showed a steady increasing trend in gold demand, predicting further rise in the future. To increasing predicting accuracy, the study recommended adding macroeconomic elements such as inflation, interest rates and policy changes. The study can potentially be applied to central bank reserve management, financial institution creation of gold-linked investment products and strategic planning in the bullion market.

Arpita gurbaxani, jalpa Thakkar, smriti Pathak, Ashutosh Mathur and sameera raees(2023), the study sought to identify the key variables influencing people's perception and awareness of digital gold investing. It emphasizes satisfaction, difficulty, awareness , cost benefit analysis, and the inaccessibility of investing in digital gold and gold exchange traded funds. Further, 158 people who responded are individual investors making investments in their digital gold and gold exchange traded funds supplied the data. The results show that factors like dissatisfaction and ignorance have higher factors loading, indicating that investors need to

learn more regarding digital gold and more about gold exchange traded funds. By integrating the SEBI and RBI authorities in India, they may be skeptical about regulating digital gold, which may result in a reliable source of investment.

Darshana ponnumani (2024), the study examined at how actual gold in Coimbatore investors perceived and understood digital gold. The study evaluated trust, security, and risk concerns with the goals of evaluating awareness, analyzing attitudes, identifying influential factors and examining perceived risks. Using a descriptive study methodology with 250 respondents. Simple random sampling is used to choose the data. The study's main benefit is the ease of access to digital gold. The results demonstrate that wealth preservation is a significant investment motivation. The assessment encourages raising awareness, bolstering cybersecurity and designing user-friendly systems. The scope emphasizes comprehending shifting investor behavior in the digital gold encouraging its adoption and resolving security issues that are necessary for broader acceptability.

Kalaiyaran and Chandrasekaran (2024), the study examined the issue of changing preferences between real and digital gold as an outcome of social influence, risk and trust with the goal of analyzing adoption and consumer perception in Coimbatore. The study applied convenience sampling. A descriptive design and questionnaires from 120 respondents. It's also utilized a correlation, chi-square, that people view digital gold as more secure as well as safer and more open to transparency and that trust is adversely correlated with age and social variables. While physical gold maintains its cultural significance and trust digital gold offers convenience. It recommends raising financial knowledge and emphasizing security and openness when making investment choices. The scope of the study highlights understanding changing investors behavior and promoting the digital gold adoption and addressing security concerns is essential for wider acceptance.

Jayalakshmi and purushotaman (2024), the study investigated the issue of investors views of contemporary gold investments shifting from tangible to digital options. It aimed to monitor this shift analyze investor attitudes and risk factors and use a SWOT framework to analyze contemporary gold investments. Regarding ETFs, SGBs, and digital gold the important variables includes investors. Opinion, risk, liquidity, transparency, diversification, awareness and trust. Using secondary data from the reserve bank of bank of India and the world gold council. The study adopted a systematic review approach. The outcomes showed that while contemporary alternatives provide liquidity, transparency, and diversification, low knowledge and trust are significant obstacles and cultural connections drives physical gold demand the study suggests improving regulatory clarity and security to enhance adoption. Future studies can use primary data and larger sample to examine investors behavior.

Gowrishankar and Jayasuriya (2025), the study investigated Coimbatore's female physical gold investors for digital gold investment. Focused primarily on risk perception, influencing factors and awareness indicators. Analyzing choice factors, perceived risk, awareness levels and demographics was the purpose. A stratified simple random sample of 250 respondents was utilized in this quantitative investigation. Applying chi-square, regression, testing techniques. The findings show digital gold is preferred by younger and lower-income groups and decisions are not greatly influenced by key aspects like security, convenience and transparency. Improved digital platforms, financial literacy initiatives, and focused marketing are among standard suggestions. This study emphasizes the scope of potential improving accessibility and the uptake of technology driven investments.

Research Gap

Prior research on digital gold has primarily concentrated on awareness adoption and investor opinions, with minimal attention devoted to the mediating role played by investment attitude in determining gold investment intention. Furthermore, few research investigations have looked at the combination effect of financial literacy, trust in digital gold platforms, risk and ease of use on investors intentions to invest in digital gold, additionally empirical information concentrating especially on retail investors in Chennai is very limited this investigation addresses these gaps by examining the determinants of digital gold investment intention and the mediating role of investment attitude among retail investors in Chennai.

Objectives of the study

1. To examine the impact of the determinants of digital gold investment on the investment intention of retail investors in Chennai.
2. To investigate how investing attitude plays a mediating role in the relationship between Chennai's retail investors investment intention and the factors that influence digital gold investment.

Conceptual framework

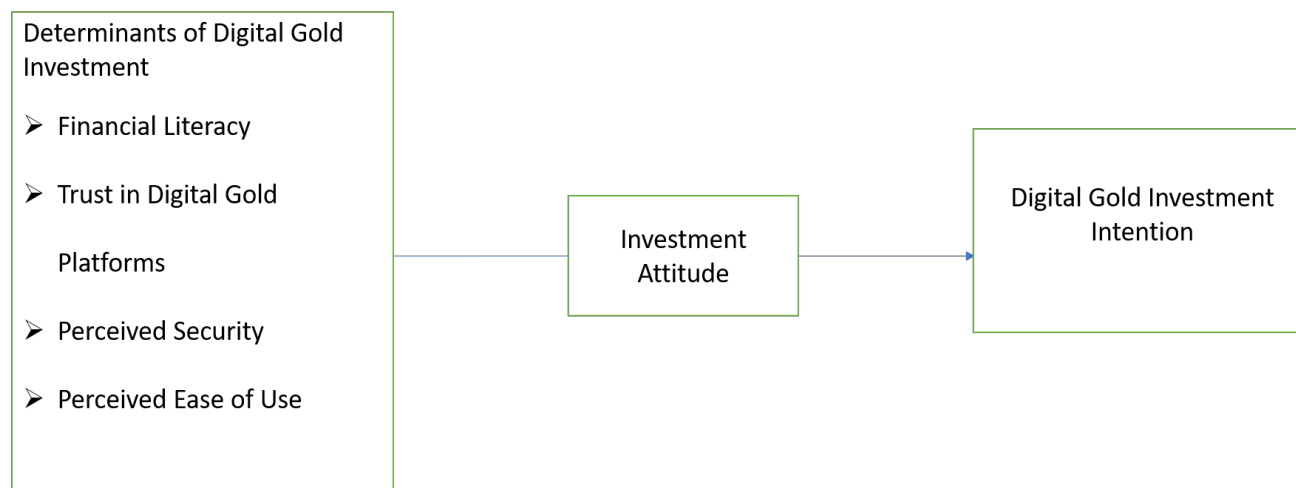


Figure 1: Conceptual framework of the study

Research methodology

With the objective to investigate the factors influencing retail investors intentions to invest in digital gold in Chennai, the study utilized a quantitative research method with a descriptive research design adopting investment attitude as the mediating variable. Convenience sampling was used to acquire primary data using a standardized questionnaire a total of 120 valid replies in all, partial responses were not included in the study. Descriptive statistics, Cronbach's alpha, Pearson correlation, multiple regression, and the Sobel test were used to analyze the gathered data. These statistical methods were used to evaluate the correlation between the research variables, ascertain the impact of the suggested determinants on the intention to invest in digital gold and investigate the mediating role of investment attitude.

Data analysis and results

(a) Descriptive statistics

Table 1 : Descriptive Characteristics

A. Age Group		
Age Group	Frequency	Percentage (%)

20–25 years	30	25.0%
26–35 years	38	31.7%
36–45 years	29	24.2%
Above 45 years	13	10.8%
Below 20 years	10	8.3%
Total	120	100.0%
B. Gender		
Gender	Frequency	Percentage (%)
Male	72	60.0%
Female	48	40.0%
Total	120	100.0%
C. Educational Qualification		
Qualification	Frequency	Percentage (%)
Undergraduate	31	25.8%
Postgraduate	65	54.2%
Professional Degree	20	16.7%
School Level	4	3.3%
Total	120	100.0%
D. Occupation		
Occupation	Frequency	Percentage (%)
Salaried – Private	41	34.2%
Salaried – Government	20	16.7%
Self-Employed / Business	29	24.2%
Student	25	20.8%
Others	5	4.2%
Total	120	100.0%

E. Monthly Income Level		
Income Range	Frequency	Percentage (%)
Below ₹15,000	18	15.0%
₹15,001–₹30,000	31	25.8%
₹30,001–₹50,000	39	32.5%
₹50,001–₹75,000	22	18.3%
Above ₹75,000	10	8.3%
Total	120	100.0%
F. Marital Status		
Marital Status	Frequency	Percentage (%)
Married	69	57.5%
Single / Unmarried	47	39.2%
Others	4	3.3%
Total	120	100.0%
G. Duration of Digital Gold Investment		
Duration	Frequency	Percentage (%)
Less than 6 months	12	10.0%
6 months–1 year	25	20.8%
1–3 years	40	33.3%
3–5 years	27	22.5%
More than 5 years	16	13.3%
Total	120	100.0%
H. Digital Gold Platform Used		
Platform	Frequency	Percentage (%)
Paytm Gold	30	25.0%
Google Pay Gold	29	24.2%

PhonePe Gold	22	18.3%
MMTC-PAMP	19	15.8%
Augmont	13	10.8%
Others	7	5.8%
Total	120	100.0%

Interpretation:

(Table 1) According to the demographic profile, the vast majority of respondents are within the age range of 26 – 35 years, demonstrating that young working professionals are the primary consumers of digital gold investments. The majority of the respondents are male and the largest educational group is postgraduates indicating that higher education encourages the adoption of digital investments. The majority of respondents are middle – class workers who work in the private sector and earn between Rs.30001 – Rs. 50000 per month. The majority of the people are married, suggesting a greater emphasis on financial preparation. The majority of respondents have demonstrated past investment experience by investing in digital gold for 1 to 3 years. The most popular platforms are Paytm gold & Google pay gold demonstrate the widespread use of integrated digital payment apps.

(b) Hypothesis testing

1.H₀: There is no association among determinants of digital gold investment, investment attitude and the investment intention of retail investors

H₁: There is a significant association among determinants of digital gold investment, investment attitude and the investment intention of retail investors

Table 2: Correlation Matrix

	FL	TDGP	PS	PEOU	IA	DGII
FL	1.000					
TDGP	.376**	1.000				
PS	.341**	.418**	1.000			
PEOU	.198**	.227**	.203**	1.000		
IA	.447**	.489**	.412**	.241**	1.000	
DGII	.468**	.521**	.436**	.226**	.551**	1.000

Interpretation:

(Table 2) All of these variables that impact digital gold investment have a positive and statistically significant relationship with digital gold investment intention ($p < 0.01$), according to the correlation data. The results indicate the people's propensity to invest in digital gold rises in tandem with improvements in financial literacy, trust, security, ease of use and investment attitude. The highest positive correlations among digital gold investment intention and these variables are seen in investment attitude and trust in digital gold platforms. Overall, the results support the assumptions put forth and imply that these factors have a significant impact on people's intentions to invest in digital gold.

Multiple regression

2.H₀: No significant relationship between the determinants of digital gold investment on the investment intention of retail investors in Chennai.

H₁: There is a significant relationship between the determinants of digital gold investment on the investment intention of retail investors in Chennai.

Table 3: Model Summary

Model	R	R ²	Adjusted R ²	Std. Error	F
1	.750	.562	.558	.447	126.707

Table 4: ANOVA

Source	Sum of Squares	df	Mean Square	F	p value
Regression	101.298	4	25.324	126.707	.000
Residual	78.947	395	.200		
Total	180.245	399			

Table 5: Coefficients (Unstandardized and Standardized)

Variable	B	Std. Error	Beta (β)	t	Sig.
(Constant)	0.764	0.198	—	3.859	.000
Financial Literacy (FL)	0.214	0.052	.226	4.115	.000
Trust in Digital Gold Platforms (TDGP)	0.276	0.051	.291	5.412	.000
Perceived Security (PS)	0.187	0.054	.196	3.463	.001
Perceived Ease of Use (PEOU)	0.058	0.057	.061	1.018	.309

(Dependent Variable: Digital Gold Investment Intention)

Interpretation:

(Table 3) The model explains 56.2% of the variance ($R^2 = 0.562$, adjusted $R^2 = 0.558$) and the model summary shows a good correlation between the chosen determinants and digital gold investment intention ($R = 0.750$).

(Table 4) The statistical significance of the regression model is confirmed by the ANOVA results ($F = 126.707$, $p < 0.01$). (Table 5) The coefficients results indicate that while perceived ease of use ($t = 1.018$) has no significant effect ($p > 0.05$), trust in digital gold platforms ($t = 5.412$), financial literacy ($t = 4.115$) and perceived security ($t = 3.463$) strongly and positively influence digital gold investment intention ($p < 0.05$). As a result, the hypothesis is supported.

Mediation Analysis – Role of Investment Attitude (H3, Sobel Test)

3. H₀: No mediation effect of investment attitude between determinants of digital gold investment and Digital

gold investment intention.

H₁: There is a mediation effect of investment attitude between determinants of digital gold investment and Digital gold investment intention.

Table 6: Path Coefficients

Path	B	SE	t-value	p-value	Decision
FL → Investment Attitude (Path a ₁)	0.241	0.058	4.155	.000	Significant
TDGP → Investment Attitude (Path a ₂)	0.298	0.057	5.228	.000	Significant
PS → Investment Attitude (Path a ₃)	0.219	0.061	3.590	.000	Significant
PEOU → Investment Attitude (Path a ₄)	0.087	0.063	1.381	.168	Not Significant
Investment Attitude → DGII (Path b)	0.367	0.061	6.016	.000	Significant
FL → DGII (Path c, direct)	0.214	0.052	4.115	.000	Significant
TDGP → DGII (Path c, direct)	0.276	0.051	5.412	.000	Significant
PS → DGII (Path c, direct)	0.187	0.054	3.463	.001	Significant
PEOU → DGII (Path c, direct)	0.058	0.057	1.018	.309	Not Significant

Table 7: Sobel Test for Indirect Effects via Investment Attitude

Mediation Path	Path a	Path b	Indirect Effect (a×b)	Sobel Z	p-value	Mediation Type
FL → IA → DGII	0.241	0.367	0.088	3.419	.001	Partial Mediation
TDGP → IA → DGII	0.298	0.367	0.109	3.946	.000	Partial Mediation
PS → IA → DGII	0.219	0.367	0.080	3.083	.002	Partial Mediation
PEOU → IA → DGII	0.087	0.367	0.032	1.346	.178	No Mediation

Interpretation:

(Table 6 & 7) Significant Sobel z-values ranging from 3.083 to 3.946 ($p < 0.05$) demonstrate that investment attitude predominantly mediates the interactions between financial literacy, trust in digital gold platforms, perceived security and digital gold investment intention. Trust in digital gold platforms showed the highest mediation ($z = 3.946$), which is followed by perceived security ($z = 3.083$) and financial literacy ($z = 3.419$). Perceived ease of use, meanwhile did not significantly affect investment intention either directly or through investment attitude, as seen by the absence of significant mediation ($z = 1.346$, $p = 0.178$).

Discussion

The results demonstrated that with regard to Chennai's retail investors, the variables affecting the level of digital investment in gold along with digitalized gold investment intention were positively and significantly associated, mainly endorsing the hypothesis and conceptual framework set together. Financial literacy, trust in digital gold platforms, perceived security, perceived ease of use, investment attitude and digital gold investment intention showed significant positive correlations, with trust in digital gold platforms showing the strongest association ($r = 0.678$, $p < 0.01$). The chosen determinants contributed to 56.2% of the variation in digital gold investment intention, according to multiple regression analysis ($R = 0.750$, $R^2 = 0.562$, Adjusted $R^2 = 0.558$, $F = 127.707$, $p < 0.01$). Investment intention was significantly impacted by trust in digital gold platforms ($t = 5.412$), financial literacy ($t = 4.115$) and perceived security ($t = 3.463$), in contrast to perceived ease of use ($t = 1.018$). The Sobel test revealed that the associations between financial literacy, trust in digital gold platforms, perceived security and digital gold investment intention were significantly mediated by investment attitude ($z = 3.419$, $z = 3.946$ and $z = 3.083$ respectively; $p < 0.05$). But there were certainly no significant mediation affecting perceived ease of use ($z = 1.346$, $p = 0.178$). The results indicate that the intention to invest in digital gold is significantly influenced by trust, financial literacy and perceived security. As a result, while financial institutions and legislators should encourage financial literacy and improve investor awareness, digital gold suppliers should strengthen transparency, cybersecurity, regulatory compliance and information privacy. Sustainable adoption could potentially be further promoted by cultivating a positive investment attitude through gaining knowledge of the advantages and opportunities for wealth development of digital gold. All things considered the report strengthens India's digital financial ecosystem by offering empirical facts and useful recommendations for fintech firms, financial institutions and legislators.

Conclusion

This article emphasizes the significance of identifying the key determinants of digital gold investment intention and the mediating role of investment attitude among retail investors in Chennai. The findings identify trust, financial awareness and perceived security as important drivers of investment intention, while investment attitude strengthens the influence of these determinants on investor's choices. The analysis demonstrates that enhancing investor awareness, platform – based trustworthiness, payment assurance and positive investing opinions can promote responsible adoption of digital transformation and financial standard technology. In order to encourage broader involvement and promote the sustainable expansion of India's digital financial ecosystem, these findings offer valuable insights to fintech startups, financial institutions, researchers and regulators.

Scope for Future Research

Future studies can utilize larger and geographically varied samples to increase the generalizability of findings. It is also possible to examine at other elements including perceived risk, technology readiness, digital financial

literacy, legislation, investing experience and perceived utility. While comparative studies can examine variations among demographic groups and investment outlets including digital gold, gold ETFs, mutual funds. Longitudinal research can assess shifts in investor behavior over time. These approaches can assist fintech firms, financial institutions and legislators to create successful plans for encouraging the responsible and ethical usage of digital gold. They can also offer more comprehensive insights about digital investing behavior and digital gold investing intention.

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