

Original Article

Increasing Sales of Gold as an Investment Instrument

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Abstract: *The main purpose of the research is to obtain information related to the purchase intention of gold from ANTAM (one of the gold mining companies in Indonesia). The alternative strategy to increase ANTAM's gold sales is introducing gold as an investment instrument. This research is a quantitative research involving 120 respondents. The research model involves two independent variables, namely Perceived Product Quality and Perceived Investment Value, one mediating variable, namely Trust, and an independent variable, namely Purchase Intention. The direct influence of Perceived Investment Value on Purchase Intention is not significant but becomes significant after going through the mediating variable. Meanwhile, Perceived Product Quality influences directly or through mediating variables on Purchase Intention.*

Keywords: *Perceived Investment Value, Perceived Product Quality, Purchase Intention, Trust.*

I. INTRODUCTION

According to a survey conducted by the Katadata Insight Center (KIC), the majority of respondents agreed on the importance of investing. The survey results show that gold is the most popular investment instrument, with 58% of respondents choosing gold as an investment instrument, followed by land and property. Meanwhile, stock and cryptocurrency instruments are of interest to only a few respondents.[1]

Based on the research findings, it can be stated that consumer motivation in buying gold jewellery is driven by several factors, including showing achievement (social status) and also saving (investment). [2],[3] The results of previous research show several factors that determine Purchase Intention. Investing in gold and precious metal instruments is considered more profitable than investing in shares of gold mining companies. Investors can buy precious metal gold as a long-term investment tool because the growth of precious metal gold over eleven years has increased quite significantly [4]. Price is another factor to take into account, even if studies indicate that changes in the price of gold have a slight but favorable impact on consumers' interest in gold-backed savings products. Aside from that, the risk associated with investments has a positive and significant impact on people's interest in gold savings products, whereas advertising has a favorable but not statistically significant effect. People's interest in gold savings products is influenced by advertising, investment risks, and variations in gold prices [5]. Regarding prices and promotions, [6] Maharani's research [6] shows that promotional variables do not affect the Purchase Intention variable. Meanwhile, the price fluctuation variable influences the Purchase Intention variable. Meanwhile, other research shows that price fluctuations and promotions have a positive and significant effect on customer interest in gold savings products at Pegadaian (pawnshop institution) [7]

Unlike previous research, this research, apart from evaluating consumer behavior regarding aspects that influence them in buying gold, also evaluates whether ANTAM's (one of the gold mining companies in Indonesia) gold is the main investment choice. One of the efforts to increase ANTAM gold sales is to make ANTAM gold become the main investment choice for the public. To increase customers' Purchase Intention in ANTAM gold, this research formulated the independent variables of Product Quality and Perceive Investment Value to influence the dependent variable, Purchase Intention, either through the mediating variable Trust or directly without the mediating variable. The results of statistical tests on the relationship between these variables are a reference for determining strategies to increase ANTAM's gold sales.

II. LITERATURE REVIEW

This research method is quantitative. Data was obtained from respondents' answers to the questionnaire. The questionnaire was delivered to respondents in electronic form (Google Forms) with questions that had to be answered using a Likert scale. The purposive sample approach was used to choose the sample. Respondents must meet the requirement of having ever bought ANTAM gold items. There were 120 responders in this study. Structural Equation Modeling is used in data processing. The variables used in this research were obtained from previous research, which were then selected based on the results of a preliminary survey. A preliminary survey was conducted on 30 respondents to obtain variables that were considered important by respondents. The choice of variables conveyed to the 30 respondents were variables that had been used in previous research. The results of the preliminary survey obtained three main variables in determining purchasing interest, namely Product



Quality, Perceived Value, and Trust. Referring to existing theory, a research model was determined. The variables and indicators used can be summarized as follows.

A) Perceived Product Quality (Product)

This research defines the product as a gold product produced by ANTAM whose quality is determined by several indicators, namely authenticity, durability, and variant. Authenticity is the level of confidence that the gold being traded is genuine, while durability is an indicator that reflects the durability of the gold design and packaging, and variants are variations in the weight of the gold available.

B) Perceived Value (Value)

Perceived Investment Value is the consumer’s perception of the benefits of a gold product, which is also compared with the purchase price (acquisition). Value, in this case, is related to investment value, namely the benefits of gold as an investment instrument for consumers. As befits an investment, value includes the resale value of gold, the benefits of gold in the long term [8] and its liquidity [9], as well as gold producers’ attention to environmental aspects, which is becoming one of the criteria for investing.

C) Trust

Since trust is one of the things that spur rational considerations to action, it makes sense to employ trust as an intervention variable for the rational aspect. Prior studies on the application of technological advances in marketing lend credence to the choice of this mediation variable. [10] [11].

D) Purchase Intention

The Purchase Intention in this paper is the willingness of consumers to purchase the products, even though, in the end, the transaction does not occur due to one reason or another, usually after having the information to reduce the risk [12].

Table 1. Variable and Indicators

Variable	Indicator	Description
Product	P1	I chose Antam gold products because of their authenticity
	P2	I chose Antam gold products because of their durability
	P3	I chose Antam gold products because of the product variants
Value	V1	I feel Antam Eco Fiendly gold products
	V2	I feel that Antam gold products have good resale value
	V3	I feel that Antam gold products are good for the long term
Trust	T1	I believe Antam's gold products are of high quality
	T2	I'm sure because Antam's gold products are international certified
	T3	I believe Antam's gold products are credible
Intention	I1	I am interested in buying immediately after receiving the information
	I2	I would recommend Antam gold products to others
	I3	I plan to buy Antam gold again (re-purchase)

E) Hypothesis

a. Trust dan Purchase Intention

The relationship between Trust and Purchase Intention is discussed in several journals with quite diverse results, such as research conducted by Wulandari [13], which shows that the relationship between Trust and Purchase Intention is positive and significant.

H1: Trust significantly influences Purchase Intention

b. Product Quality and Trust

Research related to the relationship between Product Quality and Trust was conducted by Manoj, G. and Pradeep, M. [14] regarding interest in purchasing electronic products. The results show that there is a significant positive relationship between Product Quality and Trust, this research establishes the hypothesis.

H2: Product Quality influences Trust significantly

c. Perceived Value and Trust

The relationship between perceived value and Trust was presented in previous research by Wu and Huang [15], with results showing that perceived value had a positive and significant effect. This research formulates a hypothesis.

H3: Perceived Value significantly influences Trust

d. Product Quality and Purchase Intention

Research conducted by Manoj, G. and Pradeep, M. [14] also shows that Product Quality influences Purchase Intention positively and significantly; therefore, this research conveys the hypothesis.

H4: Product Quality has a significant influence on Purchase Intention

e. Perceived Value and Purchase Intention

The influence of perceived value on Purchase Intention was researched by Gan, C. and Wang, W. [16], with the results showing that Perceived Value influenced Purchase Intention positively and significantly. This research formulates the following hypothesis.

H5: Perceived Value has a significant effect on Purchase Intention.

III. RESULTS AND DISCUSSION

A) Statistics Test

There were 120 eligible responders in all. The study’s respondents were primarily men, comprising 84 men and 36 women (30%). Up to 75% of the respondents overall were in the over-40 age range, which represented the person who responded demographic.

Validity and reliability tests were carried out on the variables used in this study. All variables in this study are latent variables, each of which is explained by 3 indicators. The loading factors indicate the power of explaining its latent variable. The criteria of indicator considered can explain a latent variable is the loading factor greater than 0.6, while the reliability is expressed by Cronbach alpha greater than 0.6, AVE greater than 0.5, and CR greater than 0.6. [17]. The results of the tests expressed that all variables are reliable and all indicators are valid. Indicator P1 is related to the authenticity of gold products, P2 is related to the durability of gold products and P3 is related to the design variants and weight measurements of gold offered, able to explain the Perceived Product Quality variable. The same thing to V1, related to eco-friendliness; V2, the resale value of gold; and V3, related to the benefits of gold for long-term investment, turns out to be able to explain the Perceived Investment Value variable. Likewise, T1, this indicator is related to the belief that ANTAM’s gold is high quality, T2 is convincing consumers that ANTAM’s gold is internationally certified, and V3 is that ANTAM is a credible company capable of explaining the latent variable Trust. The latent variable Purchase Intention is well explained by 3 indicators, namely I1 desire to buy immediately, I2 desire to recommend ANTAM gold products to other parties, and I3 interest in buying again. Next, all these indicators were used in this research.

Table 2. Reliability and Validity

Variable	Indicator	Loading	Cr Alpha	AVE	CR
Product	P1	0.794	0.721	0.62	0.843
	P2	0.833			
	P3	0.775			
Value	V1	0.755	0.749	0.665	0.856
	V2	0.816			
	V3	0.871			
Trust	T1	0.830	0.779	0.694	0.872
	T2	0.862			
	T3	0.806			
Intention	I1	0.835	0.849	0.665	0.908
	I2	0.923			
	I3	0.868			

Source: Output PLS

B) The Goodness of Fit

A number of measures, such as R squared and SRMR (Standardizes Root Mean Square Residual), can be used to assess how well the model fits the data and elucidate the relationship between the exogenous independent variable and the endogenous dependent variable. With an R squared value of 0.555, this study’s model can only somewhat describe 55.5% of the purchase intention of gold; the remaining percentage can be accounted for by factors not examined in this study. An SRMR of less than 0.100 indicates an excellent match. The SRMR value provided by this research model is 0.076.

C) Hypothesis testing and Discussion

Using Partial Least Square, the path coefficient was determined in accordance with the study model. The Path Coefficient table that follows illustrates how independent variables affect dependent variables. If the T Statistic is larger than 1.96 or the P

value is less than 0.05, the independent variable significantly impacts the dependent variable's outcome.

Table 3. Path Coefficient

	Original Sample	Sample Mean	Standard Dev	T Statistics	P Values
Product -> Intention	0.415	0.400	0.116	3.570	0.000
Product -> Trust	0.384	0.393	0.100	3.839	0.000
Trust -> Intention	0.471	0.487	0.119	3.944	0.000
Value -> Intention	-0.102	-0,103	0,11	0,928	0,354
Value -> Trust	0,497	0,494	0,091	5,452	0

Source: Output PLS

The path coefficient shows that Product and Value influence Trust significantly, while Trust also influences Purchase Intention significantly. The direct relationship between Product and Purchase Intention is also significant, while the direct relationship between the Value variable and the Purchase Intention variable is not significant. The result of hypothesis testing is

- H1: Trust significantly influences purchase intention: supported
- H2: Product Quality significantly influences Trust: supported
- H3: Perceived Value significantly influences Trust: supported
- H4: Product Quality has a significant influence on Purchase Intention: supported
- H5: Perceived Value has a significant effect on Purchase Intention: not supported

Most of the hypothesis test results are in line with previous research except H5, where in this study, perceived value did not have a significant effect on Purchase Intention.

This hypothesis test can be interpreted that consumer trust is related to the reputation of the ANTAM company and also the quality of internationally certified products, which can make consumers buy gold. The same thing also happens to Product Quality, which includes authenticity, durability, and the availability of gold products with various designs and weight sizes, which makes consumers interested in buying gold. Meanwhile, the Perceived Investment Value, which conveys the benefits of investing in gold, is not significant enough to make consumers interested in buying gold. Gold investment which is often conveyed as a good investment mode for the long term, good resale value is not enough to make consumers want to buy gold, so the evidence in the form of international certification and company credibility are important. For this reason, ANTAM needs to maintain the company's credibility as a gold provider company with international certification.

Table 4. Total Indirect Effect

	Original Sample	Sample Mean	Standard Dev.	T Statistics	P Values
Product -> Intention	0.181	0.193	0.075	2.423	0.016
Product -> Trust					
Trust -> Intention					
Value -> Intention	0.234	0.240	0.073	3.201	0.001
Value -> Trust					

Source: Output PLS

The Total Indirect Effect table shows that Product Quality has a significant effect on Purchase Intention through the Trust variable as mediation with a P-value of 0.016, while the direct relationship between Product Quality and Purchase Intention is also significant with a P-value of 0.000. Thus, it can be said that the Trust Variable mediates Product Quality on Purchase Partial Intention. In other words, ANTAM's gold product quality, which includes authenticity, durability, and available weight variants, can directly generate buying interest. Consumers can make decisions just by observing Product Quality.

This is different from the relationship between Investment Value and Purchase Intention, which is not directly significant with a P value of 0.354, but the influence becomes significant when passing through the mediating variable Trust with a P value of 0.001. In this case, the Trust variable acts as a full mediator. Consumers' perceived value regarding ANTAM gold, which can be used as an investment instrument because it has the advantage of good resale value, is eco-friendly, and is good for long-term investment, does not necessarily make consumers buy ANTAM gold. Consumers need to be convinced to buy ANTAM gold as an investment instrument, such as by showing the credibility of the ANTAM company and proof of an internationally recognized gold certificate. The characteristics of respondents who are dominated by men aged over 40 years are more cognitive than younger people, so it is thought that the Perceived Investment Value does not have a direct effect on Purchase Intention; this is in line with research conducted by Badham.[18]

IV. CONCLUSION

The relationship between the Product Quality variable and Purchase Intention is significantly positive both directly and through the mediating variable of Trust. Meanwhile, the direct relationship between the Perceived Investment Value variable and Purchase Intention is not significant, while the relationship between Perceived Investment Value and Purchase Intention through the mediation variable Trust is significantly positive. Thus, increasing ANTAM gold Purchase Intention can be done by utilizing this information. Efforts to increase ANTAM's gold sales by utilizing gold as an investment instrument can be made by improving the quality of ANTAM's gold, both in terms of authenticity, and durability and maintaining weight and design variants. The benefits of investing in gold are often conveyed as a good investment mode for the long term. Good resale value is not enough to make consumers want to buy gold so proof in the form of international certification and company credibility is important. For this reason, ANTAM needs to maintain the company's credibility as a gold provider company with international certification.

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