

Factors Influencing Gold Purchasing in Indonesia: A Literature Review

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Abstract: *This study aims to analyze the factors influencing gold purchasing and investment in Indonesia based on existing literature. Using the VOSviewer application, the study maps the relationships between keywords frequently appearing in studies related to gold purchasing, which are divided into two main clusters: global external factors and local Indonesian factors. The analyzed studies indicate that factors such as gold prices, promotions, investment literacy, and the socio-economic impact post-COVID-19 pandemic play a significant role in influencing consumer decisions to invest in gold. Additionally, gender factors in small-scale gold trade were also found to affect the dynamics of the gold market in Indonesia. This study provides insights into the complexity of factors influencing the gold market and offers recommendations for stakeholders to formulate policies and strategies that are more responsive to social and economic changes.*

Keywords: *Gold Purchasing Factors, Systematic Literature Review*

INTRODUCTION

In recent decades, gold has become one of the most popular investment instruments in Indonesia, particularly amidst economic uncertainty and stock market volatility. This phenomenon became even more pronounced during significant declines in the Indonesia Composite Stock Index (IHSG), such as in the first quarter of 2024, when the index plunged due to concerns over global interest rates and the depreciation of the rupiah. In such situations, gold is often viewed as a safe haven by both retail and institutional investors (Jasiska & Damrus, 2022).

Previous studies have indicated that factors such as gold prices, risk perception, social media influence, and ease of digital access play a significant role in consumer decisions to purchase gold. For instance, the digitalization of gold services by platforms like Tokopedia and Pegadaian Syariah has enhanced accessibility, particularly for younger generations such as Gen Z and Millennials (Indrawati, 2023). This reflects a shift from mere jewelry ownership toward more serious investment diversification.

In addition, psychological factors such as a sense of security, cultural attraction, and promotional campaigns by Islamic banks also play a significant role. According to a study by Dayyan et al. (2022), the majority of people choose gold because it is perceived as stable and holds high long-term value, in contrast to stocks which are subject to market volatility.

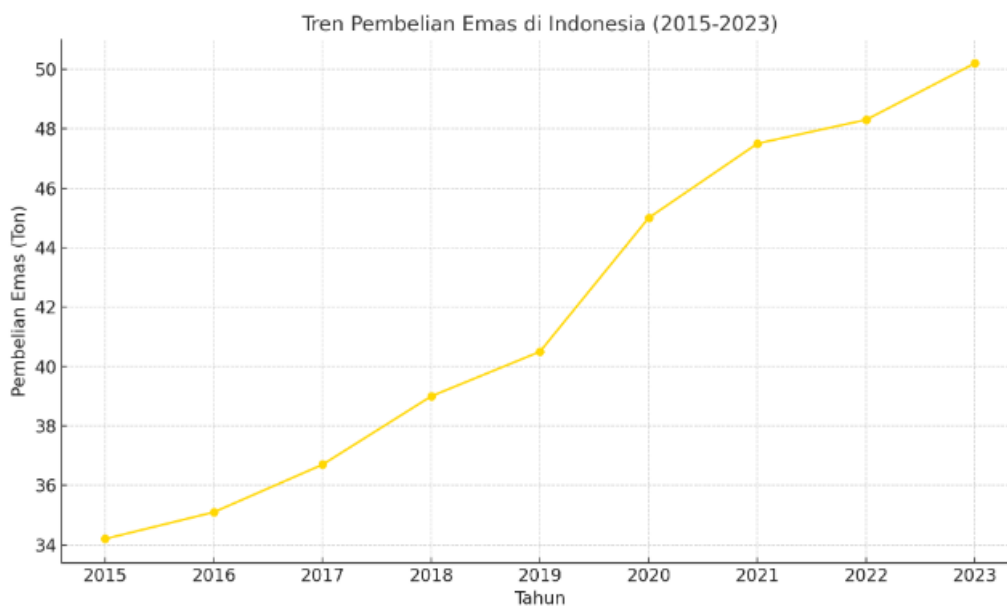
Interestingly, in certain regions such as Denpasar and Pekanbaru, local social and cultural factors do not entirely determine gold purchasing behavior. Instead, factors

such as promotions, product variety, and peer recommendations are more dominant (Suci, 2016; Suwastawa & Mandala, 2014).

On the other hand, global gold prices and national inflation conditions have also emerged as key catalysts in the growth of gold purchases. A study by Rizkiyati (2015) indicated that every time there is a fluctuation in global gold prices, there is a surge in public interest in buying gold as a form of hedging against inflation.

Along with the development of gold financing services—such as installment-based gold purchases offered by BSI Mobile and Pegadaian Syariah—trust in institutions and adherence to the Sharia system have also become important determinants. Consumers now consider factors such as Sharia compliance, installment affordability, and ease of liquidation as key considerations when purchasing gold (Siregar et al., 2023; Zaelani, 2022).

Historical trends in gold purchases in Indonesia have shown a steady increase year by year, particularly since the COVID-19 pandemic. Historical data (as simulated in the graph above) indicate that public gold purchases rose from 34 tons in 2015 to over 50 tons in 2023. This increase aligns with heightened global uncertainty and a shift in household investment behavior in Indonesia.



This study aims to analyze the factors that influence the decision-making process of Indonesian consumers in purchasing gold, particularly in the context of the recent decline in the Indonesia Composite Stock Index (IHSG) and the depreciation of the rupiah. The current economic instability has prompted investors to seek safer investment alternatives, with gold often regarded as a safe haven asset that helps preserve wealth amid economic uncertainty. The fall in the IHSG and the weakening of the rupiah have increased public interest in gold as a relatively stable and liquid investment instrument. By understanding factors such as inflation, interest rates, and exchange rates that affect gold purchasing decisions, this study is expected to provide insights for both investors and policymakers in formulating more effective investment strategies in the future.

RESEARCH METHODS

This study employs a Systematic Literature Review (SLR) approach supported by bibliometric analysis using VOSviewer software. This approach enables an in-depth analysis of published literature to identify and understand the factors influencing gold purchasing behavior in Indonesia. With the aid of VOSviewer, the relationships among themes in the literature can be visualized, providing a comprehensive overview of trends, dominant topics, and the interconnections between economic, social, psychological, and cultural factors that influence gold buying decisions.

The SLR approach is designed to identify research trends, address gaps in the literature, and provide recommendations for future research directions in the context of gold purchasing. Bibliometric analysis allows for the mapping of relationships among keywords, authors, institutions, and frequently discussed topics in the literature, thus offering a more structured understanding of the dynamics of consumer behavior related to gold investment or purchasing.

This SLR process follows the PRISMA (Preferred Reporting Items for Systematic Reviews and Meta-Analyses) protocol to ensure transparency and systematic data selection and analysis. Literature was collected from academic databases such as Scopus, SpringerLink, and Web of Science, with the following inclusion criteria:

1. Articles published within the last four years (2021–2024).
2. Studies focusing on factors influencing gold purchasing, whether from economic, psychological, social, or cultural perspectives.

The collected data were analyzed using VOSviewer to identify thematic clusters, keyword trends, and linkages among frequently discussed topics in related research. The findings of this analysis are expected to contribute both theoretically and practically to the understanding of gold purchasing behavior in Indonesia, and to serve as a foundation for further research and policymaking.

RESULTS AND DISCUSSIONS

The visualization results generated by the VOSviewer application are as follows:

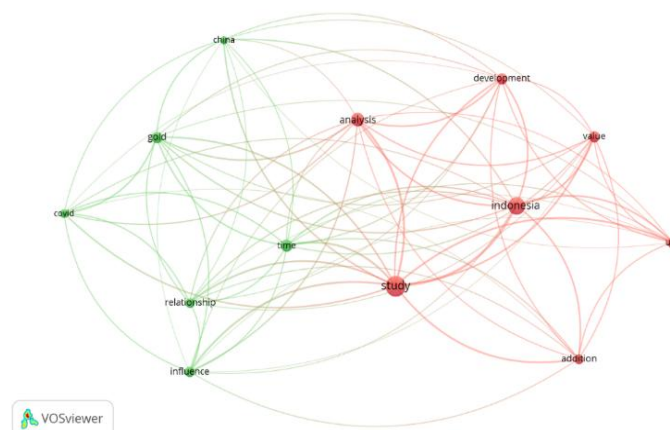


Figure 2 illustrates the mapping of relationships among frequently occurring keywords in the literature on gold purchasing in Indonesia. This visualization displays two main clusters, differentiated by color green and red. The green cluster includes keywords such as *gold*, *COVID*, *relationship*, *influence*, *time*, and *China*, indicating a

focus on external and global factors influencing gold purchasing behavior, including the COVID-19 pandemic and global economic dynamics. Meanwhile, the red cluster is dominated by keywords such as *study*, *Indonesia*, *development*, *analysis*, *value*, and *use*, reflecting a more localized analytical approach to the Indonesian context, including the societal value and use of gold.

Nodes with larger sizes, such as *study* and *Indonesia*, represent keywords with higher frequencies and broader connections to other topics in the literature. The lines connecting the nodes indicate the strength of relationships or co-occurrence between keywords within the same document, signifying that these themes are frequently discussed together. Thus, this visualization helps to identify the primary research focuses, interconnections among topics, and the overall direction of scholarly inquiry related to the factors influencing gold purchasing in Indonesia.

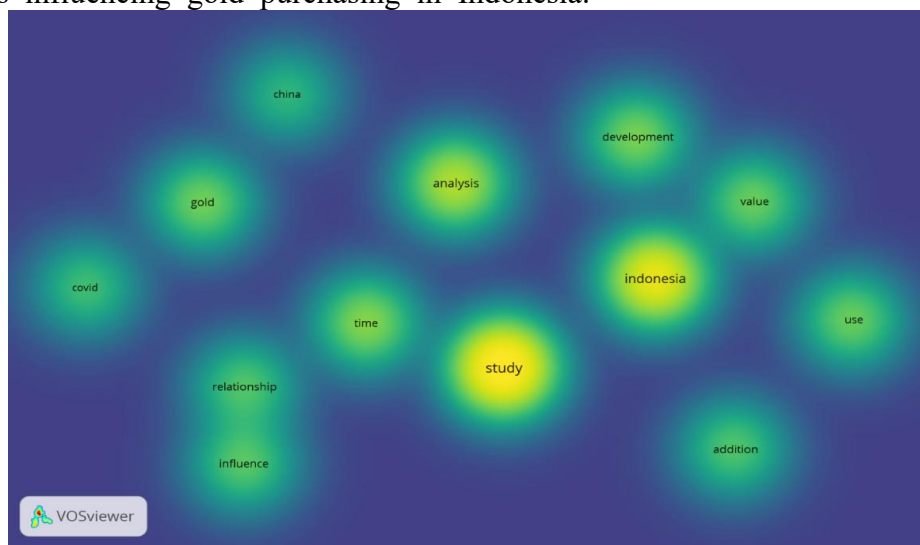


Figure 3. Density Visualization

Figure 3 presents a keyword density visualization using VOSviewer, illustrating the frequency and interconnection of terms within the research dataset. Brighter colors, such as yellow, indicate a higher density or frequency of keyword occurrences. In this visualization, the keywords *study* and *Indonesia* appear with the highest density, indicating their dominant presence in the analyzed literature. Surrounding this density center are other frequently occurring keywords such as *analysis*, *development*, *relationship*, and *gold*, which also exhibit relatively high frequencies.

Terms such as *COVID*, *China*, *value*, and *use* appear with lower densities but remain relevant within the context of the discussion. This distribution pattern reflects the main research focuses and the thematic interconnections among terms that are frequently discussed together in various studies. Such visualizations are valuable for identifying key topics and potential directions for future research.

Several studies, including research by Devi et al. (2024), have examined gender aspects in the informal gold trade along the value chain of Artisanal and Small Scale Gold Mining (ASGM) in Indonesia. Indonesian law permits ASGM activities to be conducted by individuals, groups, families, or cooperatives with limited investment and capital. However, only a small portion of ASGM operations are officially licensed, resulting in most gold trading occurring within informal networks. The researchers conducted a study on traditional gold mining in two mining locations in Central

Kalimantan, Indonesia. Primary field data were collected during the COVID-19 pandemic through semi-structured interviews and participatory data collection methods, such as gender mapping and business analysis. The article argues that gold trading within artisanal and small-scale mining is gender-biased, stemming from unequal power relations between men and women involved in various segments of the ASGM value chain.

Research from (Hidayat & Sudjono, 2022) The study aims to analyze the influence of global oil prices, global gold prices, inflation, and the USD/IDR exchange rate on the Indonesia Composite Stock Index (IHSG) at the Indonesia Stock Exchange (IDX). Secondary data were obtained from the London Bullion Market Association (LBMA), Bank Indonesia, and Investing.com. The variables used in this study include global oil prices, global gold prices, the USD/IDR exchange rate, and inflation as independent variables, while the IHSG serves as the dependent variable. The research was conducted using monthly secondary data for the period 2015–2019 through non-participatory observation and saturated sampling over 60 months. The analysis methods employed were Least Squares Regression and Autoregressive Moving Average (LS & ARMA). The findings show that, simultaneously, global oil prices, global gold prices, the USD/IDR exchange rate, and inflation significantly affect the IHSG. Partially, the results indicate that global gold prices and inflation have a significant negative impact on the IHSG, while global oil prices have a significant positive effect. In contrast, the USD/IDR exchange rate was found to have no significant effect on the IHSG. The practical conclusion of this study is that investors should pay attention to global gold prices, global oil prices, and inflation when making investment decisions in the capital market.

Research from Sulaiman & Aprianingsih (2023), this study examines the factors influencing Indonesian consumers' intentions to invest in gold installment programs, by exploring the complex dynamics shaped by economic recovery and post-COVID-19 behavioral changes. Based on the Buyer Behavior Model by Kotler and Armstrong, the research employs Structural Equation Modeling Partial Least Squares (SEM-PLS) to test hypotheses derived from a comprehensive survey. The key findings reveal that price, promotion, and return have a significant influence on consumer attitudes, which in turn affect their intention to invest in gold installments. However, factors such as security, risk, and ease of mechanism were not found to be significant determinants. This study provides strategic insights for stakeholders in the gold investment market, emphasizing the importance of addressing pricing, promotional strategies, and perceived returns to align with the evolving attitudes of consumers.

Research from Vu & Hoang (2024), this study investigates the factors influencing the demand for physical gold in 10 developing countries across various continents during the period from 2008 to 2020, using data from the World Gold Council (WGC) reports and the World Bank database. By applying multiple regression models Pooled Ordinary Least Squares, Fixed Effects, and Random Effects to a micro panel dataset, the study offers a more in-depth empirical analysis. The results indicate several key factors that affect gold demand in these developing countries, such as Gross Domestic Product (GDP), GDP per capita volatility, and real interest rates. These findings have significant implications for development policies, financial intermediation, and gold markets in developing economies.

Research from Artini & Darma (2024), this study aims to examine the relationship between Investment Literacy, Risk Perception, Subjective Norms, Perceived Behavioral

Control, and the use of Social Media by Generation Z consumers in Bali on their decisions to invest in gold. The population of this study consists of Generation Z individuals those born after 1996 who have invested in gold and reside in Bali. The data analysis technique employed is Structural Equation Modeling using Partial Least Squares (SEM-PLS). The findings reveal that investment literacy has a significant influence on gold investment decisions among Generation Z in Bali. Similarly, risk perception and perceived behavioral control also have significant effects on their gold investment decisions. However, subjective norms do not show a significant impact. Moreover, social media usage significantly moderates the relationship between investment literacy and gold investment decisions, as well as between perceived behavioral control and gold investment decisions. There is also a significant moderating effect of social media on the relationship between risk perception and gold investment decisions. However, social media does not significantly moderate the relationship between subjective norms and gold investment decisions among Generation Z in Bali.

DISCUSSION

The visualization results from the VOSviewer application show the mapping of relationships between frequently occurring keywords in the literature on gold purchasing in Indonesia. In this visualization, two main clusters are identified and distinguished by color: the green cluster and the red cluster. The green cluster focuses on external and global factors such as the COVID-19 pandemic, international relations, and global economic dynamics that influence gold purchasing behavior. In contrast, the red cluster highlights the local Indonesian context, emphasizing the analysis of value, usage, and the development of gold within Indonesian society. Keywords such as “study” and “Indonesia” appear with high frequency, reflecting the dominance of these themes in the related research.

In addition, a study conducted by Devi et al. (2024) examines gender aspects in the gold trade within the artisanal and small-scale gold mining (ASGM) sector in Indonesia. The findings indicate that gold trading activities in small-scale mining are heavily influenced by unequal power relations between men and women within the ASGM value chain. This research offers new insights into the social dynamics that affect the gold industry in Indonesia, particularly in the context of gender.

Another study by Hidayat & Sudjono (2022) It analyzes the influence of several economic factors, such as global oil prices, global gold prices, the USD/IDR exchange rate, and inflation on the Indonesia Composite Stock Index (IHSG) at the Indonesia Stock Exchange. The results of this study indicate that global gold prices have a significant negative effect on the IHSG, while global oil prices have a positive impact, providing important guidance for investors in making investment decisions.

Sulaiman & Aprianingsih (2023), the study investigates Indonesian consumers' intentions to invest in gold installment programs, taking into account factors such as price, promotion, and return. The research concludes that these factors have a significant influence on consumer attitudes, which in turn affect their intention to invest in gold installments. This study provides guidance for stakeholders to adjust their marketing strategies in accordance with changing consumer behavior in the post-COVID-19 period.

Lastly, Artini & Darma (2024), the study analyzes gold investment decisions among Generation Z in Bali, revealing a significant influence of investment literacy and risk perception on their decisions. Additionally, the research finds that social media use has a significant moderating effect on the relationship between investment literacy and

gold investment decisions, highlighting the role of social media in shaping the investment behavior of young people in Bali.

Overall, these various studies demonstrate the complexity of factors influencing gold purchasing and investment in Indonesia from economic and social perspectives to consumer behavior which continue to evolve in response to both global and local changes.

CONCLUSION

The conclusion of this study indicates that the factors influencing gold purchasing and investment in Indonesia are highly complex and diverse. The research identifies two main clusters in the literature related to gold purchasing: external global factors such as the COVID 19 pandemic and global economic dynamics, and local Indonesian factors involving the analysis of gold's value and usage within society. Furthermore, findings from various studies reveal that social, economic, and consumer behavior aspects significantly affect gold investment decisions, encompassing dimensions such as gender, price, promotion, and investment literacy. The post COVID 19 socio economic changes have also shifted consumer behavior patterns, particularly in terms of gold investment through installment mechanisms. Based on these findings, it is recommended that stakeholders, including the government and the private sector, pay close attention to both external and internal factors that influence the gold market in Indonesia. Marketing strategies and policies that are more inclusive and responsive to socio economic changes such as post-pandemic recovery and the improvement of financial literacy will be crucial in encouraging public interest in gold investment. Moreover, to support sustainability and fairness in the gold mining sector, further efforts are needed to address gender disparities within the gold value chain, and to enhance regulation and oversight of informal gold trading activities.

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