

# Exploring Investor Awareness and Perceptions of Cryptocurrency

Maheshwari Chikanal, Sowmya Sathish, Satish Chandra



**Abstract:** In recent years, cryptocurrency has emerged as a decentralized virtual asset operating across a vast network of computers, free from centralized governmental control. Proposed legislation aims to establish a framework for a digital currency issued by the Reserve Bank of India (RBI). This study delves into the transformative impact of technology on payment systems and the awareness of investors about cryptocurrency. It explores factors influencing this awareness, particularly following India's Bitcoin surge, which notably attracted the younger generation to cryptocurrency. Conducting this study involved gathering responses from 110 investors using a non-probability snowball sampling method. The majority of investors surveyed fell within the 18 to 24 age range. Findings indicate that awareness predominantly spreads through social circles and online platforms, with male respondents exhibiting higher awareness levels than female counterparts. Moreover, higher educational qualifications correlate with heightened cryptocurrency awareness. Notably, a significant portion of respondents expressed interest in investing in cryptocurrency.

**Keywords:** RBI, Probability, Cryptocurrency, Bitcoin.

## I. INTRODUCTION

The evolution from the Barter system to Fiat Currency spanned centuries, yet the shift from fiat to cryptocurrency occurred within a few decades. Cryptocurrency, a globally debated topic, has recently gained significant attention for its regulation and utilization as an exchange medium. Utilizing cryptography for security and relying on block chain technology for transaction maintenance, cryptocurrencies operate in a decentralized manner. Notable cryptocurrencies in India include Bitcoin, Ethereum, Cardan, Doge coin, Lite coin, Bitcoin Cash, and Pot coin. The evolution of currency has significantly shaped human interactions. Initially trading goods for goods, progressing through exchanges involving salt, stone weapons, and ultimately transitioning to gold, currency systems have evolved. Presently, the block chain technology is poised to revolutionize the entire financial system, potentially reshaping global business models. Crypto

currency was introduced by the Satoshi Takemoto on 2009.

After that many crypto currencies are introduced in the market. Crypto market is not yet created or regulated by any central authority even though it has gained trust of many people because of its tremendous value appreciation. Few countries accepted and recognize the crypto currency for the exchange where many countries are in indecisive mode. Cryptocurrencies are forms of digital money intended to be faster, less expensive, and more dependable than traditional fiat money. Users trade with each other directly and store their own money, avoiding to what extent banks to create money for you and for you to send it to other people or to hold it. Transactions are typically relatively affordable and quick since consumers may send money directly without a middleman. There are other further varieties of cryptocurrency, including Bit coin, USD coin, Bitcoin, Ethereum, Doge coin and Ripple.

## II. LITERATURE SURVEY

Lack of awareness on investment especially on crypto currency by considering females [1][20]. The study analyzed that people are very less investing in crypto currency and certain of them are not involved in either of the traditional stock markets [2]. This study is exploring the factors affecting the intention to use crypto currency [14-16]. The data were gathered from 711 sources respondents from crypto currency investors [3] This study focuses on the awareness of entrepreneurs in the city of Jaipur of crypto currency. The investments in crypto currency are very less and recently few are now starting to invest in crypto currency [4]. The aim of this study is to examine how undergraduate students' investment decisions in cryptocurrency were influenced by their behavior and educational achievements during the COVID-19 crisis [5][21][22][23][24]. The objective of this research is to assess perceptions regarding investment in cryptocurrency, particularly focusing on Bitcoin, within the Indian context. The study primarily delves into two facets [13]: firstly, it examines investors' perceptions regarding cryptocurrency, and secondly, it investigates the role of the government concerning cryptocurrencies [6]. The primary focus of this study revolves around understanding the opportunities and challenges presented by cryptocurrency within the Indian landscape. It seeks to explore the advantages associated with cryptocurrency [7]. this study centers on analyzing the shifts in the share market and cryptocurrency trends in Dombivli city post-COVID-19. The study highlights a noticeable rise in share market interest, indicating a preference for investment in this area. Conversely, the reluctance to invest in cryptocurrency appears to stem from inadequate knowledge among individuals [8].

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## Exploring Investor Awareness and Perceptions of Cryptocurrency

The study's findings indicate a positive outlook for cryptocurrency, emphasizing its potential for growth in the future. Notably, it highlights advancements in e-payments and e-business facilitated by cryptocurrency, showcasing improved technological capabilities [9]. Its goal is to grasp the nuances surrounding cryptocurrency and its popularity specifically within Bangalore [18-19]. While there's a notable level of popularity regarding cryptocurrency in Bangalore, the study reveals that although people are aware of cryptocurrency, they remain hesitant or unprepared to invest in it. [10-12].

### A. Need for Study

Cryptocurrencies represent digital currencies designed to offer increased efficiency, affordability, and reliability compared to traditional payment methods. In Bengaluru city, investors exhibit a stronger inclination towards the stock market due to numerous challenges associated with cryptocurrency adoption. Consequently, it becomes crucial to gauge the awareness levels and perceptions of investors regarding cryptocurrency within Bengaluru city.

### B. Objectives of the Study

- To understand the concept of crypto currency.
- To identify the factors influencing on investors to invest in crypto currency.
- To analyse the awareness and perception level of investors towards crypto currency.

### C. Research Methodology

- Type of Research: Descriptive Research.
- Type of Sampling: Non-Probability Sampling (Convenience Sampling)
- Sample Frame: Sample frame is considered with in Bengaluru
- Sample Size: 110
- Data Collection: Primary data through questionnaire, Secondary data through journal, article etc.

## III. DATA ANALYSIS

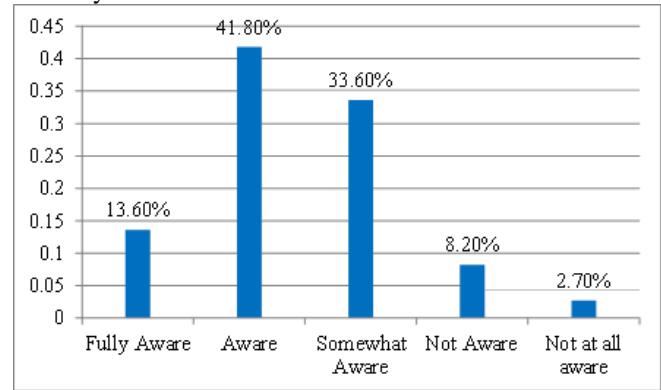
This survey aims to understand the perspectives and behaviors of individuals who have invested in cryptocurrencies. Your insights will contribute to better understanding the motivations, concerns, and experiences of cryptocurrency investors. All responses will be kept confidential and used solely for research purposes *Figure 1 & 2*.

**Table 1: Showing Respondents Awareness Level Towards Crypto Currencies**

Particulars	No. of Respondents	Percentage
Fully-aware	15	13.6%
Aware	46	41.8%
Somewhat-Aware	37	33.6%
Not-aware	9	8.2%
Not at all aware	3	2.7%
Total	110	100%

Analysis: As per above table, out of 110 respondents, only 15 responders are well-informed of crypto currency and almost 46 respondents are aware about crypto currency concept, few of them i.e., 37 respondents are aware to some extent crypto currency, 9 respondents do not understand the concept of crypto currency and 3 of them are completely

unaware and don't have any kind of information about crypto currency in Table 1.



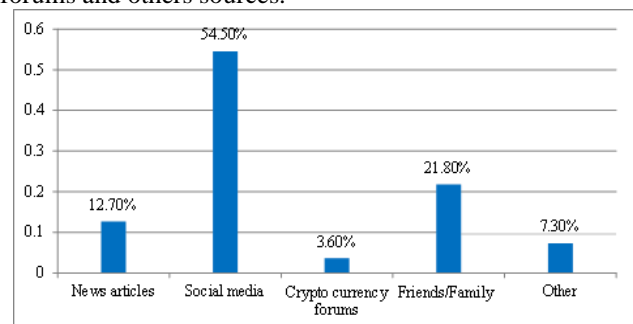
**Figure 1. Respondent's Awareness Level Towards Crypto Currencies**

As per above graph, that a total of 110 people were polled. Only 15 of these respondent's assert to have a thorough comprehension of crypto currencies. The idea of crypto currencies was mentioned by about 46 respondents; however, the extent of their understanding may have varied. About 37 responders claimed to be conscious of crypto currencies to some extent. Additionally, Table 2 & 3 respondents claimed to know nothing at all about crypto currencies, while 9 respondents said they are unfamiliar with the idea of crypto currencies.

**Table 2: Respondents First Hear About Crypto Currency**

Particulars	No. of Respondents	Percentage
News articles	14	12.7%
Social media	60	54.5%
Crypto currency forums	4	3.6%
Friends/Family	24	21.8%
Other	8	7.3%
Total	110	100%

As per above table, total of 110 respondents, 14 respondents are aware about crypto currency through news articles, about 50% of those who responded are hear about crypto currency through social media i.e., 60 respondents, some are got to know about the concept though their friends and family, only few got to know through crypto currency forums and others sources.



**Figure 2. Respondents First Hear About Crypto Currency**

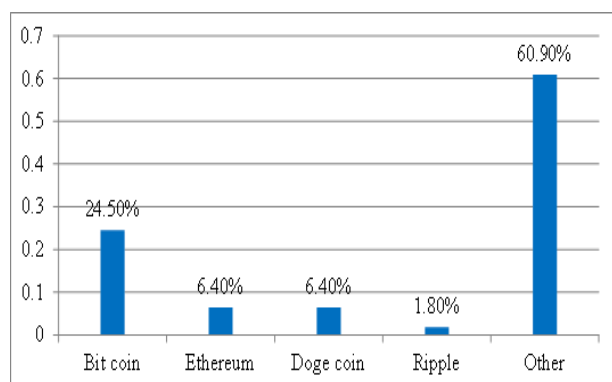
According to above table, a total of 110 respondents were surveyed. Out of these, 14 respondents reported being aware of crypto currency through news articles.

Additionally, approximately 50% of those surveyed, which amount to 60 individuals, referred to hearing about crypto currency through social media. Few respondents said that became familiar with the idea through their friends and family, while just a few learned about it through crypto currency forums and other sources.

**Table 3: Respondents Kind of Crypto Currency They Have Invested**

Particulars	No. of Respondents	Percentage
Bit coin	27	24.5%
Ethereum	7	6.4%
Doge coin	7	6.4%
Ripple	2	1.8%
Other	67	60.9%
Total	110	100%

From the above table, out of 110 respondents, 27 respondents are invested in bit coin, 7 respondents are invested in Ethereum, 7 respondents are invested in Doge coin, and only 2 respondents are invested in Ripple and remaining 67 respondents are invested in other sources figure-3.



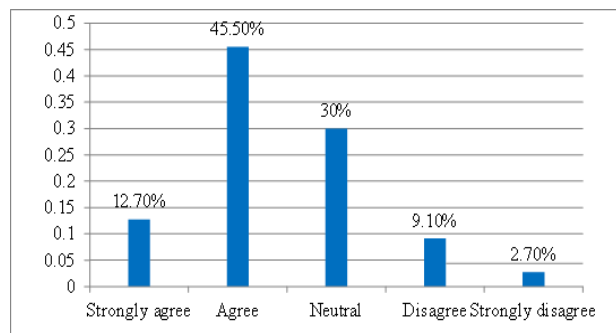
**Figure 3. Respondents Kind of Crypto Currency They Have Invested**

As shown in the graph it indicates that a total of 110 people were polled. 27 the respondents among them claimed to have investments in Bit coin, making it the most often used investing strategy among the sample. The second-highest popular investments, both with seven respondents, were Ethereum and doge coin. With just 2, Ripple had the fewest respondents among investors. 67 respondents in all made their investment decisions table 4.

**Table 4: Respondents' Opinion on Crypto Currencies**

Particulars	No. of Respondents	Percentage
Strongly Agree	14	12.7%
Agree	50	45.5%
Neutral	33	30%
Disagree	10	9.1%
Strongly Disagree	3	2.7%
Total	110	100%

From the table, out of 110 respondents, only 14 respondents are firmly in agreement that crypto currency will become mainstream in future, 50 respondents are agreed, 33 respondents are not sure figure 4, 10 respondents are disagreed, and only 3 responses strongly disagreed.



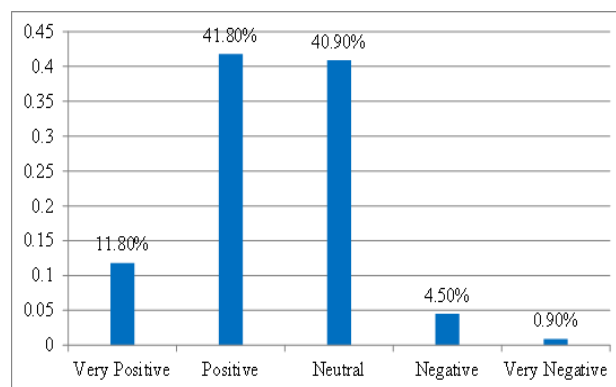
**Figure 4. Respondents Opinion on Crypto Currencies**

Given the graph above out of 110 respondents, seem to think that crypto currencies would become widely utilized going forward. Only 14 people strongly concur, while 50 more say they do. However, a significant percentage of respondents 33 in total expressed doubt about crypto currency's eventual adoption by the general public. However, just 10 people disagreed, and only 3 strongly disagreed, making up the minority of respondents table 5.

**Table 5: Respondents Experience with Crypto Currency Investments**

Particulars	No. of Respondents	Percentage
Very-Positive	13	11.8%
Positive	46	41.8%
Neutral	45	40.9%
Negative	5	4.5%
Very-Negative	1	0.9%
Total	110	100%

As of above table, out of 110 respondents, majority of 41.8% respondent are having positive experience in crypto currency investment and some have neutral experience only few are having negative experience in crypto currency investment figure 5.



**Figure 5. Respondents Experience with Crypto Currency Investments**

The above graph shows that, overall, 41.8% of the 110 respondents said there was a good experience investing in crypto currencies. As opposed to that, some respondents are having a neutral experience, it suggests they could not have observed any notable advantages or losses. Small number of responds who were also left unidentified reported having a bad experience with crypto currency investments, it would suggest that they suffered losses or ran into difficulties.

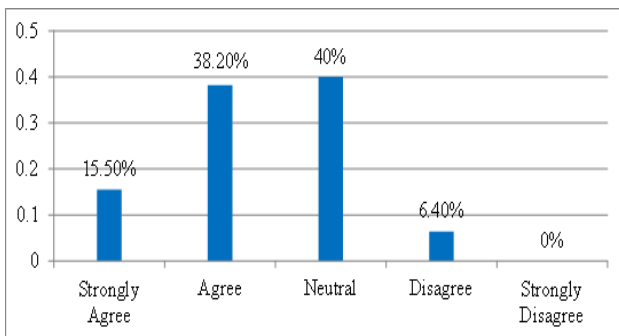
## Exploring Investor Awareness and Perceptions of Cryptocurrency

Overall, the majority's favorable experience points to a significant degree of success and pleasure with regards to bit coin investment among the respondents table 6.

**Table 6: Respondents Opinions of Financial Experts and Influencers**

Particulars	No. of Respondents	Percentage
Strongly Agree	17	15.5%
Agree	42	38.2%
Neutral	44	40%
Disagree	7	6.4%
Strongly Disagree	0	0%
Total	110	100%

The table shows majority of respondents 42 agree and 17 strongly agree that the opinions of financial experts and influencers have impact on popularity of crypto currency. And significant portion of respondents 44 either hold a neutral stance and 7 respondents are doing not except with this notion, indicating a diversity of opinions on the matter figure 6.



**Figure 6. Respondents Opinions of Financial Experts and Influencers**

The graph presents the outcome of a survey conducted among 110 respondents regarding effects of financial experts and influencers on the popularity of crypto currency. The vast majority of participants (38.2%) agree that the opinions of these individuals do have an impact, while a smaller portion (15.5%) strongly agrees. A significant portion (40%) remains neutral on the matter. Only a small percentage (6.4%) disagrees with the notion that financial experts and influencers influence crypto currency popularity.

### A. Findings

- The participants exhibit awareness of cryptocurrency, yet a majority have not invested in it; only 33.6% of respondents have investments in cryptocurrency. A significant portion of responders invest in other sources, with 24.5% having investments in Bitcoin.
- The majority foresee cryptocurrency investments becoming mainstream in the future. A considerable number of respondents report positive experiences with cryptocurrency investments.
- Participants perceive both positive and negative societal perceptions regarding cryptocurrency. Most responders agree that social networks wield significant influence on the popularity of cryptocurrency.
- Nearly all respondents believe that cryptocurrencies will eventually replace traditional currencies. 38.2% of respondents agree that the opinions of financial experts and influencers significantly impact cryptocurrency popularity.

- A majority of responder's view cryptocurrency as having moderate risk with moderate returns Respondents foresee only moderate growth in cryptocurrency in the near future.

## IV. CONCLUSION

This study primarily examines investors' awareness and perceptions regarding cryptocurrency. Data gathered through a questionnaire, comprising 110 respondents, reveals that while the vast majority are knowledgeable about cryptocurrency, almost all respondents are reluctant to make actual purchases in this realm. Among the few who have invested, Bitcoin is the common choice, often seen as a moderate-risk, moderate-reward option, with investments typically allocated at 1-5% of their portfolio.

Social media significantly influences respondents' understanding of cryptocurrency, with mixed experiences reported among investors. Forecasts suggest only moderate growth in the near future, but a majority anticipate cryptocurrency replacing traditional currencies. Digital currency prices are expected to fluctuate weekly or monthly. A minority seek financial advice before delving into cryptocurrency investments, and government involvement is deemed significant in this sphere. Most respondents see cryptocurrency as a viable investment option and suggest it to others.

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Authors Contributions	All authors have equal participation in this article.

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