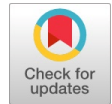


Exploring Investor Awareness and Perceptions of Cryptocurrency

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 examines the transformative impact of technology on payment systems and the level of awareness among investors regarding cryptocurrency. It examines the factors that influence this awareness, particularly following India's surge in Bitcoin adoption, which has 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 their female counterparts. Moreover, higher educational qualifications are correlated with increased 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 topic of global debate, has recently garnered significant attention for its regulation and use as a medium of exchange. Utilising cryptography for security and relying on blockchain technology for transaction maintenance, cryptocurrencies operate in a decentralised manner. Notable cryptocurrencies in India include Bitcoin, Ethereum, Cardano, Dogecoin, Litecoin, Bitcoin Cash, and Polkadot. 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, blockchain technology is poised to revolutionise the entire financial system, potentially reshaping global

business models. Cryptocurrency was introduced by Satoshi Nakamoto in 2009.

After that, many cryptocurrencies were introduced to the market. The cryptocurrency market is not yet created or regulated by any central authority, despite gaining the trust of many people due to its tremendous value appreciation. Few countries have accepted and recognised cryptocurrency for exchange, while many remain undecided. 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 the extent to which banks create money for you and for you to send it to other people or to hold it. Transactions are typically relatively affordable and quick, as consumers can send money directly without the need for an intermediary. There are other varieties of cryptocurrency, including Bitcoin, USD Coin, Ethereum, Dogecoin, and Ripple.

II. LITERATURE SURVEY

Lack of awareness on investment, especially on cryptocurrency, among females [1]. The study analyzed that people are significantly less involved in cryptocurrency, and some of them are not involved in either of the traditional stock markets [2]. This study is exploring the factors affecting the intention to use cryptocurrency [13] [16]. The data were gathered from 711 sources, respondents from cryptocurrency investors [3]. This study focuses on the awareness of entrepreneurs in the city of Jaipur of crypto currency. The investments in cryptocurrency are significantly low, and recently, a few are now starting to invest in cryptocurrency [4]. This study aims to examine how undergraduate students' investment decisions in cryptocurrency were influenced by their behaviour and educational achievements during the COVID-19 crisis [5]. The objective of this research is to assess perceptions regarding cryptocurrency investment, particularly focusing on Bitcoin, within the Indian context. The study primarily delves into two facets: 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 is to understand 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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*Correspondence Author(s)

Maheshwari Chikanal*, Department of Management Studies, Rajarajeswari College of Engineering Bangalore (Karnataka), India. Email: rekhasangmans@gmail.com, ORCID ID: [0009-0006-4682-1826](https://orcid.org/0009-0006-4682-1826)

Sowmya Sathish, Department of Management Studies, Don Bosco Institute of Technology, Bangalore (Karnataka), India. Email: drsowmyasathish@gmail.com

Satish Chandra, Department of Management Studies, Jnanavikas Institute of Technology, Bangalore (Karnataka), India. Email: drsatish@hotmail.com

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The study's findings suggest a positive outlook for cryptocurrency, highlighting its potential for future growth and development. Notably, it highlights advancements in e-payments and e-business facilitated by cryptocurrency, showcasing improved technological capabilities [9]. T's goal is to grasp the nuances surrounding cryptocurrency and its popularity, specifically within Bangalore [16] [13]. While there is 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, investors exhibit a stronger inclination towards the stock market due to the 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 cryptocurrency.
- To identify the factors influencing investors to invest in cryptocurrency.
- To analyse the awareness and perception level of investors towards cryptocurrency.

C. Research Methodology

- Type of Research: Descriptive Research.
- Type of Sampling: Non-Probability Sampling (Convenience Sampling)
- Sample Frame: The Sample frame is considered within 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 a better understanding of the motivations, concerns, and experiences of cryptocurrency investors. All responses will be kept confidential and used solely for research purposes *Figures 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, nine respondents do not understand the concept of crypto currency and 3 of them are completely

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

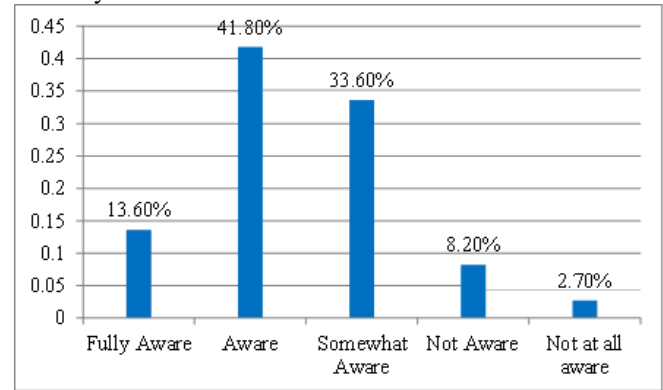


Figure 1. Respondent's Awareness Level Towards Crypto Currencies

According to the graph above, a total of 110 people were polled. Only 15 of these respondents assert to have a thorough comprehension of cryptocurrencies. Approximately 46 respondents mentioned the idea of cryptocurrencies; however, the extent of their understanding may have varied. Approximately 37 responders claimed to be somewhat familiar with cryptocurrencies. Additionally, Table 2 & 3 respondents claimed to know nothing at all about cryptocurrencies, while nine respondents said they are unfamiliar with the idea of cryptocurrencies.

Table 2 Respondents First Heard About Cryptocurrency

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%

According to the table above, a total of 110 respondents are aware of cryptocurrency through news articles. Approximately 50% of respondents (60 individuals) heard about cryptocurrency through social media, and some have become familiar with the concept. However, their friends and family were among the few who learned about it through cryptocurrency forums and other sources.

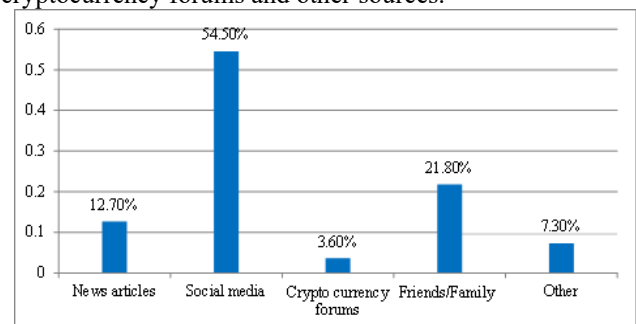


Figure 2. Respondents First Heard About Cryptocurrency

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

Additionally, approximately 50% of those surveyed, which amounts to 60 individuals, referred to hearing about cryptocurrency through social media. A few respondents reported becoming familiar with the idea through their friends and family, while others learned about it through cryptocurrency forums and other sources.

Table 3: Respondents' Kind of Cryptocurrency 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%

According to the table above, out of 110 respondents, 27 are invested in Bitcoin, seven are invested in Ethereum, seven are invested in Dogecoin, and only two are invested in Ripple. The remaining 67 respondents are invested in other sources (Figure 3).

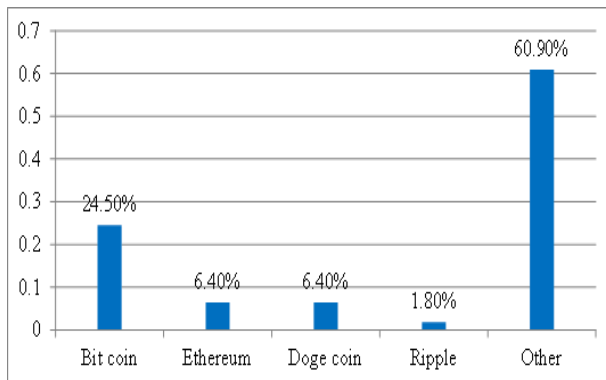


Figure 3. Respondents' Kind of Cryptocurrency They Have Invested

As shown in the graph, a total of 110 people were polled. Twenty-seven respondents, among them, claimed to have investments in Bitcoin, making it the most often used investment strategy among the sample. The second-highest popular investments, both with seven respondents, were Ethereum and Dogecoin. With just 2, Ripple had the fewest respondents among investors. Sixty-seven respondents in all made their investment decisions, as shown in 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%

According to the table, out of 110 respondents, 14 firmly agree that cryptocurrency will become mainstream in the future, 50 agree, 33 are unsure, 10 disagree, and only three strongly disagree.

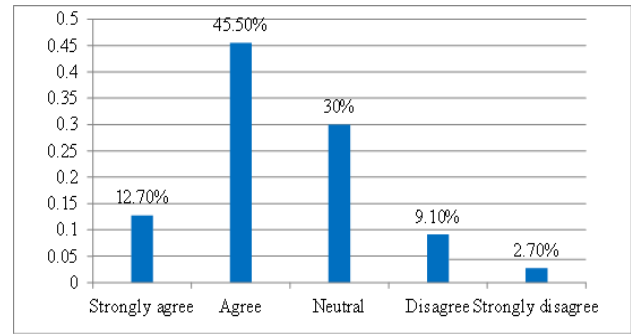


Figure 4. Respondents' Opinion on Cryptocurrencies

Given the graph above, it appears that out of 110 respondents, they believe cryptocurrencies will become widely utilised 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 cryptocurrency's eventual adoption by the general public. However, just 10 people disagreed, and only three strongly disagreed, making up the minority of respondents Table 5.

Table 5: Respondents' Experience with Cryptocurrency 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%

According to the table above, out of 110 respondents, the majority, 41.8%, have had a positive experience with cryptocurrency investment. In contrast, some have had a neutral experience, and only a few have had a negative experience (Figure 5).

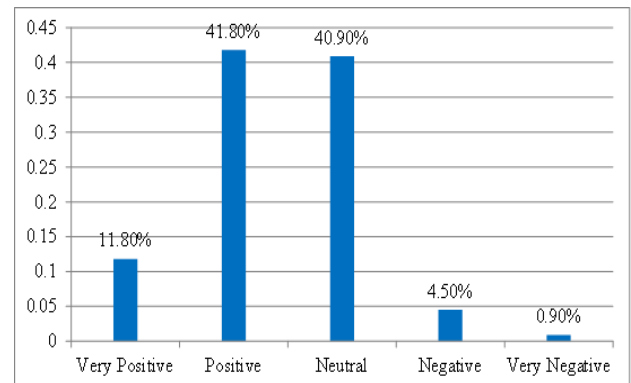


Figure 5. Respondents' Experience with Cryptocurrency Investments

The above graph shows that, overall, 41.8% of the 110 respondents reported a good experience investing in cryptocurrencies. In contrast, some respondents are having a neutral experience, suggesting they have not observed any notable advantages or losses. A small number of respondents, who were also left unidentified, reported having a negative experience with cryptocurrency investments, suggesting that they suffered losses or encountered difficulties.

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Overall, the majority's favourable experience points to a significant degree of success and pleasure regarding Bitcoin 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 that the majority of respondents, 42, agree and 17 strongly agree that the opinions of financial experts and influencers have an impact on the popularity of cryptocurrencies. A significant portion of respondents, 44, either hold a neutral stance, and seven respondents do not agree with this notion, indicating a diversity of opinions on the matter (Figure 6).

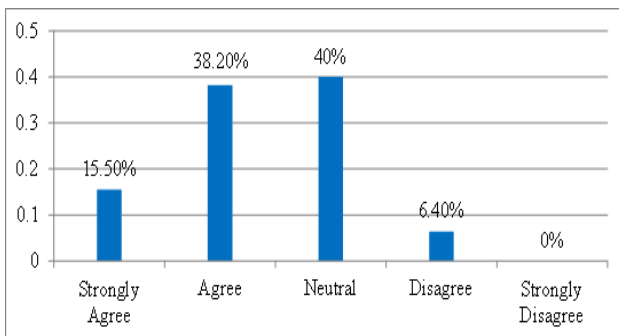


Figure 6. Respondents' Opinions of Financial Experts and Influencers

The graph presents the outcome of a survey conducted among 110 respondents regarding the effects of financial experts and influencers on the popularity of cryptocurrencies. 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 cryptocurrency 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 responders view cryptocurrency as having moderate risk with moderate returns. Respondents foresee only moderate growth in cryptocurrency in the short term.

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 has a significant influence on respondents' understanding of cryptocurrency, with mixed experiences reported among investors. Forecasts suggest only moderate growth in the short term, but a majority anticipate that cryptocurrency will eventually replace traditional currencies. Digital currency prices are expected to fluctuate on a weekly or monthly basis. 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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Ethical Approval and Consent to Participate	No, the article does not require ethical approval or consent to participate, as it presents evidence that is not subject to interpretation.
Availability of Data and Material/ Data Access Statement	Not relevant
Authors Contributions	All authors have equal participation in this article.

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Dr. Satish Chandra is a Professor in the Department of MBA of JVIT, Bangalore, India. He has 26 years of teaching experience. His areas of interest include Finance and marketing. He has published several research papers.

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AUTHORS PROFILE



Prof. Maheshwari Chikanal has completed her MBA in Finance from Acharya Management Studies, Bangalore, India. She has 15 years of teaching experience. She is currently working as an Assistant Professor in the Department of MBA, RRCE, Bangalore, India. She has published Many papers.



Dr. Sowmya Satish has completed her Ph.D. in Finance from VTU, Belagavi, India. She has 25 years of teaching experience. Her areas of interest include Finance. She has published several research papers.

