A Study on an Investors perception about Cryptocurrency

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Abstract:

Cryptocurrencies are digital/virtual currencies, that are created using cryptographic algorithms for validating transactions. Bitcoin was the first cryptocurrency and remains the best known today. Due to globalisation and developments in digitization technology, the usage of digital payment systems is becoming core to economic evolution. Also, the use of smart gadgets and digital devices and the increasing use of the internet lead to enabling even micropayments. Cryptocurrency is a way of transferring money from peer to peer without a financial intermediary using the secure concept known as cryptography. Bitcoin is one of the largest cryptocurrencies released in 2009. This paper enlightens investors' perceptions about cryptocurrencies. For this study, an online survey of investors' opinions about cryptocurrencies was conducted. The primary data was collected through a survey method from 145 respondents in Navi Mumbai. Data was analysed using statistical tool SPSS version 20 and descriptive analysis was done as per the objectives of the study.It was found from the study that investors are not preferring to buy cryptocurrencies due to its constraints and risk as compared with investment in stock market.

Keywords: Globalization, Cryptocurrency, smart gadgets, Bitcoin

1. Introduction:

Cryptocurrencies are digital/virtual currencies, that are created using cryptographic algorithms for validatingtransactions. Bitcoin was the first cryptocurrency and remains the best known today.Due to globalisation and developments in digitization technology, the usage of digital payment systems is becoming core to economic evolution. Also, the use of smart gadgets and digital devices and the increasing use of the internet lead to enabling even micropayments. Cryptocurrency is a way of transferring money from peer to peer without a financial intermediary using the secure

concept known as cryptography. Bitcoin is one of the largest cryptocurrencies released in 2009. Cryptocurrency is an electronic financial asset whereby using cryptographic decentralised technology, the ownership and transfer of the asset are done.There are different types of cryptocurrencies such as Bitcoin, Ethereum, Cardano (ADA), Binance Coin (BNB), Teher, Solana, XRP, Dogecoin, Polkadot (DOT), USD (USDC).

2. Literature Review:

In this paper, researcher did an analysis of characteristics of cryptocurrencies such as legal, economic, and sharia perspectives on money. This study was based on the secondary data descriptive method with a qualitative approach. The researcher concluded that Bitcoin is acceptable in terms of the nature of money.(Yuneline, 2019)

Researchers analysed the cryptocurrency's impact on users' behaviour and perceived benefits. For this study, data was collected from 25 individuals using the survey method. According to the findings of this study, there is no significant relationship between cryptocurrency usage behaviour and perceived benefits.(Alqaryouti, Siyam, Alkashri, & Shaalan, 2020)

This paper explains the challenges and perspectives for cryptocurrencies. Based on the study, the researcher provided a new disintermediation protocol. Researchers identified disintermediation strategies and their comparison. Also, researchers focused on many security aspects of cryptocurrencies, such as distributed systems, computer security, hardware design, etc.(Bonneau et al., 2015)

The author focused on the emerging phenomenon of cryptocurrency. Researchers found that there is a trend to regulate cryptocurrencies. It is focused in this paper that there is a need to examine crypto exchanges and their market microstructure. (Giudici, Milne, & Vinogradov, 2020)

In this paper, researchers use UTAUTA2 theory to build a conceptual model using technical aspects of cryptocurrency that is tested using primary data. It was found that facilitating conditions have the most exploratory effects on using cryptocurrency.(Mahomed, 2017)

3. Research Methodology:

Objectives:

- To study investors' perceptions of cryptocurrencies
- To learn more about cryptocurrency technology, click here.
- To identify the constraints of digital/cryptocurrency as a currency.
- To find the likeliness of investors to make investments in cryptocurrencies in coming years

➢ **Sources of Data:**

For collecting data, both primary and secondary sources of data are used. A Google survey form is created and distributed amongst students for the purpose of collecting the data using a pre-

structured questionnaire method.

The secondary data was collected using journal articles websites etc.

➢ **Sample Design:**

In the present study researcher used pre-structured questionnaire using Google survey method. The convenient sampling techniques were used. The final data from 145 respondent is collected through survey method using pre-structured questionnaire.

➢ **Data Analysis:**

In the present study, researchers used a pre-structured questionnaire using the Google survey method. Convenient sampling techniques were used. The final data from 145 respondents was collected through the survey method using a pre-structured questionnaire.

4. Data Analysis and Interpretation:

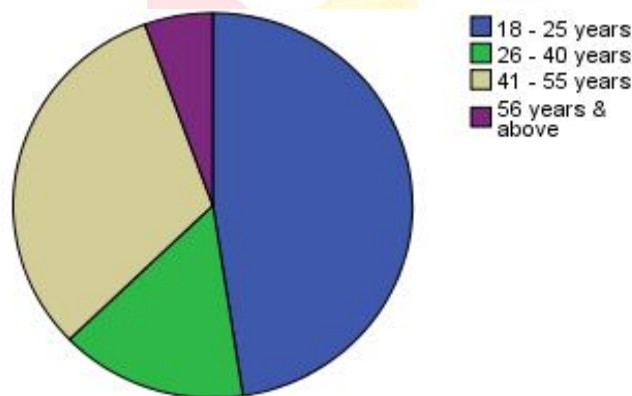| Table1. Age groups				
	Frequency	Percent	Valid Percent	Cumulative Percent
18 - 25 years	69	47.6	47.6	47.6
26 - 40 years	22	15.2	15.2	62.8
41 - 55 years	46	31.7	31.7	94.5
56 years & above	8	5.5	5.5	100.0
Total	145	100.0	100.0	

Fig.1 Age groups

Table 1 and Fig. 1 illustrate the information about the respondents' age groups. From this table, it is found that the majority of the respondents (i.e., 47.6%) are in the age group of 18–25. 31.7% of respondents are between the ages of 41 and 55. And 15.2% of respondents are between the age groups of 26–40 years old. Where as only a few, i.e., 5.5% of the respondents, are in the age group of over 56 years.

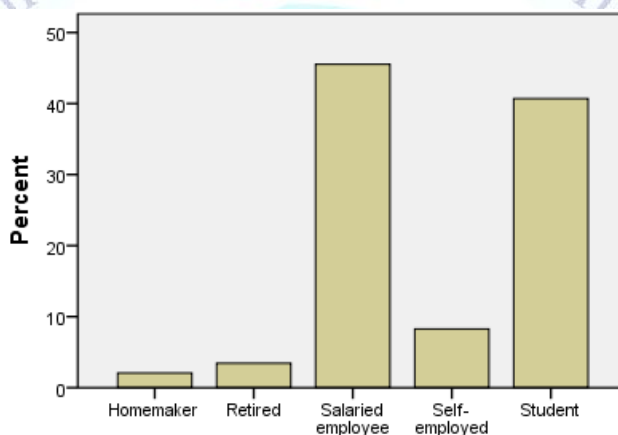| Table2 Respondents occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
Homemaker	3	2.1	2.1	2.1
Retired	5	3.4	3.4	5.5
Salaried employee	66	45.5	45.5	51.0
Self-employed	12	8.3	8.3	59.3
Student	59	40.7	40.7	100.0
Total	145	100.0	100.0	

Fig.2 Respondents occupation

Table 2 and Fig. 2 show the information about the respondent's occupation. From this table, it is found that the majority of the respondents (i.e., 45.5%) are salaried employees. 40.7% of the respondents are students. 8.3% of the respondents are self-employed. whereas only a few, i.e., 3.4% and 2.1%, are retired and homemakers.

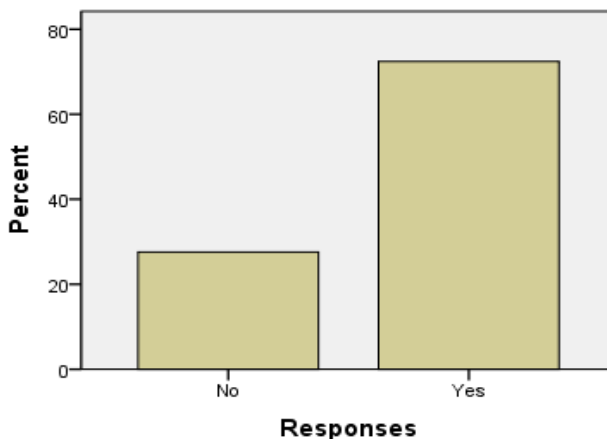| Table3 Respondents knowledge about cryptocurriences such as Bitcoin or Ethereum				
Responses	Frequency	Percent	Valid Percent	Cumulative Percent
No	40	27.6	27.6	27.6
Yes	105	72.4	72.4	100.0
Total	145	100.0	100.0	

Fig.3 Respondent's knowledge about cryptocurriences such as Bitcoin or Ethereum

Table 3 and Fig. 3 show the information about the respondent's knowledge of cryptocurrencies such as Bitcoin or Ethereum. From this table, it is found that the majority of the respondents (i.e., 72.4%) have knowledge about cryptocurrencies. whereas only a few, i.e., 27.6% of the respondents, do not have knowledge about cryptocurrencies.

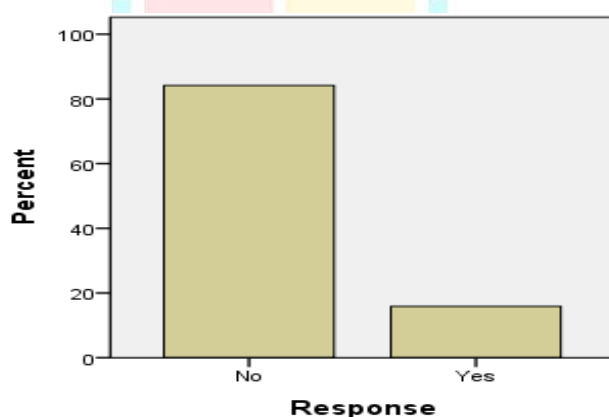| Table4 Information about purchase of cryptocurrency till now				
	Frequency	Percent	Valid Percent	Cumulative Percent
No	122	84.1	84.1	84.1
Yes	23	15.9	15.9	100.0
Total	145	100.0	100.0	

Fig.4 Information about purchase of cryptocurrency till now

Table 4 and Figure 4 show information about purchasing cryptocurrencies. From this table, it is found that the majority of the respondents (i.e., 84.1%) didn't purchase cryptocurrencies and only 15.9% of the respondents purchased cryptocurrencies.

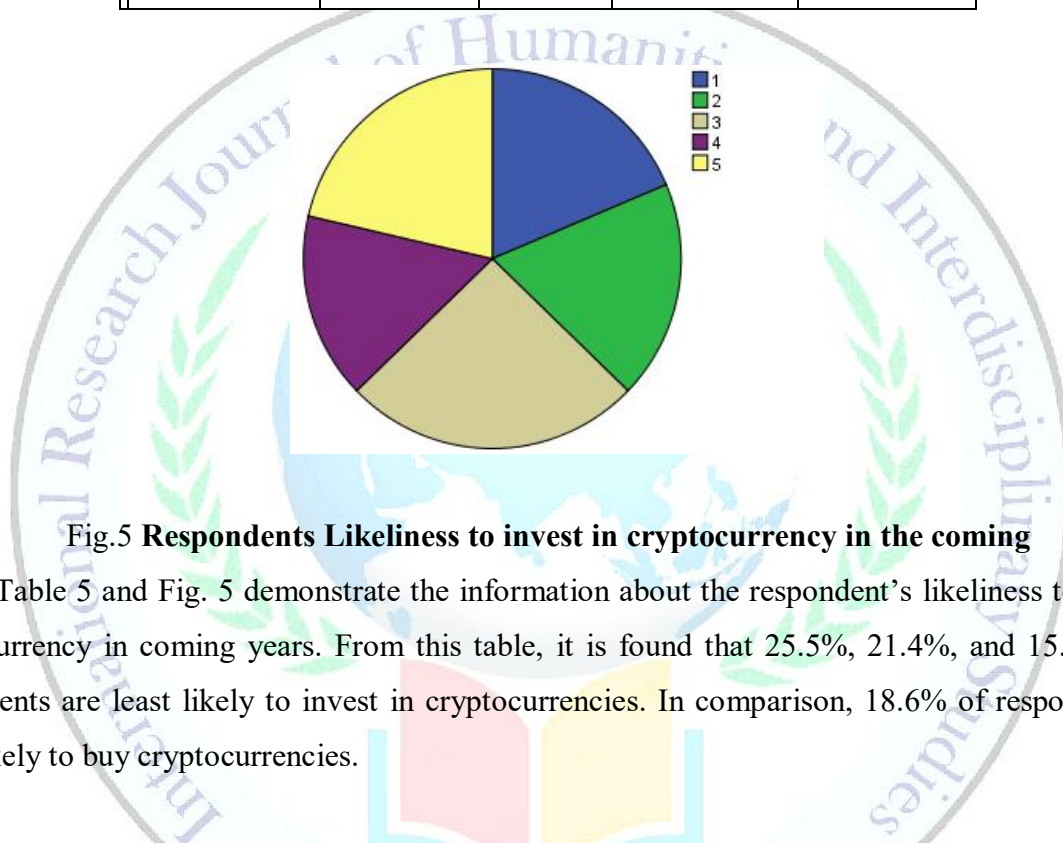| Table5. Respondents Likeliness to invest in cryptocurrency in the coming years(1 for most likely and 5 for least likely)				
	Frequency	Percent	Valid Percent	Cumulative Percent
1	27	18.6	18.6	18.6
2	27	18.6	18.6	37.2
3	37	25.5	25.5	62.8
4	23	15.9	15.9	78.6
5	31	21.4	21.4	100.0
Total	145	100.0	100.0	

Fig.5 **Respondents Likeliness to invest in cryptocurrency in the coming**

Table 5 and Fig. 5 demonstrate the information about the respondent's likeliness to invest in cryptocurrency in coming years. From this table, it is found that 25.5%, 21.4%, and 15.9% of the respondents are least likely to invest in cryptocurrencies. In comparison, 18.6% of respondents are most likely to buy cryptocurrencies.

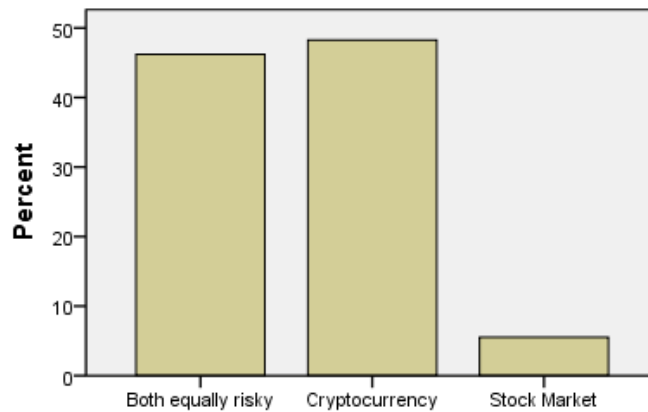| Table6Respondents opinion about investment risk in stock market and cryptocurrency				
	Frequency	Percent	Valid Percent	Cumulative Percent
Both equally risky	67	46.2	46.2	46.2
Cryptocurrency	70	48.3	48.3	94.5
Stock Market	8	5.5	5.5	100.0
Total	145	100.0	100.0	

Fig. 6 Respondents opinion about investment risk in stock market and cryptocurrency

Table 6 and Fig. 6 demonstrate the information about the respondent's opinion about the investment risk in the stock market and cryptocurrencies. From this table, it is found that 48.3% of the respondents think that there is risk in cryptocurrency investment. 46.2% of the respondents responded that there is risk in both the stock market and cryptocurrencies, and only a few respondents, i.e., 5.5%, said that there is risk in stock market investment.

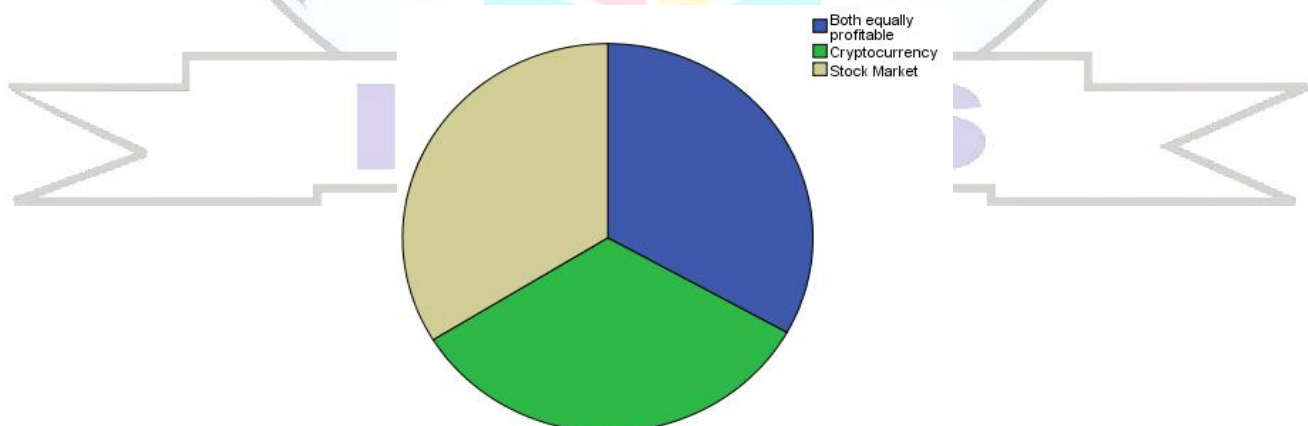| Table7. Respondents opinion about most profitable investment amongst stock market and cryptocurrency				
	Frequency	Percent	Valid Percent	Cumulative Percent
Both equally profitable	48	33.1	33.1	33.1
Cryptocurrency	48	33.1	33.1	66.2
Stock Market	49	33.8	33.8	100.0
Total	145	100.0	100.0	

Fig7. Respondent's opinion about most profitable investment amongst stock market and cryptocurrency

Table 7 and Fig. 7 show the information about the respondent's opinion about the most profitable investment amongst the stock market and cryptocurrency. From this table, it is found that the majority of the respondents, i.e., 33.8%, think that stock market investment is more profitable as compared to cryptocurrency investment. Whereas 33.1% believe that both stock market and cryptocurrency investments are profitable.

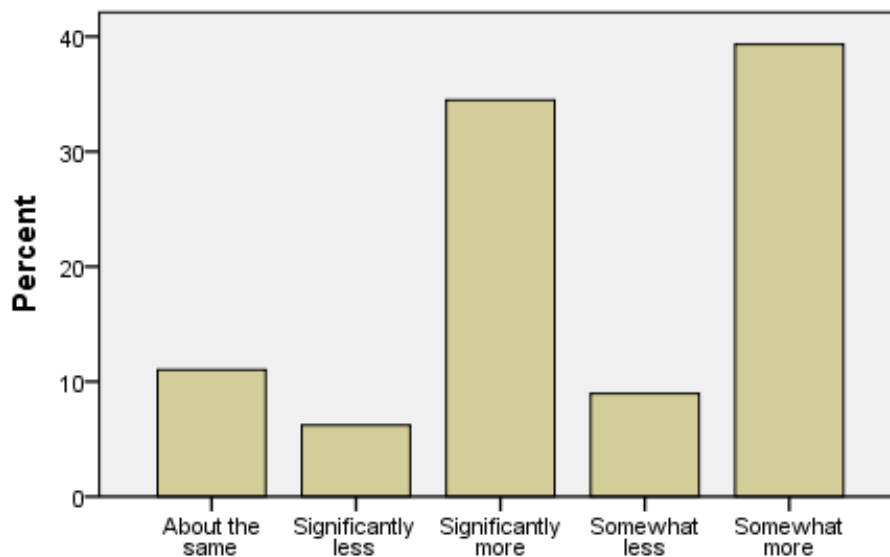| Table8Respondents opinion about worthiness of cryptocurrency in 5 years				
	Frequency	Percent	Valid Percent	Cumulative Percent
About the same	16	11.0	11.0	11.0
Significantly less	9	6.2	6.2	17.2
Significantly more	50	34.5	34.5	51.7
Somewhat less	13	9.0	9.0	60.7
Somewhat more	57	39.3	39.3	100.0
Total	145	100.0	100.0	

Fig. 8 Respondents opinion about worthiness of cryptocurrency in 5 years

Table 8 and Fig.8 illustrate the information about the respondent's opinion about the worthiness of cryptocurrency in 5 years. From this table, it is found that 39.3% of the respondents responded that it is somewhat more worthwhile. 34.5% of the respondents, responded that it is

significantly more worthwhile. 11% and 9% of those polled felt the same or slightly less worthy.

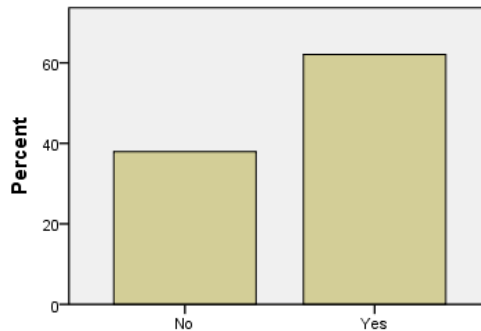| Table9 Respondents opinion about use of cryptocurrency				
	Frequency	Percent	Valid Percent	Cumulative Percent
No	55	37.9	37.9	37.9
Yes	90	62.1	62.1	100.0
Total	145	100.0	100.0	

Fig9. Respondent's opinion about use of cryptocurrency

Table9 and Fig.9 illustrate the information about the respondent's opinion about the use of cryptocurrency. From this table, it is found that 62.1%of respondents use cryptocurrency, whereas 37.9% are not using it.

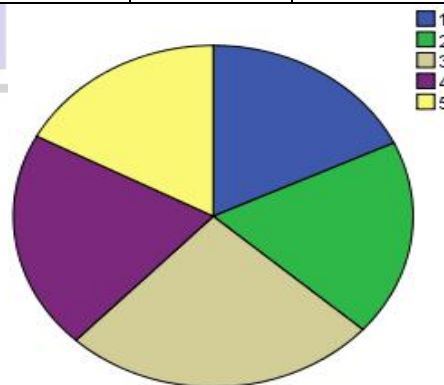| Table10 Respondents use of Cryptocurrency in volatile situations (1 for most likely and 5 for least likely)				
	Frequency	Percent	Valid Percent	Cumulative Percent
1	26	17.9	17.9	17.9
2	27	18.6	18.6	36.6
3	37	25.5	25.5	62.1
4	30	20.7	20.7	82.8
5	25	17.2	17.2	100.0
Total	145	100.0	100.0	

Fig.10 Respondents use of Cryptocurrency in volatile situations

Table 10 and Fig. 10 demonstrate that the information about the respondent's opinion about the use of cryptocurrency in volatile situations is also included. Responses are rated on a scale of 1 to 5, where 1 is the most likely and 5 is the least likely. From this table, it is found that 17.9%, 18.6%, and 25.5% of the respondents' decisions are mostly affected by buying cryptocurrency, whereas 20.7% and 17.2% of the respondents' decisions are less affected by buying cryptocurrency during volatile situations.

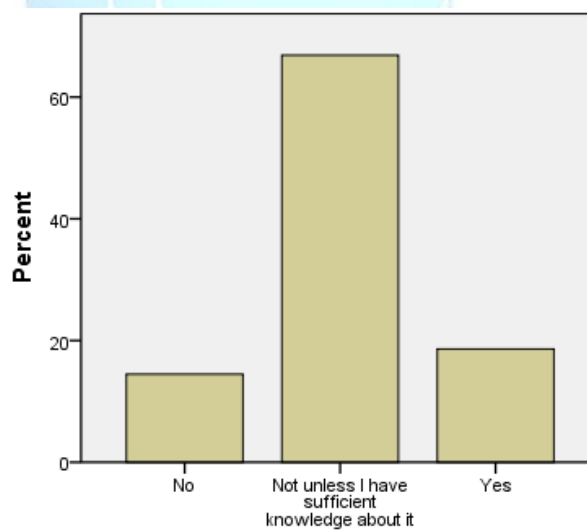| Table11 Respondents willingness / investment in digital/ cryptocurrency in the future based on the advice				
	Frequency	Percent	Valid Percent	Cumulative Percent
No	21	14.5	14.5	14.5
Not unless I have sufficient knowledge about it	97	66.9	66.9	81.4
Yes	27	18.6	18.6	100.0
Total	145	100.0	100.0	

Fig.11 Respondent's willingness / investment in digital/ cryptocurrency in the future based on the advice

Table 11 and Fig. 11 show the information about the respondent's willingness to make digital/cryptocurrency future investments based on the advice. From this table, it is found that 66.9% of the respondents are investing in the future of cryptocurrency after getting sufficient knowledge about it. Whereas 18.6% of the respondents are willing to invest in cryptocurrency after getting advice.

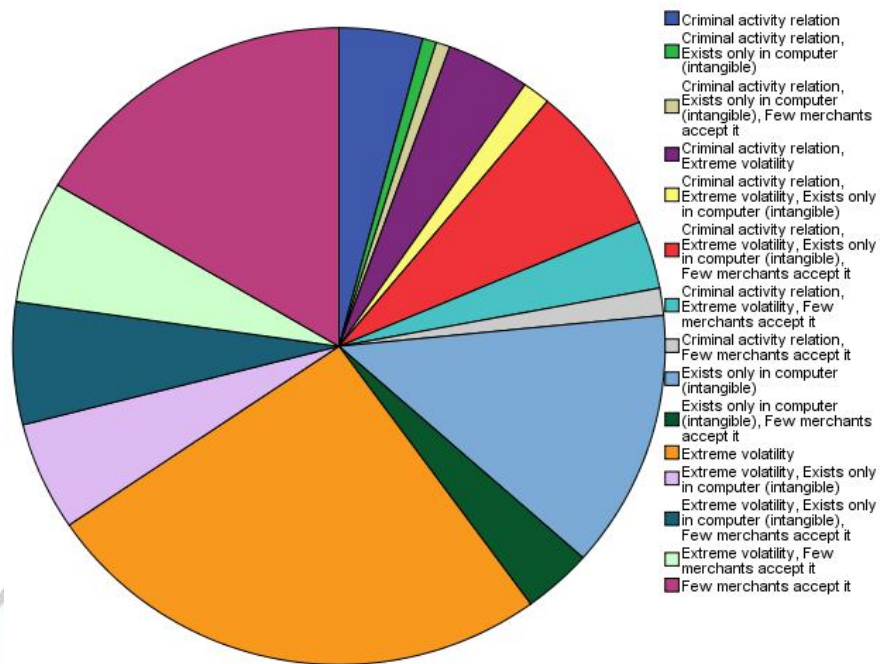| Table12. Respondents opinion, about the constraints of digital/ cryptocurrency as a means of currency				
Constraints	**Frequency**	**Percent**	**Valid Percent**	**Cumulative Percent**
Criminal activity relation	6	4.1	4.1	4.1
Criminal activity relation, Exists only in computer (intangible)	1	.7	.7	4.8
Criminal activity relation, Exists only in computer (intangible), Few merchants accept it	1	.7	.7	5.5
Criminal activity relation, Extreme volatility	6	4.1	4.1	9.7
Criminal activity relation, Extreme volatility, Exists only in computer (intangible)	2	1.4	1.4	11.0
Criminal activity relation, Extreme volatility, Exists only in computer (intangible), Few merchants accept it	11	7.6	7.6	18.6
Criminal activity relation, Extreme volatility, Few merchants accept it	5	3.4	3.4	22.1
Criminal activity relation, Few merchants accept it	2	1.4	1.4	23.4
Exists only in computer (intangible)	19	13.1	13.1	36.6
Exists only in computer (intangible), Few merchants accept it	5	3.4	3.4	40.0
Extreme volatility	37	25.5	25.5	65.5
Extreme volatility, Exists only in computer (intangible)	8	5.5	5.5	71.0
Extreme volatility, Exists only in computer (intangible), Few merchants accept it	9	6.2	6.2	77.2
Extreme volatility, Few merchants accept it	9	6.2	6.2	83.4
Few merchants accept it	24	16.6	16.6	100.0
Total	145	100.0	100.0	

Fig.12. Respondents opinion, about the constraints of digital/ cryptocurrency as a means of currency

Table 12 and Fig. 12 display the information about the respondent's opinion about the constraints of digital/cryptocurrency as a means of currency. From this table, it is found that volatility, the existence of electronic devices such as computers, and only a few merchants' acceptance are major constraints of cryptocurrency as a means of currency.

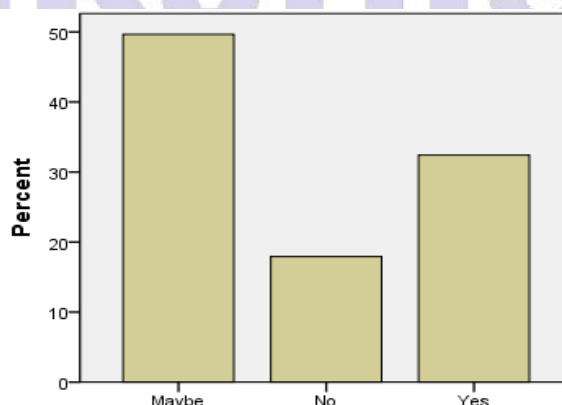| Table13. Respondent's opinion about Technology trust in Bitcoin in the long term?					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Maybe	72	49.7	49.7	49.7
	No	26	17.9	17.9	67.6
	Yes	47	32.4	32.4	100.0
	Total	145	100.0	100.0	

Fig. 13 Respondent's opinion about Technology trust in Bitcoin in the long term?

Table 13 and Fig. 13 display the information about the respondent's opinion about the technology trust in Bitcoin in the long term. From this table, it is found that the majority of the respondents may trust in Bitcoin, whereas 32.4% of them trust in technology trust and 17.9% of them do not trust in technology trust.

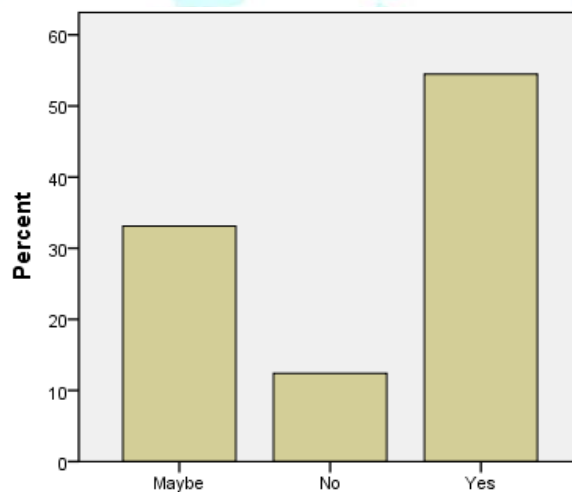|		Frequency	Percent	Valid Percent	Cumulative Percent
Table14 Respondents opinion about regulation of Bitcoin to protect Bitcoin holders from potential theft and loss					
	Maybe	48	33.1	33.1	33.1
	No	18	12.4	12.4	45.5
	Yes	79	54.5	54.5	100.0
	Total	145	100.0	100.0	

Fig. 14 Respondents opinion about regulation of Bitcoin to protect Bitcoin holders from potential theft and loss

Table 14 and Fig. 14 display the information about the respondent's opinion about the regulation of Bitcoin to protect Bitcoin holders from potential theft and loss by authorities. From this table, it is found that the majority of the respondents (i.e., 54.5%) said yes, whereas only a few, i.e., 12.4 percent, responded that there is no regulation of Bitcoin to protect Bitcoin holders from potential theft and loss by authorities.

Conclusion:

Cryptocurrency is a virtual currency encrypted using a cryptographic algorithm. An encrypted data string denotes a unit of currency. Blockchain technology is used to organise and monitor it. Cryptocurrency is a virtual digital payment system that doesn't depend on banks for verifying transactions. In this paper, researchers focused on cryptocurrencies and investors' perceptions. For this study, 145 responses were collected using a pre-structured questionnaire

through the survey method. It was found from this study that volatility, the existence of electronic devices such as computers, and only a few merchants' acceptance are major constraints of cryptocurrency as a means of currency. Investors feel risk in cryptocurrency investment. As per respondents' opinion, the stock market is more profitable as compared to cryptocurrency.

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