



## 6. Cryptocurrency: Investor's Perception

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### **Introduction:**

The popularity of cryptocurrencies has increased dramatically on a global scale since the introduction of Bitcoin in 2008. Recently, more individuals have come to realize that Bitcoin is a better alternative asset. Even institutional investors are shifting their assets to Bitcoin to

protect their money from inflation. Since the start of the COVID-19 epidemic in January 2020, this industry has seen tremendous increases, with the "crypto market" rising by more than 500%. Coins, paper money, credit cards, and digital wallets like PayPal, Apple Pay, Amazon Pay, Paytm, and others are examples of modern cash. Governments and banks oversee everything, so there is a single regulatory body that sets restrictions on the use of credit cards and paper money.

A digital or virtual currency intended to be used as a medium of exchange is called a cryptocurrency. It resembles real money quite a bit, with the exception that it is digital and relies on encryption to function. Hence, cryptocurrency eliminates every issue with contemporary banking, including no transaction restrictions, unhackable accounts, and a single point of failure. New units can only be added once specific requirements are satisfied because cryptocurrencies function autonomously and decentralised, without the need for a bank or other central authority.

### **Review of Literature:**

- Chittawadagi, M., (2017) highlights the shortcomings of earlier research and the steps the Indian government has taken to legalize virtual currencies there. Even still, the RBI consistently warns its residents against using cryptocurrencies on their own, and bitcoins and other cryptocurrencies are not recognized legally in India. After considering several problems and obstacles, the study concluded with a comment from several academics stating that bitcoins, as virtual money, can benefit the Indian economy. if subject to governmental regulation.

- Jani, S. (2018) Cryptocurrencies will probably be the next big thing in trading platforms, and they'll be good for e-business and e-commerce. A pilot survey and secondary data, such as those from online sources and different research articles, were employed in the study. The majority of poll participants use cryptocurrency for reward points and social gaming. Future research on bitcoin acceptances with bigger sample sizes and a range of industries where the use of cryptocurrencies can be examined at all Indian levels has now been proposed.
- Parashar, N., & Rasiwala, F. (2018) The study looks into people's perspectives about the future of bitcoins and concludes that there are several drawbacks to bitcoins, including a lack of a central authority, a large price range, and no central agency to safeguard consumers.

### **Objective of the Study:**

- To study the perception of cryptocurrency among crypto investors
- To study the benefits and prospects of cryptocurrency through people's perception.

### **Research Methodology:**

The Research Design for this study is mainly based on the Descriptive Research method in Madurai. To meet the aim of the study, a structured questionnaire was used keeping in view demographic, conceptual, and perception-related questions as a source of primary data. Secondary Data were collected from various research papers, web-based articles, and research studies.

The sampling size represents primary data from 30 crypto investors representing different age groups, occupations, and income groups. Pivots tables were used with the help of Google Spreadsheets, SPSS, and Microsoft Excel.

### **Analysis and Interpretation of Data:**

#### **a. Demographic details of the respondents:**

**Table 6.1:**

<b>Demographic Details of the Respondents</b>		
<b>Age</b>	<b>20 – 30 years</b>	<b>100%</b>
<b>Gender</b>	Male Female	80% 20%
<b>Occupation</b>	Students Private Job Professionals Government Employees	66.7% 16.7% 13.3% 3.3%
<b>Education</b>	12 <sup>th</sup> UG PG	3.3% 70% 28.7%

In this study, 100% of the respondents are in the age group between 20 -30 and 80% are male. 66.7% are students and 70% are Undergraduates.

**b. Awareness level of Cryptocurrency:****Table 6.2:**

Awareness level of Cryptocurrency		
Source of Awareness	Friends Colleagues My Interest	60% 16.7% 6.7%
Mode of Buying	Through Exchange Through broker Both	46.7% 16.7% 36.7%
Frequency of purchase	>5 purchase 5- 10 purchase More than ten purchase	93.3% 3.3% 3.3%

60% of the respondents are aware of cryptocurrency through their friends, 16.7% through colleagues, and 6.7% from their crypto. 46.7% buy crypto through the exchange, 16.7% through the broker, and 36.7% buy in both modes. 93.3% purchase less than 5 times in a year.

**c. Preferences of Cryptocurrency:****Table 6.3:**

Preference of Cryptocurrency		
Which crypto do you prefer most?	Bitcoin Ethereum Binance Coin	83.3% 13.3% 3.3%
Reason to invest in crypto	To explore a new investment Advised by friends and families	63.3 % 36.7%
Blockchain technology is easy for buying and selling	Yes No	36.7% 63.3%
Crypto is safe to invest	Yes No	53.3% 46.7%
Crypto has low market risk	Yes No	56.7% 43.3%
Reason to prefer crypto	Data privacy concern Unable to pay without taxes	28.7% 27.6
Comfort in trading	Yes No	60% 40%

83.3% prefer Bitcoin followed by Ethereum 13.3% followed by Binance Coin 3.3%. 63.3% invested in crypto as it is a new type of investment and 36.7% based on influence by family and friends. 36.7% of blockchain technology is easy to buying and selling. 53.3% prefer that crypto is safe to invest. 56.7% feel crypto has low market risk. 28.7% prefer to buy crypto for Data privacy and 27.6% prefer that it cannot be paid without tax payment. 60% prefer crypto as comfort for trading

**d. Benefits of Crypto:**

**Table 6.4:**

<b>Benefits of Crypto</b>		
Benefited in Crypto diversification	Yes No	70% 30%
Is crypto benefit more than country currency	Yes No	70% 30%
Other benefits of using crypto	Safety and Security Privacy	63.3% 36.7%
Low transaction charges are beneficial	Yes No	80% 20%

70% of the respondents are benefited by crypto investment. 63.3% invest in crypto for safety and security and 36.7% for privacy concerns.

**e. Investors' Perception:**

**Table 6.5:**

<b>Investors perception</b>		
Transaction costs should be regulated	Yes No	83.3% 16.7%
Aware of Crypto scam	Yes No	70% 30%
There should be a regulatory body	Yes No	86.7% 13.3%
Investors awareness is low	Yes No	86.7% 13.3%
Crypto policies should be based on investors' wellbeing	Yes No	73.3% 26.7%
In the next five years, crypto will	Grow in use Remain the same Grow sustainable Close	33.3% 26.7% 13.3% 16.7%

83.3% of respondents feel transaction costs should be regulated. 86.7% expect there should be a regulatory body for crypto. In the future 33.3% feel that there will be a growth in crypto.

**Findings:**

Most of the crypto investors are Male UG students and they are influenced by their friends. Most of the respondents invest in crypto due to its investment pattern. As respondents are aware of the Crypto scam most of the respondents feel safe and comfortable investing in crypto.

They feel the market risk is low and benefit from crypto investments. The respondents foresee that the crypto market will grow substantially soon and prefer the government to take measures for regulating crypto investments. And should create awareness for more investments.

## **Conclusion:**

It is difficult to predict what the Bitcoin market or cryptocurrencies will look like in 2024 and beyond. The number of queries outweighs the number of answers. But as the market develops, we'll be able to make better investing choices by keeping an eye on a few key crypto patterns. All indications point to India enacting a stringent regulatory framework to address cryptocurrencies. It is necessary to decide which regulatory body will handle the issue. The government would likely view cryptocurrencies as an asset class as opposed to a medium of exchange. Experts predict that regulations will improve the transparency and accountability of cryptocurrency trading platforms. India is currently the biggest investor in cryptocurrencies, despite the uncertainty surrounding the future of uncontrolled digital assets. The usage of cryptocurrencies has increased dramatically over the previous two years. Once the legislative measure is passed, it will be intriguing to see where India's cryptocurrency journey takes it. Cryptocurrency seems to have a promising future in the next five years, and India is expected to dominate the worldwide market.

## **References:**

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