

A Study on Consumer Awareness of Cryptocurrency

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Abstract

Cryptocurrency is a digital exchange system that uses cryptography to generate and distribute tokens. It is based on encryption that facilitates digital transactions. By using a cryptocurrency, users can digitally exchange value without third-party interference. Cryptocurrency is one of the emerging online currencies of modern times. Many investors invest in this technology-based investment. However, some experienced investors and companies are still reluctant to use it. In their opinion, this is a volatile trend that will eventually subside. There is no such regulated authority and no intermediary to provide them with useful information. So, investors can be helped by providing them with feasibility information about cryptocurrency investment locations around the world. While cryptocurrency and blockchain technology has sparked interest in a variety of currencies in many countries. Understanding end-user risk perception will help understand the nature of the instrument and facilitate the adoption of technology services such as cryptocurrencies. This study aims to explore the awareness to make their investment in the cryptocurrency market.

Keywords : Cryptocurrency, digital, investors

Introduction

Economics is boring, this a lie we have been told all our lives but accept it or not our lives depend on it. Money the ultimate catalyst for the worst and best of human endeavour like it or not. Money defines our social status it also compromises our morals sometimes. Some people spend their lives chasing this rectangular pieces of paper. Some are willing to fight and even kill for it but are we headed towards the end of money as we know it? will we have to burn our Rupees, Dollars and Euros? Should we transform every single penny we have into digital binaries or should we say to cryptocurrency. Is it the really the new goal the future money or is it gambling a recipe for financial disaster. "A digital currency in which transactions are verified and records maintained by a decentralized system using cryptography, rather than by a centralized authority. It is a virtual or digital currency that works on technology and medium of exchange on online services." The system does not require a central authority its states are maintained through distributed as it is general agreement. "First it was introduced in 2008. Began to use in 2009 and it came around the worldwide in 2013." In India cryptocurrency is not legal tender but there are people who invest on it because people around them do it. The bottom line is this the future of currency is digital there is no doubt about it. But when you invest you must know that you are not just investing you are also gambling and if you are ready to gamble you must also be prepared to win or lose.

Bitcoin is a decentralized digital currency that you can buy, sell and exchange directly, without an intermediary like a bank. Bitcoin's creator, Satoshi Nakamoto, Bitcoin is a type or main thing in cryptocurrency. It is computer file where the money gets stored in the digital wallet. In place of money you can use bitcoin for selling and purchasing of goods and services. It is limited in supply that's the reason its demand is more. We could not trace who is the sender or receiver. Till now In India 18 million bitcoin where extracted. It has many chances of getting extended till 20 million. It has grown immensely in last few years the graph has reached the next level without expecting that it would increase or not.

Cryptocurrency is a medium of exchange for Bitcoin just as notes and coins are for rupees and dollars. Crypto means data encryption it basically ensures the security of transactions. We may hear about the messages being encrypted it means, they are secure. It same for crypto it's encrypted data but unlike debit and credit cards crypto has no physical counterpart it's the only form it exists.

Blockchain is a set of blocks that records information of transactions like who made the transactions to whom, the amount of a trade in the form of digital ledger that is distributed across at the entire network. The data is replicated and stored on each node across the entire blockchain network making it more secure and impossible to change, hack or cheat the system. Then it is verified and validated by every node to proceed with the process of making transactions. Blockchain is the technology that enables the existence of cryptocurrencies like a computer file, stores data but this is a file across vast network of computer and it's not exclusive to bitcoin and crypto. Blockchain has many-many uses this is just one of them.

Advantages of Cryptocurrency

1. It has less transaction fee or completely eliminated. it has greatly reduced fee.
2. It has more secure transaction. It has great security facility.
3. It has low transaction fee for international payments.
4. The transaction in cryptocurrency is easily accessible. And has immediate response.
5. The requirement of middlemen or intermediary is not requirement.

6. It has access point across the world.
7. It is not controlled or issued by government.

Limitations of Cryptocurrency

1. In cryptocurrency there a lot of scaling problems.
2. There is a lack of proper regulations.
3. It is not issued or controlled by government.
4. This is used for illegal transactions.
5. There no security in case of loss.
6. There will no refund or cancellation of policy.

Types of Cryptocurrencies

- RIPPLE
- BITCOIN CASH
- LITECOIN
- XRP
- ETHEREUM
- DOGECOIN
- US DOLLAR
- EOS
- TOKENCOIN
- CARDANO
- NAMECOIN

Brief about the types of Cryptocurrencies

1. **Altcoin** : Altcoin is a type of cryptocurrency as a term that refers to any coin except bitcoin. The word Altcoin means "alternative to bitcoin". As it is known that bitcoin has complicated mathematical computation. It was created as a simple form of bitcoin. Examples : Peercoin, Litecoin, Dogecoin, Aurora coin and name coin.
2. **Tokens** : tokens are created and awarded through an initial coin offering (ICO). The form of the offer is same as a stock. Tokens can be represented as value tokens, bitcoin security tokens to protect our account and utility tokens designated for specific uses. Government currency- the type of cryptocurrency is a government currency. This type of cryptocurrency issued or authorised by government in a country. Not many countries have their own cryptocurrency government. Rest all other types come under tokens.
3. **Government Currency** : The type of Cryptocurrency is government Cryptocurrency. This type of Cryptocurrency issued or authorized by the government in a country. Not many countries have their own Crypto government.
4. **Ripple** : - Ripple is a for- profit company that serves the banking system. - It is the company behind XRP which is the Cryptocurrency.
5. **Security tokens** : By security we mean it as a trouble financial asset.
6. **Bitcoin**: Bitcoin is the first and most popular type of Cryptocurrency among crypto investors. Price was set at one dollar per chip.

Review of Litreature

David W. Perkins, (2020) Cryptocurrency: The Economics of Money and Selected Political Issues. Historically money had either intrinsic value or derived value, since the invention of the first cryptocurrency Bitcoin in 2008 it has proliferated and has the potential to be an alternative form of money. This digital money is very efficient and secure and how it will affect Federal Reserve and Central Bank policies.

Swati Shukla, Akshay. A (2019) A study of cryptocurrency awareness and perceptions in Bangalore. Cryptocurrency, despite having a new-age technology and a huge market presence, it still hasn't achieved the established image in many countries. So, to know the level of fame of the cosmopolitan city people.

Mukund Gupta, Dr. Teena Bagga (2017), in their research paper Study of Consumer Awareness on Cryptocurrency In India, attempted to examine consumer awareness of cryptocurrencies in India and also various factors influencing the adoption of cryptocurrencies. The research shows that the majority of respondents are aware of cryptocurrencies but had no experience in using them. The majority believe that the use of cryptocurrencies will increase in the future. They also noted that the acceptance of cryptocurrencies by commercial banks and e-commerce sites will definitely increase trust in people's minds and encourage their future use

Objectives of the Study

1. To study the level of awareness among investors regarding bitcoin as a virtual currency
2. To study the perception of investors regarding acceptance of bitcoin as mode of cash less transaction

Research Methodology

A research methodology presents the general plan of how the researcher will proceed in conducting the research survey process. This study uses exploratory study and survey methods. Using multiple methods allowed the researcher to collect different types of data that offer different viewpoints to address different research goals. A survey was used to collect primary data and 60 questionnaires (respondents) were used in the final analysis. The questionnaire items were developed through a review of the measurement scale used in previous studies.

Data Collection

Descriptive research was conducted by reviewing the literature on the subject, followed by a survey methodology to gather information from investors. A structured questionnaire was created using different variables. The primary and secondary data were collected using the simple random sampling technique.

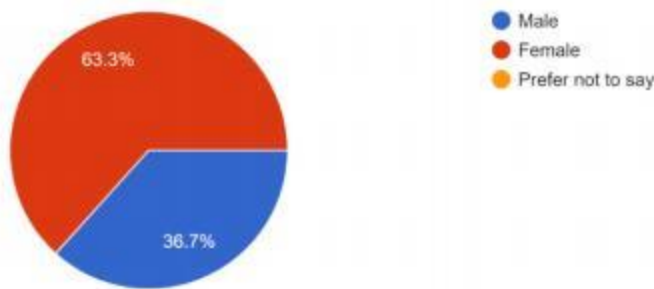
Data Analysis & Interpretation

Table 1: Gender

| | Options | % | No.of Respondents |
|--------|----------------------|------|-------------------|
| Gender | a) Male | 36.7 | 22 |
| | b) Female | 63.3 | 38 |
| | c) Prefer not to say | 0 | 0 |

Gender

60 responses



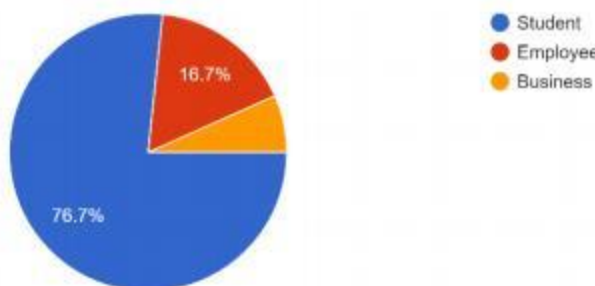
Interpretation: From the above chart represents gender. In this pie chart the large orange area resembles female and the small part of blue colour resembles male.

Table 2: Occupation

| | Options | % | No.of Respondents |
|------------|-------------|------|-------------------|
| Occupation | a) Student | 76.7 | 46 |
| | b) Employee | 16.7 | 10 |
| | c) Business | 6.7 | 4 |

Occupation

60 responses

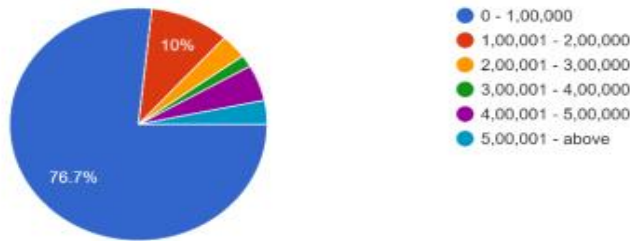


Interpretation: This pie chart shows the occupations of the people that were participants in the questionnaire. As you can see 76.7% were students, 16.7% were employees and 6.7% were entrepreneurs.

Table 3: Income

| | Options | % | No.of Respondents |
|--------|--------------------|------|-------------------|
| Income | a) 0 - 100000 | 76.7 | 46 |
| | b) 100000 - 200000 | 10 | 6 |
| | c) 200000 - 300000 | 3.3 | 2 |
| | d) 300000 - 400000 | 1.7 | 1 |
| | e) 400000 - 500000 | 5 | 3 |
| | f) 500000 - above | 3.3 | 2 |

Income
60 responses

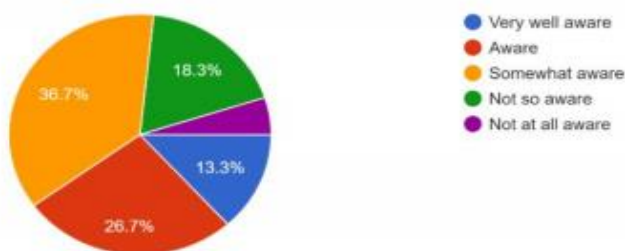


Interpretation: Based on question 3rd in the survey, we were able to generate a pie chart which illustrates the income of the individuals. Most of the respondents are with 0- 1,00,000 income range with 76.7%. The individuals with Income 1,00,000-2,00,000 are of 10 percentage.

Table 4: Do you have awareness on cryptocurrency?

| | Options | % | No.of Respondents |
|--|---------------------|------|-------------------|
| Do you have awareness on cryptocurrency? | a) Very well aware | 13.3 | 8 |
| | b) aware | 26.7 | 16 |
| | c) somewhat aware | 36.7 | 22 |
| | d) not so aware | 18.3 | 11 |
| | e) not at all aware | 5 | 3 |

Do you have awareness on cryptocurrency?
60 responses



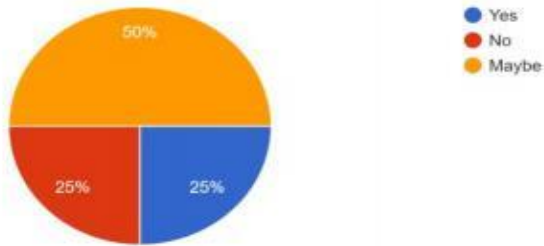
Interpretation: The graph above displays the awareness on cryptocurrency among the respondents, the lowest is of 5% where respondents are not at all aware of cryptocurrency and the highest is 36.7% where respondents are somewhat aware of cryptocurrency.

Table 5: Do you think investing in cryptocurrency is risk?

| | Options | % | No.of Respondents |
|---|---------|----|-------------------|
| Do you think investing in cryptocurrency is risk? | a) Yes | 25 | 15 |
| | b) No | 25 | 15 |

| | | | |
|--|----------|----|----|
| | c) Maybe | 50 | 30 |
|--|----------|----|----|

Do you think investing in cryptocurrency is risk?
60 responses

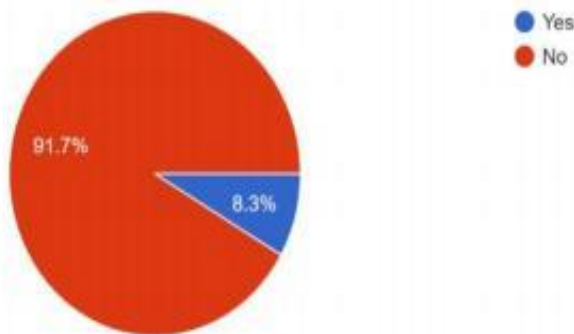


Interpretation: This chart layout the opinion of the respondents in investing in cryptocurrency. 50% of the public are not sure whether investing in cryptocurrency is risk or not.

Table 6: Do you have your own cryptocurrency?

| | Options | % | No.of Respondents |
|--------------------------------------|---------|------|-------------------|
| Do you have your own cryptocurrency? | a) Yes | 8.3 | 5 |
| | b) No | 91.7 | 55 |

Do you have your own cryptocurrency?
60 responses



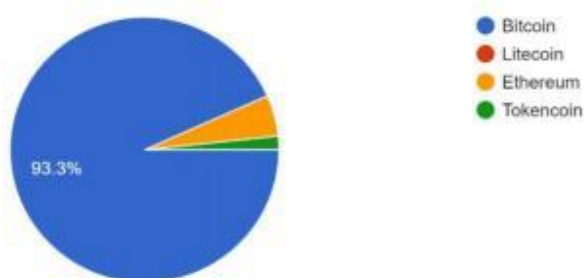
Interpretation: The above pie chart represents the individuals who own cryptocurrency and respond was No with 91.7% and 8.3% with yes responses.

Table 7: Among which of the following you prefer the most?

| | Options | % | No.of Respondents |
|---|--------------|------|-------------------|
| Among which of the following you prefer the most? | a) Bitcoin | 93.3 | 56 |
| | b) Litecoin | 0 | 0 |
| | c) Ethereum | 5 | 3 |
| | d) Tokencoin | 1.7 | 1 |

Among which of the following you prefer the most?

60 responses



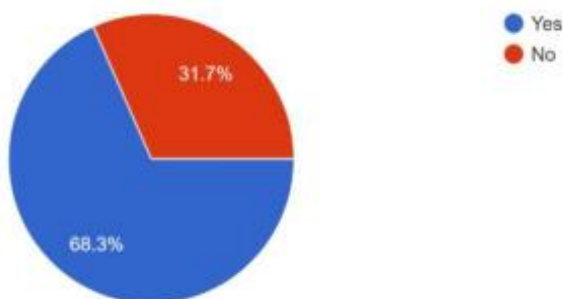
Interpretation: This chart exhibits that most of the People prefer Bitcoin among the other mentioned cryptocurrency with 93.3%.

Table 8: Is it legal to use cryptocurrency in India?

| | Options | % | No.of Respondents |
|---|---------|------|-------------------|
| Is it legal to use cryptocurrency in India? | a) Yes | 68.3 | 41 |
| | b) No | 31.7 | 19 |

Is it legal to use cryptocurrency in India?

60 responses



Interpretation: Above chart illustrates about the awareness of the legal use of cryptocurrency in India and the highest percentage is 68.3% as Yes and the least Percentage is 31.7% as No, but cryptocurrency is not legal in India.

Findings of the Study

The findings of the Study areas follows:

1. It was observed in the Study that most of the respondents were female.
2. The respondents mostly students and have income range 0-1,00,000.
3. The individuals responded in the study are somewhat aware of cryptocurrency.
4. Half of the of the respondents are not sure whether investing in cryptocurrency is risk or not.
5. It was observed that more than 90% respondents do not own any cryptocurrency.
6. Most of the respondents prefer Bitcoin than any other cryptocurrency.
7. Respondents were not aware that cryptocurrency is illegal in India.

Conclusion

The cryptocurrencies area hot topic in the global financial system. There is great volatility of cryptocurrencies exchange rates. With this, there is a high risk of trading these cryptocurrencies. Their growth has been able to gain the attention of many speculators. They are easily portable.

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