International Journal of Advanced Multidisciplinary Research
ISSN: 2393-8870
www.ijarm.com
(A Peer Reviewed, Referred, Indexed and Open Access Journal)
DOI: 10.22192/ijamr Volume 9, Issue 12 -2022

Research Article

DOI: http://dx.doi.org/10.22192/ijamr.2022.09.12.020

A Survey of Factors Influencing People's Attitude towards Cryptocurrency Investment

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Keywords

Cryptocurrency market, Effort Expectancy, Investor attention, Perceived trust, Perceived usefulness, Perceived ease of use, Purposive sampling, Performance Expectancy, Risk aversion, social support

Abstract

This study looks into what influences people's attitudes regarding investing in cryptocurrency despite its volatility and lack of any kind of regulated framework. Performance expectations, effort expectations, perceived trust, perceived usefulness, social support, perceived ease of use, and risk aversion are the variables under investigation. The data was gathered via a survey from 250 respondents. Mann-Whitney and Kruskal-Wallis tests were applied. Age, education, and occupation status were revealed to be characteristics that affected respondents' knowledge about cryptocurrency. The findings also demonstrated that a number of other variables, such as perceived ease of use, risk aversion, performance expectations, and effort expectations, all had a significant impact on bitcoin investment.

Introduction

People are looking for new ways to pay that are secure, private, and takes less time. Electronic transfers are becoming increasingly popular internationally. The rapid development of technology has benefited cryptocurrencies, which are managed and held by online communities. Governments, politicians, and practitioners all over the world have become increasingly interested in crypto currencies (also known as an electronic transaction system) in recent years.

Cryptocurrencies are expected to significantly alter how money is traded in the future in addition to offering a variety of possible benefits, including as speedy transactions, cross-border application, less transaction costs, clarity, enhanced security, secrecy, and private. The increasing popularity of cryptocurrencies has prompted a great deal of research on its investment potential. People are skeptical of using electronic methods.

The significance of this research is as follows: As emerging blockchain technologies and the Fourth Industrial Revolution advance, with machine-to-machine (M2M) payments, the Internet of Things (IoT), and sharing economy concepts, cryptocurrencies have the potential to significantly disrupt established business structures. Therefore, more research into the elements influencing people's attitudes toward cryptocurrency investment is necessary.

Gupta *et. al*.(2020) has a few restrictions, such as perceived knowledge, perceived ease of use, emotional intelligence, locus of control, risk aversion, profitability, convenience and anonymity are not taken into research. Perceived Ease of Use and Risk Aversion have been identified in this work as research gaps. McMorrow and Seyed, (2021) constitute only financial literate, but the respondents in the current survey will come from a variety of backgrounds, giving researchers a broad picture of Indian retail investment behavior. Respondent's profile questions including Gender, age, marital status, education, employment and income are referred from Christopher *et al*, (2019). Perceived Ease of use, Risk aversion are referred from Nadeem *et al*, (2021).

Below is the hypothesis made,

H1: The desire to employ cryptocurrency is strongly correlated with the Performance Expectancy.
H2: The desire to employ cryptocurrency is strongly correlated with the Effort Expectancy.
H3: The desire to employ cryptocurrency is strongly correlated with the Perceived Trust.
H4: The desire to employ cryptocurrency is strongly correlated with the Perceived Usefulness.
H5: The desire to employ cryptocurrency is strongly correlated with the Social Support.
H6: The desire to employ cryptocurrency is strongly correlated with the Perceived ease of use.
H7: The desire to employ cryptocurrency is strongly correlated with the Risk Aversion.

The rest of this article is structured as follows: The next section discusses the existing research on cryptocurrencies and investor interest. The methodology and analysis are described in sections 3 and 4, respectively. The Interpretation are shown in Section 5. Section 6 concludes, while Section 7 explains the study's limitations and scope of the future. References are included at the end.

Literature review

Numerous studies have shown that cryptocurrencies are a part of the modern digital world, and they will undoubtedly be included in the portfolios of practically all investors in the future.

McMorrow and Seyed, (2021) researched the important variables that influence how people perceive and intend to use cryptocurrency. Performance and effort expectations were discovered to be the most important factors for bitcoin adoption, as consumers look to understand what advantages cryptocurrencies can offer them when they don't feel competent of using the cutting-edge technology. Nadeem *et al*, (2021) examined the adoption variables for the most well-known cryptocurrency, Bitcoin and developed a research framework to test the proposed hypotheses. It is discovered that the intention to utilize bitcoin is related positively with perceived utility and perceived ease of usage. Zhao and Zhang,(2021) looked into how investment experience and financial literacy affect bitcoin investment behavior and discovered that both factors were positively correlated with buying cryptocurrencies, with investment experience having a stronger influence.

Gupta *et al*, (2020) evaluated the primary goals of investing in cryptocurrencies, notwithstanding their illiquidity and lack of governmental oversight. According to the findings, "Social Influence" has the most impact on investors, whilst "Effort Expectancy" has the least impact. Nearly three-quarters of the respondents were aware of cryptocurrencies, but none of them even

owned a single digital coin, according to Zubir *et al*, (2020) assessment of cryptocurrency awareness among a sample of Malaysians. He also investigated other variables. Age group, ethnicity, and occupation status were also revealed to be drivers of respondents' awareness of cryptocurrencies. Arli *et al*, (2020) investigated the consumer perceptions of cryptocurrencies and proven that customers are more inclined to trust and invest in cryptocurrencies if they are aware of how they function. Next, it isproven that if peer-to-peer transactions take place through a central issuer and are governed by the governments of the individual countries, customers are more inclined to rely on cryptocurrencies and their peer-to-peer aspect.

Nandal and Jora, (2020)looked at how investors' views on cryptocurrencies alter as their income levels do. And the study shows that various investors of different income groups have different mindset related to buying, purpose/usage of cryptocurrencies. Malhotra and Gupta, (2019)analyzed the market dynamics between the equity market and cryptocurrencies essential. Alaeddin and Altounjy, (2018) looks into what influences Malaysian Generation Z members' opinions toward and aspirations to utilize cryptocurrencies and discovers that rising levels of technology awareness are significant and have a favorable effect on attitudes. Henry *et al*,(2018)found that between 2016 and 2018, the proportion of Canadians who knew about bitcoin increased from 62 to 89 percent, while the proportion of those who owned it increased from 3 to 5 percent.

After going through the above articles, this study attempts to investigate the factors Influencing People's Attitude towards investment in Cryptocurrency.

Methodology

Data Collection

The list of people who are using cryptocurrency cannot be gathered due to its anonymous nature. **Purposive sampling**, a non probability sampling technique, is used because the population was found to be infinite. Data collection for the study was quantitative. For the purpose of gathering the information, the questionnaire was made available via social media sites and email. People from various background are the study's target group in order to acquire a diverse perspective on investment behavior.The pilot test has 30 participants since this sample size is adequate to identify any problems with form, structure, or comprehension. Overall satisfaction with the survey's design was found in the pilot survey. Surveys were distributed online to 300 respondents in the month of May 2022. The responses from the 250 surveys that were submitted—representing a response rate of 83.33 percent—were used for the subsequent data analysis.

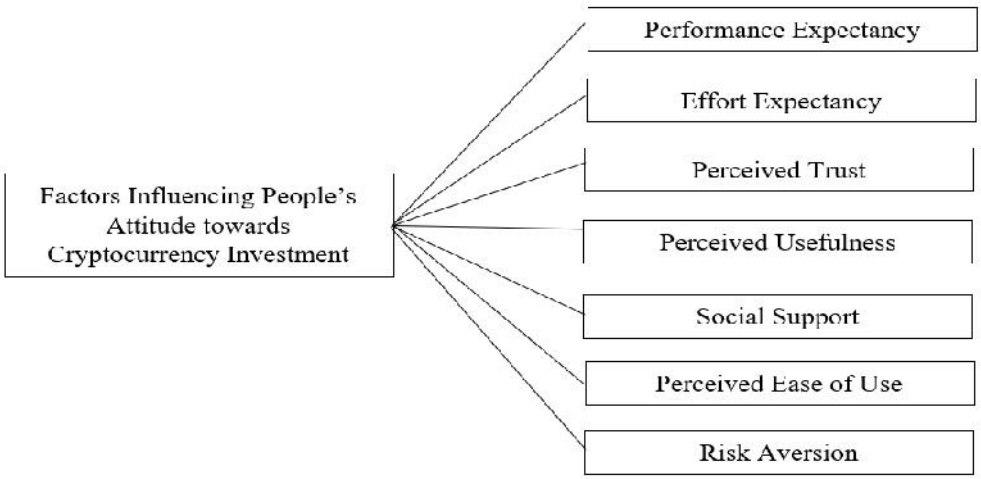


Figure 1: An investment framework for cryptocurrencies

Measures

The population's data was collected using a five-point Likert scale. The intentions of bitcoin investors are ranked using linguistic variables, from strongly disagree to strongly agree, to assess their goals.In order to turn string variables into numeric ones during the data analysis process, these linguistic variables are given a value and a label.

Reliability has been tested for the dependent variables and their corresponding **Cronbach alpha value (*α*)** has been observed. Based on the analyzed result of the normality test (Figure 2) **'Kolmogorov-Smirnov'**, It is clear from the data that they are not distributed normally. So, nonparametric tests, like, **Mann-Whitney and Kruskal-Wallis** tests were used to measure the relationship between two or more categorical variables.

Table 1: Results of Normality analysis

Kolmogorov-Smirnov	
Variables	**Sig.**
Performance Expectancy	<.001
Effort Expectancy	<.001
Perceived Trust	<.001
Perceived Usefulness	<.001
Social Support	<.001
Perceived Ease of Use	<.001
Risk Aversion	<.001

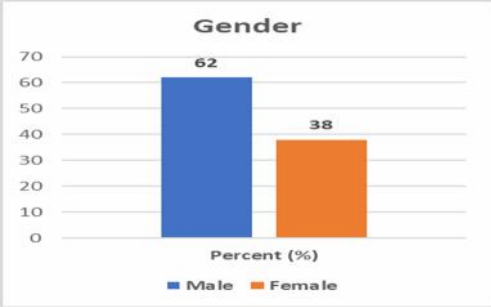
Source: Primary data

Analysis and Discussion

Respondent's Demographic Profile

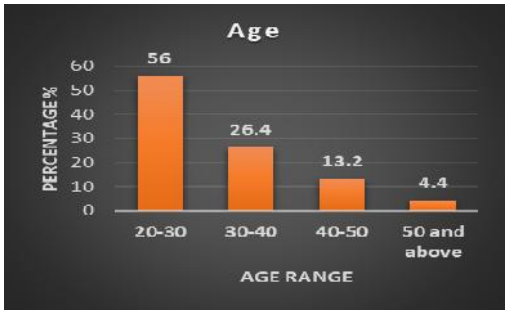
Statistical analysis, including descriptive and inferential analysis, was carried out using SPSS after the data collection.The graphs below show the respondents' demographic backgrounds. There were 250 responses in all, 155 (62%) of whom were men, and 95 (38%) of whom were. Many of them were in their 20s and 30s, as was to be expected. This is due to the fact that the questionnaires were circulated using technological means, including social media, emails, and messaging applications, making this age group the most accessible.A bachelor's degree was the most common type of education among them (41.6%), followed by a master's degree (38.80%), higher school certificate (5.60%), doctoral degree (2.80%), CA final (4.80%), CA inter (4.80%), and secondary school certificate (1.60%). The majority of people were employed (71.20%) and unemployed (28.80%) in terms of occupational status. 60.40 percent of respondents were single, while 39.60 percent were married.

Figure 2: Frequency analysis of Gender



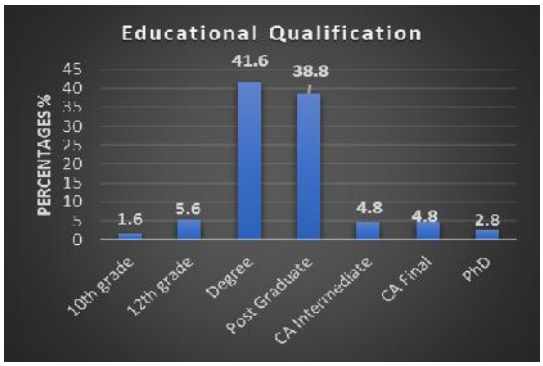
Source: Primary data

Figure 3: Frequency analysis of Age



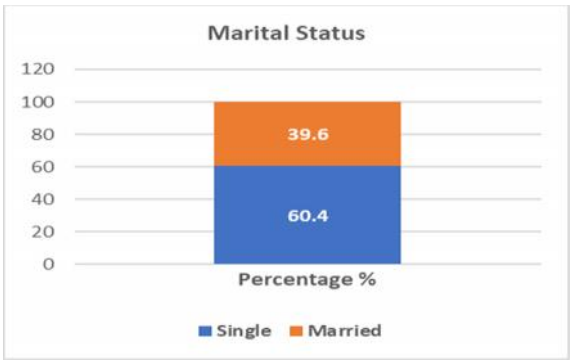
Source: Primary data

Figure 4: Frequency analysis of Educational Qualification



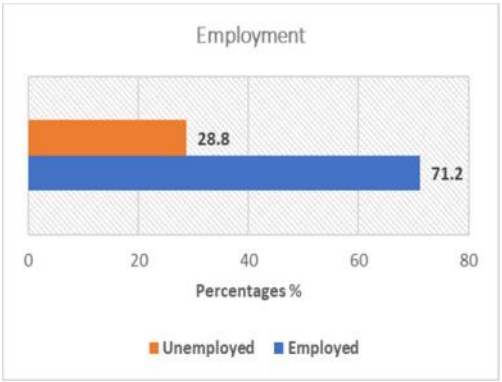
Source: Primary data

Figure 5: Frequency analysis of Marital status



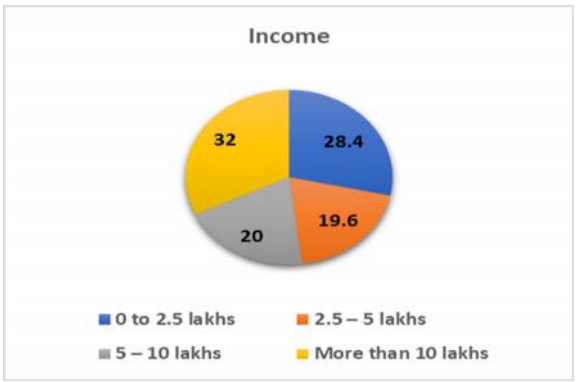
Source: Primary data

Figure 6: Frequency analysis of Employment



Source: Primary data

Figure 7: Frequency analysis of Income



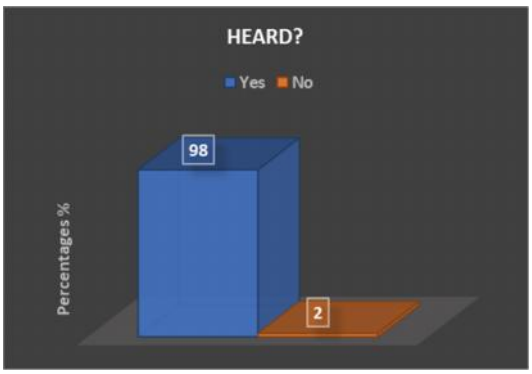
Source: Primary data

Awareness of Cryptocurrency

The graphs below show descriptive statistics regarding public awareness of cryptocurrencies. A dichotomous scale(yes or no) was used to collect the data. for variables heard (Have you heard of Cryptocurrency?), own (Do you currently have or own any Cryptocurrency?) and for other variables, Reason Own (If you own

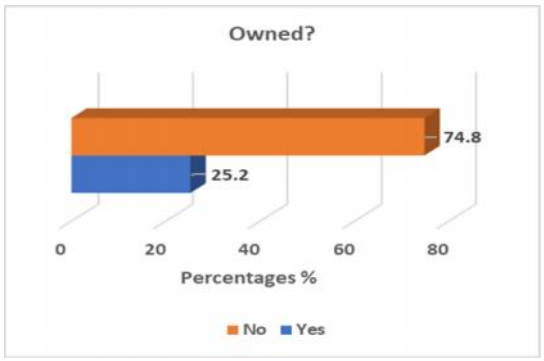
Cryptocurrency, please tell us your main reason for owning it), Reason No tOwn (If you don't own Cryptocurrency, please tell us your main reason for owning it). Multiple-choice answers were given.

Figure 8: Respondents who have heard of cryptocurrency



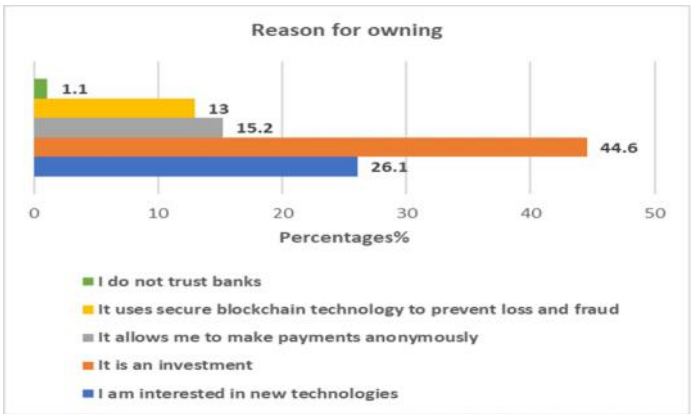
Source: Primary data

Figure 9: Respondents who have own cryptocurrency



Source: Primary data

Figure 10: Frequency analysis of the reason for owning Cryptocurrency



Source: Primary data

Figure 11: Frequency analysis of the reason for not owning Cryptocurrency

Source: Primary data

The findings indicate that while the majority of respondents had heard of cryptocurrencies, only 25.20 percent of them actually held any, and the main justification for this was investing. The reasons stated when asked why they did not possess cryptocurrencies varied. The most often cited reasons were that they do not comprehend or have sufficient knowledge of the technology (27.50%) and that it is not commonly accepted as a form of payment (24.40%).

Reliability – Cronbach alpha:

Below are the dependent variables that are being studied in this research and their corresponding Cronbach Alpha (CA) values and it is observed that compared to Hinkin's (1998) proposed value of 0.70, the CA values are greater. Overall, the results suggest that the research model exhibits high reliability.

Performance expectancy (α = 0.85)

Effort expectancy(α = 0.87)

Perceived trust(α = 0.79)

Perceived Usefulness(α = 0.84)

Social Support(α = 0.82)

Perceived Ease of Use(α = 0.71)

Risk Aversion(α = 0.77)

Interpretation

Arias-Oliva et al. (2019)proclaimed that performance expectancy is the conviction that using a specific mechanism will raise one's performance level. The findings of this study indicate that, both males and females have faith and confidence in the credibility of cryptocurrency and feels that using cryptocurrency or anyother system will be simple, convenient, and simple for them and that doing so will help them execute any given activity better.

Table 2 demonstrates that Males are more prone than females to be confident. and believe it is simple to become an expert in the use of technology, as well as to be able to utilize or operate the technology with less effort. In addition, it makes it possible for people to send money securely, and it is safer than other forms of payment.

According to the findings, there are considerable variances in people's knowledge of cryptocurrencies among groups based on their employment status, level of education, and age. As a result, the findings indicate that education, employment, and age all have an impact on bitcoin awareness. Additionally, categorical variables did not significantly differ on the grounds that they had not heard of bitcoin.

Table 2: Analysis of Gender towards cryptocurrency investment

	Gender	N	Mean Rank
1. I'll be able to master the use of cryptocurrency with ease.	Male	155	129.62
	Female	95	125.30
2. I will find using cryptocurrencies simple.	Male	155	130.68
	Female	95	122.30
3. I'll be able to grasp and be clear about using cryptocurrency.	Male	155	131.30
	Female	95	130.80
4. I'll find it simple to understand how to use cryptocurrency.	Male	155	135.50
	Female	95	134.44

Source: Primary data

And also, it is evident from **Table 3**, that people who are aged between 20-30 believe that usage of cryptocurrency will automatically enhance their performance and productivity, and people of those age are bound to adopt it. People in age of 50 and above are less exposed to cryptocurrency technology compared to the younger generations. According to this study, respondents who are employed are more likely to be familiar with cryptocurrencies than students or respondents without jobs.

Table 3: Analysis of Age towards cryptocurrency investment

	Age	N	Mean Rank
1. I find that having complete control over my finances makes using cryptocurrencies beneficial for me.	20-30	140	140.68
	30-40	66	108.15
	40-50	33	92.35
	50 and above	11	135.86
2. I discover that using cryptocurrencies for online payments increases my productivity.	20-30	140	136.19
	30-40	66	113.06
	40-50	33	105.17
	50 and above	11	125.09
3. I consider the usage of cryptocurrencies in electronic payments to be beneficial because it enables me to transmit money swiftly and affordably to any location in the world.	20-30	140	138.36
	30-40	66	124.45
	40-50	33	102.32
	50 and above	11	138.12
4. I find that using cryptocurrency for electronic payments enables me to increase my money's efficiency, profitability, and investment.	20-30	140	141.34
	30-40	66	115.2
	40-50	33	110.33
	50 and above	11	140.67

Source: Primary data

Education has a major impact on people's attitude towards cryptocurrency investment. **Table 4** shows that the Chartered Accountant people felt easy to use and learn to use cryptocurrencies, and they believe the technology will be easy and understandable.

It can be observed from the **Table 5** that the PhD people believe that cryptocurrency is an easy phenomenon to understand and interaction would be user-friendly and to remember the functions of cryptocurrency system. The findings support the arguments that the technology has sufficient chances to be adopted by the users if it is easy to use, understandable, flexible, and useful.

Table 4: Analysis of Educational Qualification towards Effort Expectancy of Cryptocurrency

	Educational Qualification	N	Mean Rank
1. I'll find using cryptocurrencies simple.	Degree	104	117.63
	Post Graduate	97	128.21
	CA Intermediate	12	136.54
	CA Final	12	154.17
	PhD	7	125.86
	10^{th} grade	4	73.00
	12^{th} grade	14	145.96
2. I'll have no trouble picking up how to use cryptocurrencies.	Degree	140	114.33
	Post Graduate	66	133.83
	CA Intermediate	33	146.29
	CA Final	11	149.42
	PhD	7	117.29
	10^{th} grade	4	111.54
	12^{th} grade	14	126.52
3. Because they ensure the confidentiality of the information gathered, electronic payments made with cryptocurrencies are reliable in my opinion.	Post Graduate	97	126.82
	CA Intermediate	12	127.13
	CA Final	12	140.54
	PhD	7	118.33
	10^{th} grade	4	100.11
	12^{th} grade	14	136.75
	Post Graduate	97	126.82
4. Because they prevent fraud and lower the risk associated with the transaction, electronic payments conducted using cryptocurrencies, in my opinion, are reliable.	Degree	140	117.63
	Post Graduate	66	126.54
	CA Intermediate	33	136.51
	CA Final	11	141.33
	PhD	7	111.54
	10^{th} grade	4	86
	12^{th} grade	14	123.55

Source: Primary data

Respondents with a master's degree and graduates think that cryptocurrency gives them complete control over their finances and enhances their capacity to invest their money more effectively and profitably. It demonstrates that the more perceived simplicity of use, the more favorable the attitude toward adoption.

It can be inferred from **Table 6** respondents who are in the workforce tend to be more familiar with cryptocurrencies than students and jobless respondents, and they think using cryptocurrencies would be simple.

Table 5: Analysis of Educational Qualification towards Perceived Usefulness of Cryptocurrency

	Educational Qualification	N	Mean Rank
1. I'll be able to use cryptocurrency in a simple and understandable way.	Degree	104	117.63
	Post Graduate	97	128.21
	CA Intermediate	12	136.54
	CA Final	12	154.17
	PhD	7	125.86
	10^{th} grade	4	73.00
	12^{th} grade	14	145.96
2. Because I have complete control over my money, I find that using cryptocurrency helps me to better my economic performance.	Degree	140	114.33
	Post Graduate	66	133.83
	CA Intermediate	33	146.29
	CA Final	11	149.42
	PhD	7	117.29
	10^{th} grade	4	111.54
	12^{th} grade	14	126.52
3. I consider the usage of cryptocurrencies in electronic payments to be beneficial because it enables me to transmit money swiftly and affordably to any location in the world.	Post Graduate	97	126.82
	CA Intermediate	12	127.13
	CA Final	12	140.54
	PhD	7	118.33
	10^{th} grade	4	100.11
	12^{th} grade	14	136.75
	Post Graduate	97	126.82
4. I discover that using cryptocurrency for online payments increases my productivity.	Degree	140	117.63
	Post Graduate	66	126.54
	CA Intermediate	33	136.51
	CA Final	11	141.33
	PhD	7	111.54
	10^{th} grade	4	86
	12^{th} grade	14	123.55

Source: Primary data

It is commonly known that people who are employed are more aware of financial technology advancements because of the nature of their employment, which exposes them to more of them. They also think that using cryptocurrency will be simple, quick, and increase productivity.

Table 6: Analysis of Employment towards cryptocurrency investment

	Employment	N	Mean Rank
1. I've discovered that using cryptocurrencies for electronic payments increases my productivity.	Employed	178	135.32
	Unemployed	72	121.83
2. It would be simple and easy to interact with cryptocurrencyin my opinion.	Employed	178	129.12
	Unemployed	72	122.43
3. Compared to conventional forms of payment, cryptocurrency allows for secure money transfers and is therefore more secure.	Employed	178	130.71
	Unemployed	72	127.51
4. The anonymity of cryptocurrency users makes it more appealing to use than traditional money.	Employed	178	140.97
	Unemployed	72	130.28

Source: Primary data

Cryptocurrencies are a brand-new wonderful form of money with a ton of capabilities, there are a lot of hazards associated with them, including potential legislation, hacker attacks, theft or loss, and exchange rate risk. Risks and intention to use cryptocurrency are inversely correlated, which indicates that the general security features of the systems individuals use to receive or send money cause them great concern. Users are also wary of the risks associated with cryptocurrencies.

Conclusion

Because of its popularity, cryptocurrency adoption has to be understood more deeply on both an individual and organizational level. The goal of the current study is to investigate cryptocurrencies on an individual level to give a complete grasp of the factors that affect how they are adopted for use. These findings suggest that elderly persons in particular, who are less exposed to the Crypto technology, should receive more attention. Additionally, even while people are aware that cryptocurrencies exist, some are still hesitant to use them to make payments online because they are not commonly accepted as a form of payment and it is not backed by the central government. The likelihood that consumers will trust and use cryptocurrencies increases with their knowledge of how they operate. Additionally, it has been observed that Ideally, peer-to-peer cryptocurrency transactions should go through and be regulated by a central authority in order to increase the likelihood that potential customers will trust them. It has also been discovered that risk aversion decreases user confidence and the perceived value of cryptocurrencies.

Limitations and Future scope of work

There are certain drawbacks with the study, but they offer chances for future research to expand the current work in the following directions. First, there may be other variables in addition to those being studied, such as perceived knowledge, emotional intelligence, locus of control, profitability, convenience, and anonymity. Second, data were collected from 250 respondents. Future researchers are advised to gather data from a larger sample for generalization. Future study might therefore prioritize these variables to understand the societal acceptance considering how these affect the investment decision in the cryptocurrencies.

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How to cite this article:
Nafras Ameer B A, Trinley Paldon. (2022). A Survey of Factors Influencing People’s Attitude towards Cryptocurrency Investment. Int. J. Adv. Multidiscip. Res. 9(12): 245-257.
DOI: http://dx.doi.org/10.22192/ijamr.2022.09.12.020