

AWARENESS AND ADOPTION OF CRYPTOCURRENCY AMONG ENTREPRENEURS OF JAIPUR CITY

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ABSTRACT

A shift in how we used to invest and how technological advancements and digitalization have influenced our investments. With the introduction of digital methods of payment and investment tools, Here comes the concept of cryptocurrency. A cryptocurrency is a digital currency that is used for executing transactions, payments, and trading purposes. It's been more than 10 years since the introduction of the cryptocurrency into our economy and it has been accepted by many individuals as well. One of the studies on cryptocurrency revealed that in the year 2021, out of total investors in India there are only 7.30% crypto users. After lifting of restrictions imposed by Reserve Bank of India in March 2020, cryptocurrency investment has seen an exponential interest. Therefore, this research attempt to find out the awareness and adoption of cryptocurrency among the entrepreneurs of Jaipur city. The purpose of the research is to explore an insight and willingness (adoption of cryptocurrency) among investors of Jaipur city towards blockchain technology and cryptocurrency. Empirically the study evaluates the difference between awareness and adoption of cryptocurrency based on their demographic profile. The research design is exploratory and empirical in nature. The research is based on the data collected through structured questionnaire. The study is conducted on the sample of 150 investors. The findings of the study reveal that blockchain technology which is the base on which cryptocurrency operates has not been familiar among them as in relation to the fame cryptocurrency has gained. In spite of the awareness about cryptocurrency among the investors very few investors are willing to adopt cryptocurrency as an investment alternative because of security issues, not government by regulatory authority and lack of proper knowledge for trading. But people are willing to invest in near future when clear view on cryptocurrency is established. This research will help academicians, researchers and the businesses analyst in knowing the potential of this digital currency in the economy. Also, the business firm may think of investing in cryptocurrency by viewing its scope and future prospects to maximize their returns.

KEYWORDS: *Cryptocurrency, Awareness, Adoption, Willingness, Bitcoin.*

Introduction

Crypto- is short for "cryptography", and cryptography is computer technology used for security, hiding information, identities and more. Currency simply means "money currently in use". The word "cryptocurrency" is derived from the encryption techniques which are used to secure the network. The cryptocurrency was invented in 2008 by an unknown person or group of people using the name Satoshi Nakamoto in 2008 financial crisis as a way for people to control their money themselves, without having to rely on companies, banks, or governments and their fees and controls. The currency began use in 2009 when its implementation was released as open-source software.

A cryptocurrency is a digital or virtual currency that is secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. Many crypto currencies are decentralized networks

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based on blockchain technology—a distributed ledger enforced by a disparate network of computers. Cryptocurrency does not exist in physical form (like paper money) and is typically not issued by a central authority. crypto currencies typically use decentralized control as opposed to a central bank digital currency (CBDC). Cryptocurrency involves coding in storing and transmission of data. Cryptocurrency provides safety and security through encryption i.e. verifies transaction

Cryptocurrencies are a digital cash designed to be quicker, cheaper and more reliable than physical money. Instead of being dependent on government to create your money and banks to store, send and receive it, users transact directly with each other and store their money themselves. Because people can send money directly without a middleman, transactions are usually very affordable and fast.

Bitcoin was the first cryptocurrency which came in 2009 and is the most popular cryptocurrency till date. There are various other types of crypto currencies already existing in the market and some more might come in near future. The list of some of the most common types of crypto currencies other than bitcoin existing are-

- Bitcoin (BTC),
- Ethereum (ETH),
- Litecoin (LTC),
- Stellar (XLM),
- Cardano (ADA),
- Dogecoin (DOGE),
- XRP (XRP),
- Polkadot (DOT),
- Bitcoin Cash (BCH).

Literature Review

Muhammad Athar Nadeem¹, Zhiying Liu, Abdul Hameed Pitafi, Amna Younis, and Yi Xu¹ (2021) Investigating the Adoption Factors of Cryptocurrencies—A Case of Bitcoin: Empirical Evidence from China. Crypto currency has caught an attention of policymakers and practitioners with the potential cross border usage as well. Study investigates the factors for adoption of cryptocurrency

Zakaria Bziker, (2021) The status of cryptocurrency in Morocco. Study aims to elucidate the popularity of this technology in the Kingdom and to know the general public opinion on this new innovation.

Dingli Xi, Timothy Ian O'Brien, Elnaz Irannezhad (2020), Investigating the Investment Behaviors in Cryptocurrency it shows how the investment decision in crypto differs from various determinants of coins and other factors such as age, gender, investment experience, education.

David W. Perkins, (2020) 'Cryptocurrency: The Economics of Money and Selected Policy Issues'. historically money either had intrinsic value or derived value, since the invention of first cryptocurrency bitcoin in 2008 it has proliferated and it has the potential to act an alternative form of money. this digital money is much efficient and secure and how it will affect the polices form by federal reserve and central banks.

Saeed Alzahrani, Tugrul U. daim (2019) 'Analysis of the cryptocurrency adoption decision' the aim of the study is to fill the gap in current literature by discussing hidden factors of cryptocurrency. In addition, the factor driving the business to adopt cryptocurrency as payment method, low-cost transaction.

How and why consumers buy crypto assets. The aim of the research is know decisions that people take before buying crypto, experience of purchasing, after purchasing crypto assets.

Swati Shukla, Akshay. A (2019) A study on awareness and perception of cryptocurrency in Bangalore. cryptocurrency even though having a new age technology and a huge market presence it has still not attained the established image among many countries. So, to know about the awareness level among cosmopolitan city people.

Sindri Leó Árnason, (2015) Cryptocurrency and Bitcoin: A possible foundation of future currency why it has value, what is its history and its future outlook. The study aims to find out how the cryptocurrencies are valued and keeping in mind its advantages and disadvantages how this technology can be used in various payment system in future.

Research Gap

Based on the review of literature it is found that most of the researches is of conceptual nature and are related to the foreign countries, as the crypto currency is most popular payment and investment option in the countries outside India. Also, very limited researches have been done on cryptocurrencies in India. The researches so are mostly conducted by researchers in Southern India. Therefore, this study will be conducted in Jaipur city of Rajasthan to explore the awareness and perception of investors towards cryptocurrencies.

Research Objectives

- To know the awareness among entrepreneurs about crypto currency.
- To identify the willingness of investors towards investing in crypto currency.
- To determine the scope of crypto currency as an investment option.

Hypothesis

H₀₁: There is no significant difference in the awareness level of respondents for crypto currency based on their gender.

H₀₂: The willingness of entrepreneurs for investment in cryptocurrency is independent of their awareness level

Research Methodology

The study is descriptive as well as Exploratory in nature. The descriptive research attempt to collect quantifiable data for the purpose of data analysis and exploratory research will investigate the problem that has not been studied or thoroughly explored in the past. The study is empirical too as the data is statistically tested and conclusions of the study will be drawn from concrete empirical evidences. There are two variables in the study i.e., independent and dependent. Independent variables are gender & awareness, dependent variables are awareness & willingness. Data is collected through primary and secondary source i.e., through the self-designed questionnaire and journals and articles respectively. 163 questionnaires have been filled by the entrepreneurs of Jaipur city. After data editing and cleaning only 150 questionnaires are retained for further analysis and interpretation and the tools used for analysis are Percentage analysis, frequency, graphs and charts, (As data is found to be non-normal, so non-parametric test are applied to test the hypothesis), Mann- Whitney U Test and Chi Square test.

Results and Discussions

Table 1: Awareness about Blockchain Technology and Cryptocurrency

Awareness About	Yes	No
Blockchain Technology	40%	60%
Cryptocurrency	89%	11%

Source: Created by author from Primary data

From the above Table Number1 it is observed that out of total respondents more than half of them are not awareness about blockchain technology whereas on contrary to it majority of them i.e. around 90% of people are awareness about cryptocurrency.

Table 2: Knowledge about Cryptocurrency

Dimensions	Frequency
Nothing	8
Only heard of it	41
Slight	81
In depth	20

Source: Created by author from Primary data

It is found that out of total surveyed entrepreneurs of Jaipur city only 5%(8) know nothing about cryptocurrency, more than half of respondents i.e.,27% (41) only heard of it, 54%(81) slightly know and 14%(20) know in detail about cryptocurrency. Therefore, mostly all of them have some knowledge about crypto except few. Internet is a major medium through which people get information about cryptocurrency and subsequently, the other mediums of information are newspapers, television, friends and word of mouth.

Table 3: Lookout towards Cryptocurrency

	Highly favorable (Frequency)	Favorable (Frequency)	Moderate (Frequency)	Unfavorable (Frequency)	Not at all (Frequency)
Investment Option	19	53	43	19	16
Payment Option	1	28	64	34	23

Source: Created by author from Primary data

- **Investment Option:** It is observed as 12.6 % of investors see cryptocurrency as highly favorable, 35% see it as favorable, 28.6% as moderate, 12.6% as unfavorable, and 10.6% as highly unfavorable.
- **Payment option:** It is observed that 10.6% see it as highly favorable, 18.6% as favorable, 42.6% as moderate i.e. no clear view, 22.6% as unfavorable, 15.3% as highly unfavorable.
- **Inference:** The majority of respondents believe cryptocurrency is better suited for investment rather than payment.

Table 4: Scope of Cryptocurrency as Investment Option in Future

	Frequency
Yes	42
No	22
Maybe	53

Source: Created by author from Primary data

As amongst the total respondents only 22% are currently investing and 78% are not investing. The table 4 shows the data of investment in cryptocurrency in future of those 78% who are currently not investing.

From the above table it is observe that, 28% (42) have willingness to adopt cryptocurrency in future if government approves and gives more clear picture of rules and regulations related to it, 14.6% (22) doesn't wish to invest and 35.3%(53) are doubtfully about investment in cryptocurrency even if government approves. Even with government approval and liberalization of regulatory, the majority of respondents would prefer to put up to 2% 5% of their investment amount in cryptocurrency.

Hypotheses Testing

Hypothesis H₁

There is no significant difference between the awareness level of respondents for crypto currency based on their gender

Table 5: Test Statistics ^a	
	Mean Awareness
Mann-Whitney U	2755.000
Wilcoxon W	5758.000
Z	-.231
Asymp. Sig. (2-tailed)	.817
a. Grouping Variable: Gender	

Source: Result drawn using spss software

Hypothesis 1 is created with respect to objective1 & to test the H₁ non parametric test i.e. Mann – Whitney U test is applied to test the hypothesis 1.

Table 5 shows the statistics of the awareness level among the investors on the basis of gender.

The P-value is 0.817 which is greater than 0.05 level of significance. Therefore the null hypothesis is not rejected. There is statistically no significant difference in the awareness level of respondents about cryptocurrency based on their gender i.e. not much difference between male and females on awareness about the crypto currency.

Hypothesis H₂

The willingness of investors for investment in cryptocurrency is independent of their awareness level.

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	46.191 ^a	35	.098
Likelihood Ratio	45.406	35	.112
Linear-by-Linear Association	5.216	1	.022
N of Valid Cases	148		

Source: Result drawn using spss software

Hypothesis 2 is created with respect to objective 2 & to test the H₂ non parametric test i.e. Chi – square test is applied to test the hypothesis 2.

Table 2 depicts the willingness of the investors towards cryptocurrency. The hypothesis is framed to know prove there is no significant difference between the awareness level of respondents for crypto currency based on their gender. To test the hypothesis chi-square test is applied wherein the P-value coming is 0.098 which is greater than significant level 0.05. So, the null hypothesis is not rejected. Therefore, there is no statistically significant difference in willingness of investors towards investing in cryptocurrency i.e., investors willingness to invest in crypto is independent of their awareness level.

Findings

Among all the respondents, more than half of them are not aware about blockchain technology but are well aware about cryptocurrency.

Entrepreneurs' lookout for cryptocurrency as more favorable as investment option rather than payment option and newspaper, internet and television are most common sources from where investors get information about cryptocurrency. Their investment in cryptocurrencies is affected by their personal analysis, market analysis and also on the expert advice.

Few people are investing in crypto and majority amongst them started investing in cryptocurrencies recently and are investing for trading purpose, investing minor portion of their savings and are willing to take moderate risk.

Bitcoin and Ethereum are favorable and most heard cryptocurrencies among the respondents.

Awareness level of investors regarding cryptocurrency does not vary based on their gender

Willingness to invest in cryptocurrency does not depend on the awareness level of respondents, as even being aware about cryptocurrency people are not investing may be due to security issues, price volatility and crypto not being governed by any regulatory authority.

Conclusion

Blockchain technology is the new-age advanced technology but investors are not much aware about it, its uses and how it is beneficial. Similarly, mostly people are aware about the term cryptocurrency even though they don't know about it in detail but at least heard of it and few people are there who don't know the term cryptocurrency but know the term Bitcoin. Investors prefer cryptocurrency more for investment purpose as compared to payment option. The number of investors investing in cryptocurrency are less, started investing recently with smaller portion of their savings and crypto being a minor component in their portfolio that too often the invest is in bitcoin and Ethereum. whereas the number of people not investing in cryptocurrency are large, this is because of security reasons, lack of detailed knowledge for trading and investing and not being regulated by authority but still people wishes to invest in cryptocurrency in near future when they will be more aware and some clear views on regulations on crypto are made. Hence, ones who are investing in cryptocurrency are more aware about the blockchain technology as compared to those not investing in cryptocurrency.

Suggestions

- As cryptocurrency is a digital currency which operate on blockchain technology so it becomes important to create awareness among the people regarding blockchain technology its uses and impact in dealings.
- To encourage investment in cryptocurrency, the government should ease the regulation and restriction applied while dealing in cryptocurrency
- As the study is done on small scale, so it is more impactful only at lower level not at macro level so many more such study and surveys results can be referred by government and RBI before actually launching the new digital currency

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