

A study of awareness and perception of crypto currency in Bangalore

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Abstract: Crypto currency is a digital currency which is created for the purpose of transactions as a normal currency. It uses Cryptography and Block chain technology to secure its exchanges and limit the production of a particular type of crypto currency and keep track of each and every transaction in whole network. This study aims to understand the intricacies involved in crypto currency and the reasons for its popularity as an investment tool in Bangalore.

Key words: Crypto currency, Perception

Introduction: Money is something which keeps a great value in life of any living human being on this planet and its history dates back to ancient time when Gold, Silver and other metal coins were used for buying goods and other essential items.

Actually, before the dawn of Monetary System, the Barter System was the main mode of transaction i.e., people were exchanging goods in exchange of other goods of their specific need or requirements. Gradually, Barter System got replaced by Monetary System and later on different currencies came into existence which were adopted by different countries of the world. The metal coins which were predominantly used for exchange were overshadowed by Paper Money as it was easy to carry from one place to another and presence of big denominations in printed paper form helped big businesses to carry out big transactions.

Gradually, the use of cash transactions started fading away due to invention of Plastic money by the mid-20th century as it was resolving the security issues like stealing or theft of carrying large amount of cash. It became easy for people to keep a card made of plastic to use for various transactions instead of keeping huge amount of cash.

Cryptocurrency is a new age technology based digital currency and its popularity is increasing among people gradually but the Government and regulatory authorities are still doubtful about its use and there are many legal and security issues linked with it. Cryptocurrencies are mainly being used as investment tool and it is highly volatile in nature

Review of literature: Bit coin, the world's most common and well known crypto currency, has been increasing in popularity. If water was rare, it would be more valuable than diamonds. Value exists for bitcoin because its users have trust that if they accept it as payment, they would could use it elsewhere to purchase something they want or need (Kelly, 2014). As long as the users maintain this faith, the valued object can be anything. Bit coin's value exists in its ecosystem much in the same way that wampum, a seashell, was the currency of the land for Native Americans (Kelly, 2014). Bit coin and other crypto currencies are generally regarded as being protected from inflation originating from national government changes or restrictions (Magro, 2016). This creates a "safe haven" for investors to put their wealth into, as it generally does not lose value based on inflation. Over and over again, investors have seen global markets crash (generally for political reasons), and crypto currencies increase in value and usage. The United Kingdom has recently voted to leave the European Union, popularized by the term "Brexit". Before the vote, the price of bit coin dropped almost 15% (Bovaird, 2016). Bit coin has developed a questionable reputation through recent events. Stories like Silk Road can portray a negative image of digital currency in general, not just Bit coin. Silk Road was an

online marketplace buried in the dark-net, which allowed thousands of drug dealers and nearly a million customers to make illegal drug deals. Bit coin was their primary means of transaction, due to the lack of government tracking and semi-anonymity. It ran from 2011 to 2013, and racked up nearly one billion USD in sales (Bearman, 2015)

Internet marketplaces have been thriving and are true contenders to traditional brick-and-mortar stores. Amazon.com has grown to a degree that seems almost unexpected. They have even begun to hire “on-demand” delivery drivers, who use their own personally owned vehicle to deliver standard packages (Saito, 2016). General purpose online shopping for individuals accounted for nearly 23 percent of transactions processed by Bit pay in the second quarter of 2015 (Kasiyanto, 2016). Crypto currency has the advantage over traditional card-based for the vendor in that it eliminates those fees.

OBJECTIVES:

To study the awareness and perception level of crypto currency among people in Bangalore.

To determine the willingness of people to choose Crypto currency as an investment tool.

To study the future prospect of crypto currency in India through people’s perception

Research methodology: The research design used in this study is descriptive research design. In order to fulfill the chalked up objectives a present study of 50 respondents are taken. The present study is based on primary as well as secondary data. In order to receive the responses of 100 people, questionnaire method and personal contact method is adopted.. The secondary data is collected from journals, text books and through internet. Convenience sampling method is adopted used to select the consumers for collecting data. The data has been collected and analyzed using simple percentage method.

Analysis and interpretation

Table 4.1 Shows number of respondents on the basis of Gender.

SL.No	Response	No of Respondents	Percentage (%)
1	Male	73	68.86
2	Female	31	29.24
3	Prefer Not to Say	2	1.8
4	Total	106	100

Analysis

Among all the respondents 73(68.86%) are male, 31(29.24%) are female and 2(1.8%) respondents are not in favor of disclosing their gender

Table 4.2 Shows number of respondents on the basis of their Occupation.

Sl. No	Response	No of Respondents	Percentage (%)
1	Business	3	2.83
2	Employed(Public/Private/Educational Institution)	92	86.79
3	Student	4	3.77
4	Unemployed	7	6.6
5	Total	106	100

Analysis

Among all respondents, 3 are Business persons, 92 respondents are employed in various institutions, 4 are students and 7 are unemployed . It is observed that among all respondents 86.79% are employed (public/private/educational institution), 6.6% are unemployed, 3.77% are students and 2.83% are business class.

Table 4.3 Shows number of respondents on the basis of their annual income.

SL.No	Response	No of Respondents	Percentage (%)
1	₹ 1-5 Lakhs	17	17
2	₹ 5-10 Lakhs	21	21
3	Above ₹ 10 lakhs	62	62
4	Total	100	100

Analysis

Among all respondents, 17 earn in-between ₹ 1-5 lakhs of annual income, 21 respondents earn in-between ₹ 5-10 lakhs and 62 respondents earn more than ₹ 10 lakhs. It can be observed that among all respondents, 62% earn above ₹ 10 lakhs, 21% fall under ₹ 5-10 lakhs and 17% are in between ₹ 1-5 lakhs.

Table 4.4 Shows number of respondents on the basis of their awareness of Finance, Banking and Investment.

SL.No	Response	No of Respondents	Percentage (%)
1	Yes	72	67.92
2	No	6	5.66
3	May be	28	26.41
4	Total	106	100

Analysis

Majority of the respondents, i.e. 72 are well aware about their Finance, Banking and Investment. Only 6 respondents are not aware about it and 28 respondents are not sure about their knowledge of Finance, Banking and Investment. It can be observed that, among all respondents 67.92% are aware about their finances & investments, 5.66% respondents are not aware and rest 26.41% are not sure about it.

Table 4.5 Shows number of respondents on the basis of their favourite Investment tool.

SL.No	Response	No of Respondents	Percentage (%)
1	Mutual Funds	56	52.83
2	Equity	18	16.98
3	Cryptocurrency	1	0.94
4	Real estate/Gold	31	29.24
5	Total	106	100

Analysis

Among all the respondents, 56 respondents favored the Mutual Funds as their favorite investment tool. 18 respondents favored Equity, 31 favored Real Estate/Gold as their investment tool and only one responded in favor of Crypto currency. It can be observed that 52.83% respondents have responded for Mutual Funds as their preferred investment then 29.24% as Real Estate/ Gold, 16.98% as Equity and only 0.94% have chosen crypto currency as their preferred investment tool.

Table 4.6 Shows number of respondents on the basis of their Awareness of Crypto currency.

Sl.No	Response	No of Respondents	Percentage (%)
1	Yes	74	69.81
2	No	23	21.69
3	May be	9	8.49
4	Total	106	100

Analysis

The maximum number of respondents, i.e. 74 are aware about crypto currency, 23 respondents are not aware at all and 9 are not sure about it. It is observed that 69.81% respondents are aware of Crypto currency, 21.69% do not know about it and 8.49% are not sure about Crypto currency.

4.7 Shows number of respondents on the basis of their knowledge of Crypto currency.

SL.No	Response	No of Respondents	Percentage (%)
1	Basic Framework	31	34.06
2	Detailed Knowledge	8	8.79
3	Just have an idea	52	57.14
4	Total	91	100

Analysis

Among all the respondents, 31 respondents know the basic framework of Crypto currency, 8 respondents have detailed knowledge about crypto currency and 52 respondents have only some idea about crypto currency.

4.8 Shows number of respondents on the basis of their preference to choose Cryptocurrency as.

SL.No	Response	No of Respondents	Percentage (%)
1	Currency	35	38.04
2	Investment tool	57	61.95
3	Total	92	100

Analysis

Among all the respondents, 35 respondents prefer to see crypto currency as Currency form and 57 respondents prefer it to be like Investment tool. It is observed that 38.04% of respondents want to see Crypto currency as Currency and rest 61.95% are in favor of Investment tool.

4.9 Shows number of respondents on the basis of their choice whether to invest in Crypto currency or not.

SL.No	Response	No of Respondents	Percentage (%)
1	Yes	20	18.87
2	No	51	48.11
3	May be	35	33.02
4	Total	106	100

Analysis

Among all the respondents, 20 respondents have shown their interest to invest in Crypto currency, 51 respondents are not in favor of investing in Crypto currency and 35 respondents are not sure about investing in Crypto currency. 18.87% respondents agree to invest in Crypto currency, 48.11% respondents are not in favor of investment in Crypto currency and 33.02% are not sure about it.

4.10 Shows number of respondents on the basis of income range.

SL.No	Response	No of Respondents	Percentage (%)
1	Less than 5 %	41	38.68
2	5-10 %	13	22.41
3	More than 10%	4	6.91
4	Total	58	100

Analysis

Among all the respondents, 41 are ready to invest less than 5% of their annual income, 13 respondents are interested in investing 5-10% of their annual income and only 4 respondents have shown interest to invest more than 10% of their annual income. It is observed that 38.68% would like to invest in Crypto currency but less than 5% of their total annual income, 22.41% would like to invest in the range of 5-10% of their annual income and 6.91% respondents would like to invest more than 10% of their annual income.

4.11 Shows number of respondents on the basis of their Return on Investment in Crypto currency.

SL.No	Response	No of Respondents	Percentage (%)
1	Less than 5 %	19	70.37
2	5-10 %	3	11.11
3	More than 10%	5	18.52
4	Total	27	100

Analysis

Very less number of respondents have invested in Crypto currency. So number of responses are very less. So among all the responses, 19 (7.037%) respondents have got less than 5% of return on investment in Crypto currency. 3 (11.11%) respondents have got in between 5-10% of return on investment in crypto currency and 5(18.52%) respondents have got more than 10% of return on investment in Crypto currency.

4.12 Shows number of respondents on the basis of their indifference towards Crypto currency.

SL.No	Response	No of Respondents	Percentage (%)
1	Legal Issues	12	16
2	Lack of Confidence	42	56
3	Security Issues	6	8
4	Volatility	15	20
5	Total	75	100

Analysis

Among all the respondents, 12 (16%) respondents have sought the reason as legal issues attached with crypto currency as their indifference towards crypto currency, 42(56%) respondents have shown that they do not have confidence in crypto currency, 6(8%) respondents sought the reason as security issues related with crypto currency as their indifference towards it and 15 (20%) respondents have given the high volatile nature of crypto currency as their indifference towards crypto currency.

4.13 Shows number of respondents on the basis of their views on current regulatory and infrastructural support for crypto currency in the country.

SL.No	Response	No of Respondents	Percentage (%)
1	Yes	3	3.19
2	No	68	72.34
3	May be	23	24.47
4	Total	94	100

Analysis

Among all the respondents, 3(3.19%) think that we have all the regulatory and infrastructural support, 68(72.34%) respondents are in view that we do not have regulatory and infrastructural support and 23(24.37%) are not sure about it.

Suggestions : As crypto currency is a part of decentralized system and it is available across the globe, so it is aptly required to regulate its use to stabilize its demand, as it is very volatile in nature. Its regulation is also important to mitigate its use by illicit users. As Crypto currency inherently imbibe the most innovative technologies of the world currently, so imposing complete ban on it, will be a loss to the millennial generation to learn and experience such innovative product. From the above findings, it can be concluded that people in general are aware of the Crypto currency and they would like to see it as part of their investment portfolio as it provides good return. But they are not willing to invest in Crypto currency due to lack of regulation from Government and regulatory authorities. If Government of India and its regulatory authorities will come forward to regulate its use and transaction in financial market, it can play a major role in entire investment portfolio.

As it is well known that Crypto currency is the product of all new age innovative technologies, and many countries of the world have already regulated its use in day to day business and many countries are coming forward to regulate its transaction in financial market. So, Indian Government and its regulatory authority should come forward and take steps to regulate the transactions of Crypto currency as investment option.

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