Exploring the Factors Affecting Crypto Currency Investment in the Indian Market

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Abstract

The rise of cryptocurrency investment has garnered significant attention in the global financial system. Presently, India is placing great emphasis on developing the country's digital infrastructure in terms of usability, interoperability and accessibility. However, the acceptance, application and coverage of cryptocurrency remain a notable gap in the research. This study endeavours to address this gap by exploring the level of awareness and investment in cryptocurrency trading among the general public in India. Additionally, the study seeks to develop a comprehensive understanding of the factors that motivate and demotivate investors from engaging in cryptocurrency investments. Various factors were identified through a review of extant literature, and based on those factors, a structured questionnaire was then employed to gather data from 512 respondents. Descriptive-analytical techniques and statistical methods were used to analyze the results. The findings reveal that most respondents (89.84%) are aware of cryptocurrency; however, only 20.43 percent of respondents who are aware of cryptocurrency invest in it. Moreover, the results indicate factors such as lack of understanding about investing in cryptocurrency, lack of confidence to use cryptocurrency, risk of cyber fraud, absence of proper guidance/instructions, and lack of regulation discourage an investor from investing in cryptocurrency. On the other hand, factors such as good returns, ease of management, easy set- up, and a user-friendly experience encourage investors. The study suggests that creating online courses on cryptocurrency investing can improve financial literacy among potential investors. Policymakers should establish transparent legal and regulatory measures to mitigate risks to the financial system. Additionally, government stimulus measures may increase cryptocurrency investment.

Keywords: FinTech; Cryptocurrency Awareness; Cryptocurrency Investment; Emerging Market; Investor Behaviour

1. Introduction

The widespread adoption of digital currencies and cryptocurrencies has significantly transformed the global financial system in the digital age. These innovative forms of currency offer secure and efficient means of transacting and storing value, and they have gained considerable traction among individuals and businesses. In addition, the market value of cryptocurrencies has surged from zero to over $1 trillion, signalling the growing acceptance and adoption of these currencies (Lee, 2021; Nadeem, Liu, Pitafi, Younis, & Xu, 2021). Businesses are increasingly leveraging cryptocurrencies for a variety of purposes, including

payment realization at major companies such as Dell, Microsoft, and AliExpress (Abbasi, Tiew, Tang, Goh, & Thurasamy, 2021), service exchange or value storage in smart cities or virtual environments, purchase of cloud computing power or cloud-based storage, smart contracts, and information traceability for clients (García- Monleón, Danvila-del-Valle, & Lara, 2021), and supply chain management and finance (Zheng et al., 2022). These use cases demonstrate the potential of cryptocurrencies to enable secure and efficient transactions, thereby creating new opportunities for businesses and individuals alike.

In India, the government has embarked on a mission to promote cashless transactions in the country as part of its efforts to modernize and enhance the standard of living for its citizens (Yousuf Javed, Hasan, & Khan, 2020). In recent years, the Indian fintech industry has undergone significant growth, with the emergence of cryptocurrencies playing a substantial role in this sector's transformation. The research findings of (Singh, 2022) indicate that the vast flow of cryptocurrencies through multiple systems, their increasing adoption and implementation, and their potential benefits makes them quite likely for the future of currency platforms. Presently, India is placing great emphasis on developing the country's digital infrastructure in terms of usability, interoperability and accessibility. However, the acceptance, application and coverage of cryptocurrency remain a notable gap in the research.

The primary objective of this study is to analyze the level of awareness and investment in cryptocurrency trading in India, shedding light on the motivating and demotivating factors that influence investment in this emerging asset class. This study aims to provide valuable insights for policymakers and stakeholders regarding the regulation and adoption of cryptocurrencies in India. The significance of this study lies in its potential to offer valuable insights into the benefits and challenges of cryptocurrency adoption in India. This paper is organized as follows. The firstsection includes an introduction, followed by the literature review and the methodology sections. The research findings and discussion of the results are provided in the subsequent section. The concluding section then presents the study's limitations and highlights possible future studies.

2. Literature Review

According to (Bhatt, 2022), there is a widespread belief that digital money represents the future of currency, and there is a steady increase in the number of users adopting it. The globalization of financial markets has broadened cross-border investment opportunities (Lim, 2013). As a result, cryptocurrency has gained popularity as an investment vehicle in various countries (Saiedi, Broström, & Ruiz, 2021). A cryptocurrency exchange is designed to enable the conversion of government-backed currency to cryptocurrency and provide digital wallet services to secure the storage of these digital assets. Further, transactions occur on a decentralized digital ledger called the blockchain, which guarantees transaction security through its maintenance on multiple computers worldwide. Cryptocurrency transactions are pseudonymous, with parties identified by hashes of their public keys rather than usernames (Federal Bureau of Investigation, 2021; Trozze et al., 2022). To transfer cryptocurrency, the sender must employ a private key to access their digital wallet and verify their ownership of the cryptocurrency, while a public key indicates the recipient's address. Despite the cryptocurrency market's unique characteristics, such as the potential for new investment opportunities and the growing belief in the future of digital money, cryptocurrency investments are highly speculative and come with inherent risks.

The COVID-19 pandemic has further accelerated the digitalization of financial services, rendering cryptocurrency even more pertinent (Sukumaran, Bee, & Wasiuzzaman, 2022). Due to its capability to enable cross-border transactions without requiring intermediaries, cryptocurrency has become an appealing alternative for individuals seeking to carry out transactions when physical interactions are restricted. Moreover, the pandemic has created economic uncertainty, prompting individuals to explore cryptocurrency as a feasible alternative to conventional investments, offering the possibility of high returns. However, despite the potential of cryptocurrency to be used for both investment and purchasing goods and services, it has not yet achieved widespread use as a daily currency. Most Southeast Asian countries, such as Indonesia, Malaysia, and Vietnam, recognize cryptocurrency as illegal as a medium of exchange but legal as an investment or commodity. Thailand has recently tightened its cryptocurrencyregulations (Cointelegraph, 2022). This underscores the importance of investors and potential investors being aware of applicable regulations to avoid any legal repercussions. Therefore, investors and potential investors must understand the applicable regulations and potential risks associated with cryptocurrency investments to make informed decisions.

Previous research has stated that investors in the cryptocurrency market are prone to making irrational investment decisions, despite their awareness that historical performance may not be indicative of future outcomes (Ahmad & Wu, 2022). Empirical evidence has demonstrated that behavioural biases exist across various markets, including equities, commercial real estate, and cryptocurrencies. Individual decision-makers have been found to have fundamental differences, which can lead to variations in their financial behaviour and investment decision-making. These differences are particularly noticeable in the crypto market, where investors are attracted to the potentially good returns and the ease of managing their investments through their electronic devices, such as mobile devices or laptops. Cryptocurrencies are perceived to be a good investment opportunity due to the fast transfer of funds, the anonymity of the transactions and privacy, the low cost of transactions, and technological curiosity (Alzahrani & Daim, 2019).

Furthermore, a range of functionalities and features make cryptocurrencies an attractive investment option. This accessibility, combined with innovative and customized products, creates an appealing environment for investors seeking to capitalize on the opportunities presented by the crypto market. However, there are concerns surrounding the security of investments in the decentralized and unregulated crypto market and the risk of cyber fraud (Quamara & Singh, 2022). Research has shown that some investors lack an understanding of how the service works, lowering their confidence in using it, while others may prefer traditional financial service providers (Sukumaran et al., 2022). Additionally, the novelty and lack of knowledge surrounding this relatively new FinTech creation may discourage some investors from entering the market. The highly volatile nature of the crypto market may be seen as an opportunity for higher profits by risk-seeking investors (Nadler & Guo, 2020; Pelster, Breitmayer, & Hasso, 2019) but may deter more risk-averse investors who are concerned about the potential for crashes. It is important to note that the volatile nature of the crypto market has been shown to be particularly attractive to specific demographics, such as younger male investors (Sukumaran et al., 2022).Regulatory changes and institutional adoption may also play a role in influencing investment decisions in the crypto market. For example, financial institutions'

growing acceptance and use of cryptocurrencies may increase the level of trust in the crypto market and encourage investors to enter the market. In addition, factors such as widely accepted services, availability of real-time information, more attractive rates and fees, less chances of frauds and errors, greater level of trust in provider's team and their reputation may also attract investors to the crypto market. Investing in the cryptocurrency market is a highly speculative endeavour that presents potential for exponential gains. Investors in this market tend to exhibit risk-seeking behaviour (Pelster et al., 2019) by prioritizing short-lived trends and using high-sentiment and high-volume trades at hourly and daily frequencies (Karaa, Slim, Goodell, Goyal, & Kallinterakis, 2021). These investors pursue cryptocurrencies with high payoffs (Grobys & Junttila, 2021) and are not deterred by the risk of a crash unlike traditional stock investors. The speculative nature of the crypto market attracts investors who are willing to embrace volatility and take on risk for the possibility of high returns. Bitcoin strongly correlates with attractiveness (Poyser, 2019), thus attracting high participation from retail investors. In the long term, if the Bitcoin price continues to fall, optimistic investors will decrease their trading volume (Gaies, Nakhli, Sahut, & Guesmi, 2021). Younger investors in Asian countries tend to be more active in this market compared to their counterparts in the US or Europe. This difference in investment behaviour can be attributed to varying cultural attitudes towards risk and investment. Furthermore, sentiment has been shown to significantly impact the cryptocurrency market (Anamika, Chakraborty, & Subramaniam, 2021; Ngo & Nguyen, 2022), with the effects varying with microeconomic and macroeconomic sentiments. Sentiment analysis tools have been created to track and analyze public sentiment regarding specific cryptocurrencies.

Various studies indicate that individual characteristics of investors, such as age, gender, and education level, significantly influence their investment behaviour in the crypto market. Younger and male investors are more likely to invest in cryptocurrencies, and those with higher education levels are also more likely to do so. Additionally, socio-demographic characteristics of investors in different countries affect their investment behaviour, with Asian investors being more likely to invest in cryptocurrencies than their European counterparts (Kumar, S., Patel, A., & Garg, S. 2022). This could be due to cultural differences and the availability of alternative investment options. Moreover, investor sentimentplays a significant role in the crypto market, and regulatory changes and institutional adoption may also influence investment decisions. Regulatory changes can affect investor sentiment and the development of the market, while institutional adoption can increase the legitimacy of cryptocurrencies and attract more investors. (Ryu & Ko, 2019) research, in particular, has shed light on the impact of impulsive decision-making and a lack of self-control in speculative bitcoin investments. It is important for investors to carefully consider the risks and benefits of investing in cryptocurrencies and seek professional advice before making investment decisions.

3. Problem Statement and Research Objectives

The emergence of new business models and virtual world concepts has led to the creation of a new financial phenomenon, including new forms of trading, transactions, and currencies. Cryptocurrency has emerged as one of the most notable financial forms in recent years. Despite its potential benefits, there is a lack of awareness amongst the general public in India regarding cryptocurrency exchanges, resulting in ambiguity and a potential hindrance to the growth of crypto trade. Previous studies have shown that crypto trading can have a significant impact on a country's economic and financial position, which could help

prevent situations such as high inflations. However, the Reserve Bank of India (RBI) has banned banks regulated by it from dealing with any individuals or companies that trade cryptocurrencies, making it challenging to buy and sell crypto from well-known custodian wallets such as Zebpay or Unocoin. Cryptocurrencies are not adequately regulated, which makes them highly volatile and vulnerable to price manipulation. While some countries have banned Bitcoin due to these concerns, adoption of the asset has increased in China, Venezuela, and Iran after the ban, given the decentralized nature of Bitcoin. However, India may risk being left behind in this developing industry of cryptocurrencies, similar to the dot-com boom, which resulted in the outflow of top talent from the country to the US and Europe, a phenomenon commonly referred to as "Brain drain." The planned ban on cryptocurrencies in India may further accelerate this phenomenon. To regulate the VC market and control or ban VC oriented economic activities, there is a need to design guidelines for the treatment of tax on various transactions involving cryptocurrency. Therefore, understanding the factors that motivate and discourage investors from engaging in cryptocurrency investments is of utmost importance.Therefore, the research objectives of this study are to gain a comprehensive understanding of the cryptocurrency exchange market and to identify the factors that influence investor perceptions in this context. By addressing these objectives, this study seeks to contribute to the development of effective strategies and policies for regulating and promoting the cryptocurrency industry. The results of this study may also provide valuable insights for investors and policymakers in their decision-making processes related to cryptocurrency investments.

4. Research Methodology

This study employs a descriptive design with a field study approach to gather data on individuals' awareness of cryptocurrency and their perceptions of the future of digital currencies in India. The study aims to understand the public's view of the current state of cryptocurrency in the country. The sample size consists of 512 respondents from India. The sample is selected through non- probability snowball sampling method. The sampling frame is the list of elements available for selection in the process of sampling. In this research, the sampling frame includes individuals residing in India who have some knowledge of cryptocurrency. The primary method of data collection is the questionnaire technique, which was prepared using Google Forms. The questionnaire consisted of closed-ended and open-ended questions, which aimed to elicit information about respondents' awareness of cryptocurrency, their usage patterns, and their perception of the future of digital currencies in India. The questionnaire was distributed to various people via email, WhatsApp, and Facebook posts. The respondents were informed about the purpose of the study, and their participation was voluntary. The collected data was analyzed using descriptive statistical methods. Descriptive statistics were used to summarise the data and provide an overview of the responses received. The data was entered into Microsoft Excel and the analysis involved frequency distributions. The findings of the study were then interpreted and presented in the form of tables, charts, and graphs to facilitate understanding and comprehension.

5. Analysis

5.1 Demographic Profile

The Table 1 shows the gender-wise, qualification-wise, age-wise, household monthly income (HMI)-wise and occupation-wise distribution of the respondents. Gender-wise, the data reveals that 52.34

percent of the respondents are male, while 47.66 percent are females. Further,qualification-wise, the majority of the respondents are post-graduates (41.02%), followed by respondents who have completed their Graduation (34.38%), 10+2/Diploma (19.92%) and Doctoral studies (4.69%). Age-wise, the data depicts that 46.88% of the respondents belong to the age group of Above 20 years to 30 years. Moreover, the analysis shows percentage decrease in the number of respondents as the age increases. The HMI-wise distribution of the respondents throws light on the monthly income status of the entire household i.e. the collective income of all the members in the household. Most of the respondents i.e. 47.85 percent have HMI above Rs. 1,00,001. The occupations of the respondents have been classified into six groups – Student, Salaried, Business/Profession, Homemaker, Retired and Unemployed. The data highlights that 48.44 percent of the respondents are salaried class, whereas 34.57 percent are students, 4.88 percent are engaged in business, 6.84 percent are homemaker, 3.71 percent are retired and 1.56 percent are unemployed.

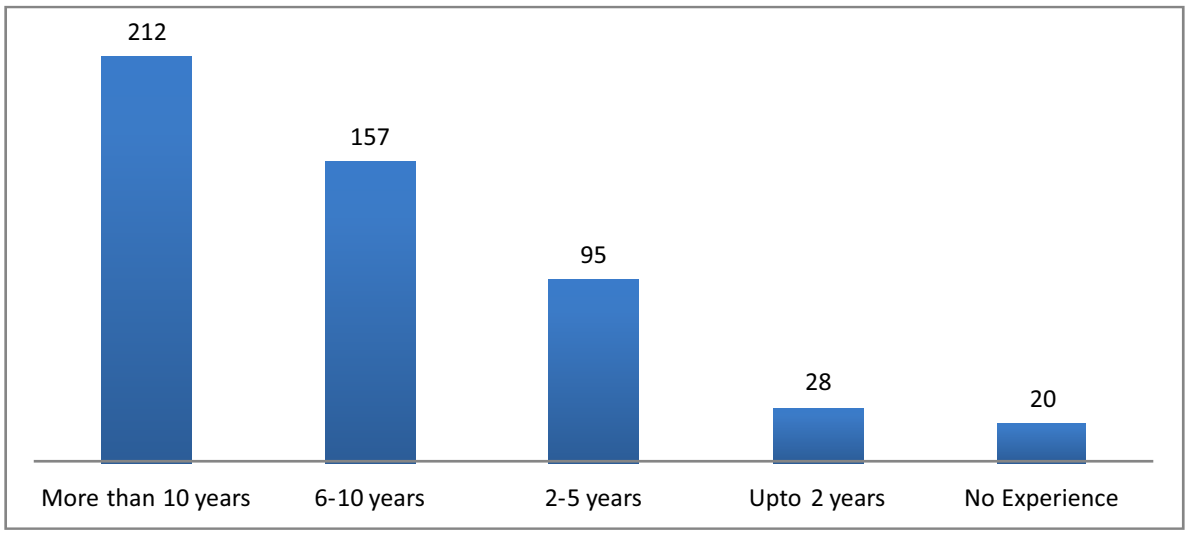
Variables	Category	Respondents	
		Frequency	Percentage
Gender	Female	244	47.66
	Male	268	52.34
Highest Qualification	10+2/Diploma	102	19.92
	Graduate	176	34.38
	Post-Graduate	210	41.02
	Doctoral	24	4.69
Age	Above 20 years to 30 years	240	46.88
	Above 30 years to 40 years	111	21.68
	Above 40 years to 50 years	59	11.52
	Above 50 years to 60 years	58	11.33
	Above 60 years	44	8.59
Monthly Household Income	Upto Rs. 25,000	64	12.50
	Rs. 25,001-Rs 50,000	83	16.21
	Rs 50,001-Rs.75,000	59	11.52
	Rs. 75,001-Rs 1,00,000	61	11.91
	Rs. 1,00,001 and above	245	47.85
Occupation	Student	177	34.57
	Salaried	248	48.44
	Business/Profession	25	4.88
	Homemaker	35	6.84
	Retired	19	3.71
	Unemployed	8	1.56

5.2. Awareness and Usage Patterns

This section examines the profile of respondents and describes factors such as their internet experience, frequency of cryptocurrency investments, as well as their awareness and investment levels.

5.2.1. Internet Experience

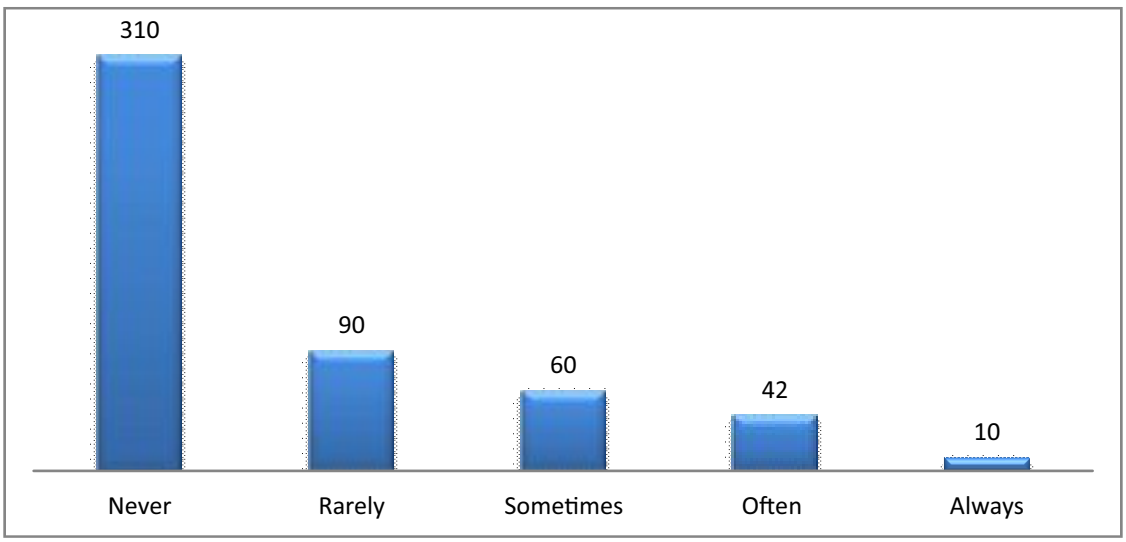
This study recognizes the importance of experience in determining the respondents' comprehension and perception of the cryptocurrency industry. Traditionally, experience is measured by the duration of time spent in the industry. However, this study employs Internet Experience to gauge the respondents' experience profile. Figure 1 illustrates the distribution of Internet Experience among the respondents



As depicted in the figure, a notable proportion of respondents have considerable Internet experience. Specifically, 27.9% of respondents reported having experience of up to 5 years, while 30.6% reported having experience of over 5 years but less than 10 years. The majority of respondents, accounting for 41.4%, reported having experience of more than 10 years.

5.2.1. Frequency of Crypto-investing

The respondents were asked to mark the frequency of crypto-investment on a five-point likert scale. The purpose of this question was to explore how often an individual invests in cryptocurrency. Figure 2 depicts that a considerable proportion of respondents have never invested in cryptocurrency.



5.2.1. Awareness and Investment Level

Awareness and investment levels are key indicators of the adoption and use of cryptocurrencies. In this study, respondents were asked about their awareness and investment levels in cryptocurrency. The findings revealed that the majority of respondents (89.84%) were aware of cryptocurrency, but only a small percentage (20.43%) of those who were aware of it actually invested in it (Table 2).

		Frequency	Percentage
Are you aware about Cryptocurrency?	**Yes**	460	89.84
	No	52	10.16
	Total	512	100
Do you invest in Cryptocurrency?	**Yes**	94	20.43
	No	366	79.57
	Total	460	100

This indicates that although awareness of cryptocurrency is high, the adoption rate is relatively low. Further analysis was conducted to explore the factors that motivate or discourage investors from engaging in cryptocurrency investments.

5.2. Encouraging Factors

The study also investigated the encouraging factors for cryptocurrency investments among respondents. Table 3 and Figure 3 shows the frequency of responses for the encouraging factors identified in the study.

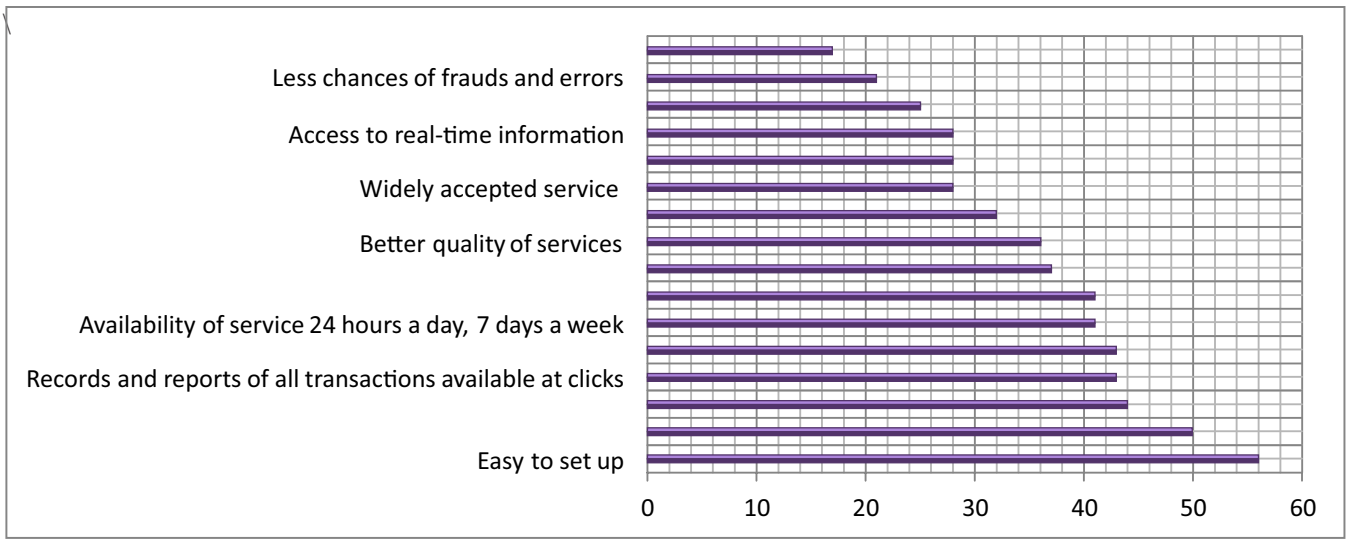
According to the results, the most commonly cited encouraging factor was "Good Returns", with 56 respondents indicating this as a motivation for their cryptocurrency investments. Additionally, "Easier to manage through phone/laptop" and "Easy to set up" were also frequently cited, with 50 and 44 respondents respectively indicating these factors as motivations.

Sr. No.	Encouraging Factors	Frequency
1	Good Returns	56
2	Easier to manage through phone/laptop	50
3	Easy to set up	44
4	Quicker and user friendly experience	43
5	Records and reports of all transactions available at clicks	43
6	Range of functionalities and features	41
7	Availability of service 24 hours a day, 7 days a week	41
8	More innovative and customized products available	37
9	Better quality of services	36
10	Access to different products and services	32
11	Widely accepted service	30
12	No risk of physical money getting lost or stolen	28

13	Access to real-time information	28
14	More attractive rates and fees	25
15	Less chances of frauds and errors	21
16	Greater level of trust in provider's team and their reputation	17

Other encouraging factors identified in the study included the "Quicker and user-friendly experience" (43), the availability of "Records and reports of all transactions available at clicks" (43), and the "Range of functionalities and features" (41) offered by cryptocurrency investments. Respondents also cited the availability of services 24 hours a day, 7 days a week (41), access to more innovative and customized products (37), and better quality of services

(36) as encouraging factors. In addition, some respondents noted that investing incryptocurrency offered "Access to different products and services" (32) and that it was "Widely accepted" (30), indicating that these factors also played a role in their decision to invest in cryptocurrency. Respondents also highlighted that cryptocurrency investments offered "No risk of physical money getting lost or stolen" (28) and access to real-time information (28), which were further cited as encouraging factors.



Finally, some respondents also noted that cryptocurrency investments offered "More attractive rates and fees" (25) and had "Less chances of frauds and errors" (21). A smaller percentage of respondents (17) also cited having a greater level of trust in the provider's team and their reputation as an encouraging factor for cryptocurrency investments.

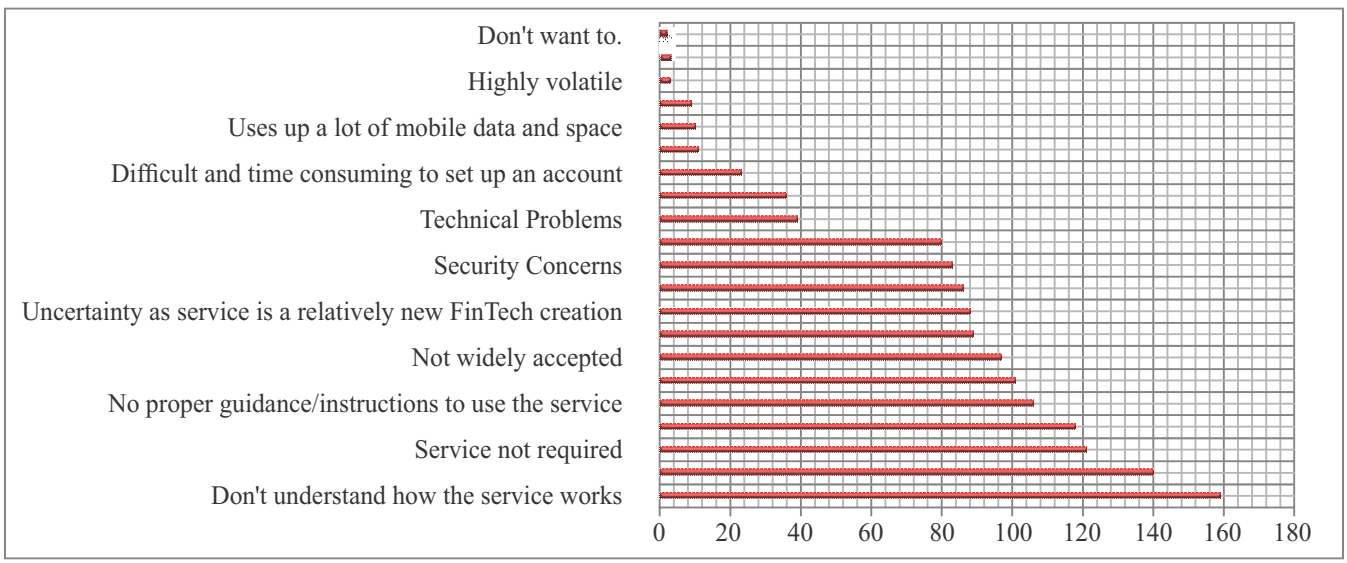
5.2. Discouraging Factors

The study also sought to identify the factors that discourage investors from engaging in cryptocurrency investments. As shown in Table 4 and Figure 4, the most significant discouraging factor was a lack of understanding of how the service works, with 159 respondents citing this as a reason. This was followed by a lack of confidence to use the service (140 respondents) and the service not being required (121 respondents). Other discouraging factors included the risk of cyber fraud (118 respondents), no proper guidance or instructions to use the service (106 respondents), and the service being unregulated (101 respondents).

Furthermore, 97 respondents cited the service not being widely accepted as adiscouraging factor, while 89 respondents preferred to use a traditional financial service provider.

Sr. No.	Discouraging Factors	Frequency
1	Don't understand how the service works	159
2	Lack of confidence to use the service	140
3	Service not required	121
4	Risk of cyber fraud	118
5	No proper guidance/instructions to use the service	106
6	Unregulated service	101
7	Not widely accepted	97
8	Prefer to use a traditional financial service provider	89
9	Uncertainty as service is a relatively new FinTech creation	88
10	No trust in technology	86
11	Security Concerns	83
12	Don't understand how the service works	80
13	Technical Problems	39
14	Charges extra fee	36
15	Difficult and time consuming to set up an account	23
16	Don't have necessary feature on phone to operate the service	11
17	Uses up a lot of mobile data and space	10
18	Difficult to see mobile/laptop screen	9
19	Highly volatile	3
20	No knowledge in this field and it just started emerging now.	3
21	Don't want to.	2

Additionally, some respondents expressed uncertainty about the service as a relatively new FinTech creation (88 respondents) and a lack of trust in technology (86 respondents). Security concerns (83 respondents) and technical problems (39 respondents) were also cited as discouraging factors.



Moreover, 36 respondents cited extra fees as a discouraging factor, and 23 respondents found the account

set-up process difficult and time-consuming. A small number of respondents (11) indicated that they did not have the necessary features on their phone to operate the service, and 10 respondents found that using the service consumed a lot of mobile data and space. A few respondents also cited difficulty in seeing the mobile/laptop screen (9), high volatility (3), and no knowledge in the field as reasons for not engaging in cryptocurrency investments. Finally, a small number of respondents (2) simply stated that they did not want to invest in cryptocurrencies.

6. Findings and Discussion

Cryptocurrency has gained considerable popularity in recent years (Alzahrani & Daim, 2019), with the emergence of Bitcoin and other digital currencies. India, like many other countries, has seen a growing interest in cryptocurrency investments, specially among youngsters (Irfan, 2022). However, despite the high level of awareness, the level of investment in cryptocurrency is still low in India. This study examined the awareness and investment levels of cryptocurrency among Indian investors, and the results provide important insights into the current state of cryptocurrency in India. The study found that out of the 512 respondents, 85.4% were aware of cryptocurrency. This high level of awareness can be attributed to the growing popularity of cryptocurrency and the increasing media coverage on the topic. However, only 13.8% of respondents had invested in cryptocurrency, indicating a low level of investment despite the highawareness. This is consistent with the findings of other studies that have highlighted the low adoption rate of cryptocurrency in India (Kamble, Gunasekaran, Kumar, Belhadi, & Foropon, 2021; Singh, 2022; Yousuf Javed et al., 2020).

When asked about the discouraging factors for cryptocurrency investment, the most common responses were a lack of understanding of how the service works (159 respondents) and a lack of confidence to use the service (140 respondents). A study conducted by (Zhao & Zhang, 2021) demonstrated that both investment experience and financial literacy were positively associated with investing in cryptocurrency. However, investment experience was more influential compared to financial literacy. This suggests that there is a need for more education and guidance for investors to increase their understanding and confidence in cryptocurrency investments. This finding is consistent with the literature that highlights the need for investor education and awareness programs to increase the adoption of cryptocurrency (Caporale, Plastun, & Oliinyk, 2019; Fujiki, 2020). Other discouraging factors identified by respondents include the perception that the service is not required (121 respondents), the risk of cyber fraud (118 respondents), and no proper guidance/instructions to use the service (106 respondents). It is important to acknowledge that cryptocurrency investments come with risks, including cyber fraud and market volatility. According to (Kerr, Loveland, Smith, & Smith, 2023), although cryptocurrencies have historically outperformed stock market indices, recent instances of fraud and the excessive volatility of cryptocurrencies suggest that investing in them carries a much greater risk than investing in traditional stocks. In 2021, cybercriminals acquired cryptocurrency worth USD 14 billion through various cybercrimes, as reported by Chainalysis (2022). 86 respondents said that they do not trust the technology whereas 83 respondents identified security concerns as a discouraging factor indicating that potential risks associated with cryptocurrency investments lead to distrust among investors. These factors highlight the need for improved accessibility and education for investors to help mitigate these concerns.

On the other hand, this study releaved that the most commonly cited motivation for investing in cryptocurrency was the potential for good returns, as reported by 56 of the respondents. A recent study by (Ante, Fiedler, Meduna, & Steinmetz, 2022) examined the financial success of individual investments in cryptocurrencies and found that 56% of them experienced positive returns. Further, the findings of the study revealed other encouraging factors for cryptocurrencyinvestment included ease of management (50 respondents), ease of setting up (44 respondents), user friendly experience (43 respondents), and the availability of records and reports of all transactions at a click (43 respondents). These findings are consistent with the previous study by (Alqaryouti, Siyam, Alkashri, & Shaalan, 2020) which highlighted the perceived benefits of cryptocurrency such as decentralization, anonymity, ease of use, and low fees. These factors suggest that there is potential for increased adoption of cryptocurrency among investors who are looking for ease and convenience in their investments. The potential benefits of investing in cryptocurrency, particularly in terms of the motivational factors, could be leveraged to increase the adoption rate of cryptocurrency in India.

2. Suggestions and Implications

The findings of this study have important implications for policymakers, financial service providers, and investors in India. By addressing the discouraging factors and highlighting the encouraging factors, they can work towards increasing the adoption of cryptocurrency and improving the accessibility and understanding of cryptocurrency investments. The government can play a crucial role in facilitating the adoption of cryptocurrency by providing regulatory clarity and a supportive legal framework. For example, Bitcoin benefitted from central bank effort to bloster liquidility in the global financial system. It rose to a record of $69,000 in November 2021 after central banks and government launched unprecedented monetary and fiscal stimulus measures. Such initiatives enhance confidence among investors and promote the growth of the cryptocurrency market in India. Moreover, financial service providers can play a key role in promoting cryptocurrency adoption by providing user-friendly platforms for cryptocurrency trading and investments. These platforms should be designed to provide easy-to-understand guidance and instructions to help investors make informed decisions. Education and awareness programs targeted at investors can also help increase the adoption of cryptocurrency. Financial service providers can leverage their expertise and resources to provide educational resources and guidance to potential investors, helping to demystify the complexities of cryptocurrency investment. However, it is important to recognize that cryptocurrency investments come with risks, including cyber fraud and market volatility. As such, financial service providers and policymakers must ensure that investors are adequately informed of these risks and provided with guidance on how to mitigate them. This can be achieved through the provision of educationand awareness programs that are designed to teach investors about the potential risks and how to manage them.

In addition to financial service providers, policymakers also have an important role to play in the adoption and regulation of cryptocurrency in India. The study highlighted the need for clear and comprehensive regulations to protect investors and promote the growth of the cryptocurrency market. Policymakers can achieve this by creating a regulatory framework that balances the need for investor protection with the need for innovation and growth.One potential area of concern for policymakers is the potential impact of cryptocurrency on the Indian economy. While the adoption of cryptocurrency could provide significant benefits in terms of increased efficiency and transparency in financial transactions, it could also lead to

increased market volatility and potential disruptions to the traditional banking system. As such, policymakers must carefully consider the potential impacts of cryptocurrency on the Indian economy and develop strategies to mitigate any negative consequences. In conclusion, the study provides valuable insights into the current state of cryptocurrency in India, highlighting both the potential benefits and risks associated with cryptocurrency investments. While the high level of awareness of cryptocurrency among Indian investors is encouraging, the low level of investment suggests that more needs to be done to educate investors and improve their confidence in using cryptocurrency. Financial service providers and policymakers have an important role to play in achieving this, through the provision of education and awareness programs, the development of user-friendly trading platforms, and the creation of clear and comprehensive regulations to protect investors and promote growth in the cryptocurrency market. Ultimately, the adoption of cryptocurrency in India has the potential to revolutionize the financial industry, and it is up to all stakeholders to work together to ensure that this potential is realized.

3. Conclusion

Cryptocurrency has emerged as a new and effective payment method, providing users with an alternative to traditional financial transactions. Although it offers many advantages, the lack of regulation and control has led to concerns and challenges that can jeopardize the stability and integrity of the financial system. Many researchers have analyzed the cryptocurrency platforms and identified some of the significant concerns and challenges that put the financial system's stability and integrity at risk. While cryptocurrencies offer an open channel for digital financialtransactions and a new form of currency with different mechanisms and methods, they are not adequately regulated and controlled as they should be. Despite the challenges, cryptocurrency has immense potential to transform industries and solve complex problems using blockchain technology. However, cryptocurrencies around the world are facing many challenges. Some countries have started to ban cryptocurrencies, and others are contemplating regulating them. Users require proper education to minimize scams related to them, and until cryptocurrency is well regulated and controlled, they need to take extra precautions when using it. In the Indian market, there is a growing interest in cryptocurrency, but there is a need for greater awareness and education on legitimate channels for investing and managing risks. Financial service providers and policymakers can play a significant role in promoting the adoption of cryptocurrency and creating a regulatory framework that balances innovation and growth with investor protection. In conclusion, while cryptocurrencies face hurdles and challenges, their potential to revolutionize financial transactions and solve complex problems cannot be ignored. The cryptocurrency industry must be adequately regulated, and users must be educated to maximize its benefits and minimize risks. As the world continues to adapt to new technologies and payment methods, cryptocurrencies are likely to play an increasingly important role in the financial system. It is important for policymakers and financial service providers to stay abreast of these changes and work together to promote the growth of the cryptocurrency industry while maintaining a stable and secure financial system.

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