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A Study on Investors Awareness towards Cryptocurrency With Reference To Coimbatore City

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ABSTRACT:

This study focuses on investors' awareness of cryptocurrency in Coimbatore City. Cryptocurrency is a digital asset gaining popularity among modern investors. The objective is to analyze awareness, perception, and investment behavior. A structured questionnaire was used to collect primary data from local investors. The study examines knowledge, risk perception, and willingness to invest. Demographic factors like age, education, and occupation are also considered. Most investors showed interest but lacked deep understanding of the concept. Social media and peer groups are the main sources of information. The findings suggest a need for more financial education on cryptocurrencies. This study helps in forming better awareness programs and investment policies.

1.INTRODUCTION

Cryptocurrency is a digital form of currency that operates on blockchain technology. It offers decentralized, secure, and transparent financial transactions. Bitcoin, introduced in 2009, was the first and most popular cryptocurrency. Since then, many other digital currencies like Ethereum and Ripple have emerged. Cryptocurrencies have gained global attention as investment options. However, awareness and understanding among Indian investors vary widely. In cities like Coimbatore, interest is rising but knowledge remains limited. This study focuses on measuring investor awareness and perception of cryptocurrencies. It also examines factors influencing investment decisions and information sources. The findings aim to support better financial literacy and informed investing.

2.STATEMENT OF PROBLEM

The rise of cryptocurrency investment among young adults has raised concerns about their level of awareness, knowledge, and experience, especially in developing regions like Coimbatore. Many may lack the experience to make informed decisions, leading to financial risks. Despite the trend, research on this topic is limited. This study aims to assess their level of awareness, identify influencing factors, and understand their attitudes and investment practices. The goal is to highlight risks and support responsible investment among young adults.

3.OBJECTIVES OF STUDY

- To identify the awareness level towards investment in crypto currency.
- To state the main advantages and disadvantages of crypto currency investment.

4.RESEARCH METHODOLOGY

This study follows a descriptive research design to assess cryptocurrency awareness and investment patterns in Coimbatore. Primary data was collected via structured questionnaires from [mention sample size] respondents using a convenience sampling method. Secondary data was gathered from research articles, government reports, and cryptocurrency websites. Data analysis involved descriptive statistics, percentage analysis, and chi-square tests. The study focuses on investors from diverse demographic backgrounds. Limitations include geographic scope and potential bias. Despite this, it offers valuable insights into cryptocurrency awareness and investment trends.

5.REVIEW OF LITERATURE

Verma, V. K., & Vishwakarma, R. K. (2020) - A Study on Investment Pattern of Youth in Cryptocurrency in India. International Journal of Management, Technology and Engineering, 10(10), 631-637. The study conducted by Verma and Vishwakarma in 2020 focuses on the investment patterns of Indian youths in cryptocurrency. The researchers examined the behavior of young people who invest in cryptocurrency and analyzed the factors that influence

their investment decisions.

PeterDe DeVries - "An Analysis of Cryptocurrency, Bitcoin and the Future "In this investigation paper, maker has done the SWOT Analysis of Bitcoins close by the other Cryptocurrency and has given end on its future perspective. The entryway should be visible through, by expanding the imaginative advances related with Cryptocurrency like Cryptography and Blockchain to current Banking and Financial System which can be made more secure and decentralized structure.

6.ANALYSIS AND INTERPRETATION OF DATA

6.1 FACTOR INFLUENCING THE DECISION IN CRYPTO CURRENCY

PERCENTAGE ANALYSIS

Particulars	Respondents	Percent
Highly Profitable	14	8.90%
Moderately Profitable	48	30.40%
Uncertain	60	38.00%
Risky	28	17.70%
Not Profitable	8	5.10%
Total	158	100.00%

(Source: Primary Data)

INTERPRETATION:

100.00% The data shows that media coverage (31.0%) is the most influential factor, followed by recommendations from friends/family (25.3%) and technical knowledge (25.3%). Market trends (10.1%) and other factors (8.2%) play a smaller role, indicating that external influences and personal expertise significantly impact decisions.

6.2 PERCEIVENESS OF CRYPTOCURRENCY FACTOR

PERCENTAGE ANALYSIS

Particulars	Respondents	Percent
Market trends	16	10.10%
Recommendations from FrIends/Family	40	25.30%
Media Coverage	49	31.00%
Technical knowledge	40	25.30%
Other	13	8.20%
Total	158	100.00%

(Source: Primary Data)

INTERPRETATION:

The data shows that the majority of respondents (38.0%) are **uncertain** about profitability, while 30.4% find it **moderately profitable**. 17.7% consider it **risky**, 8.9% see it as **highly profitable**, and 5.1% believe it is **not profitable**. This indicates mixed perceptions, with uncertainty being the most common sentiment.

6.3 RELATIONSHIP BETWEEN AGE AND LEARNINGS OF CRYPTOCURRENCY

CHI-SQUARE ANALYSIS

Particulars	Value	df	Asymptotic Sig. (2-tailed)
Pearson Chi- Square	70.87	16	0
Linear-by-Linear Association	22.49	1	0
No. of Valid Cases	158		

(Source: Primary Data)

INTERPRETATION:

The Chi-Square test ($\chi^2 = 70.87$, $df = 16$, $p = 0.000$) indicates a highly significant association between the variables, rejecting the null hypothesis. linear-by- linear association ($\chi^2 = 22.49$, $p = 0.000$) further confirm this strong relationship. With **158 valid cases**, the variables are clearly not independent.

7. FINDINGS

1. Factors Influencing Investment Decisions in Cryptocurrency:

- **Media Coverage:** Most influential factor among respondents.
- **Recommendations from Friends/Family:** Tied in importance with technical knowledge, both ranking second.
- **Technical Knowledge:** Equally important as social recommendations, showing active research by investors.
- **Market Trends:** Moderately considered by investors when making decisions.
- **Other Factors:** Least influential in driving investment choices.

2. Perception of Cryptocurrency Profitability:

- **38.00%** of respondents feel cryptocurrency investment is **uncertain**, making it the most common perception.
- **30.40%** consider it **moderately profitable**, showing cautious optimism.
- **17.70%** believe it is **risky**, highlighting concerns over volatility.
- **8.90%** see it as **highly profitable**, indicating strong confidence in digital assets.
- **5.10%** think it is **not profitable**, reflecting a skeptical view.
- The data was collected from a total of **158 respondents**.

8. CONCLUSION

The study on investors' awareness towards cryptocurrency with reference to Coimbatore city reveals that while interest in digital assets is increasing, awareness and understanding remain inconsistent among young investors. A significant portion of respondents view cryptocurrency as uncertain, indicating cautiousness and lack of confidence due to limited knowledge or market volatility. Media influence, peer recommendations, and basic technical knowledge were found to be key drivers of investment decisions. Statistical analysis showed a significant association between demographic factors and awareness levels. The findings highlight the need for better financial education and reliable information sources to help investors make informed choices. Despite the risks, there is considerable potential for growth in crypto adoption if guided by responsible investment practices.