

## INVESTOR'S PERCEPTION TOWARDS BITCOIN IN INDIA WITH SPECIAL REFERENCE TO KANYAKUMARI DISTRICT

\* S. Jenifa Sherlin (Reg. No. 22213161012005)

Ph.D. Research Scholar

\* \* Dr. P. Christopher Raj

Assistant Professor

Department of Commerce

Scott Christian College (Autonomous), Nagercoil.

Email ID: [sjenifasherlin@gmail.com](mailto:sjenifasherlin@gmail.com)

Mobile Number: 8608841531

### ABSTRACT

India tops in utilization of social networking sites and monetary establishments are digitalizing the exchanges quickly. Bitcoin is an electronic financial system providing similar features as our current financial system. RBI has taken measures to direct Bitcoins. RBI cautions Indians about the danger implied in exchanging cryptographic money. The absence of information about the working of cryptographic money exchanges, it has let to fraudulent exchanges and losing the speculation made in something very similar. Bitcoin as an asset, it has had perhaps the most unpredictable trading history. Kanyakumari district has a large population of small investors belonging to middle class household. The perception of the investors are influenced by unstable return, insecurity of investment, lack of regulators and market volatility. Bitcoin is a highly volatile and prices can increase and decrease by very huge amount in just fraction of minutes or even just seconds. Though it gives highest return but once it hits the bottom, investors can lose all they have in it. The paper highlights the views of investors based on different factors. This article based on primary data through structured questionnaire. The result of the study provides new insights into the investors in cryptocurrencies.

**Keywords:** RBI, Bitcoin, Cryptocurrency

### INTRODUCTION

Bitcoin is a digital currency that was invested anonymously using the name of Satoshi Nakamoto in 2009. It is the first decentralized digital currency, which implies that transactions are verified independently of a central authority. Instead, it makes use of a peer-to-peer network to

tally transactions and monitor balances. Bitcoin may be used for everything, from moving money overseas without fees or delays to purchasing drugs on the dark web, as its value is not linked to any government or bank.

## STATEMENT OF PROBLEM

Bitcoin is a type of crypto currency, a digital asset created to function as a means of exchange that doesn't rely on centralized management but instead employs encryption to oversee its production and management. Since Bitcoin is an open-source project, anyone can participate, no one owns or control it. From the last quarter of 2020 it has been witnessing big investors and investment firms, who have been actively investing and allocating a sizable portion of cryptocurrency investments into their portfolios. Hence the present aericle focuses on investors perception towards bitcoin investment in India with special reference to Kanyakumari district.

## REVIEW OF LITERATURE

J. Vijayalakshmi and A. Murugan (2020) in their article titled "Crypto coins: The future of transactions" studied the purpose of cryptocurrency implementation, the various countries which accepted the usage of cryptocurrencies and its merit and demerits and also discussed how the problems of cryptocurrencies are going to be handled in future.

Mubarak & Hosmani Manjunath (2021) in their article entitled "A Study on Cryptocurrency in India" investigated about legality of cryptocurrency in the present and future. The paper also analysed investment risks in Bitcoin along with impact of various laws on it.

With its origins in distributed databases, the blockchain's data is partitioned into blocks, continuously adding new sequential blocks of data (Swan, 2019). The blocks are linked together using cryptographic signatures which results in transactions being time-stamped, and tamper-proof. A recent study estimates that within five years blockchain could allow for \$16bn of cost savings by simplifying accounting and audit processes.

## OBJECTIVES OF THE STUDY

- To analyse the socio-economic profile of the Bitcoin investors in Kanyakumari District.
- To know the sources of information that influencing Bitcoin investment.

- To study the problems faced by investors while investing in Bitcoin.
- To analyse the level of satisfaction in Bitcoin investment among Kanyakumari District.

## TESTING OF HYPOTHESIS

### Null Hypothesis

$H_0$  : There is no significant difference between the selected socio-economic profile of the investors with their opinion towards investment in Bitcoin.

### Alternative Hypothesis

$H_1$  : There is significant difference between the selected socio-economic profile of the investors with their opinion towards investment in Bitcoin.

## RESEARCH METHODOLOGY

The research work is based on primary data and secondary data. The primary data is collected from individual investors through a sample survey. The population of total investors is unknown. Hence the researcher adopted convenience sample technique. The sample size is determined by the researcher is 320. Total 320 samples respondents are have been selected from the four taluks of Kanyakumari District for this purpose. The required primary data for the purpose of the study was collected by using questionnaire.

## TOOLS USED OF ANALYSIS

Percentage analysis, ranking techniques and ANOVA techniques were used for analysis.

## DATA ANALYSIS AND INTERPRETATION

The process of reviewing data and drawing pertinent conclusions while utilising a variety of analytical techniques is known as data interpretation. Researchers can categorise, manipulate, and summarise data with the aid of interpretation in order to find answers to important issues.

### Socio economic profile of the investor

Socio economic variable is the principal factors influencing the investors regarding investing decisions among the various investment portfolio.

**Table 1**

**Socio-Economic Classification of Investor**

<b>Age</b>	<b>Classification</b>	<b>Frequency</b>	<b>Percent</b>	<b>Cumulative Percent</b>
	21-30	10	3.1	3.1
	31-40	34	10.7	13.8
	41-50	138	43.1	56.9
	51-60	90	28.1	85.0
	60 and above	48	15.0	100.0
<b>Gender</b>	Male	304	95.0	95.0
	Female	16	5.0	5.0
<b>Education</b>	Below HSC	28	8.8	8.8
	UG	202	63.1	71.9
	PG and above	90	28.1	100.0
<b>Profession</b>	Self Employed	34	10.6	10.6
	Business	100	31.3	41.9
	Government	124	38.7	80.6
	Private	62	19.4	100.0
<b>Annual Income</b>	Upto 3,00,000	54	16.9	16.9
	3,00,000 - 6,00,000	100	31.3	48.2
	6,00,000 - 9,00,000	72	22.5	70.7
	9,00,000 - 12,00,000	46	14.3	85.0
	Above12,00,000	48	15.0	100.0

**Source: Primary data**

Table 1 shows that the socio economic profile of the respondents. Age wise classification shows that 43.1 percentage of investors in the age group of 41-50 years, followed by 28.1 percentage of the investors in age group of 51-60 years, 15 percentage in the age group of greater than 60 years, 10.7 percentage of the investors in age group of 31-40 and 3.1 percentage of the investors in the age group of 21-30. It is seen from the survey that the Bitcoin is dominated by investors in the age group of 41-50 years.

Gender wise classification shows that 95 percentages of investors are male and only 5 percentage of investors are female.

Education wise classification shows that 63.1 percentage of under graduate investors followed by 28.1 percentage of post graduate investors and a minimum of 8.8 percentage of investors below higher secondary school level.

Profession wise classification shows that 3.8 percent of investors in government employees, followed by 31.3 percent of business people, followed by 19.4 percentage of investors with private job and followed by 10.6 percentage of Self-employed investors.

Annual income wise classification shows that 15 percentage of respondents with an annual income of greater than 12 lakhs, 14.3 percentage with an annual income of 9 lakhs to 12 lakhs, 22.5 percentage have an annual income of 6 lakhs to 9 lakhs, 31.3 percentage respondents have an annual income between 3 lakhs to 6 lakhs and 16.9 percentage respondents have an annual income of less than 3 lakhs.

### Opinion of Investors towards Bitcoin

Seeking for a short-term profit, Bitcoin may be a superb investment vehicle due to its high liquidity. Due to their great market demand, digital currencies may also be a long-term investment. lower risk of inflation.

**Table 2**

#### Opinion of Investors on Bitcoin

Sl. No.	Opinion	Frequency	Percent	Cumulative Percent
1	Most Favourable	48	15.0	15.0
2	Favourable	103	32.2	47.2
3	No Comments	34	10.6	57.8
4	Unfavourable	36	11.3	69.1
5	Most Unfavourable	99	30.9	100.0
	<b>Total</b>	<b>320</b>	<b>100</b>	

**Source: Primary data**

Table 2, shows the opinion of the investors towards Bitcoin. Regarding the overall opinion 32.2 percentage of investors have reported that the Bitcoin is favourable for them, 30.9 percentage have expressed their opinion that the Bitcoin is most unfavourable, it is most favourable for 15

percentage of investors, the Bitcoin is unfavourable for 11.3 percentage of investors and 10.6 percentage of investors have expressed their opinion that they do not know whether Bitcoin is favourable or unfavourable for them.

### Decision for investment

The frequency of returns, related risks, maturity times, tax advantages, volatility, and inflation rates all have an impact on investment decisions.

**Table 3**

#### Decision for investment

SI. No.	Decision	Frequency	Percent	Cumulative Percent
1	Myself	126	39.4	39.4
2	Myself and my life partner	86	26.9	66.3
3	Myself and my business partner	84	26.2	92.5
4	Myself and my financial advisor	24	7.5	100.0
	<b>Total</b>	<b>320</b>	<b>100</b>	

**Source: Primary data**

Table 3 shows that 39.4 percent make investment by themselves, 26.9 percentage have responded that they make investment in consultation with their life partner, 26.3 percentage have responded that they make investment in consultation with their business partner and 7.5 percentage have responded that they make investment in consultation with their financial advisor.

### Analysis Pertaining to Source of Information Influencing Bitcoin Investment

Finding reliable information sources amidst the noise can be challenging for investors. The newspaper articles, advice of friends or relatives. discussions on T.V, bankers advice, and information from online website are the source which pertain the investors.

Table 4

## Source of information influencing investment

SI. No.	Decision	Frequency	Percent	Cumulative Percent
1	Newspaper articles	146	45.6	45.6
2	Advice of friends/ relative	64	20.0	65.6
3	Discussion on T.V	30	9.4	75.0
4	Bankers advice	32	10.0	85.0
5	Online websites	48	15.0	100.0
	<b>Total</b>	<b>320</b>	<b>100</b>	

## Source: Primary data

Table 4 shows that 45.6 percentage of respondents were influenced by newspaper articles, 20 percent by the advice of friends and relatives, 15 percent by online websites, 10 percentage through the banker's advice and 9.4 discussion on television.

## Analysis Pertaining to Satisfaction level of Investors on Bitcoin Investment

The degree of investor satisfaction and their propensity to use cryptocurrencies are also measured using the satisfaction metric. The investors were asked to give their response to the satisfaction level with the broking agencies on a 5 point scale.

Table 5

## Satisfaction level of investors on Bitcoin Investment

SI. No.	Satisfaction level	Frequency	Percent	Cumulative Percent
1	Very much satisfied	74	23.1	23.1
2	Satisfied	106	33.1	56.2
3	Neutral	79	24.7	80.9
4	Not much satisfied	20	6.3	87.2
5	Not at all satisfied	41	12.8	100.0
	<b>Total</b>	<b>320</b>	<b>100</b>	

## Source: Primary data

Table 5 shows the satisfaction level of investors on Bitcoin investment. It is seen that 23.1 percent of investors are very much satisfied by Bitcoin, 33.1 percentage are satisfied, 24.7

percentage are neither satisfied nor dissatisfied, 6.3 percentage of investors are not much satisfied and 12.8 percentage are not at all satisfied.

### Problems faced by the Bitcoin Investors

Bitcoin will increase in value as time goes on. This could result in spending spikes that lead the Bitcoin economy to fluctuate quickly and erratically. Ranking technique is adopted to identify the problems faced by the bitcoin investors.

**Table 6**

#### Problems and Rank provided to them by the Investors

SI. No.	Problems	Rank
1	Unstable returns	1
2	Insecurity of investment	2
3	Unreliable role of regulators	3
4	Market volatility	4
5	Price Rigging	5
6	Lack of transparency in dealing	6
7	Non disclosure of risk to investors	7
8	Failure to differentiate fundamental and technical analysis	8
9	High services charges and taxes	9
10	Political Instability	10

**Source: Primary data**

Table 6 shows that the investors have ranked the problems of unstable returns as major problem followed by insecurity of investments, unreliable role of regulator, market volatility, price rigging, lack of transparency in dealing and its likes.

### Association between socio-economic variable with opinion of the respondent

Analysis of variance (ANOVA) is a statistical method that analyzes the influence of one or more variables. ANOVA is used in a variety of applications, including in finance and financial markets to find and confirm correlations and associations between various factors.



Table 7

## ANOVA Results

		Sum of Squares	Df	Mean Square	F	Sig.
Age	Between Groups	1.842	4	.460	.361	.836
	Within Groups	401.880	315	1.276		
	Total	403.722	319			
Gender	Between Groups	25.403	1	25.403	21.353	.000
	Within Groups	378.319	318	1.190		
	Total	403.722	319			
Education	Between Groups	15.596	2	7.798	6.369	.002
	Within Groups	388.126	317	1.224		
	Total	403.722	319			
Profession	Between Groups	19.326	3	6.442	5.296	.001
	Within Groups	384.396	316	1.216		
	Total	403.722	319			
Annual Income	Between Groups	59.307	4	14.827	13.560	.000
	Within Groups	344.415	315	1.093		
	Total	403.722	319			
Opinion	Between Groups	24.232	4	6.058	5.028	.001
	Within Groups	379.490	315	1.205		
	Total	403.722	319			

Table 7 shows the one-way ANOVA results for the selected six socio-economic variable considered which influence the gender, education, profession, annual income are have great significance to influence with the investment in Bitcoin by the investors. Age is the only variable have no significant influence over investment in Bitcoin by the investors.

## SUMMARY OF FINDINGS

- Age wise classification shows that 43.1 percent of the respondents belong to the age group of 41- 50 years. Normally when a person reaches the age of 40 they feel the necessity for investing in Bitcoin for the future benefits.

- Gender wise classification shows that 95 percent of the respondents belong to male category. It may be because of more decision making awareness when compared to female respondents.
- Education wise classification shows that 63.1 percent and 28.1 percent of the respondents belong to graduate and postgraduate category respectively. It indicates that educated people are showing more interest in investing in Bitcoin.
- Profession wise classification shows that 31.3 percent of the respondents belonging to business class have invested in Bitcoin.
- Income wise classification shows that 31.3 percent of the respondents belonging to annual income group of Rs.3,00,001-Rs.6,00,000 show interest in investment in Bitcoin. This indicates that people who belong to the middleclass category are investing more in Bitcoin. It is essential to know the socio-economic status of any group in the society.
- Regarding opinion wise classification, it is found that 32.2 percent of investors have the opinion that the bitcoin is favourable to them.
- Regarding investment decision the investors decided by themselves or by having discussion with their life partner while making an investment.
- The main source of information influencing the investment is the newspaper articles.
- Regarding bitcoin investors satisfaction level analysis, it is observed that 23.1 percent of investors are very much satisfied and 12.8 percent are not at all satisfied.
- Regarding ANOVA analysis, investment in Bitcoin has a great significance and influence by variables such as gender, education, annual income, profession and opinion of the investors. Age is the only variable has no significant influence over investment in Bitcoin by the investors.

## **CONCLUSION**

The aim of the present paper is to find investors perception towards Bitcoin in India with special reference to Kanyakumari district. In India, cryptocurrencies are becoming more and more popular, and this trend seems set to continue. Also, the demand for cryptocurrencies is growing as a result of an increase in buyers. The government takes a number of reforms towards cryptocurrency investment. The government also compares the volume of crypto investment of

Indian investors with international crypto investors. They are taking necessary steps to bring greater transparency in the crypto transaction. Even though the investors don't have hundred percent confidence in the crypto market, they still prefer to invest in cryptocurrency.

## REFERENCES

- Dr. J. Vijayalakshmi and A. Murugan (2017) "Cryptocoins: The future of transactions" proceeding of international conference on communication, computing and IT. PP 1-6.
- Dr. Mubarak and Hosmani Manjunath (2021) "A Study on Cryptocurrencies in India". International Journal of Research and Analytical Review, Vol. 8, (1) P-435-444.
- Agence France Presse (2021, March 14) "Bitcoin at record high, breaches \$62k-mark", Business Line.
- Surabhi (2021, March 20) "Cryptocurrencies catch investor fancy as Bitcoin prices surge", Business Line.
- Vidushi Srivastava et al. (2021), "Perception of investors towards Bitcoins: An empirical investigation", International Research Journal of Modernization in Engineering Technology and Science, Volume:03/Issue:06.