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A Study on the Cryptocurrency Awareness Among Investors in India

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ABSTRACT

Cryptocurrency has emerged as a prominent digital financial asset, attracting increasing attention from investors in India. This study examines cryptocurrency awareness among Indian investors, focusing on knowledge of blockchain technology, investment risks, financial literacy, information sources, and perceptions of digital assets. Primary data were collected from 100 respondents through a structured questionnaire and analysed using percentage analysis. The findings indicate that most respondents possess adequate cryptocurrency knowledge and recognize blockchain, investment risks, and financial literacy as important considerations. However, regulatory uncertainty and cybersecurity concerns remain significant. The study recommends stronger investor education, reliable information, cybersecurity awareness, and transparent regulatory guidance.

Keywords: Cryptocurrency; Investor Awareness; Blockchain Technology; Financial Literacy; Digital Assets

1. INTRODUCTION

The rapid development of digital technology, internet connectivity, mobile applications, fintech services, and digital payments has transformed the financial environment. Cryptocurrency represents one of the most visible developments in this transformation. Unlike conventional currencies issued by central banks, cryptocurrencies operate through decentralized blockchain networks that record and validate transactions using distributed ledger technology. Bitcoin, introduced in 2009, became the first major cryptocurrency and was followed by thousands of digital assets, including Ethereum and other platforms with different technological and financial applications. The uploaded study explains that cryptocurrencies have attracted Indian investors because of technological innovation, accessibility, potential returns, and opportunities for portfolio diversification. Digital exchanges and mobile investment applications have also made participation easier for retail investors, students, professionals, entrepreneurs, and technology-oriented individuals. At the same time, cryptocurrency investment involves substantial uncertainty. Prices can change sharply because of investor sentiment, speculation, technological developments, economic conditions, regulatory announcements, and global events. Investors may therefore experience significant gains as well as financial losses. Cybersecurity is another important concern because digital wallets and exchanges can be exposed to hacking, phishing, fraud, and other forms of cybercrime. The study emphasizes that investors need knowledge of blockchain technology, market volatility, taxation, digital wallets, cybersecurity, and portfolio management before making investment decisions. In India, awareness also has to be considered alongside taxation and the evolving policy environment. The Income Tax Department currently states that income from transfer of Virtual Digital Assets is taxed at 30% under Section 115BBH, while Section 194S

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provides for 1% tax deducted at source on qualifying transfers to residents. These requirements make investor knowledge particularly important. Financial literacy is therefore central to responsible cryptocurrency participation. Social media, online communities, financial influencers, blogs, YouTube channels, news platforms, and peer recommendations have become important information sources, but these channels may also circulate inaccurate information. The study consequently investigates the level of cryptocurrency awareness among Indian investors and examines their understanding of blockchain, risks, financial literacy, investment behaviour, and regulatory issues. The findings can support investors, educators, financial institutions, policymakers, and researchers in promoting informed and responsible participation in India's evolving digital asset environment.

2. REVIEW OF LITERATURE

Existing literature shows that cryptocurrency awareness and investment behaviour are closely connected with financial literacy, technological understanding, social influence, risk perception, and regulatory knowledge. The uploaded study reports that younger and digitally familiar investors tend to demonstrate greater awareness, while knowledge gaps remain regarding taxation, regulation, blockchain, and cybersecurity. It also identifies expected returns, peer recommendations, social media, and technological developments as factors influencing investment decisions. Research further suggests that blockchain knowledge can strengthen confidence because investors better understand transaction transparency and security. Recent research supports these themes. Zhao and Zhang (2021) found that financial literacy and investment experience are positively associated with cryptocurrency investment, with experience showing a stronger influence. Almeida and Gonçalves (2023), through a systematic review, identified social influence, sentiment, herding, and speculative behaviour as important features of cryptocurrency markets. Jones, Luu, and Samuel (2024) found a positive relationship between crypto literacy and financial literacy. Bhattacharjee et al. (2025) reported that conceptual clarity, investment education, awareness of investment options, and psychological factors influence cryptocurrency risk perceptions among Indian investors. These findings reinforce the need for investor education, reliable information, cybersecurity awareness, and clearer understanding of cryptocurrency risks. These issues are especially important for emerging Indian retail investors.

3. OBJECTIVES OF THE STUDY

1. To study the level of cryptocurrency awareness among investors in India.
2. To identify the factors influencing cryptocurrency investment decisions among Indian investors.
3. To assess investors' understanding of the benefits and risks associated with cryptocurrencies.
4. To examine the influence of digital technology and financial literacy on cryptocurrency awareness.
5. To suggest suitable measures for improving investor awareness and promoting responsible cryptocurrency investment in India.

4. RESEARCH METHODOLOGY

The study uses a descriptive research design to examine cryptocurrency awareness among Indian investors. Primary data were collected through a structured questionnaire from 100 respondents using convenience sampling. Secondary information was obtained from journals, books, government publications, reports, and reliable digital sources. Percentage analysis was applied for interpretation of responses.

4.1 STATISTICAL TOOL

Percentage Analysis

Percentage analysis is the most appropriate statistical tool for this study because the major purpose is to describe the level of cryptocurrency awareness, blockchain knowledge, risk awareness, financial literacy, and investor perceptions among the respondents.

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5. DATA ANALYSIS AND INTERPRETATION

Sample Size: 100 Respondents

Table 1: Cryptocurrency Awareness Level

Response	Respondents	Percentage (%)
Strongly Agree	36	36
Agree	40	40
Neutral	12	12
Disagree	8	8
Strongly Disagree	4	4
Total	**100**	**100**

Interpretation

The table indicates that **76%** of respondents either strongly agree or agree that they possess knowledge about cryptocurrencies, blockchain technology, and digital-currency investment. Therefore, the majority of respondents demonstrate a satisfactory level of cryptocurrency awareness.

Table 2: Blockchain Technology Awareness

Response	Respondents	Percentage (%)
Strongly Agree	35	35
Agree	41	41
Neutral	12	12
Disagree	8	8
Strongly Disagree	4	4
Total	**100**	**100**

Interpretation

The findings show that **76%** of respondents either strongly agree or agree that they are familiar with blockchain technology. This suggests that a substantial majority understand the technological foundation supporting cryptocurrency transactions.

Table 3: Impact of Financial Literacy on Cryptocurrency Investing

Response	Respondents	Percentage (%)
Strongly Agree	35	35
Agree	41	41
Neutral	12	12
Disagree	8	8
Strongly Disagree	4	4
Total	**100**	**100**

Interpretation

The table reveals that **76%** of respondents strongly agree or agree that financial literacy influences cryptocurrency investment. The result highlights the importance of financial knowledge in understanding cryptocurrency opportunities, risks, and investment decisions.

6. RESULTS

1. The majority of respondents possess a satisfactory level of awareness about cryptocurrencies.
2. Most respondents are familiar with major cryptocurrencies such as Bitcoin and Ethereum.
3. A substantial proportion of investors understand the role of blockchain technology in cryptocurrency transactions.
4. Social media, financial news, online platforms, and peer recommendations are important sources of cryptocurrency information.
5. Most respondents recognize cryptocurrency as an alternative investment opportunity.

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6. A majority of respondents are aware of cryptocurrency investment risks, including price volatility and potential financial losses.
7. Knowledge of cryptocurrency regulations and taxation is moderate to good among respondents.
8. Most respondents believe that cryptocurrencies can contribute to portfolio diversification.
9. Cybersecurity awareness is considered important for protecting digital assets.
10. Financial literacy has a significant perceived influence on cryptocurrency investment decisions.
11. Most respondents support greater investor education and awareness programmes.
12. Overall cryptocurrency knowledge among the respondents is adequate and appears to be developing.

7. SUGGESTIONS

1. **Investor education programmes** should be conducted regularly to improve understanding of cryptocurrencies and blockchain technology.
2. Financial institutions and educational institutions should provide simple explanations of cryptocurrency risks, taxation, digital wallets, and cybersecurity.
3. Investors should rely on **verified and reliable information sources** instead of making decisions solely on social media recommendations or online influencers.
4. Greater awareness should be created regarding cryptocurrency price volatility and the possibility of substantial financial losses.
5. Investors should be educated about applicable taxation requirements for Virtual Digital Assets.
6. Cybersecurity awareness programmes should emphasize secure wallet management, strong passwords, two-factor authentication, phishing prevention, and fraud detection.
7. Government authorities should communicate regulatory and taxation developments clearly and consistently.
8. Financial literacy programmes should include cryptocurrency and other emerging digital financial assets.
9. Investors should conduct adequate research and understand the underlying technology before committing funds.
10. Awareness campaigns should promote **responsible and informed investment rather than speculative investment behaviour**.
11. Fintech platforms should provide educational material explaining risks and responsible digital-asset practices.
12. Investor awareness initiatives should be strengthened to improve confidence while reducing exposure to misinformation and fraudulent schemes.

8. CONCLUSION

Cryptocurrency has become an important component of the emerging digital financial environment and has attracted considerable attention from Indian investors. The present study indicates that the overall level of cryptocurrency awareness among respondents is satisfactory, particularly regarding major cryptocurrencies, blockchain technology, investment opportunities, and associated risks. The analysis also demonstrates the importance of financial literacy in supporting informed investment decisions. At the same time, cybersecurity concerns, price volatility, taxation, regulatory uncertainty, and misinformation remain important challenges. The study concludes that greater investor awareness is essential for encouraging responsible participation in cryptocurrency markets. Investors should understand the underlying technology, evaluate risks carefully, use reliable information sources, and remain aware of applicable taxation and regulatory requirements. Financial institutions, educational institutions, fintech platforms, and government authorities can contribute by strengthening financial education and providing transparent information. Overall, improving cryptocurrency literacy can help investors make more informed decisions and reduce exposure to speculative behaviour, fraud, and avoidable financial losses. The findings support the need for continued investor education and responsible development of India's digital asset ecosystem.

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