



# A STUDY ON THE AWARENESS AND ADOPTION OF CRYPTOCURRENCY IN KERALA WITH SPECIAL REFERENCE TO KOLLAM

- 1.JANU U ,Research Scholar ,Dept of commerce, Sn College Kollam,  
2.Vishnu K V ,Research Scholar ,Dept of commerce, Sn College, Kollam,  
3.Dr Silpa Sasankan, Research guide, Dept of commerce, Sn College for Women ,Kollam,

**ABSTRACT:** The use of cryptocurrencies has gained popularity due to their potential benefits such as decentralized control, fast international transfers, lower transaction fees compared to traditional banking systems, and protection against inflation. However, they also come with risks including price volatility, regulatory challenges in some jurisdictions, potential for fraud or hacking attacks due to their digital nature. This study attempts to observe the awareness and adoption level of cryptocurrency in Kerala with special reference to people residing in Kollam district. The research design used in this study is descriptive research .The data have been collected through Primary Data collection which involves Survey Method based on questionnaire and the personal contact method are used to get the responses of 115 persons. The result shows that mostly people are aware about the term cryptocurrency even though they don't know about it in detail but at least heard of it and few people are there who don't know the term cryptocurrency but know the term Bitcoin. Investors prefer cryptocurrency more for investment purpose as compared to payment option

**Key words:** Investment, Blockchain technology Cryptocurrency, digital currency, cloud-based service, digital wallet

## INTRODUCTION

Blockchain technology is a decentralized digital ledger that records transactions across multiple computers. It ensures transparency, security, and immutability of data by using cryptographic techniques. In simple terms, it is a chain of blocks containing information that is continuously growing. Cryptocurrency on the other hand, is a digital or virtual currency that uses cryptography for security purposes. It operates independently of any central authority or government and relies on blockchain technology to enable secure and transparent transactions. Bitcoin was the first cryptocurrency introduced in 2009 by an anonymous person or group known as Satoshi

Nakamoto. The most well-known cryptocurrencies include Bitcoin (BTC), Ethereum (ETH), Ripple (XRP), Litecoin (LTC), and many more. Cryptocurrency is a digital currency. It is a substitute for cash that is produced through the use of encryption techniques. Cryptocurrencies can be used as a virtual accounting system in addition to a medium of exchange because they employ encryption technology. A cryptocurrency wallet is required in order to use cryptocurrencies. These wallets can be computer programmes, smartphone apps, or cloud-based services that you store on your device. Your encryption keys, which link to your cryptocurrencies and verify your identity, are kept in your wallets. Since they are still relatively new, cryptocurrencies have an extremely unstable market. The risk associated with this Cryptocurrency is that they don't need banks or any other third party to regulate them, they tend to be uninsured and are hard to convert into a form of tangible currency. these are technology based intangible assets because of which they can be hacked. Finally, cryptocurrencies is stored in a digital wallet, if you lose access to wallet, you have lost your entire cryptocurrency investment.

## **STATEMENT OF THE PROBLEM**

There is limited understanding of the factors influencing cryptocurrency awareness and adoption among the population of Kerala, particularly in the Kollam district. This lack of knowledge hinders the development of effective strategies for cryptocurrency integration and regulation within the region. Despite the growing global interest in cryptocurrencies, adoption rates in Kerala remain relatively low. This study aims to identify the key barriers hindering cryptocurrency adoption in Kollam, including awareness levels, perceptions of risk and security, regulatory uncertainty, and accessibility issues.

## **SCOPE OF THE STUDY**

In this study awareness and perception of the peoples residing in Kollam district of Kerala is taken into consideration.

## **OBJECTIVES OF THE STUDY**

- To know the awareness about crypto currency.
- To analyse the attitude of investors towards investing in Cryptocurrency
- To ascertain the cause of a lack of interest in cryptocurrencies as a tool for investing.

## **RESEARCH METHODOLOGY**

**SOURCES OF DATA:** The research design used in this study is descriptive research. To achieve the predetermined goals both primary and secondary data are used.

**PRIMARY DATA-**The data have been collected through Primary Data collection which involves Survey Method based on questionnaire and the personal contact method are used to get the responses of 115 persons.

**SECONDARY DATA-**Secondary data is gathered online, from textbooks, from periodicals and journals.

**AREA OF STUDY:** The study area for this research is confined to Kollam District in the state of Kerala.

**PERIOD OF STUDY:** APRIL2024-MAY2024

**METHODS AND TOOLS OF DATA COLLECTION:** Sample Survey method is used for collecting data. Structured Questionnaire is sent to respondents via Google form.

**SAMPLING METHOD:** Convenient sampling method is used in this study for extracting data.

**SAMPLE SIZE:** Sample size for this study is fixed as 115.

## **LIMITATIONS OF THE STUDY**

- 1.The study use convenience sampling method. It may not accurately represent the population of interest.
2. A small percentage of the sample units' respondents filled out the survey ignorantly, which contributed to some sampling error.
3. Although cryptocurrency is a worldwide product, this study only focuses on Kollam residents, thus it cannot clearly depict how widely adopted it will be given that people genuinely desire to use it as a medium of exchange or investment instrument.

## **REVIEW OF LITERATURE**

(D. P. B., & -, A. K. 2023) Awareness of Cryptocurrency Among Public: Evidences from Tamilnadu State- in this study an attempt is made to measure the awareness, differences, intention of the investors , factors influencing the investment in cryptocurrency among the public in the selected major cities of Tamilnadu , India. Researcher used a structured questionnaire to collect data from 400 respondents, the data is analysed with various statistical tools. Variables were identified through qualitative literature review to prepare the structured questionnaire. The income and age of the investors greatly affects the investment behaviour of the investors .

(Manjula.B.C et al., 2022)In this study an analysis of cryptocurrency, bitcoin and its future has been done. cryptocurrency was an encrypted network which was created eight years ago to enable digital barter. Bitcoin was the first and most well-known cryptocurrency is opening doors for long-standing, unchanging financial payment systems that have been in existence for many years. As technology is developing at a very quick speed, and the market that a particular technology aims to improve upon nearly entirely determines its success. By enabling a feel free trading environment, cryptocurrencies have the potential to completely transform digital trade marketplaces. A SWOT analysis of Bitcoin is provided, shedding light on a few of the recent developments and movements that may have an impact on whether or not Bitcoin helps to change the way that people think about the economy.

(Saad Alaklabi and Kyeong Kang .2021) ‘Perception towards Cryptocurrency Adoption: A case of Saudi Arabian Citizens’. The purpose of this study is to find out how useful digital money is to Saudi Arabian citizens. Based on a combined approach, a number of user behaviour-related aspects that affect users' intentions towards cryptocurrencies are studied. The Theory of Reasoned Action (TRA), together with four other constructions, served as the authors' foundation. These were perceived risk (which included financial, privacy, and security

risks), perceived utility, and personal innovation. A questionnaire is the means of data collection. The findings demonstrated that a number of factors, including subjective norms, perceived benefit, security risk, and enjoyment, have an impact on the uptake and usage of cryptocurrencies. Perceptions of utility and pleasure are two examples of these variables.

(Dhawale.B.B.2019)‘A Case Study on Investors Attitude Towards Investing in Cryptocurrency in India & Abroad’ The aim of this survey is to determine investors' level of understanding regarding cryptocurrency and their attitude towards investing in it. Effects of the coronavirus and the lockdowns that followed have brought attention to the significance of having several revenue streams. Simultaneously, cryptocurrency has become increasingly popular in Indian markets. This research will contribute to the understanding of whether this popularity may be translated into real cryptocurrency investments. The purpose of this study is to investigate how investors with varying ages and financial background view investing in cryptocurrencies.

## **ANALYSIS AND INTERPRETATION**

**TABLE NO 1 DEMOGRAPHIC DATA**

DEMOGRAPHIC DATA		NUMBER	PERCENTAGE
GENDER	Male	81	70
	Female	34	30
	Total	115	100
AGE	Below 25	15	13
	25-35	69	60
	35-45	31	27
	Total	115	100
ANNUAL INCOME	1-5 lakh	40	35
	5-10lakh	56	49
	10lakh above	19	16
	Total	115	100

Source: Primary Data

**Interpretation:** From Table 1 it is evident that majority of respondents i.e.70% are males and out of 100 respondents 60% fall under the age group of 25-35. Majority of the respondents have an annual income between 5-10lakh i.e. 56% of the respondents.



**TABLE NO.2.SHOWS NUMBER OF RESPONDENTS ON THE BASIS OF THEIR FAVOURITE INVESTMENT TOOL.**

Sl.no	RESPONSE	NO OF RESPONDENTS	PERCENTAGE
1	Stock market	53	46
2	Mutual fund	42	36
3	Real estate	8	7
4	Gold	10	9
5	Cryptocurrency	2	2
	Total	115	100

Source: Primary Data

**Interpretation:** From above table we can conclude that 46% of the respondent favourite investment tool is stock market. 36% of the respondents like to invest their funds in mutual fund. Only 2% of the respondent favourite investment tool is cryptocurrency. Others likes to invest in gold and real estates.

**TABLE NO.3. SHOWS NUMBER OF RESPONDENTS ON THE BASIS OF THEIR AWARENESS OF CRYPTOCURRENCY**

Sl.no	RESPONSE	NO OF RESPONDENTS	PERCENTAGE
1	YES	75	65.2
2	NO	25	21.8
3	NOT SURE	15	13
	TOTAL	115	100

Source: Primary Data

**Interpretation:** From table 3 it is observed that majority i.e.75% of the respondents are aware about the cryptocurrency.10% are unaware about it. And 15% of the respondents are not sure about it.

**TABLE NO.4. SHOWS NUMBER OF RESPONDENTS ON THE BASIS OF THEIR PREFERENCE TO CHOOSE CRYPTOCURRENCY AS.**

Sl.no	RESPONSE	NO OF RESPONDENTS	PERCENTAGE
1	Currency	31	33
2	Investment tool	64	67
	Total	95	100

Source: Primary Data

**Interpretation:** above table number 4 shows that 33% of the respondents prefers to choose cryptocurrency as currency and 67% of the respondents choose it as an investment tool.

**TABLE NO.5 SHOWS NUMBER OF RESPONDENTS ON THE BASIS OF THEIR INDIFFERENCE TOWARDS CRYPTOCURRENCY.**

Sl.no	RESPONSE	NO OF RESPONDENTS	PERCENTAGE
1	Legal issues	22	27
2	Security issues	10	13
3	High volatility	8	10
4	No confidence	40	50
	Total	80	100

Source: Primary Data

**Interpretation:** Among all the respondents 22 respondents have sought the reason as legal issues attached with cryptocurrency as their indifference towards cryptocurrency, 40 respondents have shown that they do not have confidence in cryptocurrency, 10 respondents sought the reason as security issues related with cryptocurrency as their indifference towards it and 8 respondents have given the high volatile nature of cryptocurrency as their indifference towards cryptocurrency

## **FINDINGS**

1. Majority of respondents are males and out of 100 respondents 60% fall under the age group of 25-35.
2. 56% of the respondents have an annual income between 5-10 lakh.
3. 46% of the respondent favourite investment tool is stock market. 36% of the respondents like to invest their funds in mutual fund. Only 2% of the respondent favourite investment tool is cryptocurrency.
4. Majority i.e. 75% of the respondents are aware about the cryptocurrency.
5. Majority of the respondents feel that Cryptocurrency should be regularised as Investment tool.
6. 'Lack of Confidence in Cryptocurrency' is the main reason behind no interest in Cryptocurrency followed by volatility and legal issues.

## **CONCLUSION**

Blockchain technology is the new-age advanced technology but investors are not much aware about it, its uses and how it is beneficial. Similarly, mostly people are aware about the term cryptocurrency even though they don't know about it in detail but at least heard of it and few people are there who don't know the term cryptocurrency but know the term Bitcoin. Investors prefer cryptocurrency more for investment purpose as compared to payment option. The number of investors investing in cryptocurrency are less, started investing recently with smaller portion of their savings and crypto being a minor component in their portfolio that too often the invest is in bitcoin and Ethereum. whereas the number of people not investing in cryptocurrency are large, this is because of security reasons, lack of detailed knowledge for trading and investing and not being

regulated by authority but still people wishes to invest in cryptocurrency in near future when they will be more aware and some clear views on regulations on crypto are made.

## **SUGGESTIONS**

- As cryptocurrency is a digital currency which operate on blockchain technology so it becomes important to create awareness among the people regarding blockchain technology its uses and impact in dealings.
- To encourage investment in cryptocurrency, the government should ease the regulation and restriction applied while dealing in cryptocurrency
- As the study is done on small scale, so it is more impactful only at lower level not at macro level so many more such study and surveys results can be referred by government and RBI before actually launching the new digital currency

## **REFERENCE**

1. D. P. B., & -, A. K. (2023). Awareness of Cryptocurrency among general public: Evidences from South India. International Journal For Multidisciplinary Research, 5(6).
2. Manjula.B.C, Shilpa.B.S, & Sundaresh. M. (2022). Analysis of Cryptocurrency, Bitcoin and the Future. East Asian Journal of Multidisciplinary Research, 1(7), 1293–1302.
3. Saad Alaklabi and Kyeong Kang.(2021).Perception towards Cryptocurrency Adoption: A case of Saudi Arabian Citizens.
4. Dhawale.B.B.(2019). A Case Study on Investors Attitude Towards Investing in Cryptocurrency in India & Abroad. IJFANS INTERNATIONAL JOURNAL OF FOOD AND NUTRITIONAL SCIENCES,8(9),1515-1524.

