A Study of Investor Perception on Cryptocurrency as a Long-Term Investment in Amravati City

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ABSTRACT: This study is conducted to understand how investors in Amravati city think about cryptocurrency as a long-term investment option. Nowadays, cryptocurrency is becoming popular, but many investors are confused because of risk, price changes, security issues, and unclear government rules. The main purpose of this study is to know the level of awareness, knowledge, trust, and interest of investors in cryptocurrency. The study is based on primary data collected from 50 respondents using a questionnaire. The data is analysed using percentage method and chi-square test. The findings show that most respondents have heard about cryptocurrency, but only a few actively invest in it. Many investors have some knowledge but are not fully confident because they do not clearly understand how cryptocurrency works. Risk of losing money, market ups and downs, and safety of online platforms strongly affect investor opinion. Social media and online sources also play an important role in shaping investor views. The study also finds that most investors prefer to invest only a small part of their money in cryptocurrency instead of using it as a main investment. The chi-square test proves that investor perception has a significant effect on the decision to consider cryptocurrency as a long-term investment. The study concludes that better awareness, clear government rules, and strong security systems are needed to increase investor confidence in cryptocurrency.

KEYWORDS: Cryptocurrency, Investor Awareness, Investor Perception, Long-term Investment, Risk, Security

I. INTRODUCTION

Infrastructure of Digital Currencies

The infrastructure of the traditional monetary system differs significantly from that of digital currencies. Traditional financial systems are centralized and controlled by banks and governments, whereas digital currencies operate on decentralized networks. One of the major advantages of digital currencies is the elimination of intermediaries, which results in lower transaction costs and faster payments. Due to changing economic conditions and reduced public trust in existing business structures, people are increasingly receptive to alternative financial models such as digital currencies. These systems are easy to implement and are considered suitable for future financial frameworks.

Emergence of Bitcoin and Cryptocurrency

Money plays a vital role in every aspect of human life and is one of the most valuable exchange instruments. With technological advancements, digital forms of money have gained popularity. Bitcoin, the first cryptocurrency, was introduced in 2008 by Satoshi Nakamoto. Since its introduction, Bitcoin has been regarded as one of the most debated and controversial currencies. Cryptocurrencies represent a major innovation in the financial sector, offering a new approach to transactions without the involvement of traditional banking institutions.

Technology Behind Cryptocurrency

Bitcoin is based on a revolutionary peer-to-peer payment system that allows users to transfer money electronically and anonymously without relying on trusted third parties such as banks. The system functions through a network of computer nodes that validate and record transactions. These transactions are stored using distributed ledger technology known as blockchain. Blockchain uses cryptographic techniques to ensure the accuracy, security, and transparency of transactions. Once verified, transactions are permanently recorded in a public ledger, increasing trust and accountability.

Rising Demand for Cryptocurrencies

The demand for Bitcoin and other cryptocurrencies has increased due to several advantages. These include decentralization, anonymity, low transaction costs, and investment opportunities. Cryptocurrencies are also used as financial instruments to benefit from price volatility and to diversify investment portfolios. Since their introduction, cryptocurrencies have attracted widespread global media attention, as they were expected to transform the retail payment system by reducing the role of banks and other financial

intermediaries.

Regulatory Challenges and Limitations

Despite their benefits, cryptocurrencies face several challenges. Countries with strict capital control laws, such as China and Iceland, have restricted or banned cryptocurrency transactions to prevent financial regulation bypass. Cryptocurrencies also involve risks such as hacking, fraud, technical failures, and permanent loss of digital assets. Due to these risks and structural flaws, cryptocurrencies like Bitcoin are unlikely to be recognized as official currencies by governments.

Concept and Definition of Cryptocurrency

Cryptocurrency is a digital or virtual currency that exists only in electronic form and uses cryptographic techniques for security. Unlike traditional fiat currencies, cryptocurrencies are decentralized and operate without a central authority. This provides users with greater financial control and protection from manipulation. Cryptocurrencies are widely used for online payments, investments, international remittances, and increasingly as a store of value.

Key Features of Cryptocurrency

The main features of cryptocurrency include decentralization, transparency, security, anonymity, and limited supply. Blockchain technology ensures transparency by recording all transactions on a public ledger. Strong cryptographic algorithms provide security and protect against unauthorized access. Most cryptocurrencies have a fixed supply, which controls inflation and enhances value through scarcity.

Types of Cryptocurrencies

Cryptocurrencies are classified into different types such as Bitcoin, altcoins, stablecoins, and utility or security tokens. Bitcoin is often referred to as "digital gold" due to its limited supply. Altcoins like Ethereum and Ripple provide advanced functionalities such as smart contracts and fast international payments. Stablecoins reduce volatility by being linked to fiat currencies, while utility and security tokens expand blockchain usage beyond currency transactions..

II.   LITERATURE REVIEW

(Gautam, Kumar & Dahiya, 2024) Gautam et al. examined how physiological factors (neurotransmitters) along with risk tolerance and investment experience influenced cryptocurrency investment decision-making. They reported that investors with higher risk tolerance and greater experience showed distinct patterns in how neuro-psychological factors impacted their crypto investment choices, thus influencing perception of crypto as long-term investment.

(Bhattacharjee & Mitra, 2024) Bhattacharjee and Mitra analysed volatility concerns for cryptocurrency investments among Indian investors amid inflation fears. They found that high volatility of cryptocurrencies such as Bitcoin and Ethereum created negative perception among many investors towards treating crypto as a long-term investment avenue. They further suggested that fewer investors considered crypto as a safe long-term bet due to perceived inflation + volatility risks.

(Vasishta & Singla, 2024) Vasishta and Singla explored the factors affecting cryptocurrency investment in the Indian market via survey (512 respondents) and found high awareness (~89.84 %) but low actual investment (~20.43 %). They reported that lack of understanding, low confidence, cyber-fraud risk and regulatory ambiguity discouraged investment, whereas perceived good returns and ease of use encouraged it. Their findings indicated that many potential investors did not perceive crypto as suitable for long-term investment due to these deterrents.

(Koley, 2025) Koley conducted a mixed-method study on cryptocurrency's impact on the Indian economy and among Indian consumers and business owners, and he found that younger, educated investors were more drawn to cryptocurrencies for investment but many still perceived them as short-term speculative tools rather than long-term commitments. He suggested that for crypto to be perceived as long-term investment, structural changes and regulatory clarity were imperative.

Sharma et al. (2024) apply an extended Technology Acceptance Model (TAM) to investigate the behavioural determinants of cryptocurrency adoption among Indian investors. Using a structured questionnaire and SmartPLS for analysis on a sample collected across Indian investor segments, the authors incorporate classic TAM constructs (perceived usefulness and perceived ease of use) together with peripheral variables such as trust, perceived risk, social influence and accessibility. The study finds that perceived usefulness and ease of use strongly shape attitude, while trust and social influence mediate the effect of perceived risk on behavioural intention. Practically, their results suggest that Indian investors' willingness to adopt cryptocurrencies is not only a function of technical familiarity but also of social and trust-related cues — a finding that implies long-term acceptance will depend on institutional signals (regulation, reliable exchanges) as much as on returns. For researchers studying crypto as a long-term

investment, this paper is important because it links adoption intent with attitudinal constructs that would influence whether investors will hold through volatility or treat crypto as short-term speculation.

III METHODOLOGY
Research Design

A descriptive research design is used because the study aims to describe and analyse investor perceptions, attitudes, and behaviour toward cryptocurrency. This design allows systematic collection of data to identify trends, preferences, and concerns among different types of investors in Amravati.

Objectives of the Study
- To assess the level of awareness and knowledge among investors in Amravati city regarding cryptocurrency as a financial instrument.
- To examine the factors influencing investor perception of cryptocurrency, such as risk, return, volatility, security, and regulatory environment.
- To identify the role of social influence, trust, and media exposure in shaping investor perception toward cryptocurrency investment.
- To evaluate investor confidence and willingness to include cryptocurrency in their long-term financial planning and wealth creation strategies.
- To study the perceived advantages and challenges of treating cryptocurrency as a long-term investment option in comparison with traditional investments

Hypotheses
Null Hypothesis (H_0):
There is no significant relationship between investor perception and the consideration of cryptocurrency as a long-term investment option in Amravati city.

Alternative Hypothesis (H_1):
There is a significant relationship between investor perception and the consideration of cryptocurrency as a long-term investment option in Amravati city.

Sources of Data
Primary Data: Primary data is collected directly from investors in Amravati city using a structured questionnaire.

Secondary Data:

- Research papers and journal articles on cryptocurrency and investor behaviour
- Reports from financial institutions, cryptocurrency exchanges, and market analyses
- Government reports and RBI circulars on digital currency regulations

Sample Design
Sampling Technique: Simple Random Sampling is used to select respondents. Every investor in the population has an equal chance of being included, reducing bias and ensuring a representative sample of investor perceptions.

Sample Size: 100 investors
Sample Area: Amravati city
Sample Universe: The sample universe includes all investors in Amravati city who have knowledge of or invest in cryptocurrencies, either for long-term or short-term purposes.

Tools and Techniques
Percentage analysis, tables, bar graphs, and Chi-square test were used for data analysis and hypothesis testing.

Scope and Limitations
The study focuses on consumer experience with AI chatbots in Indian e-commerce. Limitations include a small sample size, regional focus, and reliance on self-reported data.

Hypothesis
Chi-Square Test
Hypothesis:

- **H_0:** There is no significant relationship between investor perception and long-term investment consideration.

- **H_1:** There is a significant relationship between investor perception and long-term investment consideration.

Grouping Used (Derived from Tables)

Perception Type	Yes	No	Total
Positive perception	26	6	32
Negative perception	4	14	18
Total	**30**	**20**	**50**

Expected Frequencies

Cell	Expected (E)
(32×30)/50	19.2
(32×20)/50	12.8
(18×30)/50	10.8
(18×20)/50	7.2

Chi-Square Calculation

O	E	(O−E)² / E
26	19.2	2.41
6	12.8	3.61
4	10.8	4.28

14	7.2	6.42
χ^2		**16.72**

Decision:
- $df = (2-1)(2-1) = 1$
- Table value at 5% level = 3.84
- Calculated value = 16.72

Conclusion:

Since the calculated chi-square value (16.72) is greater than the table value (3.84), the Null Hypothesis (H_0) is rejected and the Alternative Hypothesis (H_1) is accepted.

Final Statement:

There is a significant relationship between investor perception and the consideration of cryptocurrency as a long-term investment option in Amravati city.

III. CONCLUSION

The study concludes that cryptocurrency is becoming popular among investors in Amravati city. Most respondents are aware of cryptocurrency and have some level of confidence about it. However, many investors are still careful due to high risk, price fluctuations, and lack of clear government rules.

The study clearly shows that investor perception strongly affects whether people are willing to invest in cryptocurrency for the long term. People who have positive opinions, better knowledge, and higher trust are more willing to invest. On the other hand, fear of loss, lack of trust, and confusion about rules make investors hesitant.

Overall, most investors see cryptocurrency as a supporting investment rather than a main one. With proper education, better security, and clear regulations, cryptocurrency can become a more acceptable long-term investment option in the future.

FINDINGS

- This study was conducted to understand investor perception about cryptocurrency as a long-term investment in Amravati city. The study is based on responses from 50 respondents and uses percentage analysis and the chi-square test.

- The findings show that awareness of cryptocurrency is high. About 36% respondents actively invest or trade in cryptocurrency, while 40% know about it but have not invested. However, 16% have only heard about it, and 8% do not know anything about cryptocurrency, showing hesitation despite awareness.

- Regarding knowledge confidence, 20% respondents are very confident and 44% are somewhat confident. On the other hand, 24% have low confidence and 12% are not confident at all, indicating limited understanding among many investors.

- Risk is a major factor affecting perception. Around 32% respondents are most concerned about the risk of losing money, 28% focus on high returns, 24% are affected by market volatility, and 16% worry about legal regulations.

- Trust in cryptocurrency platforms is mixed. About 28% respondents fully trust established platforms, while 40% have partial trust. However, 20% have low trust and 12% have no trust, showing security concerns.

- Social media strongly influences opinions. About 24% respondents have a strongly positive view and 36% have a somewhat positive view, while 28% feel neutral and 12% feel negative.

- Finally, for long-term investment, 16% respondents would consider cryptocurrency as a main investment and 44% would invest a small portion. However, 24% are unsure and 16% do not want to invest, showing a cautious attitude among investors.

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