

A Study On The Perception Of Crypto Currency Investment Among Salaried Employees In Chennai City With Special Reference Based On Gender

1.Dr. A. M. A. Jenita , 2. Fathima Rizwan .K

¹Assistant Professor And Research Advisor, Pg And Research Department Of Management, Marudupandiyar College, Thanjavur, Affiliated To Bharathidasan University,Trichy, Tamilnadu.

²Ph.D Full Time Research Scholar, Pg And Research Department Of Management, Marudupandiyar College, Thanjavur, Affiliated To Bharathidasan University,Trichy, Tamilnadu.

Abstract

Cryptocurrency is a digital exchange system that uses cryptography to generate and distribute token. It is based on an encrypted, that facilitates digital transactions. By using a crypto currency, users are able to exchange value digitally without third party interventions. Cryptocurrency is one of the emerging online currency of the modern era. Many investors are investing in this technology based investment. However, some experienced investors and companies still hesitate to use it. According to them, it is a volatile trend which will fade up eventually. There is no such regulated authority and intermediaries which will provide them feasible information. So, investors can be helped by providing them feasibility information about locations for crypto currency investment around the world. Whereas, Crypto currency and block chain technology have attracted interest in a variety of currencies across many countries. Understanding end-user perception of risk will assist in understanding the nature of instrument and help to facilitate the adoption of technology services such as crypto currency.

This study aims to examine the perception of gender to make their investment in the crypto currency market. The study used a survey questionnaire to collect data for a sample of 300 salaried employees around Chennai city. Subsequently, the collected data was analyzed using independent sample t test method. The findings showed that awareness, risk propensity and purpose of selecting crypto currencies area. The paper is based on the descriptive design and quantitative in nature and the data were collected from the investors by using snowball sampling technique and statistical analysis done by SPSS.

Introduction

Many individuals find investments to be extremely interesting because they can participate in the decision-making process and see the results of their choices. Not all investments will be profitable, as investor will not always make the correct investment decisions over the period of years. Investment is not a game but a serious subject that can have a major impact on investor's future wellbeing. Investment is a conscious act of an individual or any entity that involves development of money in securities or properties issued by any financial institutions

with the objective of high returns, safety and future growth with in a definite period of time.

The perception and tendency is increasing over the decades on account of investment plays dynamic role in economic activity. Today, a great number of women are career oriented, are employed in jobs, and are earning their livelihood. Women's attitude towards investment avenues has also been changing, and they are open to make financial investments including that have greater risk. Gender based perception in crypto currency investment helps to understand the investment interest and knowledge between male and female.

There are lots of argument related to investment in crypto currency. The combination of digital currencies with cryptography is named as crypto currencies or crypto coins. The transaction which happen in crypto currencies are very secured with strong cryptographic hash functions that ensure the safe sending and receiving of assets within the transaction chain in a Peer-to-Peer network. A number of studies suggest that crypto currencies show expectable patterns with mostly oscillating persistence, in general it is attached with several unique properties including leverage effects. Although extremely surprising price appreciation in recent years, crypto currencies have been subjected to assertion of pricing bubbles central to the trilemma that exists between regulatory oversights, each influence the perception of the role of crypto currencies as a credible investment and legitimate of value. It require a different volatility process in comparison to other assets and does not correlate with them. Many studies exploring the current state as well as challenges to the adoption of block chain technology in crypto currency transactions. The degree of purpose of the four main crypto currencies (Bit Coin, Lite Coin, Ripple and Dash) and its development over time. It was revealed that crypto currency market is still inefficient, but is becoming less so.

Abramova & Boeme (2016) investigated factors influencing the purchase of Bit coin and there have been a number of discussions of both the risks and benefits of adopting crypto currency for a variety of applications.

Sadhya & Sadhya (2018) looked at web-based sources and identified 16 barriers to adoption. These included regulatory issues, privacy, security, implementation issues, startup costs, lack of trust, transaction scalability, energy utilization, ease of use, storage concerns, and technical maturity.

Virtually everyone makes investments. Even if the individual does not select specific assets such as new investments options like crypto currency, investments are still made through participation in pension plan, and employee savings programme or through purchase of life insurance, home, gold, silver, bonds, post office

savings or real estate. Each of the investment has common characteristics such as potential return and the risk. The future is uncertain, and one must determine how much risk you are willing to bear since higher return is associated with accepting more risk.

We constantly face situations that require us to decide between actions that differ in level of risk. In most cases, while dealing with risk, human beings rely on their experience, intuition, instinctive and gut feeling always supported us in our survival through the evolution in different investment avenues.

In their studies, Slovic et al. (1982) employed a psychometrics paradigm that used psychophysical scaling methods and multivariate analysis to produce quantitative representations of risk attitudes and perceptions. Using this method, researchers have typically asked individuals to judge the current and desired riskiness of diverse sets of hazardous activities, substances, and technologies. In the Information Systems (IS) area, perceived risk is commonly defined as a uncertainty regarding possible negative consequences of using a product or service. Previous IS research has added “perceived risk” as an additional construct in the Technology Adoption Model (Featherman & Pavlou, 2003). In this study, perceived risk was defined as “the potential for loss in the pursuit of a desired outcome of using an e-service.” Slovic stated that “studies of risk perception examine the judgments people make when they are asked to characterize and evaluate hazardous activities and technologies.”

Review of Literature

The results provide evidence that compatibility, awareness and Facilitating conditions could influence the Malaysian Muslims’ decision to invest in Bitcoin. On the other hand, perceived ease of use, profitability, Subjective Norms and trust were found to have no significant impact on the Malaysian Muslims’ intention to invest in the Bitcoin market. (Abdullah Ayedh, Abdelghani Echchabi Mohamed Battour, Mohammed Omar, 2020)

Our preliminary results show that users perceive the same magnitude of risk as online risk but a different magnitude of risk in other domains including social and financial situations. We have developed an empirical study to further relate the perception of risk to choice. Upon further empirical validation, we expect that the understanding of risk perception and attitude will offer organizations insights into how users would make choices under these risk situations. (Li-Chiou Chen, Daniel Farkas, 2019).

The public opinions and suggestions regarding emerging trends play an important role in business improvement and sustainability. It can help the IT experts, analysts and investors to satisfy customer needs efficiently. Crypto currency is one of the recent technology. Public around the world are sharing their experiences and opinions regarding its pros and cons. (Shaista Bibi, Shahid Hussain, Muhammad Imran Faisal, 2019)

Research in behavioral finance and economics suggests that where men tend to be more overconfident, women are much more cautious in situations of significant uncertainty. This could be one possible explanation of our findings given that the cryptocurrency market has experienced significant fluctuation with a very blurry future given recent trends in pricing and regulation. (Dingli Xi, Timothy Ian O'Brien, Elnaz Irannezhad, 2018)

There is a need for more studies on digital currencies, particularly that there is now a proliferation of other digital currencies, although still much smaller than bitcoin, such as Litecoin, Peercoin, Namecoin and Quackcoin (Cheung, Roca, & Su, 2015)

Crypto currencies may offer diversification benefits for investors with short investment horizons. Significantly, crypto currencies possess all the traditional characteristics that tax havens do; earnings are not subject to taxation, and taxpayers' anonymity is maintained. The operation of crypto currencies, however, is not dependent on the existence of financial intermediaries. Thus, crypto currencies have the potential of defeating the recent successes of

governments in battling offshore tax evasion (Marian, 2013).

Risk propensity involves the tendency of a decision maker to either take or to avoid risks whereas risk perception is decision maker's assessment of the risk inherent in a situation. The exact nature of the relationship between decision-making, risk propensity, and risk perception is not well understood. While researches have been conducted to analyze the effects of risk perception and propensity on investor's behavior, there are only few studies that have examined all three factors together (Mahmood et al., 2011; Rana et al., 2011 and Chou et al., 2010).

Objectives of the Study

The following objectives were framed to know the investors perception towards various investment avenues.

1. To understand the perception of cryptocurrency investment based on demographic factors.
2. To identify the purposes of cryptocurrency investment across gender.
3. To find out the risk factors influencing the investor towards the selection of cryptocurrencies.
4. To analyse the perception of investors relating to safety, liquidity and high returns dimensions.

Importance and Need of the Study

It is observed that investors are more dedicated and keen on safe and high return type of investment choice and preferences. So, it is imperative to study the high return oriented instruments that force them for selecting these investment options. It plays a crucial role in determining the behaviour of investors and their disposition effect; as a result, proper use of money can be seen.

This research will help not only the investors but also the different financial institutions, organizations and advisors/consultants in studying and understanding the perception that induces investors to invest in emerging financial instruments and perception about new investment

avenues and their decision making practice. A better consideration of behavioural procedures and results is important for financial planners because a thoughtful consideration of investor's perception towards cryptocurrencies alternatives should help financial advisors in devising suitable asset distribution strategies for their clients/investors.

Methods

The aim of the study is to identify and understand the perception of cryptocurrency investment across genders based on various benefits and returns, risk propensity, purpose of investments and demographic factors. The population of the study consists of individual salaried employees in Chennai region. Since the population is very large, a survey was carried out among a sample of 300 respondents. The respondents, mainly regular salary based employees from both Government and private sectors.

Hypothesis 1

H01: There is no significant difference between the perceptions of gender regarding Market risk in cryptocurrency investment

Hypothesis 2

H02: There is no significant difference between the perceptions of gender regarding Political risk in cryptocurrency investment.

Hypothesis 3

H03: There is no significant difference between the perceptions of gender regarding Economic risk in cryptocurrency investment..

Hypothesis 4

H04: There is no significant difference between the perceptions of gender regarding credit risk in cryptocurrency investment..

Hypothesis 5

H05: There is no significant difference between the perceptions of gender regarding liquidity risk in cryptocurrency investment.

Hypothesis 6

H06: There is no significant difference between the perceptions of gender regarding selection of cryptocurrency investment based on regular income.

Hypothesis 7

H07: There is no significant difference between the perceptions of gender regarding selection of cryptocurrency investment based on short term profit.

Hypothesis 8

H08: There is no significant difference between the perceptions of gender regarding selection of cryptocurrency investment based on long term profit.

Hypothesis 9

H09: There is no significant difference between the perceptions of gender regarding selection of cryptocurrency investment based on tax savings purposes.

Hypothesis 10

H10: There is no significant difference between the perceptions of gender regarding selection of cryptocurrency investment based on purpose of future assets.

Result and Discussions

Independent Sample T- test

Factors	Levene's test for equality of Variances		t-test for equality of means					
	F	Sig.	t	df	Sig(2-tailed)	Mean Difference	Std Error Difference	95% confidence difference of the interval

								Lower	Upper
Market risk Equal variances assumed Equal Variance not assumed	1.293	.754	.352	298	.354	.0451	.1276	.2060	.2962
			.356	356	.462	.0451	.1276	.2043	.2945
political risk Equal variances assumed Equal Variance not assumed	.004	.952	.793	298	.018	.1024	.1291	.1516	.3564
			.794	287	.428	.1024	.1289	.1514	.3561
Economic risk Equal variances assumed Equal Variance not assumed	.243	.623	.825	298	.022	.1178	.1429	.1634	.3991
			.824	285	.028	.1178	.1431	.1638	.3995
Credit Risk Equal variances assumed Equal Variance not assumed	.094	.760	1.719	298	.017	.2438	.1418	.0354	.5229
			1.720	287	.0255	.2438	.1417	.0351	.5227
Liquidity risk	.165	.684	.794	298	.428	.1118	.1407	.1651	.3887

Equal variances assumed Equal Variance not assumed			791	281	.421	.1118	.1413	.1663	.3899
Regular Income									
Equal variances assumed	.554	.457	.925	298	356	.1313	.1419	.4106	.1480
Equal Variance not assumed			.922	282	.357	.1313	.1424	.4115	.1489
Short term Earnings									
Equal variances assumed	.097	.755	.812	298	.417	.1071	.1318	.1524	.3665
Equal Variance not assumed			.816	290	.415	.1071	.1313	.1513	.3654
Long term Earnings									
Equal variances assumed	.572	.450	.325	298	.746	.0485	.1493	.3423	.2453
Equal Variance not assumed			.324	282	.746	.0485	.1498	.3434	.2464
Purpose of tax savings									
Equal variances assumed	.012	912	.350	298	.022	.0444	.1269	.2053	.2942
Equal Variance not assumed			.350	285	.043	.0444	.1270	.2056	.2945

Purpose of future assets									
Equal variances assumed	.243	.623	.825	.298	.410	.1178	.1429	.1634	.3991
Equal Variance not assumed			.824	.285	.411	.1178	.1431	.1638	.3995

Hypothesis 1

On average, male respondents have almost similar concern about the market risk involved I cryptocurrency investment as female respondents $t = 0.354$, $p > .05$ Null Hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between the perceptions of male and female investors considering market risk in cryptocurrency investment.

Hypothesis 2

On average, female respondents are less concerned about political risk embrace in cryptocurrency investment $t=.946$, $p<=0.05$ Null Hypothesis is rejected and alternate hypothesis is accepted. It is concluded that there is a significant difference between the perceptions of male and female investors regarding considering due to lack of political interest of women.

Hypothesis 3

On average, female respondents are less concerned about economic risk involved in cryptocurrency investment $t = .825$, $p < .05$. Null Hypothesis is rejected and alternate hypothesis is accepted. It is concluded that there is a significant difference between the perceptions of male and female investors regarding considering economic risk in cryptocurrency.

Hypothesis 4

On average, female respondents are less concerned about the credit risk as a deciding factor while investing in cryptocurrency $t = 1.719$, $p < .05$. Null Hypothesis is rejected and alternate hypothesis is accepted. It is concluded that there is a significant difference between the perceptions of male and female investors

regarding considering various credit risk in cryptocurrency investment.

Hypothesis 5

On average, male respondents have almost similar concern about the considering Liquidity risk as female respondents $t=.794$, $p>0.05$, Null Hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between the perceptions of male and female investors regarding considering liquidity risk present involved in cryptocurrency investment.

Hypothesis 6

On average, male respondents have almost similar concern about regular income from cryptocurrency $t=.925$, $p > .05$. Null Hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between the perceptions of male and female investors regarding considering regular income because the intention to invest in crypto investment to earn stable income so both investors perceptions are similar in regular income..

Hypothesis 7

On average, male respondents have almost similar concern about considering the short term profit $t=.812$, $p > .05$. Null Hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between the perceptions of male and female investors regarding considering short term earnings from cryptocurrency investment due to unstable performance of cryptocurrency , investors are urge to reap short term profits.

Hypothesis 8

On average, male respondents have almost similar concern about considering Long term profit $t=.325$, $p>.05$. Null Hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between the perceptions of male and female investors regarding considering long term earnings from cryptocurrency investment.

Hypothesis 9

On average, male respondents are more concern about considering tax savings on the purpose of crypto currency investment $t=.350$, $p<.05$, so Null hypothesis is rejected and alternate hypothesis is accepted. It is concluded that there is a significant difference between the perception of male and female on purpose of tax savings in crypto investment.

Hypothesis 10

On average, both gender have almost similar concern about considering purchases of future assets using investment returns $t=.825$, $p>0.05$, so null hypothesis is accepted and alternate hypothesis is rejected. It is concluded that there is no significant difference between perception of male and female investors on purchase of assets using cryptocurrency benefits.

Findings

- 1) Both male and female investors' concern about considering regular income while investing in cryptocurrencies.
- 2) Male investors analyse the financial risk in-depth comparatively female investors such P/E ratio, safety and other liquidity.
- 3) Both Male and female investors are intended to know the short term benefits from cryptocurrencies.
- 4) Female investors due to lack of political interest they are not considering the political risk involved in cryptocurrencies.
- 5) Male investors study daily reports published by stock exchanges on gainers and losers

before investing in the equity shares as compared to female investors.

- 6) Female investors look more for the security of their investments so they invest very cautiously.
- 7) Female investors are motivated by the people who are successful in crypto currency investment
- 8) Both male and female investors look for the technological risk involved in the crypto currency investment, since its productivity fully depends on innovations and advanced technology.
- 9) Male investors are more concern about tax savings in crypto investments rather than female investors.
- 10) Both male and female investors are much intended towards utilizing crypto investments returns for purchasing future assets.

Conclusion

We developed theories and an empirical study to examine the predictive power of risk perception in comparison with those in other domains, in particular, online risks that are typically encountered in e-Commerce situations. Our preliminary results show that users perceive the same magnitude of risk as online risk but a different magnitude of risk in other domains including social and financial situations. We have developed an empirical study to further relate the perception of risk to choice. Upon further empirical validation, we expect that the understanding of risk perception and attitude will offer organizations insights into how users would make choices under these risk situations. In theory, we further the understanding of the domain-specific nature of risk perception and how it relates to risk choices. In practice, we provide insights into the potential adoption of cryptocurrency through the understanding of user perception of risk. The study concludes that investment done in cryptocurrency both male and female investors with the expectation of capital appreciation and short and long term earnings. The basic idea behind investment of salaried employees in this study is to utilize the surplus money in favourable options with less risky plans

so that the money will be rolled back as well as it will give high returns also.

References

1. Abdullah Ayedh, Abdelghani Echchabi ,Mohamed Battour, Mohammed Omar (2020), Malaysian Muslim Investors' Behaviour Towards the Block chain-based Bitcoin Cryptocurrency market, Journal of Islamic Marketing, DOI: 10.1108/JIMA-04-2019-0081.
2. Abramova, S., and Böhme, R. 2016. "Perceived Benefit and Risk as Multidimensional Determinants of Bitcoin Use: A Quantitative Exploratory Study." In International Conference on Information Systems, Dublin.
3. Al-hussaini.A.I.S, Adamu Abubakar Ibrahim, Mohamad Fauzan Noordin1, and H Mohd Mohadis, **Users Perception of Cryptocurrency System Application from the Islamic Views**, International Journal on Islamic Applications in Computer Science And Technology, Vol. 7, Issue 1, (13-25).
4. Baur, A.W., Bühler, J., Bick, M. and Bonorden, C.S. (2015), "Cryptocurrencies as a disruption? Empirical findings on user adoption and future potential of bitcoin and co", Paper presented at the Conference on e-Business, e-Services and e-Society.
5. Chen, L.-C., and Farkas, D. 2009. "Individual Risk Perception and Attitude towards Computer Security Risk." In Proceedings of the 3rd International Conference on Internet Technologies and Applications, ITA 09.
6. Fred Steinmetz, Marc von Meduna, Lennart Ante, Ingo Fiedler, Ownership, uses and perceptions of cryptocurrency: Results from a population survey,BRL Working Paper Series No. 19
7. Li-Chiou Chen, Daniel Farkas(2019),Individual Risk Perception and Choice using Cryptocurrency for Transactions, ICIS 2019 Proceedings. 10, Fortieth International Conference on Information Systems, Munich.
8. Sadhya, V., and Sadhya, H. 2018. "Barriers to Adoption of Blockchain Technology Barriers to Adoption of Blockchain Technology Completed Research." Americas Conference on Information Systems. New Orleans.
9. Slovic, P. 1987. "Perception of Risk," Science, (236:4799), pp.280–285.
10. Slovic, P., Fischhoff, B., and Lichtenstein, S. 1982. "Why Study Risk Perception?" Risk Analysis, (2:2), pp.83–93.
11. Shaista Bibi, 2Shahid Hussain, 3Muhammad Imran Faisal, 2019, Public Perception Based Recommendation System for Cryptocurrency, International Bhurban Conference on Applied Sciences & Technology (IBCAST) Islamabad, Pakistan.
12. Nakamoto, S. (2008). Bitcoin: a peer-to-peer electronic cash system. <https://bitcoin.org/bitcoin.pdf>. Last accessed: January 11, 2021.