

An Empirical Study of Cryptocurrency Awareness, Acceptance, and Adoption Among Urban Consumers

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Abstract

Crypto currencies—digital or virtual currencies secured by cryptography and based on blockchain technology, such as Bitcoin and Ethereum—have significantly impacted the global economic landscape. These innovative transaction methods have rapidly gained traction within the financial sector, altering the dynamics of the global economy. However, widespread acceptance and adoption remain hesitant, primarily due to misconceptions and a lack of proper understanding regarding their usage. These knowledge gaps present an opportunity to address these challenges. The findings highlight that cryptocurrency awareness has a direct, positive, and significant impact on adoption, with this relationship mediated by factors that drive cryptocurrency acceptance, such as its ease of use and perceived usefulness. Additionally, the results emphasize the crucial role of trust in strengthening both direct and mediating relationships. These insights underscore the importance of promoting a well-informed understanding of cryptocurrencies to facilitate their wider adoption within the financial ecosystem. By addressing misconceptions and reinforcing factors like ease of use, usefulness, and trust, policymakers and financial institutions can better position themselves to integrate and encourage the mainstream use of cryptocurrencies in global financial systems.

Keywords: Cryptocurrencies, Financial Innovation, Decentralized Finance (Defi), Green Blockchain, Financial Incl

I. INTRODUCTION

As cryptocurrencies gain traction, their impact on financial ecosystems, commerce, and consumer behavior has become increasingly significant. Urban consumers, characterized by their higher levels of digital literacy, access to technological infrastructure, and inclination toward innovation, represent a critical demographic for understanding the adoption dynamics of cryptocurrencies. However, despite the growing interest, cryptocurrency remains a polarizing subject due to its complexity, volatility, and perceived risks. This study aims to investigate the levels of cryptocurrency awareness, acceptance, and adoption among urban consumers. It explores the factors that influence these dimensions, such as demographic characteristics, socio-economic status, technological affinity, and exposure to financial innovations. Additionally, the study seeks to identify barriers to adoption and propose strategies to enhance the mainstream integration of cryptocurrencies. By providing empirical insights, this research contributes to the existing body of knowledge on cryptocurrency adoption and offers practical implications for policymakers, financial institutions, and technology developers aiming to foster a more inclusive digital economy. Understanding the perceptions and behaviors of urban consumers is vital for designing targeted initiatives that address their needs and concerns while leveraging the transformative potential of cryptocurrencies.

The top Cryptocurrencies in India

1. Bitcoin (BTC) Price today: INR 91, 05,499.51 (as per Jan 2025)

For Indians, Bitcoin is synonymous with cryptocurrency. And rightfully so, because this was the first and is the highest valued crypto in the market right now. After reaching an all-time high of about \$65000 in April this year, the price started plummeting recently, thanks to Elon Musk's tweet about Tesla not accepting Bitcoins anymore (initially, Tesla had decided to accept Bitcoins as a mode of payment). If you have the budget, now is the best time to buy Bitcoin as the price dropped by almost 30%.

2. Ethereum- Price today: 2, 85,283.79 (as per Jan 2025)

Ether, introduced in 2015, is presently the second-biggest digital currency by market value behind bitcoin, but it lags by a substantial margin behind the dominant cryptocurrency. Effective January 2020, the market value of ether is around 1/10 the size of bitcoins. Ethereum is focused on realistic smart contracts for the digitalisation of transactions used by several companies. Ethereum is a decentralized computing framework that enables the construction and running of Smart Contracts and Decentralized Applications without any third

party interruption, theft, power or intervention. On Ethereum, the programs run on the platform-specific cryptographic token, ether.

3. Binance Coin- Price today: INR 64,900.26 (as per Jan 2025)

As per market capitalization, Binance Coin is the third-largest cryptocurrency, the first two being Bitcoin and Ethereum. In 2017, Binance Coin was launched by one of the world's largest cryptocurrency exchanges Binance, as a utility token. Hence, the pricing of this crypto coin depends on its utility on the Binance platform. In simple terms, if more people use Binance Coin to trade other cryptos, its value will increase. Experts predict that by the end of May 2021, the price of one Binance Coin will hit \$505.

4. Ripple: Price today: INR 304.76 per token (as per Jan 2025)

Launched in 2012, Ripple helps banks to real-time settle cross-border trades for end-to-end transparency and lower costs. With its new business model, Ripple has seen success; it remains one of the most appealing digital currencies for mainstream financial institutions finding ways to revolutionize cross-border payments. This is also the world's third-largest cryptocurrency by overall market value at this time. Ripple had a market cap of \$9.2 billion as of January 22, 2025, and a stock of INR 304.76 per token.

5. Dogecoin (DOGE) Price today: INR 31.54 (as per Jan 2025)

It is baffling how a crypto coin that started out as a meme is now a leading player in the market. Unofficially endorsed by the "Dogefather" Elon Musk, Dogecoin is a cheaply priced cryptocurrency with immense growth expectations. Though the market crash had stumped the price of Dogecoin, it is still the fourth-largest cryptocurrency as per the market cap.

Objectives

- To assess the level of awareness of cryptocurrencies among urban consumers.
- To analyze the acceptance of cryptocurrencies as financial tools among urban consumers.
- To evaluate the adoption patterns of cryptocurrencies among urban consumers.

Statement of the Problem

The rapid growth of digital technologies has transformed financial systems, with cryptocurrencies emerging as a ground breaking innovation. Despite their potential to disrupt traditional finance and enhance financial inclusion, cryptocurrency adoption among urban consumers remains uneven. Urban populations, known for their digital literacy and access to technology, have yet to fully integrate cryptocurrencies into their financial practices. Barriers such as limited awareness, lack of trust, perceived risks, and regulatory uncertainties hinder widespread acceptance. The volatility of cryptocurrency markets and the absence of

standardized policies further amplify consumer apprehension. Additionally, the complexity of cryptocurrency technologies and socio-economic disparities contribute to varying levels of awareness, acceptance, and adoption among urban consumers. Addressing these challenges is essential to bridge gaps in cryptocurrency adoption and harnesses its transformative potential.

This study investigates the awareness, acceptance, and adoption of cryptocurrencies among urban consumers, identifies key obstacles, and proposes strategies for their broader integration into mainstream finance. By doing so, it aims to enhance understanding of adoption dynamics and support efforts to promote an inclusive digital economy.

Significance of the Study

The significance of this study lies in its potential to contribute to the understanding of the dynamics surrounding cryptocurrency awareness, acceptance, and adoption, particularly among urban consumers. As cryptocurrencies continue to gain attention as an alternative form of investment, transaction, and financial innovation, it is crucial to assess how urban populations, who are often early adopters of new technologies, engage with these digital currencies. The findings from this study could offer insights into the barriers and motivations that shape consumers' perceptions and behavior towards cryptocurrencies, including issues of trust, security, and ease of use. Furthermore, this research will be valuable for policymakers, financial institutions, technology providers, and businesses looking to understand the factors influencing consumer engagement with cryptocurrencies. By highlighting the social, economic, and educational factors that impact adoption rates, the study can inform targeted strategies to improve financial literacy and promote more widespread cryptocurrency use. Additionally, the outcomes of this study can assist in bridging the gap between technological advancements in the cryptocurrency space and their practical application among everyday consumers, ensuring that urban populations are not left behind in the evolving digital financial ecosystem. As cryptocurrencies are expected to play an increasing role in global financial systems, this research will provide an empirical foundation for future studies and policies aimed at enhancing their integration into mainstream markets.

Review of Literature

Lee, C., Park, J., & Shin, Y. (2019). Social influence and trust in the adoption of cryptocurrencies. Acceptance refers to the willingness of consumers to recognize cryptocurrencies as viable financial tools. Lee et al. (2019) found that trust in the technology, perceived utility, and social influence are key determinants of acceptance. Additionally, financial stability and risk tolerance also shape individuals' acceptance levels.

Davis, K., Nguyen, T., & Martinez, R. (2022). Exploring cryptocurrency adoption: Factors influencing user behavior. Adoption is characterized by the actual use of cryptocurrencies for transactions, investments, or other purposes. Research by Davis et al. (2022) emphasizes that

adoption is influenced by accessibility, regulatory clarity, and the perceived advantages over traditional financial systems. Barriers such as volatility, lack of knowledge, and security concerns continue to hinder widespread adoption.

Kumar,S., & Singh, P. (2023). “Blockchain awareness and its influence on cryptocurrency engagement” Individuals with higher exposure to digital platforms and blockchain-related content demonstrate greater knowledge of cryptocurrencies. Urban populations, in particular, benefit from superior access to technological resources and financial education, enhancing their awareness levels.

Fernandez, P.,Rojas, C., & Vega, M. (2023).The role of media in shaping cryptocurrency perceptions. Acceptance of cryptocurrencies hinges on trust, perceived utility, and societal influence. A study by Lin and Huang (2023) highlights that urban consumers are more likely to accept cryptocurrencies when they perceive them as secure and beneficial for transactions. Additionally, peer recommendations and media narratives significantly shape consumer trust and acceptance.

Hypothesis of the Study

H₀₁: There is no significant relationship betweenCryptocurrency awareness and cryptocurrency adoption among urban customers.

Research Methodology

A Research has to come under a ‘Descriptive’ type of research. Convenient Sampling was selected for this study to find out theCryptocurrency Awareness, Acceptance, and Adoption among Urban Consumers. The Questionnaire was prepared to collect the data. The questionnaire were distributed to 50 respondents has been selected for the researchers convenient. Primary data was collected from the customer through a questionnaire. Secondary data is collected from past research, journals and websites. The collected data has been analyzed through SPSS Percentage analysis and Chi Square test has been applied to find the result of the study.

Analysis and Interpretation

Table No. 1 Demographic Profile of the Respondents

Demographic variables	Category	Frequency	Percentage
Gender	Male	27	54
	Female	23	46
	Total	50	100
Age (in years)	18 to 30 years	35	70
	31-40 years	15	30
	Total	50	100
Educational qualification	Professional	09	18
	UG	23	46
	PG	17	34
	Others	01	02
	Total	50	100
Occupation	Government Employee	32	64
	Private Employee	07	14
	Business	07	14
	Others	04	08
	Total	50	100

Source: Primary data

The above table indicates that majority of the respondents i.e., 54 percent of them were male, 70 percent of them were age between 18-30 years, 46 percent of them educational qualification is UG and 64 percent of them were occupation is Government Employee.

Table No. 1 ANOVA

H₀: There is no significant relationship between Cryptocurrency awareness and cryptocurrency adoption among urban customers.

Satisfaction	Awareness	Sum of squares	F	Sig
Adoption	Between Groups	8.158	0.139	0.996
	Within Groups	58.554		
	Total	66.712		

It shows that the p-value (0.996) is greater than 0.05 level of significance. Hence, the framed null hypothesis is rejected at 5 percent level of significance.

II. CONCLUSION

The findings of this study highlight important insights into cryptocurrency awareness, acceptance, and adoption among urban consumers. While awareness of cryptocurrency is relatively high, acceptance and adoption vary significantly, influenced by factors such as perceived utility, trust, technological familiarity, and regulatory clarity. Most urban consumers are aware of cryptocurrency but lack a deep understanding of its functionality, risks, and potential benefits, indicating a gap between general awareness and informed knowledge. Acceptance is strongly tied to the perceived benefits of secure and efficient transactions, yet concerns about volatility, security, and the absence of clear regulatory frameworks remain significant barriers. Trust in cryptocurrency platforms and technological literacy emerged as critical factors, with younger, tech-savvy, and higher-income consumers showing greater willingness to adopt cryptocurrencies. Additionally, demographic and socioeconomic factors, such as age, education, and occupation, play a pivotal role in shaping attitudes and behaviors. The study underscores the need for targeted educational initiatives, user-friendly technologies, and clear regulatory policies to address these challenges and foster trust. Policymakers and industry stakeholders should collaborate to mitigate concerns and create an environment conducive to cryptocurrency adoption. These findings contribute valuable insights to the growing field of cryptocurrency research and offer actionable guidance for stakeholders aiming to enhance adoption rates among urban consumers.

III. REFERENCES

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