
A Study to Understand the Awareness about Bitcoins among the Youth Population in Bangalore

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Abstract:

The recent boom in cryptocurrencies has gathered a lot of attention from everyone around the globe. The year 2017 saw a 2000% rise in the value of Bitcoins making it a household name. However, this wasn't enough for India to accept it as a legal tender and the future of cryptocurrency in India is still uncertain. This study was conducted to understand the awareness of about Bitcoins among the youth population in Bangalore. The data was collected using a structured questionnaire distributed via Google Form survey and the data was recorded. The tool used for analysis was correlation to find out if two variables were related and how they affect each other. The researcher found that the variables showed a positive correlation.

Keywords- Bitcoins, Cryptocurrencies, Digital currency, Bangalore, India

Introduction:

A cryptocurrency is a digital asset designed to work as a medium of exchange that uses cryptography to secure its transactions, to control the creation of additional units, and to verify the transfer of assets.

Bitcoin is a cryptocurrency and worldwide payment system. It is the first decentralized digital currency, as the system works without a central bank or single administrator. The network is peer-to-peer and transactions take place between users directly, without an intermediary. These transactions are verified by network nodes using cryptography and recorded in a public distributed ledger called a blockchain. Bitcoin was invented by an unknown person or group of people under the name Satoshi Nakamoto and released as open-source software in 2009.

Review of Literature:

Cryptocurrency came into existence when an unknown person or group of persons published a paper about a new type of currency called Bitcoins. The article was published under the name Satoshi Nakamoto. Bitcoins was explained as a peer-to-peer electronic cash that would allow online payments to be sent directly without going through a financial institution (Satoshi Nakamoto, 2008). The term cryptocurrency grew since then but it is just starting out right now which means the applications are limited. The use of cryptocurrency is limited right now but they can be used an alternate to equity market investments as it is not directly affected by financial crisis (Wayne, T, 2017). There are researchers, however who think cryptocurrencies like Bitcoins will perform better in developing countries than in developed countries. The reason for this is the fact that in developed countries people have access to traditional financial services which makes it harder for them to adopt a new technology. However, in developing countries, people tend to prefer new and better technology as

they have limited access to the traditional technology (Metz C, 2016). Also, according to a survey, people in Asia and Africa showed a higher confidence in Bitcoins than other countries. 74% of the population of Kenya said they're comfortable in investing in Bitcoin (Wang MS, 2014). With the increased interest in Bitcoins, governments have struggled to find a common ground to legalize Bitcoins or any other cryptocurrency. Governmental entities have made uncoordinated efforts to provide guidance on the treatment of bitcoins, and the courts have been largely silent on this classification issue (Deppert, Chelsea, 2015).

Objectives of the Study:

-) To understand the awareness about Bitcoins among the youth of Bangalore.
-) To analyze and understand if factors like age and gender has any relation to the understanding and knowledge of Bitcoins.

Research Methodology:

This research has been carried on primary data. The subject matter of this study is to understand the awareness about Bitcoins in the youth of Bangalore.

Data collection: Primary Data was collected using a structured questionnaire distributed via Google Forms. The sample size of the data was 50.

Data analysis: The different data analysis techniques used are Correlation of the Primary Data.

Hypothesis:

Age and the Awareness about cryptocurrencies	H0	The Age of the person and the knowledge about cryptocurrency is not related.
	H1	The Age of the person and the knowledge about cryptocurrency is related.
Gender and the Awareness about cryptocurrencies.	H0	The Gender of the person and the knowledge about cryptocurrency is not related.
	H1	The Gender of the person and the knowledge about cryptocurrency is related.

Limitations of the Research:

-) The research focuses just on the youth population in Bangalore which might not represent the awareness level for the country.
-) The research is just limited to Bitcoins and doesn't consider the awareness about other cryptocurrencies.

Data Analysis and Interpretation:

Table 4.1: Table showing the breakup of age demographic who took the survey

	Frequency	Percent
Above 30	3	6
23-30	2	4
20-23	16	32
16-19	29	58
Total	50	100

The table 4.1 shows the age breakup of people who took the survey. As we can see from the table, 58% were aged between 16-19 years and 32% were aged between 20-23 years.

Table 4.2: Table showing the distribution of Male and Female who took the survey

	Frequency	Percent
Male	34	68
Female	15	30
Prefer not to say	1	2
Total	50	100

The table 4.2 shows the people from different genders who took the survey. As we can see, 68% of the people who took the survey were Males followed by 30% Females.

Table: 4.3: Table showing the correlation between the knowledge of Cryptocurrencies and Age

		Cryptocurrencies	Age
Knowledge about Cryptocurrencies	Pearson Correlation	1	.380**
	Sig. (2-tailed)		0.006
	N	50	50
Age	Pearson Correlation	.380**	1
	Sig. (2-tailed)	0.006	
	N	50	50
** Correlation is significant at the 0.01 level (2-tailed).			

The table 4.3 shows the correlation between the age and whether they know about cryptocurrencies or not. The data shows a small positive correlation between Age and the knowledge about cryptocurrency. It can be inferred from the data the age and the knowledge about cryptocurrency is not related and hence the knowledge about cryptocurrency doesn't depend on the age factor.

Table 4.4: Table showing the correlation between the knowledge of Cryptocurrencies and Gender

		Cryptocurrencies	Gender
Know about Cryptocurrencies	Pearson Correlation	1	0.194
	Sig. (2-tailed)		0.177
	N	50	50
Gender	Pearson Correlation	0.194	1
	Sig. (2-tailed)	0.177	
	N	50	50

The table 4.4 shows the correlation between the knowledge of cryptocurrency and the Gender of the respondents. As per the analysis, there's a little positive correlation between Gender and knowledge of cryptocurrencies. This means that Gender is not an important factor when it comes to the knowledge about cryptocurrencies.

Findings:

The following points are concluded from the research:

-) It was concluded that Bitcoin does have some scope in markets like India and it can be used in the future. For now, to use Bitcoins, India first needs to make sure that people do understand the basics of how digital currencies work and how they can use Bitcoins.

-) For a country like India, educating them the use and importance of Bitcoins will pave way for the implementation of cryptocurrencies in the country.
-) The primary data shows that there is very little correlation between Age and the knowledge of cryptocurrencies which means that age is not a barrier when it comes to understanding any new technology like cryptocurrencies.
-) It was also concluded that there is very little correlation between Gender and the knowledge of cryptocurrencies which again means that there's no big connection between the gender and knowledge of cryptocurrencies.

During the Budget of 2018, the Finance Minister did promise to study the whole system of cryptocurrencies and work towards the implementation. This is a positive step for India and at the same time, the Indian Government is also considering ways to use Blockchain technology in payment systems which surely is a good sign and might finally legalize cryptocurrencies in India.

Scope for future research:

The research was conducted to find out the awareness of cryptocurrencies among the youth population of Bangalore. Since the research was focused on the just the youth population, it leaves many opportunities for the future researches. The researchers can conduct researches related to different age groups or with different financial status. The knowledge about the cryptocurrencies however plays an important role for those who would like to invest in the future. This can be a base for future researches on the similar topics.

Conclusion:

In conclusion, the government needs to take into consideration that the citizens are still unaware of the fact that something like this even exists. The younger generation is always good at adopting new technologies but it's older generation that faces problems. In the authors opinion, cryptocurrencies might be a great new idea and will surely help India but we as Indians are still not prepared for something like this, at least not right now. The Government first needs to make sure people use digital payments and then move to digital currencies. It might take a couple of years before India will be fully prepared for the adoption of digital currencies.

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