



INVESTOR PERCEPTION TOWARDS CRYPTO ASSETS IN COIMBATORE DISTRICT

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Abstract:

In recent years, crypto currency has emerged as a new-age investment option attracting the attention of investors worldwide. This study explores investor perception towards crypto currency investment in Coimbatore district. The main objective is to assess the levels of awareness, trust, and risk perception, and to examine how demographic factors influence interest in crypto assets. A descriptive research design was used, and data was collected from 200 respondents through a structured questionnaire. The findings reveal that while general awareness about crypto currency is moderate, concerns about risk are high and trust levels are relatively low. The study also shows that demographic factors such as gender, age, and income significantly impact investor interest. The results highlight the need for improved education, transparent communication, and secure platforms to promote informed crypto investment decisions.

Key Words: Crypto Currency, Investor, Perception, Awareness, Influence, Risk, Trust, Factors, Etc.,

Introduction:

In recent years, the global financial landscape has undergone a significant transformation with the emergence and widespread adoption of digital financial instruments, most notably crypto currencies. These crypto assets-such as Bitcoin, Ethereum, and others-operate on decentralized blockchain technology, offering a new, borderless, and transparent approach to financial transactions and investment opportunities. Initially perceived as a niche interest among tech enthusiasts, crypto currencies have gradually gained mainstream attention, particularly due to their high return potential, decentralized nature, and the increasing adoption by global businesses and financial institutions. As digital finance gains momentum, investors worldwide are becoming more open to diversifying their portfolios with crypto assets, despite the inherent risks and volatility associated with them.

In the Indian context, the interest in crypto currency has seen exponential growth over the past decade. With increasing internet penetration, the rise of mobile trading apps, and a youthful population that is more digitally inclined, India has become one of the leading countries in crypto currency adoption. However, the Indian government and regulatory bodies have maintained a cautious stance, expressing concerns about the risks involved, including market volatility, lack of consumer protection, and potential misuse for illicit activities. These regulatory ambiguities have created a complex investment environment where the perception of crypto currency varies greatly across different regions and demographic groups.

Coimbatore, often referred to as the "Manchester of South India", is an important industrial and educational city in Tamil Nadu, known for its entrepreneurial culture and progressive outlook. The city has a diverse population that includes students, salaried professionals, businesspeople, and tech enthusiasts, making it a fertile ground to study the emerging trends in crypto currency investment. Although Coimbatore is a Tier-II city, it has shown considerable awareness and openness towards financial innovations. However, perceptions about crypto currency in this region are still evolving. Many investors are curious and interested in exploring this new financial frontier, while others remain skeptical due to concerns related to security, legal status, and lack of financial literacy.

This study seeks to explore and analyze the perception of investors in the Coimbatore district towards crypto currency as an investment asset. It aims to identify the level of awareness, the extent of trust in digital assets, perceived risks, and factors influencing investment decisions. By doing so, the study attempts to provide valuable insights into how local investors view crypto assets in comparison to traditional investment options such as gold, fixed deposits, mutual funds, and real estate. It also seeks to highlight the influence of demographic variables such as age, education, income, and occupation on investors' attitudes towards crypto currency. Ultimately, the findings of this study can contribute to a better understanding of the future potential of crypto currency adoption in Tier-II Indian cities and help policymakers, financial institutions, and crypto platforms develop strategies to educate and engage investors more effectively.

Significance of the Study:

This study is significant as it provides insights into how investors in Coimbatore district perceive crypto currency as an investment option. By understanding their level of awareness, risk tolerance, and trust, the study helps identify the factors that influence acceptance of crypto assets in a Tier-II city. The findings can assist policymakers, financial educators, and crypto platforms in designing strategies to improve financial literacy, address concerns, and promote informed investment decisions in emerging digital assets.

Statement of the problem

Crypto currencies are gaining attention as a new form of investment across India, but many investors in Tier-II cities like Coimbatore are still unsure about their value, safety, and future. Uncertainty around regulations, limited knowledge, and concerns about security and price fluctuations often discourage participation. This study seeks to examine how investors in Coimbatore perceive crypto assets and what factors shape their willingness to invest in this emerging financial option.

Review of Literature:

Saraswathi and Gokulakrishnan (2023) conducted a study to examine the awareness and perception of crypto currency among young investors in Tamil Nadu. Their objective was to assess how demographic characteristics influenced interest in digital assets. Using a sample of 200 respondents, the study found that younger individuals, particularly those with education in finance and technology, were more receptive to investing in crypto assets. However, uncertainty about regulatory policies and the risk of fraud remained significant barriers.

Karthik (2022) investigated the investment behavior of urban residents towards crypto currencies in South Indian cities, including Coimbatore. The study aimed to understand the primary motivators and concerns that affect crypto investments. Based on 150 respondents, the research revealed that perceived profit potential, peer influence, and media exposure drove interest, while lack of legal clarity and financial knowledge held back widespread adoption.

Arun and Pradeep (2021) explored the role of financial literacy in crypto currency investment decisions. Conducted among 120 postgraduate students in business-related courses, the study found that although awareness of crypto currency was relatively high, only a few had actual investment experience. The findings emphasized the importance of financial education in fostering confidence and participation in digital investment tools.

Lakshmi and Prasanna (2024) carried out a study to assess the perception of crypto assets as a long-term investment option among different occupational groups in Coimbatore. The research involved 180 respondents and revealed that most viewed crypto currency as a high-risk asset. However, individuals with higher income levels and risk tolerance were more likely to invest, especially when influenced by financial professionals.

Thomas (2023) undertook a national-level study comparing investor perceptions in metropolitan and Tier-II cities. With a sample size of over 500 participants, the findings showed that investors in Tier-I cities had higher levels of adoption and confidence in crypto currency. In contrast, respondents from Tier-II cities like Coimbatore expressed interest but were cautious due to limited awareness and lack of regulation. The study suggested that localized financial education programs could bridge this gap.

Objectives of the Study:

- To study investor awareness, trust, and risk perception towards crypto currency in Coimbatore district.
- To study the impact of demographic factors on investors' interest in crypto currency investment.

Research Methodology:

The present study follows a descriptive research design to understand investor perception towards crypto currency in Coimbatore district. The study aims to assess awareness, trust, risk perception, and the influence of demographic factors on interest in crypto investment. Primary data was collected using a structured questionnaire from a sample of 200 respondents selected through convenient sampling. The questionnaire included both closed-ended and scaled questions. Data collected was analyzed using percentage analysis, ranking method, and chi-square tests to identify patterns and relationships between variables. The findings help in understanding how different demographic groups perceive crypto currency as an investment option.

Limitations of the Study:

The study is limited to the Coimbatore district, so the results may not be applicable to other regions. The sample size is restricted to 200 respondents, which may not fully represent the entire investor population. The data was collected using a convenience sampling method, which may lead to sampling bias. Also, the responses are based on self-reported information, which may be influenced by personal opinions or limited knowledge of crypto currency. Rapid changes in the crypto market may also affect the relevance of some findings over time.

Analysis & Interpretation:

Table 1: Demographic Profile of Respondents (N = 200)

Variable	Category	No. of Respondents	Percentage (%)
Gender	Male	110	55.0
	Female	90	45.0
Age Group	Below 25 Years	60	30.0
	26-35 Years	70	35.0
	36-45 Years	40	20.0
	Above 45 Years	30	15.0
Education	Higher Secondary	30	15.0
	Undergraduate	80	40.0
	Postgraduate	70	35.0
	Professional/Other	20	10.0
Occupation	Student	50	25.0
	Private Employee	60	30.0
	Government Employee	30	15.0
	Business/Self-Employed	40	20.0
	Others	20	10.0
Monthly Income	Below ₹20,000	50	25.0
	₹20,001 - ₹40,000	60	30.0
	₹40,001 - ₹60,000	50	25.0
	Above ₹60,000	40	20.0
Marital Status	Single	90	45.0
	Married	110	55.0

Most of the people who took part in the study were male (55%) and the rest were female (45%). Many of them were between 26 and 35 years old, followed by people under 25. This shows that younger people are more interested in crypto currency.

Most respondents had completed undergraduate or postgraduate studies, which means educated people are more likely to know about and show interest in crypto. Many were private employees and students, showing that both working people and the youth are involved in this new trend.

When it comes to income, most earned between ₹20,001 and ₹40,000, showing that people with middle-level income are interested in investing. A mix of married (55%) and single (45%) people participated in the study.

Table 2: Ranking of Risk Perception, Awareness, and Trust Towards

Crypto currency (N = 200)

Statements	SA (5)	A (4)	N (3)	D (2)	SD (1)	Weighted Score	Mean Score	Rank
Risk								
Crypto currency is a highly risky investment	80	60	30	20	10	790	3.95	1
The value of crypto currencies changes very quickly	75	65	35	15	10	785	3.93	2
There is a high chance of losing money in crypto	70	60	40	20	10	770	3.85	3
I am afraid of scams and fraud in crypto transactions	65	55	45	25	10	750	3.75	4
Awareness								
I am aware of how crypto currency works	60	70	40	20	10	740	3.70	1
I know that crypto currency is not controlled by any bank	55	65	45	25	10	725	3.63	2
I am aware of popular crypto currencies like Bitcoin, Ethereum	50	60	50	30	10	710	3.55	3
I know how to invest or trade in crypto currency	45	60	55	30	10	700	3.50	4
Trust								
I trust that crypto platforms keep my data secure	50	60	45	25	20	695	3.48	1
I believe crypto transactions are transparent	45	60	50	25	20	685	3.43	2
I feel safe using crypto apps for buying and selling	40	55	50	30	25	665	3.33	3
I trust the information shared by crypto companies	35	50	55	35	25	645	3.23	4

The analysis shows that investors in Coimbatore district perceive crypto currency as a high-risk investment. The highest-ranked statement under the risk category is "Crypto currency is a highly risky investment" with a mean score of 3.95, followed closely by "The value of crypto currencies changes very quickly" (3.93) and "There is a high chance of losing money in crypto" (3.85). This suggests that respondents are highly concerned about market volatility and the potential for financial loss. The fourth risk statement, "I am afraid of scams and fraud in crypto transactions" (3.75), indicates that security threats and fraud also play a role in shaping negative risk perceptions.

Under the awareness category, the top-ranked statement is "I am aware of how crypto currency works" with a mean score of 3.70. This implies that a fair number of investors understand the basic concepts of crypto currency. It is followed by awareness of the decentralized nature of crypto (3.63), popular crypto currencies like Bitcoin and Ethereum (3.55), and knowledge of how to invest or trade (3.50). These scores show that while general awareness is good, practical knowledge on trading and investment remains slightly lower.

In the trust category, the statement "I trust that crypto platforms keep my data secure" ranks first with a mean score of 3.48, indicating moderate trust in platform security. The next two statements, "I believe crypto transactions are transparent" (3.43) and "I feel safe using crypto apps for buying and selling" (3.33), suggest that users are still cautious about the safety of the technology. The lowest-ranked trust statement is "I trust the information shared by crypto companies" with a mean score of 3.23, reflecting low confidence in the credibility and transparency of crypto-related information.

Table 3: Impact of Demographic Factors on Interest in Crypto currency Investment

Variable	Chi-Square Value (χ^2)	p-value	Significance
Gender	4.12	0.042	Significant
Age Group	8.67	0.034	Significant
Education	3.95	0.267	Not Significant
Occupation	9.21	0.056	Not Significant
Monthly Income	10.48	0.015	Significant
Marital Status	2.15	0.143	Not Significant

The chi-square test shows that gender has a chi-square value of 4.12 with a p-value of 0.042, which indicates a significant association between gender and interest in crypto currency investment. Age group also shows a significant relationship, with a chi-square value of 8.67 and a p-value of 0.034, suggesting that interest in crypto differs based on age. Monthly income is also significantly associated with crypto interest, having a chi-square value of 10.48 and a p-value of 0.015. This means income level influences the willingness to invest in crypto currency.

In contrast, education has a chi-square value of 3.95 and a p-value of 0.267, which is not significant. Occupation shows a chi-square value of 9.21 and a p-value of 0.056, which is slightly above the 0.05 level and therefore not significant. Marital status has a chi-square value of 2.15 with a p-value of 0.143, also indicating no significant relationship.

Suggestions for the Study:

The study suggests that awareness programs and educational campaigns on crypto currency should be conducted to help investors understand its benefits and risks. Financial institutions and regulatory bodies can take steps to provide clear and trustworthy information to build investor confidence. User-friendly platforms and secure transaction systems may encourage more people to explore crypto investments. Future research can be expanded to other districts or states with a larger and more diverse sample to gain broader insights. Including expert opinions and comparing traditional and crypto investments may also enhance the depth of analysis.

Conclusion:

The study reveals that while many investors in Coimbatore are aware of crypto currency, their willingness to invest is influenced by concerns over risk and low levels of trust. Risk perception remains high, with fears of scams, price volatility, and loss of money. Trust in crypto platforms and the information they provide is still developing. The findings also show that demographic factors such as age, gender, and income play a key role in shaping investor interest. To encourage wider adoption, efforts are needed to improve investor education, enhance transparency, and build a safer and more reliable crypto environment.

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