

## Bitcoin: Awareness and Perception

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**ABSTRACT:** Bitcoin is the emerging crypto currency. Bitcoin was created in the year 2009. From last few years there is increase in the debate on Bitcoin. The main aim of this study is explore the awareness and perception of Bitcoin among the respondents. The scope of this study is limited to Bitcoin as compare to other crypto currencies. Recently Finance Minister in budget speech declares it as an illegal payment system, as it's not a safe method of payment. Also as per RBI guidelines it is not legal tender. It is an illegal payment system with no centralised authority in it and thus creates a high risk for investors.

**KEYWORDS:** Bitcoin, budget speech , RBI guidelines

### I. Introduction

Bitcoin is virtual, has no physical existence. These can be sent electronically from one place to another place all over the world. However its usage as a method of payment has not kept pace. A Bitcoin is introduced by an anonymous group called Satoshi Nakamoto in year 2009. It's an open source peer-to-peer crypto graphical system (direct connections without an intermediary) where transactions happen through a public ledger called Blockchain, handling users' data anonymously. Bitcoin is not run by any single company or person. The system is runs by decentralized networks around the world. The record of all Bitcoin transactions that these computers are constantly updating is known as the Blockchain.

### II. Objectives of Study

To study the people awareness and perception about Bitcoin. To find out the reasons for usage of Bitcoin and risk analysis involved while using the crypto currency.

### III. Research Methodology

#### Sources of data:

**Primary data:** Convenient sampling technique is used to analyse the data. Online questionnaire is filled by the respondents.

**Secondary data:** Information about the Bitcoin is taken from various online sources and research papers.

**Sample size:** 150

**Research Method:** The data has been analysed with help of pie charts and frequency tables.

### IV. Data Analysis And Interpretation

Qus1. Have you heard of Bitcoin ?

Table 1- Response to Bit coin

Response	No. Of respondents	%age
Yes	124	83
No	26	17

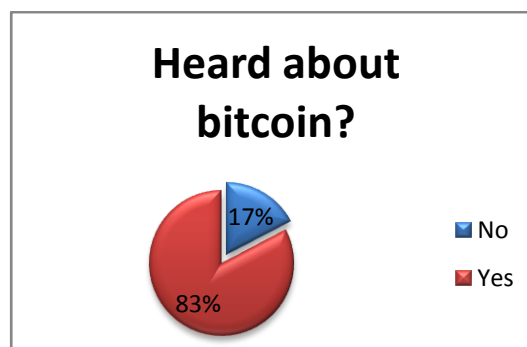


Fig. 1- Bit coin

**Interpretation:**

83% respondents have heard about Bitcoin whereas 17% of respondents have not heard about Bitcoin.

Qus2. Are you familiar with Bitcoin?

**Table 2- Familiarization to Bit coin**

	Very Familiar	Familiar	Somewhat Familiar	Not familiar
No. of respondents	21	43	54	32
%age of respondents	14	29	36	21

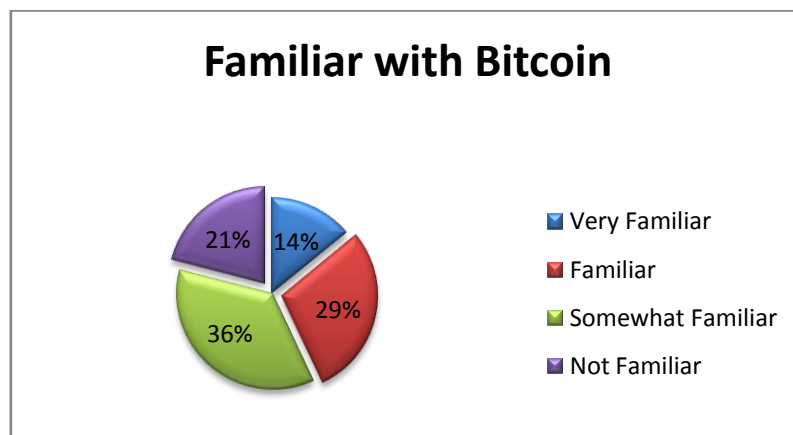


Fig. 2-Familiarization to Bit coin

**Interpretation:**

79% of the respondents are familiar with Bitcoin from which 36% are only somewhat familiar with bitcoin or just heard about the bitcoin and 21% of the respondents are not familiar with Bitcoin.

Qus3. Have you owned or use Bitcoin?

**Table 3- Owned/ Use Bit coin**

Response	No. of respondents	%age of respondents
No	127	85
Yes	23	15

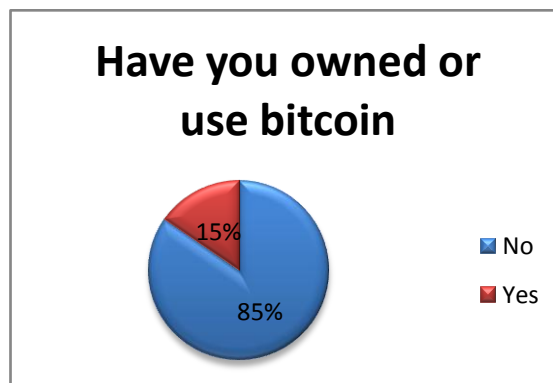


Fig. 3- Owned/ Use Bit coin

**Interpretation:**

Only 15% respondents have Bitcoin whereas 85% respondents do not have Bitcoin.

**Qus4. Please tell us your main reason for owning Bitcoin.**

**Table 4- Reason for owing Bit coins**

<b>Please tell us your main reason(s) for owning Bitcoin.</b>	<b>Frequency</b>
I am interested in new technologies.	20
I didn't Own.	127
It allows me to make payments anonymously.	1
It is an investment.	23
It uses secure block chain technology to prevent loss and fraud.	3

**Interpretation:**

Majority of respondents do not have Bitcoin. There are only 15% of respondents who have invested in Bitcoin and main reasons behind their investment in Bitcoin are: i) they are interested in new technologies; ii) it is an investment. iii) Negligible respondents are saying that it allows them to make payments anonymously and it uses secure block chain technology to prevent loss and fraud.

**Qus5. Please tell us your main reason(s) for not owning any Bitcoin.**

**Table 5- Reason for not owing Bit coin**

<b>Please tell us your main reason for not owning any Bitcoin.</b>	<b>Frequency</b>
I dont understand/know enough about the technology	57
It is not widely accepted as a method of payment.	24
My current payment methods meet all my needs.	22
The value of Bitcoin varies too much	76
It is not easy to acquire and use	12

**Interpretation:**

Majority are saying that the value of Bitcoin varies too much and they don't understand enough about the technology.

**The main problems that are faced by respondents when try to use Bitcoin.**

**Interpretation:**

Approximately 80% of respondents are saying that they do not have invested in Bitcoin. They don't know how to use it, how to create account and not aware about the process of owning Bitcoin and they are not aware about the problems faced while dealing with Bitcoin.

The persons who are using it, they also have the similar kind of problems which are:

- It is not accepted at all required places
- Legal problems
- Higher risk
- Unsafe/unsecure investment
- Fluctuations
- Due to some network problems payment not transferred
- Taxes

**Perception of respondents about RBI's view points on Bitcoin.**

**Interpretation:**

More than 70% of the respondents are also not aware about it. Rest 30% respondents are saying

- It is too risky and recently Finance Minister in budget speech declares it as an illegal payment system, as it's not a safe method of payment.
- As per RBI guidelines it is not legal tender. It is a crypto currency which is not legal in India and having no security in future.

- It is an illegal payment system with no centralised authority in it and thus creates a high risk for investors; basically it's a Ponzi scheme.
- RBI is still working on it, the Bill has presented in the Parliament on unregulated deposit schemes in India. The picture about crypto currency is still not known in India.
- They are not in favour of using crypto currencies in India due to its less stability.

**Qus8. Please tick the most appropriate answer.**

**Table 6 –Not approval of Bit Coin**

Are you afraid that Bitcoin usage is not approved or certified by government. Using Bitcoin can break the law or can be a criminal action	Strongly Agree	Agree	Neutral	Strongly disagree	Disagree
No. of respondents	61	47	23	2	17
%age	41	31	15	1	12

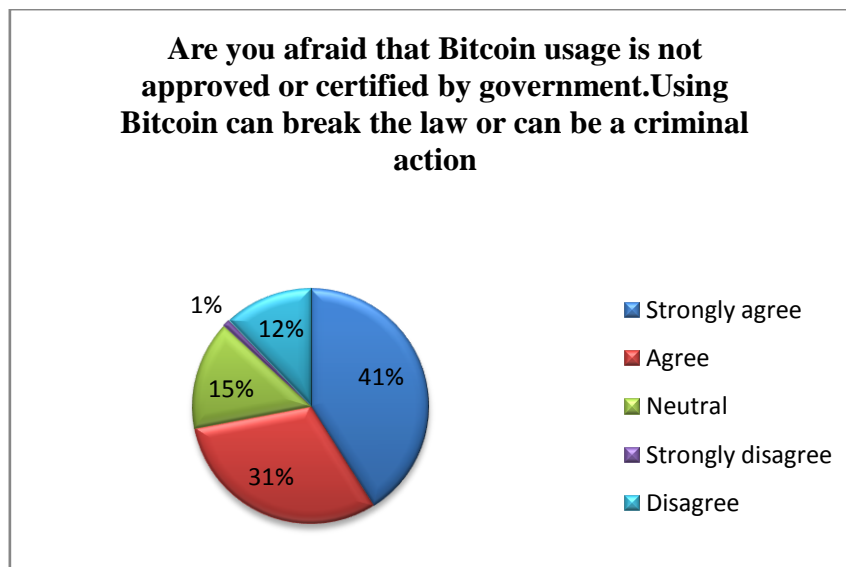


Fig.4- Afraid of Bit coin

**Interpretation:**

72% of respondents are agreed. 15% are neutral about it. Rest 13% of respondents are disagree.

**Qus9. Please tick the most appropriate answer.**

**Table 7- Worried about Bit coin**

I am worried of fraud when using Bitcoin. Because Bitcoin has no central authority, seller may receive Bitcoin and claim they never receive it	Strongly Agree	Agree	Neutral	Strongly disagree	Disagree
No. of respondents	66	48	26	2	8
%age	44	32	18	1	5

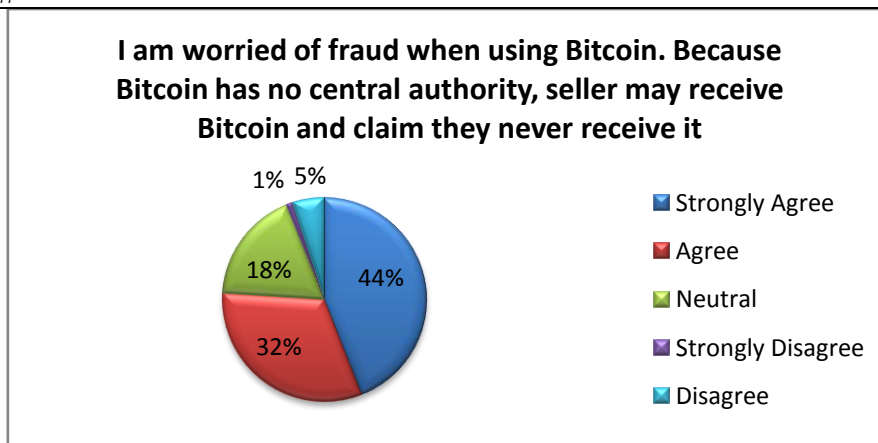


Fig. 5- Bit coin not approved by authority

**Interpretation:**

**V. Findings of Study**

83% of the respondents have heard about Bitcoin whereas 17% of respondents have not heard about it. 79% of the respondents are familiar with Bitcoin from which 36% are only somewhat familiar with Bitcoin or just heard about the Bitcoin and 21% of the respondents are not familiar with Bitcoin. There are only 15% respondents who have Bitcoin whereas 85% respondents do not have Bitcoin. Means Bitcoin usage among people is very less. Majority of respondents do not have Bitcoin. They are saying value of Bitcoin varies too much and they do not understand enough about the technology. There are only 15% of respondents who have invested in Bitcoin and main reasons behind their investment in Bitcoin are: i) they are interested in new technologies; ii) it is an investment. iii) Negligible respondents are saying that it allows them to make payments anonymously and it uses secure block chain technology to prevent loss and fraud.

Problems that are faced by the respondents who have Bitcoin are:

- It is not accepted at all required places
- Legal problems
- Higher risk
- Unsafe investment
- Fluctuations
- Due to some network problems payment not transferred
- Taxes
- Approximately 80% of respondents are saying that they do not have invested in Bitcoin. They do not know how to use it, how to create account and not aware about the process of owning Bitcoin and they are not aware about the problems faced while dealing with Bitcoin.
- More than 70% of the respondents are also not aware about the view of the RBI. Rest 30% respondents are saying
  - a. It is too risky and recently Finance Minister in budget speech declares it as an illegal payment system, as it's not a safe method of payment.
  - b. As per RBI guidelines it is not legal tender. It is a crypto currency which is not legal in India and having no security in future.
  - c. It is an illegal payment system with no centralised authority in it and thus creates a high risk for investors; basically it's a Ponzi scheme.
  - d. RBI is still working on it, the Bill has presented in the Parliament on unregulated deposit schemes in India. The picture about crypto currency is still not known in India.
  - e. They are not in favour of using crypto currencies in India due to its less stability.

1. 72% respondents are agree that they are afraid that Bitcoin usage is not approved or certified by Government, using Bitcoin can break the law or can be a criminal action, 15% are neutral and only 12% respondents disagreed on this statement.
2. 76% respondents are agreeing that they are worried of fraud related to Bitcoin because seller may receive payment or says that he didn't receive it, while 18% are neutral and 6 % are disagreeing on this.
3. 36% respondents are saying that they are agreeing that they would like to adopt Bitcoin if it is safe, no one can steal their account but still majority 58% respondents are not sure about this and 6 % are disagreeing.
4. 79% of respondents says no whereas 21% respondents would like to use Bitcoin in future.

## **VI. Conclusion**

The study shows that the majority of respondents are aware about the Bitcoin, but the most of the respondents have negative view about Bitcoin. It is a virtual currency with no real existence and no one knows the sender and the receiver. Research says that it would not approve by Government that using Bitcoin can break the law or can be a criminal action. Only 15% of respondents own Bitcoin, rest 85% respondents not own Bitcoin and the reason behind having Bitcoin are it is good for investment and they are interested in new technology. 76% of respondents are agreeing that they are afraid of fraud related to Bitcoin. They think account can be hacked or steal, which would not be track and the owner of Bitcoin can, lost all Bitcoin. Only 36% of respondents are agreeing that they would like to use Bitcoin if it is safe and no one can steal their account. Majority of respondents think the values of Bitcoin varies too much that is why 79% of respondents would not like to use it in future. Respondents gave different view on what RBI thinks on Bitcoin. Recently Finance Minister in budget speech declares it as an illegal payment system, as it's not a safe method of payment. Also as per RBI guidelines it is not legal tender. It is an illegal payment system with no centralised authority in it and thus creates a high risk for investors; basically it's a Ponzi scheme. RBI is still working on it, the Bill has presented in the Parliament on unregulated deposit schemes in India. The picture about crypto currency is still not known in India.

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