



AWARENESS AND ADOPTION OF DIGITAL CURRENCIES AMONG INDIVIDUALS WITH SPECIAL REFERENCE TO COIMBATORE CITY

¹Ms. Varshini U.J., ²Ms. N. Subhalakshmi

¹II M. Com, ²Assistant Professor

¹PG Department of Commerce,

¹Nirmala College for Women, Coimbatore, India

Abstract: Digital Currencies are assets that are managed, exchanged and stored electronically between devices using the Internet. Digital currencies have been a craze among the general public and fintech experts, since the debut of Bitcoin in 2009. Digital currencies are intangible and new digital currency schemes for the payments are critical. This study mainly focuses on the awareness and adoption of digital currencies among individuals. Future researchers with similar topic can also analyze about the real challenges that are faced by the public in the usage of digital currencies. Data for this study was gathered via questionnaire with a sample size of 100 respondents. The research design used was descriptive research design and simple random sampling method was adopted for data collection. The tools used for the study were Chi-Square Test and One-Way ANOVA. The study concludes that most of the respondents are aware of the digital currencies. It also indicates that the factors such as self-governed and peer-to-peer transactions are the main reasons for the adoption of digital currencies.

Index Terms - Bitcoin, Fintech, Digital Currencies, Peer-to-Peer.

I. INTRODUCTION

The growth of Internet and mobile technology has paved new ways for transferring and accessing goods and services, on a rapid and global scale. This led to a dramatic increase in the number of international transfers and transactions per user. Crowdfunding, peer-to-peer lending, e-wallets and digital payment systems are influencing our lives and are transforming the way people interact and conduct businesses. Digital currencies are a digital asset and exchange mechanism issued by private developers that allows payment and settlement using Distributed Ledger Technology (DLT).

Over the past decade, digital currency has experienced growth in usage and value as it exhibits advantages over conventional currencies especially in some developed countries but, the reverse is the case in the developing countries such as India. India has the youngest workforce in Asia, combined with cheap internet access and the people want to get their things done faster and efficiently. This emerging technology might help people to make payments easier and convenient. Digital currency is a new endeavor, a lot of people do not know why it is developed, its benefits and the challenges it poses. This is a significant innovation in the sphere of financial technology. So, the researcher made an attempt to analyze the 'Awareness and Adoption of Digital Currencies among Individuals with Special Reference to Coimbatore City'.

II. OBJECTIVE OF THE STUDY

- To study the level of awareness and adoption of digital currency among Individuals.

III. RESEARCH METHODOLOGY

3.1 Research Design

Descriptive research design.

3.2 Sources of Data

- Primary data - Structured questionnaire in Google forms.
- Secondary data - Books, journals and websites.

3.3 Sampling Technique

Simple random sampling.

3.4 Sample Size

100 respondents.

3.5 Area of Study

Coimbatore city.

3.6 Tools used for the Study

Chi-Square Test and One-Way ANOVA.

IV. REVIEW OF LITERATURE

Ioanna Roussou et al. (2019), “An Empirical Study on the Commercial Adoption of Digital Currencies”. This paper aims to present the commercial perspective towards the adoption of digital currencies as a means of daily transactions. Considering digital currencies as a pioneering technological innovation, this study proposes a research model that combines the Innovation Decision Process Model (IDPM) with the Technology Acceptance Model (TAM). The data was collected from 254 respondents, derived from an online questionnaire-based survey addressed to commercial users. The data was analyzed by using Structural Equation Modeling (SEM). The results of the study stress that perceived security and usefulness are the main factors that directly affect the commercial adoption of digital currencies, while compatibility with existing values and practices has an indirect effect.

Dr. A. Pankajam et al. (2018), “Consumer Attitude and Adoption towards Digital Currency in Coimbatore”. This paper aims to analyze the adoption behavior of the consumers in relation to the digital currency. Primary data has been used in this study. For the analysis, the data was collected with the help of a structured questionnaire. The sample size includes 400 respondents from Coimbatore city. Probability sampling technique has been adopted for selecting the samples. The data collected was analyzed with help of Structural Equation Modeling (SEM) with Smart PLS. The result shows that the attitude towards adoption of digital currencies depends upon the intention of its adoption. It also suggests that the users’ intention to use digital currencies can be heightened if the perceived benefits and perceived value of the currency are effectively conveyed to them.

V. DATA ANALYSIS

5.1 Chi-Square Test

Table 5.1.1: COMPARISON BETWEEN AGE AND OCCUPATION WITH THE LEVEL OF AWARENESS TOWARDS DIGITAL CURRENCIES

H_0 : There is no significant relationship between age and occupation with the level of awareness towards digital currencies.

FACTORS	CALCULATED VALUE	D.F	P-VALUE
I am aware of the existence of Digital currencies	75.425 ^b	4	0.001
Digital currency as a mode of exchange or as an alternate currency	69.534 ^b	4	0.001
Benefits of Digital Currencies	34.192 ^b	4	0.001
I have heard of digital currencies such as Bitcoin, Ethereum etc.,	53.781 ^b	4	0.001
I have attended seminars where investment in digital currencies was encouraged.	7.342 ^b	4	0.119
I have read books/articles on blockchain technology.	24.466 ^b	4	0.001

Source: Author’s Computation

The p-value is less than 5% level of significance, so the null hypothesis is rejected.

Table 5.1.2: COMPARISON BETWEEN EDUCATIONAL QUALIFICATION AND LEVEL OF ADOPTION OF DIGITAL CURRENCIES

H_0 : There is no significant relationship between educational qualification and level of adoption of digital currencies.

FACTORS	CALCULATED VALUE	D.F	P-VALUE
I prefer traditional currencies to digital currencies	36.737 ^b	4	0.001
I prefer digital currencies to traditional currencies	27.789 ^b	4	0.001
I intend to use Digital currency on a regular basis	14.105 ^b	4	0.007
I intend to use Digital currency to buy or sell products in the future	9.368 ^b	4	0.053
I carry out some transactions using Digital currency	9.105 ^b	4	0.059
I will encourage others to use Digital currency as a mode of exchange	10.684 ^b	4	0.030

Source: Author’s Computation

The p-value is less than 5% level of significance, so the null hypothesis is rejected.

5.2 One-Way ANOVA

Table 5.2.1: COMPARISON BETWEEN MONTHLY INCOME AND LEVEL OF ADOPTION OF DIGITAL CURRENCIES

H_0 : There is no significant relationship between monthly income and level of adoption of digital currencies.

Level of Adoption		Sum of Squares	D.F	Mean Square	F	Sig.	S/NS
I prefer traditional currencies to digital currencies	Between groups	10.667	3	3.556	4.807	0.007	S
	Within groups	25.149	34	0.740			
	Total	35.816	37				
I prefer digital currencies to traditional currencies	Between groups	5.270	3	1.757	1.835	0.159	NS
	Within groups	32.545	34	0.957			
	Total	37.816	37				
I intend to use Digital currency on a regular basis	Between groups	2.349	3	0.783	0.691	0.564	NS
	Within groups	38.519	34	1.133			
	Total	40.868	37				
I intend to use Digital currency to buy or sell products in the future	Between groups	1.040	3	0.347	0.248	0.862	NS
	Within groups	47.512	34	1.397			
	Total	48.553	37				
I carry out some transactions using Digital currency	Between groups	5.889	3	1.963	1.246	0.308	NS
	Within groups	53.584	34	1.576			
	Total	59.474	37				
I will encourage others to use Digital currency as a mode of exchange	Between groups	7.569	3	2.523	1.447	0.246	NS
	Within groups	59.273	34	1.743			
	Total	66.842	37				

Source: Author's Computation

There is a statistically significant difference between the groups as demonstrated by one-way ANOVA ($F(3, 34) = 4.80$, $P = 0.007$). A Tukey Post Hoc test showed that the respondents having monthly income of more than Rs. 50,000 are preferring traditional currencies to digital currencies than the other income groups ($P = 0.010$).

VI. FINDINGS

- There is a significant relationship between age and occupation with the level of awareness towards digital currencies except the factor, I have attended seminars where investment in digital currencies was encouraged.
- There is a significant relationship between educational qualification and level of adoption towards digital currencies.
- The respondents having monthly income of more than Rs.50,000 prefer traditional currencies to digital currencies than the other income groups.

VII. CONCLUSION

Digital Currencies has gained so much attention during the last few years. Investments in digital currencies like Bitcoin, Ethereum, Litecoin etc., have gone up around the world. But in India, only a limited number of people have actual knowledge about digital currencies and its trading. In our nation, there are also many doubts about whether such trade is lawful. But our Finance Minister, Nirmala Sitaraman, declared in the Union Budget 2022 that the central bank will shortly establish a bank-backed digital rupee. The study concludes that most of the respondents are aware of the digital currencies. It also indicates that the respondents having monthly income of more than Rs.50,000 prefer traditional currencies to digital currencies. It further indicates that the factors such as self-governed and peer-to-peer transactions are the main reasons for the adoption of digital currencies.

REFERENCES

- [1] Research Methodology: Methods and Techniques, C. R. Kothari and Gaurav Garg, 4th Edition, New Age International Publishers, New Delhi, 2019
- [2] Ioanna Roussou, Emmanouil Stiakakis and Angelo Sifaleras, (2019), "An empirical study on the commercial adoption of digital currencies", Information Systems and e-Business Management, Volume 17(2), PP. 223-259.
- [3] Dr. A. Pankajam and Mr. S. R. Sangeeth Raaj, (2018), "Consumer Attitude and Adoption towards Digital Currency in Coimbatore", Corpus ID: 210966778.
- [4] Spyros Papathanasiou, Nikolaos Papamatthaiou and Dimitrios Balios, (2019), "Bitcoin as an alternative digital currency. Exploring the publics' perception vs experts", International Journal of Financial Engineering and Risk Management, Volume 3(2), PP. 146-171.
- [5] <https://timesofindia.indiatimes.com/blogs/voices/future-of-digital-currency/>