

Crypto Currency Awareness And Investment Intention Among Young Investors: An Empirical Study In India

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Abstract

Purpose

The rapid development of block chain-based financial technologies has transformed crypto currency from a niche technological innovation into an increasingly visible digital investment asset. Young investors constitute an important segment of this emerging market because of their high exposure to digital technologies, social media, mobile financial applications, and online investment platforms. However, awareness of crypto currency does not necessarily imply adequate financial knowledge or a willingness to invest. This study proposes an integrated framework to examine the relationship between crypto currency awareness and investment intention among young investors in India, while considering financial literacy, perceived benefits, perceived risk, social influence, regulatory awareness, and attitude toward crypto currency investment.

Design/Methodology/Approach

The proposed study adopts a quantitative, cross-sectional research design. Primary data will be collected from young Indian investors aged 18–35 years through a structured questionnaire. A minimum sample of approximately 400 respondents is recommended. The proposed model is grounded primarily in the Theory of Planned Behavior (TPB), complemented by selected constructs from technology-adoption research. Descriptive statistics, reliability analysis, exploratory factor analysis, confirmatory factor analysis, correlation analysis, and structural equation modelling will be employed to evaluate the proposed relationships.

Expected Contribution

The study is expected to contribute to the emerging literature on digital investment behavior by distinguishing crypto currency awareness from actual financial understanding and investment intention. It also seeks to clarify whether awareness encourages investment intention directly or operates through attitudes, perceived benefits, financial literacy, and risk perceptions. The findings may assist financial educators, policymakers, regulators, investment platforms, and young investors in promoting more informed and responsible participation in crypto currency markets.

Keywords-crypto currency; crypto currency awareness; investment intention; young investors; financial literacy; perceived risk; perceived benefits; regulatory awareness; Theory of Planned Behavior; India.

1. Introduction

The rapid development of digital financial technologies has fundamentally changed the way individual's access, evaluate, and participate in investment markets. Among the most prominent developments is crypto currency, a digitally represented asset class generally associated with block chain and distributed-ledger technology. Crypto currencies such as Bitcoin and Ethereum have attracted substantial attention from individual investors because of their potential for capital appreciation, portfolio diversification, technological innovation, and global accessibility.

Young investors represent an especially important population for understanding crypto currency investment. Their familiarity with smartphones, digital platforms, online communities, mobile payment applications, and social media provides them with relatively easy access to crypto currency information and trading platforms. At the same time, their investment decisions may be influenced by social networks, financial influencers, perceived opportunities for high returns, fear of missing out (FOMO), and relatively limited investment experience.

Recent empirical evidence confirms the importance of these factors in India. Kala et al. examined 384 young Indian participants and found that facilitating conditions, social influence, effort expectancy, and

price value were important determinants of crypto currency adoption, while FOMO mediated the relationship between adoption intention and investment behavior.

Similarly, Prasad et al. examined crypto currency investment adoption among Indian Gen Z and Millennial investors and incorporated perceived risk, regulatory frameworks, social influence, price value, effort expectancy, and FOMO into their model. Their findings indicate significant relationships between several of these variables and crypto currency adoption intention.

Research focusing specifically on Gen Z professionals in Bengaluru also demonstrates the importance of knowledge, awareness, regulatory changes, and perceived risk-return relationships in crypto currency investment decisions. The study, based on 398 respondents, emphasized financial literacy, regulatory clarity, and appropriate risk management as important considerations for young investors.

The issue of awareness is particularly important. Being aware of crypt currency does not necessarily mean that an individual possesses sufficient knowledge to make an informed investment decision. An investor may recognize Bitcoin, understand basic block chain terminology, or follow crypt currency news while having limited knowledge of volatility, taxation, cyber security, market manipulation, custody risks, and regulatory conditions.

Indian evidence also demonstrates that conceptual clarity, investment education, awareness of investment options, and psychological factors influence crypt currency risk perceptions. A study of 228 Indian crypt currency investors reported relatively high overall risk perception and recommended greater investor education and awareness.

The regulatory context further increases the importance of investor knowledge. India's income-tax framework currently treats specified crypto assets as virtual digital assets (VDAs). The Income Tax Department states that income from transfer of VDAs is subject to taxation at 30%, subject to the statutory provisions, and provides transaction-level reporting requirements. Section 194S also provides for specified tax deduction at source requirements.

Therefore, crypt currency investment intention among young investors cannot be understood exclusively through technological adoption. It requires an integrated examination of awareness, financial literacy, perceived benefits, perceived risk, social influence, regulatory awareness, attitude, and investment intention.

The present study develops and proposes such an integrated framework for young investors in India.

2. Background of the Study

Crypto currency emerged from developments in cryptography, distributed computing, and digital payment systems. Bitcoin introduced a decentralized peer-to-peer payment mechanism based on block chain technology, after which thousands of crypto-assets and block chain-based applications developed.

Crypto currency differs from conventional financial assets in several important respects. Prices may be highly volatile, information quality varies substantially, regulatory environments differ across jurisdictions, and investors may face technological risks relating to digital wallets, private keys, exchanges, and cyber security.

These characteristics make crypt currency particularly relevant to behavioral finance research.

Young investors may perceive crypt currency as:

- a modern financial innovation;
- an alternative investment;
- a means of portfolio diversification;
- a high-return opportunity;
- a technologically sophisticated asset; or
- a speculative investment.

These different perceptions can produce different investment intentions.

The Indian context is particularly significant because crypto currency participation has expanded alongside rapid digitalization. At the same time, Indian investors operate within a regulatory and taxation environment that differs from many other markets. The current VDA tax framework therefore represents an important component of crypto currency investment awareness.

Recent Indian research further indicates that social influence, perceived risk, regulatory frameworks, price value, and FOMO are important considerations in crypto currency adoption.

3. Statement of the Problem

The increasing availability of crypto currency information does not necessarily ensure that young investors make informed investment decisions.

Young investors may obtain crypto currency information through:

- social media;
- YouTube;
- online investment communities;
- crypto currency exchanges;
- financial influencers;
- friends and colleagues;
- news websites; and
- mobile investment applications.

Such information may differ substantially in quality, objectivity, and reliability.

Consequently, an important distinction must be made between crypto currency awareness and crypto currency financial literacy.

Awareness refers broadly to familiarity with crypto currency, block chain, major crypto-assets, and related investment opportunities. Financial literacy involves a deeper ability to understand financial concepts, assess risk and return, evaluate investment alternatives, and interpret relevant regulatory and tax information.

This distinction creates the central research problem:

Does crypto currency awareness directly increase investment intention among young investors, or does investment intention depend upon financial literacy, perceived benefits, perceived risk, social influence, regulatory awareness, and attitude toward crypto currency?

The present study seeks to answer this question.

4. Research Gap

Although crypto currency investment has received increasing academic attention, several gaps remain.

4.1 Awareness versus financial literacy

Existing studies frequently use knowledge, awareness, adoption, and investment intention as related concepts. However, these constructs are conceptually distinct.

Recent Indian research has demonstrated that knowledge and awareness are important factors in Gen Z cryptocurrency investment behavior. However, further research is required to determine whether awareness directly affects intention or operates through other psychological mechanisms.

4.2 Young-investor focus

Young Indians have been studied in cryptocurrency adoption research, including research involving 384 participants. Nevertheless, an integrated awareness–financial literacy–risk–attitude model remains valuable.

4.3 Risk perception

Indian evidence shows that conceptual clarity, investment education, awareness, and psychological factors influence cryptocurrency risk perceptions. This indicates that knowledge may influence both willingness to invest and recognition of investment risk.

4.4 Regulatory awareness

Regulation is increasingly relevant to cryptocurrency investment decisions. Recent Indian studies have incorporated regulatory frameworks and regulatory uncertainty into cryptocurrency adoption models.

4.5 Behavioral mechanisms

FOMO and social influence are important behavioral mechanisms among young investors. However, a model integrating awareness with attitude and investment intention can provide additional theoretical value.

5. Research Objectives

The study aims to:

1. Measure the level of cryptocurrency awareness among young investors in India.
2. Assess cryptocurrency-related financial literacy among young investors.
3. Examine the effect of cryptocurrency awareness on investment intention.
4. Determine the influence of perceived benefits on investment intention.
5. Examine the influence of perceived risk on investment intention.
6. Determine the influence of social influence on investment intention.
7. Examine the effect of regulatory awareness on investment intention.
8. Determine the effect of attitude toward cryptocurrency investment on investment intention.
9. Examine the mediating role of attitude between cryptocurrency awareness and investment intention.
10. Examine whether financial literacy moderates the relationship between cryptocurrency awareness and investment intention.

6. Research Questions

RQ1: What is the level of cryptocurrency awareness among young investors?

RQ2: Does cryptocurrency awareness influence cryptocurrency investment intention?

RQ3: Does cryptocurrency financial literacy influence investment intention?

RQ4: What is the effect of perceived risk on cryptocurrency investment intention?

RQ5: What is the effect of perceived benefits on cryptocurrency investment intention?

RQ6: Does social influence affect cryptocurrency investment intention?

RQ7: Does regulatory awareness influence cryptocurrency investment intention?

RQ8: Does attitude mediate the relationship between cryptocurrency awareness and investment intention?

RQ9: Does financial literacy moderate the relationship between cryptocurrency awareness and investment intention?

7. Theoretical Framework

7.1 Theory of Planned Behavior

The primary theoretical foundation of the study is the Theory of Planned Behavior (TPB).

TPB proposes that behavioral intention is influenced by:

- attitude toward the behavior;
- subjective norms; and
- perceived behavioral control.

In cryptocurrency investment:

Attitude represents an investor's favorable or unfavorable evaluation of cryptocurrency investment.

Subjective norms/social influence represent the perceived expectations of friends, family, colleagues, online communities, and other influential individuals.

Perceived behavioral control reflects the individual's perceived ability and confidence to undertake cryptocurrency investment.

Investment intention therefore represents the individual's willingness or planned tendency to invest.

7.2 Technology Adoption Perspective

Cryptocurrency is both a financial asset and a technology-enabled innovation. Therefore, technology-adoption concepts such as social influence, perceived value, facilitating conditions, and effort expectancy are also relevant.

Indian studies have demonstrated the relevance of technology-adoption constructs to cryptocurrency investment behavior. Kala et al., for example, identified facilitating conditions, social influence, effort expectancy, and price value as important factors among young Indians.

7.3 Behavioral Finance Perspective

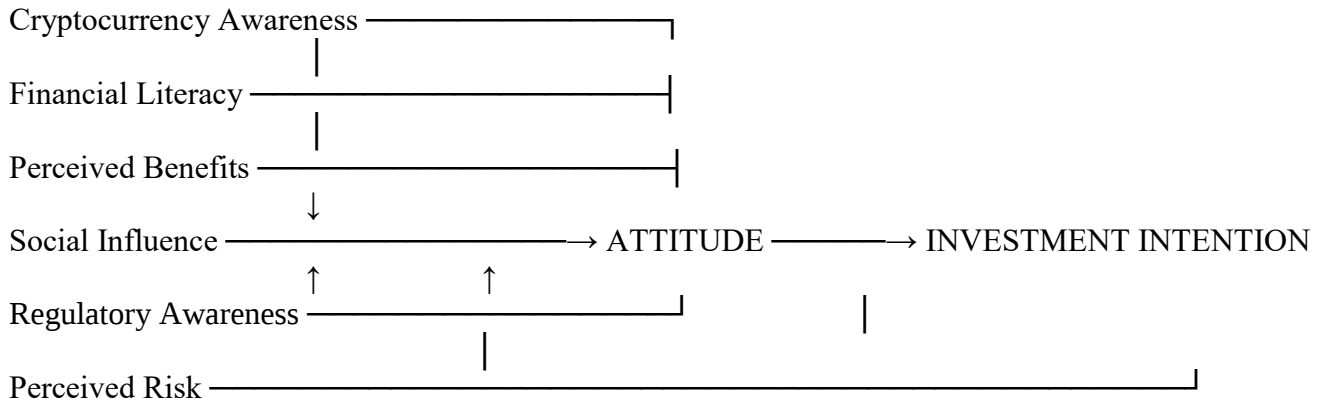
Cryptocurrency investment is also characterized by behavioral factors such as FOMO, social influence, risk perception, and speculative expectations.

Recent Indian evidence indicates that FOMO can mediate the relationship between cryptocurrency adoption intention and investment behavior.

Accordingly, the proposed study combines TPB with selected financial and behavioral variables.

8. Conceptual Framework

The proposed conceptual model is:



Financial literacy is additionally proposed as a moderator of the relationship between awareness and investment intention.

The framework therefore combines:

- knowledge;
- financial capability;
- perceived benefits;
- risk;
- social influences;
- regulatory awareness; and
- behavioral attitude.

9. Hypotheses

H1: Cryptocurrency Awareness → Investment Intention

Greater awareness may reduce information barriers and increase familiarity with cryptocurrency.

H1: Cryptocurrency awareness has a significant positive effect on cryptocurrency investment intention.

H2: Financial Literacy → Investment Intention

Financially literate investors may be better able to evaluate investment opportunities.

H2: Cryptocurrency financial literacy has a significant positive effect on investment intention.

H3: Perceived Benefits → Investment Intention

Perceived returns, diversification opportunities, accessibility, and technological innovation may increase attractiveness.

H3: Perceived benefits have a significant positive effect on cryptocurrency investment intention.

H4: Perceived Risk → Investment Intention

Volatility, fraud, cyber security, and regulatory uncertainty may discourage investment.

H4: Perceived risk has a significant negative effect on cryptocurrency investment intention.

H5: Social Influence → Investment Intention

Young investors may be influenced by peers, social media, influencers, and online communities.

H5: Social influence has a significant positive effect on cryptocurrency investment intention.

H6: Regulatory Awareness → Investment Intention

Understanding regulatory and taxation conditions may influence willingness to invest.

H6: Regulatory awareness has a significant effect on cryptocurrency investment intention.

H7: Attitude → Investment Intention

TPB suggests that favorable attitudes increase behavioral intention.

H7: A favorable attitude toward cryptocurrency investment has a significant positive effect on investment intention.

H8: Awareness → Attitude

Greater awareness may influence how individuals evaluate cryptocurrency investment.

H8: Cryptocurrency awareness has a significant positive effect on attitude toward cryptocurrency investment.

H9: Mediation

Awareness may influence investment intention through attitude.

H9: Attitude significantly mediates the relationship between cryptocurrency awareness and investment intention.

H10: Moderation

Financial literacy may alter the strength of the awareness–intention relationship.

H10: Financial literacy significantly moderates the relationship between cryptocurrency awareness and investment intention.

10. Research Methodology

10.1 Research Approach

The study will employ a **quantitative research approach**.

A structured questionnaire will be used to collect primary data from young investors.

10.2 Research Design

The study will use a:

- descriptive design;
- cross-sectional design; and
- explanatory research design.

The explanatory component will examine relationships among awareness, financial literacy, risk perception, benefits, social influence, regulatory awareness, attitude, and investment intention.

10.3 Target Population

The target population comprises Indian individuals aged **18–35 years** who are:

- current investors;
- previous investors; or
- Sufficiently aware of cryptocurrency to evaluate an investment decision.
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10.4 Sampling

Purposive sampling may be used because a comprehensive population list of young cryptocurrency-aware investors is generally unavailable.

Where feasible, researchers should use stratification based on:

- age;
- gender;
- education;
- occupation;
- income;
- geographical region; and
- Cryptocurrency experience.

10.5 Sample Size

A target of approximately **400 usable responses** is recommended for the proposed SEM framework.

This is consistent with the scale of recent Indian studies, including a study of 384 young Indians and another of 398 Gen Z professionals in Bengaluru.

The final sample size should ideally also be justified through an a priori statistical power analysis.

10.6 Data Collection

The questionnaire may be distributed through:

- Google Forms;
- university networks;
- investment communities;
- professional networks;
- social-media platforms; and
- Cryptocurrency-investor communities.

Participants should receive an informed-consent statement before answering.

10.7 Measurement Scale

A five-point Likert scale will be employed:

- 1 — Strongly Disagree
- 2 — Disagree
- 3 — Neutral
- 4 — Agree
- 5 — Strongly Agree

11. Theoretical Implications

The study is expected to make several theoretical contributions.

First, it extends the application of the Theory of Planned Behavior to cryptocurrency investment among young Indian investors.

Second, it distinguishes cryptocurrency **awareness** from cryptocurrency **financial literacy**.

Third, it integrates financial and behavioral factors within a single investment-intention model.

Fourth, the mediation framework examines whether awareness influences investment intention through investor attitude.

Fifth, the moderation framework examines whether financial literacy changes the strength of the awareness–intention relationship.

The model therefore extends conventional technology-adoption research by introducing a stronger financial decision-making perspective.

12. Practical Implications

12.1 Implications for Young Investors

Young investors should distinguish familiarity with cryptocurrency from investment competence. Understanding cryptocurrency terminology does not necessarily mean that an individual understands volatility, taxation, cybersecurity, or investment risk.

12.2 Implications for Educational Institutions

Universities and colleges should incorporate digital financial literacy into finance, commerce, management, and economics programs.

Educational programs should cover:

- cryptocurrency fundamentals;
- blockchain;
- risk-return analysis;
- diversification;
- fraud prevention;
- taxation;
- cybersecurity; and
- responsible investment.

12.3 Implications for Cryptocurrency Platforms

Cryptocurrency platforms should provide clear information regarding:

- transaction costs;
- volatility;
- taxation;
- risks;
- cybersecurity;
- custody; and
- regulatory requirements.

12.4 Implications for Financial Educators

Financial education should address not only the potential benefits of cryptocurrency but also the risks associated with speculative investment.

Recent Indian research specifically recommends greater investment education and awareness to address cryptocurrency risk perceptions.

13. Policy Implications

The findings can help policymakers design targeted financial-literacy programs for young investors. The Indian tax framework currently contains specific provisions relating to VDAs. The official Income Tax Department information states that specified VDA-transfer income is taxable at 30%, subject to applicable statutory provisions, and provides transaction-level reporting requirements. Therefore, investor education should incorporate taxation and compliance information rather than limiting education to cryptocurrency technology.

Policymakers may also consider:

1. digital financial-literacy campaigns;
2. investor-risk awareness campaigns;
3. standardized cryptocurrency-risk disclosures;
4. educational material for first-time investors;
5. stronger public awareness regarding scams and fraud;
6. clearer communication regarding applicable taxation; and
7. collaboration between educational institutions and financial authorities.

Recent research involving Indian investors similarly emphasizes the importance of regulatory clarity and financial education.

14. Limitations of the study

The study has several limitations.

First, a cross-sectional design cannot fully establish causality.

Second, questionnaire-based research relies on self-reported perceptions and may therefore be affected by response bias.

Third, purposive or convenience sampling may limit the generalizability of the findings.

Fourth, cryptocurrency markets and regulatory conditions can change rapidly.

Fifth, investment intention does not necessarily result in actual investment behavior.

Sixth, young investors are heterogeneous in terms of income, education, investment experience, financial literacy, and risk tolerance.

Future research should therefore use longitudinal data, probability sampling where possible, and behavioral or transaction-level indicators of cryptocurrency investment.

15. Future Research

Future research could extend this study by examining:

1. Gen Z versus Millennials.
2. Investors versus non-investors.
3. FOMO as a mediator.
4. Financial influencers and influencers'.
5. Social-media exposure.
6. Herding behavior.
7. Risk tolerance.
8. Financial self-efficacy.
9. Cryptocurrency-specific financial literacy.
10. Gender differences.
11. Regional differences within India.
12. Differences between urban and rural investors.
13. Actual cryptocurrency investment behavior.
14. Longitudinal changes in investment intention.
15. The effect of regulatory changes on investment decisions.
16. Comparative studies between India and other emerging economies.

The role of FOMO is particularly worthy of future investigation because previous Indian research has found a mediating role for FOMO in the relationship between cryptocurrency adoption intention and investment behavior.

16. Conclusion

Cryptocurrency has become an important component of contemporary digital finance and represents a particularly relevant investment phenomenon among younger generations. Young investors are highly exposed to digital financial information and have relatively easy access to cryptocurrency markets, but this accessibility does not necessarily imply informed investment decision-making.

The present study develops an integrated framework for examining cryptocurrency awareness and investment intention among young investors in India. The model incorporates cryptocurrency awareness, financial literacy, perceived benefits, perceived risk, social influence, regulatory awareness, attitude, and investment intention.

The central argument is that cryptocurrency awareness should not be treated as equivalent to financial literacy. Awareness may increase familiarity and interest, but investment intention may depend upon an investor's ability to understand risk, evaluate potential benefits, interpret regulatory information, and develop a favorable or unfavorable investment attitude.

The proposed model therefore provides a comprehensive framework for investigating young investors' cryptocurrency decisions. It also has practical relevance for universities, financial educators, cryptocurrency platforms, policymakers, and investors.

The study can contribute to the growing literature on cryptocurrency investment by integrating financial, technological, regulatory, and behavioral perspectives within the Indian context.

Importantly, the final empirical version should report only the statistical findings generated from the actual survey dataset. No respondent characteristics, coefficients, p-values, model-fit statistics, or hypothesis decisions should be fabricated.

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