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Awareness Without Commitment: Cryptocurrency Investment Patterns Among Higher Education Investors in Shimla

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***Abstract* – Cryptocurrency is transforming the way individuals perceive money, savings, and investment decisions across the world. In recent years, India has emerged as one of the fastest-growing markets for cryptocurrency adoption, particularly among young and educated investors. Reports such as the Chainalysis Global Crypto Adoption Index (2023) and observations by the Reserve Bank of India (2023) highlight a steady rise in cryptocurrency participation, reflecting growing curiosity, technological awareness, and expectations of higher returns. Despite this expansion, cryptocurrency investment in India continues to face challenges in the form of regulatory uncertainty, high volatility, security risks, and limited financial literacy. The present study examines the investment behavior, awareness, and perceptions towards cryptocurrency among investors associated with higher education institutions in Shimla, Himachal Pradesh. Using primary data collected from 140 respondents through a structured questionnaire, the study analyses demographic characteristics, income and investment patterns, risk tolerance, portfolio composition, and specific attitudes towards cryptocurrency. Descriptive statistical tools, supported by tables and charts, are used for analysis. The findings reveal that although awareness about cryptocurrency is relatively high among educated investors, actual participation remains limited. Most respondents prefer traditional investment avenues such as mutual funds and equity markets, allocating only a small portion of their income to cryptocurrency. High perceived risk, lack of regulatory clarity, and security concerns act as major deterrents. The study concludes that cryptocurrency is currently viewed as a supplementary or speculative investment rather than a core financial asset. The paper offers region-specific insights and contributes to the growing literature on cryptocurrency investment behaviour in India.**

***Keywords* – Cryptocurrency Investment, Investment Behaviour, Blockchain Technology, Higher Education Investors, Risk Tolerance, Portfolio Diversification, Regulatory Uncertainty, Financial Literacy, Blockchain Technology.**

I. INTRODUCTION

Cryptocurrency is changing the way people handle money and investments, challenging long-established financial systems and practices. Built on blockchain technology, cryptocurrencies operate without the direct involvement of central authorities, offering decentralisation, transparency, and borderless transactions. Since the introduction of Bitcoin by Nakamoto (2008), cryptocurrencies have evolved from a niche technological experiment into a global financial phenomenon attracting investors, institutions, and policymakers.

In recent years, India has become a major participant in the global cryptocurrency ecosystem. According to the Chainalysis Global Crypto Adoption Index (2023), India consistently ranks among the top countries in terms of cryptocurrency adoption. The Reserve Bank of India (2023) has also acknowledged the increasing engagement of Indian citizens with digital assets, particularly among younger demographics. This growing interest reflects changing attitudes towards investment, driven by digitalisation, increased access to online trading platforms, and rising financial awareness.

Young investors, especially students and professionals associated with higher education institutions, are increasingly exposed to financial information through social media, mobile applications, and peer networks. This exposure influences their perception of new-age investment avenues, including cryptocurrencies. For many, cryptocurrency represents not only an opportunity for high returns but also a symbol of technological progress and financial independence.

However, cryptocurrency investment in India remains controversial and complex. Price volatility, cybersecurity threats, lack of investor protection, and ambiguous regulatory frameworks create uncertainty and hesitation among potential investors (Shetkar, 2023). While some view cryptocurrency as a tool for portfolio diversification and financial inclusion, others perceive it as highly speculative and risky.

Most existing studies on cryptocurrency investment behaviour focus on metropolitan regions or national-level data. There is limited empirical research examining smaller cities and academic environments where traditional financial attitudes coexist with growing digital exposure. Shimla, a prominent educational hub in Himachal Pradesh, provides an interesting context to study these dynamics.

The present study seeks to analyse the investment behaviour and perceptions towards cryptocurrency among investors associated with higher education institutions in Shimla. By examining demographic factors, investment objectives, portfolio preferences, and risk attitudes, the study aims to contribute to a more nuanced understanding of cryptocurrency adoption in a semi-urban, educated setting.

II. REVIEW OF LITERATURE

The literature on cryptocurrency investment spans multiple disciplines, including finance, economics, behavioural studies, and information technology. Early research primarily focused on the technical foundations of cryptocurrencies, particularly blockchain technology and decentralized consensus mechanisms (Nakamoto, 2008). As cryptocurrencies gained market value and investor attention, researchers began analyzing them as financial assets.

Several studies have examined the determinants of cryptocurrency adoption and investment behavior. Age has consistently emerged as a significant factor, with younger individuals showing greater willingness to invest in cryptocurrencies due to higher risk tolerance and technological familiarity (Ramesh & Aishwarya, 2025). Education level also plays a crucial role, as higher education is associated with better understanding of digital technologies and financial instruments.

Behavioral finance theories have been widely applied to explain cryptocurrency investment decisions. Researchers have highlighted the influence of psychological factors such as overconfidence, herd behavior, and fear of missing out (FOMO) on investor behavior (Sharma, 2024). Social media platforms and online communities often amplify these effects by rapidly spreading information, rumors, and price expectations.

From a portfolio perspective, studies indicate that most investors allocate only a small proportion of their total investments to cryptocurrencies. Traditional instruments such as equities, mutual funds, and fixed deposits continue to dominate investment portfolios, reflecting risk aversion and trust in established financial systems (Kala & Chaubey, 2022). Cryptocurrencies are generally treated as high-risk, high-return assets suitable mainly for diversification or short-term speculation.

In the Indian context, regulatory uncertainty is frequently cited as a major barrier to cryptocurrency adoption. Daudrikh (2022) and Shetkar (2023) noted that the absence of a clear and comprehensive regulatory framework creates confusion regarding legality, taxation, and investor protection. This uncertainty discourages conservative investors and limits institutional participation.
Security concerns also feature prominently in the literature. Risks related to hacking, fraud, loss of private keys, and exchange failures undermine investor confidence (Mashatan & Sangari, 2021). For new investors, the technical complexity of cryptocurrency transactions further adds to perceived risk.

Despite these challenges, several authors acknowledge the potential benefits of cryptocurrency. Studies highlight its ability to promote financial inclusion, reduce transaction costs, and encourage innovation in financial services, particularly in developing economies (Sharma, 2024). However, scholars emphasise that realising these benefits requires improved financial literacy, technological safeguards, and regulatory clarity.
While the existing literature provides valuable insights, there is a lack of region-specific studies focusing on smaller cities and academic populations. The present study addresses this gap by examining cryptocurrency investment behaviour among higher education investors in Shimla.

III. OBJECTIVES OF THE STUDY

1. To analyse the investment behaviour and portfolio preferences of investors associated with higher education institutions in Shimla.
2. To examine the level of participation and patterns of investment in cryptocurrency among these investors.
3. To identify the factors influencing perceptions, advantages, and challenges related to cryptocurrency investment.

IV. RESEARCH METHODOLOGY

Research Design
The study adopts a descriptive research design, which is appropriate for understanding attitudes, perceptions, and behavioural patterns related to investment decisions. The design enables systematic collection and analysis of data to describe the current state of cryptocurrency investment behaviour.

Area of Study and Sample Size
The study is conducted in Shimla, Himachal Pradesh, focusing on investors associated with higher education institutions. A total of 140 respondents were selected using convenience sampling. The sample comprises students, employed individuals, self-employed professionals, unemployed respondents, and retirees, ensuring diversity in terms of demographic and economic backgrounds.

Data Collection
Primary data were collected through a structured questionnaire designed to capture information on demographic characteristics, income levels, investment objectives, risk tolerance, portfolio composition, and cryptocurrency-related behaviour. Secondary data were obtained from research articles, reports, and official publications to support the analysis.

Tools of Analysis
The collected data were analysed using descriptive statistical tools such as frequencies and percentages. Tables and charts were used to present the data clearly and facilitate interpretation.

V. DATA ANALYSIS AND FINDINGS

Demographic Profile of Respondents
The data indicate that nearly half of the respondents are below 25 years of age, reflecting strong participation from

students and young investors. Gender distribution is relatively balanced. Most respondents exhibit moderate risk tolerance, suggesting cautious but open attitudes towards investment.

Table 1: Demographic Characteristics of Respondents (n = 140)

Variable	Category	Number	Percentage
Age	Below 25	54	48.60%
	25–35	11	9.90%
	36–45	19	17.10%
	46–55	23	20.70%
	Above 56	4	3.60%
Gender	Male	58	52.30%
	Female	53	47.70%
Risk Tolerance	Low	37	33.30%
	Moderate	56	50.50%
	High	18	16.20%

Income Allocation and Investment Objectives
A significant proportion of respondents (48.6%) invest less than 10% of their income, while 36.9% invest between 10% and 25%. This suggests that investment is often secondary to expenditure and savings. The primary objectives of investment include meeting unforeseen financial needs (49.5%) and achieving capital growth (42.3%), indicating a mix of precautionary and growth-oriented motives.

Portfolio Composition
Mutual funds (38.7%) and the share market (36.9%) are the most preferred investment avenues. Only 20% of respondents invest in cryptocurrency, highlighting a clear preference for traditional financial instruments. This finding aligns with earlier studies that emphasise risk aversion among Indian investors.

Cryptocurrency Participation and Patterns
Only about 10% of respondents identify as cryptocurrency investors. Most participants have less than one year of experience, indicating that cryptocurrency investment is still at a nascent stage. The majority invest less than 10% of their total investment amount in cryptocurrency, reflecting a cautious approach.

Frequency and Types of Cryptocurrency Investments
More than half of cryptocurrency investors trade occasionally, while a small proportion engage in weekly or daily trading. Bitcoin is the most preferred cryptocurrency (67%), followed by Ethereum (16%) and Ripple (15%). Limited participation in alternative coins suggests conservative behaviour even within the crypto market.

Perceived Advantages and Disadvantages
The main advantage of cryptocurrency, as perceived by respondents, is the potential for higher returns (55.6%), followed by decentralisation (15.2%). On the other hand, security risks (32.7%), complexity of use (30%), and lack of regulatory authority (15.3%) are identified as major disadvantages. These concerns significantly influence investment decisions.

Sources of Information
Social media platforms are the primary source of information for cryptocurrency trends (48.5%), followed by investment applications and news outlets. This highlights the growing influence of digital media on investment behaviour.

VI. CONCLUSION

The study provides comprehensive insights into the investment behaviour towards cryptocurrency among investors associated with higher education institutions in Shimla, Himachal Pradesh. The findings clearly indicate that cryptocurrency, despite gaining widespread attention globally and nationally, is still in an evolving stage of acceptance among educated investors in semi-urban regions. While awareness levels are relatively high, actual participation in cryptocurrency investment remains limited, cautious, and supplementary in nature.

Young investors, particularly students, dominate the sample and demonstrate greater curiosity and openness towards cryptocurrency. This aligns with earlier studies by Ramesh and Aishwarya (2025) and Sharma (2024), which highlighted the role of youth, digital exposure, and technological familiarity in shaping cryptocurrency adoption. However, curiosity does not necessarily translate into high levels of investment. Most respondents allocate only a small portion of their income and investment portfolio to cryptocurrency, reflecting a conservative approach rooted in moderate risk tolerance.

Traditional investment avenues such as mutual funds and equity markets continue to enjoy greater trust and preference. This preference reflects long-standing financial habits, perceived stability, and regulatory protection associated with conventional financial instruments. Cryptocurrency, on the other hand, is largely viewed as a high-risk, high-return asset suitable for experimentation rather than long-term wealth creation. This perception is consistent with the findings of Kala and Chaubey (2022), who observed that Indian investors often treat cryptocurrencies as speculative instruments rather than core assets.

The perceived advantages of cryptocurrency, particularly the potential for higher returns and decentralisation, attract investors seeking innovation and growth opportunities. However, these advantages are overshadowed by significant concerns related to security risks, complexity of use, and lack of regulatory clarity. The absence of a comprehensive regulatory framework in India creates uncertainty regarding legality, taxation, and investor protection, reinforcing hesitation among risk-averse investors (Shetkar, 2023). Security-related issues such as

hacking, fraud, and loss of digital assets further weaken investor confidence.

The study also highlights the growing influence of social media and digital platforms in shaping investment behaviour. A large proportion of respondents rely on social media, investment apps, and online news sources for updates on cryptocurrency trends. While these platforms enhance accessibility to information, they may also contribute to herd behaviour, misinformation, and speculative decision-making, as noted in behavioural finance literature.

Overall, the findings suggest that cryptocurrency investment in Shimla's higher education ecosystem is characterised by awareness without deep commitment, experimentation without heavy exposure, and interest tempered by caution. Cryptocurrency is currently perceived as a complementary investment rather than a substitute for traditional financial instruments.

VII. IMPLICATIONS OF THE STUDY

The findings of the study have several important implications for policymakers, financial educators, investors, and regulators.

From a policy perspective, the limited participation in cryptocurrency despite high awareness underscores the urgent need for regulatory clarity. A well-defined legal and taxation framework can reduce uncertainty and enhance investor confidence. Clear guidelines regarding investor protection, reporting requirements, and dispute resolution mechanisms would encourage more informed and responsible participation in cryptocurrency markets.

For financial educators and academic institutions, the results highlight the importance of integrating digital finance and cryptocurrency-related topics into financial literacy and curriculum frameworks. Since students form a significant portion of potential investors, structured education on blockchain technology, risk management, and ethical investing can help bridge the gap between awareness and informed decision-making.

Investors can benefit from the study by gaining insights into prevailing attitudes and behavioural patterns among their peers. Understanding that most investors adopt a cautious and diversified approach may encourage individuals to evaluate their own risk tolerance and investment objectives more carefully before entering the cryptocurrency market.

For financial service providers and fintech platforms, the study suggests opportunities to design user-friendly, secure, and educational investment platforms. Simplifying transaction processes and improving transparency may help address concerns related to complexity and security.

VIII. LIMITATIONS OF THE STUDY

Despite its contributions, the study is subject to certain limitations. The sample size is limited to 140 respondents and is confined to higher education institutions in Shimla. As a result, the findings may not be fully generalisable to other regions, particularly metropolitan cities or rural areas with different socio-economic characteristics.

The study relies on self-reported data, which may be influenced by respondent bias, social desirability, or limited understanding of cryptocurrency concepts. Additionally, the use of descriptive statistical tools restricts the ability to establish causal relationships between variables.

The rapidly evolving nature of cryptocurrency markets and regulations also means that investor perceptions and behaviour may change over time. Therefore, the findings represent a snapshot of attitudes during the period of data collection rather than long-term trends.

IX. SCOPE FOR FUTURE RESEARCH

Future research can build upon the present study in several ways. Comparative studies across different regions, states, or countries can provide broader insights into how geographical and cultural factors influence cryptocurrency adoption. Longitudinal studies may help track changes in investor behaviour as regulatory frameworks evolve and market maturity increases.

Further research can also employ inferential statistical techniques, such as regression analysis or structural equation modelling, to examine the relationship between demographic variables, risk tolerance, and cryptocurrency investment decisions. Qualitative approaches, including interviews and focus group discussions, may offer deeper understanding of investor motivations and concerns.
In addition, future studies may explore institutional perspectives, examining the role of banks, fintech firms, and regulatory bodies in shaping the cryptocurrency ecosystem in India.

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