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Bitcoin Halving Survey

Awareness and Perception towards Halving

February 2020

Research and Insights

Survey Report



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Contents

1.	Foreword	4
2.	Executive Summary	5
3.	Introduction	7
4.	Results	8
	4.1 Demographics and Awareness	8
	4.2 Perception towards Halving	10
	4.3 Rationale behind the Perceptions	13
5.	Summary	16
	5.1 Conclusion	16
	5.2 Limitations and Caveats	16
6.	Reference	17

1. Foreword

Greetings to our fellow esteemed readers! It is my pleasure to present the first proprietary survey result to you on behalf of [Crypto.com](https://crypto.com)'s Research team. If you are one of our survey respondents, please let me express my sincere gratitude to you. Without you, it will be impossible for us to gather such meaningful market insights and compile this report. Going forward, we are going to launch more surveys on different topics that we hope our readers will enjoy.

In addition to the public survey, I would like to introduce another proprietary research offering to you: Every month, we will select a special theme for our "Feature Article", to be shared exclusively with our **Crypto.com Private** customers through newsletter. For this month (March 2020), the theme is "Bitcoin Halving". We have dedicated resources to this research project, in the hopes of ensuring the "Feature Article" will bring you perspective-changing and in-depth analysis. If you are interested, please upgrade your card to get access to this monthly newsletter.

Going back to the topic of the survey, we have identified areas for improvement after the first end-to-end survey analysis. Firstly, we did not allow survey respondents to type in decimal places for their bitcoin holdings. Secondly, we have not made it clear enough that certain questions are optional, such as your bitcoin holdings and your % of net worth in crypto. Lastly, the unclear wordings for multiple choice options "less token supply" may have confused people. We will learn from the experience to improve our next survey.

Finally, please allow me to express my thanks to all of you again. If you have any questions or suggestions on the report, please feel free contact us at contact@crypto.com.

Yours faithfully,



Erik Lie, FSA, CERA

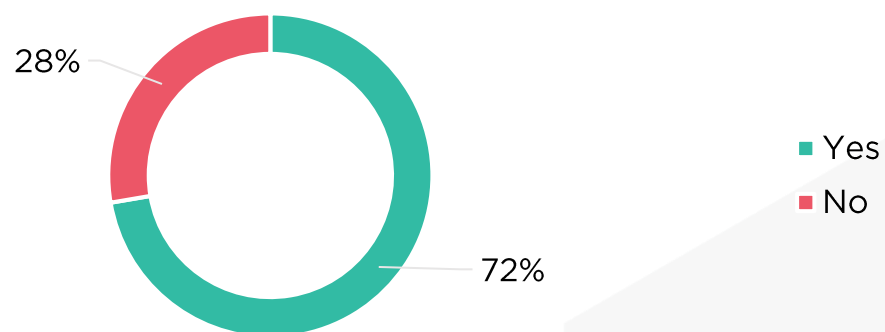
Head of Research and Insights

2. Executive Summary

We have collected 9,567 responses and removed 35 responses with suspected data quality issues. The final sample size for the study is 9,532.

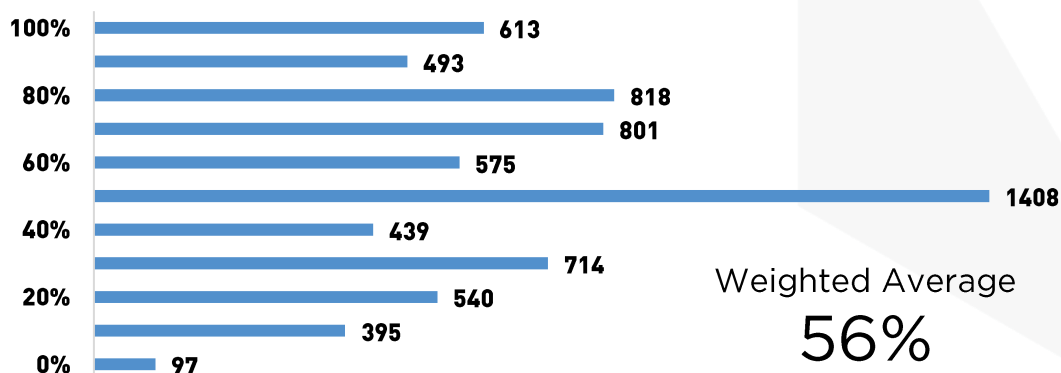
Result indicates that 72% of respondents have heard of halving.

Have you heard of bitcoin halving?



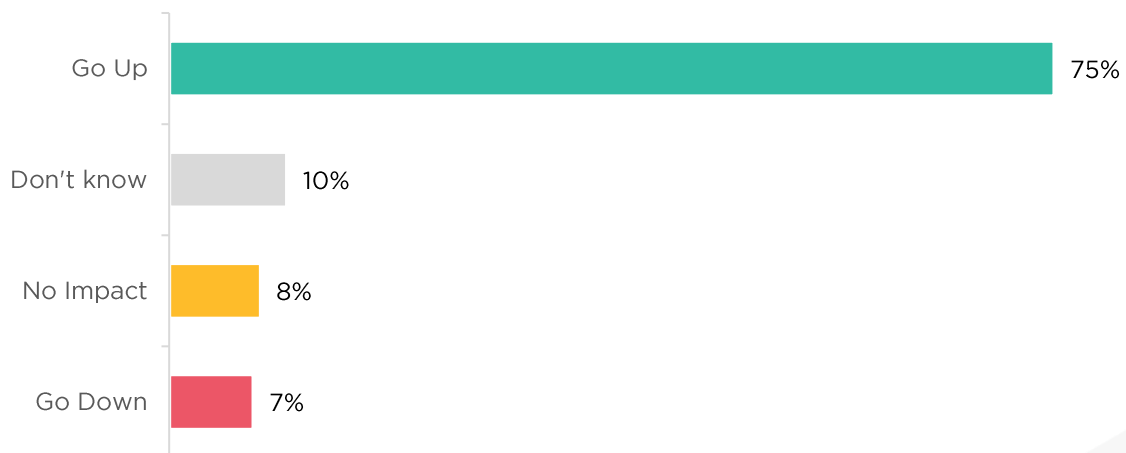
For those that have heard of halving, their estimates on the percentage of people (in crypto space) that have heard of halving is 56%. Compare with 72% from above, this indicates a difference between the reality vs perceived reality from our respondents.

Estimate on the percentage of people (in crypto space) that have heard of halving



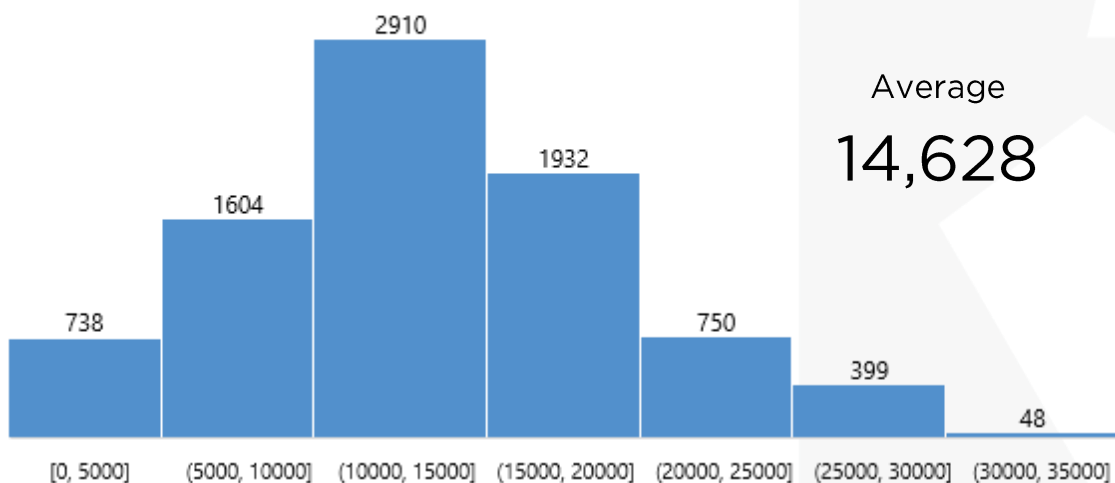
For those that have heard of halving, 75% believe that bitcoin's price will go up due to halving.

Due to halving, bitcoin's price will...



The average bitcoin price prediction by the end of 2020 from our respondents (after removing outliers) is USD \$14,628.

Bitcoin price prediction by the end of 2020?



3. Introduction

Bitcoin halving is one of the most anticipated events for the crypto space in 2020. The bitcoin protocol has pre-programmed the supply schedule and capped the total bitcoin supply at 21 million. The block reward will be reduced by half every 210,000 blocks, which is approximately equal to 4 years. It is expected that the 3rd bitcoin halving will occur in May 2020. Many in the space believe that halving should drive bitcoin's price up, while some disagree and think that it should be already priced in due to efficient market hypothesis. (EMH).

The purpose of this document is to:

- Study the public's awareness and perception towards halving

We have divided the survey result into 3 sections by their natures (instead of following the question numbers), namely:

- Demographics and Awareness
- Perception towards Halving
- Rationale behind the Perceptions

In addition to the public survey, I would like to introduce another proprietary research offering to you: Every month, we will select a special theme for our "Feature Article", to be shared exclusively with our **Crypto.com Private** customers through newsletter. For this month (March 2020), the theme is "Bitcoin Halving". We have dedicated resources to this research project, in the hopes of ensuring the "Feature Article" will bring you perspective-changing and in-depth analysis. If you are interested, please upgrade your card to get access to this monthly newsletter.

4. Results

The survey contains 12 questions and is running from 30/01/2020 to 06/02/2020. We have collected 9,567 responses and removed 35 responses with suspected data quality issues. The final sample size for the study is 9,532.

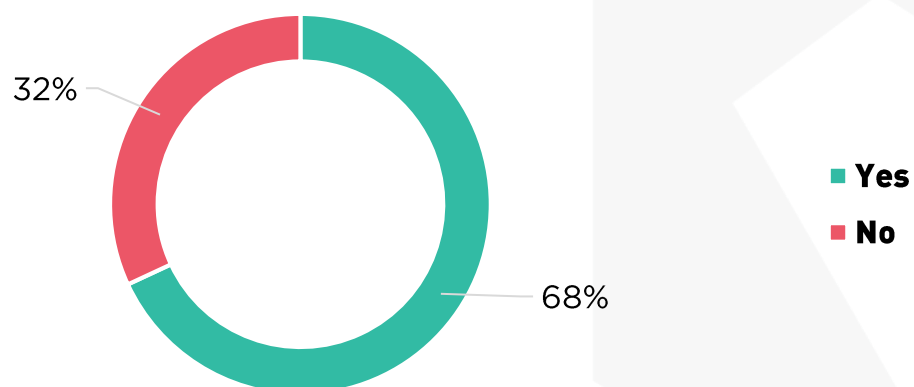
4.1 Demographics and Awareness

Bitcoin holding status, bitcoin holding amount and percentage of net worth in crypto are originally set as 3 demographic questions that may present interesting data mining patterns for studying the relationship of these factors to other results. However, due to the sensitivity of these questions as well as some technical mistakes (e.g. not allowing respondents to type in decimals), the data collected is not ideal. Therefore, we have abandoned the latter 2 questions.

Question 1

The only question remaining for the demographics is bitcoin holding status. 68% of respondents are currently holding bitcoin.

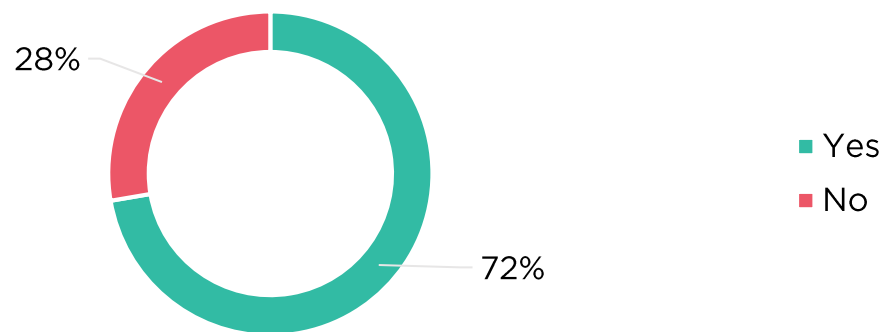
Are you currently holding bitcoin?



Question 5

We would like to know our respondents' awareness towards bitcoin halving. 72% of respondents are aware of bitcoin halving.

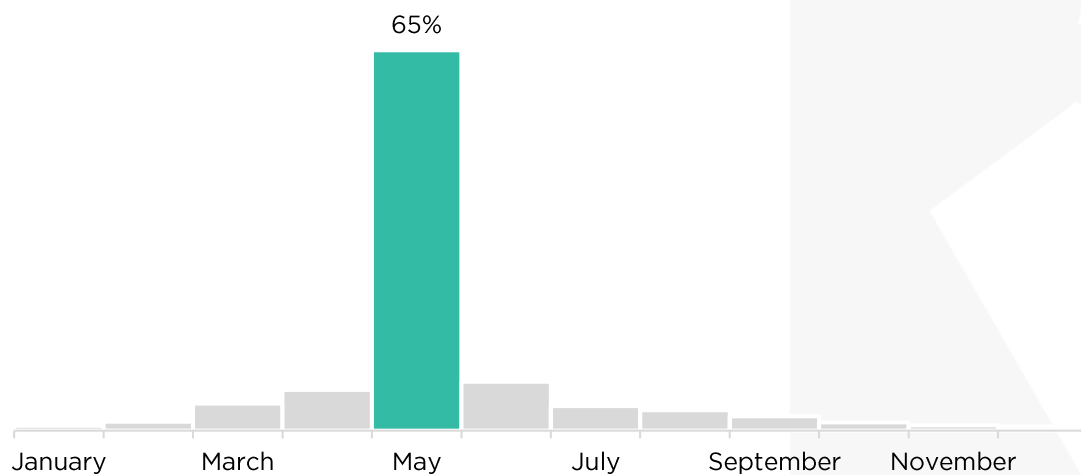
Have you heard of bitcoin halving?



Question 6

We have added a quiz for those said that they have heard of halving. Only 65% can answer the month that halving will occur correctly.

Bitcoin Halving will occur in...



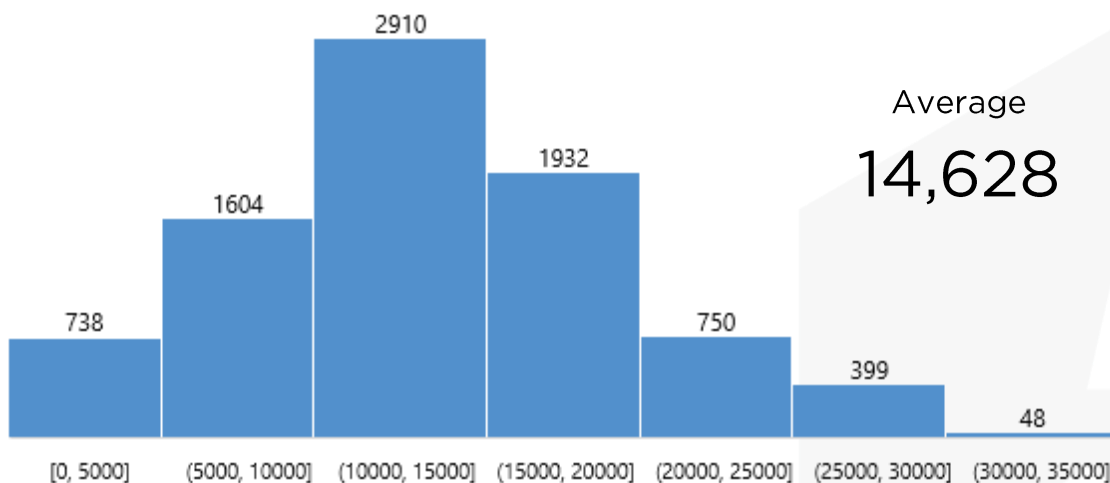
4.2 Perception towards Halving

For this section, we try to understand respondents' perception towards halving, such as whether they are bullish or bearish on halving.

Question 4

Our respondents are generally bullish on bitcoin (regardless of halving). The average bitcoin price prediction by the end of 2020 (after removing outliers) is USD \$14,628.

Bitcoin price prediction by the end of 2020?



We use *Tukey's fences* to remove the outliers. It is defined by deducting Q_1 and adding Q_3 by 1.5 times the interquartile range (IQR).

$$\begin{aligned}
 \text{Lower Bound} &= Q_1 - 1.5 \text{ IQR} \\
 &= 10,500 - 14,250 \\
 &= -3,750
 \end{aligned}$$

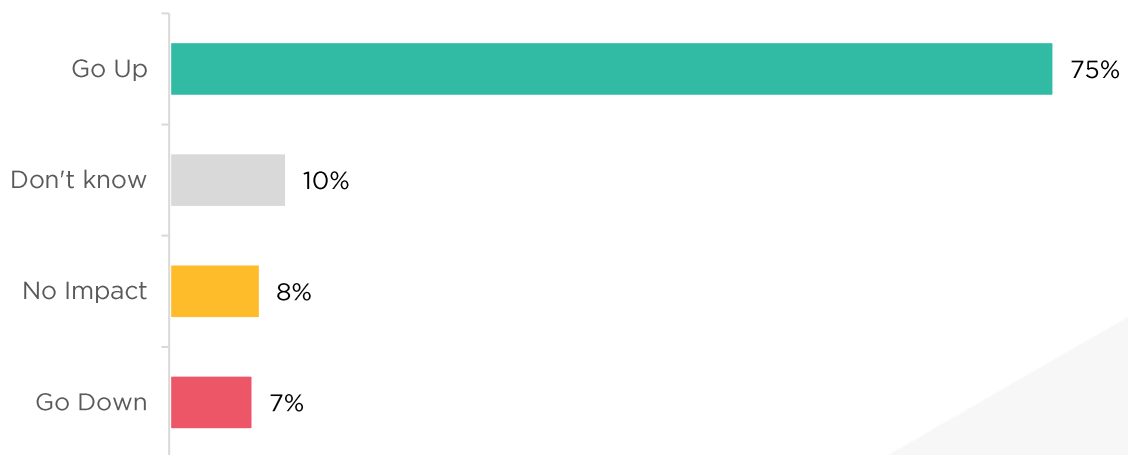
$$\begin{aligned}
 \text{Upper Bound} &= Q_3 + 1.5 \text{ IQR} \\
 &= 20,000 + 14,250 \\
 &= 34,250
 \end{aligned}$$

Price predictions below or above the boundaries are considered as outliers and being removed. This gives us a sample size of 8,381 and the average value is calculated to be USD \$14,628.

Question 8

For those that have heard of halving, 75% believe that bitcoin's price will go up due to halving. 10% answered "don't know". 8% is neutral and 7% believes the price may go down.

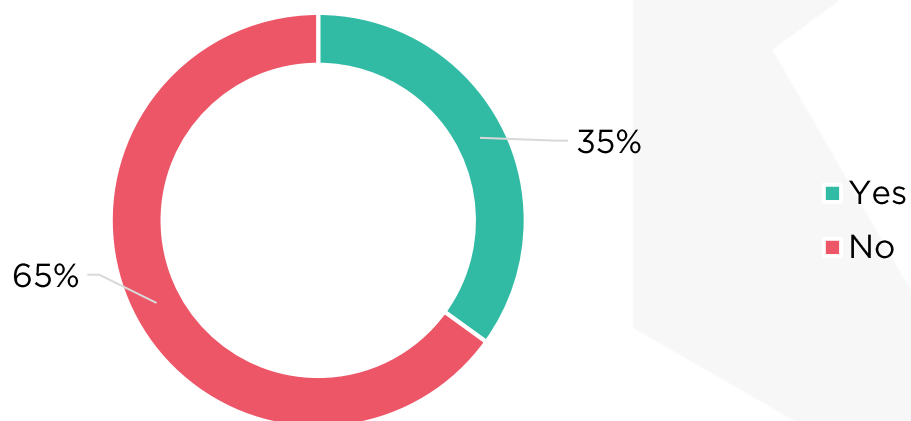
Due to halving, bitcoin's price will...



Question 10

But only 35% of whom believes halving will drive bitcoin's price up have purchased bitcoin due to halving.

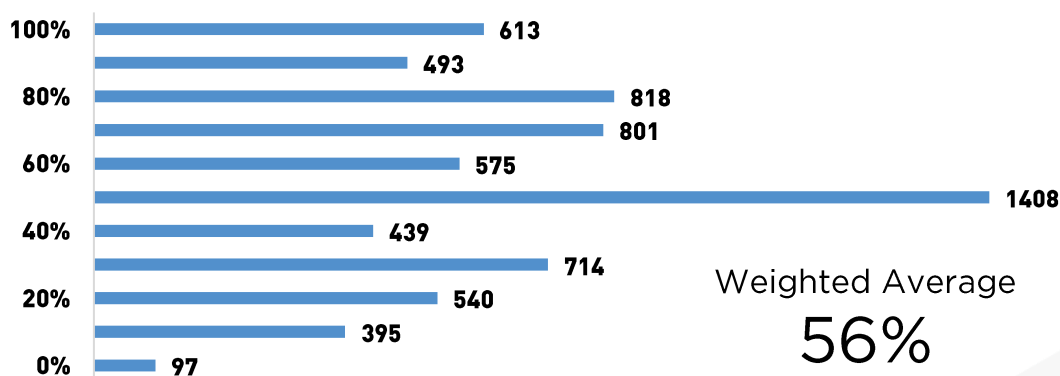
Have you purchased bitcoin due to halving?



Question 7

For those who have heard of halving, their estimate on the percentage of people (in crypto space) that have heard of halving is 56%.

Estimate on the percentage of people (in crypto space) that have heard of halving



Result from question 5 shows that 72% of respondents have heard of halving but result from this question indicates that their estimate for this number is only 56%. There is a 16% difference between the reality and perceived reality.

We believe the difference can be explained by 2 reasons:

- Cognitive bias due to *Dunning-Kruger effect*, which says that people may optimistically overestimate their abilities compared to others
- Sampling bias due to *survey distribution method*. As our respondents are likely active users of the Crypto.com Wallet App, they tend to be more familiar with the topic than the average users in crypto space

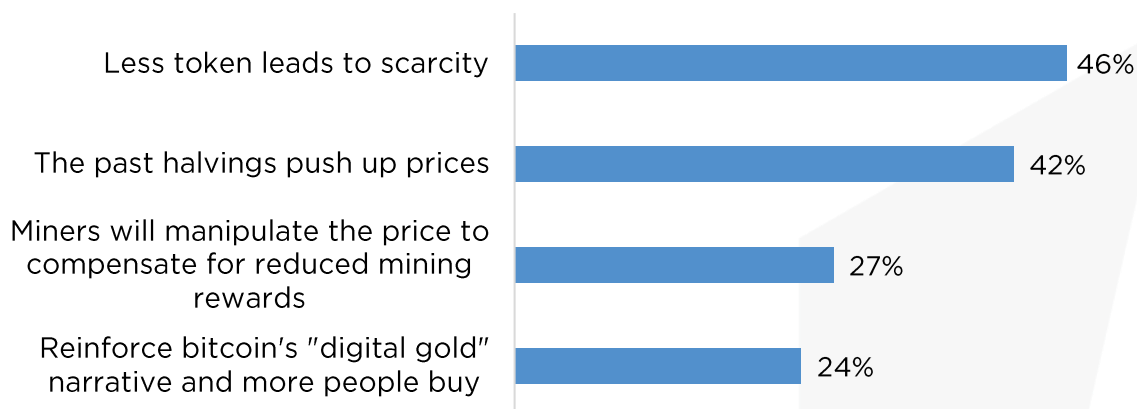
4.3 Rationale behind the Perceptions

Our respondents have different views on bitcoin halving towards bitcoin's price. What are their rationales behind? We will try to find out the reasons in this section.

Question 9

We provided options for respondents to select the reasons behind why they think halving may drive bitcoin's price up:

Reasons that halving may drive price up



We have further investigated the "Others" field where the respondents can enter free text. 12 of them have written that psychological factor (FOMO) may drive bitcoin's price upon halving. 10 of them believe that it will become a self-fulfilling prophecy, 7 of them think that media hype may help and 2 of them explicitly mentioned the "stock-to-flow model" article written by PlanB.

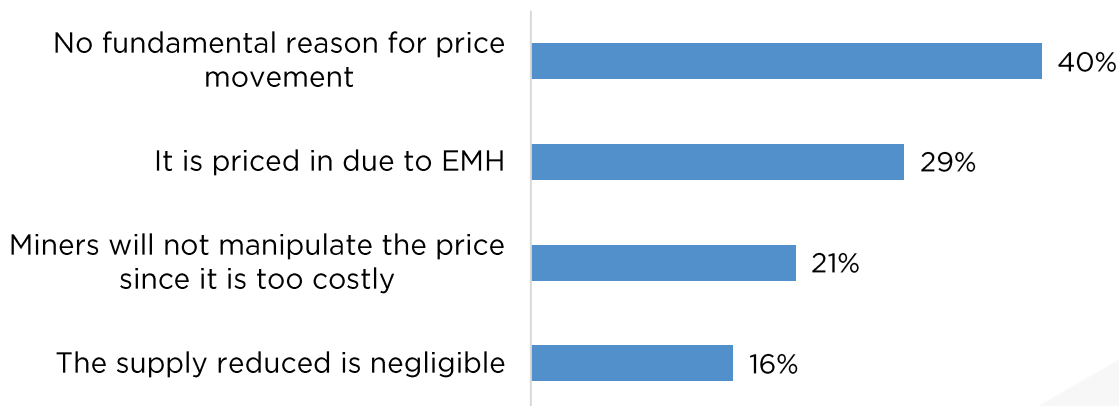
Reasons that halving may drive price up



Question 11

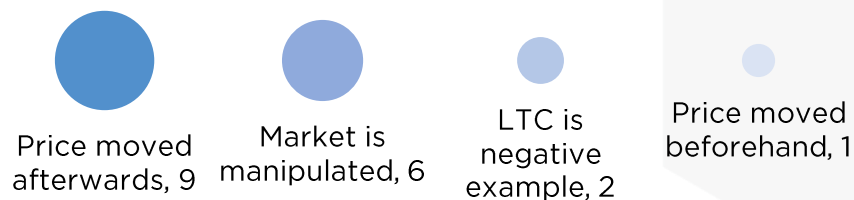
We provided options for respondents to select the reasons behind why they think halving may have no impact on bitcoin's price:

Reasons that halving may have no impact



We have further investigated the "Others" field which the respondents can enter free text. 9 of them mentioned that the historical price increased only 1 year after halving. 6 of them believe that the market is manipulated hence halving is not the major reason for any price movement, 2 of them mentioned the previous LTC price didn't increase after halving and 1 of them mentioned the historical price increased before halving but not at halving.

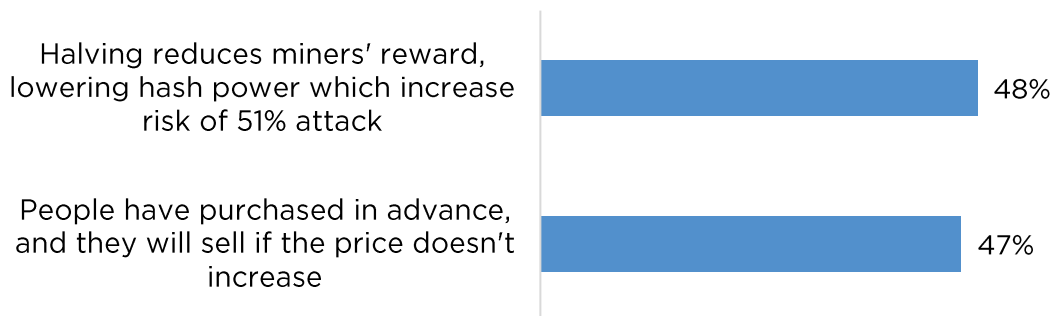
Reasons that halving may have no impact



Question 12

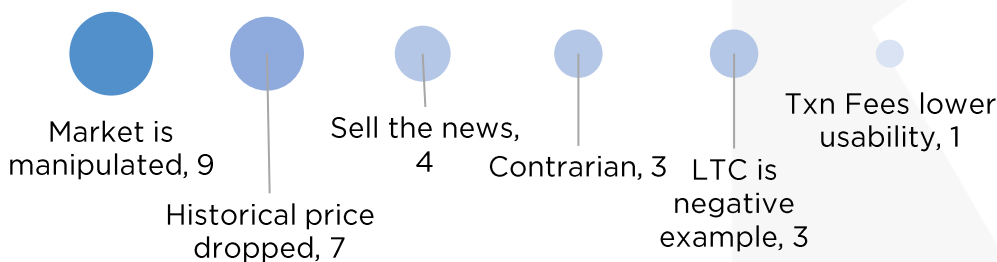
We provided options for respondents to select the reasons behind why they think halving may drive bitcoin's price down:

Reasons that halving may drive price down



We have further investigated the "Others" field which the respondents can enter free text. 9 of them believe that the market is manipulated, 7 of them mentioned historical price dropped upon halving, 4 of them say "Sell the news", 3 of them hold a contrarian view (i.e. when everybody believe it will be up, price will drop instead), 3 of them mentioned the LTC as negative example, and 1 of them say the likely increase in transaction fees will reduced token's usability.

Reasons that halving may drive price down



5. Summary

Here comes our conclusion for this survey report.

5.1 Conclusion

Here are the take away from the survey results:

- 72% of respondents have heard of bitcoin halving
- For those that have heard of halving, their estimates on the percentage of people (in crypto space) that have heard of halving is 56%. Compare with 72% from above, this indicates a difference between the reality vs perceived reality from our respondents
- For those that have heard of halving, 75% believe that bitcoin's price will go up due to halving
- The average bitcoin price prediction by the end of 2020 from our respondents (after removing outliers) is USD \$14,628

5.2 Limitation and Caveats

Although we have concluded the results as above, we would still like to highlight some limitations and improvements for future research:

- Improve the survey distribution method to reduce sampling bias
- Avoid questions with sensitive personal financial information to reduce dropout rate and improve data integrity
- Some respondents are not filling answers honestly. We may consider changing the incentive mechanism or strengthen our detection mechanism to remove those outliers

6. Reference

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