



crypto.com

Digital Currencies Survey

How far is money from being fully digitalized?

March 2020

Research and Insights

Survey Report



Head of Research and Insights
Erik Lie, FSA, CERA

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Contents

1.	Foreword	4
2.	Executive Summary	5
3.	Introduction	8
4.	Results	9
	4.1 Demographics	9
	4.2 Digital Currencies	13
	4.3 Adoption Barriers	19
5.	Summary	22
	5.1 Conclusion	22
	5.2 Limitations and Caveats	22
6.	Reference	23

1. Foreword

Nice to see you again! The topic of the survey in this edition is “Digital Currencies”. This survey is jointly conducted together with a partner, who is releasing the same set of questions to the general public, whereas we at Crypto.com invite our app users to complete the survey. We will compare the two sets of responses gathered to deep dive into how the general public’s opinions differ from those of our app users – a sample to represent the general crypto community. More details to be released soon!

Owing to this “double sampling” of users, you may find some questions to sound “obvious”, for example the question asking whether you have heard of cash. The reason is that we need to make the survey more friendly and accessible for the general public. We also used this type of questions for benchmarking and eliminating dishonest or erroneous responses.

The crypto market has been a roller-coaster ride these days due to the panic induced by COVID-19. However, we hope that this survey, together with our soon-to-be launched “Digital Currencies” feature article will allow you to zoom out to see a broader picture of what is going on: *The digitalization of money has just begun*. Central banks, tech companies and financial companies are all inspired by cryptocurrencies and are looking to get started in this space. Our economy is becoming increasingly digitalized and the acceptance for e-payment and digital currencies is on a continuous rise. Although markets go up and down, innovation never stops.

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

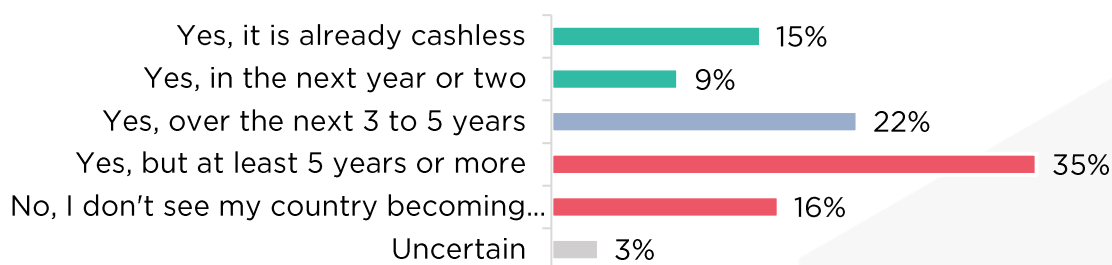
Head of Research and Insights

2. Executive Summary

We have collected 4,458 responses and removed 18 duplicated responses and 252 responses with suspected data quality issues. The final effective sample size for the study is 4,206.

80% of survey respondents think that the country in which they live will eventually become cashless, but 35% of them believe that it won't happen within 5 years.

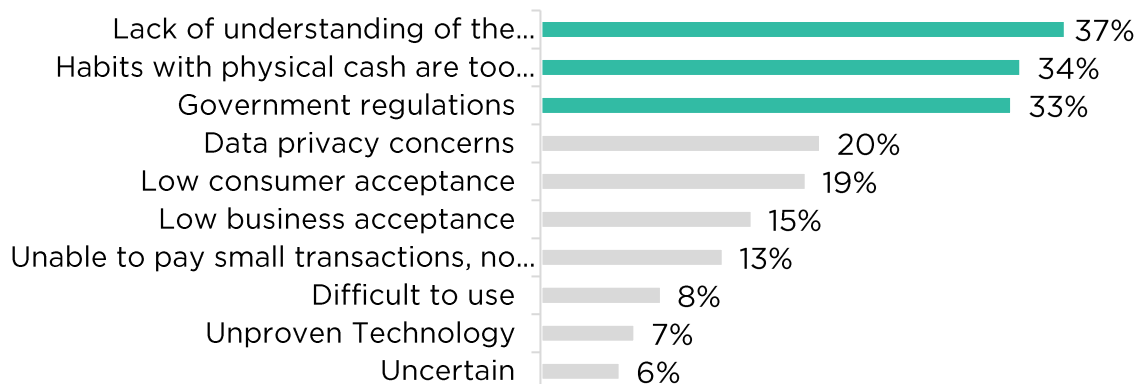
Do you believe the country in which you live in will become "cashless"?



The top 3 adoption barriers to countries becoming "cashless" are:

- Lack of understanding of the technology (37%)
- Habits with physical cash are too strong (34%)
- Government regulations (33%)

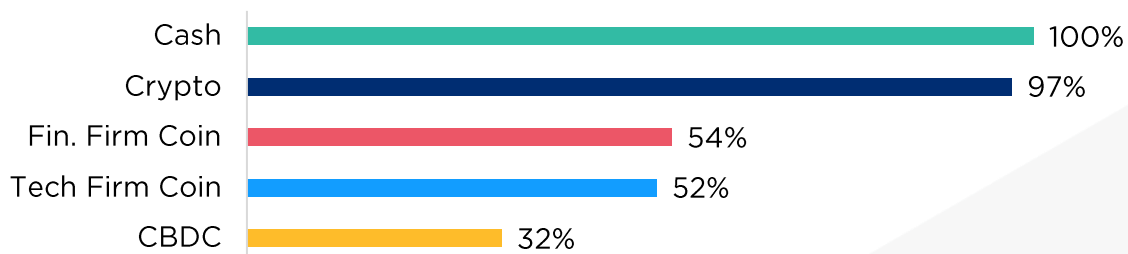
What do you see as the major barriers to your country becoming "cashless"?



Next, we examine people's awareness of various kind of digital currencies, including Central Bank Digital Currencies (CBDC), Tech Firm Coin (such as Libra), Financial Firm Coin (such as JPM Coin) and Cryptocurrencies.

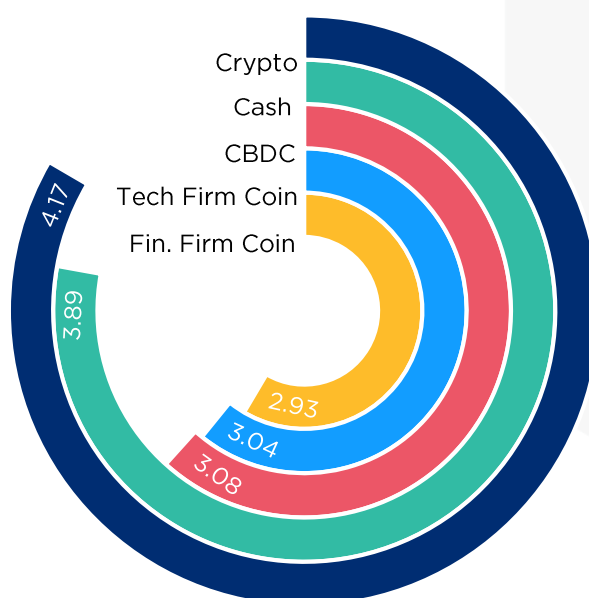
We are expecting a high awareness for crypto since our survey respondents are Crypto.com App users, and survey results are in line with expectations (97%). Awareness for Financial Firm Coin (54%) and Tech Firm Coin (52%) are higher than expected. Awareness for CBDC is relatively low (32%) compared to others.

Have you heard of the following currencies?



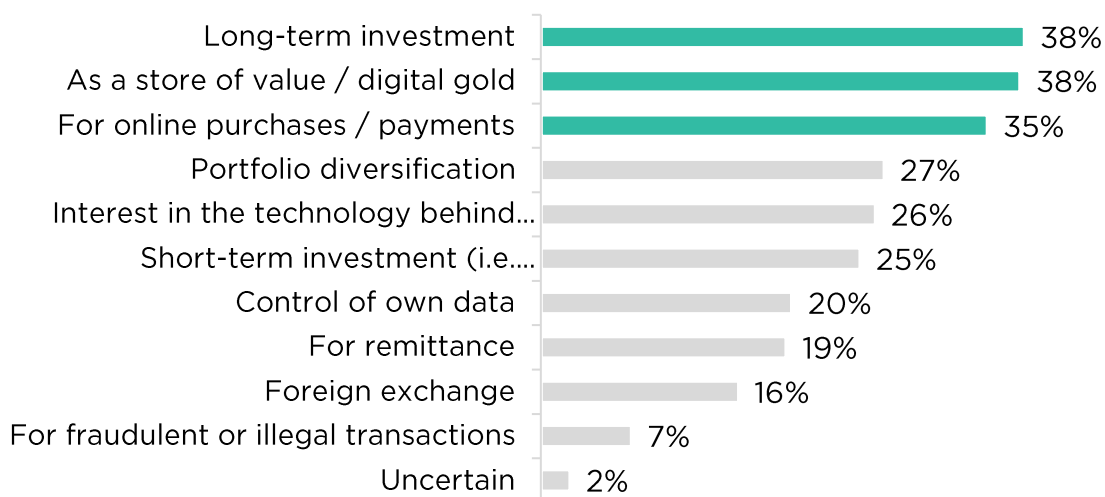
Trust towards crypto is highest (4.17), while that for CBDC (3.08), Tech Firm Coin (3.04) and Financial Firm Coin (2.93) are lower but at similar levels to one another.

Trustworthiness of different type of currencies



Survey respondents believe the main reasons to use cryptocurrencies are for investment purposes and for online purchases / payment.

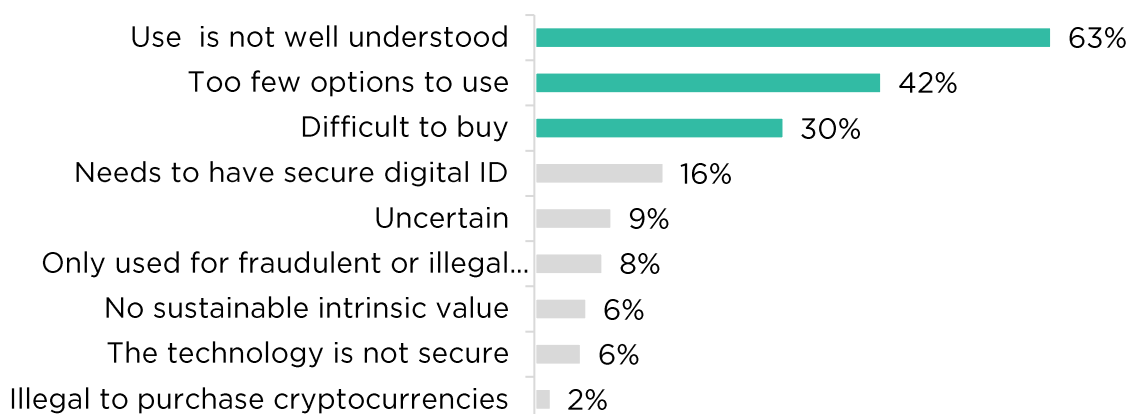
In your opinion, what are the main reasons people would use cryptocurrencies?



And the top 3 adoption barriers for cryptocurrencies are:

- Use is not well understood (63%)
- Too few options to use (42%)
- Difficult to buy (30%)

In your opinion, what are the barriers against greater adoption of cryptocurrencies in your country?



3. Introduction

Cryptocurrencies have opened a new door for digital currencies. Ten years after bitcoin's birth, its potential as a store of value and medium of exchange for the digital economy has been showcased. The elephant in the room has become so large that central banks, tech giants and financial giants can no longer turn a blind eye to it. In the past few years, major players have started to explore their own form of digital currency.

The purpose of this document is to:

- Study the crypto community's awareness and perception regarding various kinds of digital currencies
- Compare and contrast the result with a similar survey (more details to be revealed soon)

We have divided the survey results into 3 based on content (instead of following the numerical order of the questions), namely:

- Demographics
- Digital Currencies
- Adoption Barriers

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 (April 2020), the theme is "Digital Currencies". We have dedicated resources to this research project, in the hopes of ensuring the Feature Article will bring perspective-changing and in-depth analysis. If you are interested, please upgrade your card to get access to this monthly newsletter.

4. Results

We have collected 4,458 responses and removed 18 duplicated responses and 252 responses with suspected data quality issues. The final effective sample size for the study is 4,206.

4.1 Demographics

We have asked the respondents about their country of residency, year of birth, gender, annual salary and educational level in the survey. Later on, we have removed the annual salary question due to its sensitivity and its difficulty for comparing across various countries.

Question 1

71% of respondents come from developed countries while 25% from developing countries. 4% are unclassified.

Which country are you residing in?



Developed
71%



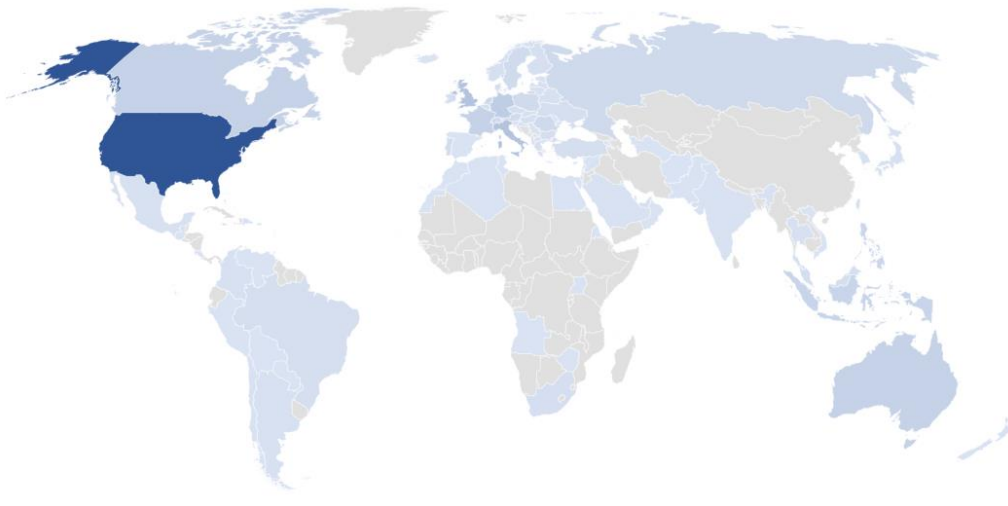
Developing
25%



Unclassified
4%

The classification for developed / developing countries is obtained from [this report](#) by the United Nations.

Our survey respondents are distributed in all continents in the world (except Antarctica). Most of them are from Europe (45%), followed by North America (29%) and Asia (19%). A few of them are from Oceania (3%), South America (2%) and Africa (1%).



Question 2

54% of respondents are Millennials or younger (i.e. born on or after 1981) while 38% are GenX or older (i.e. born before 1981). 8% are unclassified.

In which year were you born?



<= Millennials
54%



>= GenX
38%



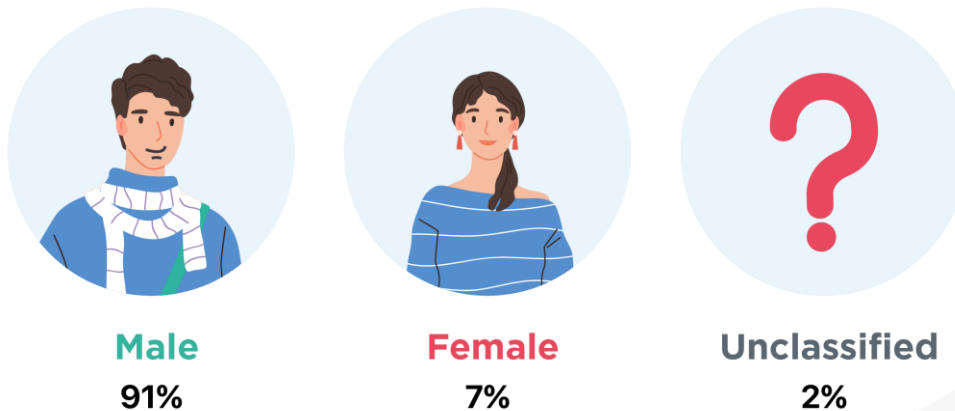
Unclassified
8%

The classification for Millennials / GenX is obtained from [this article](#) by the Pew Research Center.

Question 3

91% of respondents are males while 7% are female. 2% are unclassified.

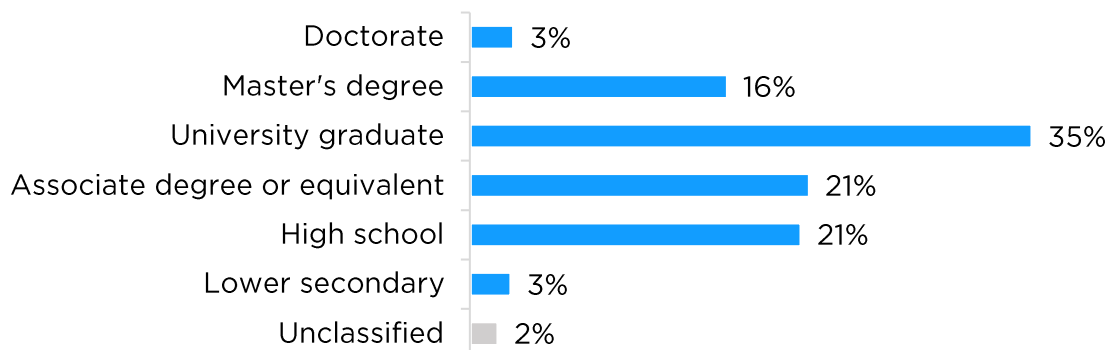
Which best describe your gender?



Question 5

The largest category of respondents are University graduates (35%), followed by Vocational / Technical school / Associated degrees (21%), High school, upper secondary or equivalent (21%) and Master or other professional degree (16%). A small portion have received Doctorates (3%) or have attained Grammar to lower secondary school (3%). Overall, 54% of respondents are University graduates or above and 44% are below.

Which of the following best describe your educational background?



We can use our survey sample of Crypto.com App users as a proxy of the demographics for the broader crypto population. Here is a summary:

- Developed countries = 2.84x (vs Developing countries)
- Millennials or younger = 1.42x (vs GenX or older)
- Male = 13x (vs Female)
- University or above = 1.2x (vs High School or below)

From the results above, we can see that the crypto space is quite male-dominated (13 times more males than females). The average user more than likely comes from a developed country (2.84 times more likely), and younger people are more likely to be crypto users (1.42 times higher). Education level plays the least important role here (1.2 times higher for University or above).

Overall, crypto users are more likely to be younger males from developed countries.

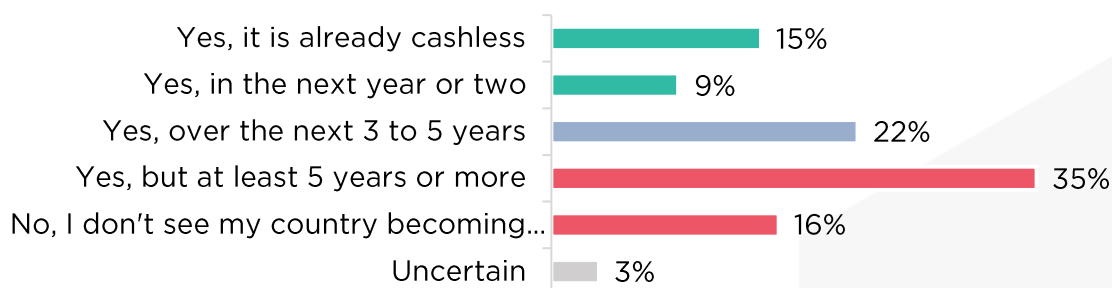
4.2 Digital Currencies

In this section, we will study perceptions towards digital currencies.

Question 6

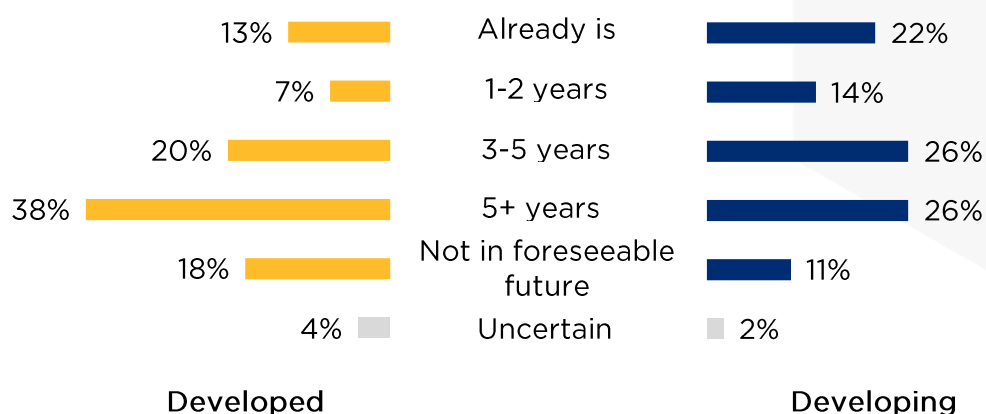
80% of respondents think that the country in which they live will eventually become cashless, but 35% of them believe that it won't happen within 5 years.

Do you believe the country in which you live in will become “cashless”?



We then broke down the responses to this question down by demographics. Age, gender and education level have little impact, but people from developing countries are more optimistic for their countries to become cashless when compared to respondents in developed countries.

Do you believe the country in which you live in will become “cashless”?



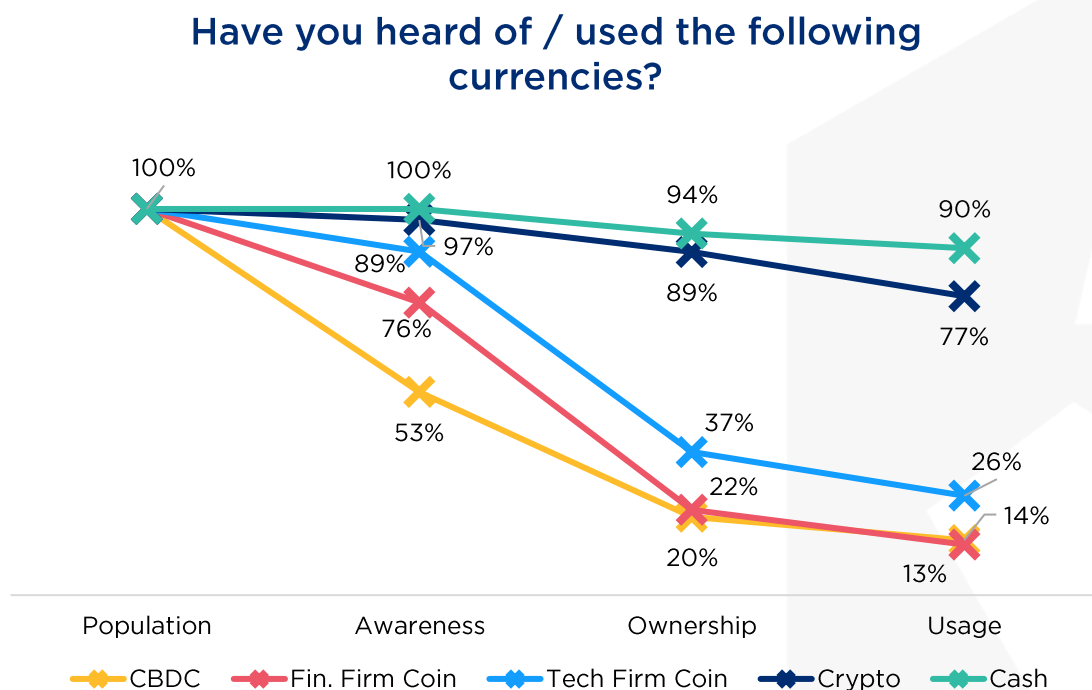
Next, we examine people's awareness of various kind of digital currencies, including Central Bank Digital Currencies (CBDC), Tech Firm Coins (such as Libra), Financial Firm Coins (such as JPM Coin) and Cryptocurrencies.

Question 9, 11, 13, 15, 17

We asked our survey respondents if they are aware of, owned or used the following type of (digital) currencies. We then calculate the awareness and ownership percentage by:

- Awareness = Aware of + Owned + Used
- Ownership = Owned + Used

After aggregation, results are shown as below:

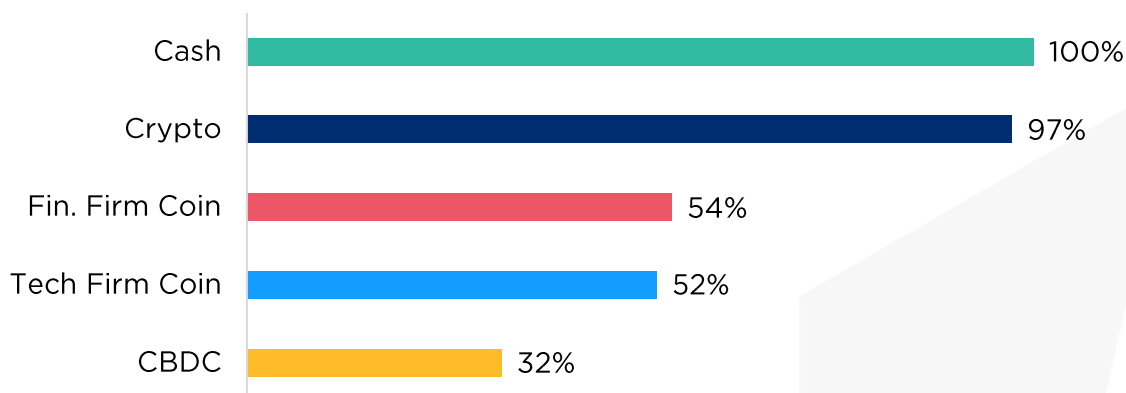


We have identified some abnormalities. For example, awareness of crypto should be 100% since we are distributing the survey to Crypto.com App users. However, only 97% of respondents said that they are aware of crypto. We have accepted this difference since the deviation from expectation is small (3%).

Furthermore, some respondents claimed they have owned or used CBDC, Tech Firm Coin or Financial Firm Coin, when in fact those coins don't yet exist for public use. Some users may have misidentified digital credit (e.g. Venmo or Alipay) as digital currencies.

Since CBDC, Tech Firm Coin and Financial Firm Coin don't exist yet, we adjusted our definition such that for those who claimed that they have owned or used these currencies, we reclassified them to be unaware of these currencies. After the adjustment, the awareness of these currencies is shown below:

Have you heard of the following currencies?



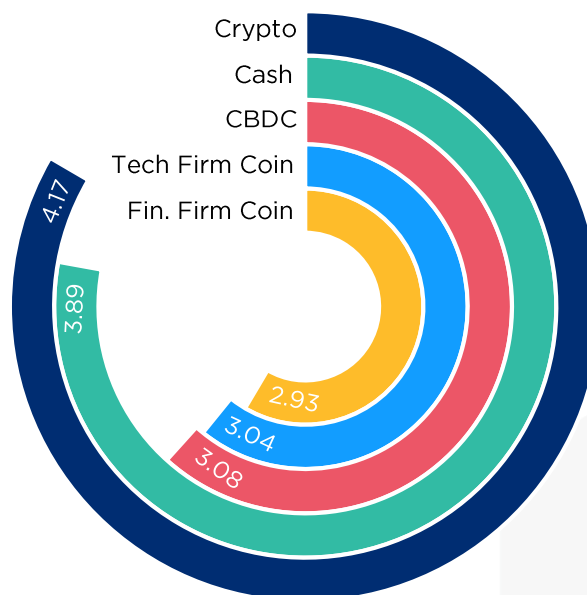
We have further studied the demographic breakdown for this question, but all demographic factors we have measured (including country, age, gender and education level) show little impact on the awareness on various kind of digital currencies.

Overall, the awareness for Financial Firm Coin (54%) and Tech Firm Coin (52%) is higher than our expectation. Awareness for CBDC is relatively low (32%) compared to others.

Question 10, 12, 14, 16, 18

We asked our survey respondents to rate the trustworthiness of different types of (digital) currencies from a scale of 1 (Not trustworthy at all) to 5 (Completely trustworthy). We then calculated the weighted average for each.

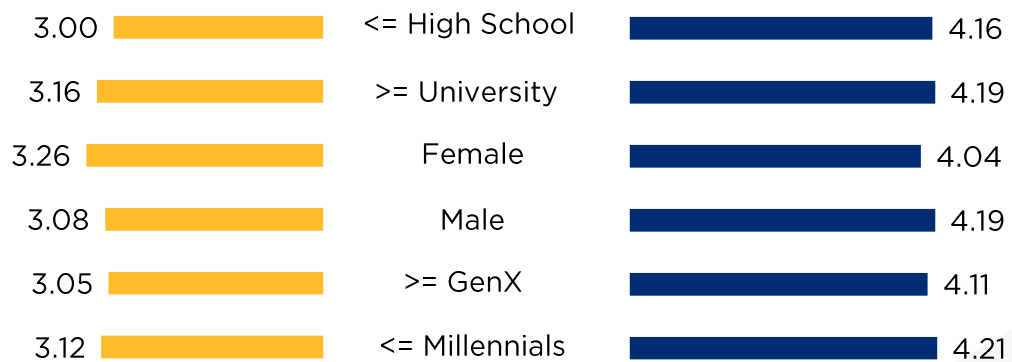
Trustworthiness of different type of currencies



Crypto ranked highest for trustworthiness (4.17), which is not surprising as the survey is sampled from Crypto.com App users. The trust level towards CBDC (3.08), Tech Firm Coin (3.04) and Financial Firm Coin (2.93) are lower but are at similar level.

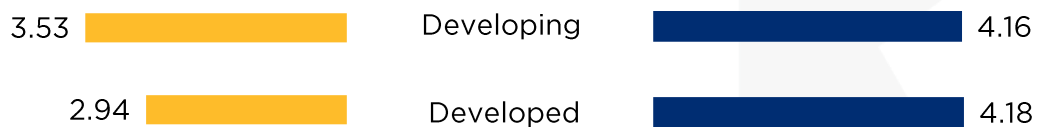
Our data also indicates that demographic factors (education, gender, age) have a small effect on respondents' trust towards Crypto / CBDC. Most users trust cryptocurrencies more than CBDC, and the average score is also about the same (Crypto: ~4.1; CBDC: ~3).

Trustworthiness by Demographics



The only demographics factor with noticeable impact is country type. Respondents from developing countries have more trust towards CBDC (3.53), compared to those from developed countries (2.94). However, both groups have similar levels of trust towards cryptocurrencies (~4.2).

Trustworthiness by Demographics

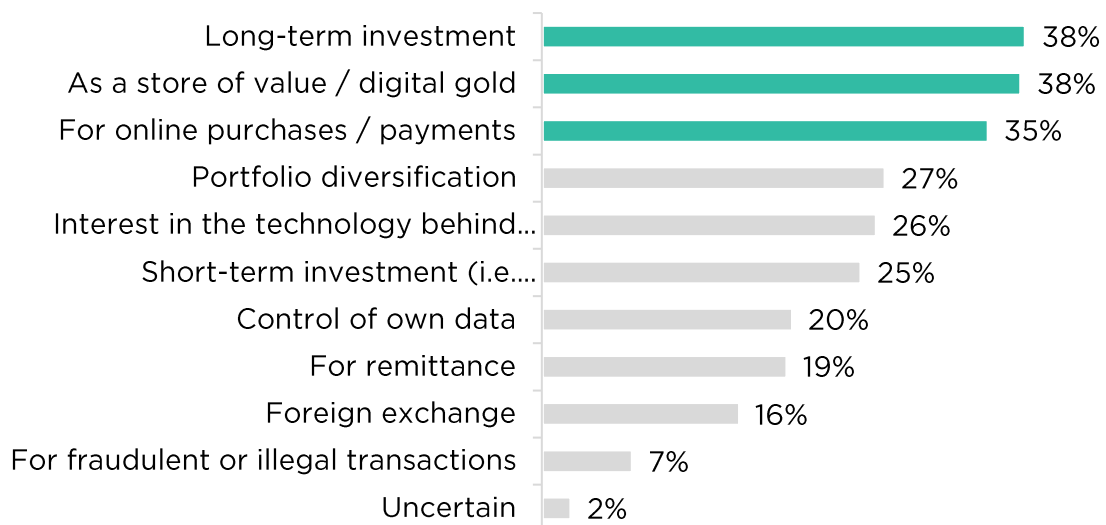


Question 21

We asked survey respondents what they think are the main reasons people would use cryptocurrencies. The top 3 responses were:

- Long-term investment (38%)
- As a store of value / digital gold (38%)
- For online purchases / payments (35%)

In your opinion, what are the main reasons people would use cryptocurrencies?



Most respondents think that people are using cryptocurrencies for *investment* (38% for “long-term investment” and 38% for “as a store of value / digital gold”), but they also think people are using it for utility like online purchases / payment (35%). Only very few (7%) believe that people are using cryptocurrencies for fraudulent or illegal transactions.

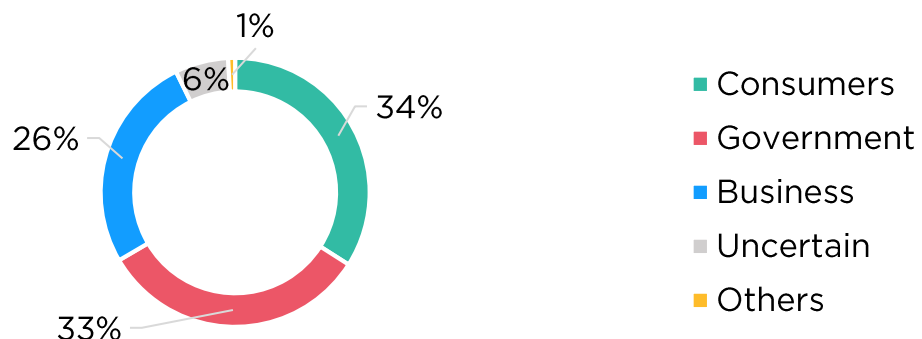
4.3 Adoption Barriers

In this section, we try to understand respondents' perceptions towards the adoption barriers for digital currencies.

Question 7

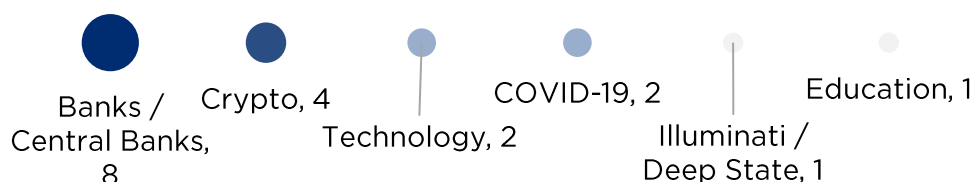
We asked our survey respondents which of the following group they believe had or will have the biggest influence on their country becoming cashless. The ratios are 34% for consumers, 33% for government and 26% for businesses.

Which of the following group have the biggest influence on your country becoming "cashless"?



We have further investigated the "Others" field where the respondents can enter their own responses. Banks / central banks (8), Crypto (4), Technology (2), COVID-19 (2), Illuminati / Deep State (1) and Education (1) are mentioned.

Which of the following group have the biggest influence on your country becoming "cashless"?

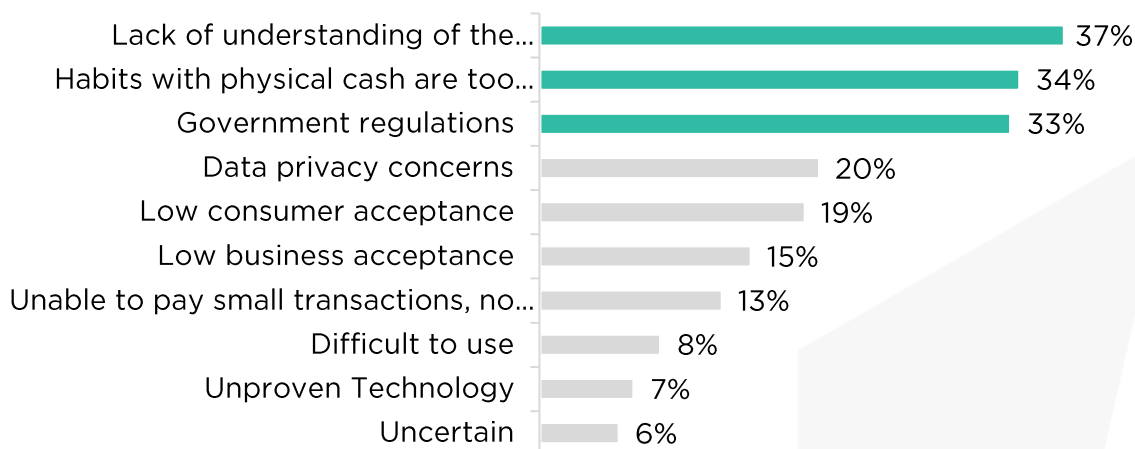


Question 8

We asked survey respondents the major barriers to their countries becoming cashless. The top 3 responses were:

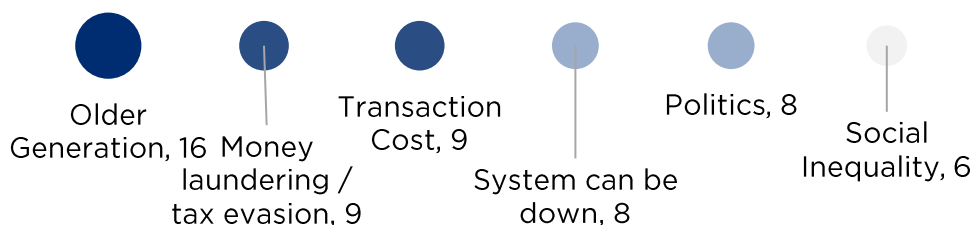
- Lack of understanding of the technology (37%)
- Habits with physical cash are too strong (34%)
- Government regulations (33%)

What do you see as the major barriers to your country becoming "cashless"?



We have further investigated the "Others" field where the respondents can enter their own responses. Older generations (16), Money laundering / Tax evasion (9), Transaction cost (9), System can be down (8), Politics (8) and Social inequality (6) are mentioned.

What do you see as the major barriers to your country becoming "cashless"?

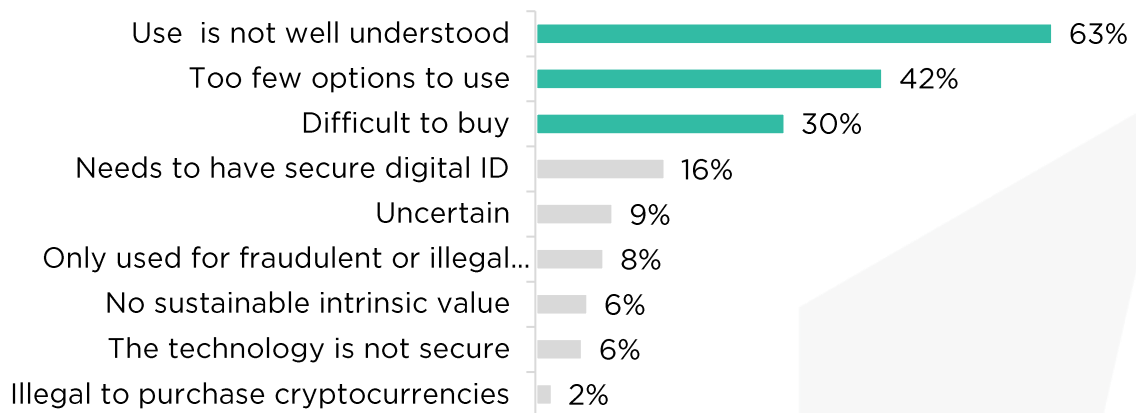


Question 20

We asked survey respondents to name the major barriers against greater adoption of cryptocurrencies in their countries. The Top 3 responses were:

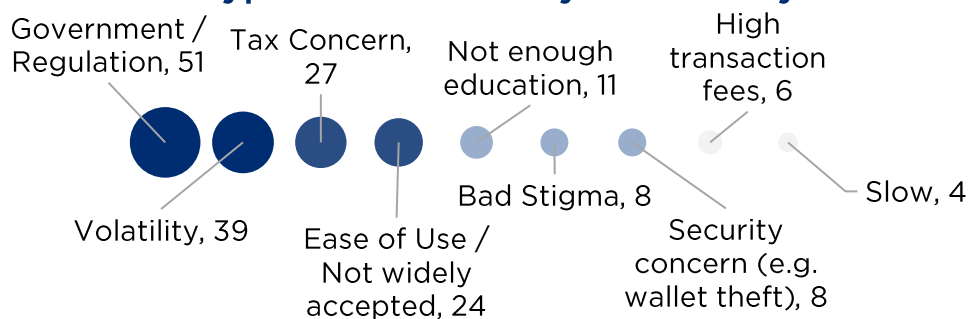
- Use of cryptocurrencies is not well understood (63%)
- There are too few options to use cryptocurrencies (42%)
- It is difficult to buy cryptocurrencies (30%)

What are the barriers against greater adoption of cryptocurrencies in your country?



We have further investigated the "Others" field where the respondents can enter their own responses. Government / regulation (51), Volatility (39), Tax concern (27), Ease of use / not widely accepted (24), Not enough education (11), Bad stigma (8), Security concern (e.g. wallet theft) (8), High transaction fees (6) and Slow (4) are mentioned.

What are the barriers against greater adoption of cryptocurrencies in your country?



5. Summary

5.1 Conclusion

Below are the main takeaways from the survey results:

- 80% of survey respondents think that the country in which they live will eventually become cashless, but 35% of them believe that it won't happen within 5 years
- Awareness for Financial Firm Coin (54%) and Tech Firm Coin (52%) are higher than expected. Awareness for CBDC is relatively low (32%) compared to others
- Trust towards crypto is highest (4.17), while that for CBDC (3.08), Tech Firm Coin (3.04) and Financial Firm Coin (2.93) are similar
- Top 3 adoption barriers for crypto are:
 - Use is not well understood (63%)
 - Too few options to use (42%)
 - Difficult to buy (30%)

5.2 Limitations and Caveats

Although we have drawn some conclusions based on the survey results, we would still like to highlight some limitations and improvements for future research:

- Improve the survey distribution method to reduce sampling bias
- Make the questions and multiple-choice answers more concise to prevent ambiguity and misunderstanding

6. Reference

Dimock, M. (2019, January 17). *Defining generations: Where Millennials end and Generation Z begins*. Retrieved from Pew Research Center: <https://www.pewresearch.org/fact-tank/2019/01/17/where-millennials-end-and-generation-z-begins/>

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