Research Article

Assessing the Growth of Digital Assets and Youth Perception: A Comprehensive Study

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ARTICLE INFO	ABSTRACT
	In the era of digitalization, the increase in financial literacy, and the influence of digital media have predominately increased interest in youths towards digital assets. Digital assets comprising cryptocurrencies, NFTs, and digital assets have been an alternative investment option for traditional assets. Digital assets possess many challenges such as regulatory framework, volatility, and security risks about investments. It is important to study the awareness and perception of youths toward digital assets to frame regulations and also to educate them on the pros and cons of investing in such assets. Researchers have examined whether youths are inclined toward digital assets, the factors affecting the youth toward investments in digital assets, and the level of awareness about various digital assets. The current study aims to comprehend the growth of digital assets and the perception of youth toward these assets by adopting the mixed-method approach. Both primary and secondary data are used in research. Secondary data is used to assess the growth of digital assets from past years and also structured questionnaire is used to collect data from youths on their perception of investments in digital assets. The results of the research reveal that among 100 respondents only 6% of them are not familiar with digital assets, lack of regulation, and market volatility form the biggest risk associated with investments in digital assets. Bitcoin has a higher market capitalization than all other cryptocurrencies. The conclusion of the study exhibits the positive perception towards investment in digital assets and the present study provide a valuable insight into investment behavior of youths towards digital assets, future studies can consider specific psychological factors and different age group to deeper knowledge. **Keywords:** Awareness, Bitcoin, Cryptocurrency, Digital assets, Perception, Willingness

Introduction

The financial sector is evolving with technological innovations and changes. As a part of it digital assets have been most appealing and have taken the spotlight in recent years. Even with many disadvantages like security issues, regulation issues and high volatility the growth of digital assets as investment options has drastically increased globally. The recent generation who focus more on speculative profits has found that investments in digital assets are more appealing. It is always important for stakeholders of the financial sector to be aware of the pros and cons of investing in digital assets and how to deal with these assets.

The asset is something that holds value likewise, Digital assets are that asset which is mostly intangible and establish ownership and value. Digital assets should be able to transfer ownership by purchase or transfer. The main advantages of owning a digital asset will be the accessibility, transparency of technology used in it, and lower cost of transaction. Volatility, lack of legal regulation, and Security risks mainly theft, and hacking can be the major setbacks of owning a digital asset.

There are many kinds of digital assets few major assets among them are: Digital content such as images, data, documents, Digital books, etc.: Such assets are the most common digital assets that we come across in day-to-day activities. These digitally created assets will be stored in digital storage as digital files.

Non-fungible tokens (NFTs): NFTs are Blockchain-based tokens that represent unique art, content, or digital media. These are mainly created by artists or content creators through the process of minting. Mostly these are considered complex, legal regulations and negative impacts on ecology

Cryptocurrency: Cryptocurrency is digitally issued unregulated currency which is virtually used through the internet. Crypto typically acts as a currency where one can purchase goods and services using them and there are crypto exchanges like Coinable, which offer trading in specific cryptocurrencies.

Figure 1 shows the number of active cryptocurrencies in the world. As per the data in February 2022 there were 10,397 active cryptocurrencies which are the highest in all years, whereas active cryptocurrencies have reduced to 8,685 in February 2023.
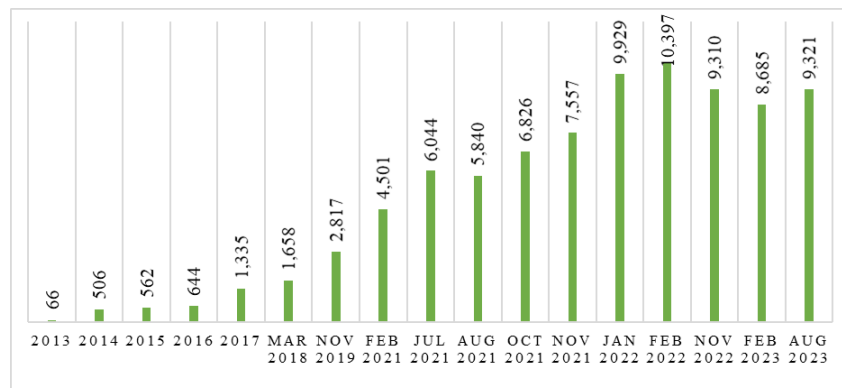

Figure 1: *Number of active cryptocurrencies*

Source: data is sourced from the Statista website

Tokenized assets and Central Bank's digital currency: The Central Bank's digital currency is a Blockchain-built digital currency that is issued by the government along with the central bank. This CBDC has transparent and well-built Blockchain technology that provides both users and regulatory bodies the record of transactions with a secured atmosphere for transactions. Digital rupee by RBI is an example of the CBDC in India which was launched in December 2022. The digital representation of an asset on a Blockchain is called asset tokenization, even real-world assets like real estate, commodities, and precious metals like gold can also be digitized using Blockchain technology.

Earlier only a few things like data, images, videos, etc. were generalized as digital assets until in 2009 introduction of Bitcoin as cryptocurrency gave rise to many more innovative digital assets. The cryptocurrency category has now become the most appealing digital asset. Thanks to Blockchain technology and tokenization which has led to the introduction of many cryptocurrencies worldwide. We all deal with one or other digital asset in our daily lives with or without our knowledge, digital content. Even though digital assets have seen growth in market capitalization still it is not considered an investment product by many investors and this brings a limelight for studying what are people's preferences and persuasion towards these assets. Since digital assets are futuristic and still not become most common it is important to study the young generation's opinion on investing in digital assets.

Literature review

Walf. A. Kaul (2020) studied market evaluation and its stages about digital assets and found that the emerging market for DeFi has given more boost to digital assets and there are challenges like fraudulent technology, uncertain regulation, etc. to begin their investments with digital assets and call out to improve their skillsets on DeFi and other related aspects.

Parashar & Rasiwala (2018) studied investors' perception and awareness towards cryptocurrency investment they found that anonymity and low transaction cost are the main reasons for the demand for cryptocurrency. Even though people are aware of cryptocurrency they fear technical glitches and theft or hacking of bitcoin are disadvantages while investing.

Król & Zdonek (2022) found that lack of education about digital assets, and lack of security for investing in digital assets are the main factors that are affecting the perception of youths towards digital assets and noticed the opportunity to spread awareness about possible features and educate youths about technology and other factors used in cryptocurrency.

Cascavilla (2023) studied youth's perception towards Bitcoin as a currency or an asset. The results of this study show that Bitcoin cannot substitute real money but falls into the category of speculative asset as accepted by higher financial literacy groups. On the contrary, those who invest expect Bitcoin to substitute real money in the future. He urges to increase financial literacy among the youths in Italy so that they learn about different avenues of investment.

Jabir & Suraj (2022) investigated factors influencing investments in the crypto market. Their study showed light major factors that youths look into investing in cryptocurrency will be the regulations and risk factors. It was found that men are more interested in taking risk in investment in crypto than women and respondents are in view that if the government regulate the crypto market many more investment can be seen as they feel their investments will be in safe hands.

Gagarina et al. (2019) their study revealed that young people are afraid to invest in crypto due to the act of criminalization of financial transactions. Socio-psychological factors are the main factors that are affecting the attitudes of youth toward cryptocurrency. The interesting outcome was that people who don't believe in and trust in societal culture are those who are highly willing to take risks and have positive attitudes towards investing in cryptocurrency. So this study is evident that even though people are willing to invest in digital assets their positive intent toward societal norms is stopping them from trusting them.

Magbitang et al. (2023) highlight the need to spread awareness of cryptocurrency and notice the positive correlation between financial literacy and acceptance of the existence of cryptocurrency as an investment avenue. People possess undesirable and risky attitudes toward digital assets and people are still not ready mentally to accept them, so researchers focus on bringing awareness so that it can build trust among investors.

The survey of literature brings importance to investigating how the young generation perceives new changes in financial services and rapid improvements in the digital ecosystem in the economy. For the present generation who have been brought up in a digital ecosystem, it is important to know their perceptive and view on investment and finances. So this study aims to know the perception of youths towards investment in digital assets along with accessing the growth of cryptocurrencies.

Research Methodology

The quantitative research method is used to assess the perception of youths towards digital assets. The primary data was collected through a structured questionnaire which included demographic details, basic questions on investment in digital assets, and Linkert scale questions which specify 1- Strongly disagree. 2- Disagree, 3- Neither agree nor disagree, 4- Agree, 5- Strongly agree. Secondary data to analyze the growth of digital assets mainly cryptocurrency data of the top 10 cryptocurrencies is collected from CoinmarketCap a US-based company that provides details about cryptocurrencies.

Objectives of study

1.   To study the growth of major digital assets throughout the world during the period selected for study
2.   To study the perception of youths towards investment in digital assets
3.   To determine the relationship between Awareness, Willingness, and Perception of youths towards investment in digital assets.

Data description

Secondary data: data about the growth of crypto is spread over 10 years from 2014-2023. Data regarding market capitalization has been collected for the past 10 years to study the growth of cryptocurrencies and to analyze dominance among a particular cryptocurrency and it is sourced from CoinMarketCap, which is the most trusted source that provides accurate data about the price, volume, and market capitalization of cryptocurrencies.

Data analysis

Discussion on the growth of digital assets- Cryptocurrency

Market capitalization is the most important parameter to analyze the growth of a particular asset, here researchers have considered the top 10 cryptocurrencies to analyze the growth from 2014 to 2023. The market capitalization of cryptocurrency is calculated by multiplying the current value of a currency by the total number of outstanding cryptocurrencies

Current Market capitalization

Table 1 shows the market capitalization of various currencies and it reveals that Bitcoin is one of the major cryptocurrencies in the world, and it is also one of the oldest cryptocurrencies which was created in 2009 followed by Ethereum and Tether being top 2 and 3. Bitcoin with its higher market capitalization shows that it is well-established and large. Even all the top 10 currencies have good market value among all active currencies operated in the world which oddly accounts for 9500.

Table 1: *The market capitalization of the top 10 cryptocurrencies*

Cryptocurrency	Market capitalization
Bitcoin (BTC)	$717.65B
Ethereum (ETH)	$231.6B
Tether USD (USDT)	$86.29B
BNB (BNB)	$37.96B
XRP (XRP)	$37.62B
USDC (USDC)	$24.28B
Solana (SOL)	$18.67B
Cryptocurrency	Market capitalization
Cardano (ADA)	$13.02B
Dogecoin (DOGE)	$10.88B
Toncoin (TON)	$9.25B

Source: coinmarketcap.com

Note: Data of market capitalization as of 9-11-2023, 12:50 pm

Figure 2 represents the value of all 10 cryptocurrencies mentioned in Table 1, it indicates that crypto values have been subjected to higher market volatility, and from 2014 to 2023 it has seen major ups and downs which indicates how volatile the assets are. Since there is a huge response toward investing in cryptocurrencies in present generation youths (Gagarina et al., 2019) we can expect a rise in the growth of cryptocurrencies in the future.
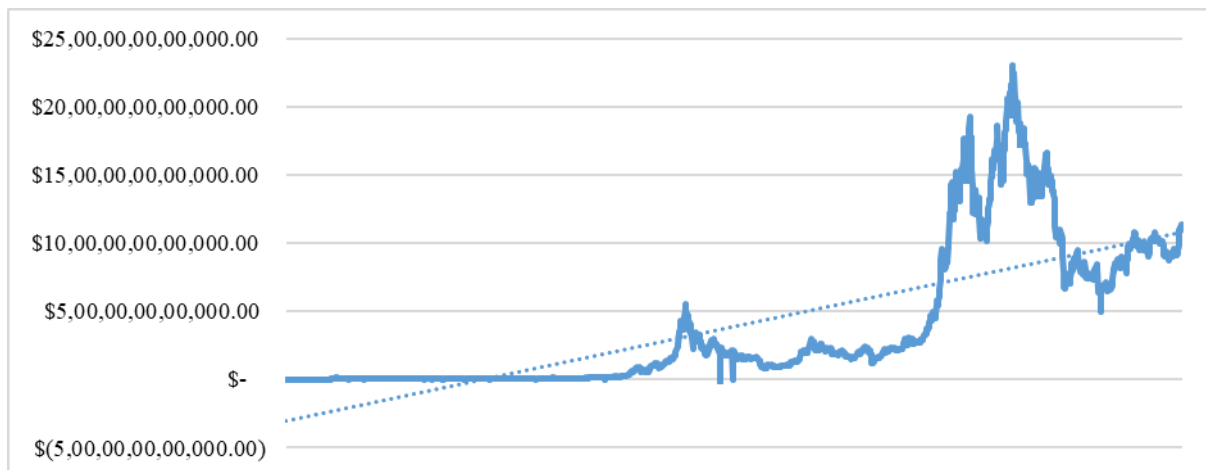

Figure 2: *The market capitalization of the top 10 cryptocurrencies in the world*

Note: The top ten cryptocurrencies from the years 2014-2023 based on their market capitalization are considered

It is evident in Figure 2 that in the past few years, the market value has increased, the highest market capitalization was seen during 2022 which gradually decreased in the following period. Even though it indicates volatility in value the importance of cryptocurrency is increasing but the only concern is about regulation and uncertainty.

Among all the cryptocurrencies the top 5 cryptos have been considered for analyzing which is best among them while considering their market capitalization. When we consider bitcoin with other cryptocurrencies it is evident in Figure 3, that bitcoin dominance is more among the other currencies. And it indicates that bitcoin is a well-established cryptocurrency in terms of market value.

Figure 3 depicts the total market capitalization of Bitcoin among all other cryptocurrencies such as Ethereum, Tether USDt, BNB, XRP, and others. It is evident that other than Bitcoin, Ethereum is the second most valued cryptocurrency in terms of market capitalization followed by other currencies
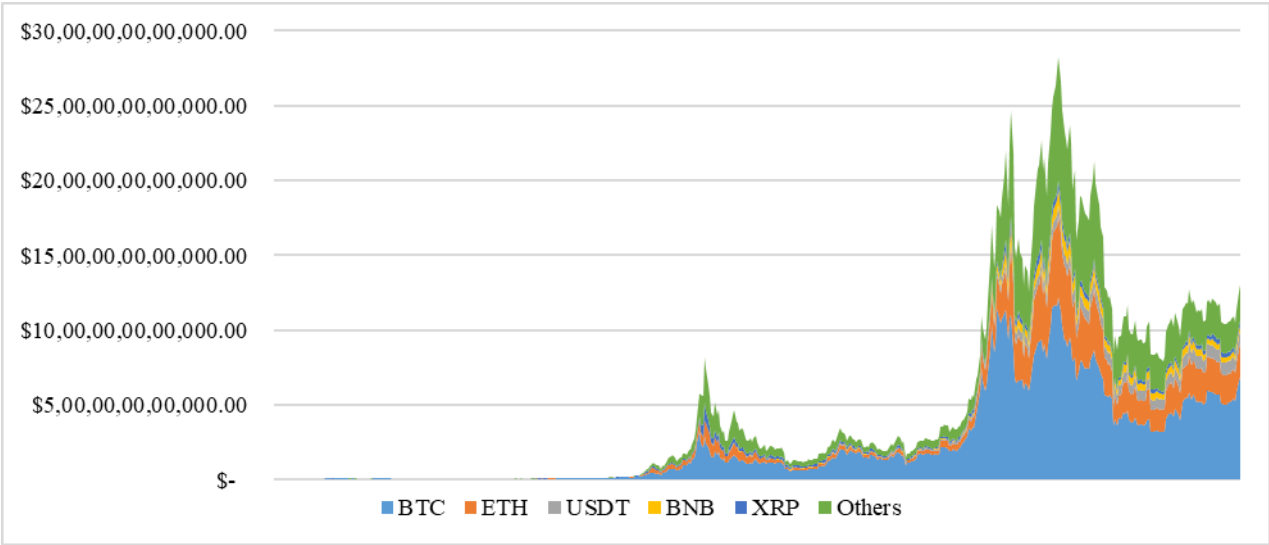

Figure 3: *Bitcoin's dominance among the top 5 cryptocurrencies*

Note: The data is spread across 10 years from 2014-2023.

Discussion on the Perception of Youths Towards Digital Assets

To analyze the perception of youths toward investment in cryptocurrency SPSS is used to find reliability, frequency, cross-tabulations, and correlation were calculated. Table 2 measures the internal consistency of data collected for the study. It is said that Cronbach's alpha value should be greater than 0.70 to be a reliable construct (Hair et al., 2011).

Table 2: *Results of the Reliability Test*

Reliability Statistics	
Cronbach's Alpha	N of Items
.897	15

Note: significant at the 0.01

The scale questions in Table 3 were put to test internal consistency, where Cronbach's alpha of 0.897 shows a higher level of good reliability of data.

Table 3: *Scale questions used in the questionnaire*

	Linkert Scale Statements
1	I have a clear understanding of digital assets like crypto, and NFTs and how they function
2	The idea of investing in digital assets excites me to explore this investment option
3	I am familiar with NFTs (Non-Fungible Tokens), cryptocurrencies(bitcoin)
4	I am aware of the process of buying and selling cryptocurrencies
5	I will invest a portion of your savings in digital assets

6	Social media and online communities have influenced in shaping my perception of digital assets
7	Investing in digital assets can provide higher returns compared to traditional investments
8	I am not comfortable using cryptocurrency exchanges
9	I understand the risk associated with investing in cryptocurrencies and NFTs
10	The future of finance lies in digital assets and Blockchain technology
11	I will rely on technical analysis for making investment decisions
12	I seek advice or guidance from financial experts before investing in digital assets
13	The volatility of digital assets makes me hesitate to invest in them
14	I have experienced financial loss while investing in digital assets
15	I will recommend my friends and family choose digital assets as an investment alternative

Table 3 represents the Linkert scale questions that were used in the questionnaire, which represents questions related to awareness, willingness, and perception of youths toward investment in digital assets.

Table 4: *Frequency distribution*

	Frequency	Percent
Gender		
Male	54	54.0
Female	46	46.0
Age group		
18-20	13	13.0
21-25	70	70.0
26-30	17	17.0
Profession		
Student	52	52.0
Fully employed	38	38.0
Partly employed	6	6.0
Unemployed	4	4.0
Total	100	100

Note: The table represents basic demographic questions asked of respondents

The demographics data such as gender, age group, and profession are represented in Table 4, there are 54 men and 46 women out of which the age group of 21-25 dominates the other age group with 70 data sets and there were 52 students and 38 fully employed people along with 4 unemployed people. The data represents a good mix of both genders and dominates with the age group of 21-25.

Table 5 represents the data on how familiar is the term "digital assets" to the respondents, it is evident that almost 94% of respondents are among the group of very familiar to somewhat familiar, and only 6 respondents were not familiar with the term digital assets.

Table 5: *Data on familiarity of digital assets*

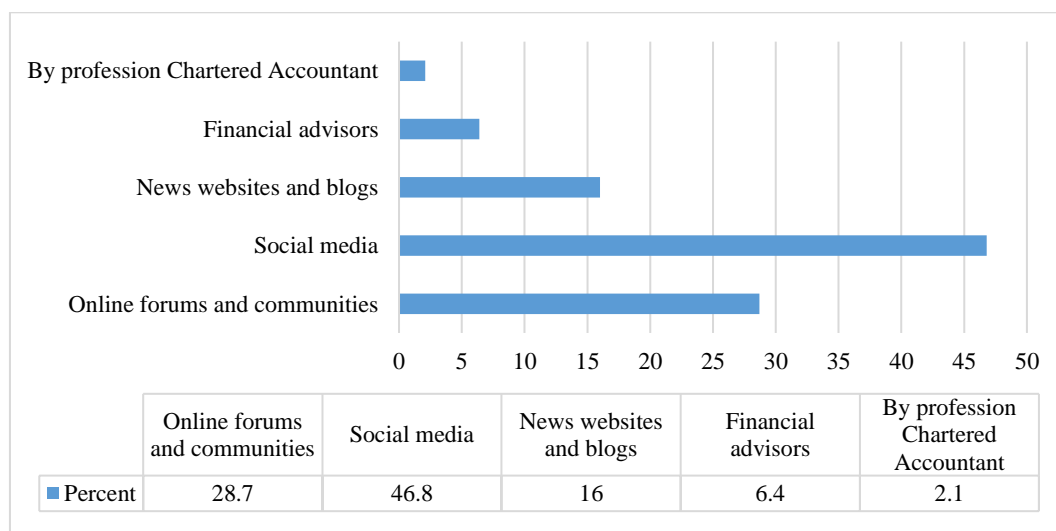| How familiar are you with the term "digital assets"	Frequency	Percent
Very familiar	37	37
Somewhat familiar	57	57
I am not familiar at all	6	6
Total	100	100

The reasons that respondents consider for investment in digital assets are represented in Table 6, the data shows that the main reason will be technological interest and the potential for high returns on their investment. Out of which people from age 21-25 have much of the influence of technology along with returns and portfolio diversification. The recommendations from the family members hold less influence on the respondents as a primary factor in considering digital assets for investments.

Table 6: *Data on reasons for considering digital assets for investments*

		Potential for high returns	Diversification of investment portfolio	Technological interest	Recommendations from friends/family	Tax benefits	Other	Total
		What will be your primary reason for considering digital assets for investments?						
Age group	18-20	3	2	6	1	1	0	13
	21-25	17	14	23	3	7	1	65
	26-30	7	2	5	1	0	1	16
Total		27	18	34	5	8	2	94

The primary reason investors in digital assets look for is the potential returns from the assets and also those with technological interest attracted to new technological products. As we can notice in Figure 4 the main source of information about digital assets is social media followed by online communities and forums. Information from professionals and financial advisors is less regarding investments in digital assets.

Figure 4: *sources of information for investors*

	Online forums and communities	Social media	News websites and blogs	Financial advisors	By profession Chartered Accountant
Percent	28.7	46.8	16	6.4	2.1

The fact is that since there is no proper regulatory framework and legal tender, especially in India we can accept that more information will be from social media and online communities and forums. It is important to educate the youth on the risks and safety measures while investing in digital assets, as there is a lot of misinformation and fraud through social media and online platforms to cheat people. It's alarming to financial authorities and the government to take

proper action and keep an eye on such platforms that intentionally mislead people. The content validity and authenticity should be rechecked before it gets published on any websites or platforms so that it can stop fraud from happening in terms of digital assets, especially in India because even RBI has also introduced Blockchain-based digital currency in 2022. So it becomes important to deal with online fraud and educate the young generation regarding this issue.

Table 8: *Factors influencing the decision to invest in digital assets*

		What are the primary factors that would influence your decision to invest in digital assets?					
		Regulation and legal status	Volatility and risk	Media coverage and hype	The technology behind the asset	Market trends	Total
Age group	18-20	2	0	1	5	5	13
	21-25	15	18	3	13	16	65
	26-30	3	2	4	2	5	16
Total		20	20	8	20	26	94

When we consider any asset for investment the main factors we check will be returns, risk, liquidity, and marketability. In the case of cryptocurrency, more factors influence an investor such as technology, market trends, etc. Table 8 focuses on the factors that influence the decisions to invest in digital assets. The respondents in the age group of 18-20 are more focused on technology and market trends and they don't give importance to volatility and risk which are the most important factors in investments whereas respondents in the age group 21-25 are concerned with volatility and risk along with technology, market trends and regulation and legal status. Media coverage, hype, and market trends influence respondents aged 26-30. In total the main factor would be market trends along with regulation, risk, and technology and the least will be the media coverage and hype.
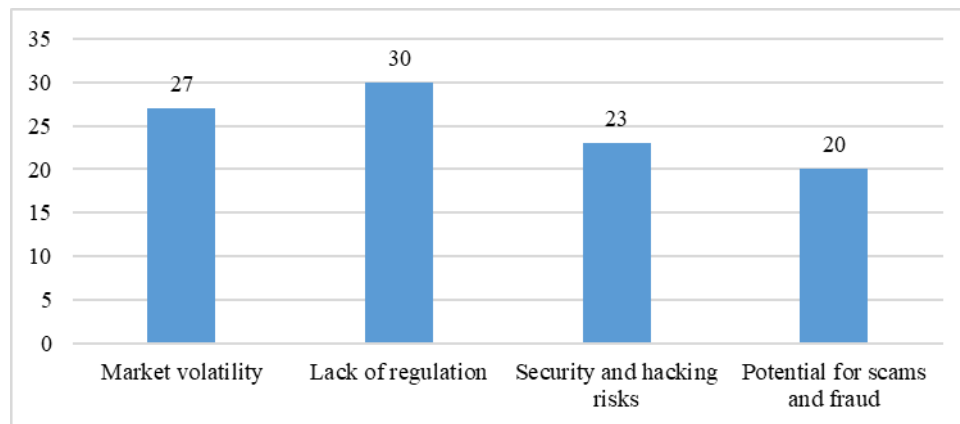

Figure 5: *The major risk of investing in digital assets*

When it comes to major risks while investing in digital assets such as market volatility, lack of regulation, security and hacking risks, potential scams, and fraud respondents feel lack of regulation is a major risk in investing in digital assets alongside market volatility. Figure 5 represents the risk factors affecting their investments in digital assets where almost all the factors play a challenging role in digital assets investments. Lack of regulation becomes the most concerning risk factor according to this study.

Table 9 provides results of the correlation of three variables namely Awareness of youth towards investment in digital assets, Willingness to invest in digital assets, and Perception of youth towards investment in digital assets. Awareness to invest and willingness to invest show a positive and strong correlation with p= 0.735 and significance <0.001, which implies that if awareness about digital assets increases the willingness to invest in the digital asset will increase. Awareness and perception also show a positive relationship with p= 0.726 and a significance <0.001 which indicates that perception towards investment in digital assets increases when awareness about digital assets increases.

Table 9: *Results of correlation*

Correlations

		AW	WEL	PCP
AW	Pearson Correlation	1		
	Sig. (2-tailed)			
	N	100		
WEL	Pearson Correlation	.735**	1	
	Sig. (2-tailed)	.000		
	N	100	100	
PCP	Pearson Correlation	.726**	.728**	1
	Sig. (2-tailed)	.000	.000	
	N	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Note: AW = Awareness of youth towards investment in digital assets, WEL = Willingness to invest in digital assets, PCP = Perception of youth towards investment in digital assets

In the case of perception and willingness, it indicates that there will be a positive perception toward investment in digital assets if the willingness to invest increases. Increased awareness and willingness will lead to a positive perception towards investment in digital assets.

Discussion

The current study aimed to look into the growth of cryptocurrency over the past years ranging from 2014-2023. The results of the study show that in terms of market capitalization even with high volatility in the market there is an increase in market capitalization for selected top 10 cryptocurrencies where the dominance of Bitcoin can be seen in terms of market capitalization among all other cryptocurrencies. The second and third objective was to study the perception of youths toward investment in digital assets to find the relationship between awareness, willingness, and perception of youths toward investment in digital assets. It is evident from the analysis that youths have a positive perception of investment towards digital assets and it compliment the previous studies of Parashar & Rasiwala (2018), Król & Zdonek (2022) and Jabir & Suraj (2022) as there are some risk factors such as volatility, regulation and legal status, security, and fraud these are the factors which are also found to be most influential on youths while investing in digital assets.

Even though there is a better perception towards investment in digital assets there is a role of academicians, government, and regulatory bodies to educate the youths on the new technologies coming into the financial sector and bring awareness in them to tackle the financial challenges that they face while making any decisions which is also highlighted by Cascavilla (2023), Magbitang et al. (2023) there is need for increase of financial literacy towards new investment avenues and technological changes in the financial sector.

Conclusion

The current study focused on comprehending the growth of digital assets and investment behavior of young generation towards the investment in digital assets. It was found that there is positive attitude and perception towards digital assets, but it should be noted the more innovative financial products will also bring the challenges to system towards security and safety of investors' interest towards them. As the present study brings out the major suggestion of increasing awareness towards the digital assets there is need to bring strict rules, regulations and a regulated body which deals with both investors and product innovators.

The government should conduct awareness programs on new investment avenues like digital assets so that more awareness about the pros and cons can make youths make the most informed decisions. Proper regulation should be framed to regulate the transactions related to the digital assets and it should include accountability of the transactions related to digital assets.

Scope for future studies

Future research can include more samples and also use gender-based studies to analyze the perception of youths toward investment in digital assets, as it gives both academicians and the government to frame regulations for digital assets. The study which includes behavioral finance aspects to study investment decisions on digital assets can give a clear picture of how the behavior biases of a person affect their investment decision-making

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[17] Comments / observations and action taken

1	The abstract of the paper is well written. Concluding remark, significance of the present study and future prospectives of the study may be included in a couple of sentences.	Included conclusion and future prospective of study in the abstract. Page 2
2	Only four keywords are provided. It should be minimum 5 and up to 10 for the quality papers. It should be arranged in alphabetical order	Included two more keywords and are arranged in alphabetical order. Page 3
3	Discussion is an essential part of any technical paper. A separate section of discussion should be included using a comparative account of prior art studies	Added discussion as separate section. Page 19-20
4	Conclusion and future prospectives should be written in own words of the author	Conclusion and future prospectives are rewritten Page 20
5	References are properly arranged. Formatting is also satisfactory. It is suggested to cross verify the citation of the references among the text.	Verified the citations