CRYPTOCURRENCY AWARENESS & PERCEPTION SURVEY

Qualitative & Quantitative Survey Report | May 2020

PARiBU

AKADEMETRE
RESEARCH & STRATEGIC PLANNING

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PREFACE

"Cryptocurrency Awareness and Perception Survey" was conducted to assess cryptocurrency awareness, perception, and consideration as an investment instrument in Türkiye as well as identifying expectations, motivations towards and barriers against cryptocurrency.

Conducted by Akademetre in collaboration with Paribu, the survey was carried out between March 13th and April 27th, 2020.

Being the most comprehensive survey on cryptocurrencies in Türkiye, "Cryptocurrency Awareness and Perception Survey" sheds light on many doubts about the ecosystem based on the data obtained from the survey. In addition to awareness of cryptocurrencies, which are one of the most popular areas of application of blockchain technology, the survey also includes key findings about motivations towards and barriers against cryptocurrency in the Turkish industry.

Providing 20 key results about cryptocurrencies, the survey puts forward significant data that were not available in many other studies having been conducted so far.

PARİBU

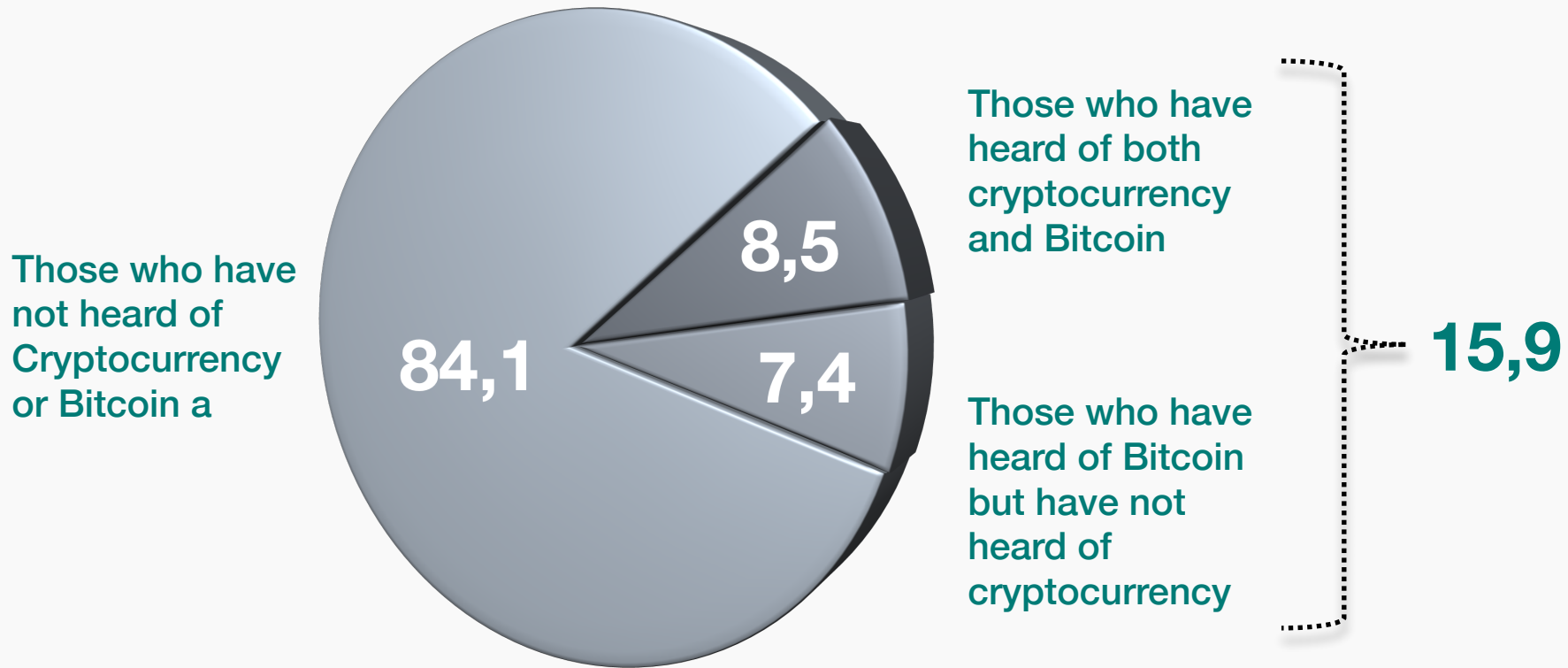# Percentage of those trading cryptocurrencies in Türkiye is %0,7

1

Blockchain and cryptocurrency terms are not well-known in Türkiye.

Bitcoin is the most popular cryptocurrency. As a concept, Bitcoin is well-known in comparison to cryptocurrency.

Percentage of those engaged in cryptocurrency trading is less than 1%.

? Have you ever heard of Cryptocurrency/Bitcoin?

Those who have heard of both cryptocurrency and Bitcoin: **8,5**

Those who have not heard of Cryptocurrency or Bitcoin a: **84,1**

Those who have heard of Bitcoin but have not heard of cryptocurrency: **7,4**

15,9

? Have you ever traded any cryptocurrency/Bitcoin?

Those who do not trade cryptocurrencies / Bitcoin: **99,3**

Those engaged in cryptocurrency/ Bitcoin trading: **0,7**
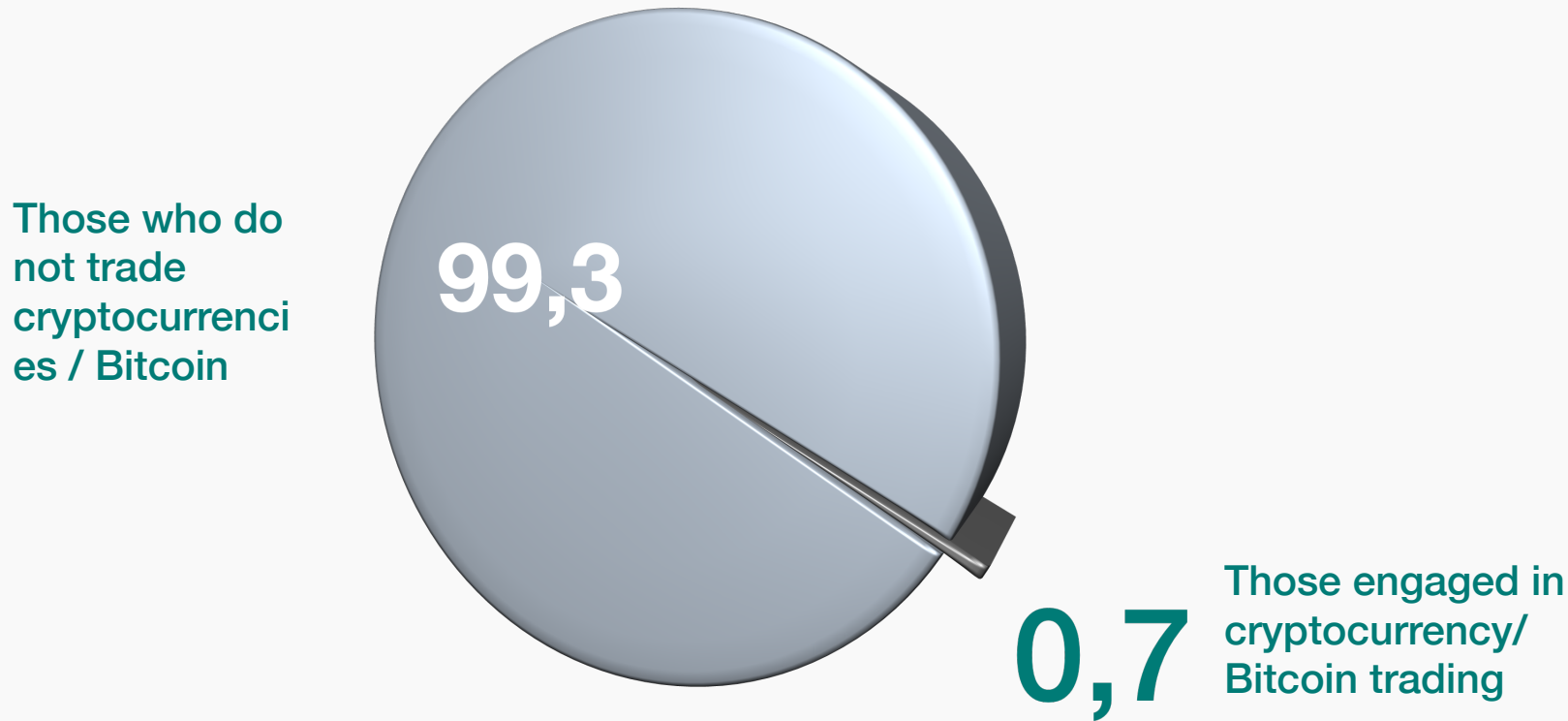
Basis: 6253

# The effect of blockchain on cryptocurrencies remains unknown

Cryptocurrencies are one of the earliest and most important areas of application for blockchain technology which has introduced innovative solutions in many areas.

However, the percentage of those who know that blockchain technology is used to generate cryptocurrencies is low.

? Do you know how cryptocurrencies/Bitcoin are generated?

No
96,8

Yes
3,2
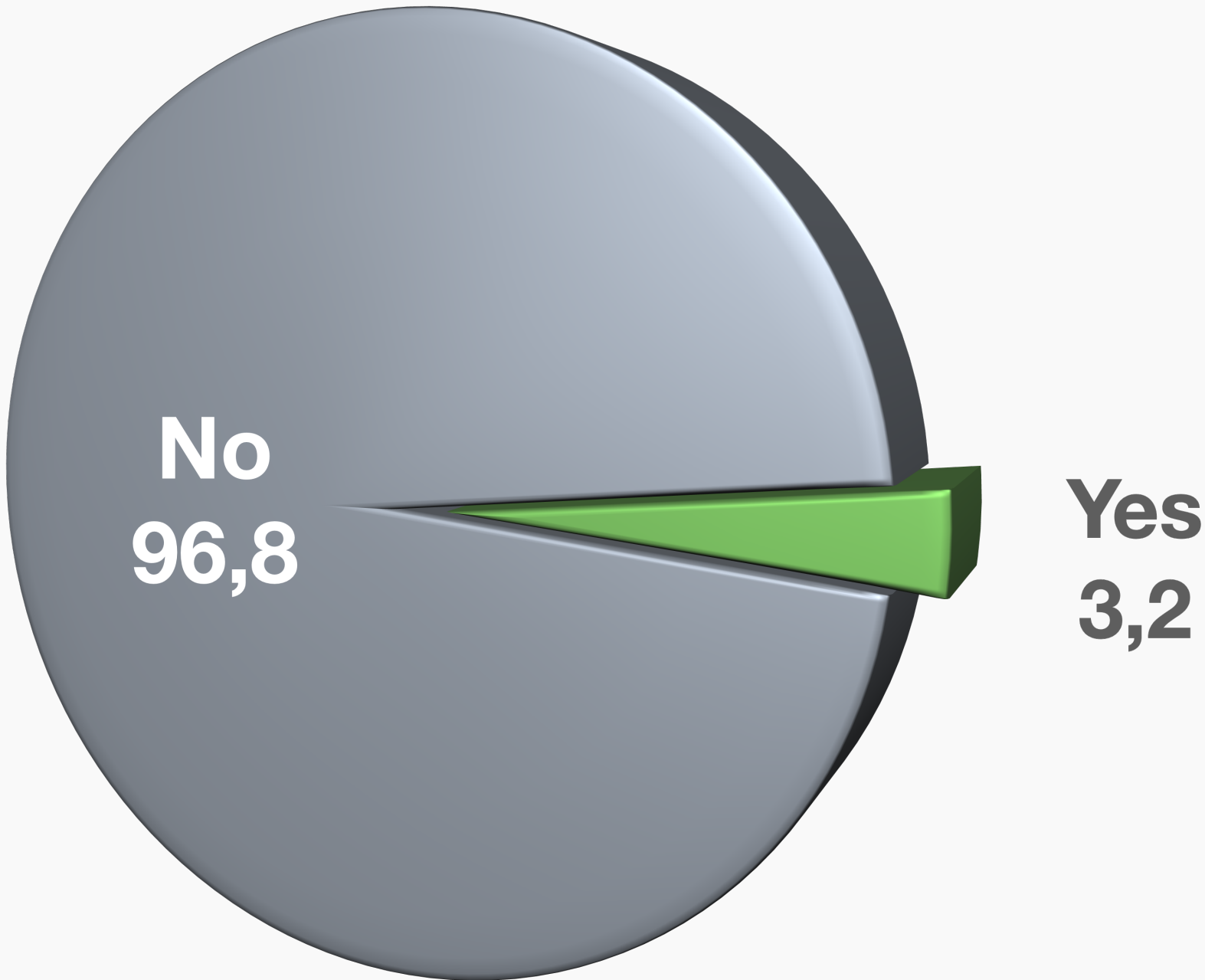
Basis: 1000

Satisfaction rate for cryptocurrency trading experience is

%72,7

Every **7** out of **10** people trading cryptocurrencies stated that they are satisfied with the trading experience.

? Can you rate your level of satisfaction between 1 and 4 for trading cryptocurrencies/Bitcoin?

Very satisfied 20

Satisfied 52,7

Not satisfied 22

Never satisfied 5,3
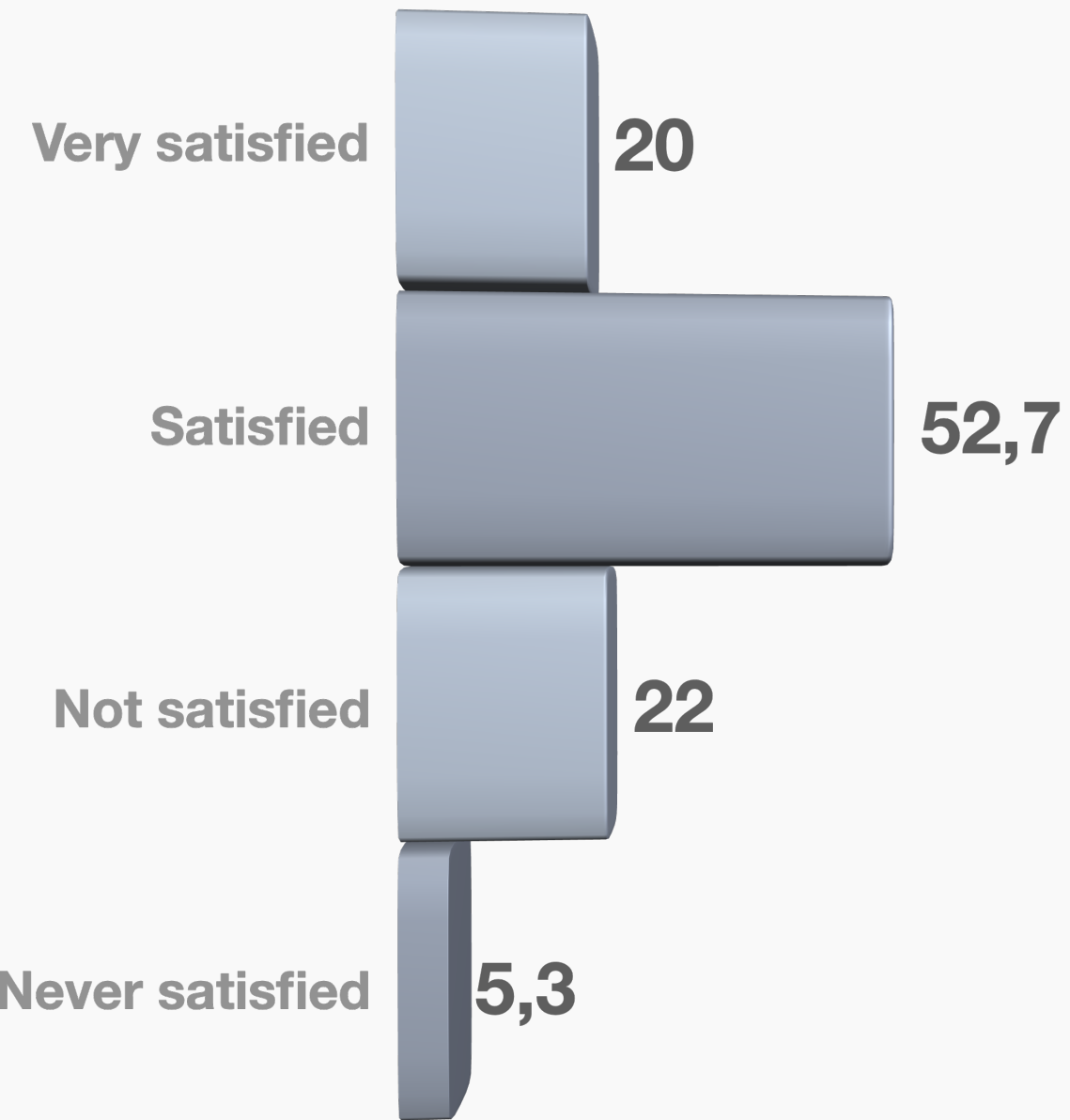
Basis: 300

The entire Generation Z is satisfied with cryptocurrency trading experience

Generation X and Generation Y are highly satisfied with cryptocurrency trading.

All 7 participants from Generation Z stated that they were satisfied with cryptocurrency trading.

? Can you rate your level of satisfaction between 1 and 4 for trading cryptocurrencies/Bitcoin?

Generation	Very satisfied (%)	Satisfied (%)	Not satisfied (%)	Never satisfied (%)
Generation X	20,7	55,2	18,4	5,7
Generation Y	20,4	50	24,3	5,3
Generation Z	0	100	0	0

Generation X (1965-1980) Basis: 87
Generation Y (1981-2000) Basis: 206
Generation Z (2001+   ) Basis: 7
                          Total Basis: 300

*No statistical significance

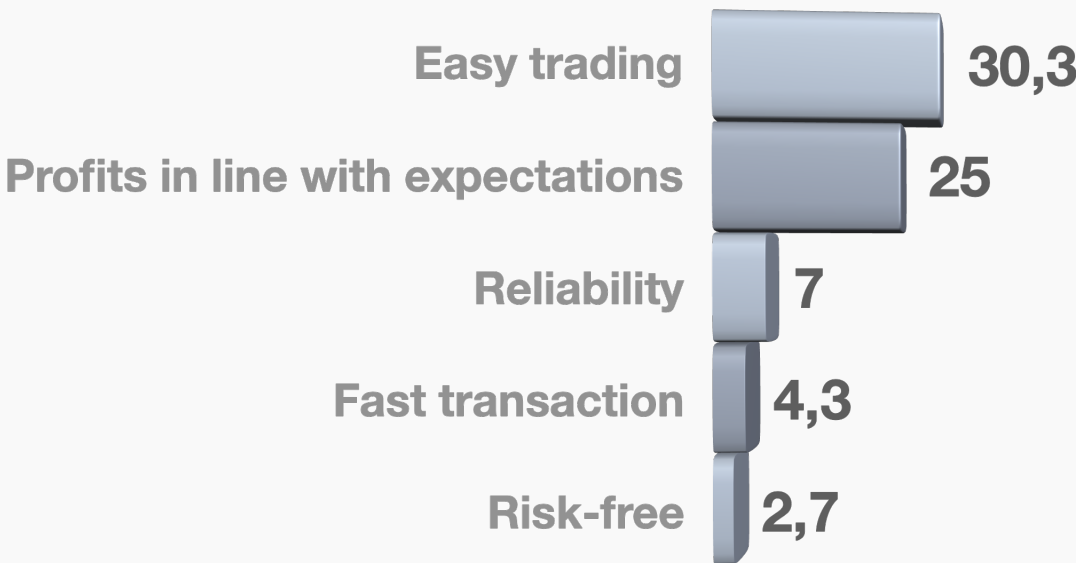# Easy trading capabilities are a key factor in user satisfaction

5

Easy trading capabilities and profits gained are some of the key factors in user satisfaction.

Difficulty in use, lack of profits, and high risk perception are among the causes of dissatisfaction

? **Why are you satisfied with trading cryptocurrencies/Bitcoin?**

Easy trading	30,3
Profits in line with expectations	25
Reliability	7
Fast transaction	4,3
Risk-free	2,7

? **Why are you dissatisfied with trading cryptocurrencies/Bitcoin?**

Difficulty in use	14,7
Not profitable	4,7
High risk	3
Requires strict follow-up	1,3
Exposed to speculation	1
Being a virtual currency	1

Basis: 300

Values below 1% were not included in the chart

Easy trading capabilities are a key factor in user satisfaction

5

Easy trading capabilities and profits gained are some of the key factors in user satisfaction.
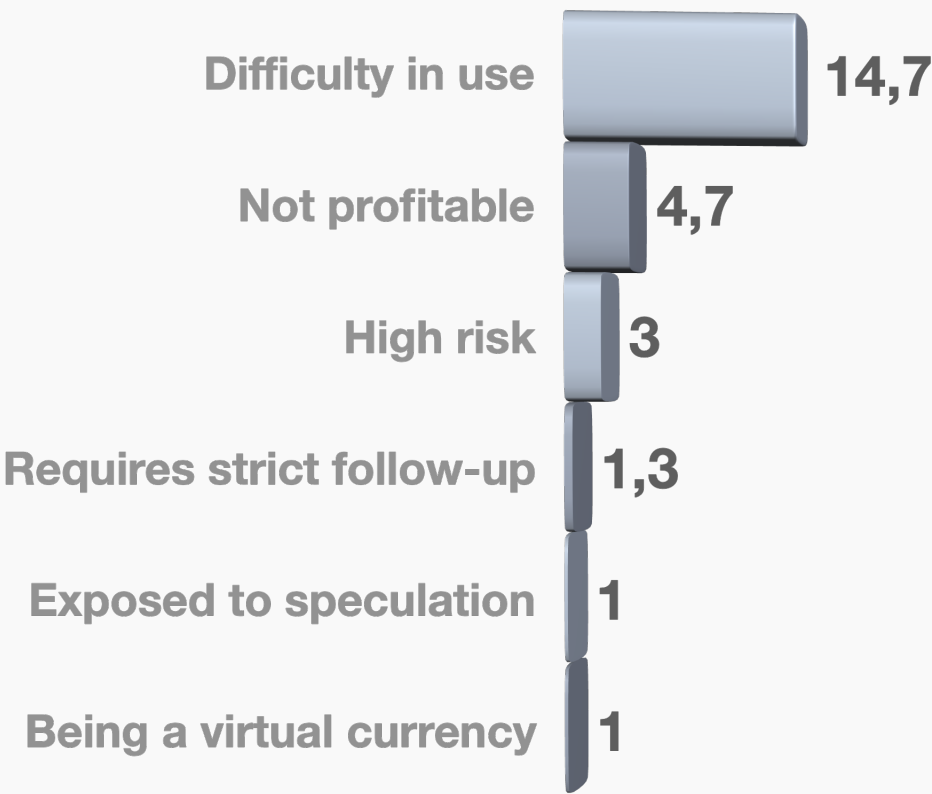
Difficulty in use, lack of profits, and high risk perception are among the causes of dissatisfaction

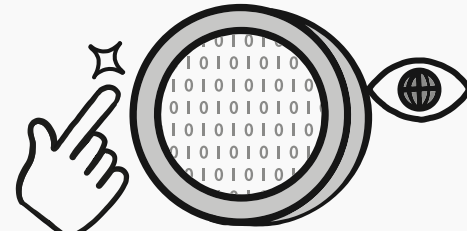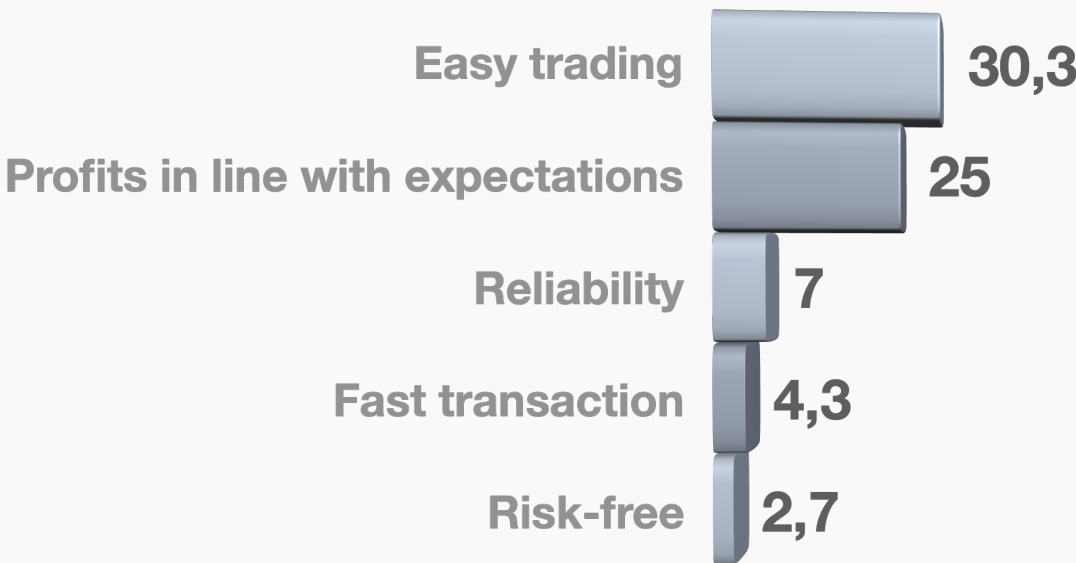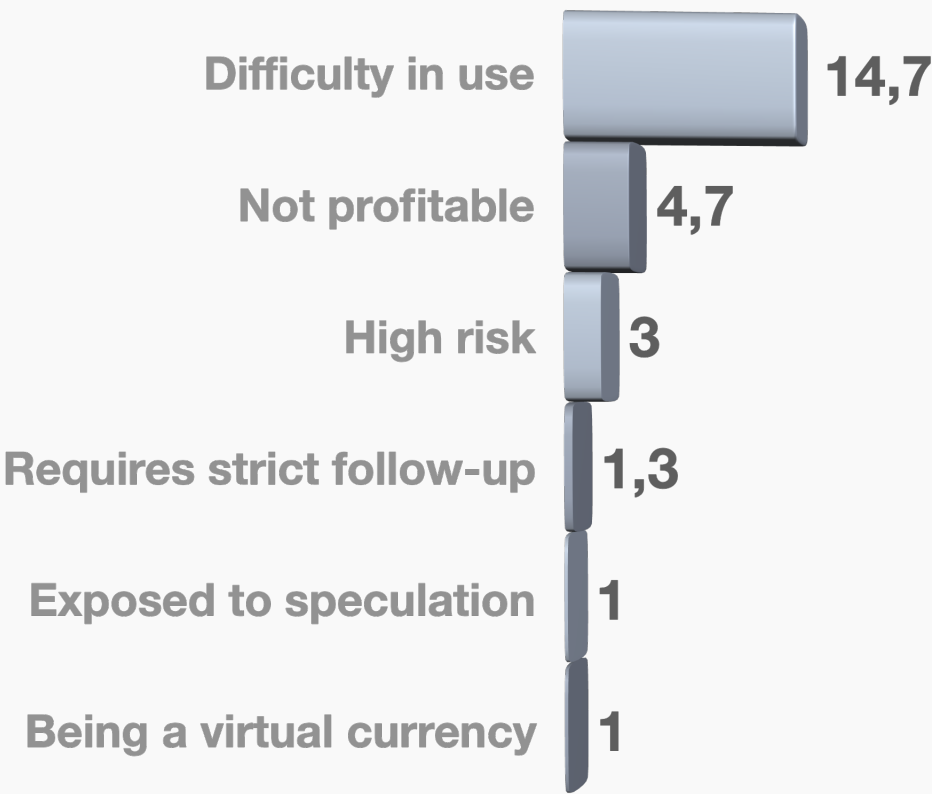**?** **Why are you satisfied with trading cryptocurrencies/Bitcoin?**

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High risk	3
Requires strict follow-up	1,3
Exposed to speculation	1
Being a virtual currency	1

Basis: 300

Values below 1% were not included in the chart

Decentralized structure and no limitation of time and space are found advantageous

6

Decentralized finance (DeFi) capabilities as created by blockchain technology is the reason why cryptocurrencies are considered to be more advantageous than fiat currencies.

Some of the key advantages include allowing for cryptocurrency trading on a 24/7 basis and decentralized nature of cryptocurrencies.
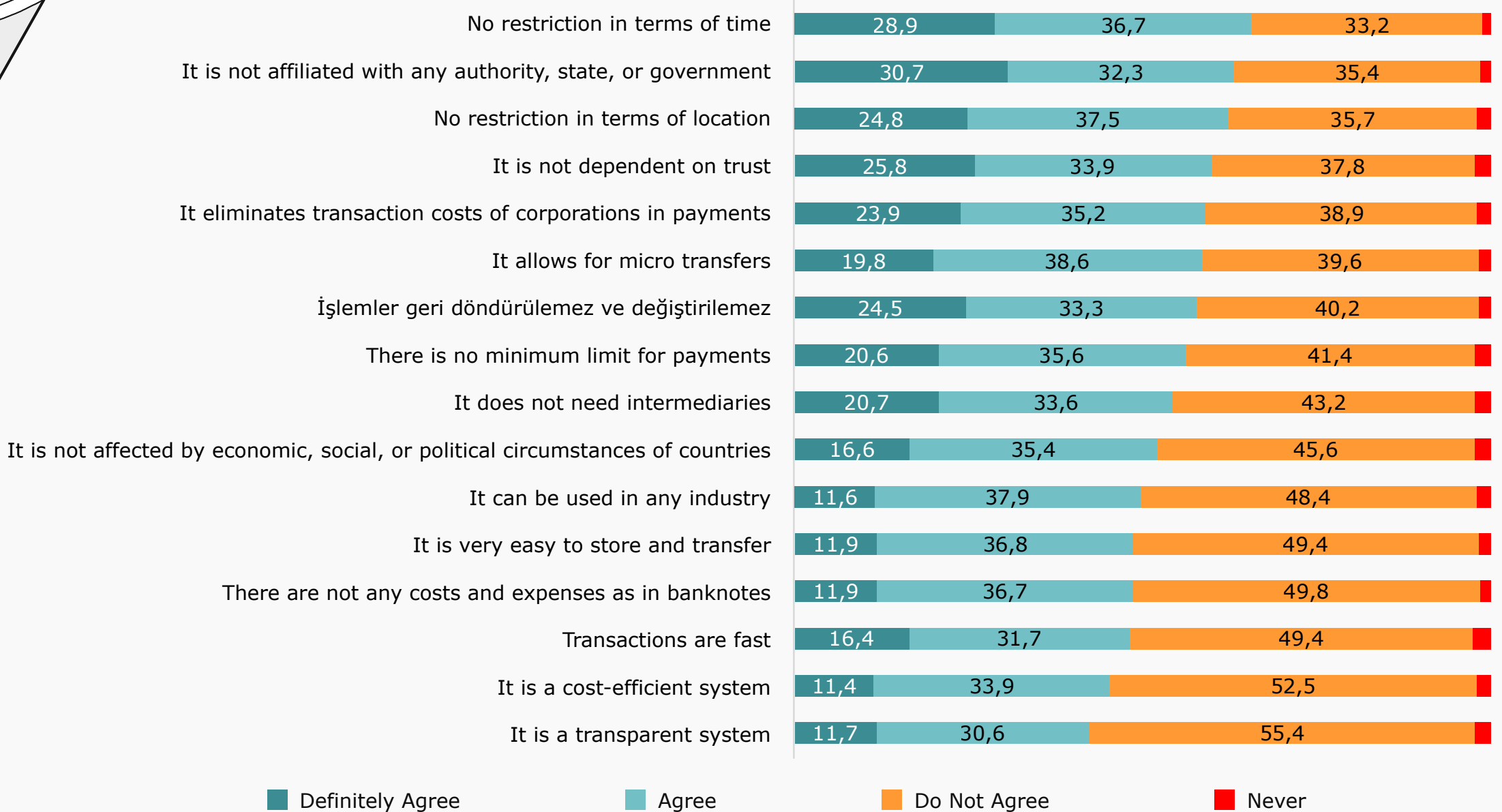
Another factor considered as an advantage by users is the fact that there is no limitation of space.

The fact that cryptocurrency use are still not considered as a general practice and cryptocurrency awareness is low are listed among disadvantages.

Lack of a regulatory mechanism also constitutes a barrier against the ecosystem.

? To what extent do you agree or disagree with the following statements?

Statement	Definitely Agree	Agree	Do Not Agree
No restriction in terms of time	28,9	36,7	33,2
It is not affiliated with any authority, state, or government	30,7	32,3	35,4
No restriction in terms of location	24,8	37,5	35,7
It is not dependent on trust	25,8	33,9	37,8
It eliminates transaction costs of corporations in payments	23,9	35,2	38,9
It allows for micro transfers	19,8	38,6	39,6
İşlemler geri döndürülemez ve değiştirilemez	24,5	33,3	40,2
There is no minimum limit for payments	20,6	35,6	41,4
It does not need intermediaries	20,7	33,6	43,2
It is not affected by economic, social, or political circumstances of countries	16,6	35,4	45,6
It can be used in any industry	11,6	37,9	48,4
It is very easy to store and transfer	11,9	36,8	49,4
There are not any costs and expenses as in banknotes	11,9	36,7	49,8
Transactions are fast	16,4	31,7	49,4
It is a cost-efficient system	11,4	33,9	52,5
It is a transparent system	11,7	30,6	55,4

■ Definitely Agree   ■ Agree   ■ Do Not Agree   ■ Never

? Do you think there are some disadvantages and/or risks involved in using cryptocurrencies/Bitcoin? If so, what are they?

Not commonly used — **64,1**
Not well-known — **62,2**
Not considered reliable — **55,5**
No regulatory mechanism — **33,8**
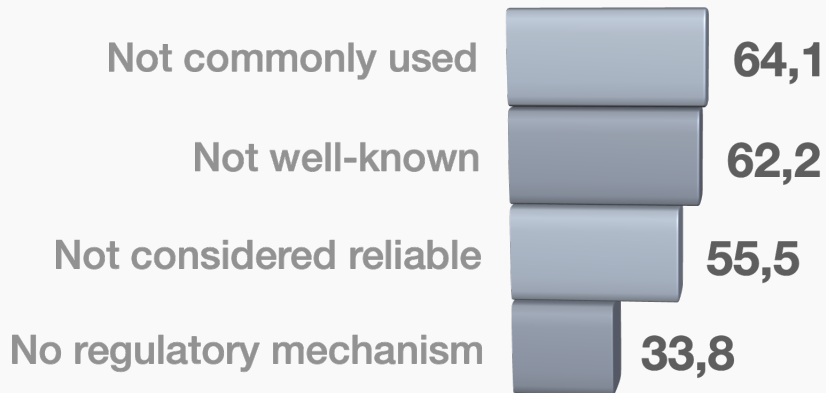
Basis: 1000

Values below 33.8% were not included in the chart.

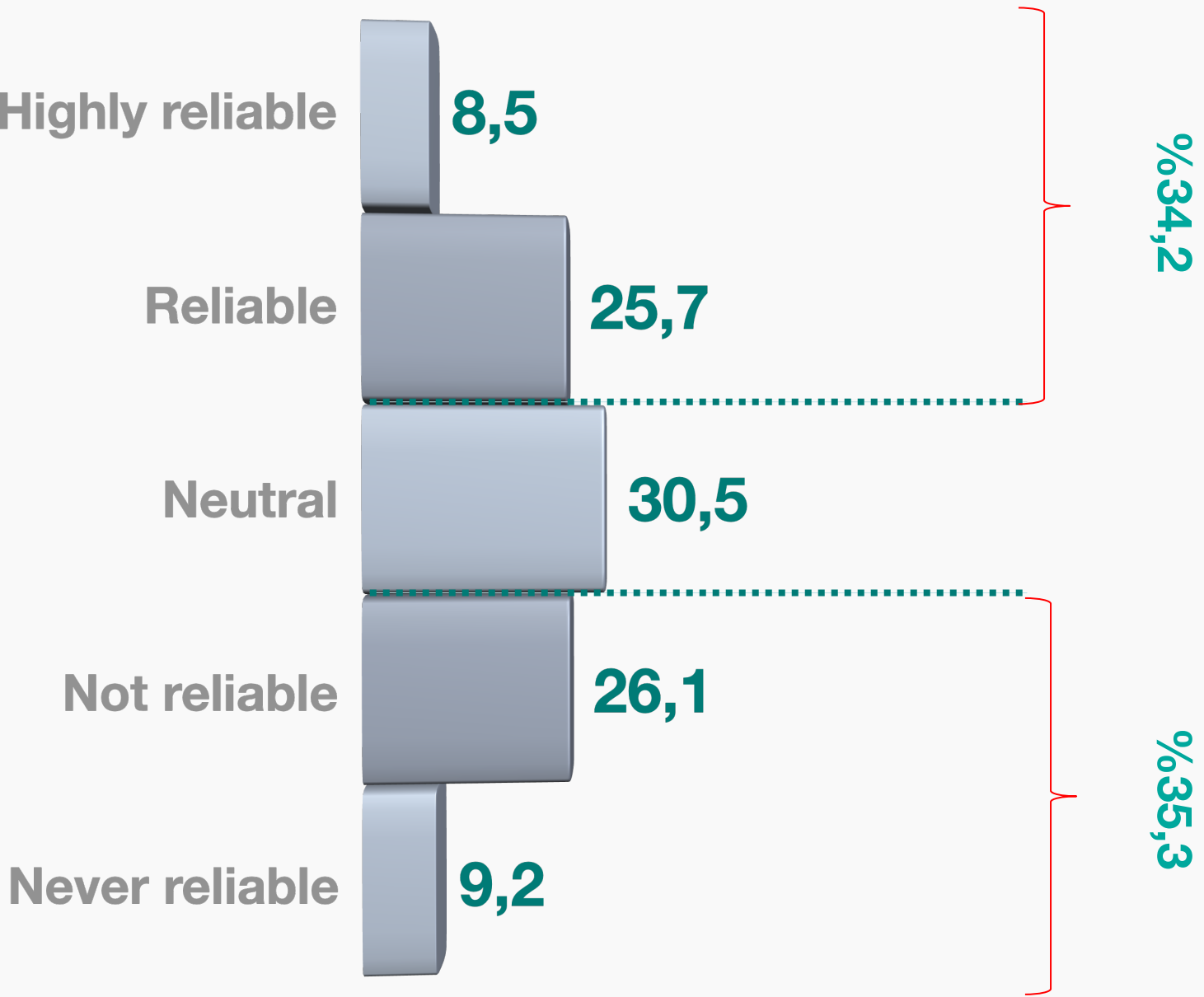# 34% of people have confidence in cryptocurrencies

7

Ever 1 out of 3 people have confidence in cryptocurrencies.

The percentages of those having confidence in cryptocurrencies and those who do not have confidence yet are almost the same.

Highly reliable **8,5**

Reliable **25,7**

%34,2

Neutral **30,5**

Not reliable **26,1**

Never reliable **9,2**

%35,3

Basis: 1000

Generation Y constitutes the highest number of people trading cryptocurrencies

8

Generation Y constitutes the highest number of people trading cryptocurrencies.

Generation X constitutes the second highest number of people trading cryptocurrencies.

Even though the number of people who are aware of cryptocurrencies from Generation X and Generation Y are quite similar, trading cryptocurrencies is significantly higher in Generation Y.
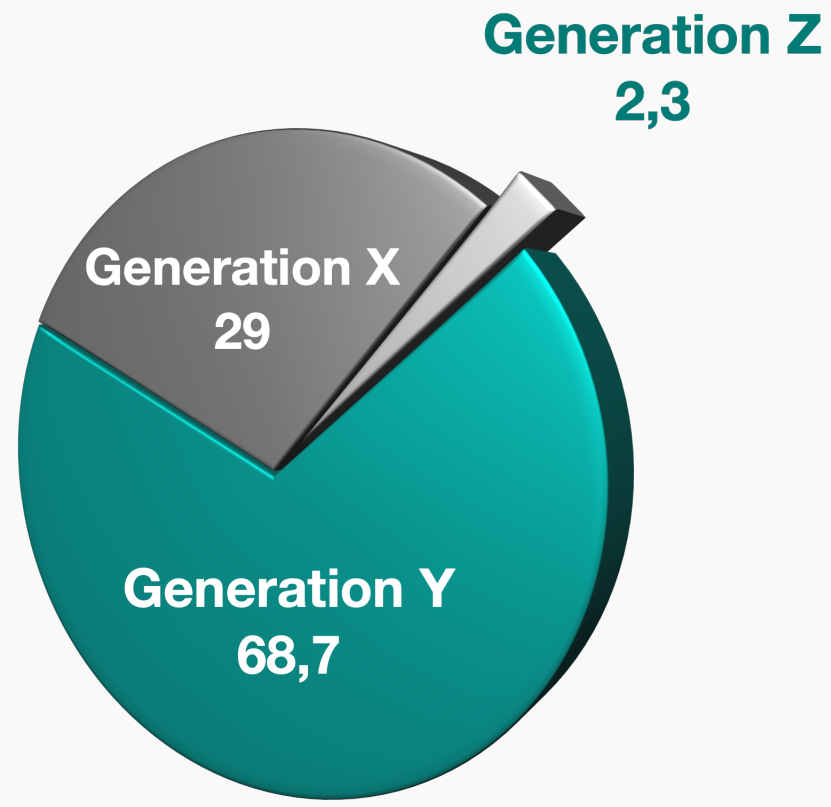
GENERATION

? **Those Aware of Cryptocurrencies**
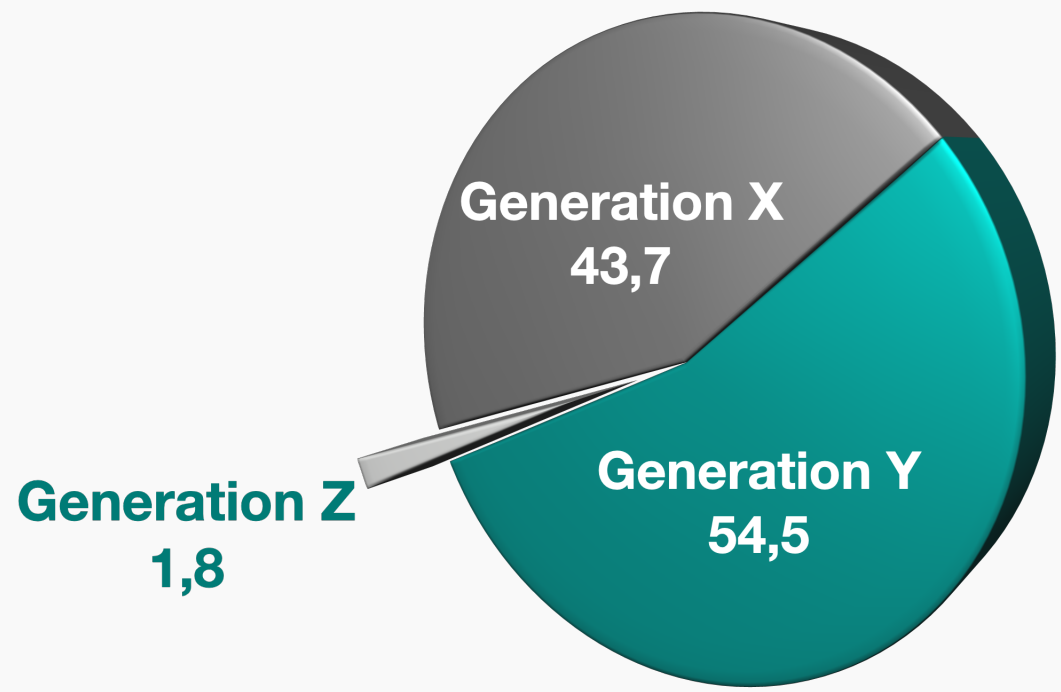
Generation X
43,7

Generation Z
1,8

Generation Y
54,5

Basis: 1000

? **Those Trading Cryptocurrencies**

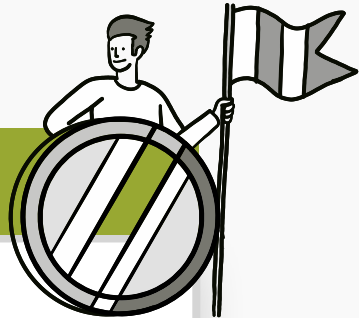Generation Z
2,3

Generation X
29

Generation Y
68,7

Generation X (1965-1980) Basis: 87
Generation Y (1981-2000) Basis: 206
Generation Z (2001+   ) Basis: 7
Total Basis: 300

*No statistical significance

High school graduates constitute the highest number of people who are aware of cryptocurrencies

9

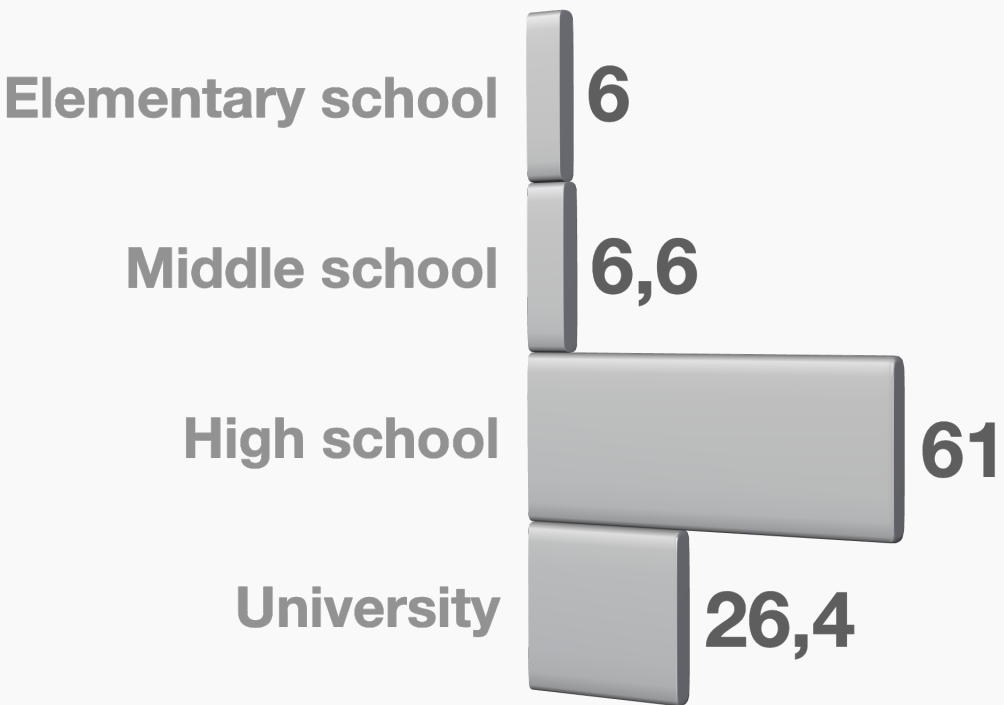High school graduates constitute the majority of people who are aware of cryptocurrencies.

The percentages of high school and university graduates are quite similar among those trading cryptocurrencies.

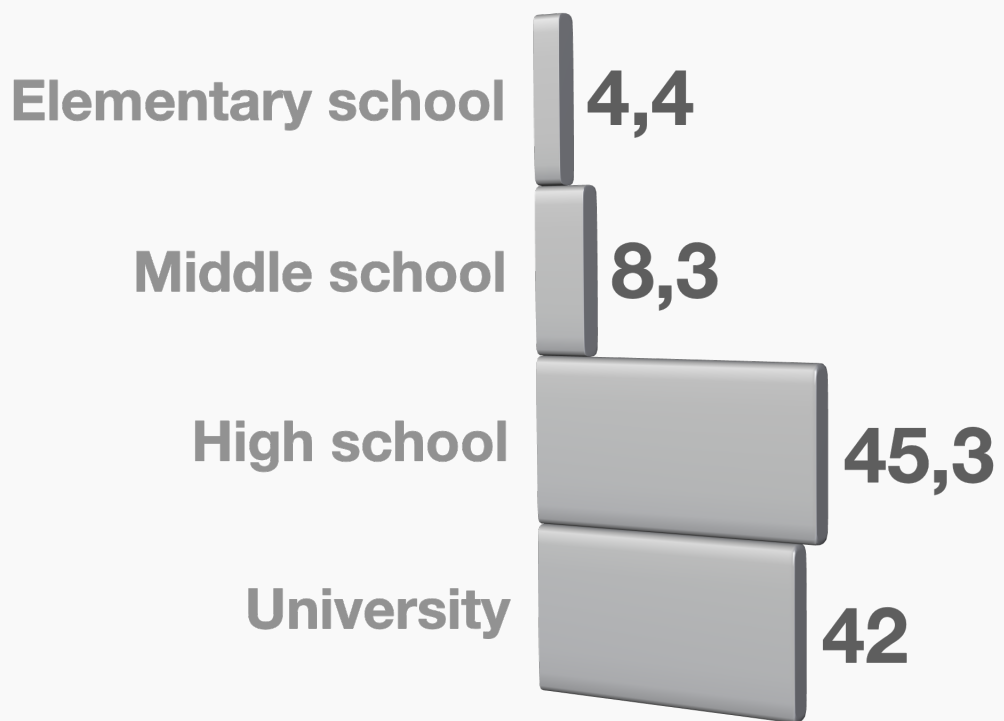## EDUCATIONAL STATUS

Those Aware of Cryptocurrencies

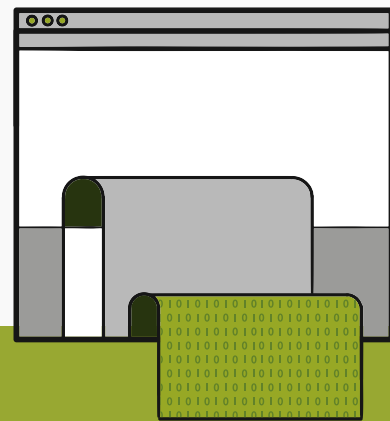|	
Elementary school	6
Middle school	6,6
High school	61
University	26,4

Basis: 1000

Those Trading Cryptocurrencies

Elementary school	4,4
Middle school	8,3
High school	45,3
University	42

Basis: 300

Wage-earners trade more

10

Wage-earners consist of the majority of people who are aware of cryptocurrencies and who are engaged in cryptocurrency trading activities.

EMPLOYMENT STATUS

Those Aware of Cryptocurrencies

Self-Employed
%16,7

Wage-Earners
%69,5

Unemployed
%13,8

Basis: 1000

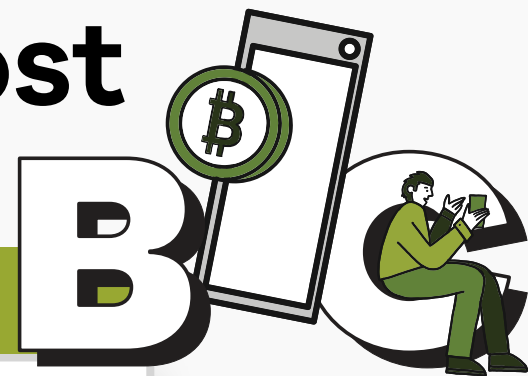### Those Trading Cryptocurrencies

Self-Employed
%10,7

Wage-Earners
%75,3

Unemployed
%14

Basis: 300

Group B and C are the top socioeconomic groups engaged in trading the most

Socioeconomic Status (SES) Distribution

11

> Group C constitutes the majority of people who are aware of cryptocurrencies.
>
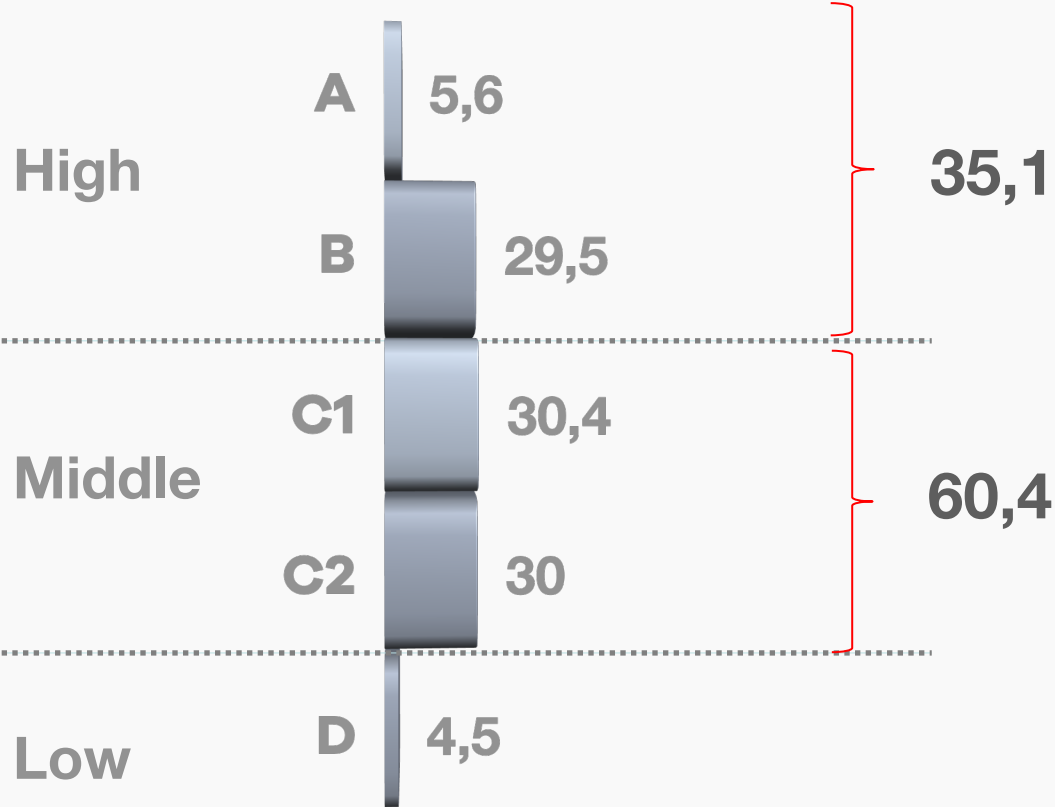> The percentages for groups A-B and groups C1-C2 in cryptocurrency trading are quite similar.

Those Aware of Cryptocurrencies

High	A	5,6
	B	29,5
Middle	C1	30,4
	C2	30
Low	D	4,5

35,1

60,4

Basis: 1000

Türkiye City Center SES Distribution

A	4,7
B	9,9
C1	25,1
C2	37,8
D	17,8
E	4,7

Basis: 300

Those Trading Cryptocurrencies

High	A	4,7
	B	41
Middle	C1	33
	C2	17
Low	D	4,3

45,7

50
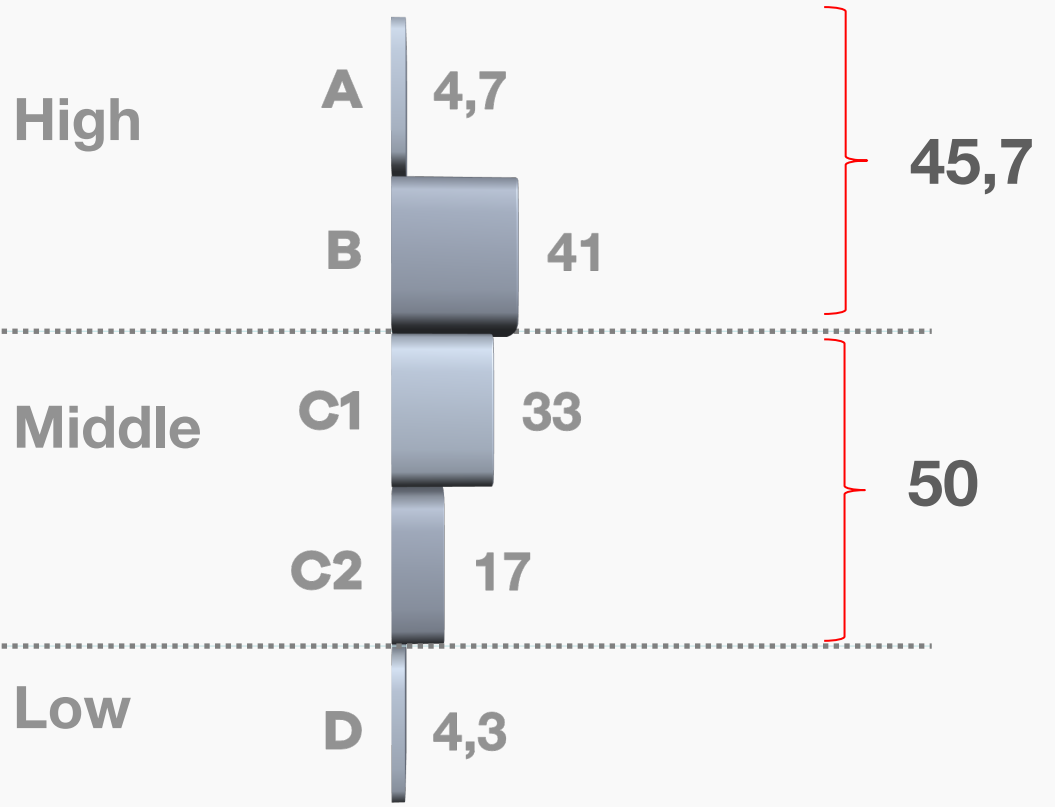
1 out of 5 people who are engaged in cryptocurrency trading is a woman

GENDER
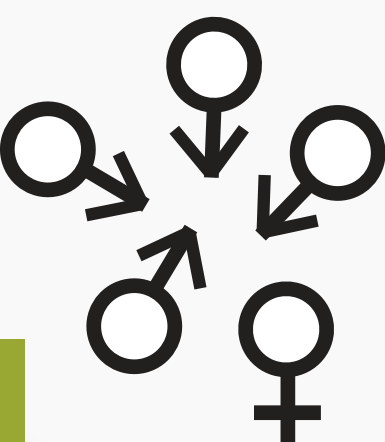
12

The percentages of women and men who are aware of cryptocurrencies are quite similar.
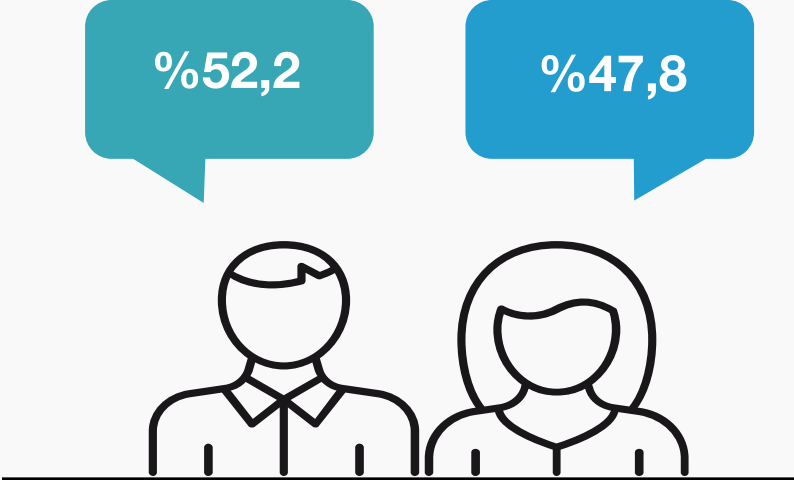
Men are engaged in cryptocurrency trading more than women.

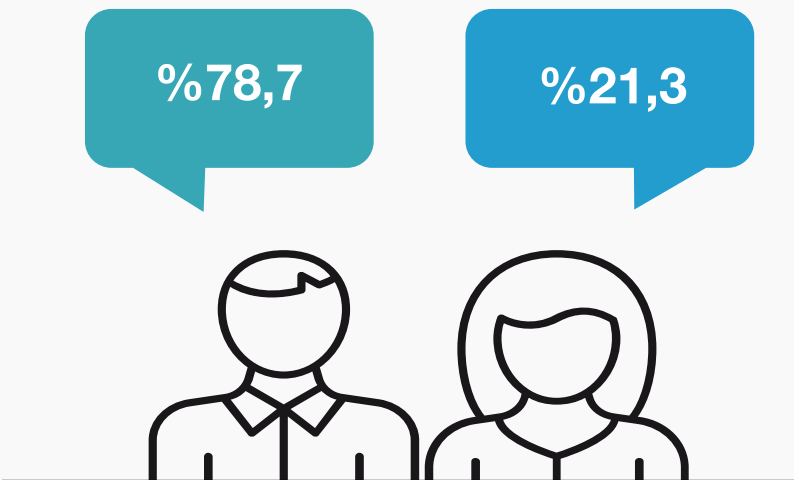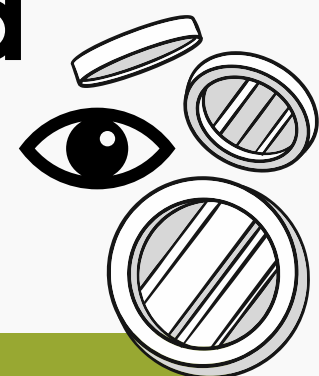1 out of 5 people who are engaged in trading cryptocurrencies is a woman.

Those Aware of Cryptocurrencies

%52,2   %47,8

Basis: 1000

Those Trading Cryptocurrencies

%78,7   %21,3

Basis: 300

Cryptocurrencies are considered as an investment instrument

13

Cryptocurrencies are considered as an investment instrument.

People know that they are used for buy/ sell transactions and transfer of funds.

? ....Do you know for what purposes cryptocurrencies/Bitcoin are used?....

Investment **58,4**

Buy/Sell **57,7**

Funds Transfer **29,9**

Multiple Answers, Basis: 1000
Values below 29.9% were not included in the chart.

The most popular cryptocurrency: Bitcoin
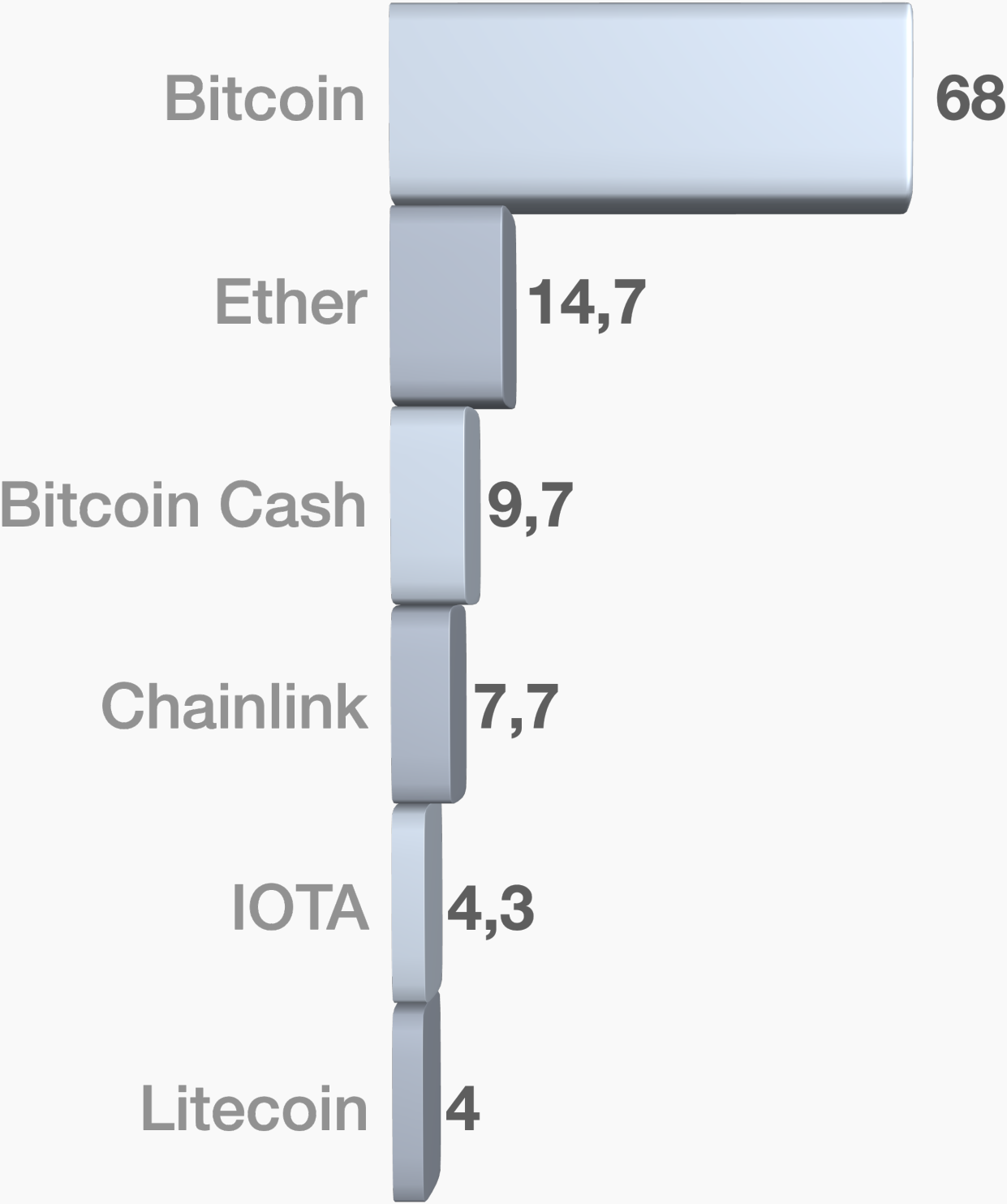
14

Bitcoin is the most popular cryptocurrency among users.

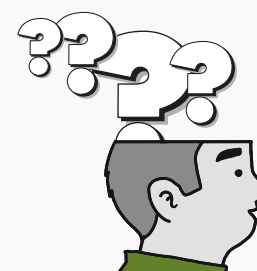Bitcoin is followed by Ether, Bitcoin Cash, and Chainlink.

? Which cryptocurrency have you traded at least once?

Bitcoin **68**

Ether **14,7**

Bitcoin Cash **9,7**

Chainlink **7,7**

IOTA **4,3**

Litecoin **4**

Multiple Answers, Basis: 300

Technology and curiosity are some of the primary motivations for choosing cryptocurrencies

The most significant factor for choosing cryptocurrency is the fact that it is based on technology.

Users also prefer cryptocurrencies for their curiosity and expectation for a high profit margin.

Cryptocurrencies becoming a trend is also among the factors in making them popular among users.

? **What are the factors for you to use cryptocurrencies/Bitcoin?**

Factor	Value
Being technology-based	48,3
Curiosity/Interest	47
High profit margin	24
Trending	20,3
Believing to become more popular in the future	5,7
To see how it works	0,3

Multiple Answers, Basis: 300

Technology and curiosity are some of the primary motivations for choosing cryptocurrencies
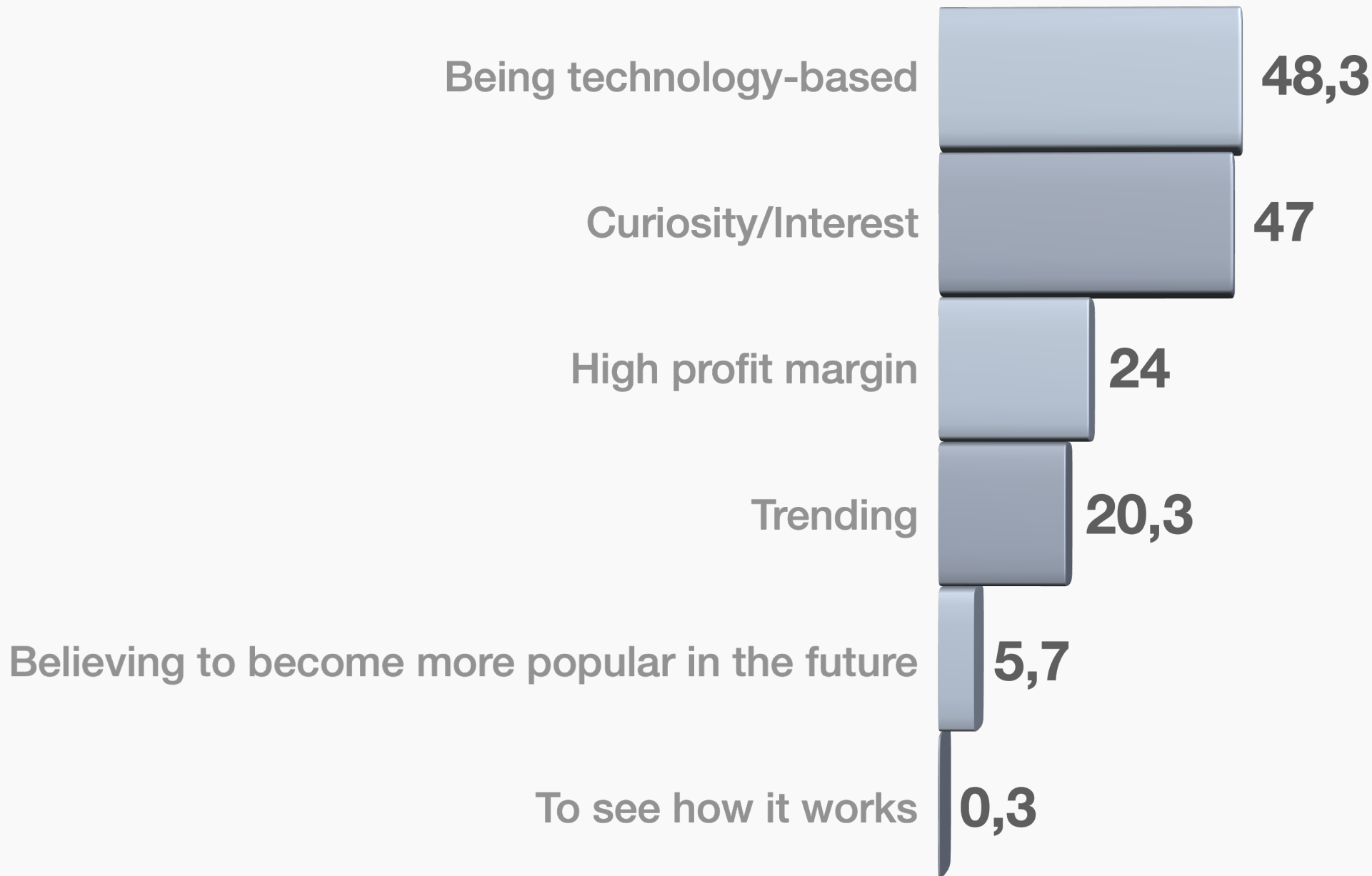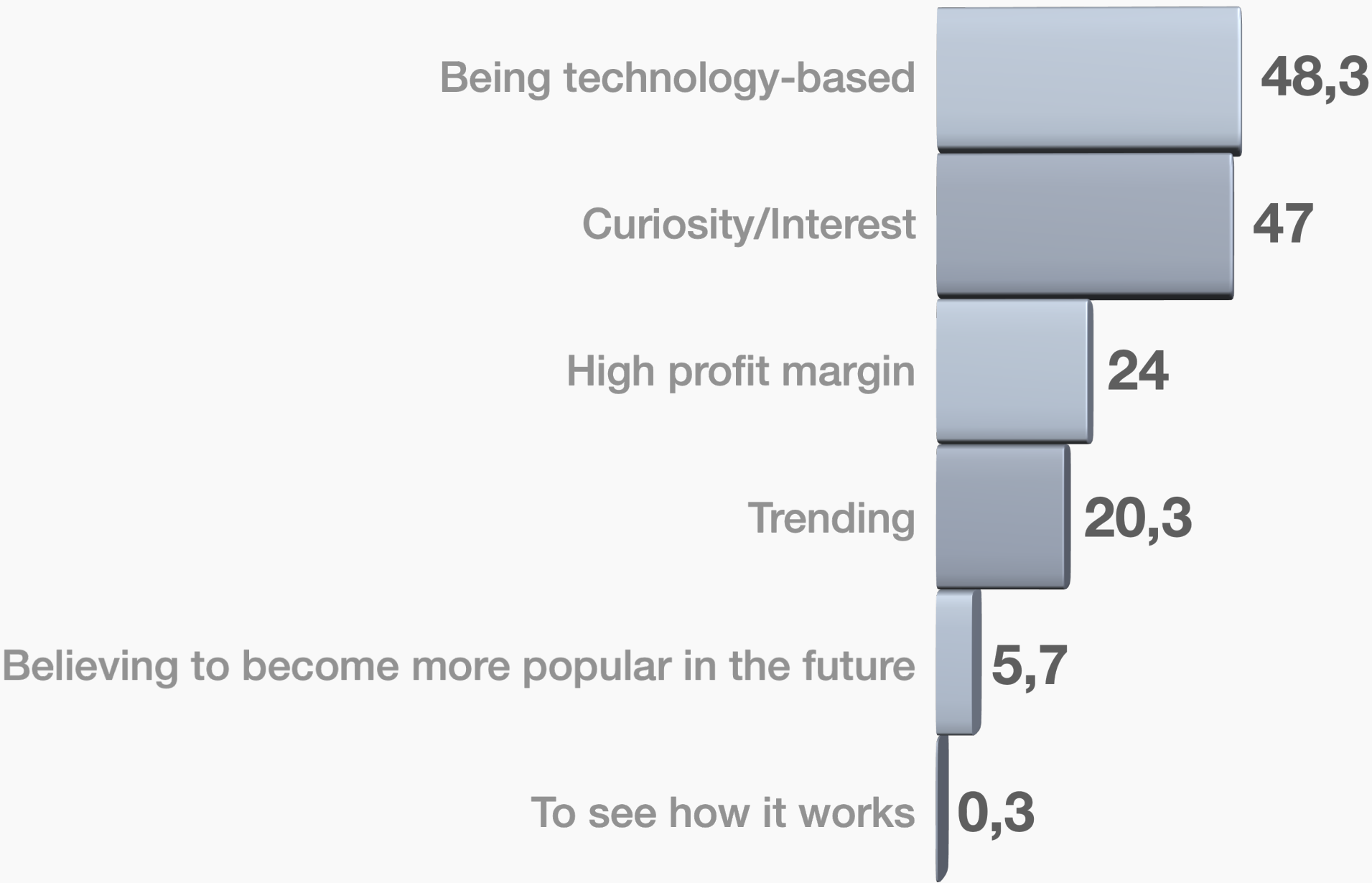
The most significant factor for choosing cryptocurrency is the fact that it is based on technology.

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Trending **20,3**

Believing to become more popular in the future **5,7**

To see how it works **0,3**

Multiple Answers, Basis: 300

The reasons for those who discontinue trading activities consist of failure to achieve high profit margins and requirement for regularly following up the market
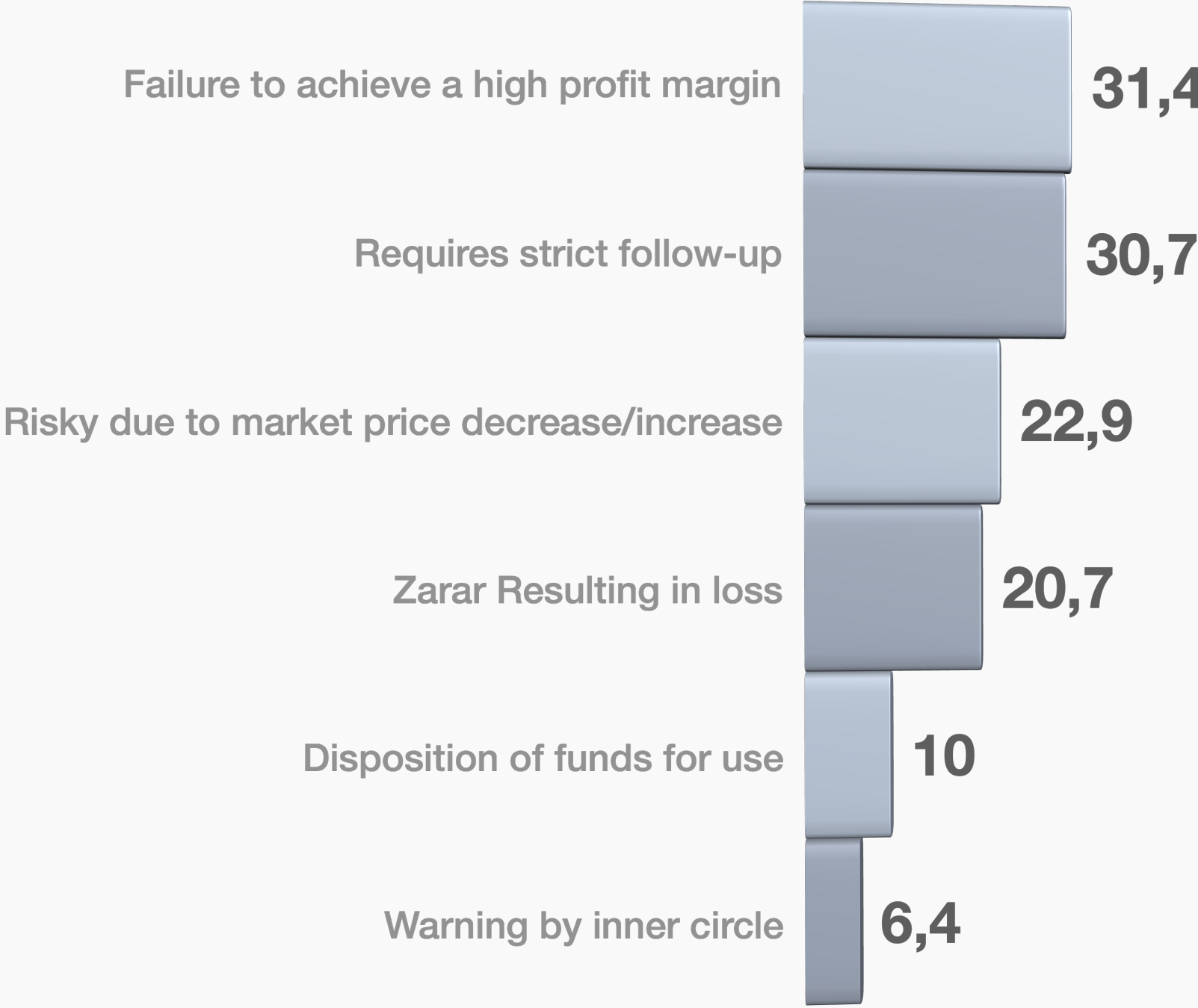
Being unable to achieve high profit margins is the most significant reason for those who discontinue cryptocurrency trading activities.

Having difficulty in regularly following up the cryptocurrency market is also one of the reasons for discontinuing such trading activities.

Sudden price decreases and increases in the market being found risky as well as any resulting potential loss are also listed among the reasons for discontinuing such trading activities.

? **Why did you discontinue trading cryptocurrencies/Bitcoin?**

Failure to achieve a high profit margin **31,4**

Requires strict follow-up **30,7**

Risky due to market price decrease/increase **22,9**

Zarar Resulting in loss **20,7**

Disposition of funds for use **10**

Warning by inner circle **6,4**

Multiple Answers, Basis: 140

The effect of the digital world as the sources of information about cryptocurrencies is %70
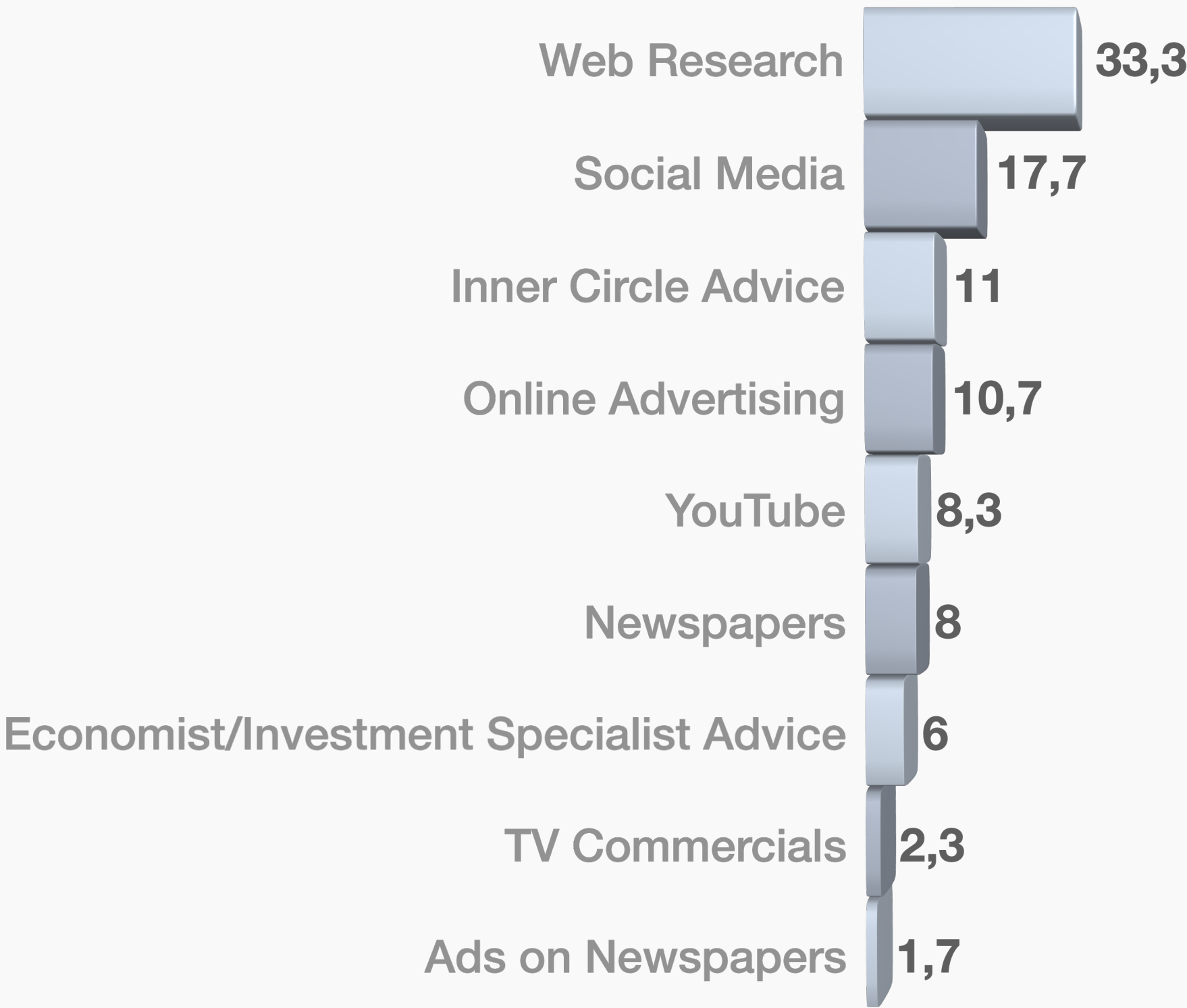
17

The Internet is the first choice as a source of information about cryptocurrencies.

1 out of 10 people takes recommendations from their inner circle.

Online advertising is also among the sources of information

? Which sources of information are more influential in your decision to engage in cryptocurrency/Bitcoin trading?

Source	Value
Web Research	33,3
Social Media	17,7
Inner Circle Advice	11
Online Advertising	10,7
YouTube	8,3
Newspapers	8
Economist/Investment Specialist Advice	6
TV Commercials	2,3
Ads on Newspapers	1,7

Basis: 300

Generation Z depends on the Internet and YouTube as the primary sources of information

18

Generation X prefers web research as the source of information in using cryptocurrencies.

Inner circle advice is influential for Generations X and Y.

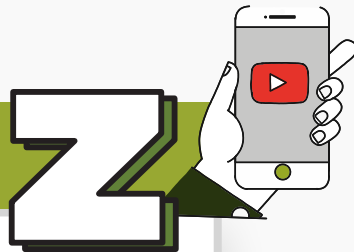On the other hand, Generation Z manages their digital assets solely based on web research and information obtained from YouTube.

? Which sources of information are more influential in your decision to engage in cryptocurrency/Bitcoin trading?

Generation	Web Research	Social Media	Inner Circle Advice	Online Advertising	YouTube	Newspapers	Economist/ Investment Specialist Advice	TV Commercials	Ads on Newspapers
Generation X	32,2	14,9	17,2	6,9	6,9	12,6	5,7	0	2,3
Generation Y	32	19,4	8,3	12,6	8,7	6,3	6,3	3,4	1,5
Generation Z	85,7	0	0	0	14,3	0	0	0	0

Generation X (1965-1980) Basis: 87
Generation Y (1981-2000) Basis: 206
Generation Z (2001+   ) Basis: 7
Total Basis: 300

*No statistical significance

Barriers against
cryptocurrency use
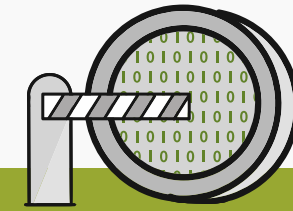
* High risk of loss

* Market follow-up

* Requirement for expertise

* No government guarantee

* Lack of confidence due to potential hacker activities against exchange markets

* Trading in a limited number of channels

Motivations towards
cryptocurrency use

* Expectation of high profit margins

* Fear of missing out on the currency of the future

* Eagerness to get familiar with the system

* Investing in the future

Objective

* Assessing cryptocurrency awareness, perception, and consideration of cryptocurrency as an investment instrument in Türkiye

* Identifying expectations, motivations towards and barriers against cryptocurrency

Methodology

* Qualitative Study
– Focus group discussion

* Quantitative study
– CAPI (Computer-Assisted Personal Interviewing) and CAMPI* (Computer-Aided Metadata Personal Interviewing) techniques were used based on a questionnaire form prepared beforehand.

As the field study was conducted during the COVID-19 pandemic, computer-aided (online) personal interviewing method was used during the collection of data.

Sample Group:

Population
- Individuals aged 18 and older who are aware of cryptocurrencies/Bitcoin

Qualitative study sample group
- 3 focus groups

Quantitative study sample group
– 1000 interviews with individuals who are aware of cryptocurrencies/Bitcoin with 95% confidence interval (CI) and the margin of error by ±3.0
– 300 interviews with individuals who are aware of cryptocurrencies/ Bitcoin with 95% confidence interval (CI) and the margin of error by ±5.0

Distribution of Sample Group by Provinces

İstanbul
40
Ankara
14,6
İzmir
11,6
Bursa
7,8
Adana
5,7
Gaziantep
4,7
Kayseri
3,5
Samsun
3,4
Tekirdağ
2,7
Trabzon
2,1
Malatya
2
Erzurum
1,9

TOTAL
100

Map markers: 2,7 40 3,4 2,1 7,8 14,6 1,9 11,6 3,5 5,7 4,7 2
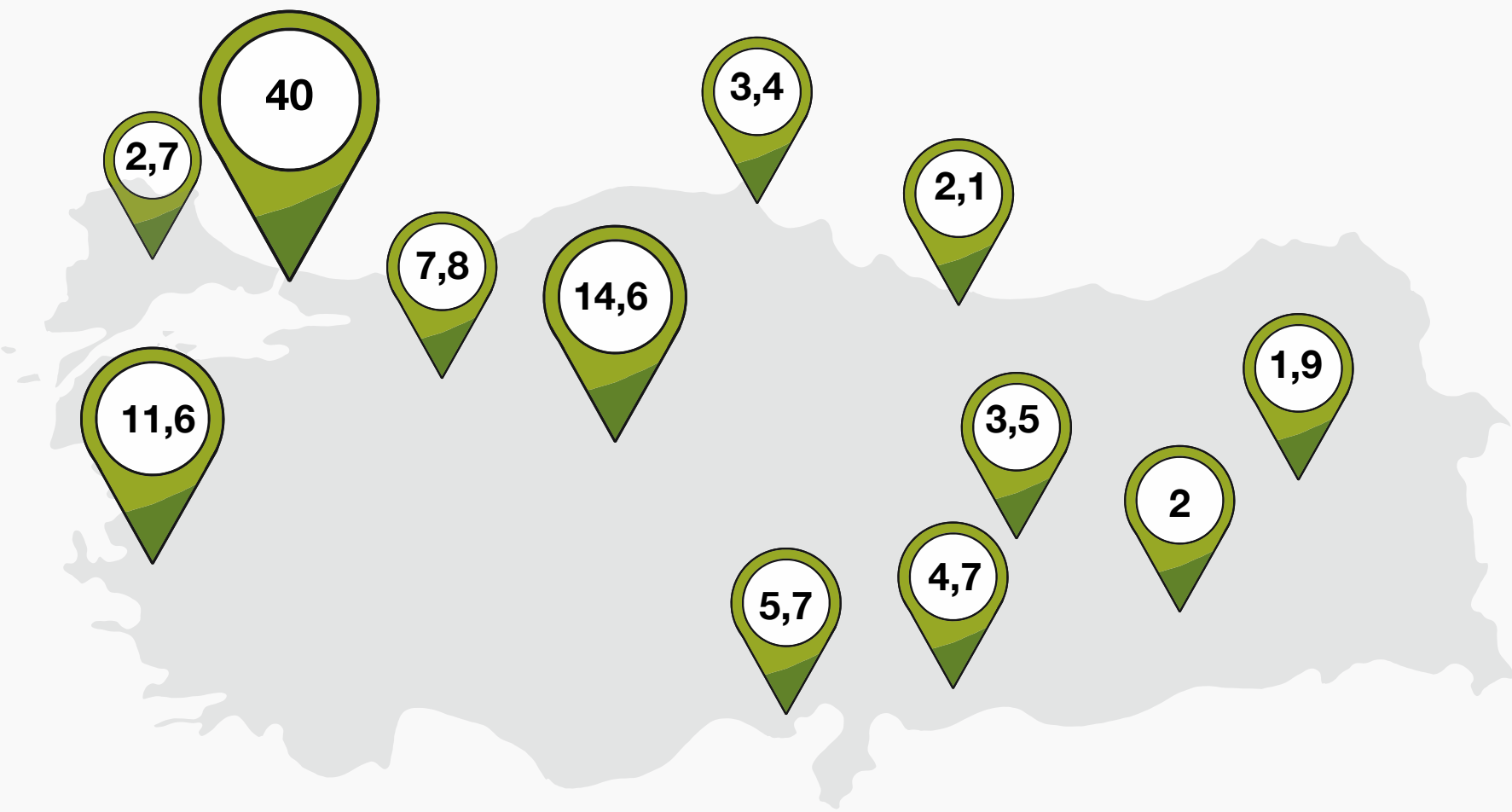
Stages of Survey

* The survey was conducted at city centers in 12 provinces, representative of population of Türkiye, within the scope of Nomenclature of Territorial Units for Statistics Level-1.

* A screening procedure was carried out at the first stage of the study until having reached 1,000 individuals who are aware of cryptocurrencies/Bitcoin. A total of 6,253 individuals were interviewed until having found 1,000 individuals who are aware of cryptocurrencies/Bitcoin in Türkiye.

* Following the screening procedure, 1,000 individuals aged 18 and older, and in A, B, C1, C2, and D socioeconomic groups, who are aware of cryptocurrencies/Bitcoin, were included in the survey for conducting interviews with 95% confidence interval (CI) and the margin of error by ±3.0. Individuals who use cryptocurrencies/Bitcoin among such 1,000 individuals are randomly selected.

* At the second stage of the survey, the sample group of individuals who are engaged in trading cryptocurrencies/Bitcoin was completed to 300 participants from 44 initial participants in order to ensure statistical efficiency in analyses to be conducted on participants engaged in trading cryptocurrencies/ Bitcoin.

* The sample group consisting of 300 participants corresponds to 95% confidence interval (CI) and the margin of error by ±5.0.

* The qualitative study was conducted with 3 focus groups.

* The status of cryptocurrency trading is considered to be independent from the trading volume in this survey.

QUALITATIVE STUDY

13 MARCH	Field Study	16 MARCH
17 MARCH	Data Control	20 MARCH
20 MARCH	Analysis & Reporting	8 APRIL

QUANTITATIVE STUDY

26 MARCH	Field Study	12 APRIL
13 APRIL	Data Control	17 APRIL
20 APRIL	Analysis & Reporting	27 APRIL