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An Initial Study on the Awareness of Digital Currency among Youth

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Abstract

In the past two decades, the digital landscape has witnessed the emergence of digital currencies. These digital currencies, lacking physical form, facilitate online payments and direct Internet transactions for goods and services without the need for traditional banks or intermediaries. Despite the increasing popularity of digital currencies, a notable challenge persists due to the widespread lack of understanding and awareness, especially in developing countries. Nonetheless, this obstacle can be overcome through directed educational and awareness campaigns. As a result, an initial study into youth awareness of digital currencies, also known as cryptocurrencies in this article, has been carried out. This initial study on awareness surveys respondents' experiences with and trust in cryptocurrencies. A survey was conducted by distributing an online questionnaire, employing a stratified sampling method, resulting in 80 responses from youth in the Northern states of Malaysia. The survey results indicate that 39% of the respondents had less than one year of experience using cryptocurrencies, while 27% reported no prior experience. Despite the limited experience of most respondents with cryptocurrencies, the survey findings imply that most respondents trust the investment benefits of cryptocurrencies. In conclusion, the importance of ongoing research endeavours, particularly within Malaysia, cannot be understated in comprehensively understanding the factors that influence the utilisation of cryptocurrencies.

Keywords: digital currencies, cryptocurrencies, awareness, bitcoin, youth.

I. INTRODUCTION

Over the past two decades, the persistent push for digital transformation has led to significant growth and development in digital currencies. Recognised as a landmark innovation in financial technology, digital currency represents a digital form of currency with no physical counterpart. It offers a unique approach to ownership, payment, and transaction, existing exclusively in the digital space. This enables users to make payments for goods and services online, eliminating the need for central banking systems or intermediary bodies. Bitcoin, the first cryptocurrency, was introduced by Satoshi Nakamoto in 2008. This decentralised digital currency operates independently of

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government control and facilitates direct peer-to-peer payments, eliminating the need for traditional financial intermediaries (Ter Ji-Xi et al., 2021).

Malaysia has experienced a notable increase in the utilisation of financial technology trading and transactions, resulting in the proliferation of digital currencies due to their distinct advantages across various business sectors (Alaeddin & Altounjy, 2018). In the context of this study, digital currencies are specifically identified as cryptocurrencies. This surge in popularity has prompted users to increasingly engage in digital transactions (Belke & Beretta, 2020).

Moreover, a survey by the Malaysia multimedia commission (MCMC) revealed that internet usage among adults in Malaysia stood at 68%, surpassing the global average of 67% (Mirza, 2021). Notably, within the Asia Pacific region, the adoption rate was even higher at 58%, particularly among young internet stakeholders. The upward trajectory can be attributed to the growing market demand for technology adoption, particularly among young people drawn to cryptocurrencies' unique potential. Consequently, initiatives to regulate cryptocurrencies as financial assets have been introduced, encouraging their acceptance, especially among young stakeholders (Alaeddin & Altounjy, 2018; Mirza, 2021).

While cryptocurrencies are legally tradable in Malaysia, their widespread adoption in the country has not been realised. A significant barrier to this adoption is the limited awareness and understanding among the Malaysian populace. The Malaysian ministry of communication and multimedia has recently proposed that regulators consider adopting cryptocurrency as legal tender, highlighting its potential benefits for younger generations (Yusof et al., 2023). Millennials have been identified as active users of cryptocurrency. Through the legalisation of cryptocurrency, the ministry aims to encourage greater youth engagement with these digital assets (Sundararajan, 2022).

This article outlines the findings of an initial study designed to explore cryptocurrency awareness and trust among higher education students in the Northern states of Malaysia. Following this introduction, the subsequent sections will include a literature review and research methodology, findings, and discussion. Finally, this article will conclude with recommendations for future research.

II. LITERATURE REVIEW

Cryptocurrency represents a recent technological advancement within the digital economy, denoting a distinct form of virtual currency (Al-Amri et al., 2019). It is recognised as an emerging subject that has garnered the attention of users, developers, investors, and researchers over the past few years (Rai et al., 2018; Hossain, 2021) owing to its efficiency and minimal transaction fees, achieved without the need for intermediaries (Sobhanifard & Sadatfarizani, 2019).

Cryptocurrencies function as digital assets inherent to open-access public blockchain systems, fulfilling diverse roles such as aligning participants' incentives within economic coordination mechanisms (Rauchs et al., 2018). García-Monleón et al. (2021) noted that cryptocurrencies exhibit significant diversity in their technical elements, architectural designs, governance models, and overall objectives. They observed that most current research focuses on Bitcoin, thus paying less attention to other cryptocurrencies. Given the rising interest in cryptocurrencies, there is a need for deeper exploration into alternative sources of value based on utility. This exploration could serve the purpose of attributing intrinsic value to cryptocurrencies.

Arli et al. (2021) established that increased knowledge about cryptocurrencies correlates positively with a higher likelihood of trust and investment in them, where trust

is understood as confidence in the reliability and honesty of someone or something. Similarly, Ku-Mahamud et al. (2019) identified a moderate level of awareness regarding FinTech, blockchain technology, and cryptocurrencies among the general populace. This contrast in findings emphasises the crucial role of education and information dissemination in influencing the public's perception and acceptance of cryptocurrencies. However, this general awareness does not uniformly translate into in-depth understanding across different demographics, particularly among Malaysian youth.

In 2022, the youth capital market survey conducted by the securities commission Malaysia revealed that Malaysian youths aged 18 to 40 possess limited knowledge of cryptocurrencies, even though many are acquainted with Bitcoin. This highlights a significant gap in cryptocurrency literacy that needs to be addressed to foster a more widespread acceptance and use of cryptocurrencies among younger Malaysians. There is a common belief that new and less understood products like cryptocurrencies come with increased risks. Experts have observed that many youths today are drawn to a new era of investing. The rapid fluctuations in the market allure young people to pursue higher-risk investments with the potential for greater rewards. While their interest in investment products has gradually increased compared to previous years, there is a concern that the low levels of financial literacy could negatively impact youths on their investment journey (Securities Commission Malaysia, 2022).

Olowolayemo et al. (2023) researched the awareness and utilisation of cryptocurrencies among Malaysian university students and recent graduates. The results indicate that the acceptance of cryptocurrencies is limited, mainly due to the uneven distribution of information across the country. Therefore, despite the numerous benefits of cryptocurrencies, the research concludes that their potential for global market penetration has yet to gain broad acceptance among the Malaysian population.

In contrast, Shanmugam et al. (2023) investigated the determinants influencing the acceptance of Bitcoin, specifically in the Northern Region of Malaysia, focusing on performance expectancy, risk perception, social influence, and facilitating conditions. Their findings underscore the significance of these factors in shaping the acceptance of Bitcoin within the region.

III. RESEARCH METHODOLOGY

This initial study utilised a survey method to collect data. The online survey began with demographic questions, followed by a section on participants' Experience and Trust with Cryptocurrencies, adapted from Li et al. (2023). This study used stratified sampling to ensure a representative sample, as Parsons (2017) recommended. This method ensured an equal gender distribution of 50% male and 50% female respondents. Participants were invited via WhatsApp and Telegram, where a link to a Google Forms questionnaire was shared. Specific strategies were employed to encourage participation and ensure data quality, including personalised invitations, follow-up reminders, and assurances of confidentiality. The survey took respondents approximately 3 to 5 minutes to complete. Data collection occurred from December 20, 2023, to January 2, 2024, resulting in 80 responses. This method provided a detailed perspective on cryptocurrency perceptions among the youth, offering valuable insights into the dynamic world of digital currencies in the specified area.

IV. FINDINGS AND DISCUSSIONS

The demographic profile of the 80 participants in this study provides a balanced representation essential for analysing cryptocurrency awareness among youth in the

targeted Northern states of Malaysia. With an equal gender distribution of 50% male and 50% female respondents, this study ensures an inclusive examination of perspectives across gender lines. This balanced representation is pivotal for addressing potential variances in awareness that gender differences might influence.

Age-wise, a significant % of the respondents, 63%, fall within the 19 to 24 years range, emphasising this study's focus on the younger demographic that is often more attuned to digital innovations and emerging financial technologies like cryptocurrencies. Including participants aged 25 to 29 years old (25%) and those 30 years old and above (12%) ensures the analysis encompasses a broader spectrum of adult age groups, offering insights into how age-related factors might influence cryptocurrency understanding and acceptance. The distribution by educational level further diversifies the sample, with 65% of respondents currently pursuing Bachelor's degrees, 26% enrolled in Master's programs, and 9% undertaking Doctoral studies, illustrating the academic engagement with the subject matter across different stages of higher education.

Academic majors among the participants span a diverse range, with a significant focus on business/finance (43%), followed by computer science (21%), and extending to social sciences (14%), engineering (16%), and other disciplines (6%). This variety underscores the interdisciplinary interest in cryptocurrency, reflecting its wide-reaching implications across different academic disciplines. Geographically, the respondents are evenly distributed among four states—Perlis, Kedah, Pulau Pinang, and Perak—each contributing 25% to this study's demographic. Such geographical coverage ensures that the findings represent youth awareness regarding cryptocurrencies in the Northern region of Malaysia. This detailed demographic breakdown, essential for contextualising this study's insights, is elaborated further in Table 1, offering an overview of the participant base.

Table 1
Demographic Profile of Respondents

	Variables	Frequencies	Percentages (%)
Gender	Male	40	50
	Female	40	50
Age	19 to 24 years old	50	63
	25 to 29 years old	20	25
	30 years old & above	10	12
Education	Bachelor's Degree	52	65
	Master's Degree	21	26
	Doctoral Degree	7	9
Academic Major	Business/ Finance	34	43
	Computer Science	17	21
	Social Sciences	11	14
	Engineering	13	16
	Others	5	6
State	Perlis	20	25
	Kedah	20	25
	Pulau Pinang	20	25
	Perak	20	25

Moreover, the results reveal a predominant trend among the participants, with a considerable majority, totalling 39% or 31 individuals, indicating a relatively short duration of less than one year in utilising cryptocurrencies. Additionally, a noteworthy

proportion, comprising 23% or 18 respondents, displayed a moderate level of proficiency, encompassing a timeframe ranging from 1 to 3 years of experience in the field. Conversely, a smaller yet significant subset, accounting for 11% or 9 participants, disclosed a prolonged involvement exceeding three years in engaging with cryptocurrencies.

Interestingly, a substantial portion of the youth participants, constituting 27% or 22 respondents, reported having no prior experience with cryptocurrencies, highlighting a notable gap in familiarity within the sample group. The detailed breakdown of these findings is visually represented in Figure 1, providing a comprehensive overview of the distribution of youth participants across different levels of experience with cryptocurrencies. These insights shed light on the varied degrees of exposure and engagement with cryptocurrency technologies among the surveyed individuals.

Figure 1
Experience with Cryptocurrencies Among Respondents
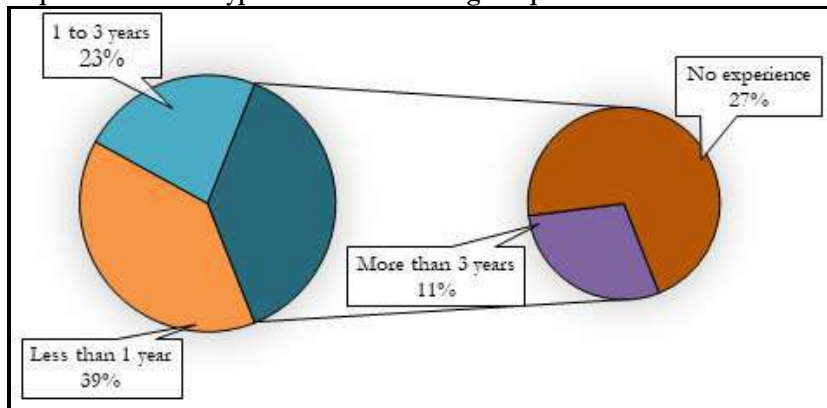
Participants were asked about their understanding of financial matters, and Figure 2 illustrates their perceptions. Most respondents (44%) believe they are very knowledgeable about financial news, especially cryptocurrency. Thirty-three per cent feel they have a good understanding, while twelve per cent consider themselves to have a fair grasp. Eleven per cent admitted they only have a basic understanding, with none reporting not knowing. These results highlight participants' varying confidence levels and awareness regarding financial topics, particularly cryptocurrency.

Insert Figure 2 here.

Figure 2
Respondents' Financial Knowledge
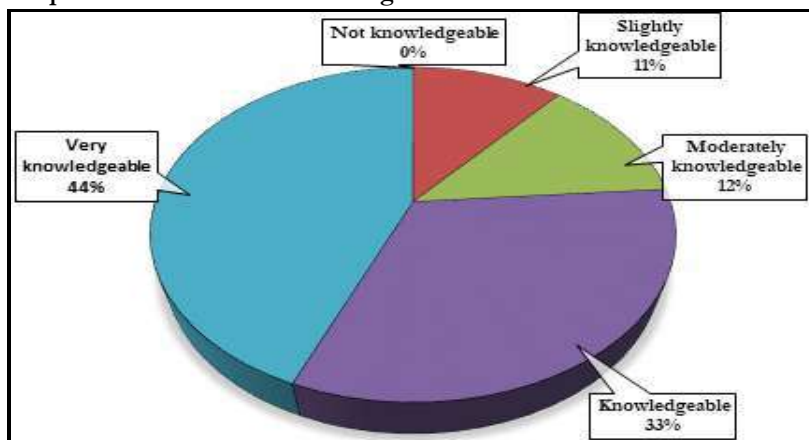
Therefore, these findings align with the earlier study conducted by Jin, Singh, & Ahmad (2024). Their research indicates that financial literacy emerges as a significant and reliable factor in predicting undergraduates' cryptocurrency investment intentions in Malaysia. Understanding these differences is crucial for comprehending the diverse perspectives and levels of expertise within the surveyed group. Such insights provide valuable information for designing effective educational programs and interventions to improve financial literacy and ensure informed decision-making among the population.

Finally, Figure 3 sheds light on the participants' perceptions regarding their trust in cryptocurrency. According to the findings, a small proportion, comprising 5% of respondents, believes cryptocurrency lacks trustworthiness. Meanwhile, 16% of participants express uncertainty, labelling cryptocurrency as somewhat untrustworthy. Another 20% adopt a neutral stance, indicating a lack of solid opinion either in favour of or against cryptocurrency. Conversely, 16% of respondents expressed trust in cryptocurrency, perceiving it as a reliable form of digital currency. Notably, the largest segment of participants, constituting 43%, exhibit high trust, considering cryptocurrency very trustworthy. The findings of this study align with those of Othman et al. (2022), demonstrating a clear positive impact of trust on cryptocurrency awareness.

Figure 3
Respondents' Perceptions of Trust in Cryptocurrency
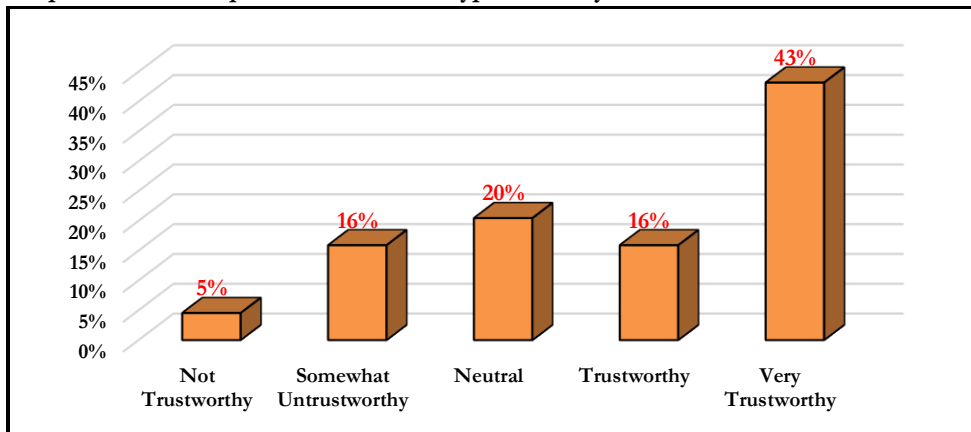
These results highlight different views on trusting cryptocurrency among the participants. Understanding these perspectives is essential to determine what influences people's trust in cryptocurrency. This insight can help improve trust in cryptocurrencies, which is crucial for academic research and real-world applications.

V. CONCLUSION

In the swiftly changing digital landscape, the rise of cryptocurrencies signifies a significant shift in how we perceive financial operations and monetary exchanges. Interestingly, despite cryptocurrencies being relatively new, initial findings from this research show that youth are aware of them, suggesting the possibility of their incorporation into common discussions. Nonetheless, concerns about risks and trust issues with cryptocurrency platforms highlight the importance of establishing a secure and transparent crypto environment to encourage wider acceptance.

This initial study is constrained by limitations from the limited sample size and the sole utilisation of descriptive statistical techniques. Consequently, the ability to generalise findings to the broader population is compromised. Future research endeavours are encouraged to employ advanced statistical techniques and explore the theoretical

frameworks influencing cryptocurrency adoption in Malaysia. Future research endeavours should employ advanced statistical techniques and explore theoretical frameworks influencing cryptocurrency adoption in Malaysia. Nonetheless, more diverse sample groups of future surveys can provide a deeper and more comprehensive understanding of public perspectives. Additionally, education initiatives, such as public awareness campaigns to disseminate accurate information on the benefits and risks of cryptocurrencies and the development of crypto education apps to provide engaging and accessible learning resources, should be introduced.

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