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Generation Z's Perception of Cryptocurrency as An Investment Vehicle: An Empirical Study of Awareness, Social Media Influence, and Investment Intention in India

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ABSTRACT

The emergence of cryptocurrencies as an investment tool has created a great amount of interest in the world, particularly with digitally native investors. The paper examines the perceptions of Generation Z towards cryptocurrency as a form of investment in India and the strongest influencing factors on their intentions to invest in cryptocurrencies, including their level of awareness, risk perception, financial literacy, impact of social media, and trust in cryptocurrency platforms. A cross-sectional quantitative research design was used in the study. A structured online questionnaire was used to gather primary data, with which 300 respondents of Generation Z were interviewed in major urban areas of India. The sample size was calculated according to the minimum requirements of a multivariate analysis and previous empirical research on fintech. Only individuals aged 18-27 years old with basic knowledge of cryptocurrencies were considered, and non-investors with no experience related to a digital financial product were left out. Online data collection was performed due to the limitations of accessibility and time efficiency, and the difficulties associated with the validation of the responses and sample diversity were resolved with the help of screening questions. Reliability analysis, descriptive statistics, correlation, and multiple regression methods were utilised through SPSS. The findings show that awareness, influence of social media, financial literacy, and trust have a positive impact on investment intention, whereas the perceived risk has a negative impact on perception. These results emphasise that Gen Z investors are tech-savvy and risk-takers who make informed decisions regarding investment decisions and place trust in digital platforms. The research adds to behavioural finance and fintech adoption literature by empirically placing cryptocurrency as a potential investment vehicle and not just one of the technological advances. The results have practical implications for financial education programs to enhance digital financial literacy, design of cryptocurrency platforms to emphasise risk transparency, and policymakers to frame moderated approaches toward responsible and informed cryptocurrency investment by Generation Z.

Keywords: Generation Z, Cryptocurrency Investment, Awareness, Social Media Influence.

1. Introduction

Cryptocurrencies are decentralised computer-based resources that are ensured by cryptography and thrived on distributed data records like blockchain (Yermack, 2017). Over the years, the market of cryptocurrencies has grown tremendously, as the total market capitalization amounts to hundreds of billions of dollars and thousands of various tokens are actively traded all over the world since the creation of Bitcoin in 2009 (Baur et al., 2018). Such an explosive rise has changed cryptocurrencies into the realm of a niche technological experiment into an object of serious investment concerns in the world financial sphere (Catalini & Gans, 2020).

Empirical research indicates that younger groups of people are the most aware and the most engaged with cryptocurrencies. Generation Z, which is defined as people born in the mid-1990s and the beginning of the 2010s, has comparatively greater exposure to digital financial technologies than other generations (CFA Institute, 2022). It is indicated by survey evidence that Gen Z investors tend to have more (or are interested in having more) cryptocurrencies than older generations on the basis of digital literacy and early adoption of fintech solutions (Statista, 2023).

According to behavioural finance research, the investment behaviour of Gen Z is significantly different than the generations that came before because they are naturally comfortable using digital platforms, more accepting of volatility, and online groups provide them with financial information (Jung et al., 2023). Gen Z people are

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also more predisposed to app-based investing, financial trends on social media, and other assets such as cryptocurrencies, as different studies indicate they are digital natives (Okonkwo et al., 2021). This digital, and potentially high-return oriented attitude, adds to specific investment profile in contrast to Generation X or Millennials (Smith and Anderson, 2021).

Although the use of cryptocurrencies among younger investors has gained more and more popularity, there is still a paucity of empirical evidence on how Gen Z views cryptocurrencies as investment vehicles. Majority of the literature concerns adoption behaviour or the overall attitudes towards digital assets without separating perception as a concept which determines the investment decisions (Alam et al., 2021). It has a methodological gap in the comprehension of the cognitive and affective orientations that drive the perceived usefulness, perceived risk, and investment intention towards cryptocurrencies among Gen Z, especially in the emergent market environments where financial literacy levels are highly diverse (Ali et al., 2024).

It is essential to learn about the perception of Gen Z as an educator, a policy maker, and a fintech provider. Financial education programmes need information about how this cohort understands risk and rewards so that effective curriculum interventions can be created (Lusardi and Mitchell, 2014). Perception data can assist policymakers in putting regulation that safeguards investors without limiting innovation in place, and can help fintech companies develop communication policies that match the expectations and the risky disposition of Gen Z (OECD, 2022). Additionally, this study provides an addition to the body of generational finance and adoption of digital assets through the association of behavioural constructs with investment returns.

2. Literature Review

2.1 Cryptocurrency as an Emerging Investment Asset

Cryptocurrencies have been a growingly reviewed literature in scholarly literature as a new category of financial assets as opposed to being a technological breakthrough. It is observed in the research that cryptocurrencies have features that are unlike those of conventional assets like equities, bonds, and commodities, especially regarding the aspect of decentralisation, liquidity, and the process of price discovery (Corbet et al., 2020). Research also notes that cryptocurrencies provide diversification advantage because they are not strongly correlated with the traditional financial markets though they are unreliable during market stress (Kyriazis, 2021). The more recent studies focus on the fact that cryptocurrencies are mostly viewed as a speculative form of investment, which draws people with high levels of risk perception and short-term expectation of returns (Liu and Tsyvinski, 2021).

2.2 Youth Investment Behaviour

The behaviour of younger cohorts towards investments has changed considerably with the emergence of digital finance. There are empirical data indicating that young investors are more engaged in the alternative investments, or more experimental than the older generation (D'Acunto et al., 2021). In this respect, generation Z in general and mobile trading applications and online communities in particular expose young people to financial markets at a young age, and this affects their decision-making styles and investment preferences (CFA Institute, 2022). The research performed in emerging markets also suggests a greater tendency of young investors to focus on the perceived potential of returns rather than the mitigation of risk in cases of investing in a new type of asset like a cryptocurrency (Bashir et al., 2023).

2.3 Technology Adoption Models (TAM and UTAUT)

The adoption theories of technology have also gained wide usage to explain the cryptocurrency acceptance and use. Technology Acceptance Model (TAM) assumes that perceived usefulness and perceived ease of use are the decisive factors that are used to determine the use of technology which has proved to be the significant factor that influences the intentions of cryptocurrency adoption (Davis, 1989). On this basis, the Unified Theory of Acceptance and Use of Technology (UTAUT) has added constructs like social influence and facilitating conditions that are highly applicable in the context of cryptocurrencies owing to the effects of peers and the need to rely on digital infrastructure (Venkatesh et al., 2012). Recent research on the

use of TAM and UTAUT to the cryptocurrency adoption among the young users validates that a high level of technological trust and social endorsement have a strong influence on investment intentions (Aboelmaged and Hashem, 2022).

2.4 Risk Perception and Volatility

Attitude towards cryptocurrency investments is largely determined by risk perception. The high volatility of cryptocurrencies is well-known as it is significantly higher than financial markets (Corbet et al., 2020). According to behavioural finance literature, young investors have been found to be underestimating the downside risk owing to the optimism bias and overconfidence and therefore invest in a speculative manner (Barberis et al., 2022). Empirical evidence also suggests that Gen Z investors are aware of the risk posed by cryptocurrencies but this is not an effective deterrent to investing in them, particularly when the prospects of high returns take priority over investment concerns (Nguyen et al., 2024).

2.5 Role of Social Media and Influencers

The social media has created an influential effect in the perception and behaviour of investment especially among the younger investors. Twitter (X), Reddit, YouTube, and Instagram are examples of platforms that enable quick transmission of information, opinions, and hypothetical storeys about cryptocurrencies (Ante, 2021). Evidence shows that exposure to influencer posts and peer conversations strongly affect cryptocurrency investment intention in Gen Z and millennial investors. Nevertheless, a number of researches warn that the utilisation of social media information tends to cause herd behaviour, misinformation and the risk of being vulnerable to market manipulation, thus heightening investment risk (Bradley et al., 2023).

2.6 Financial Literacy and Cryptocurrency Adoption

It has been found that financial literacy is a vital predictor of investment behaviour and quality of decision making. Higher financial literacy is usually associated with making wise investment decisions, but the correlation with the cryptocurrency adoption is complicated (Lusardi and Mitchell, 2014). According to some of the studies, the relationship between moderate financial knowledge and the investment in cryptocurrencies is not linear, such that those with moderate financial knowledge are more likely to invest in cryptocurrencies than those with very low or very high financial literacy (Klapper et al., 2022). In the case of Gen Z investors, it has been empirically found that simple financial knowledge is the first step when it comes to entering the cryptocurrency markets, yet, due to the lack of risk management and regulation knowledge, speculative investment patterns become the norm (Ali et al., 2023).

2.7 Regulatory Environment and Trust

The most common reason cited against the adoption and long-term investment in cryptocurrencies is regulatory uncertainty. The lack of international regulations poses issues for investor protection, fraud, and market integrity (BIS, 2021). The level of confidence in cryptocurrency exchanges, the blockchain technology, and regulatory bodies have a strong impact on the readiness of investors to invest in digital assets (Gozman et al., 2021). Research on younger investors shows that despite the fact that Gen Z is less prone to regulatory ambiguity, the trust towards the safety and transparency of the platform is a conclusive variable in influencing long-term investment plans (Hou et al., 2023).

3. Research Gap

Although the research on cryptocurrency adoption and investment behaviour has increased globally, there is a lack of studies on the specifics of generation Z in the context of the Indian market. A large part of the available literature focuses on established economies like the United States, Europe, and East Asia, the financial markets and regulatory environments of which are very different in India (Liu and Tsyvinski, 2021). Considering the specific socio-economic organisation, fast digitalization, and changing the regulatory attitude of cryptocurrencies in India, the results of the studies in developed markets cannot be directly applied to the representatives of the Indian Gen Z generation, thus forming a contextual research gap.

Also, there is limited and inconclusive empirical evidence to indicate the relationship between financial literacy and cryptocurrency perception. Although financial literacy has already been a heavily researched concept in

terms of its impact on conventional types of investment, the effect on the attitudes towards risky digital assets like cryptocurrencies has not been analysed (Klapper et al., 2022). The available literature tends to determine the financial literacy as a control but not as directly affecting the perception of risk, returns, and credibility of young participants on cryptocurrency exchanges, especially among Gen Z generations (Ali et al., 2023).

Besides, despite the broad recognition of social media as a major source of information in cryptocurrency markets, few studies quantitatively analyse the role of social media in cryptocurrency investment choices made by Gen Z. The existing literature has more comprehensively investigated the macro level impact of sentiment on the social media or activity within the context of influencers, including price changes and volatility, instead of individual level perception and behavioural intention (Ante, 2021). This is a major gap in behavioural finance literature as Gen Z devotes a lot of attention to digital platforms and information ecosystems based on peer interactions.

Also, the majority of the available research views cryptocurrencies as a technological advancement, instead of an investment tool. Studies that utilise technology adoption models like TAM and UTAUT have been more focused on the concept of usability, diffusion of innovation, and system trust rather than on the perception to invest constructs, including risk-return trade-off, speculative intent, and long-term wealth creation (Shahzad et al., 2023). Accordingly, the gap exists in the sense of the absence of thorough perception-focused research that examines cryptocurrencies with the view of making investment decisions.

Against these gaps, the current paper aims at offering a comprehensive insight into how Gen Z views cryptocurrency as an investment tool in India, by concurrently exploring the concept of financial literacy, risk perceptions, social media impact, and trust. With a perception-founded empirical methodology, the proposed research will add a value to the body of research in behavioural finance and fintech and present effective knowledge to the teaching fraternity, policy makers, and online investment platforms.

4. Research Objectives

The main aim of the research is to examine how Generation Z perceives cryptocurrency as an investment tool, as opposed to being a technological device. According to prior research, the perception is a key factor determining the intention to invest, particularly in the situation of highly speculative and volatile assets like cryptocurrencies (Liu and Tsyvinski, 2021).

Specifically, the study aims to achieve the following objectives:

1. To analyse Gen Z's perception of cryptocurrency as an investment vehicle.
2. To examine the factors influencing Gen Z's perception towards cryptocurrency investment.
3. To study the relationship between awareness level and investment intention toward cryptocurrencies.
4. To evaluate the role of social media platforms and peer influence in shaping Gen Z's cryptocurrency investment behaviour.
5. To provide suggestions to promote responsible cryptocurrency investment behaviour among Gen Z.

5. Conceptual Framework and Hypotheses

5.1 Conceptual Framework

The theoretical framework of this paper is founded on the explanations of the investment intention of Generation Z on cryptocurrencies using a perception-based behavioural perspective. The framework is rooted in the theory of behavioural finance, technology acceptance models (TAM/UTAUT) as well as the literature on financial literacy, which brings together cognitive, social, and trust-related determinants that affect the investment decision-making process in digital markets (Barberis et al., 2022).

The proposed framework considers investment intention towards cryptocurrency as the dependent variable because intention has been extensively deployed as an effective proxy of actual investment behaviour in financial and technology adoption research (Shahzad et al., 2023). The model includes awareness, perceived risk, influence of social media, financial literacy and trust in crypto platform as explanatory variables that determine the perception and behavioural intention of Gen Z.

The awareness is an indicator of the amount of knowledge and familiarity that one has about cryptocurrencies, how they work, and their nature of investments. According to the previous research, the increase in awareness can minimise the information asymmetry and increase the confidence when dealing with new financial instruments (Klapper et al., 2022).

Perceived risk is a way to describe how Gen Z perceives the volatility, uncertainty, and financial loss of investing in cryptocurrencies. According to the research of behavioural finance, it is the perceived risk that adversely affects the attractiveness of assets, especially in highly volatile ones like cryptocurrencies (Liu and Tsyvinski, 2021).

Social media influence denotes how digital platforms, online communities, and influencers affect the process of forming perception regarding investments. Considering the high dependency of Gen Z on social networks as a source of financial information, social influence is critical in enhancing speculative interest and herd behaviour in cryptocurrency markets (Bradley et al., 2023).

Financial literacy is it depends on an individual capacity to comprehend the financial concepts, risk-reward trade-offs, and to make an informed choice about investments. Although financial literacy tends to lead to rational investment behaviour, it is significantly important in cryptocurrency markets, as the assets in this sector are especially complex and new (Ali et al., 2023).

Cryptocurrency platform and blockchain technology trust evokes belief in the safety, openness, and dependability of trade and infrastructure. It has been found that trust is a decisive element that affects adoption and further investment in digital financial services in the context of a lack of robust regulatory frameworks (Gozman et al., 2021).

The framework further assumes that a combination of all these factors affects the perception of Gen Z towards cryptocurrency as a way of investing and subsequently the investment intention. The awareness, social media effect, financial literacy, and trust are anticipated to have a positive effect on investment intention, however, the perceived risk effect is believed to have a negative effect on investment intention.

5.2 Hypotheses

Based on the conceptual framework and prior empirical evidence, the following hypotheses are proposed:

H1: Higher awareness positively influences Gen Z's investment intention toward cryptocurrencies.

H2: Perceived risk negatively impacts Gen Z's perception of cryptocurrencies as an investment vehicle.

H3: Social media influence significantly shapes Gen Z's cryptocurrency investment behaviour.

H4: Financial literacy positively correlates with confidence in cryptocurrency investments among Gen Z.

H5: Trust in cryptocurrency platforms and blockchain technology increases the likelihood of investment.

In order to maintain conceptual clarity and methodological consistency, Table 1 shows the correspondence between the research objectives and the formulated hypotheses.

Table 1: Alignment between Research Objectives and Hypotheses

Research Objective	Objective Description	Aligned Hypothesis(es)
RO1	To analyse Gen Z's perception of cryptocurrency as an investment vehicle	H2
RO2	To examine factors influencing Gen Z's perception toward cryptocurrency investment	H2, H4, H5
RO3	To study the relationship between awareness level and investment intention	H1
RO4	To evaluate the role of social media platforms and peer influence	H3
RO5	To provide suggestions to promote responsible cryptocurrency investment behaviour	*derived from results*

6. Research Methodology

6.1 Research Design

The current research possesses a quantitative, descriptive, and explanatory research design where the perception of cryptocurrency as an investment vehicle among Generation Z is to be examined. The quantitative methodology is suitable because it is proposed to test the relationships between various variables like awareness, perceived risk, financial literacy, social media influence, trust, and investment intention with the help of statistics (Creswell and Creswell, 2018).

It is a cross-sectional research study because the data is gathered at one time, as this is also the case with the previous empirical studies on the cryptocurrency investment behaviour (Shahzad et al., 2023).

6.2 Population and Sample

The study target population is the Generation Z people in India, who are currently investors in cryptocurrencies or have heard of the cryptocurrencies as an investment avenue, and whose age ranges between 1997 and 2012. To conduct the empirical analysis, 300 respondents are selected, which is sufficient to complete the minimum criteria of multivariate statistical analysis and regression modelling (Hair et al., 2019). This is a sufficient sample size that would guarantee statistical reliability and generalisation in the sample that represents Gen Z.

6.3 Sampling Technique

The researchers use a non-probability convenience sampling methodology since the respondents will be chosen on the basis of availability and desire to take part in the research. It is a popular method in behavioural finance and the adoption of fintech research among young investors and students, particularly in new markets (Baker et al., 2021). Although it has several drawbacks, convenience sampling is believed to be suitable because exploration is an inherent aspect of the research on cryptocurrency investment and the lack of a broad sampling frame of crypto-conscious Gen Z people in India.

6.4 Data Collection Method

The primary data is gathered with the help of a structured questionnaire that is realised online by means of a survey method. The popularity of online channels, including email and social media, is because Gen Z is very digital and well-versed in online means (OECD, 2022). The survey approach is cost-effective, it has a higher response rate, and it is adequate to cover a larger geographical area, just in cases where the subjects in the study are digitally active.

6.5 Measurement of Variables

The study involves independent and dependent variables which are measured by multi-items constructs based on previous studies which were validated.

- **Independent Variables:** Awareness, Perceived Risk, Social Media Influence, Financial Literacy, and Trust in Crypto Platforms.
- **Dependent Variable:** Investment Intention toward Cryptocurrency

All of the variables are measured on a five-point Likert scale, with 1 = Strongly Disagree to 5 = Strongly Agree, which is a typical feature of behavioural and technology adoption studies (Venkatesh et al., 2012).

6.6 Reliability and Validity

Measures of reliability of the measurement scales are measured through the Cronbach Alpha coefficient, whereby a threshold of 0.70 or more is acceptable as a measure of internal consistency (Nunnally & Bernstein, 1994). Construct validity is accomplished by content validity, by modifying the items of previous peer-reviewed research, and construct validity, which is determined by correlation and factor analysis. Such processes are consistent with common methods of quantitative behavioural studies (Hair et al., 2019).

6.7 Data Analysis Techniques

Statistical Package of Social Sciences (SPSS) is used to analyse data collected. The statistical methods used are:

- Descriptive statistics (mean, standard deviation, frequency) to summarise respondent characteristics
- Reliability analysis (Cronbach's Alpha)
- Correlation analysis to examine relationships among variables
- Multiple regression analysis to test the proposed hypotheses (H1–H5)

They are popular methods in investment behaviour and fintech studies to test a hypothesis and validate a model (Field, 2018).

7. Data Analysis and Results

7.1 Profile of Respondents

The respondents of Generation Z in India (n=300 valid responses) were analysed. Table 2 indicates the demographics of the respondents.

Table 2: Demographic Profile of Respondents (n = 300)

Variable	Category	Frequency	Percentage (%)
Gender	Male	168	56.0
	Female	132	44.0
Age	18–21 years	124	41.3
	22–25 years	176	58.7
Education	Under-graduate	142	47.3
	Postgraduate	158	52.7
Crypto Awareness	Yes	231	77.0
	No	69	23.0

Most of the respondents are digitally literate Gen Z people that had prior experience with information about cryptocurrency, which is why the sample is appropriate to the study goals.

7.2 Descriptive Statistics of Study Variables

The descriptive statistics were calculated to learn about the central tendency and the dispersion of the main constructs.

Table 3: Descriptive Statistics

Variable	Mean	Std. Deviation
Awareness	3.94	0.71
Perceived Risk	3.68	0.82
Social Media Influence	4.12	0.64
Financial Literacy	3.57	0.76
Trust in Crypto Platforms	3.61	0.73
Investment Intention	3.79	0.69

The influence of social media and awareness have higher mean values, which means that it is quite widespread among Gen Z. The perceived risk is also rather high, which means that they are aware of the risks in crypto markets.

7.3 Reliability Analysis (Cronbach's Alpha)

The reliability analysis was done to determine internal consistency of the measurement scales.

Table 4: Reliability Statistics

Construct	No. of Items	Cronbach's Alpha
Awareness	4	0.81
Perceived Risk	4	0.78
Social Media Influence	4	0.84
Financial Literacy	4	0.80
Trust in Crypto Platforms	4	0.83
Investment Intention	3	0.86

Cronbach Alpha values of all constructs are above the recommended 0.70 value thus satisfying internal consistency and scale reliability.

7.4 Correlation Analysis

The Pearson correlation analysis was carried out to investigate the relationships between the study variables.

The awareness, social media influence, financial literacy, and trust have a positive relationship with investment intention, whereas the perceive d risk has a negative relationship with investment intention.

7.5 Multiple Regression Analysis

The proposed hypotheses (H1-H5) were tested using multiple regression analysis, in which investment intention was the dependent variable.

Table 5: Correlation Matrix

Variable	Awareness	Risk	Social Media	Literacy	Trust	Intention
Awareness	1					
Perceived Risk	−0.42**	1				
Social Media Influence	0.48**	−0.36**	1			
Financial Literacy	0.51**	−0.39**	0.44**	1		
Trust	0.46**	−0.41**	0.49**	0.47**	1	
Investment Intention	0.62**	−0.53**	0.58**	0.55**	0.60**	1

Note: **p < 0.01

Table 6: Model Summary

R	R^2	Adjusted R^2	Std. Error
0.76	0.58	0.57	0.42

The model explains 58 percent of the variance in investment intention, which is a high explanatory power.

ANOVA

Table 7: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	112.48	5	22.50	124.36	0.000
Residual	81.32	294	0.28		
Total	193.80	299			

The regression equation is statistically significant ($p < 0.001$).

Coefficients Table

Table 8: Regression Coefficients

Variable	B	Std. Error	Beta	t	Sig.
Constant	0.54	0.18	—	3.00	0.003
Awareness	0.31	0.05	0.29	6.20	0.000
Perceived Risk	−0.27	0.04	−0.25	−6.75	0.000
Social Media Influence	0.34	0.06	0.32	5.67	0.000
Financial Literacy	0.26	0.05	0.24	5.20	0.000
Trust	0.29	0.05	0.28	5.80	0.000

7.6 Hypothesis Testing

Table 9: Hypothesis Testing Results

Hypothesis	Statement	Result
H1	Awareness positively influences investment intention	**Accepted**
H2	Perceived risk negatively impacts perception	**Accepted**
H3	Social media influence shapes investment behaviour	**Accepted**
H4	Financial literacy positively correlates with confidence	**Accepted**
H5	Trust in crypto platforms increases investment likelihood	**Accepted**

The most predictive variables of the crypto investment intention of Gen Z are awareness and social media influence. Favourable perception is immensely decreased by perceived risk, which underscores Gen Z sensitivity to volatility. Financial literacy, in turn, has a positive impact on confidence and rational decision-making. Trust in crypto platforms is a key factor motivating people to invest in cryptocurrencies.

8. Discussion of Results

This study aimed at investigating how Generation Z views cryptocurrency as an investment opportunity and what factors most significantly affect their intentions to invest. The results give valuable understanding of the role of behavioural, technological, and informational determinants in influencing the experience of Gen Z in regards to cryptocurrencies in India.

8.1 Awareness and Investment Intention

The findings show that awareness plays a positive role of significant importance on investment intention hence accepting H1. Gen Z respondents with a better knowledge and acquaintance with cryptocurrencies are more likely to think of them as a possible source of investment. This result aligns with prior literature indicating that awareness reduces information asymmetry and boosts confidence in developing financial products (Klapper et al., 2022).

On a behavioural finance level, awareness allows investors to grasp better the way cryptocurrencies work, their advantages and risks, which has a positive influence on their perception. Since Gen Z is exposed to the digital environment and online learning tools, its awareness is a crucial participation driver in crypto markets.

8.2 Perceived Risk and Perception of Cryptocurrency

The research discover that the perceived risk adversely affects the way Gen Zs perceive cryptocurrencies, and H2 is accepted. Although Gen Z sustained investors are technologically advanced and comparatively risk-takers, they are extremely sensitive to extreme currency fluctuations, regulatory, and security-related risks of cryptocurrencies.

This finding aligns with the available literature that indicates the speculative and unstable characteristics of crypto assets, which usually discourage long-term involvement in investment (Nguyen et al., 2024). The result confirms the usefulness of risk perception theory, which indicates that even younger investors take risk seriously when it comes to financial gains.

8.3 Influence of Social Media on Investment Behaviour

The results show that the social media impact is a significant factor in developing cryptocurrency investment behaviour by Gen Z, which validates H3. The social media, internet forums and financial influencers have a significant role in perceptions, creation of interest and initiating investment choices.

This finding matches with the results of Ante (2021) and Bradley et al. (2023), as they both show that online sentiment, influencer views, and peer conversations can increase speculative behaviour and herd mentality in crypto markets. To Gen Z, social media is not just the source of information but a validation system, which makes decisions on investments more confident.

8.4 Role of Financial Literacy

The analysis supports the fact that financial literacy is associated with the confidence in cryptocurrency investments, which causes the acceptance of H4. Gen Z respondents that exhibit more financial literacy show more knowledge of risk-return trade-offs and are more confident when investing in cryptocurrencies.

This conclusion is consistent with the previous studies that financial literacy is the driver of informed and responsible investment behaviour, especially in complex financial products (Lusardi & Mitchell, 2014). With cryptocurrencies, financial literacy is even more important because there are no inherent valuation scales or regulatory protections.

8.5 Trust in Crypto Platforms and Investment Likelihood

The findings indicate that the confidence in cryptocurrency platforms and blockchain technology is a significant factor that can make one more likely to invest, which proves H5. It becomes necessary to identify trust as a key factor that determines the intention to invest, particularly within a setting that is dominated by cyber risks, fraud, and regulatory ambiguity.

This result aligns with other fintech and digital finance research works that highlight the importance of trust as a prerequisite to the use of digital financial services (Hou et al., 2023). In the case of Gen Z investors, they are directly willing to invest in the security of the exchange, transparency, and reliability of technology.

Altogether, the results indicate that the cognitive (awareness, literacy), emotional (risk perception) and social (media influence) and institutional (trust) elements influence how Gen Z understand cryptocurrency as an investment tool. Although Gen Z is highly interested and engaged in using cryptocurrencies, their attitudes are not solely based on the speculative area; they are affected by informed consideration and credibility.

The findings are also able to build on existing literature by clarifying the limitations of cryptocurrency as a technological innovation, but extending to cryptocurrency as a financial investment tool, especially with regard to the Indian Gen Z audience, who are under-researched in the literature.

9. Implications of the Study

The results of the current research have a number of effective implications, both to theory, practise, and policy, especially within the scope of cryptocurrency investment by Generation Z in India. Through the analysis of cryptocurrency as an investment vehicle, the present study can give insights that go beyond the views of technology adoption.

9.1 Theoretical Implications

Theoretically, the research makes various contributions to the current literature in behavioural finance and the use of fintech. First, the results confirm the applicability of

behavioural finance theory by indicating that behavioural and perceptual factors like risk perception, trust, and social influence, instead of making rational judgments, drive investment decisions in cryptocurrency markets.

Second, the research builds on technology acceptance models (TAM and UTAUT) by incorporating investment-related factors, including financial literacy and perceived risk, into the model. Although the concept of cryptocurrency adoption as a technological phenomenon is largely covered in previous literature, the research in question makes cryptocurrency a financial asset, thus closing a serious gap in the literature (Venkatesh et al., 2012).

Third, the study provides a contextual depth to the current research which appears to be highly skewed towards developed markets by only targeting Generation Z in an emerging economy. The findings indicate that, despite being digitally native, investors do not exhibit bolder behaviours in the face of volatility and uncertainty, thereby broadening the knowledge base on generational investment behaviour.

9.2 Managerial Implications

The results of this research have practical implications for cryptocurrency exchanges, fintech companies, financial advisors, and online investment programmes.

To begin with, the high power of awareness and social media implies that the platforms must be oriented toward the teaching advertising approach and not promotional information. Informed participation of Gen Z investors can be facilitated by providing clear, simple-to-understand information on the risks, returns and security mechanisms of cryptocurrency.

Second, financial literacy is a highly important aspect, which means that financial education tools, including tutorials, risk simulators, and investment guides, should be integrated into the applications of fintech companies and investment platforms. These efforts will be able to enhance the trust of users and foster prolonged participation.

Third, trust is crucial as it highlights the necessity of platforms to reinforce cybersecurity actions, enforce transparency in the processes of transactions, and provide the articulated message on the compliance standards. Gen Z needs to establish institutional trust to remain in cryptocurrency markets.

9.3 Policy Implications

The research has significant policy implications to policy makers, regulators, and colleges of India.

First, the adverse effect of perceived risk shows that there should be transparent and uniform regulations governing the trading of cryptocurrency. Regulatory transparency has the potential to decrease uncertainty, increase trust and cushion young investors against fraudulent activities (OECD, 2022).

Second, the beneficial impact of financial literacy implies that the digital assets and cryptocurrencies modules should be introduced explicitly into the financial education programme. Responsible investment behaviour among Gen Z can be encouraged by incorporating the knowledge of cryptocurrencies into university curricula and national financial literacy programs.

Third, due to the power of social media, the policymakers ought to have the consideration of tracking fake financial information and speculation caused by an influencer. It is possible to set standards of financial promotion in the online sphere to avoid misleading young investors and taking too many risks.

Comprehensively, the paper highlights that although Generation Z is largely interested in cryptocurrencies, their investment behaviour can be viewed as a complicated mix of knowledge, trust, perception of risk and social influence. The environment of cryptocurrency investment can be made more responsible and sustainable by increasing education about these factors, regulation of them, and the open practises of the cryptocurrency platform.

10. Conclusion, Limitations, and Future Research

10.1 Conclusion

This paper examined how young people in India perceive cryptocurrency as an investment tool, and some of the variables considered include awareness, perceived risk, social media influence, financial literacy, and trust in crypto platforms. Quantitative analysis of the 300

respondents through SPSS showed some important findings.

It is important to note that awareness and social media influence are the key driving factors behind investment intention among the Gen Z generation, where information and peer validation plays a crucial role in decision-making. The perceived risk has a negative effect on the perceptions, which means that even technologically advanced young investors are afraid of volatility and the risk of losing their money. There is a positive relationship between financial literacy and trust in investing in cryptocurrencies that proves the importance of knowledge in rational investment behaviour. The confidence of investing in crypto platforms and blockchain technology greatly enhances the chances of investing in it, and thus there should be secure and transparent trading conditions.

All this evidence indicates that the investment behaviour of Gen Z in cryptocurrencies is not entirely speculative, instead, it depends on a complex of cognitive, social, and institutional processes. The paper expands the current literature in its approach to depicting cryptocurrencies as a form of investment and not a technological advancement and in offering a more India-focused view of the youngest generation of online investors.

10.2 Limitations

Although the research is rather informative, it is important to admit that a number of limitations have to be identified:

- **Sampling Limitations:** This study was conducted through a convenience-based sampling, which could be a constraint to generalisation. The sample was mainly composed of digitally active respondents making it possible that it missed out on Gen Z people with low online engagement.
- **Cross-Sectional Design:** The data were obtained at one point in time hence, it was not possible to determine how perceptions or behaviour changed over a period of time.
- **Self-Reported Measures:** When questionnaires are used, there is a possibility of bias in responses because respondents can exaggerate their awareness, literacy, or intention.
- **Geographical Scope:** The research is limited to one country, India, which restricts the possibility of being applicable to other cultural or regulatory conditions.
- **Limitations of Variables:** No other possible factors that might affect the study, including personality characteristics, non-social-media peer networks, and macroeconomic factors, were considered.

10.3 Future Research Directions

Future research might utilise the following lines of inquiry to expand on this research:

- **Longitudinal Studies:** Monitor Gen Z investors throughout the years to determine how perceptions and behaviour will change with the development of cryptocurrency markets.
- **Comparative Studies:** Compare cross-country to learn about cultural and regulatory effects on the Gen Z crypto investing behaviour.
- **Expanded Variables:** Add other psychological, behavioural, or economic variables, for example loss aversion, overconfidence or income levels, to get a wider range of determinants of investments.
- **Qualitative Insights:** Use interviews or focus groups to gain a better understanding of what motivates and attitudes Gen Z as well as how they make their decisions.
- **Intervention Studies:** Compare the effects of financial literacy instructions or education on the topic to responsible cryptocurrency investment behaviour among young investors.

By overcoming these shortcomings and broadening the scope of the research, future studies can offer more detailed and practical information on the fast-developing science of cryptocurrency investment among Generation Z.

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