

# DRIVING FORCES OF CRYPTOCURRENCY: A SYSTEMATIC REVIEW

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## Abstract

Today's in the era of technology, where most of things converted into digital form from physical. It was witnessed world-wide that there is drastic plunge in the inclination of people of India from traditional modes of investment to digital assets especially, cryptocurrency. The primary objective of the study to review the various research paper to gain knowledge about the driving forces of cryptocurrency. Studies pinned out that age of cryptocurrency, demographic factors of the investors, political conditions, social networking sites, health care industry, human values, political conditions and affects the adoption of cryptocurrency in the market.

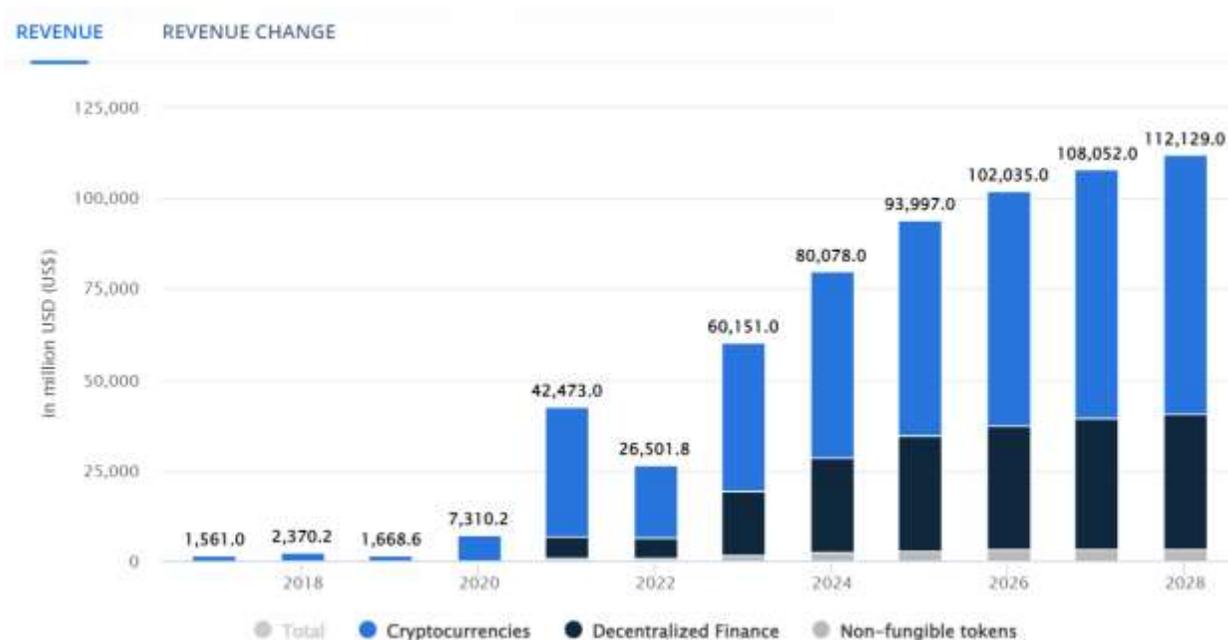
**Keywords:** cryptocurrency, blockchain technology, bitcoin.

## Introduction

In the era of information and technology, it was observed that people of India are adopting unconventional modes of payments and investment. Earlier, people were prioritized fewer modes of investment like fixed deposit, insurance policies, buying gold, purchasing properties due to numerous reasons like low risk and lack of regulation in the stock market. With the passage of time nature of the investor are changing like they are more risk takers to gain more profits. It was also observed that there is unprecedented growth in the number of cryptocurrencies, investors and fruitful prospects. The world witnessed the change of currency from barter system to centralized to decentralized.

## Cryptocurrency

Currency which is decentralized, based on the blockchain technology. It is in digital form which contain a value, dynamic in nature, limited supply, peer to peer transaction, transparent, traded to exchanges, quick way to deal. Cryptocurrency is digital currency based on blockchain technology, which are free from the clutches of any controlling authority.



Source: Statista Market Insights

It was observed from the above graph that adoption of cryptocurrency is growing worldwide year by year there was slowdown in the two years 2022 due to Russia and Ukraine war and COVID-19.

### Objective of the study

The aim of the present study to review various studies focused on the factors affecting adoption of cryptocurrency throughout worldwide.

### Methodology

Present study was based on secondary data to review the literature of different studies.

## FACTORS AFFECTING CRYPTOCURRENCY

### Demographic factors of investors

Human are born in different ages, the year in which we were born affects the purchasing decisions. Survey conducted in the year 2017 on blockchain capital highlighted that there were positive association between millennial and financial technology, moreover they gave the priority to bitcoin. Littrell, S., et al. (2024) in his study shows the relationship between personality of the investor and ownership of the cryptocurrency and main focus on the dark characteristics of personality like narcissism. Ferguson, G., et al. (2024), focused that attitude of the people towards the political conditions and conspiracy

### Age of cryptocurrency

Pessa, A. (2023), mentioned that one of the vital dimensions of cryptocurrency purchasing is the age, market capitalization and returns by the cryptocurrency. Bitcoin was the first and oldest financial asset. Studies reflects that dominance of the bitcoin is 56.7 %, while ethereum has 12.1% and others have 31.2 % in the year 2025

amongst 2.4 plus million cryptocurrencies. It was observed that the oldest cryptocurrency is the bitcoin, which in turn affects its value and market dominance in the market. Thus, people still wants to invest in the bitcoin.

### **Social networking sites and cryptocurrency**

Jahanbin, K., (2024) mentioned under their study that opinion of the people on the social networking sites such as on twitter, influenced the price and demand of different cryptocurrency. Furthermore, Tran, K. (2021) emphasized sentiments of the investors also affected by the social media. Popularity and awareness regarding cryptocurrency rising due to the influencer post their opinions and views on social media sites. Qureshi, K., (2023) focused that future price and performance of the cryptocurrency impacted by the words of mouth by different person. It was found that engagement on social media affects the prices, cryptocurrency whose engagement on social media was high but have low returns and vice-versa. Khalid, 2024 also put light on the value of cryptocurrency correlated with engagement on social media, whose social engagement was higher having higher value. Myriad researchers show that psychology of the investors was highly affected the social media. Numerous studies investigated that buzz on social media affects the trading of cryptocurrencies. It was stated by Preetha, J., et al (2022), in the study scams exposed by social media highly influence attitude of the investors. One of the vital components behind the surging adoption of cryptocurrency was social media. Littrell, S. et al (2024), highlighted that their positive association between social media networking sites and owning the cryptocurrency. Johnson, et al (2023) mentioned in his study that due to social networking sites and the impact of influencers create the urge to study about the cryptocurrency.

### **Political conditions**

Cryptocurrency inclined the focus area of the governments. Appiah-Otoo, I (2023), investigated those political conditions of the different countries influenced the price and performance of the cryptocurrency, during the phase of Russia and Ukraine war price of bitcoin was dropped. World has witnessed that US president elections effects buying and selling of cryptocurrencies. Ideology of different parties influenced the behaviors the investors and traders. It was seen that there was oscillator in the price of the bitcoin. At the end of 2024, on 16<sup>th</sup> December it was all time high. Statement given by the Donald trump in relation to crypto market was optimistic. Colon, F (2021), pinned out the economic policy made the government affects the momentum of trading such as announcement made by BJP on the regulation of crypto market have impact on the sentiments of crypto investors. Presently, it was observed that cryptocurrency is the major area of interest of politicians, it was said by **El Salvador**, country of Central America that cryptocurrency will be treated as legal tender, however countries like china had different opinion and criticize this thought.



Source: <https://coinmarketcap.com/> (2025)

It was clearly visible that after the results of US elections positively hamper the price of bitcoin, there were upward trend after the 5<sup>th</sup> November, 2024 observed from the above data. It was noted that in case of democratic countries, political parties are using the cryptocurrency as the method for crowdfunding, this is the Noval way of funding elections to avoid the restrictions of the conventional funding. Al-Shboul, M., et al (2023) focused that during the period of COVID-19 how the policy of the government affects the cryptocurrency.

### Security

Quamara, S., & Singh, A. K. (2022), investigated that decentralized nature of cryptocurrency affected rampant increase in the adoption of cryptocurrency. Individuals are more concerned about their financial security, blockchain technology provides the platform of highly secured system. Traditional securities were more opened to threats of security. Cryptocurrency as a decentralized currency it was not in control of any authority.

### Healthcare Industry and cryptocurrency

Thornton, S. M., (2024), mentioned in his study that acceptance of cryptocurrency as a mode of payment in the field of plastic surgery increased the importance of cryptocurrency. Confidentiality of records and secured payments enable to evolve healthcare industry. Patel, R., et al (2024) explained that healthcare industry also using blockchain technology for securing the patients records, database management and researcher with the reference of MediBloc.

### Human Values and Adoption of Cryptocurrency

Different traits of the person affect the adoption of cryptocurrency, Stanciu, A., (2024), pinned out that egomaniac persons are more extrovert and aggressive for buying cryptocurrency.

Authors	Relationship of Cryptocurrency with other factors
Littrell, S., et al . (2024).	<ul style="list-style-type: none"> <li>• Political identities</li> <li>• Personality of the investor – Dark characteristics</li> <li>• Social media</li> </ul>
Ferguson, G., et al. (2024).	<ul style="list-style-type: none"> <li>• Political attitude</li> <li>• Personality</li> <li>• Demographics</li> </ul>

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