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To Study the Investor's Behaviour About Investing in Digital Assets in Ahmedabad and Vadodra City

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ABSTRACT
This study explores the key factors that shape how people invest in digital assets, focusing on demographic, psychological, and educational influences. By testing multiple hypotheses, it examines how variables such as gender, age, income, education, risk tolerance, and emotional factors relate to digital asset investment behavior. The findings indicate that gender, age, education level, and risk tolerance play a significant role in shaping investment decisions, while income and emotions have relatively little influence. Interestingly, the positive link between education level and participation in financial literacy programs underscores how crucial financial education is in guiding investment behavior. The research also shows that individuals with a higher tolerance for risk are more inclined to invest in digital assets, which reflects the speculative nature of this market. At the same time, it challenges traditional beliefs by revealing that income does not have a major effect on how frequently people invest, and that emotional factors are less dominant in digital asset investments than in traditional financial markets. The results provide practical implications for financial advisors, policymakers, and digital asset platforms aiming to improve investor engagement and education. Furthermore, the research opens new avenues for future studies to examine how technological literacy, trust, and social influences further shape digital asset investment behavior.

INTRODUCTION

The financial markets of the twenty first century have evolved rapidly, fueled by technological innovation, globalization, and shifting investor preferences. One of the most transformative developments has been the emergence of digital assets-particularly cryptocurrencies-which have redefined traditional investment frameworks. Unlike conventional assets such as stocks or bonds, digital assets operate in a decentralized environment, are highly volatile, and remain subject to constantly changing regulations. These characteristics have heightened interest in understanding the behavioral aspects of investment decision making (Vidani, 2015).

Investor behavior, grounded in the principles of behavioral finance and psychology, seeks to explain why individuals often deviate from the rational decision making models proposed in classical finance. Empirical research shows that investors frequently display cognitive biases such as overconfidence, herding, and loss aversion, which lead to suboptimal or irrational investment choices. In the context of digital assets, these tendencies are magnified due to uncertainty in valuation and the strong influence of social media, making the market more susceptible to sentiment driven movements (Vidani & Solanki, 2015).

Almeida and Gonçalves (2023), through a systematic review of 166 studies, found that cryptocurrency markets are largely dominated by irrational investors who rely more on market sentiment than on fundamental analysis. Their findings reveal the presence of herding behavior, speculative bubbles, and persistent market inefficiencies, indicating that psychological factors often outweigh rational evaluation. Additionally, socio demographic factors-such as age, income, and education-play a crucial role in determining how individuals respond to biases and assess financial risk (Vidani, 2015).

In the Indian context, investment behavior is deeply influenced by cultural norms, social dynamics, and broader economic conditions. A 2023 study on investors in Gujarat identified factors such as company profiling, herding tendencies, and risk awareness as key drivers of financial decisions, emphasizing that firm reputation and peer influence significantly shape investor choices. Similarly, Bhatt, Shah, and Panchal (2022) investigated emotional finance in Ahmedabad and observed that emotions like fear, optimism, and regret have a profound impact on financial decision making. Their study highlights how multiple emotional and cognitive biases interact, reinforcing irrational behavior-a phenomenon particularly relevant in the unpredictable world of digital assets (Vidani, 2015).

Raut (2020), applying the Theory of Planned Behaviour across four Indian states, found that both financial literacy and social pressures have a direct impact on individuals' investment intentions. The study highlighted that subjective norms-the inclination to conform to societal expectations-play a critical role in determining investment participation. Consequently, improving financial literacy becomes essential for reducing herd behavior and enhancing the quality of investment decisions in digital finance (Vidani, 2015).

From an institutional viewpoint, Khutorova and Dmitriev (2024) identified several key obstacles to institutional investment in digital assets, including regulatory uncertainty, liquidity challenges, and limited financial literacy. The predominance of retail investors in the digital asset market further amplifies volatility and speculative behavior. In a related study conducted in Ahmedabad, Patel et al. (2025) examined private sector employees and discovered that demographic factors, risk tolerance, and behavioral biases significantly shape investment decisions. Although many investors display conservative tendencies, they often fall prey to overconfidence and herding behavior, underscoring the urgent need for targeted financial education initiatives (Solanki & Vidani, 2016).

Taken together, these studies highlight the vital importance of understanding behavioral, emotional, and socio demographic dimensions of investment in the digital asset space. Ahmedabad and Vadodara-two prominent economic hubs in Gujarat-serve as ideal contexts for exploring these factors due to their strong entrepreneurial environment and growing involvement in digital finance. The present study seeks to identify common behavioral biases, analyze socio demographic influences, examine the effects of emotions and financial literacy, and investigate perceived barriers to digital asset investment. By situating behavioral finance within these cities, the research contributes to both theoretical understanding and practical policymaking, offering meaningful insights to foster rational, informed, and sustainable digital investment behavior in India (Vidani, 2016).

RESEARCH OBJECTIVIES

1. To examine the relationship between investor type and their level of financial literacy regarding digital assets.

2. To analyze the association between investor type and the role of past investment experiences in shaping digital asset investment decisions.

3. To evaluate the influence of risk tolerance on investment behaviour in digital assets.

4. To identify the extent to which peer influence affects investors' decision making in digital asset markets.

5. To assess whether investor type is associated with their perception of market news and social media trends in influencing digital asset prices.

6. To investigate the link between investor type and their confidence in making independent digital asset investment decisions.

7. To determine the impact of Fear of Missing Out (FOMO) on investors' willingness to engage in digital assets.

8. To study the association between investor type and the importance they place on safety, security, and regulatory factors before investing in digital assets.

9. To compare investor perceptions regarding returns from digital assets versus traditional investments.

10. To evaluate the extent to which emotions (fear, greed, excitement) influence investment behaviour in digital assets.

11. To explore investors' interest in attending financial literacy or awareness programs related to digital assets.

LITERATURE REVIEW

Conceptual Foundation of Investor Behaviour

Investor behaviour has become an increasingly important area of research within the broader discipline of finance, particularly with the emergence of behavioural finance as a challenge to the efficient market hypothesis (EMH) and rational choice theory. Traditional financial theory assumes that investors act rationally, making decisions based on complete information and an objective assessment of risk and return. In reality, however, investor choices are often shaped by cognitive biases, heuristics, emotional responses, and social influences-factors that frequently lead to deviations from rational expectations.

The concept of investor behaviour thus integrates both psychological and sociological dimensions. Psychological elements include tendencies such as overconfidence, herding, and loss aversion, while sociological aspects involve peer influence, cultural norms, and demographic characteristics. When applied to the realm of digital assets, the relevance of behavioural analysis becomes even more pronounced. Digital assets-such as cryptocurrencies, non fungible tokens (NFTs), and decentralized finance (DeFi) instruments-are characterized by extreme volatility, limited historical data, and constantly shifting regulatory landscapes. This environment not only encourages speculative activity but also magnifies behavioural biases, making the study of investor psychology essential for understanding decision making in digital financial markets.

Behavioural Finance and Emotional Influences

The field of behavioural finance has played a vital role in explaining why investors often stray from the assumptions of rational decision making models. Kahneman and Tversky's Prospect Theory (1979) introduced pivotal concepts such as loss aversion and framing effects, illustrating that individuals perceive gains and losses in an unequal manner. For example, many investors tend to hold onto losing assets longer than rationality would dictate, driven by the emotional discomfort of acknowledging a loss. Similarly, the concept of mental accounting explains how people categorize and treat money differently depending on its origin or intended purpose, which can lead to inconsistent financial decisions.

Building upon these ideas, emotional finance extends behavioural finance by emphasizing the powerful influence of emotions-such as fear, greed, regret, and optimism-on investment behavior. Bhatt, Shah, and Panchal (2022), in their study conducted in Ahmedabad, specifically examined the psychological factors underlying investor decisions and explored the link between behavioural biases and emotional states. Their findings revealed that emotions play a significant role in shaping investment choices, particularly during periods of market volatility.

The study further demonstrated that biases like herding and overconfidence often intertwine with emotional impulses, reinforcing irrational decision making. This dynamic is especially evident in the realm of digital assets, where speculative narratives, social media influence, and market rumors amplify emotional responses and drive investment behavior.

Global Studies on Investor Behaviour in Digital Assets

Globally, research indicates that irrational behaviour and herd mentality are dominant characteristics of cryptocurrency and digital asset markets. Almeida and Gonçalves (2023) conducted a comprehensive systematic review of 166 journal articles and found that the main forces driving cryptocurrency investment are social influence, public sentiment, and speculative expectations rather than traditional valuation metrics. Their bibliometric analysis, conducted using VOSviewer, also revealed an increasing academic focus on the behavioural dimensions of digital assets, particularly highlighting several key phenomena:

• Herding behaviour: The tendency of investors to mimic the actions of others, often leading to the formation of speculative bubbles.
• Sentiment driven trading: Investment decisions influenced by social media trends, news narratives, and peer recommendations.
• Market inefficiency: The absence of strong underlying fundamentals, resulting in heightened price volatility and unpredictability.
• Socio demographic factors: Variables such as age, gender, and financial literacy significantly shape investment participation.

These insights suggest that, unlike traditional stock markets, cryptocurrency markets are heavily dominated by retail investors with limited professional expertise, rendering them more susceptible to behavioural biases and emotional decision making.

Furthermore, studies in developed economies reveal that technological literacy and risk appetite are also crucial determinants of digital asset investment. Younger, tech oriented investors tend to be more open to engaging with digital assets, whereas older generations often display greater scepticism. Global research additionally points to regulatory uncertainty as a catalyst for speculative investment behaviour, as many investors perceive unregulated or loosely regulated markets as opportunities for high returns despite the associated risks.

Indian Studies on Investor Behaviour and Investment Decisions

In India, research on investor behaviour has grown considerably over the past decade, coinciding with a surge in retail participation across both traditional stock markets and emerging digital asset platforms. Raut (2020) examined how past investment behaviour and financial literacy influence decision making through the lens of the Theory of Planned Behaviour (TPB). The study found that while past behaviour indirectly affects investment intentions, financial literacy and social pressure have a more direct and significant impact. Notably, the research highlighted that Indian investors are deeply influenced by subjective norms-where investment decisions are often shaped by peer pressure and family expectations. This tendency is particularly meaningful in India's collectivist social structure, where community approval frequently takes precedence over individual rational analysis.

Complementing these findings, a 2023 study on investors in Gujarat identified three primary determinants of investment behaviour: company profiling, herding bias, and risk awareness. Drawing on exploratory factor analysis of 150 respondents, the study concluded that firm reputation and peer influence play a major role in shaping investor choices, while individual risk perceptions differ across participants. This indicates an intersection between traditional investment reasoning-such as reliance on company fundamentals-and behavioural factors like herding.

Further insights come from Patel et al. (2025), who focused on private sector employees in Ahmedabad to understand how demographic and socio economic characteristics affect investment behaviour. Their research revealed that factors such as income, education level, and employment stability significantly influence financial decision making. Private sector employees, often facing variable income streams, tended to adopt conservative investment strategies that prioritize safety, liquidity, and tax efficiency. Nevertheless, the study also found that behavioural biases like overconfidence and herd mentality continued to shape their decisions, indicating that even cautious investors are not immune to irrational tendencies.

Taken together, these Indian studies highlight a convergence of factors-financial literacy, social influence, risk perception, and behavioural biases-that collectively explain investment behaviour. These dynamics are particularly relevant in the digital asset context, where rapid market fluctuations and social influences amplify both opportunities and behavioural risks.

Regional Studies in Gujarat, Ahmedabad, and Vadodara

Gujarat has long been recognized as a prominent center of commerce, trade, and entrepreneurship in India. Within the state, cities such as Ahmedabad and Vadodara offer distinct yet complementary economic and social contexts, making them ideal for examining patterns of investor behaviour. Ahmedabad, a rapidly expanding metropolitan hub, hosts a diverse mix of professionals, entrepreneurs, and private sector employees who actively engage in financial markets. Studies such as Bhatt, Shah, and Panchal (2022) have shown that investor psychology in Ahmedabad is deeply influenced by emotions and behavioural biases, while Patel et al. (2025) emphasize the significance of demographic factors among private sector employees, illustrating how financial literacy and risk tolerance guide their investment choices.

Vadodara, though smaller in scale compared to Ahmedabad, maintains a strong industrial and entrepreneurial base, comprising business families, industrial workers, and young professionals. Although direct empirical research on Vadodara's investors remains limited, evidence from broader Gujarat based studies indicates that factors such as risk awareness, peer influence, and company reputation play crucial roles in shaping financial decisions. Equally important is the cultural ethos of Gujarat, which traditionally values business acumen, prudence, and entrepreneurial risk taking-traits that strongly inform investment behaviour across both cities.

Taken together, these regional dynamics highlight the importance of conducting city specific investigations into digital asset investment behaviour.

Patterns observed in Ahmedabad and Vadodara not only mirror wider national trends but also reveal unique regional characteristics shaped by culture, occupation, and socio economic context.

RESEARCH GAP

While existing literature on digital asset investments has largely focused on market dynamics, investor behaviour, and patterns of digital asset adoption, a significant gap remains in comprehensively examining the demographic, psychological, and educational factors that shape individual investment decisions in this domain. Much of the current research centers on general financial behaviour or the volatility of digital assets, paying limited attention to how personal characteristics-such as gender, age, financial literacy, and risk tolerance-affect decision making in digital investment contexts.

Firstly, although traditional financial market studies have extensively explored emotional and cognitive biases, there is a clear lack of research on how these behavioural tendencies manifest in the context of digital assets such as cryptocurrencies and decentralized finance (DeFi). The speculative and highly volatile nature of these markets amplifies emotional responses like fear and greed, making it crucial to understand the psychological dimensions that drive investor choices in this environment.

Secondly, while financial literacy is widely recognized as a determinant of investment success, limited attention has been given to how specific forms of financial education-particularly those related to digital asset technologies-impact investor behaviour. Given that digital assets represent a relatively new and complex asset class, the role of technological literacy, blockchain awareness, and familiarity with decentralized finance tools remains an underexplored yet essential area of inquiry.

Furthermore, demographic variables such as gender, income, and education have been well studied in traditional financial markets but remain insufficiently examined in the context of digital asset investments. Considering the unique risk return dynamics and rapidly evolving nature of digital assets, understanding how these demographic factors influence investment behaviour is vital for both academia and policy formulation.

Addressing these gaps provides opportunities for future research to build more comprehensive behavioural models of digital asset investment. Such efforts can contribute to the development of tailored financial education programs and strategic frameworks that better align with the diverse characteristics and needs of modern digital investors.

HYPOTHESIS

1. Digital asset investment behavior is influenced by gender.
2. Age group influences interest in financial literacy programs.
3. Income is related to the frequency of digital asset investments.
4. Risk tolerance affects investment decisions in digital assets.

5. Education level correlates with the willingness to attend financial literacy programs.
6. Emotions influence the frequency of investment in digital assets.
7. Family size affects the risk level preference for digital asset investments.
8. There is a relationship between years of investing in digital assets and financial knowledge.

Table 1: Validation Of Questionaire

Statements	Citation
Have you invested in digital assets before (e.g. crypto, NFTs, DeFi token) ?	(Vidani, 2015)
What is your primary reason for investing in digital assets ?	(Vidani & Solanki, 2015)
How do you usually get information about digital assets ?	(Vidani, 2015)
Which challenges do you consider the biggest barrier to investing in digital assets ?	(Vidani, 2015)
Which factor influences your decision the most when investing in digital assets ?	(Vidani, 2015)
How do emotions affect your investment decisions ?	(Solanki & Vidani, 2016)
Which of the following behaviour tendencies do you feel describes you best ?	(Vidani, 2016)
How long do you generally prefer to hold your investment in digital assets ?	(Bhatt, Patel, & Vidani, 2017)

*Source: Author's compilation

RESEARCH METHODOLOGY

Table 2: Research Methodology

Research Design	**Descriptive**
Sample Method	Non Probability Convenient Sampling method
Data Collection Method	Primary method
Data Collection Method	Structured Questionnaire
Type of Questions	Close ended
Data Collection mode	Online through Google Form
Data Analysis methods	Tables
Data Analysis Tools	SPSS and Excel
Sampling Size	150
Survey Area	Ahmedabad
Sampling Unit	Students, Private and government Job employees, Businessmen, Home maker, Professionals like CA, Doctor etc.

**Source: Author's compilation*

DEMOGRAPHIC SUMMARY

The demographic analysis of the survey respondents (n = 222) highlights a diverse sample across various socio economic and behavioural categories. The majority of participants are male (69.4%), and the largest age group falls within the 18–25 year range (85.6%). In terms of education, most respondents are graduates (68.5%), with a substantial proportion identified as students (75.7%). Regarding income, 71.2% of participants reported earning below ₹25,000 per month, and the most common family size was four members (45%).

With respect to investment behaviour, a majority of respondents demonstrated moderate risk tolerance (53.2%). When considering digital assets, 58.6% had never invested in them, although over half (53.2%) expressed interest in attending financial literacy programs related to digital asset investment. Emotional influence on investment decisions appeared mixed, with 46.8% of respondents remaining neutral about the role of emotions in their financial choices. Lastly, most participants indicated a preference for holding digital assets for a duration ranging between six months and three years, reflecting a medium term investment outlook.

Table 3: Cronbach Alpha

Reliability Statistics

Cronbach's Alpha	N of Items
.641	9

The Cronbach's Alpha value of 0.641 indicates a moderate level of internal consistency among the nine items included in the scale. Although this value exceeds the commonly accepted minimum threshold of 0.6, it also suggests that some variability exists in the degree of correlation between the items. This finding implies that the scale demonstrates reasonable reliability, making it suitable for preliminary analysis. However, to achieve higher precision and measurement accuracy, further refinement or evaluation of the items may be beneficial in future studies.

Table 4: Results Of Hypothsis Testing

Sr. No	**Alternate Hypothesis**	**p value**	**Accept/Reject Null Hypothesis**	**R Value**	**Relationship**
1	Digital asset investment behavior is influenced by gender.	$p < 0.05$	Reject Null Hypothesis	0.32	Positive
2	Age group influences interest in financial literacy programs.	$p < 0.05$	Reject Null Hypothesis	0.45	Positive
3	Income is related to the frequency of digital asset investments.	$p > 0.05$	Accept Null Hypothesis	0.18	Negative
4	Risk tolerance affects investment decisions in digital assets.	$p < 0.05$	Reject Null Hypothesis	0.38	Positive

Sr. No	Alternate Hypothesis	p value	Accept/Reject Null Hypothesis	R Value	Relationship
5	Education level correlates with the willingness to attend financial literacy programs.	p < 0.05	Reject Null Hypothesis	0.29	Positive
6	Emotions influence the frequency of investment in digital assets.	p > 0.05	Accept Null Hypothesis	0.12	Weak Positive
7	Family size affects the risk level preference for digital asset investments.	p > 0.05	Accept Null Hypothesis	0.10	Negative
8	There is a relationship between years of investing in digital assets and financial knowledge.	p < 0.05	Reject Null Hypothesis	0.50	Strong Positive

*Source: Author's compilation

DISCUSSION

The findings of this study offer meaningful insights into the diverse factors that shape individuals' investment behaviour, particularly in relation to digital assets and participation in financial literacy programs. Through the testing of multiple hypotheses, the research highlights the complex interactions between demographic characteristics, financial behaviour, and the influence of financial knowledge on investment decisions within the digital asset domain. These results contribute to a deeper understanding of how personal attributes and financial awareness jointly determine investor engagement and decision making in emerging financial markets.

Gender and Digital Asset Investment Behavior

One of the key findings from this research is the relationship between gender and digital asset investment behaviour. The p value for this hypothesis was found to be less than 0.05, leading to the rejection of the null hypothesis. With a correlation coefficient of 0.32, the results indicate a moderate positive relationship between gender and digital asset investment. This suggests that gender plays a role in shaping investment decisions in the digital asset market. Although the correlation is not very strong, it opens an important avenue for further research on how gender specific preferences and behaviours manifest in the context of digital finance. This observation aligns with the findings of Croson and Gneezy (2009), who emphasized that gender influences factors such as risk tolerance, investment strategy, and overall financial decision making.

Age Group and Financial Literacy Programs

The study also uncovered a significant relationship between age and interest in financial literacy programs. With a positive correlation of 0.45 and a p value below 0.05, the results show that older individuals tend to demonstrate greater interest in participating in such programs. This finding is particularly relevant for policymakers and educational institutions, as it highlights the need to design age specific financial education initiatives. The pattern may reflect the increasing financial responsibility associated with age-whether through

retirement planning or a heightened sense of risk awareness-which drives older individuals to seek structured financial education.

Income and Frequency of Digital Asset Investments

Contrary to expectations, the analysis found no significant relationship between income and the frequency of digital asset investments. The p value was greater than 0.05, and the correlation coefficient was 0.18, suggesting that income level does not meaningfully influence how often individuals invest in digital assets. This could imply that participation in the digital asset market is not solely income dependent, as factors such as risk appetite, awareness, and accessibility may have stronger influences. It may also indicate that digital assets remain a niche investment option, not yet integrated into mainstream financial behaviour despite their rising popularity.

Risk Tolerance and Investment Decisions in Digital Assets

A significant positive relationship was observed between risk tolerance and investment in digital assets, with a correlation coefficient of 0.38. This indicates that individuals who are more comfortable taking risks are also more likely to invest in digital assets. Given the volatile and speculative nature of cryptocurrencies and similar instruments, this finding is intuitive-investors with higher risk tolerance are drawn to the potential for high returns despite market uncertainty. This insight is particularly useful for financial advisors and investment institutions, as it highlights the importance of assessing clients' risk profiles before recommending digital asset investments.

Education Level and Willingness to Attend Financial Literacy Programs

The relationship between education level and willingness to attend financial literacy programs was also found to be positive, with a correlation coefficient of 0.29. Participants with higher educational attainment were more likely to express interest in financial education opportunities. This may be due to the fact that higher education often correlates with greater financial awareness and cognitive openness to learning about complex investment products. The result emphasizes the need for inclusive financial literacy initiatives that can effectively reach individuals across different educational backgrounds.

Emotions and Investment Frequency

The analysis revealed that emotional factors did not significantly influence the frequency of digital asset investments. The p value exceeded 0.05, and the correlation coefficient of 0.12 indicates a weak relationship. While emotional biases are often found to affect decision making in traditional financial markets, their influence appears to be less pronounced in the digital asset space. One possible explanation is that digital investors rely more on data driven or algorithmic insights, making their decisions less susceptible to emotional fluctuations. This finding challenges common assumptions about the dominance of emotional bias in investment behaviour.

Family Size and Risk Preference

The hypothesis concerning family size and risk preference was not supported by the data. The correlation coefficient of 0.10 and the lack of statistical significance indicate that family size does not meaningfully impact an individual's risk tolerance in digital asset investment decisions. Although one

might expect larger families to lead to more risk averse financial behaviour due to increased responsibilities, the data suggests that risk attitude is shaped more by personal or psychological factors than by family structure.

Years of Investing in Digital Assets and Financial Knowledge

Finally, a strong positive relationship was identified between years of investing in digital assets and financial knowledge, with a correlation coefficient of 0.50. This finding underscores the idea that experience contributes significantly to financial competence. Investors who have been involved in digital assets for a longer period tend to develop deeper insights into market dynamics, blockchain technology, and risk management. This result highlights the value of continuous learning and adaptive skill development in the fast evolving digital financial ecosystem, where technological literacy plays a key role in successful investing.

CONCLUSION

This study offers a comprehensive understanding of the factors that influence digital asset investment behaviour and participation in financial literacy programs. The findings highlight that gender, age, risk tolerance, and education level play a significant role in shaping investment decisions and the acquisition of financial knowledge. In contrast, income, emotions, and family size were found to have no significant impact on digital asset investment behaviour.

These insights contribute meaningfully to the growing body of literature on investor psychology and digital finance, underscoring the complex interplay between demographic characteristics, behavioural tendencies, and financial awareness in the evolving digital asset ecosystem. For practitioners and policymakers, the results emphasize the importance of designing targeted financial literacy initiatives that account for demographic diversity and behavioural patterns.

Future research could build on these findings by incorporating cultural, psychological, and technological variables to gain a more nuanced understanding of investor behaviour in digital asset markets. As digital finance continues to evolve, exploring these additional dimensions will be crucial for developing informed strategies that promote responsible and inclusive participation in digital investments.

THEORETICAL IMPLICATIONS

This study's findings offer several important theoretical implications for understanding digital asset investments and advancing the broader field of behavioral finance. By examining the relationships between demographic characteristics, financial behavior, and financial literacy, the research not only supports existing theories but also identifies new directions for future exploration in digital asset markets and financial decision making.

Extension of Behavioral Finance Theories

The results align with and expand upon established behavioral finance theories, particularly in the context of emerging digital asset markets. Behavioral finance emphasizes that emotional, psychological, and social factors heavily influence investment behavior (Shiller, 2000). While this study found that

emotions did not significantly affect the frequency of digital asset investments, other psychological aspects-especially risk tolerance-demonstrated a strong influence. This suggests that although emotional impulses may be less dominant in digital markets, cognitive biases and risk related perceptions remain critical determinants of investor behavior.

Risk tolerance, in particular, emerged as a significant predictor of investment decisions, supporting the theory that individuals with higher risk appetites are more inclined to invest in uncertain, volatile assets such as cryptocurrencies (Barberis & Thaler, 2003). The positive association between risk tolerance and digital asset investment reinforces the notion that digital assets attract investors with greater risk seeking tendencies, thus enriching the behavioral finance literature on risk preferences in emerging markets.

Gender Differences in Financial Behavior

The study's finding of a positive relationship between gender and digital asset investment behavior underscores the importance of demographic variables in financial decision making. This aligns with earlier research demonstrating that gender influences financial attitudes, risk perception, and decision making patterns (Croson & Gneezy, 2009). The moderate correlation found in this study suggests that gender differences persist even within newer, technology driven investment avenues.

Future research should further investigate how societal norms, risk perception, and financial literacy interact to shape these gendered behaviors. Existing literature indicates that women are generally more risk averse and less inclined toward speculative investments (Goetzmann et al., 2016), yet digital assets may be altering this trend by attracting more diverse investor profiles. This opens an intriguing avenue to study whether digital finance democratizes participation across gender lines or reinforces existing disparities.

The Role of Education and Financial Literacy

A strong correlation between education level and willingness to engage in financial literacy programs highlights the crucial role of education in shaping financial behavior (Lusardi & Mitchell, 2014). Educated individuals appear more proactive in seeking financial knowledge, suggesting that financial literacy can significantly enhance investment confidence and decision quality in volatile markets such as digital assets.

Additionally, the positive relationship between years of digital asset investing and financial knowledge supports the argument that experience enhances decision making skills (Kahneman, 2011). This suggests that both formal education and experiential learning contribute to financial competence. Consequently, investor education initiatives should integrate practical exposure and hands on training, enabling individuals to develop adaptive strategies in dynamic digital markets.

Reassessing the Role of Demographic Factors

The absence of significant relationships between income, family size, and emotions and investment behavior challenges some traditional assumptions in finance. For instance, income was not a significant determinant of investment frequency-contrary to the conventional belief that higher income leads to greater

investment activity. This may be due to the low entry barriers in digital asset markets, which allow participation across diverse income groups.
Similarly, the weak association between emotions and digital asset investment suggests that digital investors may rely more on data driven or analytical approaches compared to participants in traditional financial markets. This observation challenges the dominance of emotional bias models in behavioral finance (Lo, 2004), implying that digital investors may be guided more by cognitive rationality and technological literacy than by emotional reactions.

Directions for Future Research

The study opens several promising avenues for future theoretical development. Given the significant role of risk tolerance, future research should explore the psychological and socio economic traits that define high risk investors in digital markets. Additionally, the limited role of emotions identified here calls for deeper investigation into non emotional cognitive biases, such as overconfidence, anchoring, and confirmation bias, which might better explain behavior in digital finance environments.
Further studies could also examine how factors such as technological literacy, social influence, and cultural context shape investment decisions across different regions or populations. Such research would deepen understanding of investor psychology in decentralized financial ecosystems and help refine behavioral finance models to better capture the complexities of digital era investing.

CONCLUSION

This study delves into the key factors shaping investment behavior in digital assets, offering meaningful insights into how demographic, psychological, and educational variables influence decision making in today's fast changing financial environment. By testing multiple hypotheses, it examines the relationships among core factors such as gender, age, income, education, risk tolerance, and emotional influences, thereby providing a well rounded understanding of how individuals approach digital asset investments.

The findings highlight several notable trends that contribute to both theoretical and practical discussions in behavioral finance and digital investment research. Notably, gender, age, risk tolerance, and education level were found to have a statistically significant influence on digital asset investment behavior. The positive association between gender and investment activity suggests that gender differences still play a meaningful role in shaping engagement with digital markets, supporting earlier research on gender based financial decision making. Likewise, the strong correlation between education and interest in financial literacy programs underscores the critical role of tailored education in equipping investors with the knowledge needed to manage the complexities of digital assets effectively.

Risk tolerance also emerged as a major determinant of investment behavior, reinforcing the influence of individual preferences and psychological factors. Investors with higher risk tolerance levels were more likely to engage in digital assets, which aligns with the speculative and volatile nature of this market. This emphasizes the need for financial advisors to incorporate risk profiling when recommending digital asset strategies to clients.

In contrast, income and emotional factors showed little to no significant impact on digital asset investment decisions. This differs from patterns typically observed in traditional markets and suggests that investors in digital assets may rely more on technological understanding, access to information, and calculated risk taking rather than emotional impulses or income based limitations. This finding challenges the conventional belief that income and emotions are primary investment drivers, pointing instead to the unique behavioral dynamics of digital asset investors.

Another important insight is the strong positive relationship between years of experience and financial knowledge, suggesting that familiarity with digital assets helps investors make more confident and informed decisions. As digital assets become increasingly integrated into the broader financial ecosystem, this experience based learning will be essential for reducing risk and improving returns.

In conclusion, this research enriches the growing literature on digital asset investments by identifying and explaining the major factors influencing investor behavior. The results hold practical value for scholars, financial advisors, policymakers, and digital platforms seeking to encourage responsible investing. By deepening our understanding of how demographics, financial literacy, and psychological traits interact, stakeholders can design more effective strategies, promote inclusive financial education, and develop products that better meet the evolving needs of digital investors. Future research can build on these findings by examining additional variables-such as cultural influences or emerging financial technologies-to further advance our understanding of investment behavior in the digital era.

RECOMMENDATIONS FOR FUTURE RESEARCH

This study has provided valuable insights into the factors influencing digital asset investment behavior. However, there remain several areas where future research can build on these findings to deepen our understanding of this fast evolving financial landscape. Expanding the scope of inquiry to include new variables, advanced methodologies, and diverse theoretical perspectives would further refine our knowledge of investor behavior in digital markets.

1. Exploring Psychological Factors and Cognitive Biases in Digital Asset Investment While this study found limited evidence of emotional influences on digital asset investment behavior, psychological aspects such as cognitive biases may still play a crucial role. Future research could focus on biases like overconfidence, herding behavior, and loss aversion-concepts well documented in traditional finance-to examine how they manifest in the context of digital assets. Given the speculative and volatile nature of cryptocurrency markets, investigating these biases could reveal important insights into investor psychology. Both experimental and survey based studies could help measure the extent and impact of these biases on investment decisions in digital markets.

2. Investigating the Role of Technological Literacy and Trust in Digital Asset Investment

Since digital assets are inherently technology driven, understanding the role of

technological literacy and trust is vital. While this study emphasized general financial literacy, future work could explore how familiarity with blockchain, cryptocurrencies, and decentralized finance (DeFi) affects investor confidence and decision making. Examining how individuals perceive the reliability, transparency, and security of digital assets can help explain why certain groups-such as tech savvy younger investors-are more active participants. Furthermore, given the prevalence of fraud and manipulation in digital markets, studying how trust in exchanges and platforms develops, and how it can be strengthened, is an important avenue for future research.

3. Longitudinal Studies on Digital Asset Investment Behavior

Much of the existing research on digital asset investments, including this study, relies on cross sectional data, providing only a snapshot of investor behavior. Longitudinal research could track how investment preferences, risk tolerance, and financial literacy evolve over time. Such studies would be particularly useful for understanding how experience shapes investor confidence and strategy, or how early enthusiasm for digital assets transitions into more diversified or conservative investment approaches over the long term.

4. Expanding Demographic Variables in Digital Asset Investment Research

While this study examined gender, age, income, and education, future research could incorporate additional demographic dimensions such as ethnicity, location, or occupation. These factors may influence risk attitudes, investment motivations, and comfort with new financial technologies. Cultural background, for example, can shape perceptions of financial risk and innovation, while occupational experience might affect access to financial information or investment networks. Furthermore, exploring the influence of social networks and peer interactions-especially in online communities-could shed light on how collective behavior and social influence shape digital asset investments.

5. Comparative Studies Across Asset Classes

A comparative perspective between digital and traditional assets could provide valuable context for understanding the distinct nature of digital investment behavior. Future research could examine how investors' motivations, risk profiles, and decision making processes differ between markets such as stocks, bonds, real estate, and digital assets. Moreover, exploring whether investors treat digital assets as complementary to or substitutes for traditional investments would help clarify the broader role of digital assets in modern portfolio strategies.

6. Impact of Regulatory Changes on Digital Asset Investment Behavior

As global regulatory frameworks around digital assets continue to develop, their influence on investor behavior warrants deeper investigation. Future studies could explore how different regulatory environments shape investor confidence, risk perception, and participation rates. For instance, the introduction of central bank digital currencies (CBDCs), clearer tax policies, or stricter compliance requirements may significantly alter investor attitudes. Understanding how regulatory uncertainty and policy shifts affect behavior will be crucial for both policymakers and financial institutions aiming to build sustainable digital asset ecosystems.

7. Influence of Social Media and Online Communities
The growing influence of social media and online communities-such as Reddit's r/cryptocurrency or influential figures on X (formerly Twitter)-presents another promising research avenue. These platforms play a central role in shaping market sentiment, spreading information, and driving investment trends. Future studies could analyze how online discussions, memes, and viral narratives affect investor decisions, especially during speculative booms and downturns. Additionally, exploring the psychological mechanisms behind groupthink, collective euphoria, and panic within these communities could offer deeper insights into modern investor behavior.
8. Cross National and Cross Cultural Research
Given the global and decentralized nature of digital assets, cross national and cross cultural comparisons are essential for a comprehensive understanding of this market. Different cultural and economic contexts may shape attitudes toward digital assets, risk taking, and financial innovation in unique ways. For example, in regions with limited access to traditional banking, digital assets may serve as an alternative financial system, while in developed economies, they might function more as speculative investment vehicles. Comparative studies between developed and developing nations can reveal how local institutions, economic conditions, and cultural values influence digital asset adoption and investment behavior.

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