

Clarity on daily life applications of cryptocurrency key to attracting and retaining users, says study

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Credit: Karolina Grabowska from Pexels

Cryptocurrency providers need to be clearer on how their digital coins can help people in their daily lives to attract and retain users, according

to [research](#) published in *Information Technology & People* by Nottingham Business School (NBS), part of Nottingham Trent University, which explores how people use cryptocurrencies.

The study by the Center for Finance, Technology and Society at NBS collected data from 480 potential and actual users to understand what makes people see cryptocurrencies as useful and how they decide to use them. The research focused on perceived volatility, information privacy risk, anonymity, value benefits, and financial risk tolerance.

Findings revealed that people are also more likely to invest in and continue using cryptocurrencies when they see value in them, demonstrating the importance of clear communication by cryptocurrency providers about the practical benefits of their digital coins.

As part of this, users would benefit from a better understanding of how cryptocurrencies can address specific real-world problems. Providing clear and transparent information about the practical applications and benefits of blockchain technology can help users see the relevance of cryptocurrencies in their daily lives.

The most significant areas of worry for people thinking about using cryptocurrencies were found to be volatility and [financial risk](#). Uncertainty about cryptocurrency prices and an individual's comfort level with taking financial risks are major factors for potential users, suggesting that cryptocurrency providers need to address these concerns and offer strategies to mitigate risk.

The research also suggests that cryptocurrency providers should prioritize security and communicate their efforts to protect users' assets, as security and transparency were also seen as key aspects, with users valuing clear and transparent information about security measures.

Collaborations with well-established companies were seen to enhance trust in a cryptocurrency, with partnerships providing a sense of security and credibility to potential users, making them more inclined to invest in and use the [cryptocurrency](#).

Dr. Milad Armani Dehghani, senior research fellow in FinTech at the Center for Finance, Technology, and Society, said, "It's not easy to find out how cryptocurrencies work compared to regular financial products. Currently people must do a lot of research into each type of digital coin to know what it can do, while at the same time seeing the rollercoaster of prices going up and down.

"There are many potential users and investors who aren't tech experts that would be interested in cryptocurrencies if they can be made more accessible. We saw that a key issue was nervousness around market stability. If providers can stop the value of crypto jumping around through interventions such as making transactions fast, acceptance among various online retailers especially across different time zones, and cheap—like Memecoin, for example Dogecoin—or by making cryptocurrencies that stay steady in value like stablecoins, but with a more reward-oriented approach such payback coins, it would really help regular users.

"Appealing to Generation Z through gamification and products like NFTs also makes it easier for people to trade and own assets without worrying about negative consequences. Making it easy to use on phones from UX concept is also key, especially for [younger people](#) who love trying new tech."

The research also noted that even though cryptocurrencies are known for being private, many people preferred to use regular payment systems linked to cryptocurrencies, especially newcomers who preferred new kinds of crypto like NFTs which connect to regular ways of using

money, making them more comfortable to use. This suggests that it would be helpful to connect cryptocurrencies to the usual ways people pay for things.

Dehghani added, "Our research is important for people dealing with cryptocurrencies to understand how potential [users](#) and people who already use cryptocurrencies see them. This understanding can help them market cryptocurrencies better."

More information: Milad Armani Dehghani et al, Bridging the adoption gap for cryptocurrencies: understanding the affordances that impact approach–avoidance behavior for potential users and continuation usage for actual users, *Information Technology & People* (2023). [DOI: 10.1108/ITP-10-2022-0821](https://doi.org/10.1108/ITP-10-2022-0821)

Provided by Nottingham Trent University

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