

INDUSTRY REPORT

Cryptocurrency and Blockchain Survey: Consumers Bullish, Investors Cautiously Optimistic

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For important disclosures and analyst certification, please see page [\[18\]](#)

MID-YEAR 2018 CRYPTO SURVEY HIGHLIGHTS

We are pleased to announce the results of our second consumer and investor survey on trends in cryptocurrencies and Blockchain technology. We received 2,490 responses from consumers and 528 responses from individual accredited and institutional investors. By comparison, our first survey in early 2018 contained 2,352 responses from consumers and 106 responses from investors. Survey participants represented a wide range of private and public market investment styles. Despite the 60 percent decline in cryptocurrency valuations this year, consumers and investors continue to offer a bullish, long term outlook for crypto and Blockchain. However, investors have become less optimistic about near-term cryptocurrency trends while consumers' positive outlook remains largely unchanged since the beginning of the year.

Despite the 60 percent decline in cryptocurrency valuations this year, consumers and investors continue to offer a bullish, long term outlook for crypto and Blockchain.

- **Growing demand and positive outlook for cryptocurrencies but some creeping doubts.**

Cryptocurrency prices have seen a saw over the past several months. Nevertheless, 59 percent of investors and 72 percent of consumers plan to increase their holdings over the next 12 months. Majority of respondents expect crypto valuations to increase over the next 12 months though investors were less bullish than in our previous survey. 57 percent of investors and 66 percent of consumers expect growth in crypto valuations over the next year.

- **Bitcoin, Ethereum and XRP are most popular crypto holdings.**

Both investors and consumers overwhelmingly picked Bitcoin as the top currency they own, followed by Ethereum, XRP and Litecoin. The three currencies, they said, offer the most potential for long term success. Bitcoin, in particular, saw a significant jump in investor interest. Positive investor sentiment for Bitcoin grew to 78 percent from 48 percent. XRP remains investors' preferred choice over Litecoin and Bitcoin Cash.

- **Growing number of companies are implementing Blockchain technology.**

32 percent of investors and 49 percent of consumers say employers are planning to roll out Blockchain in the near future.

- **Cryptocurrencies and Blockchain technology may take longer to go mainstream.**

Both investors and consumers tempered their expectations for widespread adoption of cryptocurrencies. The percentage of investors who think crypto will go mainstream in 2020 dropped to 27 percent from 51 percent; 37 percent from 42 percent among consumers. More people now feel 2025 is a more realistic time table for digital currencies.

- **Volatility and security are key concerns for Crypto ownership while lack of education and commercial use pose key challenges to Blockchain adoption.**

Over 50 percent of survey takers picked volatility and over 37 percent picked safety and security as their top concerns. Both crypto and non-crypto owners have expressed similar sentiments. 55 percent of investors and 57 percent of consumers picked lack of understanding as the top challenge while half of both investors and consumers believe lack of effective use cases as their primary concern.

TOP SURVEY HIGHLIGHTS

Accredited Investors			Consumers	
Answers	Changes Since Jan 2018	The Questions	Changes Since Jan 2018	Answers
ETH, BTC, XRP	Positive trend for all BTC	Which Cryptocurrencies are you most bullish on?	Positive trend for BTC	BTC, ETH, LTC
59% planning to buy	Fewer investors planning to buy	Are you planning to buy Crypto in next 12 months?	More consumers planning to buy	72% planning to buy
57% expect prices to rise	Fewer investors expect prices to rise	Do you think Crypto prices will rise in next 12 months?	Consistent with Jan 2018	66% expect prices to rise
33% plan to implement	Positive trend	Is your company planning to implement Blockchain?	Positive trend	50% plan to implement
Money Transfer, Payments, Supply Chain	Consistent with Jan 2018	Which sectors will Blockchain disrupt?	Consistent with Jan 2018	Money Transfer, Retail Banking, Asset Management
2025	Changed from 2020	When will Crypto go mainstream?	Changed from 2020	2025
Volatility & Security	Consistent with Jan 2018	What are your biggest concerns about Crypto?	Consistent with Jan 2018	Volatility & Security
Lack of education & commercial use cases	Consistent with Jan 2018	Challenges for Blockchain adoption	Consistent with Jan 2018	Lack of education & commercial use cases
Coinbase	15% growth since Jan 2018	Most popular exchange	Positive trend	Coinbase
100%	Consistent with Jan 2018	Crypto awareness	Consistent with Jan 2018	97%

SURVEY METHODOLOGY

We created the mid-year SharesPost Cryptocurrency and Blockchain Consumer and Investor Survey to understand the change in investor and consumers views about cryptocurrencies and Blockchain and what the future holds for these digital currencies. We invited consumers and individual accredited investors of SharesPost to participate in our online poll. We maintained the anonymity of all survey responses and disabled online IP tracking. We used SurveyMonkey and Amazon Mechanical Turk to conduct the survey online during July 2018.

SharesPost received responses from more than 2,490 consumers and 528 investors. A significant percentage of responders earn less than \$100,000 a year and hail from Asia and North America.

Exhibit 1: 70% of consumers polled earned less than \$100K [1]

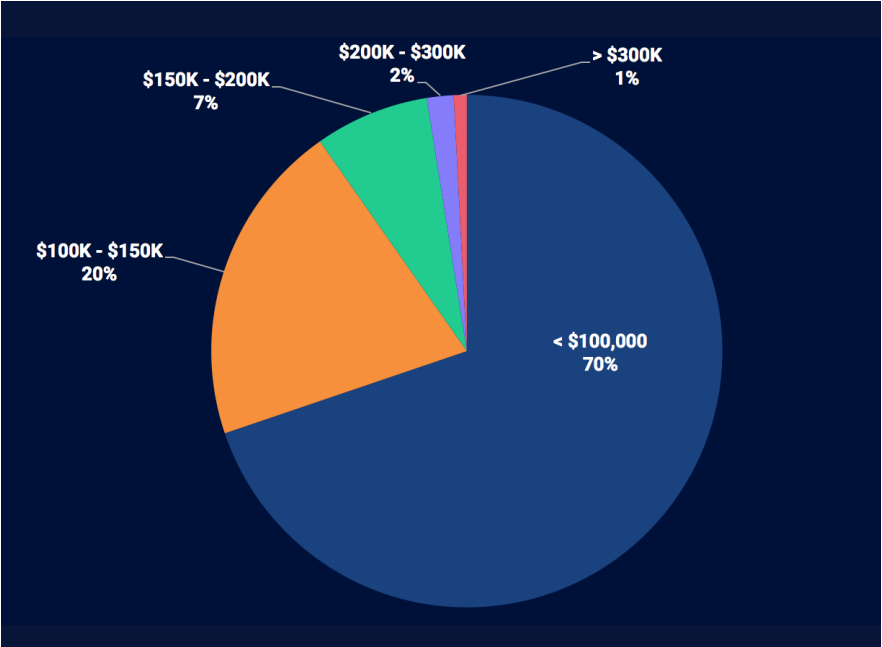


Exhibit 2: 86% of the consumers polled are from Asia and North America [2]

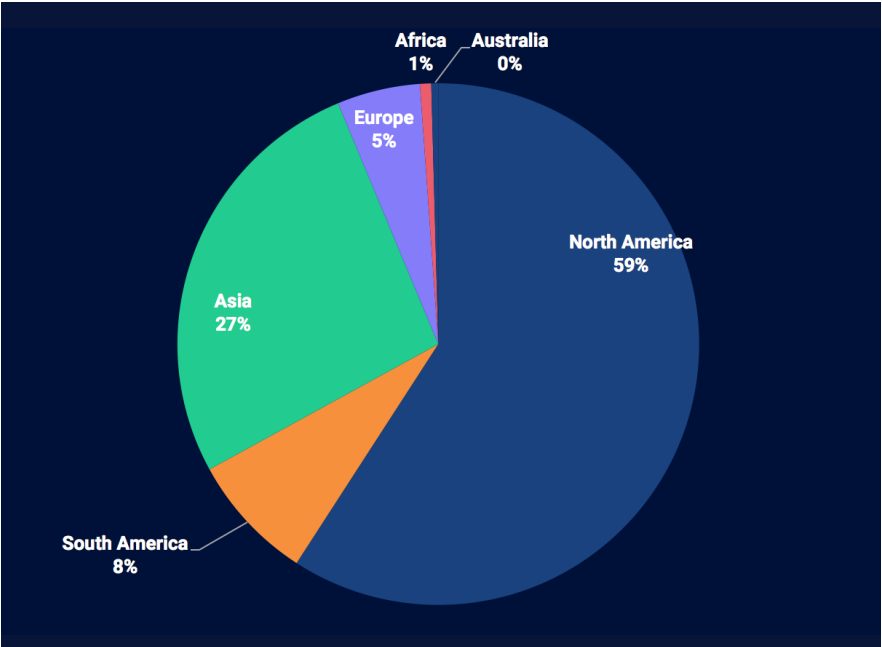


Exhibit 3: 72% of investors earn more than \$100K [3]

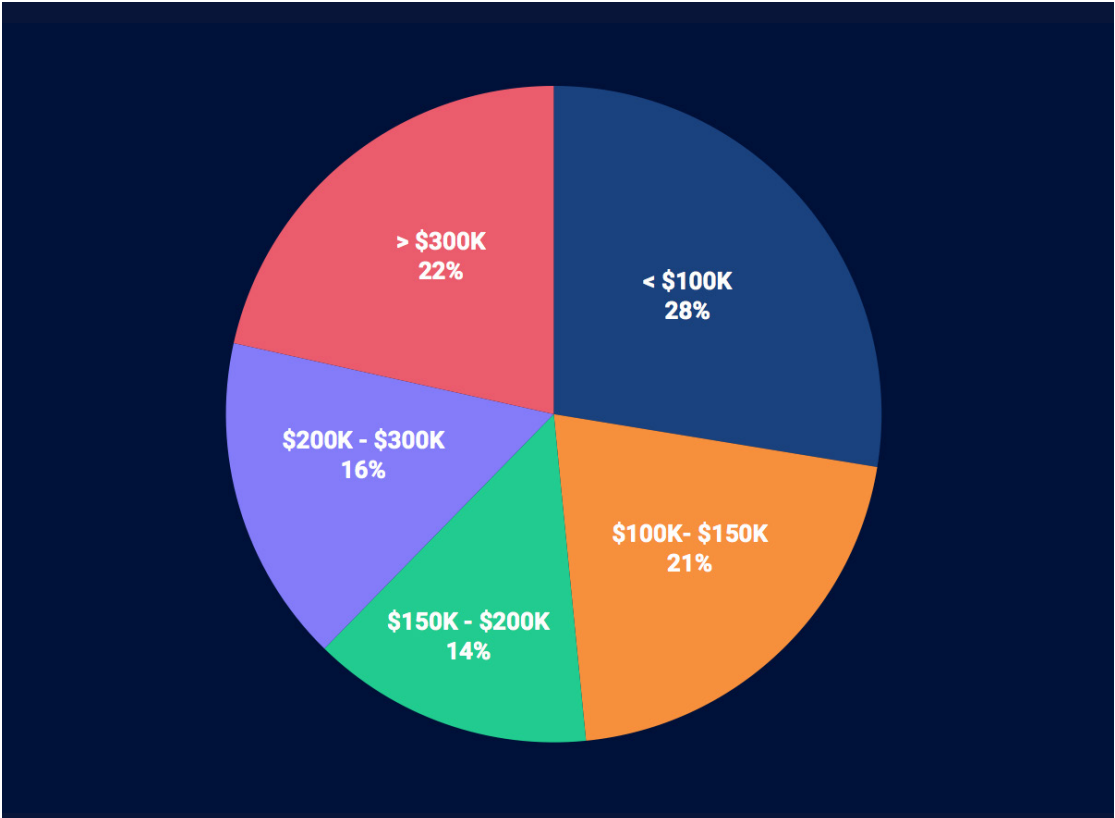
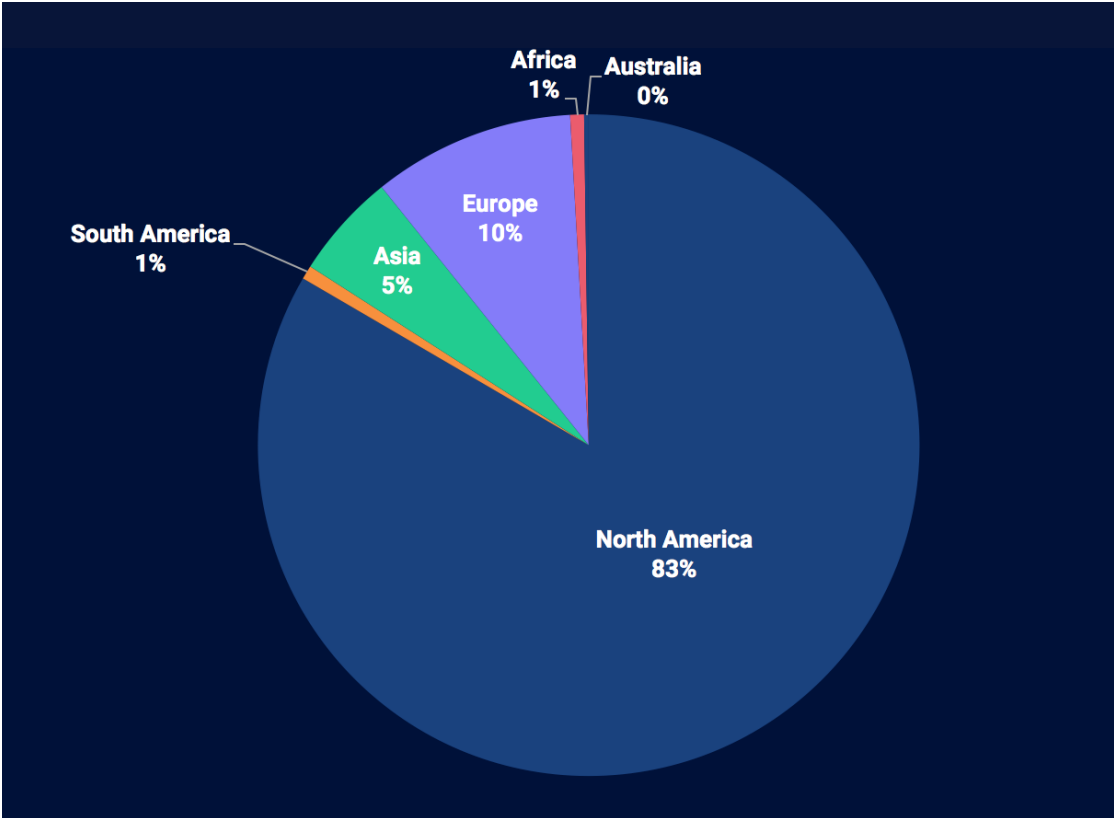


Exhibit 4: 88% of investors are from Asia and North America [4]



BITCOIN, ETHEREUM AND XRP ARE MOST POPULAR CRYPTO HOLDINGS

Both investors and consumers overwhelmingly picked Bitcoin as the top currency they own, followed by Ethereum, XRP and Litecoin. The three currencies, they said, offer the most potential for long term success. Bitcoin, in particular, saw a significant jump in investor interest. Positive investor sentiment for Bitcoin grew to 68 percent from 48 percent. XRP remains investors' preferred choice over Litecoin and Bitcoin Cash.

Exhibit 5: Over 70% investors believe Ethereum will be the most successful currency [5]

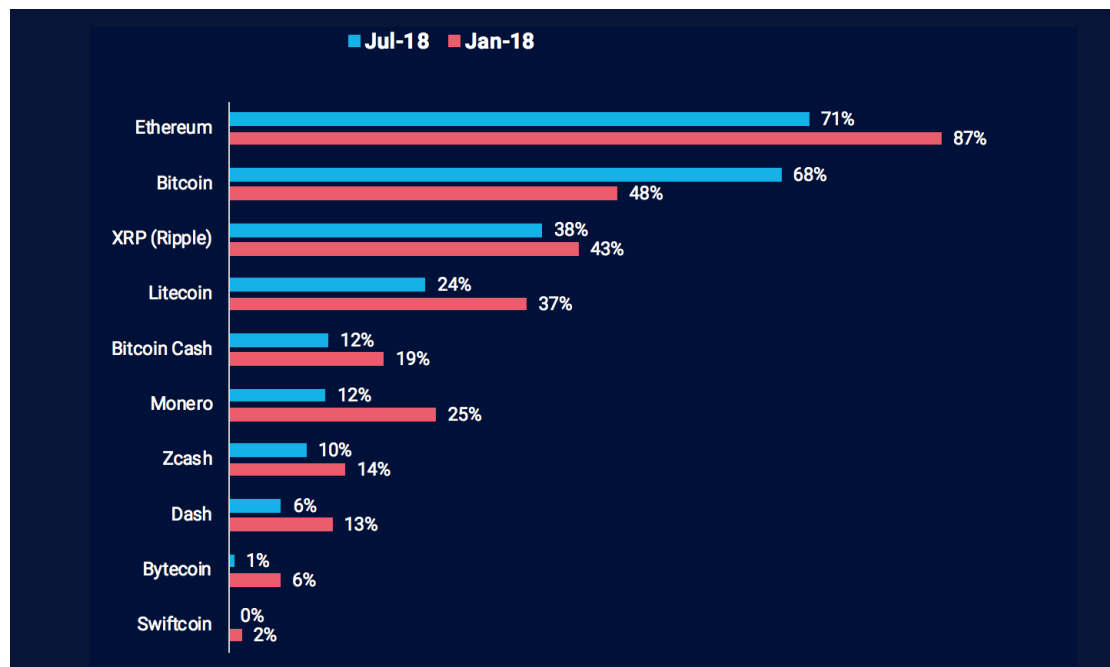
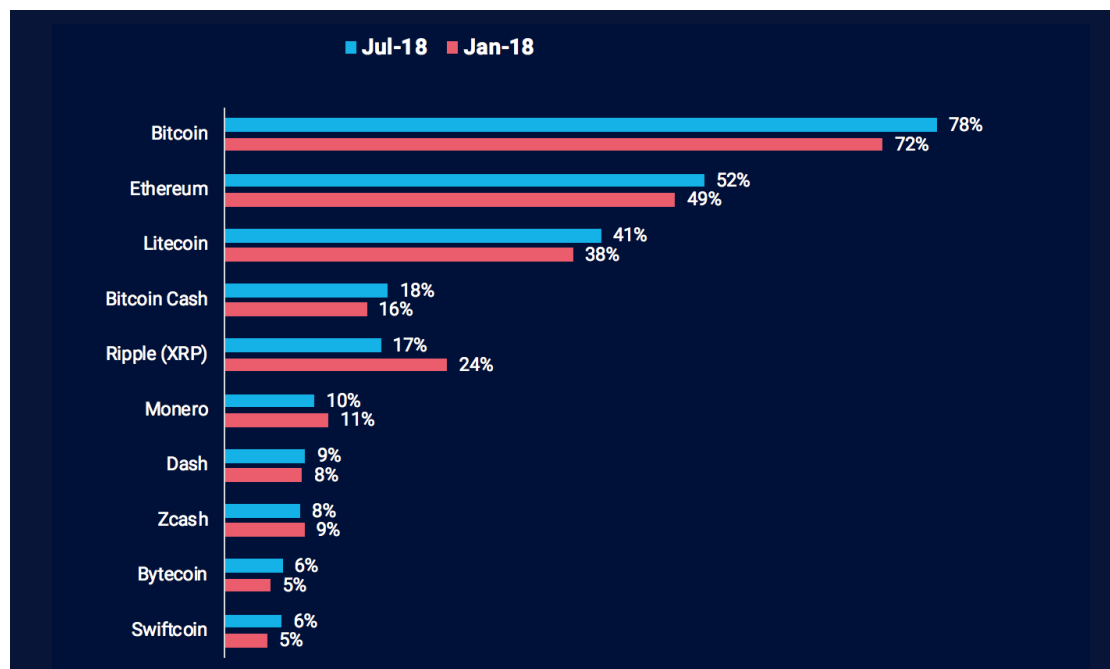


Exhibit 6: More than 3/4 of consumers expect Bitcoin to be the most successful currency [6]



GROWING DEMAND FOR CRYPTOCURRENCIES DESPITE RECENT VOLATILITY AND PRICING PRESSURE

Cryptocurrency prices have seen a saw over the past several months. Nevertheless, the demand for them has remained positive. 59 percent of investors and 72 percent of consumers plan to increase their holdings over the next 12 months.

Exhibit 7: Over half of the investors surveyed plan to increase their holdings in the next 12 months [7]

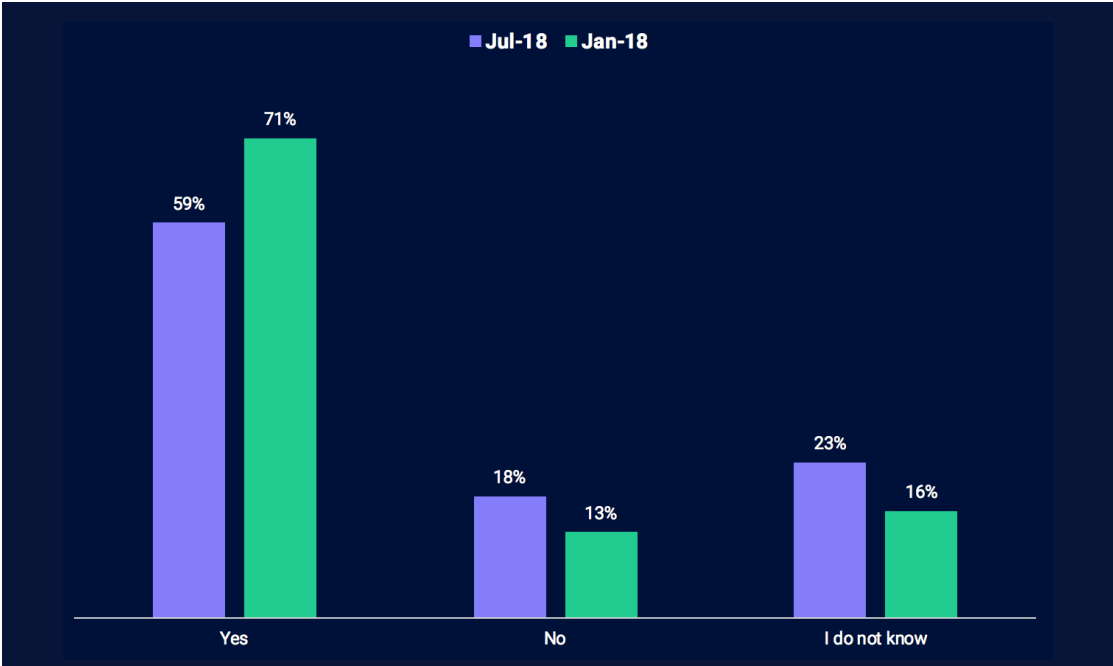
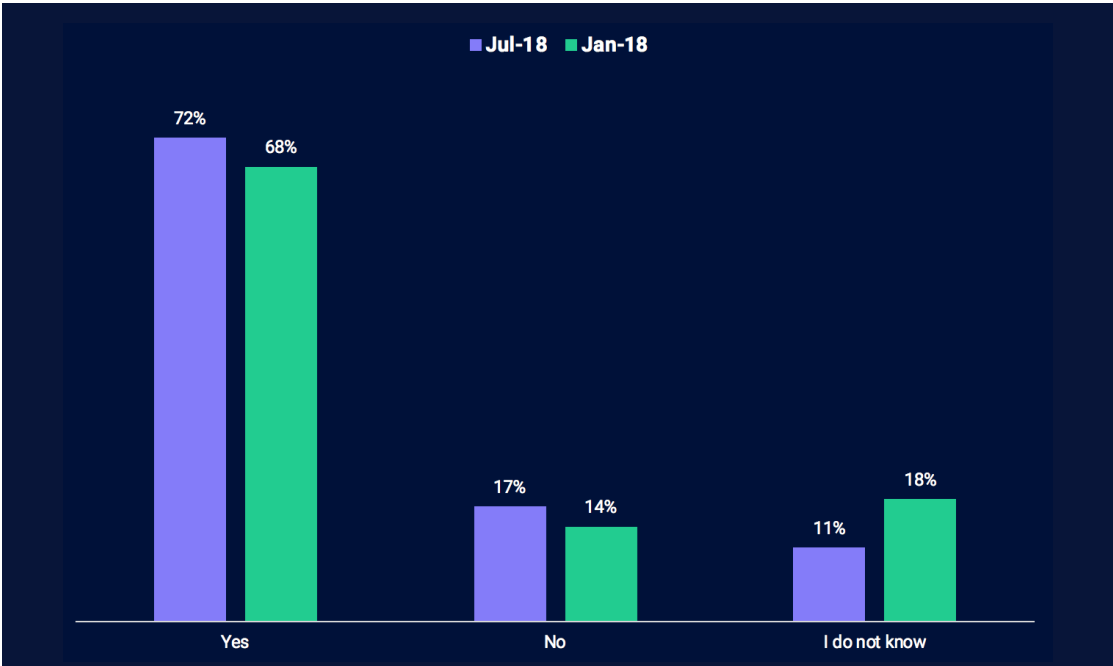


Exhibit 8: 72% consumers plan to increase their holdings in the next 12 months [8]



GENERALLY POSITIVE OUTLOOK FOR CRYPTOCURRENCIES

Majority of Investors and consumers expect crypto valuations to increase over the next 12 months though investors were less bullish than in our previous survey. 57 percent of investors and 66 percent of consumers expect growth in crypto valuations over the next year.

Exhibit 9: Over half of the investors surveyed believe crypto valuations to increase in the next 12 months [\[9\]](#)

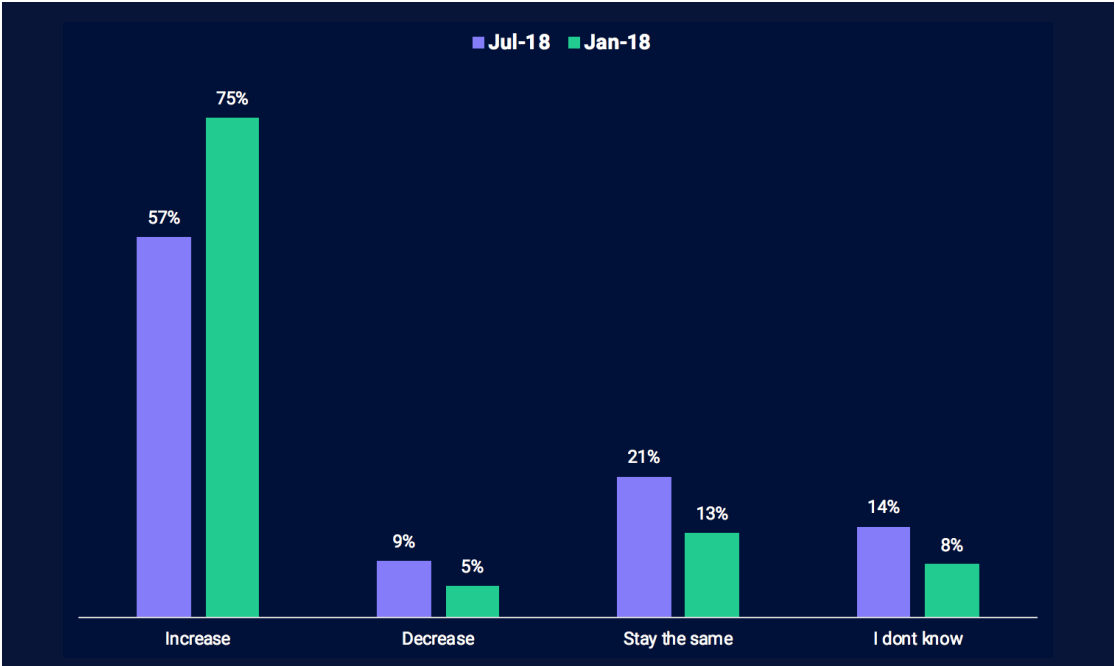
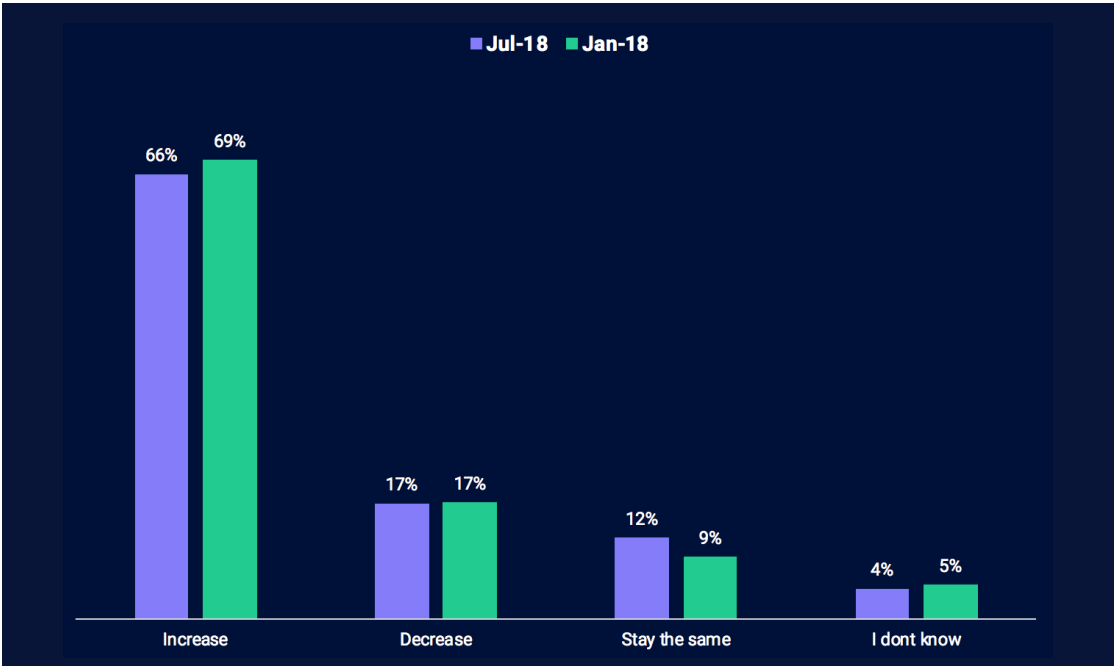


Exhibit 10: 2/3rds of the consumers believe crypto valuations to increase over the next year [\[10\]](#)



GROWING NUMBER OF COMPANIES ARE IMPLEMENTING BLOCKCHAIN TECHNOLOGY

32 percent of investors and 49 percent of consumers say employers are planning to roll out Blockchain in the near future. In addition, the percentage of consumers whose say employers are considering a Blockchain roll out grew 12 percent over the past six months to 49 percent from 37 percent, demonstrating a growing need for the technology.

Exhibit 11: One third of investors expect to see Blockchain implementation in their companies [11]

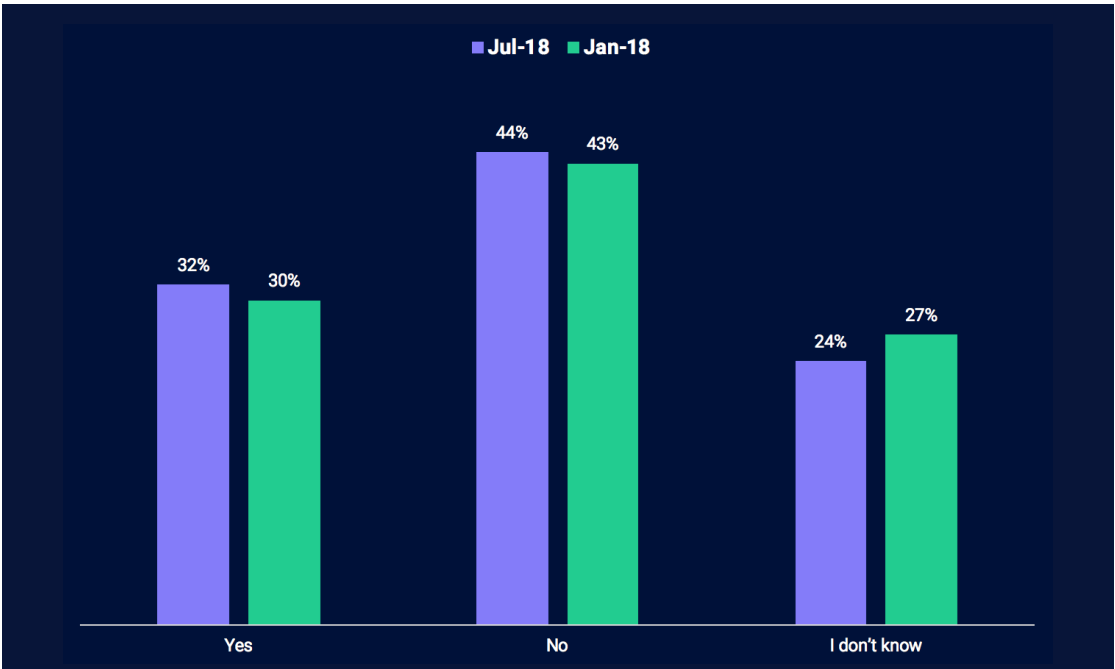
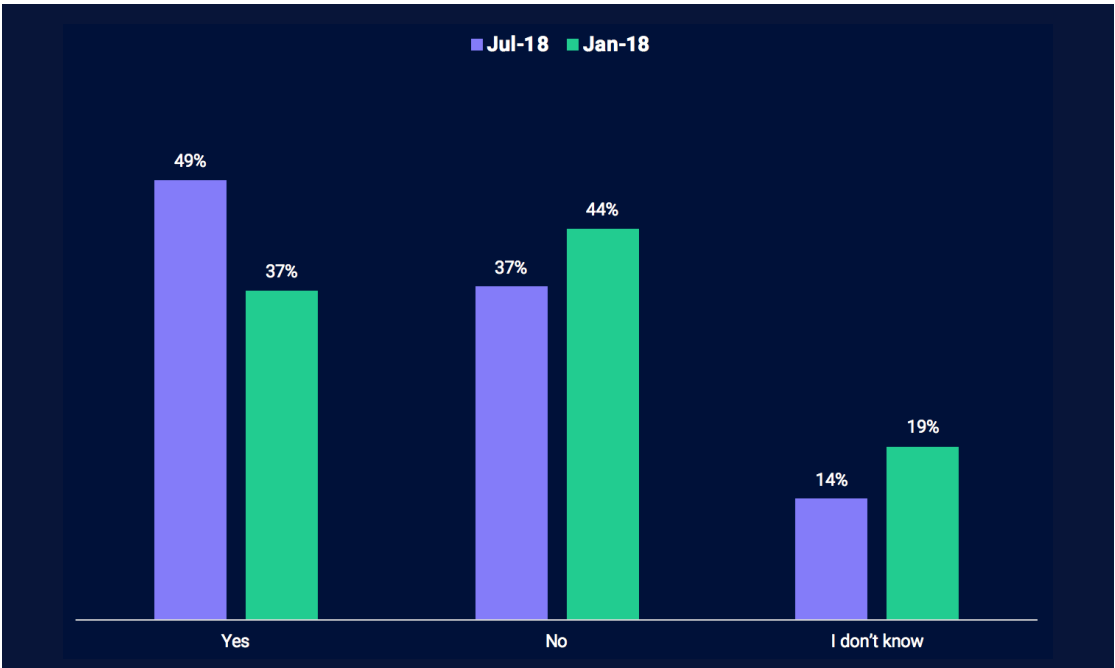


Exhibit 12: Almost half of consumers believe their employers would implement Blockchain in the next 12 months [12]



MONEY TRANSFER AND PAYMENTS ARE TOP CANDIDATES FOR BLOCKCHAIN DISRUPTION

Four out of the five sectors respondents picked that would be impacted by Blockchain hail from financial services. Both investors and consumers are bullish about Blockchain disrupting money transfer, payments, and asset management sectors. Over 58 percent of investors and 55 percent of consumers think Blockchain will first strike money transfer.

Exhibit 13: 4/5 sectors investors expect Blockchain to disrupt are from financial services [13]

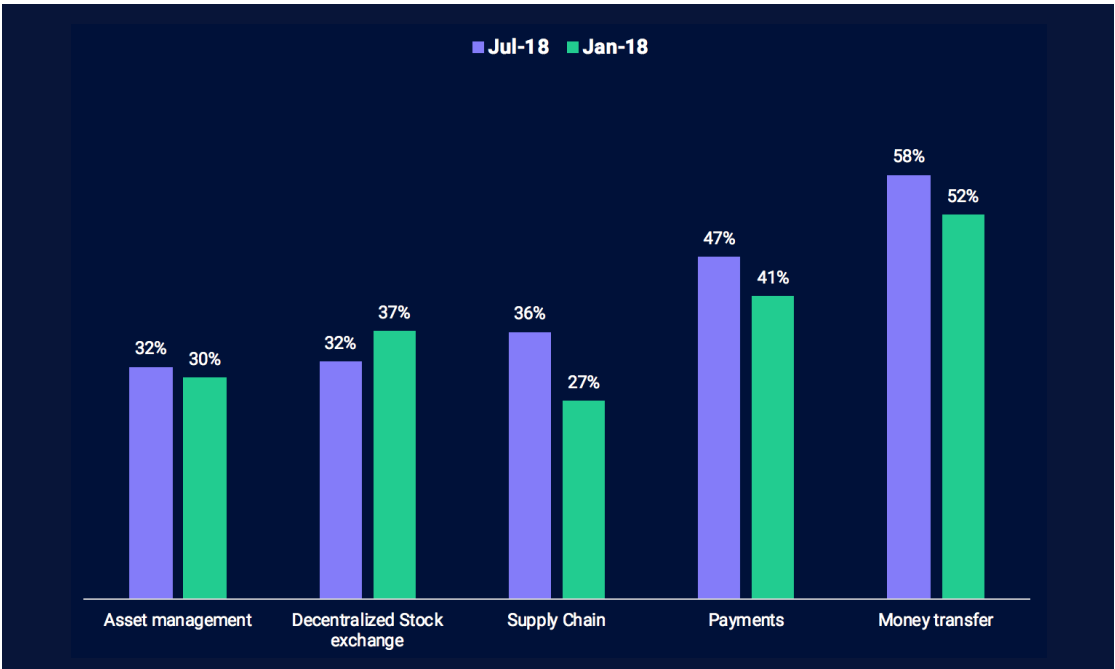
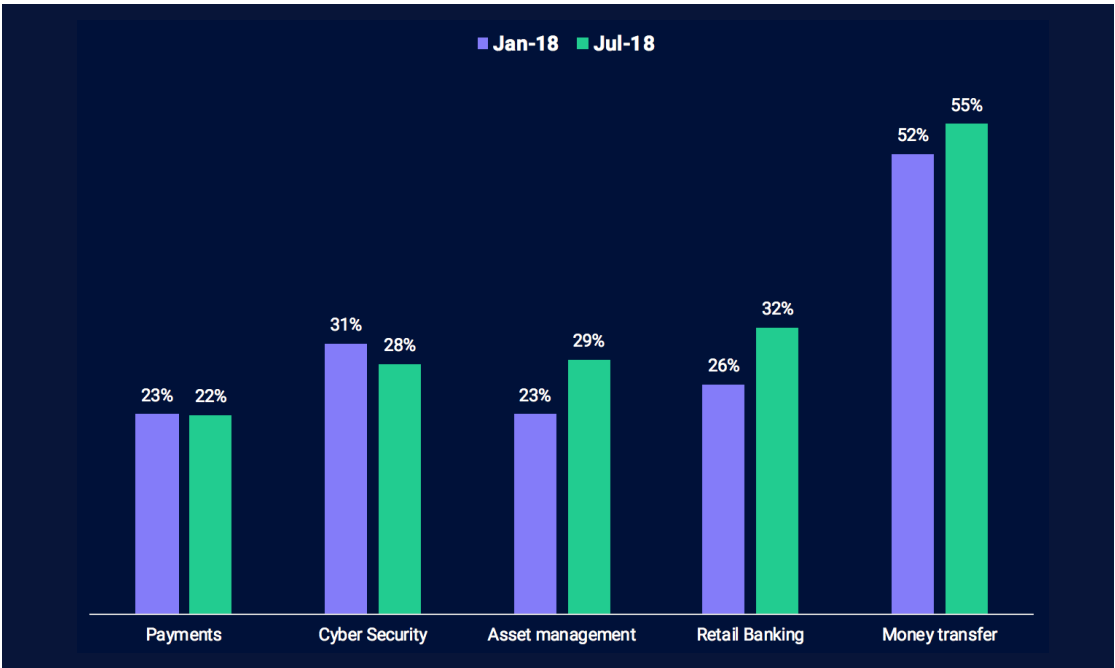


Exhibit 14: Consumers are bullish about Blockchain's potential for money transfers [14]



CRYPTOCURRENCIES AND BLOCKCHAIN TECHNOLOGY MAY TAKE LONGER TO GO MAINSTREAM

Both investors and consumers tempered their expectations for widespread adoption of cryptocurrencies. The percentage of investors who think crypto will go mainstream in 2020 dropped to 27 percent from 51 percent; 37 percent from 42 percent among consumers. More people now feel 2025 represents a more realistic timeline for digital currencies.

Exhibit 15: Investors expect main stream crypto and blockchain adoption to be delayed till 2025 [\[15\]](#)

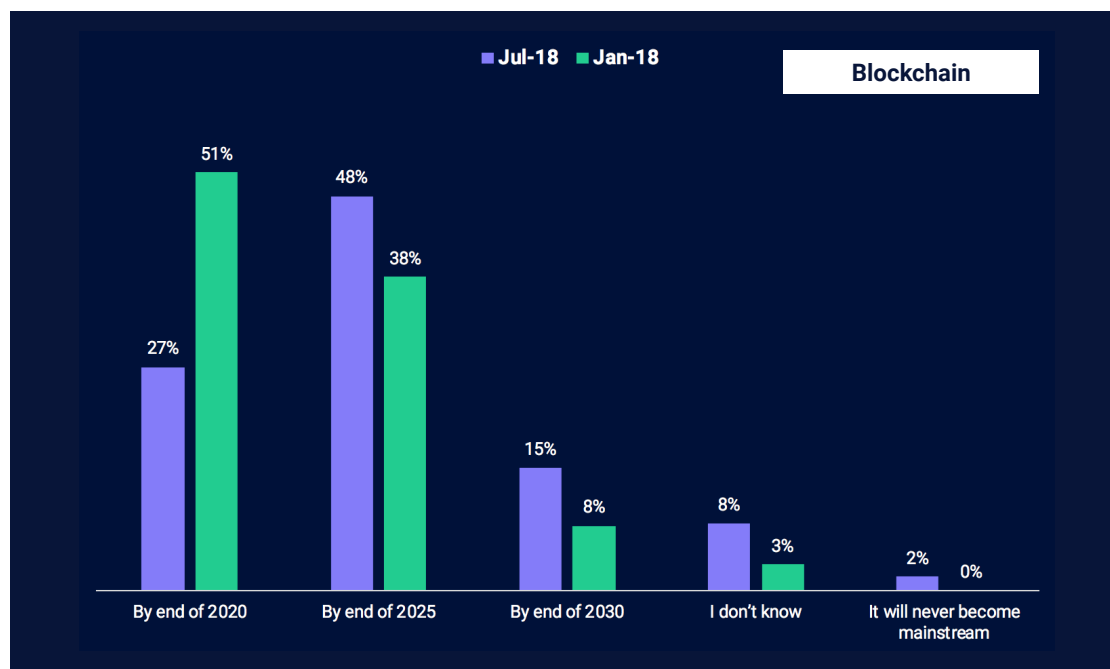
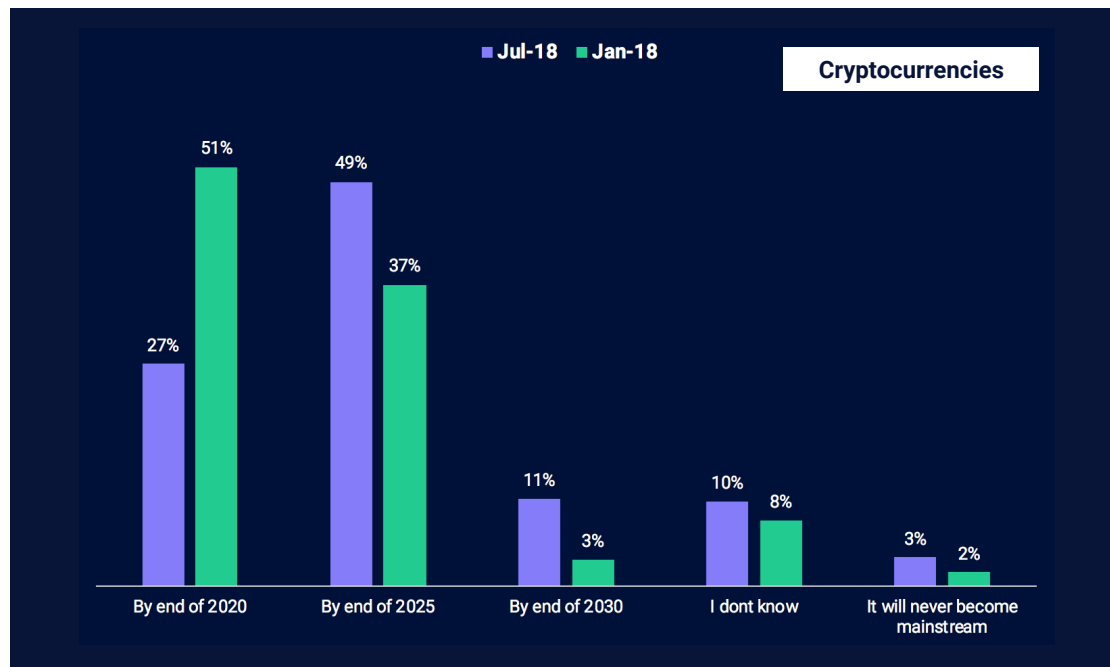
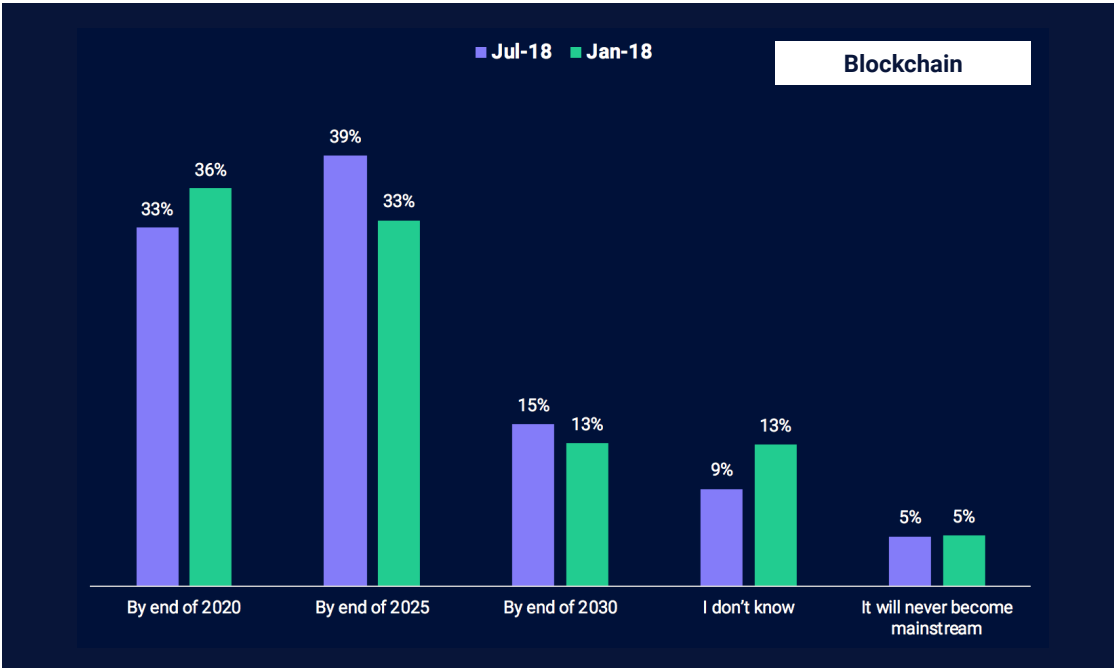
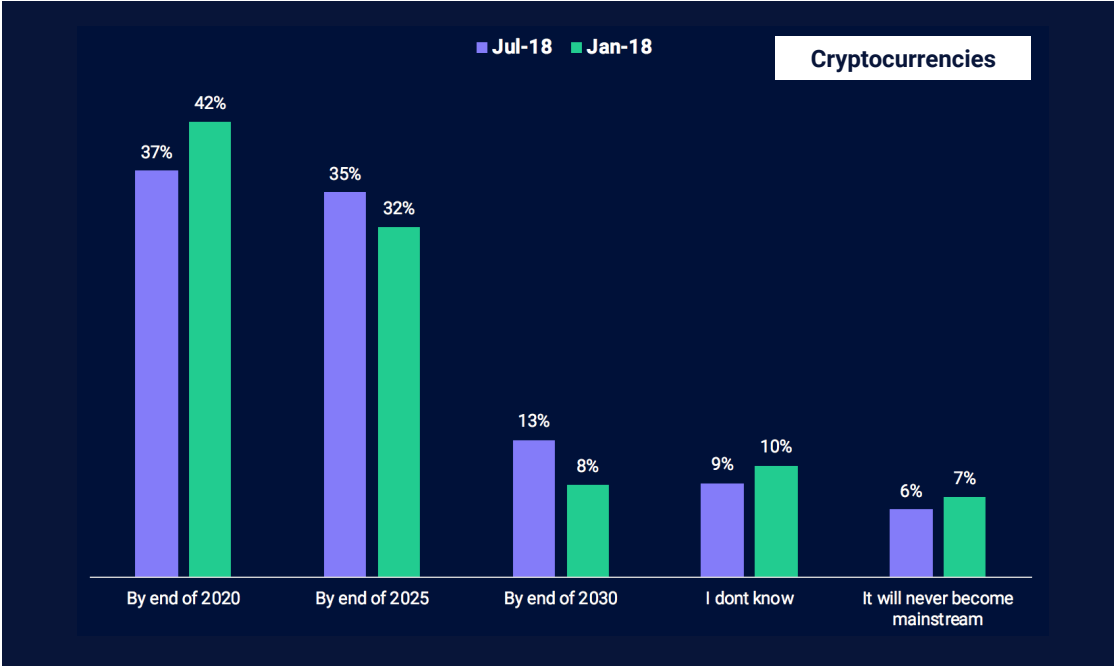


Exhibit 16: Consumers tone down their expectations for mainstream crypto adoption to 2025 [16]



VOLATILITY & SECURITY ARE KEY CONCERNS FOR CRYPTO OWNERSHIP

Over 50 percent of survey takers picked volatility and over 37 percent picked safety and security as their top concerns. Both crypto and non-crypto owners have expressed similar sentiments.

Exhibit 17: Volatility and security top the list of cryptocurrency concerns for investors [17]

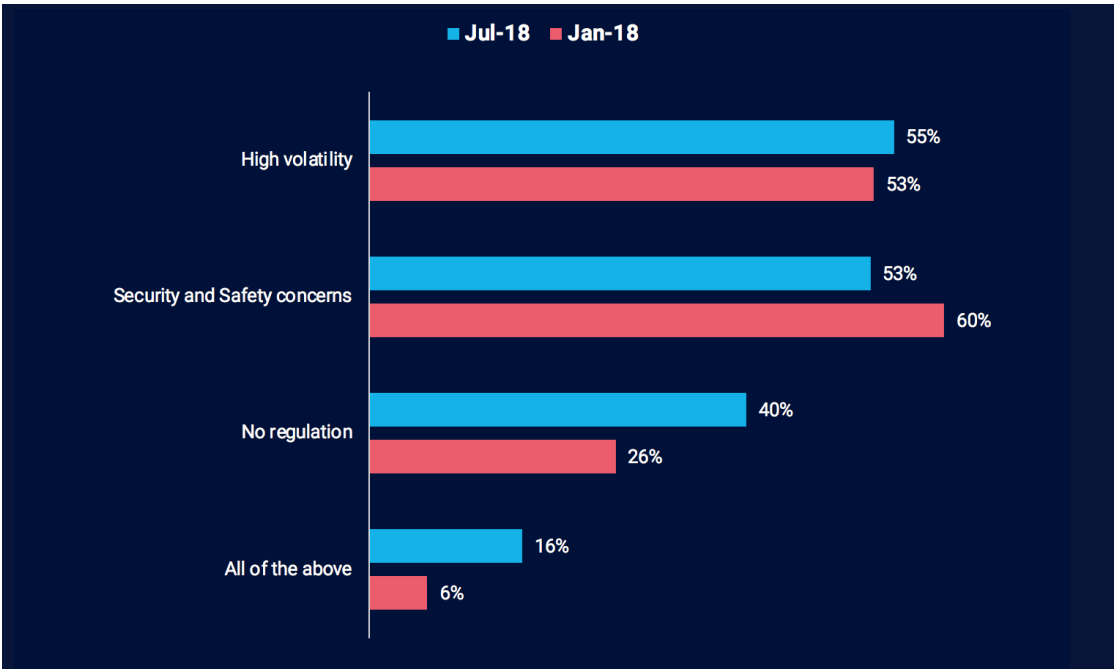
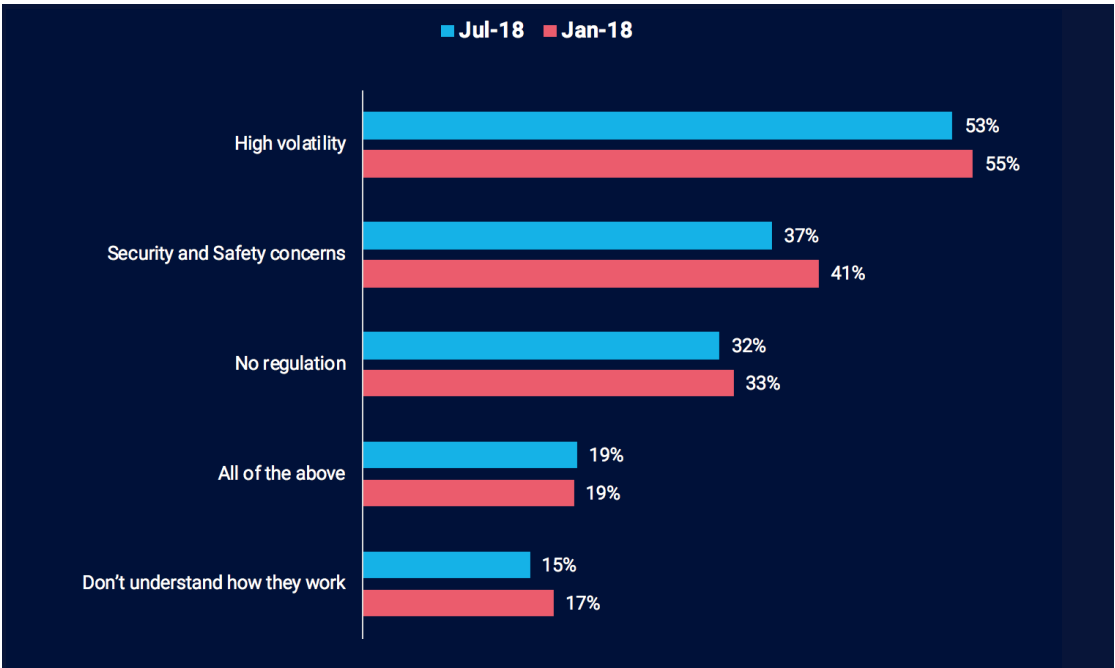


Exhibit 18: Consumers overwhelmingly concerned with cryptocurrency volatility [18]



LACK OF EDUCATION AND COMMERCIAL USE POSE TOP CHALLENGES TO BLOCKCHAIN ADOPTION

55 percent of investors and 57 percent of consumers picked lack of understanding as the top challenge while half of both investors and consumers believe lack of effective use cases as their primary concern.

Exhibit 19: Investors believe Blockchain education as key for wider adoption [\[19\]](#)

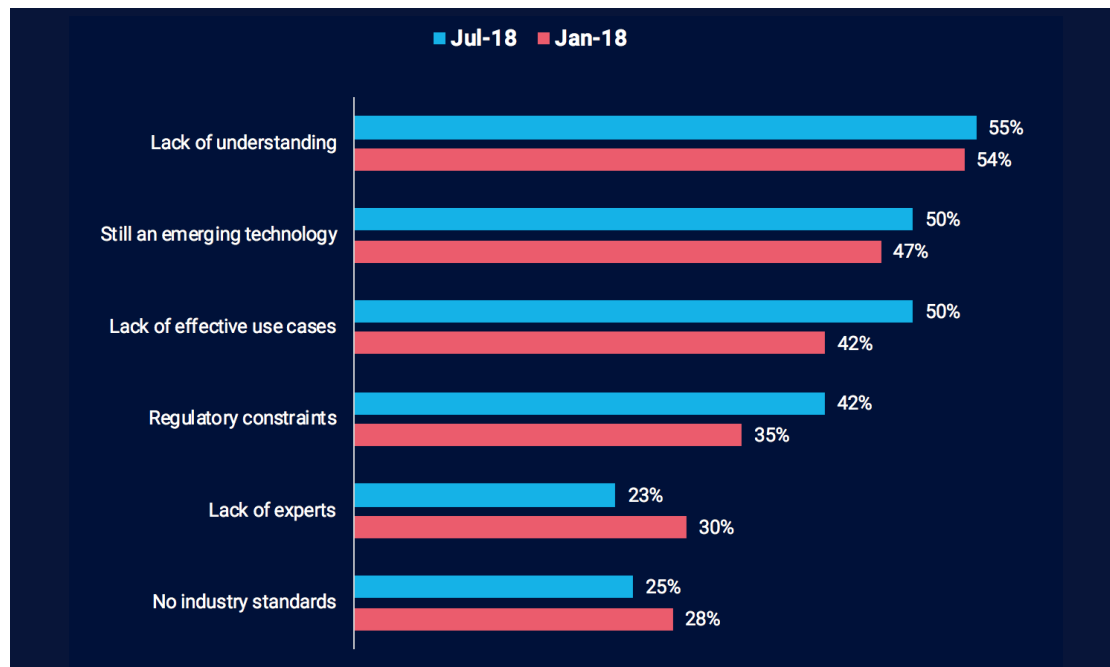
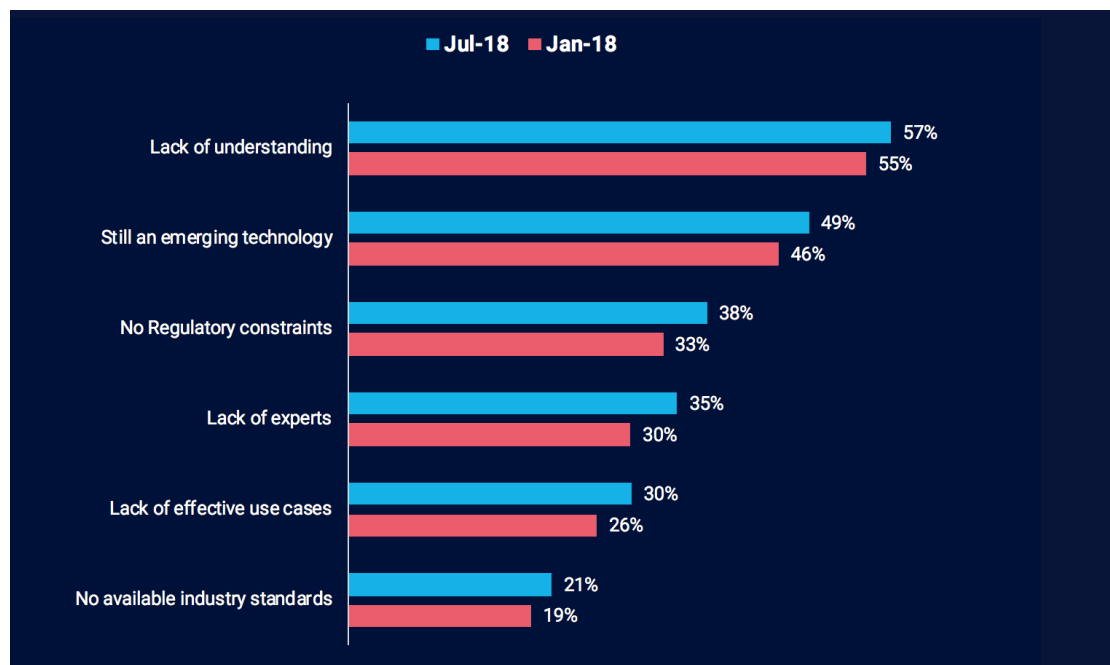


Exhibit 20: Consumers picked education over regulation for wider Blockchain adoption [\[20\]](#)



COINBASE IS THE MOST POPULAR EXCHANGE AND APPLICATION

Over 80 percent of investors and 63 percent of consumers consider Coinbase as the most popular application. Respondents also overwhelmingly picked Coinbase as the exchange broker with the most potential for long term success. Interestingly, Coinbase is the most popular application and exchange even among non-crypto owners.

Exhibit 21: Increasing Proportion of Investors Believe in Coinbase’s Long-Term Potential [\[21\]](#)

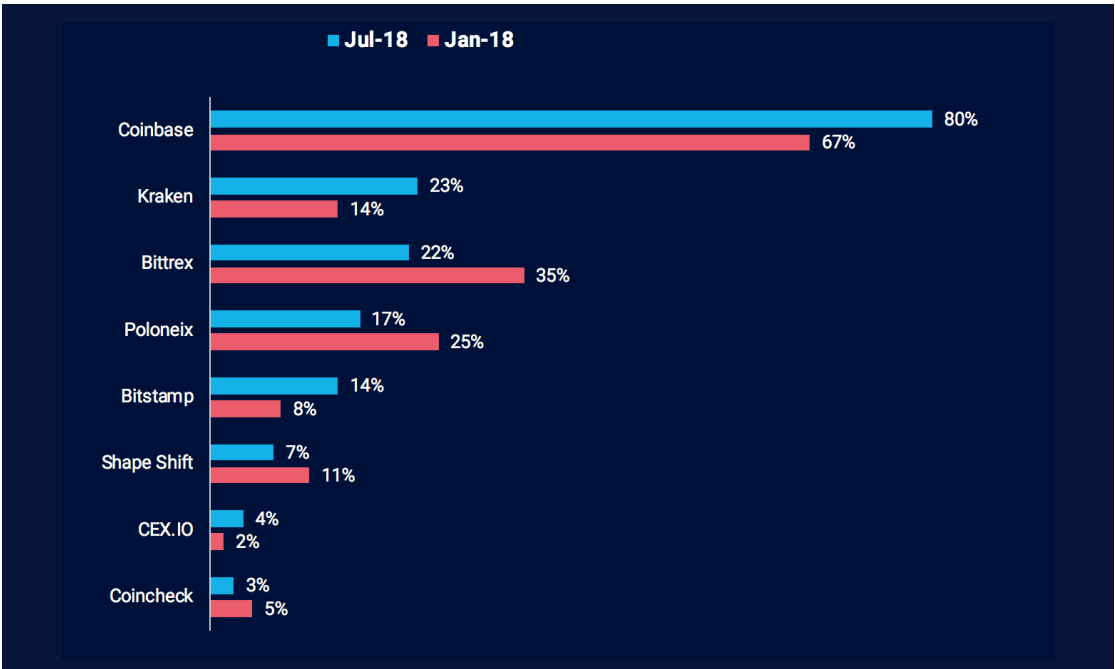
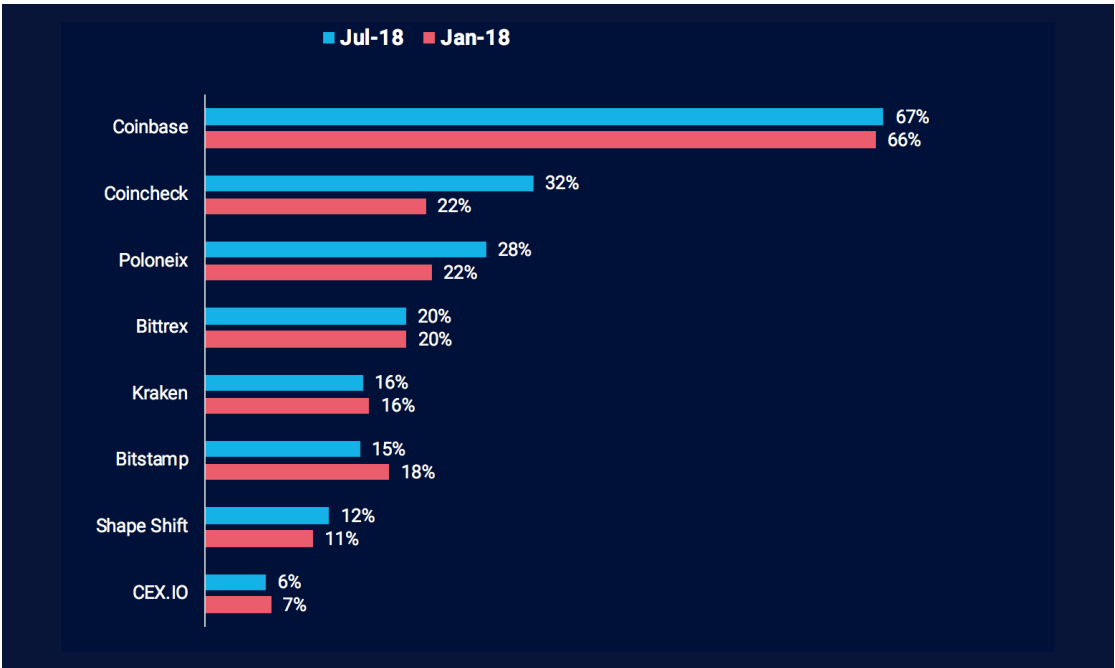


Exhibit 22: Coinbase Remains Most Popular Application Amongst Consumers [\[22\]](#)



CRYPTO CURRENCIES ENJOY STRONG AWARENESS AMONG CONSUMERS AND INVESTORS

Over 95 percent of consumers and 100 percent of investors are aware of crypto assets. While there has been a slight decrease in the percentage of investors owning crypto, 59 percent of both investors and consumers have owned cryptocurrencies either as a hobby or as an investment.

Exhibit 23: Consumers Increase Adoption of Cryptocurrency As Viable Investment [23]

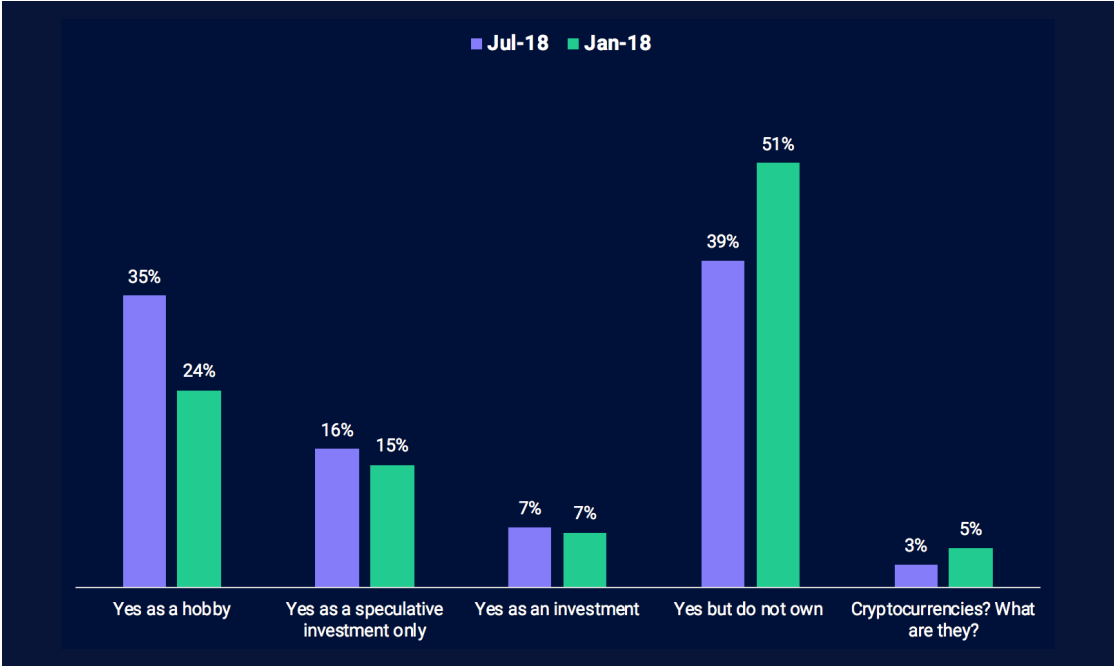
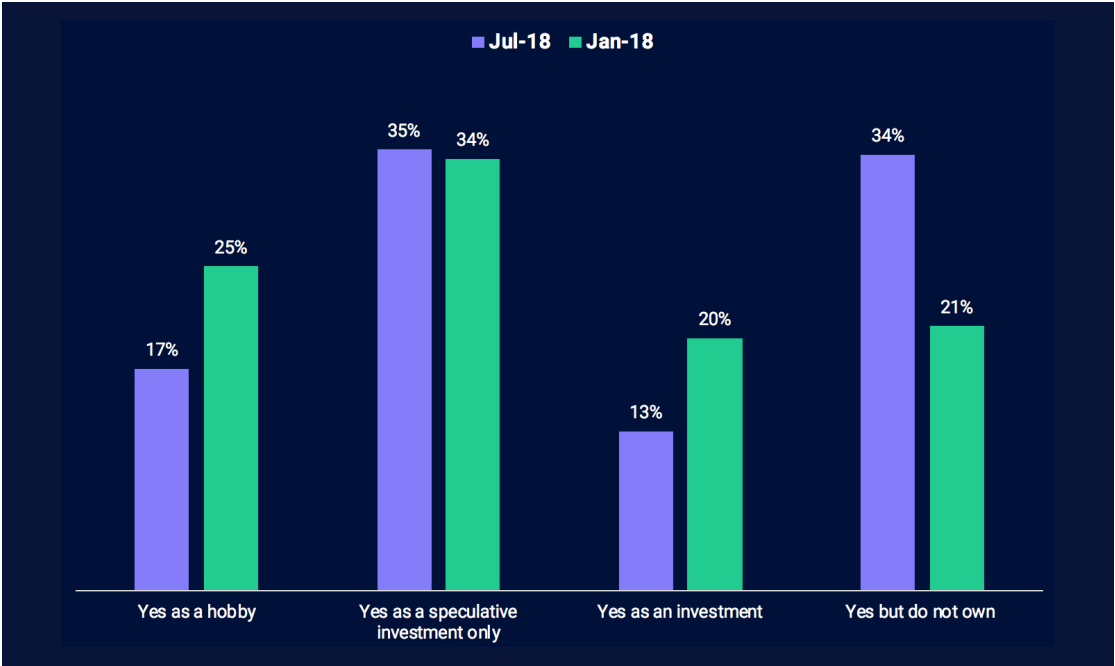


Exhibit 24: Investors Generally Decreasing Exposure To Cryptocurrencies [24]



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SOURCES

- [1] SharesPost Research; N = 2308 consumers; Survey Question: "What is your yearly income range"; Percentages rounded off to the nearest integer
- [2] SharesPost Research; N = 2308 consumers; Survey Question: "In which region are you located geographically?"; Percentages rounded off to the nearest integer
- [3] SharesPost Research; N = 446, Individual investors; Survey Question: "What is your yearly income range"; Percentages rounded off to the nearest integer
- [4] SharesPost Research; N = 446 individual investors; Survey Question: "In which region are you located geographically?"; Percentages rounded off to the nearest integer
- [5] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 investors; Survey Question: "Which currencies do you think have the potential to be successful in the long-term?"; Percentages rounded off to the nearest integer
- [6] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 consumers; Survey Question: "Which currencies do you think have the potential to be successful in the long-term?"; Percentages rounded off to the nearest integer
- [7] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 investors; Survey Question: "Do you plan to increase your cryptocurrency holdings over the next 12 months"; Percentages rounded off to the nearest integer
- [8] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 consumers; Survey Question: "Do you plan to increase your cryptocurrency holdings over the next 12 months?" Percentages rounded off to the nearest integer
- [9] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 Investors; Survey Question: "Do you plan to increase your cryptocurrency holdings over the next 12 months?" Percentages rounded off to the nearest integer
- [10] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 consumers; Survey Question: "Do you plan to increase your cryptocurrency holdings over the next 12 months?" Percentages rounded off to the nearest integer
- [11] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 Investors; Survey Question: "Is your company considering implementing Blockchain technology in the next 12 - 24 months?" Percentages rounded off to the nearest integer
- [12] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 Consumers; Survey Question: "Is your company considering implementing Blockchain technology in the next 12 - 24 months?" Percentages rounded off to the nearest integer
- [13] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 Investors; Survey Question: "Which sector of Blockchain technology are you most bullish on? (SELECT TOP THREE)"; Percentages rounded off to the nearest integer
- [14] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 Consumers; Survey Question: "Which sector of Blockchain technology are you most bullish on? (SELECT TOP THREE)"; Percentages rounded off to the nearest integer
- [15] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 Investors; Survey Question: "How long do you think it will take for cryptocurrency to be accepted as mainstream?"; Percentages rounded off to the nearest integer
- [16] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 consumers; Survey Question: "How long do you think it will take for cryptocurrency to be accepted as mainstream?"; Percentages rounded off to the nearest integer
- [17] SharesPost Research; N = 446 for Jul 2018 and N = 81 for Jan 2018 Investors; Includes investors who do not own crypto assets; Survey Question: "What are your concerns/risks in owning cryptocurrencies?"; Percentages rounded off to the nearest integer
- [18] SharesPost Research; N = 2308 for Jul 2018 and N = 2155 for Jan 2018 Consumers; Includes consumers who do not own crypto assets; Survey Question: "What are your concerns/risks in owning cryptocurrencies?"; Percentages rounded off to the nearest integer
- [19] SharesPost Research; N = 446 for Jul 2018 and N = 81 for Jan 2018 Investors; Includes investors who do not own crypto assets; Survey Question: "In your opinion, what are the biggest challenges to adopting Blockchain technology"; Percentages rounded off to the nearest integer

SOURCES

- [20] SharesPost Research; N = 2308 for Jul 2018 and N = 2155 for Jan 2018 Consumers; Includes consumers who do not own crypto assets; Survey Question: "In your opinion, what are the biggest challenges to adopting Blockchain technology"; Percentages rounded off to the nearest integer
- [21] SharesPost Research; N = 294 for Jul 2018 and N = 63 for Jan 2018 Investors; Survey Question: "Which of the exchanges you think have the potential to become successful in the long term"; Percentages rounded off to the nearest integer
- [22] SharesPost Research; N = 1396 for Jul 2018 and N = 1013 for Jan 2018 Consumers; Survey Question: "Please select the cryptocurrency apps you are familiar with"; Percentages rounded off to the nearest integer
- [23] SharesPost Research; N = 2490 for Jul 2018 and N = 2352 for Jan 2018 Consumers; Survey Question: "Have you heard of cryptocurrencies"; Percentages rounded off to the nearest integer
- [24] SharesPost Research; N = 528 for Jul 2018 and N = 106 for Jan 2018 individual investors; Survey Question: "Have you heard of cryptocurrencies"; Percentages rounded off to the nearest integer



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