

Generations Y and X Perception Towards Bitcoin In Klang Valley

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ABSTRACT

Recent years have seen a significant increase in the popularity of cryptocurrencies such as Bitcoin and other well-known digital assets. Cryptocurrency is obtained and exchanged using the blockchain method also called a digital coin or virtual money. Thus, the emergence of cryptocurrencies in the decade following Bitcoin's creation in 2009 has affected the global market and its phenomenon in Malaysia is very fresh. It is still a source of contention among Malaysians, particularly about Bitcoin cryptocurrency. This study's purpose is to look at the perceptions of Generation Y and Generation X towards Bitcoin. This study relied on primary data gathered through the questionnaire. Indeed, Bitcoin has a bright future ahead of it and will transform the impacting monetary system.

Keywords: *Cryptocurrencies, Bitcoin, Generation Y, Generation X*

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INTRODUCTION

The advent of credit cards drove up the development of internet banking and online channels like PayPal. The growth is witnessed in cryptocurrencies and Bitcoin (Gafar, Abenoh and Ahmed, 2021). As new generations enter the market, cryptocurrencies expand. Digital currency investing and trading is now open to everybody. Also, many people have made wealth from cryptocurrency trading (Smith, 2021). Blockchain technology is a distributed ledger executed through a computer network. Many cryptocurrencies rely on it (Frankenfield, 2021).

In this study, Gen X and Gen Y's awareness will be examined. Generations X and Millennials have different opinions on a range of subjects because each has its own basic idea and understanding of everything which shows in their real-world conduct. To serve everyone well, investors and businesses must understand different generations' attitudes (Gafar, Abenoh and Ahmed, 2021). This study examines how generations X and Y see cryptocurrencies and Bitcoin in particular.

Cryptocurrency is mainly a digital asset, and its first coin is called Bitcoin (Hern, 2018). Bitcoin has the potential to replace fiat currency as its value increases by 300% in 2020, multiplied by 10 times the gain of gold (Cuthbertson, 2020). Malaysia sees Bitcoin as a legal asset under Security Commission Malaysia (SCM) approval (Wong, 2021). Dr. Modh, the Shariah Advisory Council chairman of SC stated that only 2% of Malaysians knew cryptocurrency in general in 2020 (Wright, 2020). In this study, Klang Valley has been chosen due to its economic thriving including the urban areas of Kuala Lumpur and Putrajaya (*Expatgo*, 2014).

LITERATURE REVIEW

Perception Towards Bitcoin (Gen Y and Gen X)

The Internet has become a very important part of all its users' lives, which has resulted in different perceptions about things related to it. Therefore, different generations have various perceptions of it as Bitcoins are very reliant on the Internet.

The Pew Research Center (2015) defines Generation Y as those born between 1981 to early 2000. In Malaysia, Generation Y or the "Millennial Generation" is the largest component of the population of Malaysia compared to other generations (*Department of Statistics Malaysia*, 2019). They are technology literate because their era is the development of information technology (Moran, 2016). The perception of Generation Y towards Bitcoin is generally positive as millennials are attracted to a new method of investment and are expected to utilize Bitcoin in the next 10 years (Bastos, 2020).

Amy (2021) stated Generation X is a term used to designate generations born between 1965 and 1980. Gen X is a pillar of Malaysia's corporate milestone (Lily, 2014). They were not exposed much to technology and were usually seen as someone careful as their era was a financial crisis and pre-development technology (Gafar, Abenoh, Ahmed, 2021). The perception of Generation X towards Bitcoin is less amusing as they are the least interested in investing in digital currency (Dzhondzhorov, 2021). This generation suffers financial pressure and has significant obligations and responsibilities due to their age (Gardner, 2021).

The Value of Bitcoin

According to Nibley (2021), in 2009, Bitcoin's value barely surpassed zero. For the first time, in February 2011, Bitcoin reached \$1.00, bringing it into parity with the United States dollar. A few months later, the price of Bitcoin reached \$10 before rapidly rising to \$30. The value of Bitcoin has increased 100 times since the beginning of the year about \$0.30 (Nibley, 2021). It is stated by Nibley (2021), in 2013, the EFF resumed taking Bitcoin because 2013 was the most profitable year in the history of Bitcoin in terms of revenues percentage.

According to Demanto (2021), for almost six months, there was another spectacular increase in November and December of the same year, when it peaked at \$1,100. It will be more than three years before Bitcoin price reaches \$1,000 once more. Bitcoin's price reached 85% of its all-time highs in 2013. The value of Bitcoin continued to soar as in 2017, Bitcoin's price surpassed \$2,000 for the first time and then \$3,000 just a few weeks after (Higgins, 2017). While the price and value have increased, the future and opportunities are still being searched (Fauzi, Paiman and Othman, 2020).

The Security of Bitcoin

Nowadays, the blockchain technology that was created by Satoshi Nakamoto is commonly and actively associated in the cryptocurrencies field. Blockchain technology helps cryptocurrencies record Bitcoin transactions and become the main database that is vetted and maintained by computer networks all over the world (Sarmah, 2018). The data also cannot be changed or erased without any authority because of the blockchain's built structure (Gafar, Abenoh, Ahmed, 2021). Blockchain tends to distribute the data among the other users of that software and allow them to access others' data.

The security of this blockchain is highly secure, and the attempt to fool the Bitcoin community in the blockchain will be noticed as it is regulated by the community of users and not a third party (Stephen, Alex, 2018). Called a blockchain because of the formation of transaction chains, which occurs when a new transaction is authenticated and connected to a previous transaction (Sarmah, 2018). Many social entrepreneurs are attracted to Bitcoin because of the high growth areas rather than the average consumer (Nadeem, 2018).

METHODOLOGY

Primary data collection is the method used to collect information. Since Generation X and Generation Y in Klang Valley perceptions are required in this study, primary data collection will be used. The study uses quantitative methods to assess the perception of generations Y and X about Bitcoin. A questionnaire was used to evaluate the framework for this study. Questionnaires were distributed electronically. The population concentrated in this study is respondents among Generation Y and Generation X that live in Klang Valley, *The Edge Markets* (2021) reported that Klang Valley has 8.4 million overall population as of 2021.

A random sampling method is used to gain data which is the method used to provide an equal chance to be selected. An appropriate sample size is between 30 to 500 people, as mentioned by clinical researcher, Dr. Saiful (Abdul Latiff, 2018). The size of the sample used in this research is 310 respondents who live in Klang Valley, Generation X was born between 1965 and 1980, and Generation Y was born between 1981 and 2000. The data of this study is analyzed by using Statistical Package for Social Science (SPSS).

CONCLUSION

In conclusion, this study aimed at the perception of Generation X and Y toward Bitcoin in Klang Valley. It is anticipated that there is a strong, positive and significant relationship between the value of Bitcoin and Bitcoin's security and with the perception of Generation Y and X.

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