

SURVEY REPORT

Crypto Survey: Investor sentiment shows signs of rebound

March 2019



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For important disclosures and analyst certification, please see page [\[21\]](#)

EXECUTIVE SUMMARY

We are pleased to announce the results of our third consumer and investor survey on trends in cryptocurrencies and Blockchain technology.

Despite the calamitous decline in cryptocurrency valuations over the last year, consumers and investors continue to offer a bullish, long term outlook for crypto and Blockchain. Investors have become more optimistic about near-term cryptocurrency trends, with a majority planning to increase their holdings. Consumers' positive outlook remains largely unchanged since the beginning of last year.

For the first time, our survey offers specific information about respondents' crypto holdings. More than 30 percent of investors said they owned at least \$25,000 in Bitcoin while another 20 percent reported a similar amount with Ethereum.

Here are some other key findings from the survey:

- **Bitcoin, Ethereum and XRP remain the most popular crypto holdings**

Both investors and consumers overwhelmingly picked Bitcoin as the top currency they own, followed by Ethereum, XRP and Stellar. These cryptocurrencies, they said, offer the most potential for long term success. Positive investor sentiment for Bitcoin grew to over 80 percent. XRP remains investors' preferred choice over Litecoin and Bitcoin Cash.

- **The number of companies implementing Blockchain holds steady despite negative sentiment**

39 percent of investors and 46 percent of consumers expect their employers will implement blockchain technologies sometime in the future.

- **2025 is the target for most investors and consumers**

Investors and consumers see 2025 as the year we see widespread adoption of cryptocurrencies and Blockchain technology.

- **Investors and consumers expect more regulatory clarity**

43 percent of investors expect regulations surrounding crypto currencies to improve looking ahead. Nearly 75 percent of surveyed consumers expect regulation to become more clear.

- **In a SharesPost Research first, respondents share crypto holdings**

50 percent of consumers are long Bitcoin. How do other cryptocurrencies match up?

“Despite the calamitous decline in cryptocurrency valuations over the last year, consumers and investors continue to offer a bullish, long term outlook for crypto and Blockchain.”

TOP SURVEY HIGHLIGHTS

Accredited investors			Consumers	
Answers	Changes since July 2018	The Questions	Changes since July 2018	Answers
BTC, ETH, XRP	Positive trend for BTC	Which Cryptocurrencies are you most bullish on?	Consistent with June 2018	BTC, ETH, XRP
71% planning to buy	More investors planning to buy	Are you planning to buy Crypto in next 12 months?	Consistent with July 2018	68% planning to buy
68% expect prices to rise	More investors expect prices to rise	Do you think Crypto prices will rise in the next 12 months?	More consumers expect prices to rise	75% expect prices will rise
39% plan to implement	Positive trend	Is your company planning to implement Blockchain?	Consistent with July 2018	46% plan to implement
Money transfer, payments, asset management	Asset management increasing in popularity	Which sectors will Blockchain disrupt?	Payments and cybersecurity increasing in popularity	Money transfer, payments, cybersecurity
2025	Consistent with July 2018	When will Crypto go mainstream?	Consistent with July 2018	2025
Volatility & security	Consistent with July 2018	What are your biggest concerns about Crypto?	Consistent with July 2018	Volatility & security
Nascent technology & lack of knowledge	Shifted concerns	Challenges for Blockchain adoption	Shifted concerns	Nascent technology & lack of knowledge
Coinbase	Consistent with July 2018	Most popular exchange	Consistent with July 2018	Coinbase

SURVEY METHODOLOGY

We created the SharesPost Cryptocurrency and Blockchain Consumer and Investor Survey to understand changes in investor and consumers views about cryptocurrencies and Blockchain and what the future holds for 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 online survey during January and February 2019.

We received responses from 1,018 consumers and 96 individual accredited and institutional investors. By comparison, 2,352 consumers and 106 investors participated in our first survey in early 2018. Survey respondents represented a wide range of private and public market investment styles.

Exhibit 1: Consumer respondent Income [1]

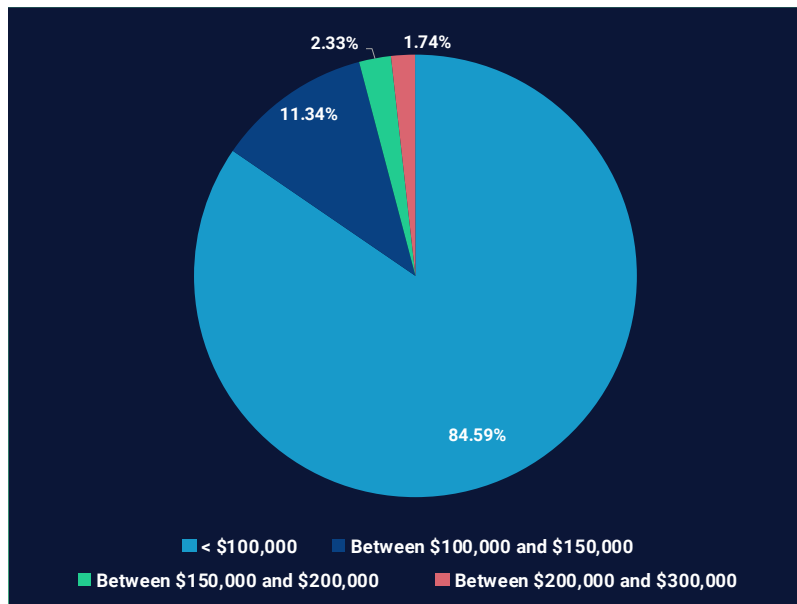


Exhibit 2: 78 percent of consumer respondents reside in Asia and North America [2]

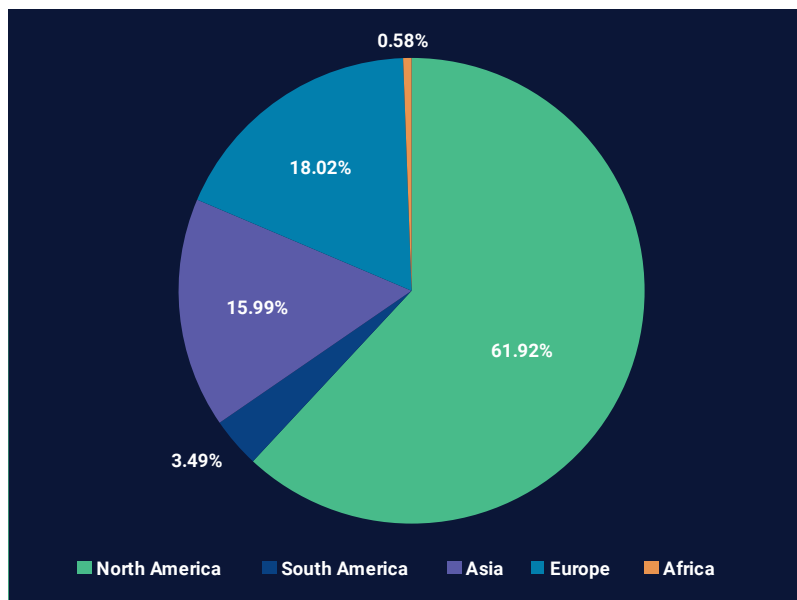
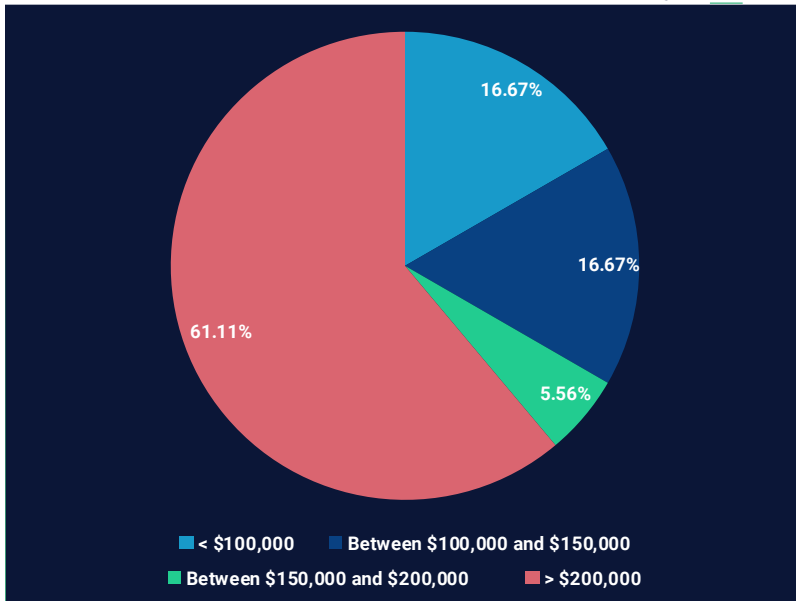
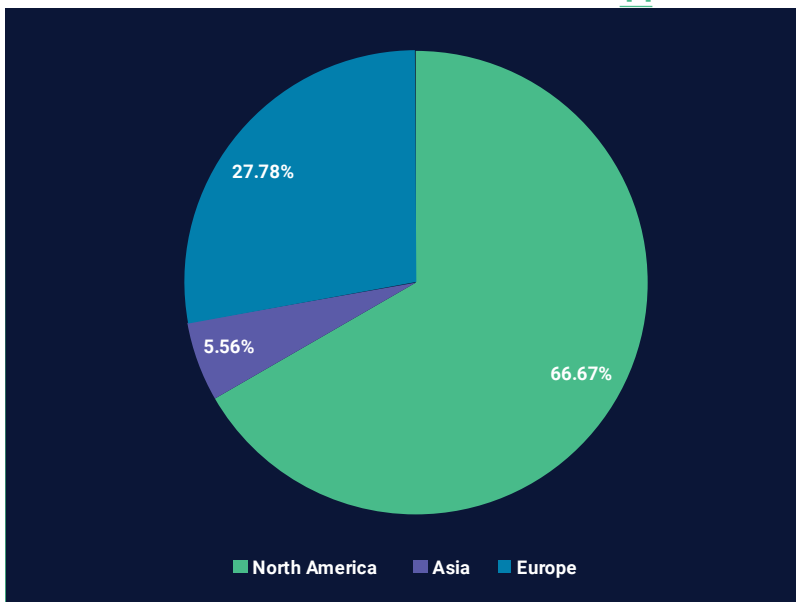


Exhibit 3: 83 percent of investors earn more than \$100,000 a year [3]



“SharesPost received responses from more than 1,114 individuals comprised of 96 professional investors and 1,018 consumers. Both groups saw a significant proportion of responses coming from North America.”

Exhibit 4: Two thirds of investors are from North America [4]



SURVEY RESPONDENTS PRAISE BITCOIN, ALT-COINS ON THE RISE

Both investors and consumers overwhelmingly selected Bitcoin as the cryptocurrency with the most long-term potential, followed by ETH and XRP. This rank order held since July 2018. Perhaps Bitcoin owes its popularity to its pricing, which has been relatively less volatile over the past six months. Moreover, the trailblazing token has enjoyed strong price gains in recent weeks. Ethereum continued to see decreased expectations, likely influenced by recent delays in the Constantine upgrade. Alt-coins have kept some investor and consumer attention— over 20 percent of both groups see Litecoin being successful.

Exhibit 5: Over 80 percent of investors surveyed believe Bitcoin is here to stay [5]

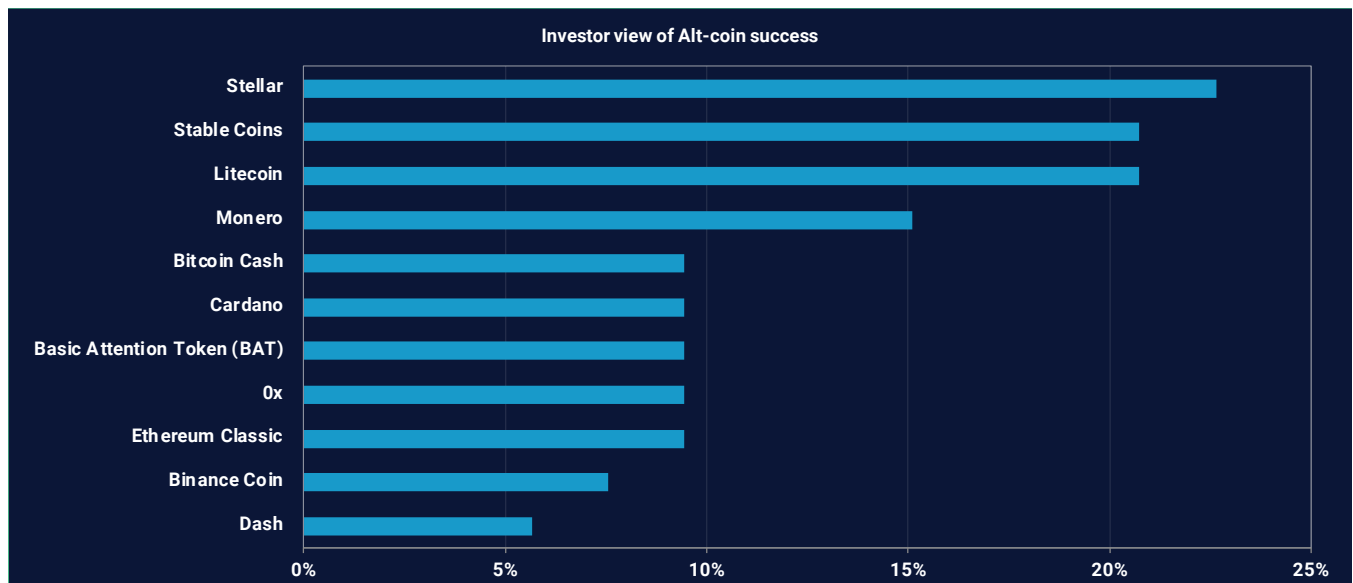
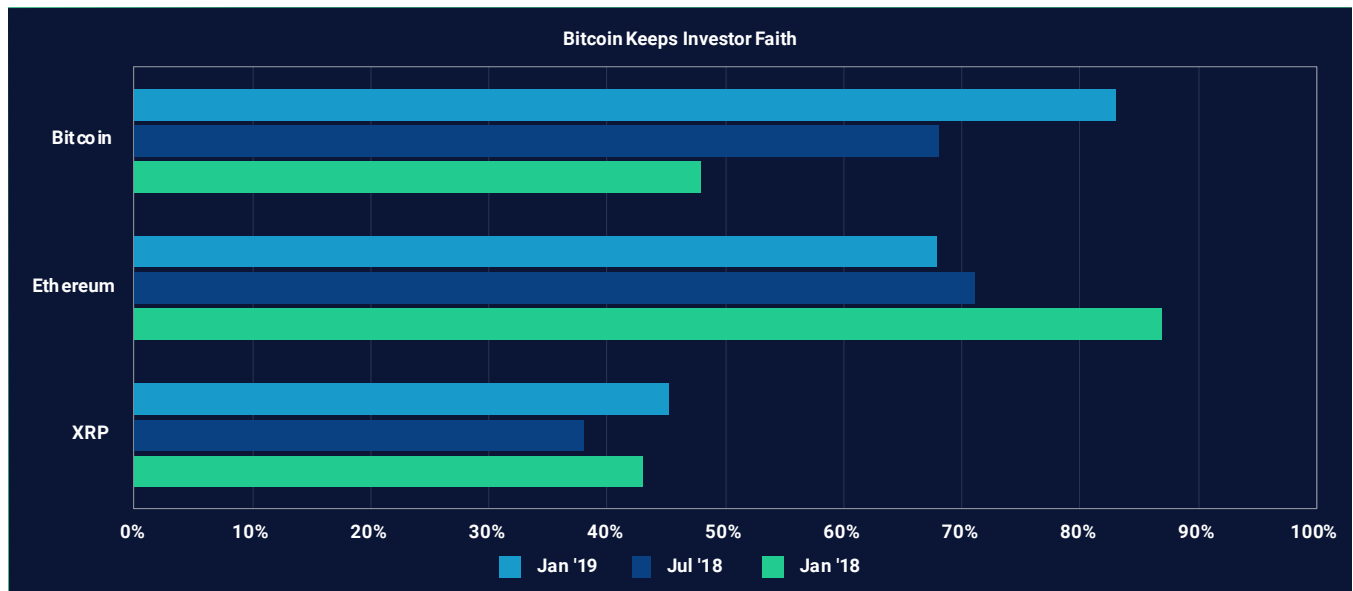
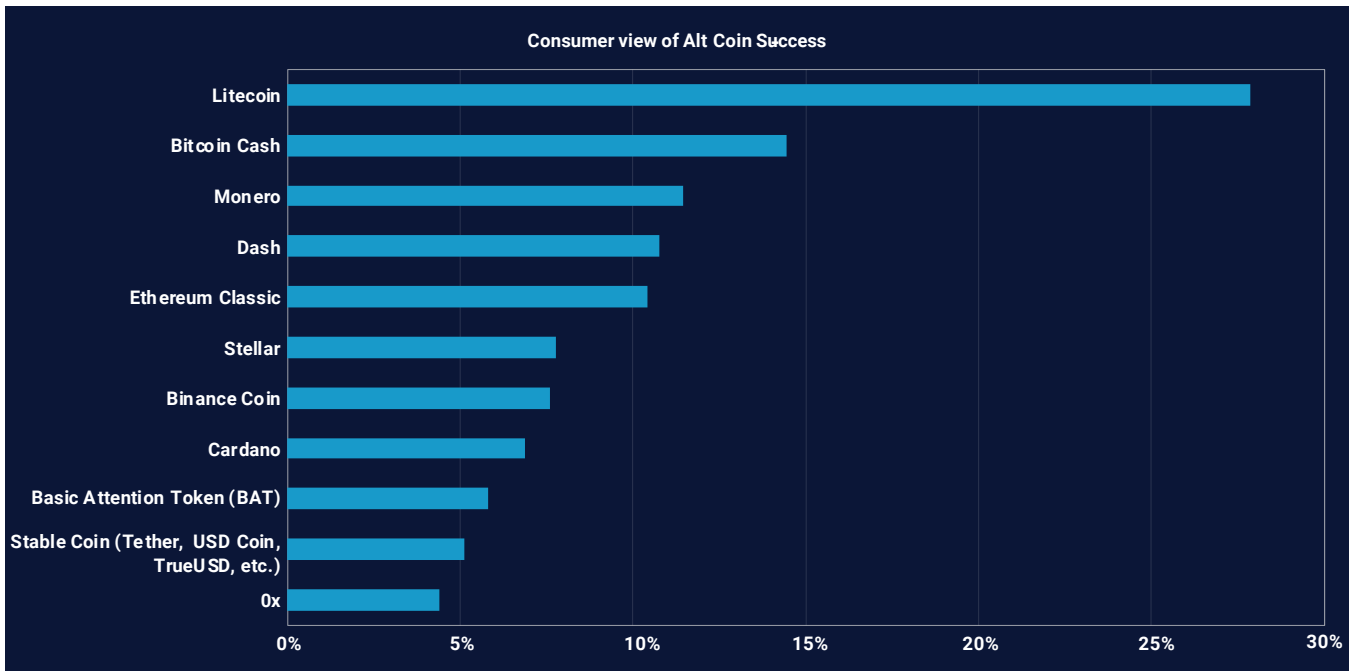
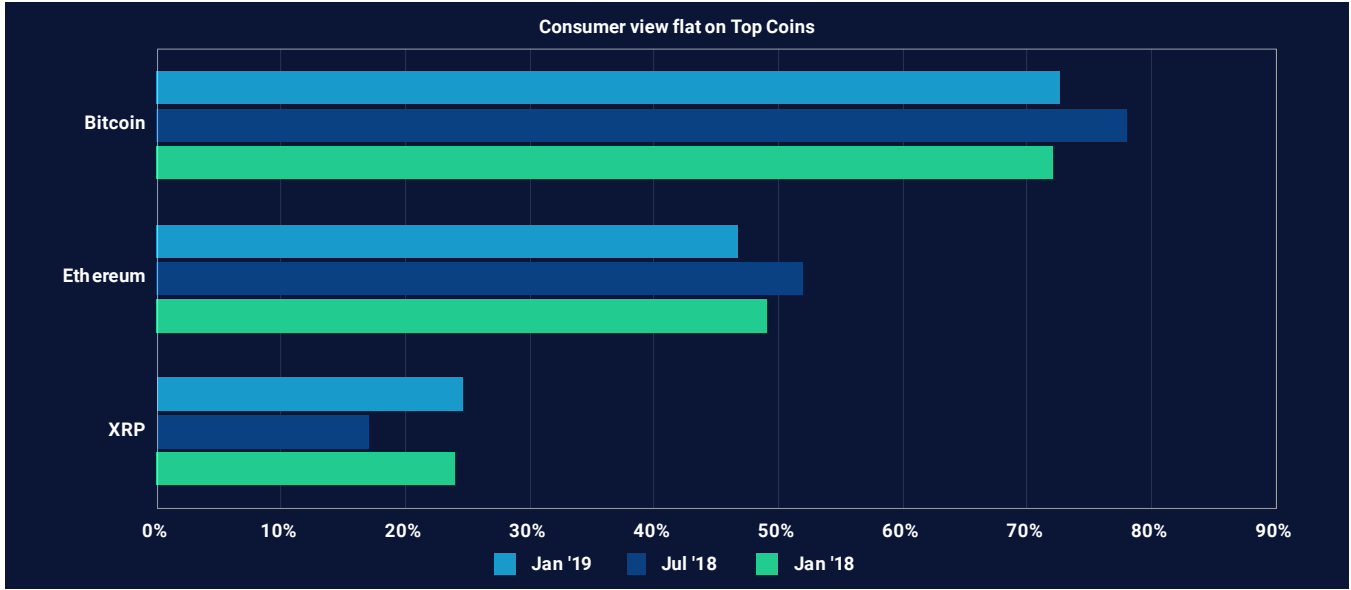


Exhibit 6: Surveyed consumers are less bullish on ETH [6]



INVESTORS MAY HAVE TURNED THE CORNER FOR THE BETTER WHILE CONSUMERS STAY THE COURSE

Even though the Crypto Winter has significantly depressed prices, investors showed a strong interest in increasing crypto holdings and don't expect a further decline in prices. In line with previous surveys, consumers remain bullish about crypto prices.

Exhibit 7: Surveyed investors: likelihood of increasing crypto holdings rebounds [7]

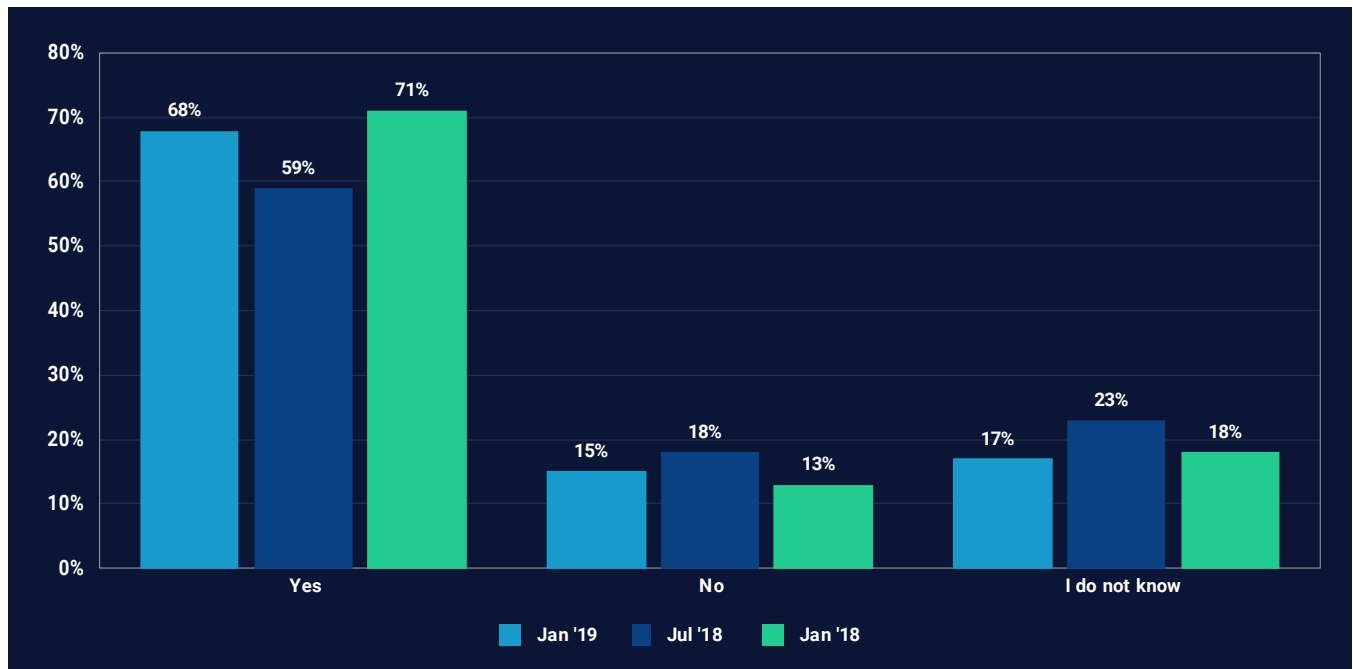
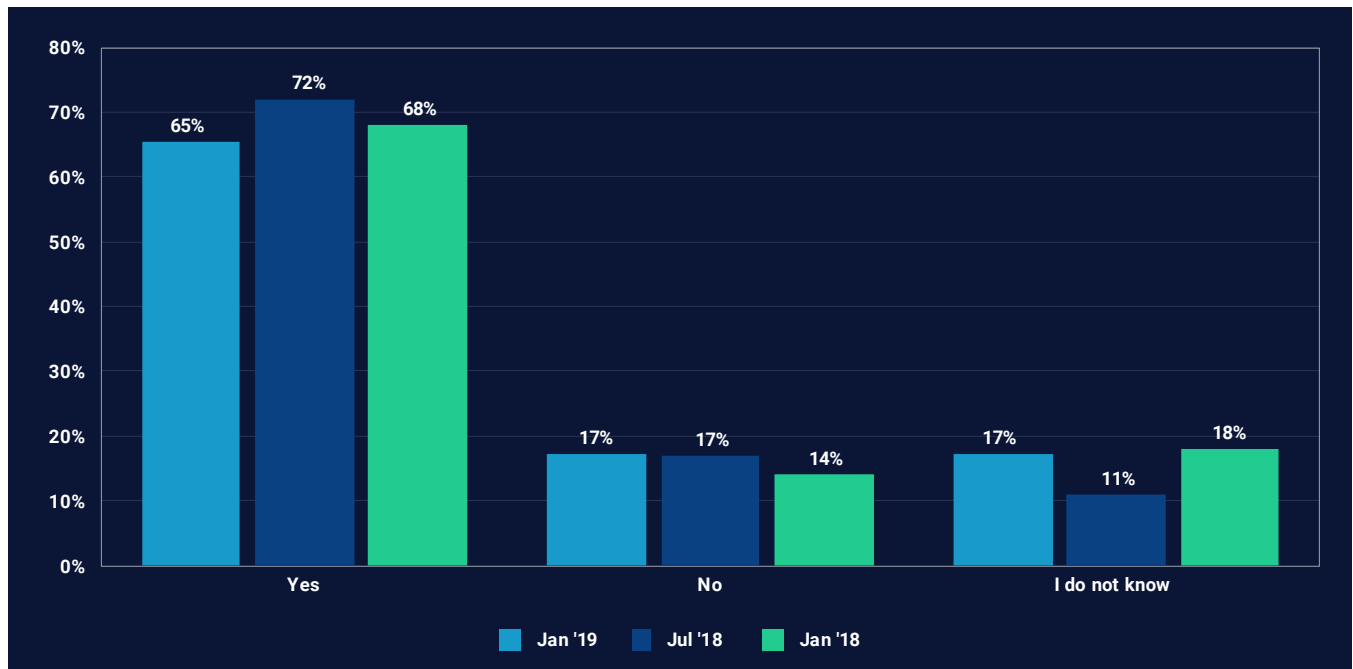


Exhibit 8: Crypto Winter has not changed consumer plans [8]



The plurality of investors expect crypto prices to appreciate significantly in 2019— more than 25 percent expect the asset class to jump 50 percent or more. Consumers see an increase of 25 percent more likely. Together, the responses point to a generally positive outlook for cryptocurrencies over the next 12 months.

Exhibit 9: Surveyed investors see crypto valuations increasing [9]

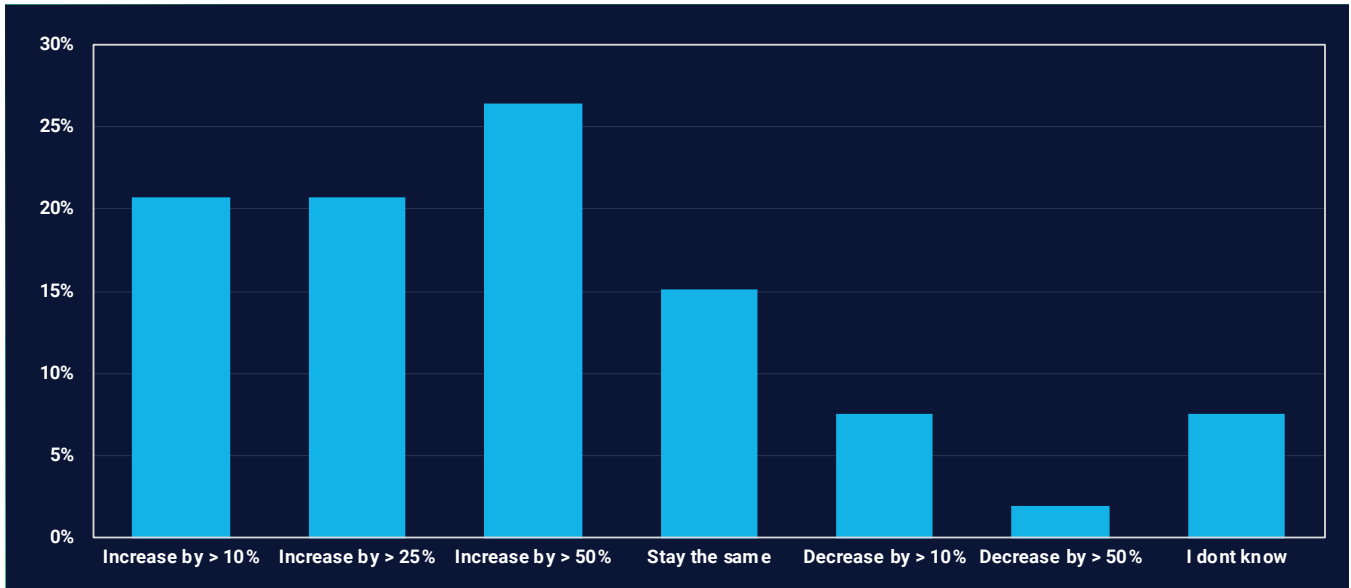
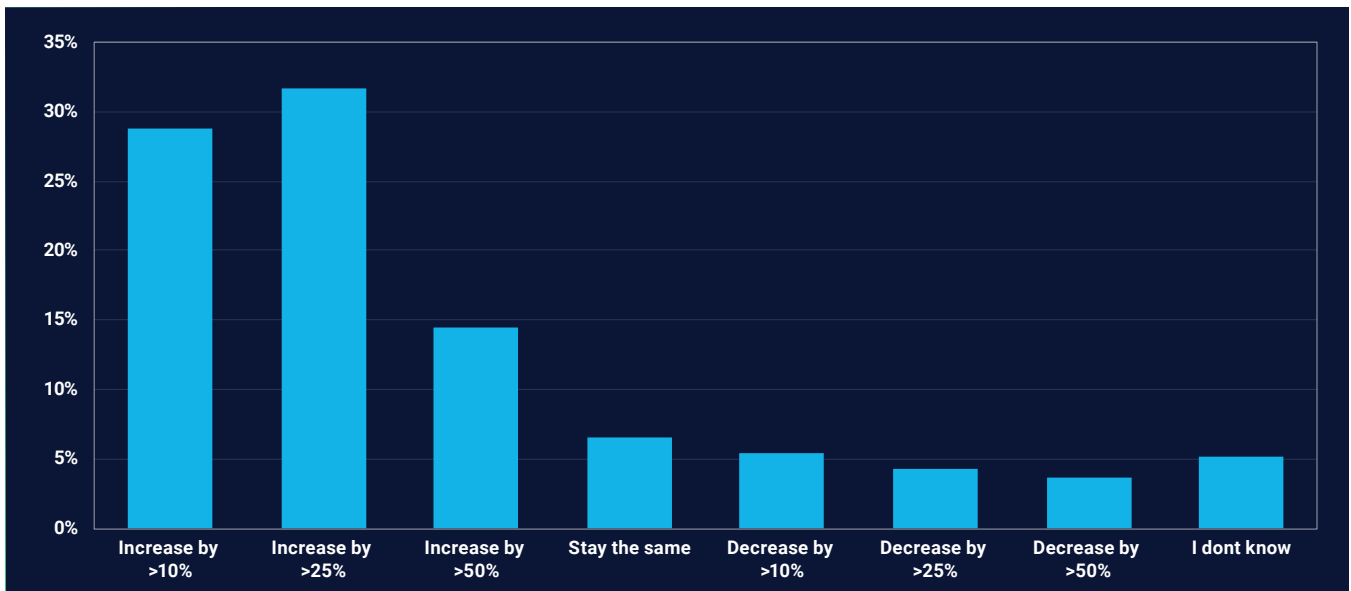


Exhibit 10: 75 percent of surveyed consumers see crypto prices increasing [10]



NUMBER OF COMPANIES IMPLEMENTING BLOCKCHAIN HOLDS STEADY

39 percent of investors and 46 percent of consumers expect their employers will implement Blockchain technologies sometime in the future. At the margins, investors have become increasingly sure about this business trajectory while consumers have become slightly less sure.

Exhibit 11: Investor expectation on blockchain implementation in their companies [11]

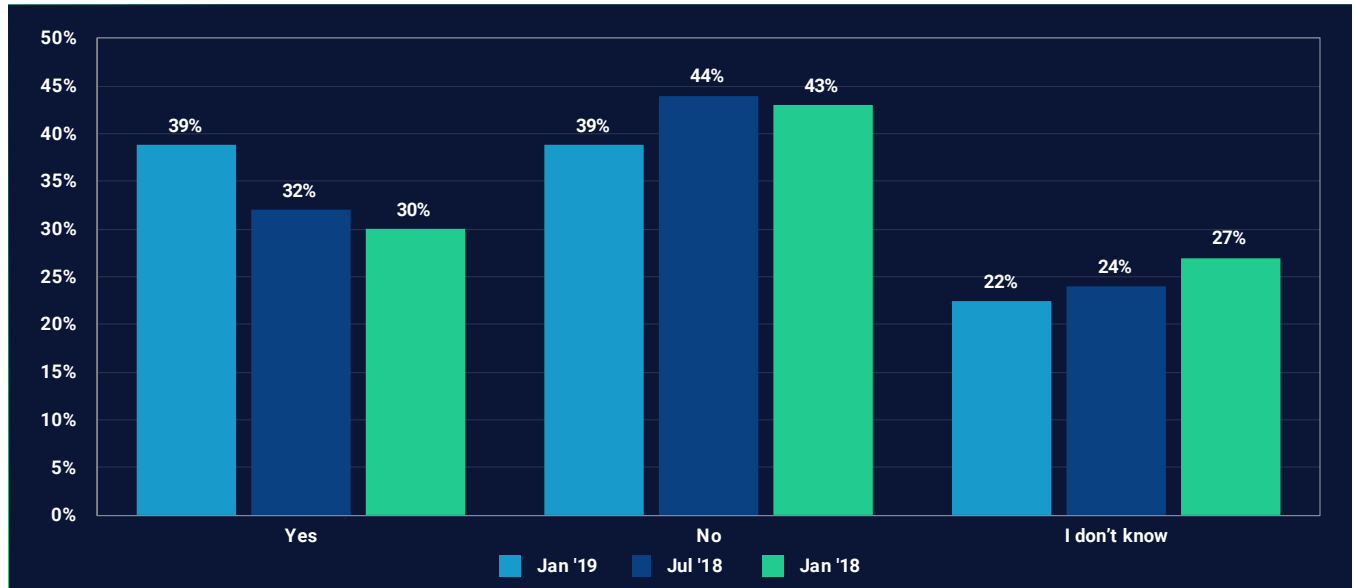
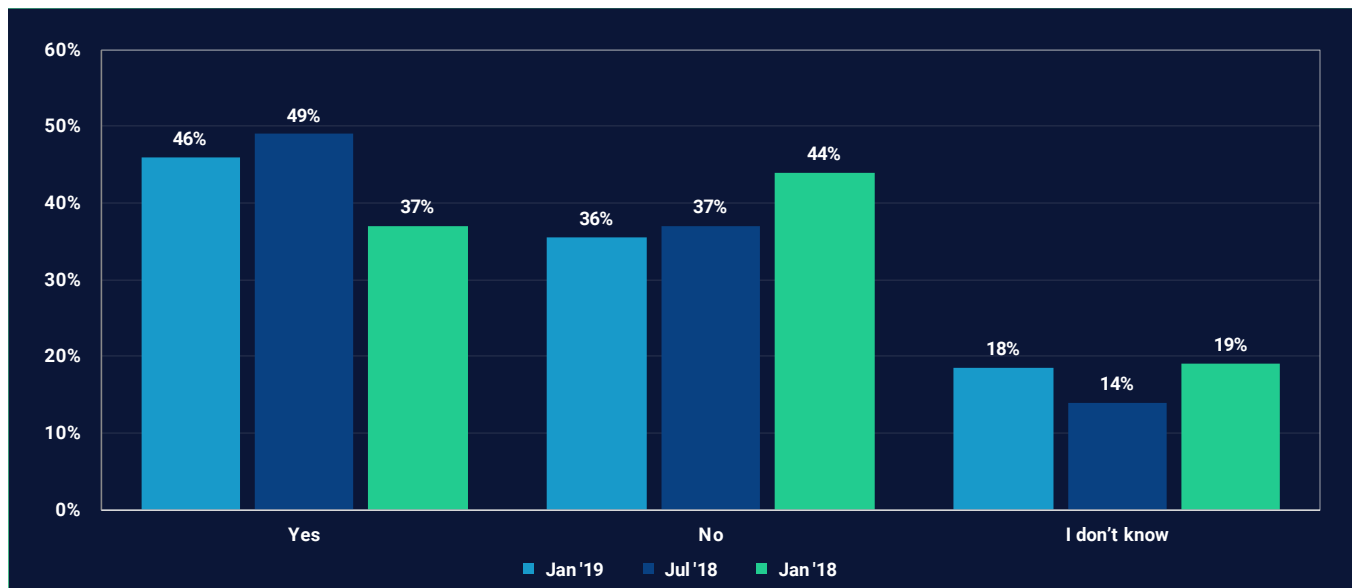


Exhibit 12: Consumers mixed if blockchain tech will be implemented by their employers [12]



MONEY TRANSFER AND PAYMENTS KEEP TOP SPOTS FOR BLOCKCHAIN DISRUPTION

A majority of both investors and consumers expect Blockchain technology to disrupt the money transfer industry. This observation is not surprising given Ripple’s reported progress on its “internet of value” strategy and JPMorgan’s plans to launch its namesake JPM Coin, a stable coin backed by U.S. dollar. Identity management is a notable entrant in this survey, with nearly a third of investors believing Blockchain will impact it.

Exhibit 13: Surveyed investors expect Blockchain to disrupt financial services [13]

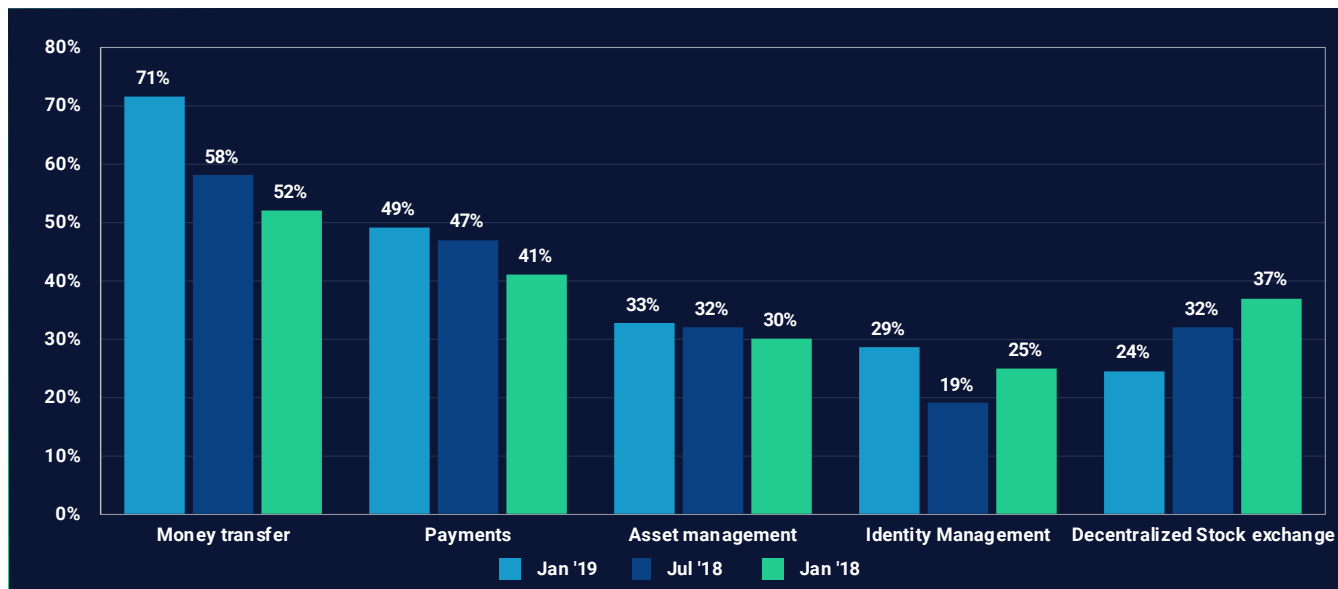
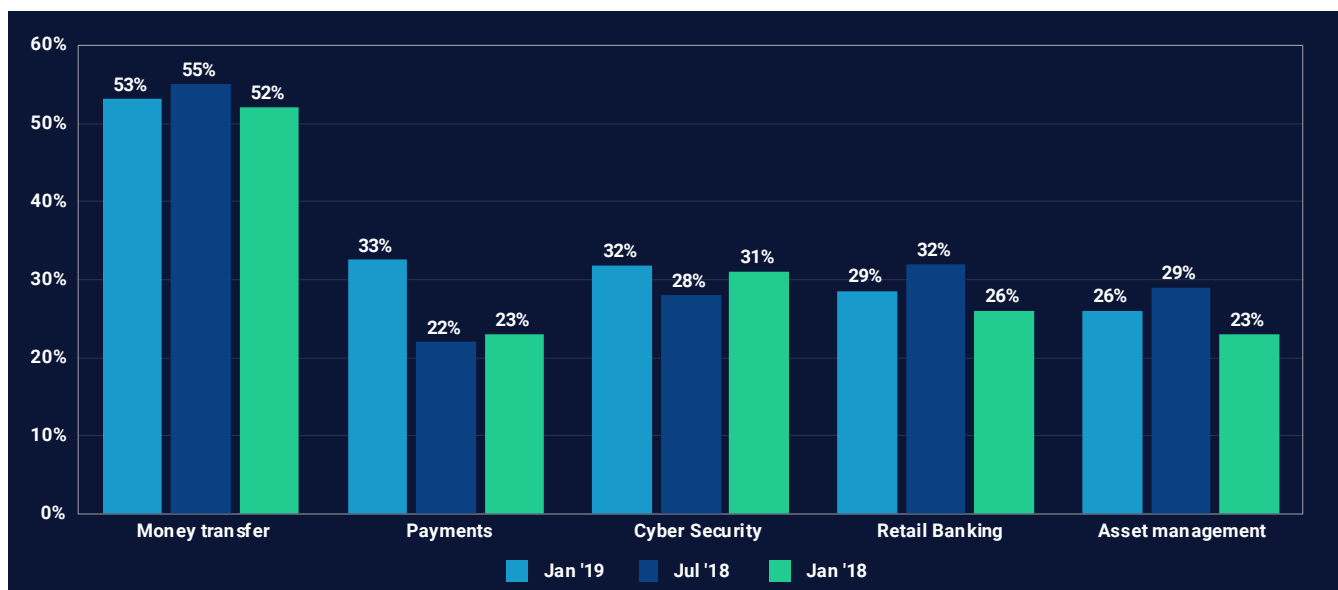


Exhibit 14: More consumers expect payments to be disrupted by Blockchain [14]



CONSENSUS EXPECTS WIDESPREAD CRYPTO AND BLOCKCHAIN ADOPTION BY 2025

In line with what we have heard from experts at Blockchain conferences and meet ups, the technology is still new and has yet to win mass acceptance. Therefore, survey respondents have all but abandoned a 2020 timeframe and instead expect to see widespread adoption by 2025. 66 percent of investors and 61 percent of consumers view 2025 as a reasonable target date.

Exhibit 15: Investor consensus points to crypto and Blockchain adoption by 2025 [15]

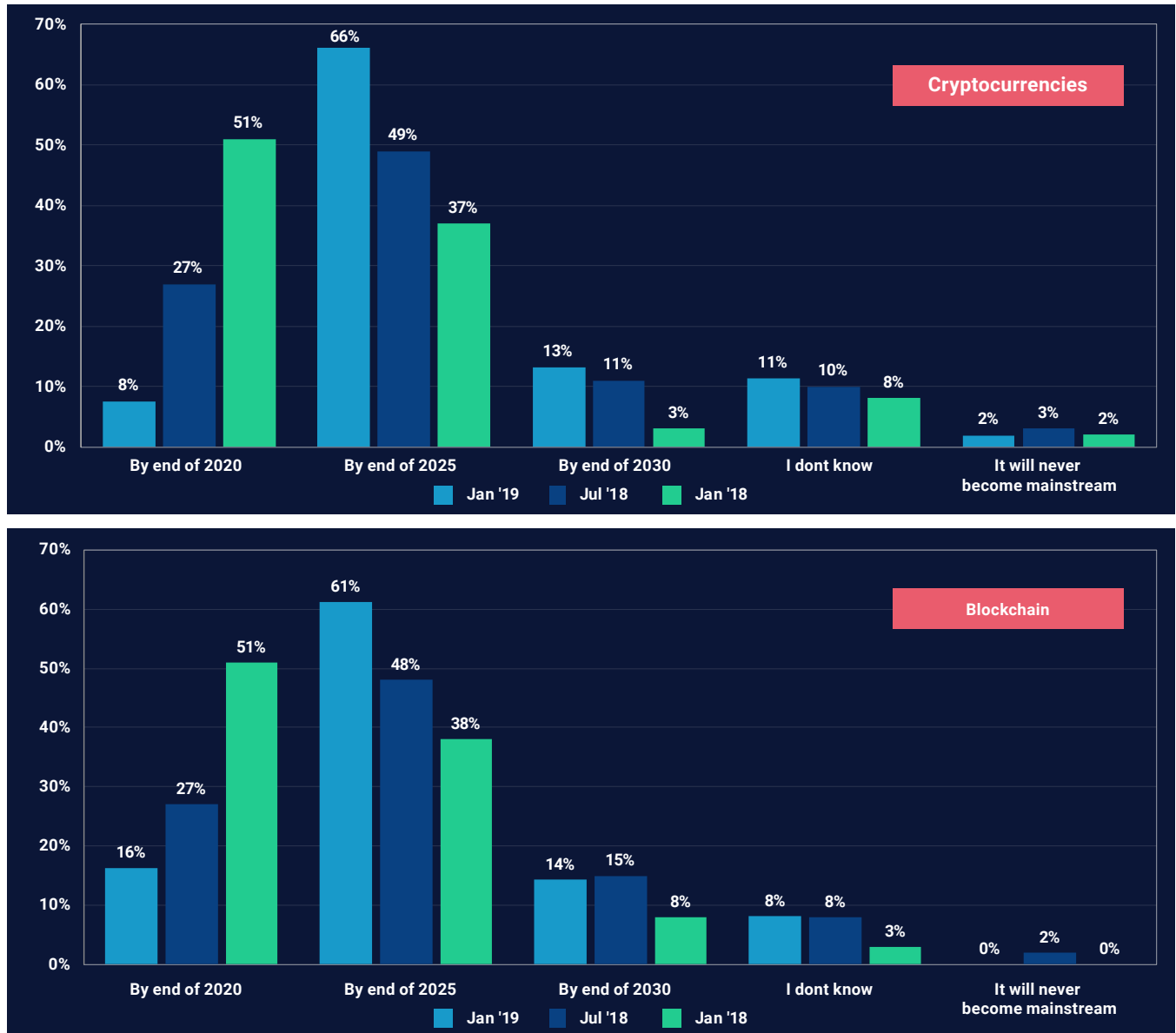
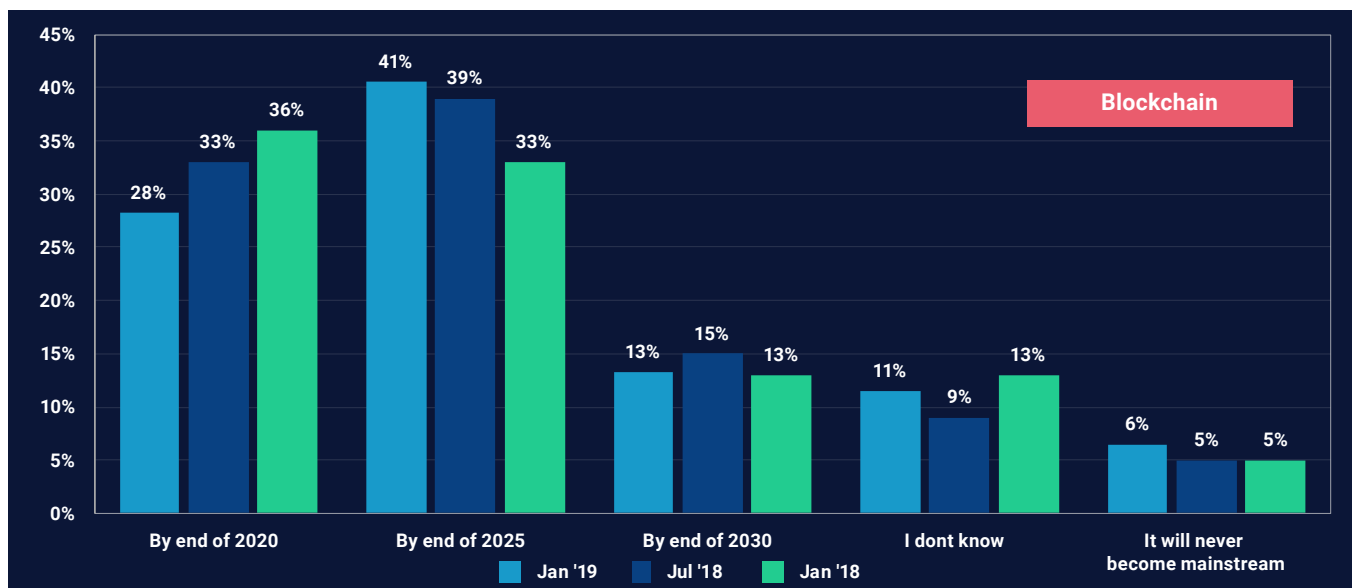
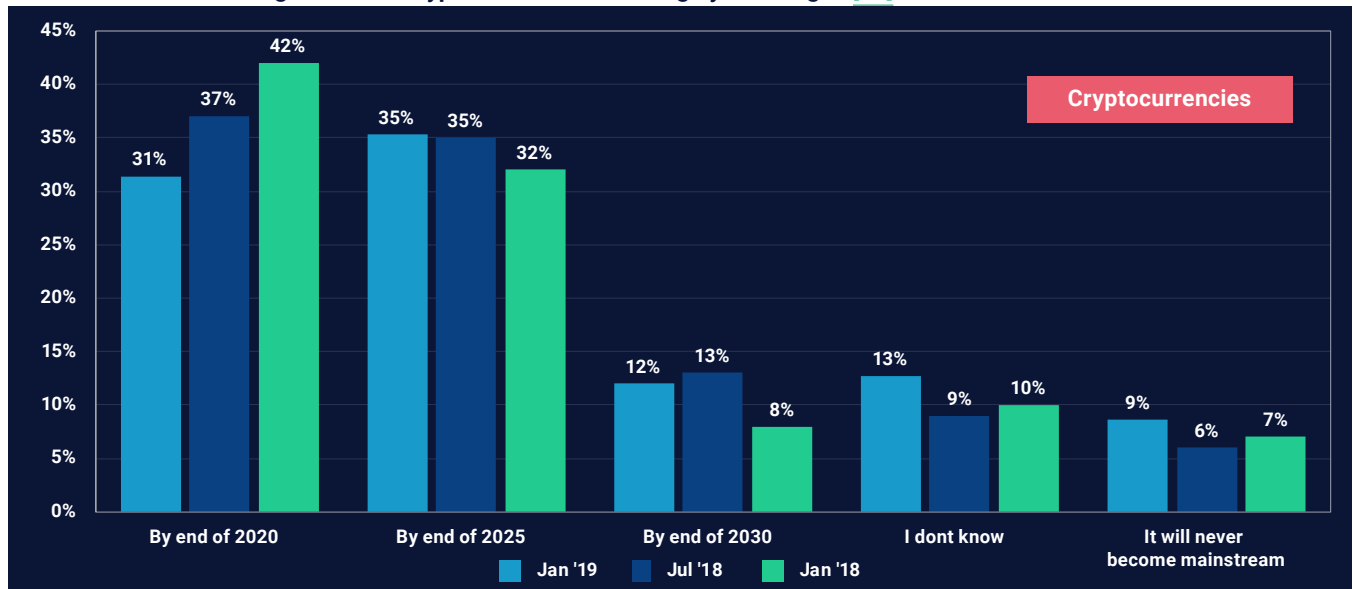


Exhibit 16: Consumer target date for crypto and blockchain largely unchanged [16]



VOLATILITY AND SECURITY REMAIN KEY CONCERNS FOR CRYPTO OWNERSHIP

Nearly 50 percent of investors selected security as their primary concern. As the industry develops best practices for custody to ensure secure ownership, we expect this concern to diminish. Consumers find the dizzying volatility of cryptocurrencies to be the biggest obstacle to increased crypto ownership.

Exhibit 17: Investors are concerned with security [17]

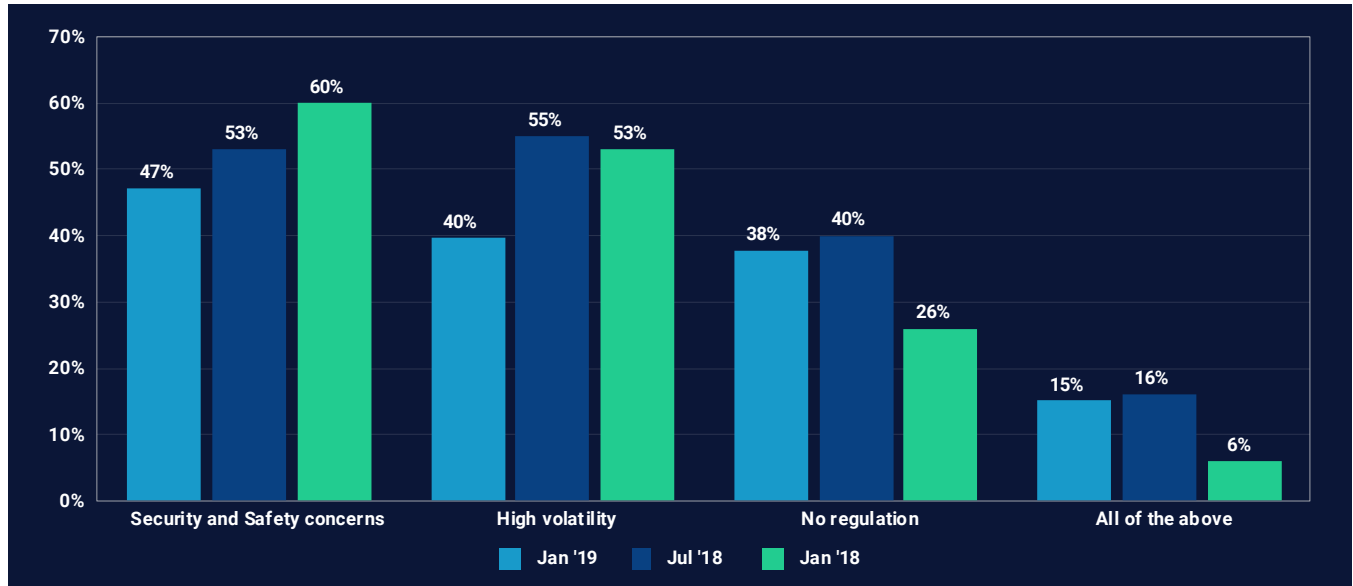
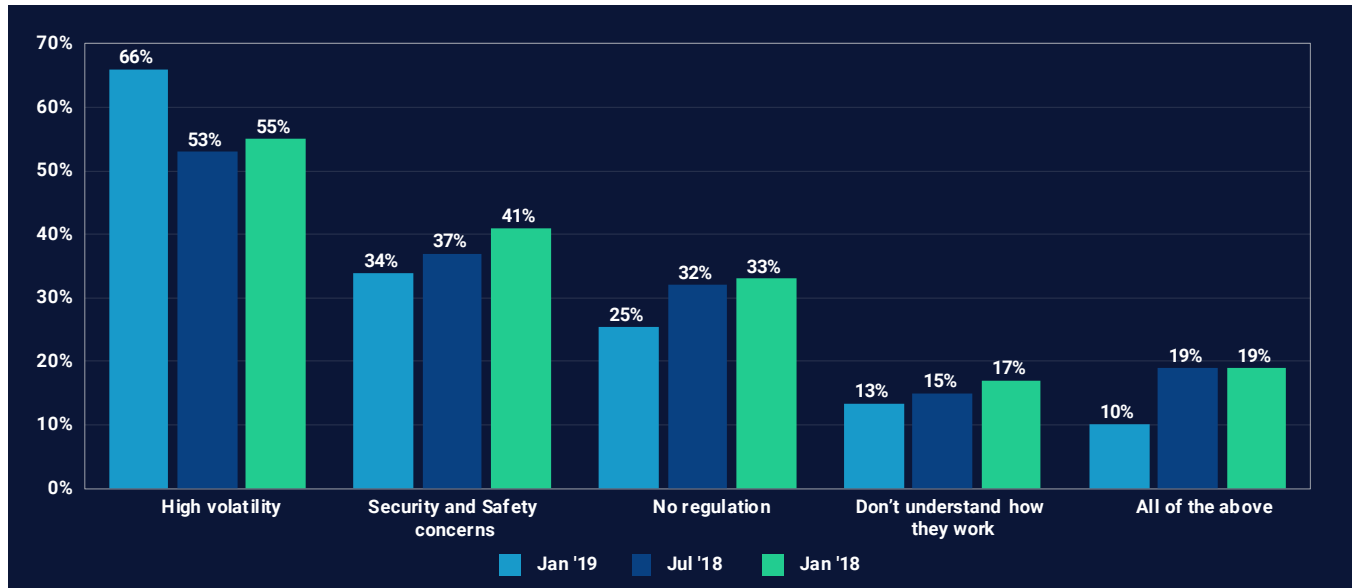


Exhibit 18: Consumer concern with crypto volatility primary obstacle to ownership [18]



FURTHER DEVELOPMENTS IN TECHNOLOGY SHOULD DRIVE ADOPTION

Both investors and consumers think more people and companies need to better understand distributed ledger technology in order to drive future adoption of Blockchain.

Exhibit 19: Investors think Blockchain is still in infancy [19]

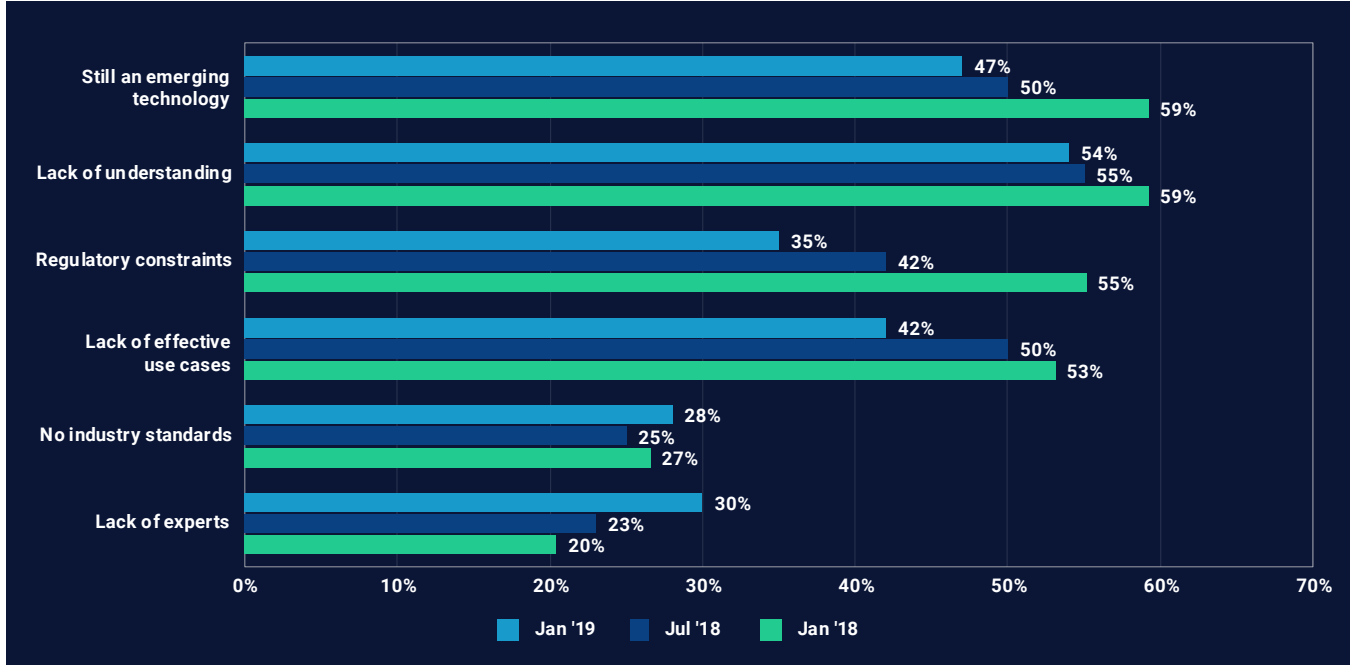
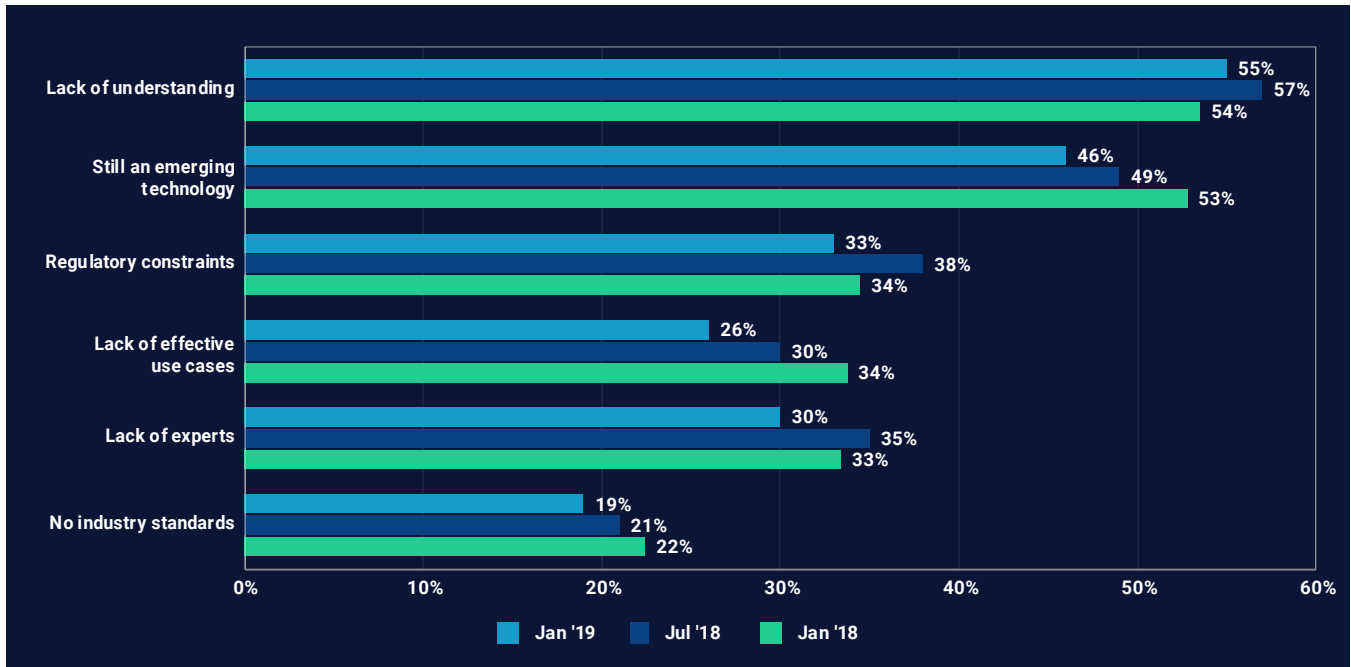


Exhibit 20: Consumers pick nascent technology over lack of proven use cases as biggest challenge [20]



COINBASE CONTINUES TO BE A FAVORITE AMONG RESPONDENTS

For the second consecutive survey, 80 percent or more of investors see Coinbase as the most successful exchange. Binance held second place for both investors and consumers.

Exhibit 21: Investors view Coinbase more favorably than Robinhood Crypto [21]

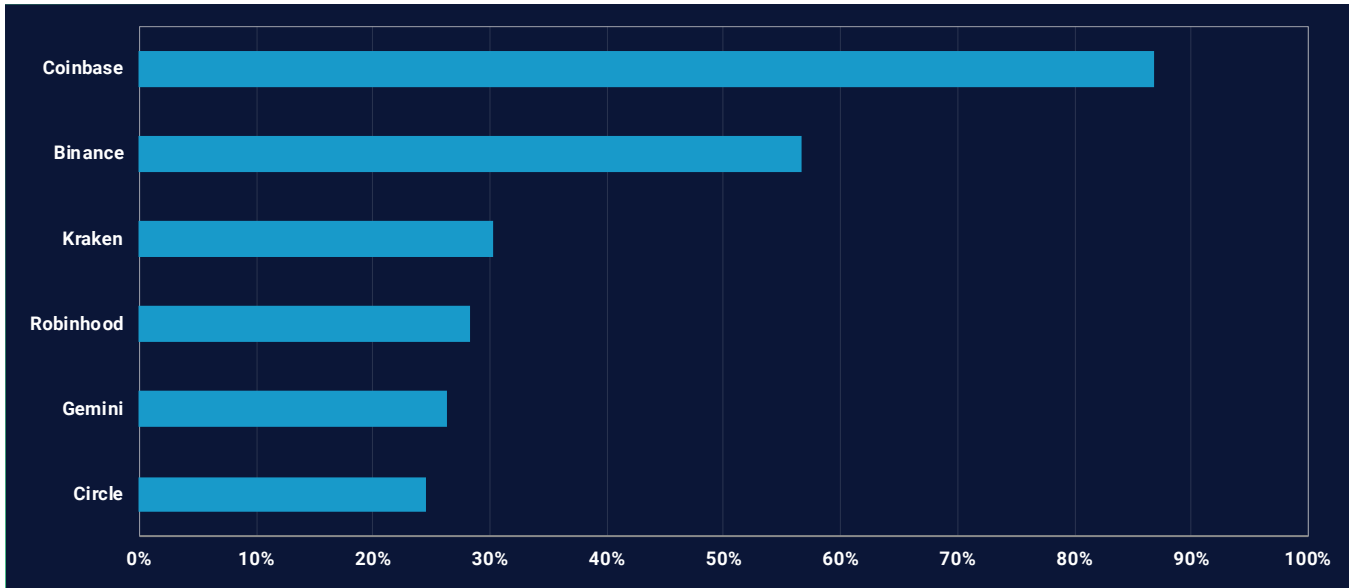
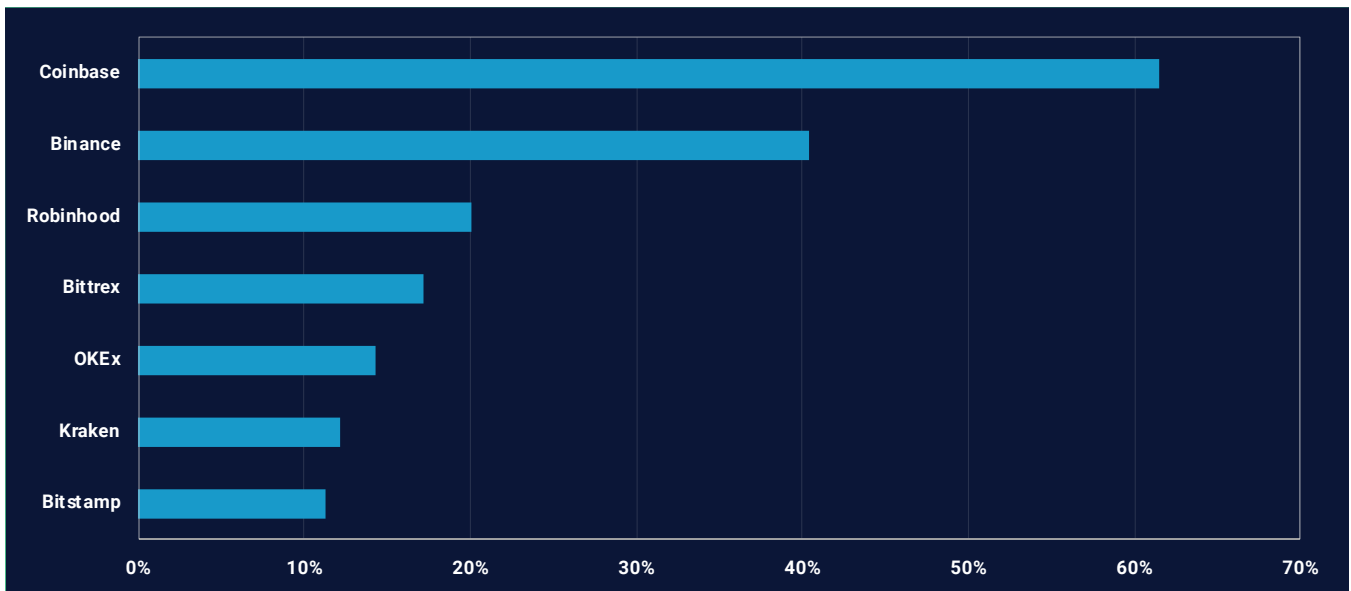


Exhibit 22: Coinbase keeps consumer favor [22]



SURVEYED INVESTORS EXPECT CRYPTO REGULATION TO IMPROVE

The plurality of investors expect regulations surrounding crypto currencies to improve in favor of the asset class. Nearly 75 percent of surveyed consumers expect regulation to become more clear. However, consumers are less confident of the potential regulatory shift with 30 percent expecting more redtape compared to 17 percent of investors.

Exhibit 23: Largest Proportion of Investors Expect Favorable Regulation Change [23]

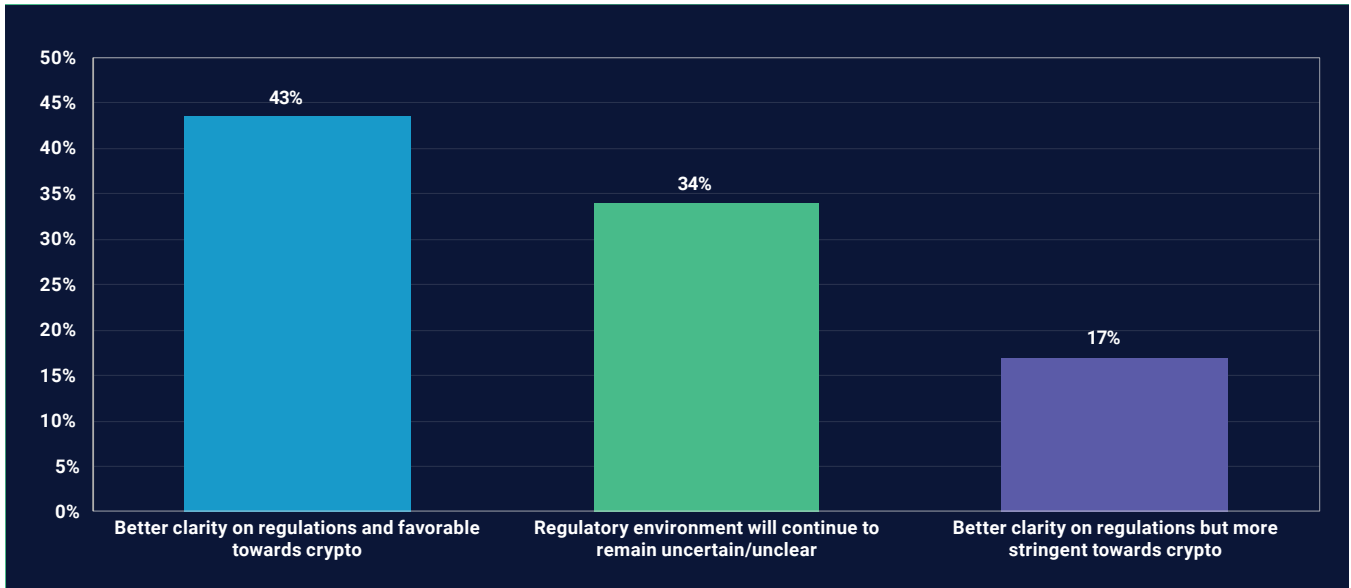
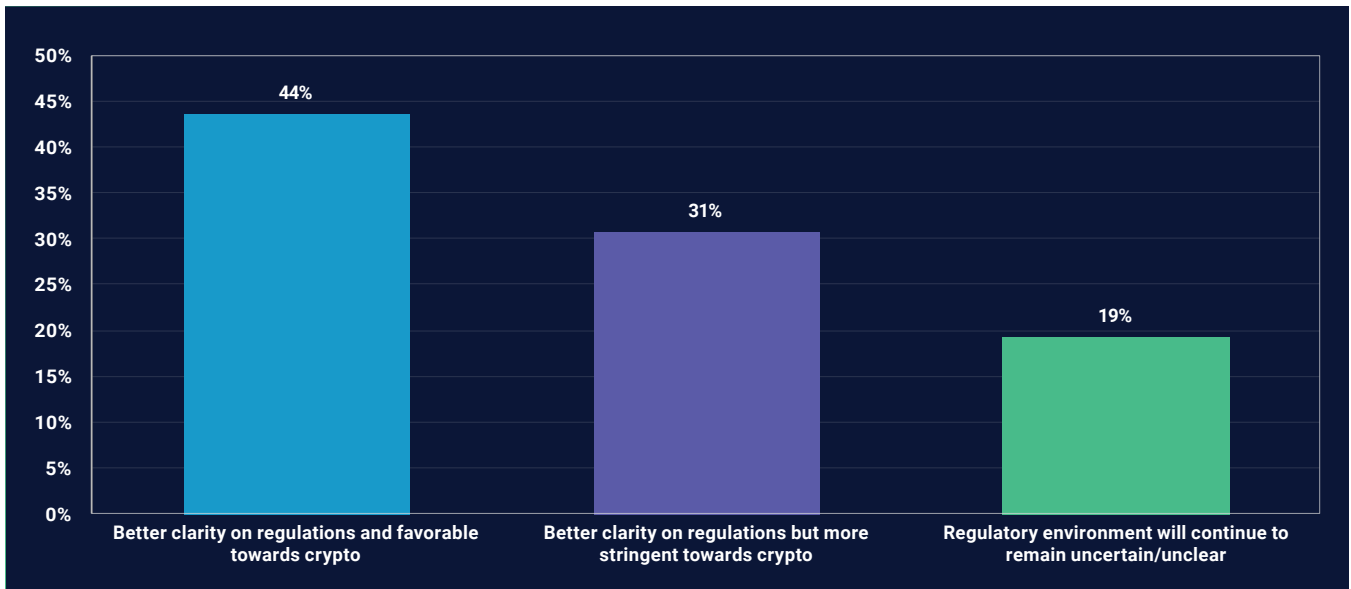


Exhibit 24: 75 Percent of Consumers Expect More Regulatory Clarity [24]



INVESTORS BET BIG ON BITCOIN WHILE CONSUMERS DIVERSIFY

In a first, survey respondents disclosed their specific crypto holdings. About one third of surveyed investors hold more than \$25,000 in Bitcoin in their portfolio. XRP is a distant second in large investor positions with about 20 percent of investors claiming a similarly sized position. Comparatively, consumers generally held more diversified positions, with a similar, albeit smaller, concentration amongst each of the many cryptocurrencies.

Exhibit 25: Investor holdings show bullish Bitcoin view while consumers diversify [25]



SOURCES

- [1] Exhibit 1: SharesPost Research; N= 1018; Survey Question: "What is your yearly income range"
- [2] Exhibit 2: SharesPost Research; N=1018; Survey Question: "In which region are you located geographically?"
- [3] Exhibit 3: SharesPost Research; N= 96; Survey Question: "What is your yearly income range"
- [4] Exhibit 4: SharesPost Research; N= 96; Survey Question: "In which region are you located geographically?"
- [5] Exhibit 5: SharesPost Research; N= 53; 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?"
- [6] Exhibit 6: SharesPost Research; N=567; 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?"
- [7] Exhibit 7: SharesPost Research; N= 53; 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] Exhibit 8: SharesPost Research; N= 567; 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] Exhibit 9: SharesPost Research; N=53; Survey question: "How do you expect the values of cryptocurrencies to trend in 2019?"
- [10] Exhibit 10: SharesPost Research; N=567; Survey question: "How do you expect the values of cryptocurrencies to trend in 2019?"
- [11] Exhibit 11: SharesPost Research; N= 53; 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] Exhibit 12: SharesPost Research; N= 567; 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] Exhibit 13: SharesPost Research; N= 49; 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] Exhibit 14: SharesPost Research; N= 567; 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] Exhibit 15: SharesPost Research; N= 49; 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] Exhibit 16: SharesPost Research; N= 567; 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] Exhibit 17: SharesPost Research; N= 49; 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] Exhibit 18: SharesPost Research; N= 567; 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] Exhibit 19: SharesPost Research; N= 53; 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
- [20] Exhibit 20: SharesPost Research; N=567; 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] Exhibit 21: SharesPost Research; N= 53; Survey Question: "Which of the exchanges you think have the potential to become successful in the long term"
- [22] Exhibit 22: SharesPost Research; N= 567; Survey Question: "Which of the exchanges you think have the potential to become successful in the long term"
- [23] Exhibit 23: SharesPost Research; N=53; Survey Question: "What is your outlook on global crypto regulations for 2019"
- [24] Exhibit 24: SharesPost Research; N=567 ; Survey Question: "What is your outlook on global crypto regulations for 2019"
- [25] Exhibit 25: SharesPost Research; Investor: N= 53, Consumer: N=567; Survey Question: Which of the following cryptocurrencies do you own? (Please choose the range of approximate dollar amount owned)

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