GE-International Journal of Management Research
ISSN (O): (2321-1709), ISSN (P): (2394-4226)
Vol. 14, Issue 02, Feb 2026 Impact Factor: 8.466

www.aarf.asia,**Email** : editoraarf@gmail.com

A Comparative Study on Trends in India's Cryptocurrency Adoption Versus Stock Market Investment

Sayali Mhatre
Assistant Professor
BK Birla College (Autonomous), Kalyan
sayalimhatre190@gmail.com
Contact Number:8433642373

Abstract

The financial landscape in India has witnessed a remarkable shift over the past decade, driven by technological advancements, changing investor behaviour, and the growing acceptance of digital assets. This study explores the evolving trends in India's cryptocurrency adoption in comparison with traditional stock market investment. While the stock market has been a long-established and trusted avenue for Indian investors, the emergence of cryptocurrencies has introduced a new, unconventional, and highly dynamic investment option. The aim of this study is to understand how these two investment choices have developed over time, how investor preferences are shifting, and what factors influence these trends. The paper relies exclusively on secondary information drawn from reliable sources such as government publications, regulatory reports, exchange data, financial news, and research articles. By examining existing literature and publicly available datasets, the study highlights the patterns in trading volume, investor participation, regulatory changes, market growth, and risk perception. The study finds that cryptocurrency adoption in India has increased significantly due to convenience, technological appeal, and the entry of young investors. The comparison reveals that while cryptocurrencies attract investors seeking high returns and innovation, the stock market draws those who prefer safety, governance, and steady growth. This study provides useful insights for educators, policymakers, financial analysts, and investors by presenting a clear understanding of how India's investment landscape is transforming. It also helps identify areas where financial literacy, regulatory clarity, and investor awareness can play a key role in shaping future investment behaviour.

Introduction

In recent years, the emergence of cryptocurrencies has introduced a new asset class tothe investment world, which has gained a great deal of popularity and attention. Witha growing investment option, Cryptocurrencies such as Bitcoin, Ethereum and other currencies have become the most promising form of return. The objective of this study is to compare cryptocurrencies with traditional investment options, such asstocks, bonds and real estate, to provide a comparative analysis of cryptocurrencies as
a new investment option. The study will also compare the performance of cryptocurrencies with more established investment options in terms of risk-adjusted returns and the advantages of portfolio diversification.

To get insight into the elements that affect investing decisions, it will also analyze how people invest in traditional and cryptocurrency options. The data gathered from diverse sources will be analysed by the study using qualitative methodologies. The study's results should offer useful information on the potential of cryptocurrencies as a new investment alternative and their function in contemporary investment portfolios. A mixed-methods approach will be used for the research, including both secondary and primary research. We will compile and evaluate previous information on cryptocurrencies and conventional investment possibilities. Reviewing current scholarship, legal frameworks, and technological developments in the bitcoin industry are all part of the qualitative analysis process. To learn more about investor mood and potential outcomes, a survey of investors was performed. The country is a sleeping giant with a population going up one billion. India has the power to change in the global economy, all thanks to a positive decision by the Supreme court.

About Cryptocurrency

A cryptocurrency is a digital or virtual currency protected by cryptography which makes counterfeiting or double-spending almost impossible. Most cryptocurrencies are decentralized, blockchain-based networks — a public database operated by a dispersed computing network. One distinguishing characteristic of cryptocurrencies is that they are usually not distributed by any central agency, rendering them potentially resistant to intervention or abuse by the government. The term “crypto currency” derives from the encryption methods used to protect the network. Cryptocurrencies attract scrutiny for a variety of reasons including their use for illicit activity, exchange rate fluctuation, and network flows that underlie them. They were also praised for their portability, accountability and divisibility. Cryptocurrencies are almost always intended to be free of government influence and regulation, but this core feature of the technology has come under fire as they have become more common. The currencies modelled after bitcoin are called altcoins collectively and have often attempted to present themselves as modified or improved versions of bitcoin.

About Stock Market

The stock market operates as a platform where buyers and sellers trade securities such as stocks, bonds, and derivatives. Trade is facilitated through exchanges like the New York Stock Exchange (NYSE) or Nasdaq, which acts as intermediaries ensuring transparency and fairness. The process begins when a company lists its shares via an Initial Public Offering (IPO). Investors places buy or sell orders through brokers, which are then matched using advanced algorithms or through market makers. Prices are determined by supply and demand dynamics, influenced by factors such as company performance, economic conditions, and investor sentiment. Settlement systems ensure that transactions are finalized, transferring ownership of securities and payments securely and efficiently.

Review of Literature

1. "Volatility Spillover Effects Between Cryptocurrencies and Stock Markets" (2022)
This study explores how volatility is transmitted between cryptocurrency and stock markets. The authors find limited spillover effects during normal market conditions, indicating that these two markets largely operate independently. However, during periods of economic uncertainty or market stress, the link strengthens, with volatility in one market influencing the other. This interdependence is attributed to overlapping investor groups who react similarly to external

GE-International Journal of Management Research
ISSN (O): (2321-1709), ISSN (P): (2394-4226)
Vol. 14, Issue 02, Feb 2026 Impact Factor: 8.466

www.aarf.asia,**Email** : editoraarf@gmail.com

shocks. The study uses advanced econometric models to analyze historical data and concludes that cryptocurrencies could potentially amplify financial instability during crises. It recommends monitoring these spillovers as cryptocurrency adoption increases.

2. **"The Future of Cryptocurrencies and Financial Markets" (2022)**

This paper discusses the future trajectory of cryptocurrencies and their integration into global financial markets. The authors argue that cryptocurrencies have the potential to coexist with traditional markets but require significant improvements in regulatory frameworks and technological infrastructure. The study explores scenarios where cryptocurrencies could serve as hedges against inflation or become mainstream payment systems. It also examines challenges such as environmental concerns, security risks, and scalability issues. By comparing these trends with the evolution of stock markets, the paper highlights the need for collaboration between governments, financial institutions, and technology firms. The study concludes that the future of cryptocurrencies depends on balancing innovation with stability.

3. **"Cryptocurrency Adoption and Its Macroeconomic Impacts" (2021)**

This paper examines the broader macroeconomic implications of cryptocurrency adoption. The authors discuss how cryptocurrencies can foster financial inclusion, particularly in developing countries where traditional banking systems are underdeveloped. They also explore the potential risks, including destabilizing monetary policies and increasing market volatility. The study compares these effects with the stock market's role in economic development, noting that cryptocurrencies are still in their infancy. It highlights how governments and central banks are adapting to this new asset class, debating whether cryptocurrencies should complement or compete with existing financial systems. The study concludes that strategic regulation is essential to harness their benefits.

4. **"The Role of Institutional Investors in Cryptocurrency Adoption" (2021)**

This research examines how institutional investors are influencing the growth and stabilization of cryptocurrency markets. With increased adoption by hedge funds and investment firms, cryptocurrencies are transitioning from speculative assets to more mainstream investments. The study compares this trend with institutional behavior in stock markets, where their presence has historically added liquidity and stability. Institutional involvement in cryptocurrencies also brings greater scrutiny and regulatory attention, which could enhance market maturity. However, the research notes that this shift might reduce the volatility that initially attracted speculative traders. It highlights the potential for cryptocurrencies to become integral parts of diversified portfolios.

Objectives of study

1. To compare the investment potential, risks, and market trends of cryptocurrencies and the stock market.
2. To analyse the price fluctuations and risk levels of cryptocurrencies compared to stocks.
3. To study past price trends and investor opinions using real data and market reports.
4. To suggest ways for investors to manage risk when investing in both cryptocurrencies and stocks

GE-International Journal of Management Research
ISSN (O): (2321-1709), ISSN (P): (2394-4226)
Vol. 14, Issue 02, Feb 2026 Impact Factor: 8.466
© Association of Academic Researchers and Faculties (AARF)
www.aarf.asia,**Email** : editoraarf@gmail.com

Research methodology

The present study follows a descriptive research design. It is quantitative in nature as it collects numerical data through structured questionnaire and analyse the responses through statistical tools.

Sample Size:100 respondents

Sampling Technique: Random Sampling Method

Target group: freshers aged 21-30

Data collection method

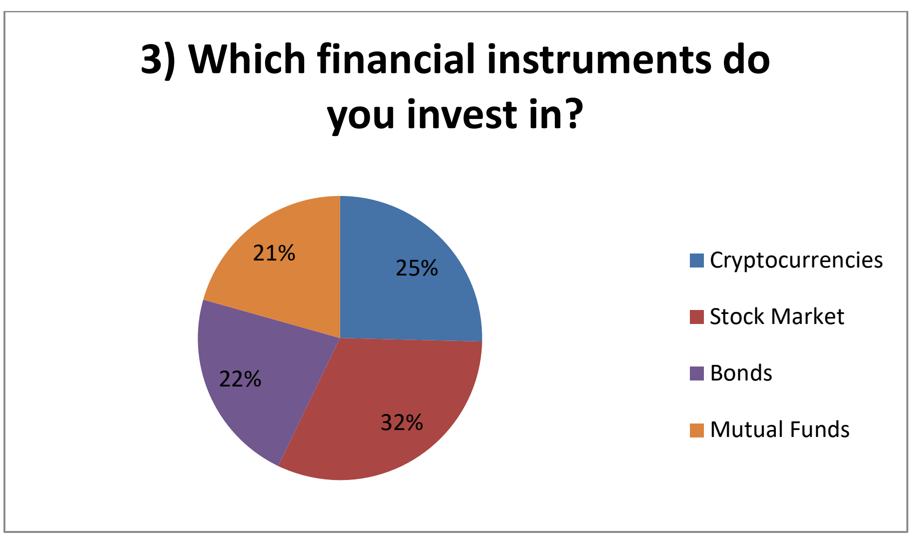
Primary Data: A structured Google form questionnaire was distributed to young freshers to understand their perceptions, behaviours, and responses about the transformation of HR practices and their impact on their skills.

Secondary Data: Journals, websites, research papers and behavioural finance literature used to support the study.

Hypothesis of the study

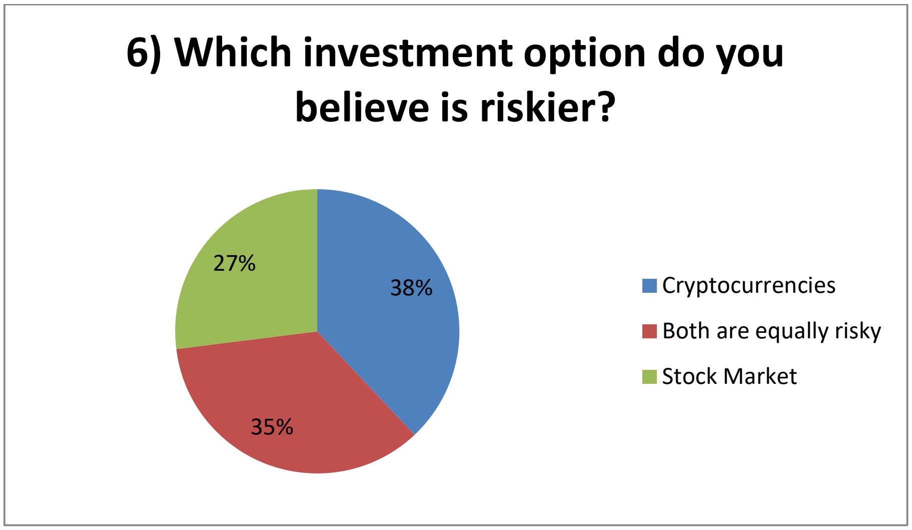
H1: Cryptocurrencies exhibit higher volatility than stock market assets.
H0: There is no significant difference in volatility between cryptocurrencies and stock market assets.
H2: Cryptocurrencies are volatile and risky compared to the stock market but may offer higher returns in the short term.

Data Analysis and Interpretation

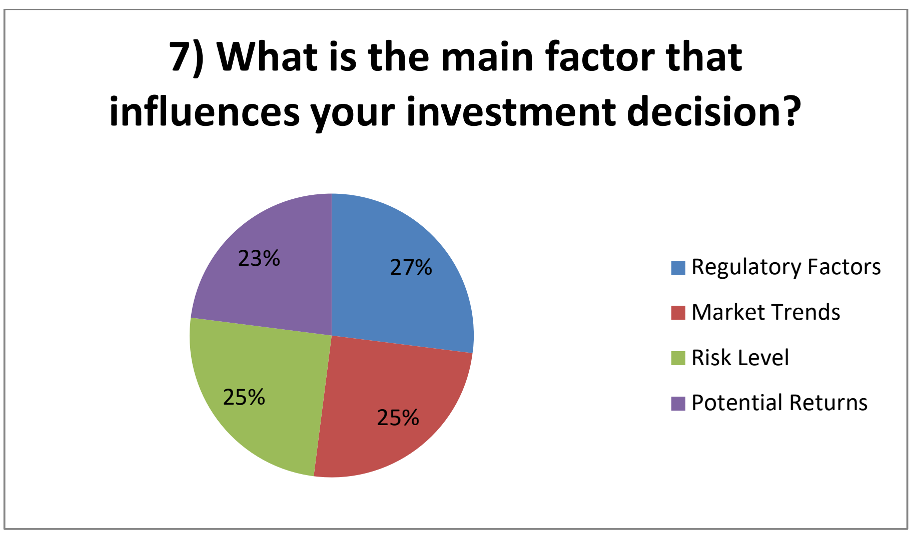


The above pie chart and table states that the distribution of the respondents based on the

financial instruments they invest. It has been seen that the people are investing more in share market that is 32% whereas cryptocurrencies are 25%bonds and mutual funds are 22% and 21% respectively.



The above pie chart and table state the perceptions of the respondent based on the riskiness of the investment options. It has been observed that 38% respondent feel that the cryptocurrencies are risky whereas 27% feel that stock market is risky, and 35% respondent thinks that both are equally risky.

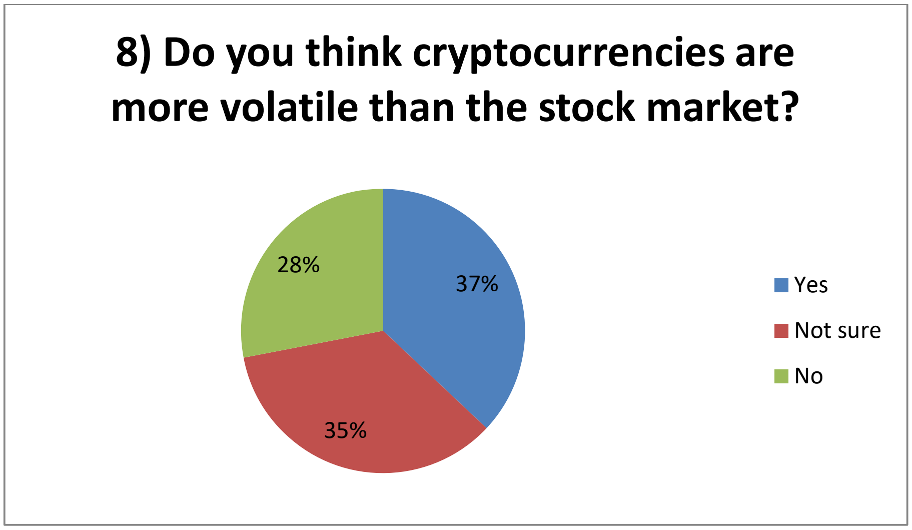


The above table and pie chart states the main factors that influences the respondent decisions. It has been seen that 27% respondent are influenced by the regulatory factors ,25% respondent are influenced by the market trends ,25% respondent by the risk level

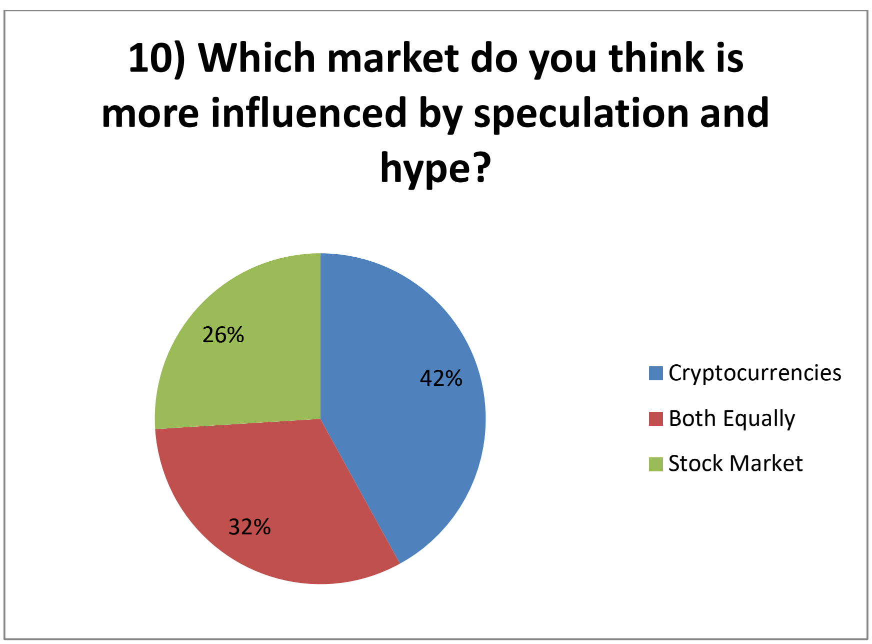
GE-International Journal of Management Research
ISSN (O): (2321-1709), ISSN (P): (2394-4226)
Vol. 14, Issue 02, Feb 2026 Impact Factor: 8.466

www.aarf.asia,**Email** : editoraarf@gmail.com

and 23% respondent are influenced by the potential returns.



The above table and pie chart states that 37% of respondents believed that cryptocurrencies are more volatile than the stock market, 28% of respondents don't believe any more volatile than stock market they treat them equally 35% respondents are not much aware of the cryptocurrencies and stock market.



The above pie chart and table state the Respondents opinions on market influenced by speculation and hype. It has been observed 42% people thinks that speculation and hype is more in cryptocurrencies where 26% feels that it is stock market and 32% people believes that both markets are equally hype and speculated.

GE-International Journal of Management Research
ISSN (O): (2321-1709), ISSN (P): (2394-4226)
Vol. 14, Issue 02, Feb 2026 Impact Factor: 8.466
© Association of Academic Researchers and Faculties (AARF)
www.aarf.asia,**Email** : editoraarf@gmail.com

Key Findings

One of the key findings is that cryptocurrencies operate on a decentralized framework, free from regulatory control, which provides investors with autonomy but also exposes them to price fluctuations driven by market sentiment, technological advancements, and regulatory developments. On the other hand, the stock market is backed by tangible assets and governed by regulatory authorities, ensuring transparency and investor protection. This structured approach makes stocks a more secure investment option for those seeking long-term growth.

From an investment perspective, diversification plays a key role in mitigating risks. The findings suggest that rather than choosing between cryptocurrencies and stocks, investors should consider balancing their portfolios by incorporating both asset classes. While stocks provide stability and dividends, cryptocurrencies offer potential for high returns. A well-diversified portfolio can help investors maximize gains while reducing exposure to extreme market movements.

Suggestions

- **Diversified Investment Approach** – Investors should consider diversifying their portfolios by including both cryptocurrencies and stocks to balance risks and returns.
- **Risk Assessment Before Investment** – Since cryptocurrencies are highly volatile, investors must evaluate their risk tolerance before investing heavily in digital assets.
- **Long-Term vs. Short-Term Investment** – Stocks are generally suitable for long-term investment due to their stability, while cryptocurrencies can offer short-term profit opportunities but with higher risks.
- **Regulatory Awareness** – Investors should stay updated on legal and regulatory changes affecting both the cryptocurrency and stock markets, as these can impact investment security.
- **Market Research and Analysis** – Before making investment decisions, individuals should conduct thorough research on market trends, economic conditions, and asset performance.
- **Understanding Volatility Factors** – Cryptocurrencies are influenced by global events, technological advancements, and speculation, whereas stock prices depend on company performance and economic indicators.

Conclusion

The comparative analysis of cryptocurrencies and the stock market reveal distinct characteristics, advantages, and risks associated with both investment avenues. While the stock market has long been a traditional and stable form of investment, cryptocurrencies have emerged as a modern, digital alternative that offers higher returns but with greater volatility. The study highlights the fundamental differences between these financial instruments, helping investors understand their unique market behaviours and risk factors.

In conclusion, the decision to invest in cryptocurrencies or the stock market depends on an individual's financial goals, risk appetite, and market understanding. While cryptocurrencies promise innovation and high returns, they require careful risk management. Stocks, with their established history and regulatory backing, remain a preferred choice for conservative investors. A well-informed approach, supported by thorough research and strategic investment planning, will help investors navigate both markets effectively.

References

- **Volatility Spillover Effects Between Cryptocurrencies and Stock Markets" (2022)**

- **"The Future of Cryptocurrencies and Financial Markets" (2022)**

- **"Cryptocurrency Adoption and Its Macroeconomic Impacts" (2021)**

- **"The Role of Institutional Investors in Cryptocurrency Adoption" (2021)**
  URL: https://malque.pub/ojs/index.php/msj/article/view/2364
- **Cryptocurrency and NSE Stock Market: A Comparative Data Analysis"** (2023)
  Published in: International Research Journal of Engineering and Technology (IRJET)
  URL: https://www.irjet.net/archives/V10/i3/IRJET-V10I3162.pdf