The Effect of Return Expectations and Perceived Risk on Intention to Invest in Crypto Assets: Evidence from Indonesian Investors

Made Vera Kristanti Dewi*, Ketut Gede Sri Diwya[2] ID
[1] Digital Business Study Program, Institut Teknologi dan Bisnis STIKOM Bali, Denpasar, Bali
[2] Management Study Program, Universitas Pendidikan Nasional, Denpasar, Bali

A B S T R A K

Investment in cryptocurrency offers high potential returns but is also accompanied by significant risks due to substantial price fluctuations. The volatile nature of crypto assets makes them a subject of intense interest and caution among investors. Before engaging in transactions, investors typically evaluate the potential risks and returns they may obtain, balancing the allure of high profits against the possibility of significant losses. Therefore, investors' intention to invest in crypto assets is based on these two factors: return expectations and risk perception. This study employs multiple linear regression analysis using SPSS software to examine the relationship between these variables. The sampling technique used is purposive sampling, with a sample size determined to be between 45 and 90 respondents to ensure statistical validity. The questionnaire was distributed online to the crypto asset investor community in Indonesia, and respondents provided answers using a Likert scale from 1 (Strongly Disagree) to 5 (Strongly Agree). The data analysis reveals that return expectations have a positive and significant effect on investment interest in crypto assets. Additionally, risk perception also has a positive and significant effect on investment interest in crypto assets, indicating that even perceived risks do not deter investment interest, possibly due to the high return potential. Furthermore, return expectations and risk perception simultaneously have a positive and significant effect on investment interest in crypto assets, suggesting that both factors jointly influence investment intentions. These findings provide valuable insights for investors and market participants in understanding the factors influencing investment decisions in cryptocurrency, highlighting the importance of managing both expected returns and perceived risks in investment strategies.

1. INTRODUCTION

Investment has become increasingly popular among the public, driven by the rapid development of digital platforms that simplify and democratize access to financial markets. Among the various investment instruments available, cryptocurrency assets have garnered substantial interest, particularly due to their potential for high returns and the excitement surrounding digital innovation. According to a survey conducted by a prominent cryptocurrency investment platform, the interest in crypto assets among Indonesians has grown significantly over recent years. The survey revealed that the number of individuals who first learned about crypto assets increased steadily from 2015 to 2021 (Figure 1), demonstrating a growing awareness and acceptance of digital assets as a viable investment option.

The increasing adoption of cryptocurrencies reflects a broader trend of financial digitalization and the public's desire for alternative investment opportunities outside traditional markets. Supported by data from the Commodity Futures Trading Regulatory Agency (Bappebti), Indonesia recorded 9.5 million crypto asset investors as of October 2021, a substantial increase indicative of the rising trust and participation in the digital finance sector. Furthermore, the total value of crypto investment transactions in Indonesia reached IDR 478.5 trillion by July 2021, marking a fivefold increase over previous years (Bappebti, 2022). These figures not only highlight the rapid expansion of crypto asset adoption in Indonesia but also underscore the country's potential as a burgeoning market for digital currencies.
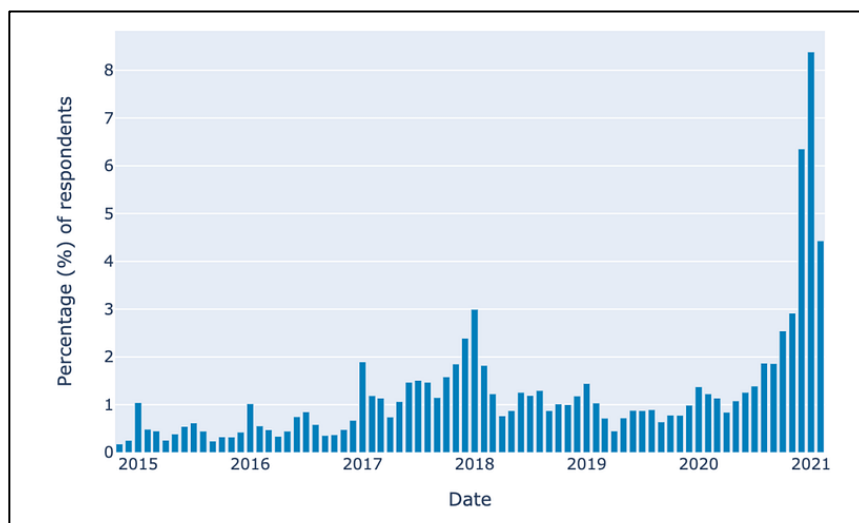
* Corresponding Author: First Author: verasarah27@gmail.com

Figure 1. Graph of the first time people heard of cryptocurrencies
Source: Jake Tennant, Tokenomy (2021)

The increase in transaction volume certainly shows a positive trend, as people are increasingly familiar with various investment instruments in the digital world. Get to know more about cryptocurrency, a blockchain-based technology often used as a digital currency (Bhiantara, 2018). Nadeem et al. (2021) say that the ease of use of cryptocurrency and the perceived usefulness of cryptocurrency have a positive relationship with people's desire and intention to use cryptocurrency. In the era of advanced technology, the ease of making transactions has become a public attraction, and cryptocurrency has become a popular choice in transactions, along with the development of many other types of cryptocurrencies. Not only in transactions but cryptocurrency can also be used as an asset in investing, which can be done through crypto asset exchanges. In choosing a digital currency exchange, there are essential criteria: security support, commission, number of currency codes, authentication, and trading volume (Sadeghi & Barzegari, 2020).

Investing in cryptocurrency has a high return, but it is accompanied by high risk as well. Crypto assets tend to have an unstable nature due to high price fluctuations. Ashariansyah et al. (2020) also argue that cryptocurrency price fluctuations can change prices significantly quickly. Price fluctuations in Ethereum and Bitcoin are caused by transaction volume and market cap (Sihombing et al., 2021). Investing in cryptocurrencies has a reasonably high risk accompanied by a significant profit level and only a momentary enthusiasm of investors (Huda & Hambali, 2020). According to Setiawan (2020), cryptocurrency generates relatively high profits with relatively significant risks, so it is only suitable for risk-seeking investors but not suitable for investors who do not want to bear too much risk (risk averse).

Fareva et al. (2021) stated that return expectations have a significant and positive effect on investment interest because these expectations are used as information that positively influences investors to invest. Likewise, research conducted by Hermanto (2017) also stated that return expectations are one of the factors that can positively influence student investment interest. Meanwhile, there are also differences in risk perception in several studies. Perception of risk significantly influences interest or intention to invest in the capital market (Aren & Zengin, 2016). Likewise, the results of research conducted by Fahreza and Surip (2019) show that risk perception significantly positively affects student investment interest in Malang City. Contrary to the results of other studies, Listyani et al. (2019) in their research stated that risk perception does not influence student investment interest in the capital market. Risk is one of the factors that may prevent someone from taking an action.

Trisnatio and Pustikaningsih (2018) stated that return expectations and risk perceptions significantly influence student investment interest. By directly understanding the return and risk in investment, people can make the right decisions when investing in the capital market. Then, in contrast to Wulandari et al. (2017), their research found that the results of return expectations and risk perceptions do not significantly influence investment interest.

Literature Review and Hypothesis Development
Theory of Reasoned Action (TRA)

The theory of Reasoned Action (TRA) is a model that explains social psychology related to the underlying factors that determine a person's behaviour (Fishbein & Ajzen, 1975). As a model that studies a person's behaviour, this model discusses two constructs that are believed to influence a person's intention, namely attitude towards behaviour and subjective norm that the individual has. Attitude is an attitude shown by individuals that represents

their assessment of something. Meanwhile, the subjective norm is a subjective norm as a view that a person gets from social opinion to do or not do an action.

Attitude, one of the primary constructs of TRA, describes a determinant of a person's intention to behave so that the attitude that a person has will become a reference for every behaviour carried out (Fishbein & Ajzen, 1975). Generally, a person's attitude arises from the evaluation done first; the evaluation carried out will potentially give positive or negative considerations to a person's attitude. Likewise, when someone invests in crypto assets, they evaluate them before determining their attitude in transactions. A positive assessment of crypto assets will increase the positive side of one's attitude towards investment intentions and behaviour. The opposite can also happen if a person's assessment of crypto assets needs to be revised. One's attitude will lead to negative and centring one's intention and behaviour in investing in crypto assets decreases. The second construct in the TRA model is subjective norm, which is a subjective norm as a view that a person gets from social opinion to take or not take an action. Subjective norms direct social views and influence a person's actions; individuals will consider social views when they perform a behaviour based on the situation and motivation (Fishbein & Ajzen, 1975).

Based on this, this study will discuss a person's situation and considerations when investing assets. Seeing how market and social conditions respond to crypto investment, this study will discuss two variables that explain why someone intends to invest in crypto assets. The two variables in question are return expectations and perceived risk.

Expectations Return

Return or return is a profit obtained after an increase in the price of an investment asset that is owned. Undoubtedly, someone who invests aims to get a return or profit on the capital invested (Huda & Hambali, 2020). A return in the investment world is divided into two: realized return and expected return. Realized return is a return obtained by investors based on historical data, while expected return is a return that investors expect to get in the future, which has yet to occur (Jogiyanto, 2017).

This research measured how expected returns influence a person's intention to invest in crypto assets. This is because someone who invests first assesses a crypto asset and calculates the expected return that may be obtained when investing. Aini et al. (2019) revealed that there are several indicators that investors consider in measuring returns, including Interest in the resulting return, which is a description of the return that is the potential profit that can be obtained, attractive and competitive profits are conditions that show the invested assets have competitiveness with other assets, profit according to risk, which is the potential profit of investors with the possible risk of each investment made.

Fareva et al. (2021) found that return expectations have a significant and positive effect on investment interest because these expectations are used as information that can positively influence investors' decisions to invest. Likewise, research conducted by Hermanto (2017) also stated that return expectations are one factor that can positively influence investment interest. Based on the results of previous research, the research hypothesis can be drawn as follows.

H1: There is a positive and significant effect of return expectations on investment interest in crypto assets.

Perceived Risk

Risk in investing is a failure to fulfil an expected rate of return on the capital investors invest; a risk arises because of market uncertainty. Burhanudin et al. (2021) reveal that risk and return have a positive relationship; the higher the risk, the higher the potential return. Likewise, if the risk of an investment instrument is low, the expected return is lower. On the other hand, Huda and Hambali (2020) reveal that risk is the potential difference between actual and expected returns. Amalia (2019) revealed that in an investment portfolio, risk could be divided into two, namely: Unsystematic risk, a risk that can be eliminated by diversification such as business risk, liquidity risk and interest rate risk; systematic risk, a risk that cannot be avoided by diversification. This is because the fluctuation of this risk is influenced by macro factors that can affect the market, such as market risk, purchasing power risk and currency risk.

Risk is certainly a consideration for someone in investing, so this variable can be a construct that influences a person's intention to invest, especially in crypto assets. Each individual certainly has a different perception of each investment instrument used. According to Salsabila et al. (2021), there are several indicators of risk perception, namely: There are certain risks, in some instances, there are risks that cannot be avoided and must be prepared to be accounted for, experiencing losses, there is a potential loss for mistakes in the decision making and analysis process, thinking that it is risky, there is the potential for negative thinking about an invested asset to cause doubt.

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Perception of risk significantly influences interest or intention to invest in the capital market (Aren & Zengin, 2016). Likewise, the results of research conducted by Fahreza and Surip (2019) show that risk perception significantly influences student investment interest in Malang City. The risk perception in question can be losses that may be experienced financially, emotionally, or in other ways. Based on the results of previous research, the following research hypothesis can be drawn.

H2: There is a positive and significant influence of risk perception on investment interest in crypto assets.

Intention to Invest in Crypto Assets

Intention is a particular desire a person has before doing a behaviour (Burhanudin et al., 2021). Based on this, as well as the explanation of the previous TRA model, behaviour by a person is based on a factor. One factor influencing intention is the inner urge factor, namely stimuli that come from the environment or scope that suits a person's desires or needs, quickly leading to intentions (Amalia, 2019). Based on Burhanudin et al. (2021), some indicators can be used in measuring interest, namely Investment information, the emergence of interest in investment due to various information obtained about investment, promising returns, investments that promise a high enough return have the potential to influence investors' intention to invest, and attractive investment, investment is attractive due to the transformation of digitalisation and makes it easier for someone to make a profit.

Investment is a term related to finance and economics, and it relates to the accumulation of a form of asset in the hope of obtaining future profits (Burhanudin et al., 2021). Investment is an effort made by a person or group of people to get profit from the money they have (Setiawan, 2020). Cryptocurrency or digital currency has become a global phenomenon in many countries, and cryptocurrency / digital currency has become an inevitable part (Huda & Hambali, 2020). Crypto asset means digital currency that can be used as an asset. Investing in crypto assets can generate high returns and risks, as evidenced by the research of Chania et al. (2021), which states that cryptocurrency produces higher returns when compared to returns on several capital market indices in Indonesia, where the value of cryptocurrency is relatively increasing. More and more types of cryptocurrencies appear.

Trisnatio and Pustikaningsih (2018) stated that return expectations and risk perceptions significantly influence student investment interest. By directly understanding the return and risk in investment, people can make the right decisions when investing in the capital market. For this reason, this study formulates the following hypothesis.

H3: There is a positive and significant effect of return expectation and risk perception simultaneously on investment interest in crypto assets.
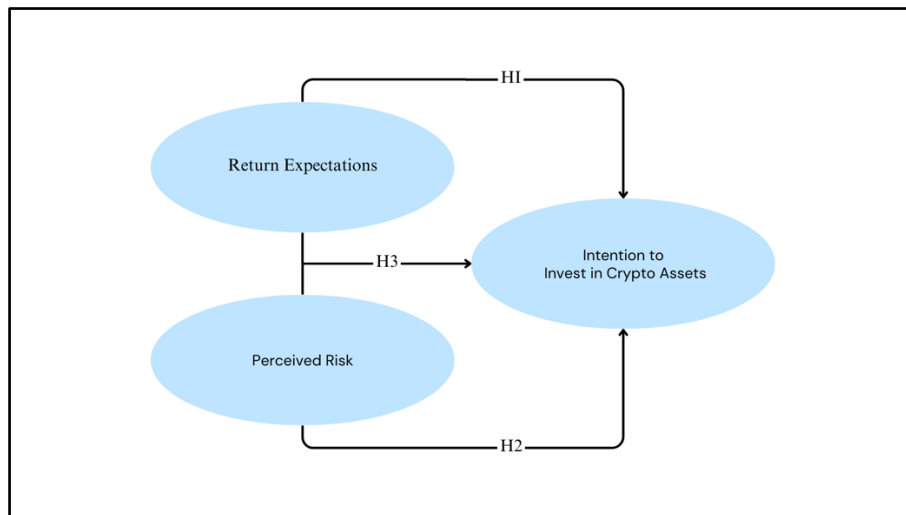

Figure 2. Research model

2. METHOD

This research uses data collected through online questionnaires because this research involves individuals who invest in crypto assets; the population in this study is investors. The number of investors in crypto assets cannot be determined, so this population is included in the infinite population. An infinite population is a population that shows the population as a source of data that is not known with certainty, such as the number of

the population or is said to be an infinite population size (Bungin, 2010). In addition, this research certainly carries out a sampling process in collecting data, where the sample is a subset or set of several parts of a larger population (Zikmund et al., 2009). The sampling technique used is purposive sampling; this research will determine the sample with certain foundations and criteria that meet the research's needs (Muhajirin & Panorama, 2017). Based on Hair et al. (2013), namely the number of indicators times (5 to 10). To ensure adequate statistical power, the minimum and maximum sample sizes were calculated to be 45 and 90 samples, respectively. These calculations were based on the number of indicators (9) and the recommended sample size per indicator (5-10). An online questionnaire with a 5-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was distributed to the Indonesian crypto asset investor community to collect the required data.

3. RESULT AND DISCUSSION

Research Instrument
Data Quality Test
Validity Test

The validity test is a test on existing data with the aim of knowing the level of validity of a data. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire (Ghozali, 2016). In this study, testing will be carried out with the help of the SPSS (Statistical Package for Social Sciences) programme. To determine valid and invalid item numbers, it is necessary to consult the r product moment table. The validity test assessment criteria are:

If r count> r table, then the questionnaire item is valid.
If r count < r table, it can be said that the questionnaire items are invalid.

The results showed that using a significance level of α = 5% and n = 80, the r table value of 0.220 was obtained. The validity test results for variable return expectation, perceived risk, and intention to invest in crypto assets (Table 1).

Table 1. Validity Test

Variable	Statement	r count	r table	Description
Return Expectations	X1.1	0,652	0,22	Valid
Return Expectations	X1.2	0,7	0,22	Valid
Return Expectations	X1.3	0,719	0,22	Valid
Return Expectations	X1.4	0,752	0,22	Valid
Return Expectations	X1.5	0,732	0,22	Valid
Perceived Risk	X2.1	0,709	0,22	Valid
Perceived Risk	X2.2	0,657	0,22	Valid
Perceived Risk	X2.3	0,543	0,22	Valid
Perceived Risk	X2.4	0,694	0,22	Valid
Perceived Risk	X2.5	0,714	0,22	Valid
Intention invest in crypto asset	Y1	0,758	0,22	Valid
Intention invest in crypto asset	Y2	0,724	0,22	Valid
Intention invest in crypto asset	Y3	0,769	0,22	Valid
Intention invest in crypto asset	Y4	0,573	0,22	Valid

Source: Data processed with SPSS

Based on the table above, it shows that the variable return expectations, perceived risk, and intention to invest in crypto assets have valid criteria for all statement items based on the calculation of r count which is greater than r table (0.220).

Reliability Test

A questionnaire can be said to be reliable or reliable if someone's answer to a question is consistent or stable over time (Ghozali, 2016). The questionnaire will be said to be reliable if it is tried on the same subject repeatedly but the results remain the same or relatively the same (Amalia, 2019). To find out that the questionnaire is reliable, the reliability of the questionnaire will be tested with the help of the SPSS computer program. Reliability test assessment criteria include: If the Alpha coefficient result is greater than the 60% significance level or 0.6 then the questionnaire is reliable and if the Alpha coefficient result is smaller than the 60% significance level or 0.6, the questionnaire is not reliable.

Table 2. Reliability Test

Variable	Cronbach's Alpha	Reliability Standard	Description
Return Expectations	0,741	0,6	Reliable
Perceived Risk	0,681	0,6	Reliable
Intention invests in crypto asset	0,657	0,6	Reliable

Source: Data processed with SPSS

Table 2 shows the results of the reliability test, where these results show that all Cronbach's alpha values show numbers above 0.60. This indicates that all statements related to variables are declared reliable.

Classical Assumption Test
Normality Test

Normality test is a test to assess whether the residual value is normally distributed or not. A good regression model is one that has a normally distributed residual value (Ansofino, Jolianis, Yolamalinda, & Arfilindo, 2016). The normality test can be done using the Kolmogorov Smirnov test. In the Kolmogorov-Smirnov test, a residual is normally distributed if Sig>0.05 and abnormally distributed if Sig <0.05.

Table 3. One-Sample Kolmogorov Smirnov Test Results

Unstandardized Residual		
N		80
Normal Parameters,a,b		
	Mean	.0000000
	Std. Deviation	184.169.909
Most Extreme Differences		
	Absolute	.064
	Positive	.044
	Negative	-.064
Test Statistic		.200c,d
Asymp. Sig. (2-tailed)		.200c,d

a) Test distribution is Normal.
b) Calculated from data.
c) Lilliefors Significance Correction.
d) This is a lower bound of the true significance.
Source: Data processed with SPSS

Based on the normality test results in the table above, it can be seen that the significance value is 0.200 and this value is greater than 0.05. Therefore, it can be concluded that the data in this study as a whole is normally distributed.

Multicollinearity Test

Multicollinearity test is a test used to see whether or not there is a high correlation between the independent variables with a multiple regression model. If there is a high correlation between the independent variables, the relationship between the independent variable and the dependent variable will be disrupted (Ansofino et al., 2016). The way to determine whether there are symptoms of multicollinearity is by looking at the Variance Inflation Factor (VIF) and Tolerance, if the VIF value is 0.1, it is stated that there is no multicollinearity.

Table 4. One-Sample Kolmogorov Smirnov Test Results

Model	Coefficients^a						
	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
(Constant)	8.957	1.684		5.318	.000		
Ekspetasi Return	.269	.064	.425	4.213	.000	.928	1.077
Persepsi Resiko	.156	.076	.207	2.049	.044	.928	1.077

Source: Data processed with SPSS

Based on the multicollinearity test results in the table above, it can be seen that each independent or independent variable has a VIF with a value of 0.10, namely the return expectation variable has a VIF of 1.077 and a tolerance value of 0.928 and the risk perception variable has a VIF of 1.077 and a tolerance value of 0.928. Thus it can be concluded that there is no multicollinearity between the dependent variable and the other independent variables so that it can be used in this study.

Heteroscedasticity Test

The heteroscedasticity test is to see if there is an inequality of variance from the residuals of one observation to another. A regression model that fulfils the requirements is where there is an equality of variance from the residuals of one observation to another (Ansofino et al., 2016). If the variance and residuals of one observation to another are constant, it is called homoscedasticity and if it is different, it is called heteroscedasticity. The method used is the Glejser Test. The Glejser test is performed by regressing the independent variable on the absolute value of the residuals. The decision making used is if the significance value between the independent variable and the absolute residual > 0.05 then there is no heteroscedasticity problem.

Table 5. Heteroscedasticity Test Results Heteroscedasticity Test Results

Model	Coefficients^a				
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
(Constant)	3.147	1.025		3.070	.003
Ekspetasi Return	-.027	.039	-.081	-.695	.489
Persepsi Resiko	-.061	.046	-.152	-1.313	.193

a) Dependent Variable: Abs_RES
Source: Data processed with SPSS

Based on the table above, it can be seen that each independent variable has a significance value> 0.05, namely the return expectation variable with 0.489> 0.05 and the risk perception variable with 0.193> 0.05, so it can be confirmed that there is no heteroscedasticity problem.

Hypothesis Test
T test

The t test is used to test the effect of independent variables individually on the dependent variable. To test whether each independent variable has a significant effect on the dependent variable, $\alpha = 0.05$ is used. The acceptance and rejection of the hypothesis with the following conditions.

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1) If sig <0.05 or Tcount> T-table, then H is accepted, meaning that the independent variable partially has a significant effect on the dependent variable.

2) If sig > 0.05 or Tcount < T-table, then H is rejected, meaning that the independent variable partially has no significant effect on the dependent variable.

Table 6. T Test Results

	Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**			
	B	**Std. Error**	**Beta**	**t**	**Sig.**
(Constant)	8.957	1.684		5.318	.000
Ekspetasi Return	.269	.064	.425	4.213	.000
Persepsi Resiko	.156	.076	.207	2.049	.044

a) Dependent Variable: Minat Investasi
Source: Data processed with SPSS

In the table above, it can be seen, to determine the effect of each independent variable partially on the dependent variable using the basic t table of 1.990 and the significance level of t table 1.990 and a significance value of 0.000 <0.05 and the risk perception variable has a calculated t value of 2.049> t table 1.990 and a significance value of 0.044 <0.05. Thus, it can be concluded that the return expectation variable partially has a positive and significant effect on investment interest in crypto assets. And the risk perception variable partially has a positive and significant effect on investment interest in crypto assets.

F test

The F test is used to test the effect of the independent variables simultaneously on the dependent variable. This test is carried out to compare at the level of significance value, as for the provisions of the F Test, including:

1) If Sig> 0.05, then the hypothesis is rejected, meaning that the independent variables simultaneously have no positive effect on the dependent variable.

2)If Sig <0.05, then the hypothesis is accepted, meaning that the independent variables simultaneously have a positive effect on the dependent variable.

Table 7. F Test Results

	ANOVA[a]				
Model	**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
Regression	99.593	2	49.797	14.310	.000[b]
Residual	267.957	77	3.480		
Total	367.550	79			

a) Dependent Variable: Minat Investasi
b) Predictors: (Constant), Persepsi Resiko, Ekspetasi Return
Source: Data processed with SPSS

Based on the test results, using the basis of the significance level <0.05. Then return expectations and risk perceptions simultaneously have a positive and significant effect on investment interest in crypto assets.

Test Coefficient of Determination (R2)

The coefficient of determination (R2) is intended to determine the best level of accuracy in regression analysis which is indicated by the magnitude of the coefficient of determination (R2) between 0 (zero) and 1 (one). If the coefficient of determination (R2) is close to zero the independent variable has absolutely no effect on the dependent variable. Conversely, if the coefficient of determination is closer to one, it can be said that the

independent variable has an effect on the dependent variable. The coefficient of determination can also be used to determine the percentage of changes in the dependent variable (Y) caused by the independent variable (X).

Table 8. Test Results of the Coefficient of Determination

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.521[a]	.271	.252	1.865

a) Predictors: (Constant), Persepsi Resiko, Ekspetasi Return
Source: Data processed with SPSS

In the table of coefficient of determination test results above, it can be seen that the amount of Adjusted R Square (R2) is 0.252. This shows that the independent variables of return expectations and risk perception can only explain 25.2% of the dependent variable of investment interest. While the remaining 74.8% (100%-25.2%) is influenced by other variables not included in this study.

Multiple Regression Analysis

The analysis that will be used in this study is multiple regression analysis. Multiple regression is the influence between more than 2 variables, where there are 2 or more independent variables and 1 dependent variable and is also used to build equations and use these equations to make forecasts.

Regression model: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$

Description:

Y = Investment Interest
α = Constant Parameter
X1 = Return Expectation
X2 = Risk Perception
β_1 = Coefficient of X1
β_2 = X2 Coefficient
ε = Standard error

Table 8. Test Results of the Coefficient of Determination

Coefficients[a]					
Model	**Unstandardized Coefficients**		**Standardized Coefficients**		
	B	**Std. Error**	**Beta**	**T**	**Sig.**
1 (Constant)	8.957	1.684		5.318	.000
Ekspetasi Return	.269	.064	.425	4.213	.000
Persepsi Resiko	.156	.076	.207	2.049	.044

a) Dependent Variable: Minat Investasi
Source: Data processed with SPSS

Based on the results obtained from the multiple linear regression test above, a regression equation can be made as follows:

$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \varepsilon$
$Y = 8.957 + 0.269X_1 + 0.156X_2 + \varepsilon$

From the regression equation above, it can be seen that:

1. The constant value of the linear equation shows 8,957, this means that if the value of the independent variables (expected return and perceived risk) is equal to zero, then the variable interest in investing in crypto assets will remain at 8,957.

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2. The regression coefficient value of the return expectation variable (β_1) is 0.269, which indicates that if the return expectation variable increases by one unit, the investment interest in crypto assets will increase by 0.269.

3. The regression coefficient value of the risk perception variable (β_2) is 0.156 which indicates that if the risk perception variable increases by one unit, the interest in investing in crypto assets will increase by 0.156.

Discussion

The effect of return expectations on investment interest in crypto assets

This study shows that there is a significant positive effect between the return expectation variable on investment interest partially. Obtained a significance value of 0.000 <0.05 and proven by the t statistical test where t count 4.213> t table 1.990 so it can be concluded that the hypothesis is accepted. The results of this study support research conducted by Fareva et al (2021) where return expectations have a significant and positive effect on investment interest. Thus it can be concluded that the return expectation variable has a positive and significant effect on investment interest in crypto assets.

The effect of risk perception on investment interest in crypto

This study shows that there is a significant positive effect between the risk perception variable on investment interest partially. Obtained a significance value of 0.044 <0.05 and proven by the t statistical test where t count 2.049> t table 1.990 so it can be concluded that the hypothesis is accepted. The results of this study support research conducted by Aren & Zengin (2016) where risk perception has a significant and positive effect on investment interest. Thus it can be concluded that the risk perception variable has a positive and significant effect on investment interest in crypto assets.

Simultaneous effect of return expectations and risk perception on investment interest in crypto assets

This study shows that there is a significant positive effect between the variables of return expectations and risk perception on investment interest simultaneously. The significance value obtained is 0.000 <0.05 so it can be concluded that the hypothesis is accepted. The results of this study support research conducted by Trisnatio & Pustikaningsih (2018) where return expectations and risk perceptions have a significant and positive effect on investment interest. Thus it can be concluded that the variable return expectations and risk perceptions have a positive and significant effect on investment interest in crypto assets.

4. CONCLUSION

The findings of this research indicate that the emergence of expectations among respondents regarding the returns achievable from crypto assets significantly influences their interest in investing. This is likely due to the relatively high rate of return offered by crypto investments compared to other investment instruments, with potential increases reaching thousands of percent in a much shorter timeframe. Additionally, the perception of risk also has a significant effect on investment interest, where higher perceived risks are associated with greater investment interest. This phenomenon may be attributed to the fact that the respondents in this study are already knowledgeable about crypto investments and understand that high returns are typically accompanied by high risks.

The results show that the return expectation variable has a positive and significant effect on investment interest in crypto assets, as does the risk perception variable. Together, return expectation and risk perception variables collectively influence investment interest in crypto assets in a positive and significant way. However, these two variables explain only 25.2% of the variation in investment interest, while the remaining 74.8% is influenced by other variables outside the scope of this research model.

This research highlights the need for crypto companies to enhance their positive image and operational performance to foster investor confidence in crypto investment instruments. Companies should also address potential risks faced by investors to mitigate concerns and encourage greater participation in crypto asset investment. Academically, this research expands the scope of studies on individual investment behavior by providing insights into the relationship between personal intentions to invest in crypto assets and the underlying factors influencing these decisions, particularly the consideration of potential returns and risks.

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