

Abstract

In recent years cryptocurrencies have become a popular subject of discussion, with prices of well-known large market capitalization coins such as Bitcoin and Ethereum soaring to all-time highs. Although cryptocurrencies are a relatively new investment opportunity, having been around since 2009 when Bitcoin was first made public, there has been a large change in prices. This can be partially attributed to the vast number of investors being attracted by advertising through social media. Before becoming popular cryptocurrencies were the topic of discussion for financially sound individuals and blockchain experts. As a result of the influx of popular influencers spreading the topic online, cryptocurrencies have become a more relevant topic of discussion among the general public. Having said this, the ease of accessibility coupled with the vast amount of advertising means that even those with little to no experience in cryptocurrencies are joining due to the fear of missing out. Although many may not have a clear understanding of the volatility that comes with cryptocurrencies, the influence of social media and the influencers on these platforms are attracting a vast audience. This audience seems to rely heavily on the popularity of influencers. Many investors are easily swayed creating a bandwagon effect that sees them disregarding the pitfalls of investing. Without proper research into the topic, many rely on the hype that influencers create, which they hope may eventually drive up prices and result in a quick turn of profits.

This research paper highlights how influencer marketing on social media affects people's perceptions and decision-making processes related to cryptocurrencies. Past research has highlighted how specific factors such as perceived risk, perceived benefits, and trust can influence investment choices. This paper identifies how these factors can be motivated and changed by influencers and understand the overall impact on the perception of cryptocurrencies. Additionally, this paper analyses why certain influencers may be more or less effective in changing perceptions as well as why certain people may be more or less impacted by influencers in general. To better understand the aforementioned topics an online survey was conducted to find out the extent to which influencers impact consumers and investors alike.