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Investors demand easy access to crypto market

Cryptocurrencies survey: trading not yet suitable for mass market

Uncomplicated, safe and quickly accessible: that is how traders would like to see crypto currency deals being handled. This was the conclusion of a recent survey (#thefutureofcrypto) conducted by FinTech Sowa Labs, a subsidiary of Boerse Stuttgart Digital Ventures, which surveyed over 1,000 people online. 'More and more investors are interested in cryptocurrencies. However, our survey shows that existing arrangements and venues for crypto trading are not suitable for a mass audience,' said Dr. Ulli Spankowski, Managing Director at Sowa Labs.

And it is far from easy to invest in Bitcoin, Ethereum and other cryptocurrencies. 'Not only is there a lack of user interfaces in the German language, but many trading platforms are also quite difficult to use,' he added. Registration and proof of identity were often too complex. 'Simply opening a user account usually takes up to several days – much too long for the fast-paced crypto world.' Two-thirds of respondents therefore wanted a speedier process, with no more than 24 hours intervening between entering their personal data and having their trading account activated. Investors also bemoaned error-prone trading processes and the high fees charged for purchasing digital coins.

The typical crypto trader

The survey reflects the fact that the vast majority of investors are not yet carrying out trades in cryptocurrencies. Whereas three quarters of participants had already traded securities, only a minority had gained any experience so far in the world of cryptocurrencies. One third – mainly men under the age of 35 – had an account on a crypto platform, with two thirds of that cohort having invested in at least three crypto currencies. 'The number of new accounts opened has increased by leaps and bounds – very much in line with all the bitcoin hype,' Dr Ulli Spankowski explained. The crypto trader respondents carried out frequent transactions, with three quarters of them trading every month. They overwhelmingly obtained information about crypto topics from online sources, such as forums, blogs and social media.

Too little trust and expertise

The survey also addressed the question as to why the majority of participants did not trade in cryptocurrencies. 'Many of those questioned do not trust digital money, regard investment in it as too risky, or have insufficient expertise,' Dr. Ulli Spankowski commented. There was general agreement between traders and non-traders alike that the cryptocurrency market was more speculative in nature. People who invested only in traditional financial products stated much more clearly than their crypto-only peers from the position that crypto investment was a bubble. Respondents were undecided as to whether cryptocurrencies were an alternative to the current payment system.

The complete survey can be found at:

<https://www.sowalabs.com/9f06243a/TheFutureOfCryptoFullPresentation.pdf>