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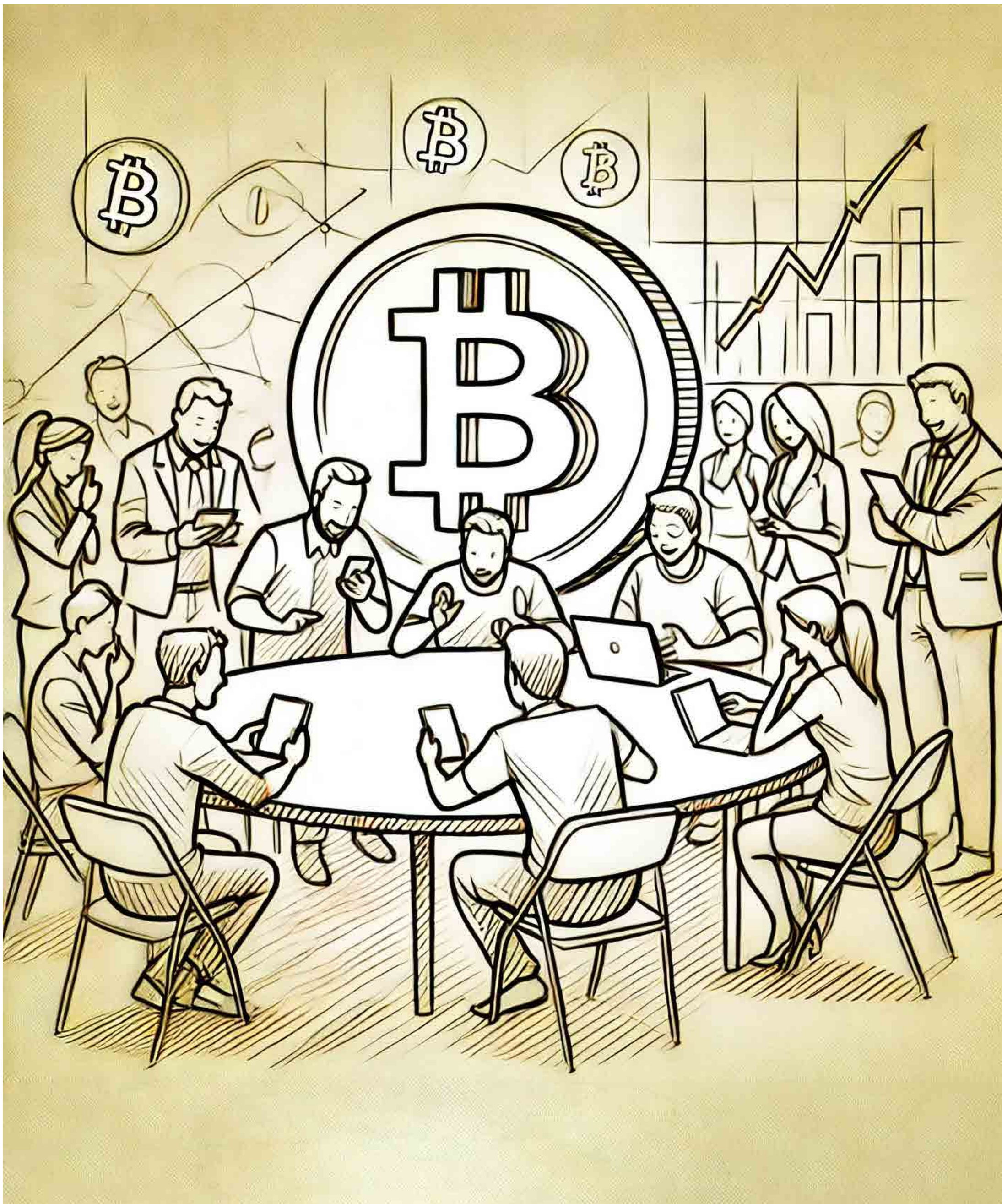
Crypto investments in Switzerland: awareness, relevance and reasons to invest

Prof. Dr. Andreas Dietrich, Dr. Reto Rey, Prof. Dr. Simon Amrein



A study by the Lucerne University of Applied Sciences and Arts

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1 Introduction

The importance of crypto investments has increased in recent years, including in Switzerland. As a country with a financial sector rich in tradition and a reputation for stability and innovation, Switzerland has become an interesting location for the development of the digital financial markets. In this context, the question arises as to whether, and to what extent, people resident in Switzerland invest in crypto assets and what their preferences are.

This study shows what people in Switzerland hold crypto assets, how many such people there are, what digital assets they invest in, and the extent of the corresponding assets invested by these people. It also aims to highlight what digital investments these investors prefer and what factors influence their investment decisions.

Ever more banks in Switzerland (including retail banks such as PostFinance, Swissquote and Valiant, and the cantonal banks in Zug, Zurich, Thurgau and Lucerne) are offering their customers the option of investing directly in crypto assets via e-banking and mobile banking. This development marks an important step towards broader acceptance of digital assets, and could also change the way customers invest.

The focus of the study is on crypto investments. We use this working definition to refer to cryptocurrencies, stablecoins, exchange-traded funds (ETF) and exchange-traded notes (ETN) in the area of crypto, non-fungible tokens (NFT) and tokens of real assets (e.g. tokens of real estate, gold, etc.).

Methodology and sample

The study is based on a survey conducted of a total of 3,017 people aged between 18 and 74 and resident in Switzerland. The survey was conducted by the market research institute intervista online in July 2024. The survey is representative for Switzerland with regard to age, gender, educational level and language region. The survey was quota-controlled, with Italian-speaking Switzerland overrepresented to ensure minimum sizes of the individual sub-samples. All evaluations were then weighted to correspond to the population distribution. For the presentations by age, four groups were formed:

- Generation Z (born 1997 – 2006 / age 18 – 27)
  The customary definitions for this generation generally consider people born up to 2012 inclusive. The focus of this study is on people aged 18 or over, however, so only the "older" members of this group are represented.

- Generation Y (born 1981 – 1996 / age 28 – 43)

- Generation X (born 1965 – 1980 / age 44 – 59)

- Baby boomers (born 1948 – 1964 / age 60 – 74)
  This generation is often considered to be people born from 1946 onwards. In this study, however, only people up to the age of 74 were surveyed.

Table 1 shows the descriptive statistics of the sample after weighting 50 % of respondents were women and 50 % men. 22 % of respondents belong to the baby boomer age category, 32 % to Generation X, 31 % to Generation Y and 16 % to Generation Z.

Gender	Women	50%
	Men	50%
Age category	Generation Z	16%
	Generation Y	31%
	Generation X	32%
	Baby boomers	22%
Language region	D-CH	71%
	W-CH	25%
	I-CH	4%
Education	No completed tertiary education	60%
	Completed tertiary education	40%
Assets	<20,000	25%
	20,000 – 100,000	26%
	>100,000	28%
Income	<25,000	16%
	25,000 – 75,000	28%
	75,000 – 150,000	32%
	>150,000	5%
Place of residence	Country	35%
	City	65%

Table 1: Sample according to demographic features (n = 3,017)

2 Interest in crypto investments

For 8% of the resident population in Switzerland, interest in crypto investments is either quite strong or very strong (scale: very strong, quite strong, average, not very strong, not at all). 14% express average interest in crypto investments. On the other hand, 53% of respondents say that they are not at all interested in crypto investments. 23% of respondents show only slight interest in them.

As can be seen in Figure 1, men, younger people and people with a high income are disproportionately interested in crypto investments. Differences are also apparent between age groups Generations Z and Y show the greatest interest (very strong, strong: 12% for Gen Z, 12% for Gen Y). Baby boomers have very little interest in the topic (2%).

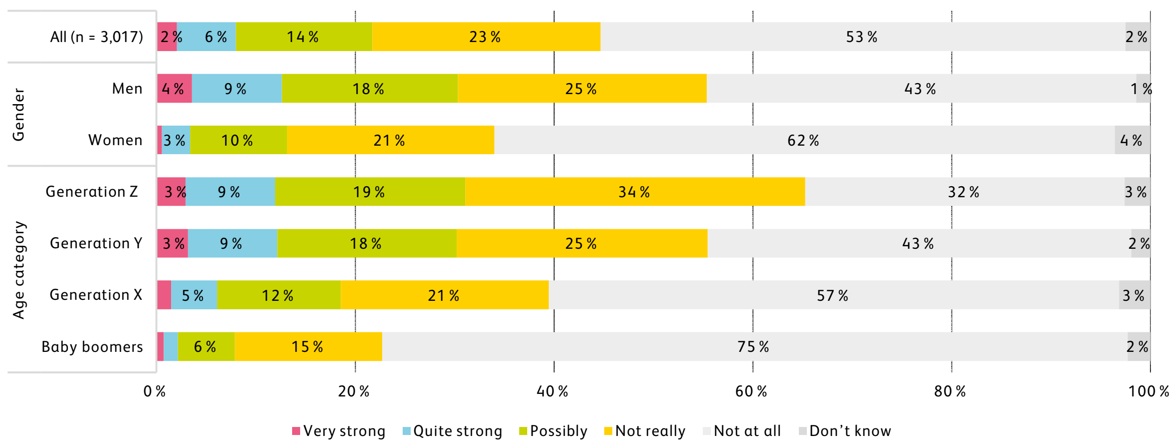

Figure 1: Interest in crypto investments according to demographic features (n = 3,017)

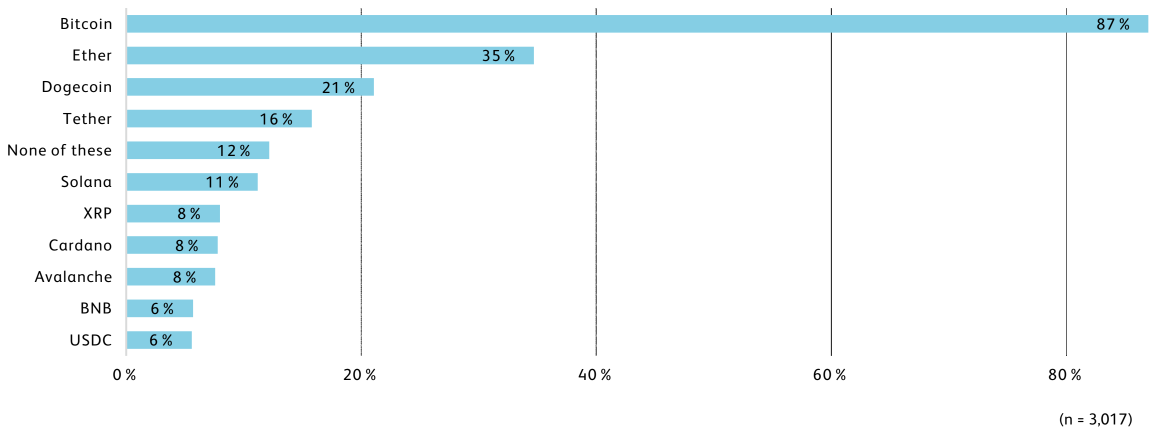

Figure 2: Aided awareness of crypto assets

Crypto assets have become considerably better known in recent years. The survey determined which crypto assets from a predefined list were known (so-called aided awareness). Figure 2 shows that 87% of respondents have meanwhile at least heard of Bitcoin. 35% of respondents are familiar with the name Ether, and a notable – from the point of view of the authors – 2% have heard of Dogecoin. The popularity of Dogecoin is possibly attributable to the unusual history of its origins, its prevalence in online communities and its endorsement by celebrities. Awareness of Dogecoin was raised particularly when Elon Musk began to tweet about it, referring to it as his favourite cryptocurrency. This media presence could have raised awareness among the general public. Tether and Solana are two further cryptocurrencies with which more than 10% of respondents are familiar.

3 Number of people investing in crypto assets

Figure 3 shows the percentages of people who are currently investing in crypto assets or have done so in the past. At present, 11% of the resident population of Switzerland are investing in crypto assets. A further 6% had invested in crypto assets in the past, but no longer have any now. This means that the vast majority (82%) has never yet invested in crypto assets.

When it comes to the distribution by gender, there are considerable differences: while 17% of men currently own crypto assets, the corresponding figure for women is just 6%. Moreover, a further 9% of men used to have crypto investments, but no longer have any now. This means that a total of 26% of men are either currently investing in crypto assets or have

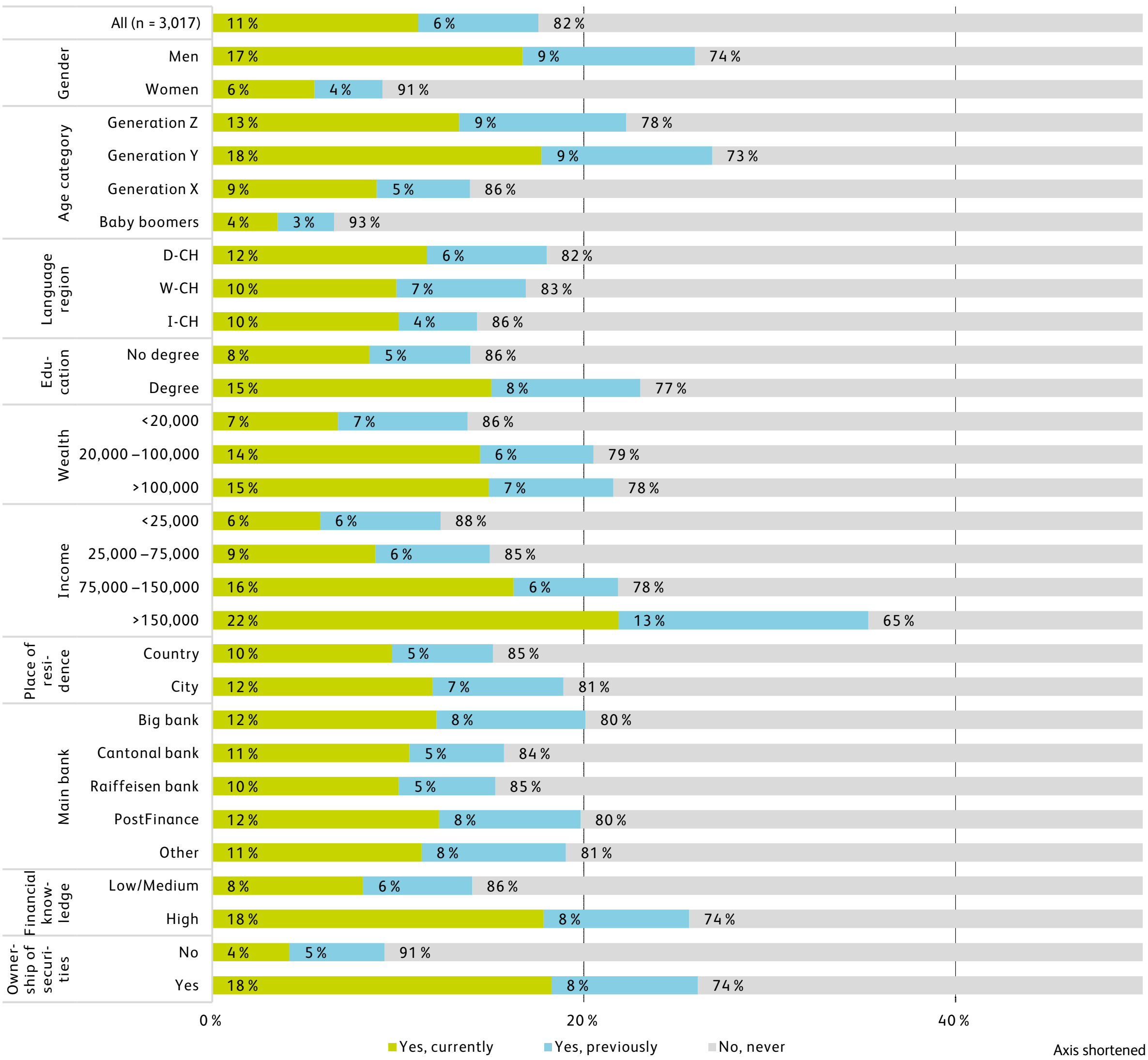

Figure 3: Ownership of crypto assets according to demographic features (current and former ownership)

done so in the past. The percentage for women is considerably lower (9%). This difference between the genders is likely due to the greater interest of men in the financial markets in general and in this asset class in particular.

There are also clear differences between the age categories: the highest percentage of people with crypto assets, by some margin, is to be found in Generation Y, of whom 18% currently have crypto assets. The percentage in the (younger) Generation Z is 13%. The percentage for Generation X is significantly lower with only 9% having crypto investments. The corresponding figure for baby boomers is lower still at just 4%.

The differences by language region are only slight. German-speaking Swiss are a little more likely (12%) to hold crypto assets than people from Ticino and Western Switzerland, for whom the percentage is just below 10% in each case. It comes as little surprise that people who also possess securities invest in crypto assets more frequently than those who do not hold securities. Furthermore, people with a high level of financial knowledge invest considerably more often in cryptocurrencies than those with a low or moderate level of knowledge (18% as opposed to 8%). It is also worth noting that 4% of respondents have invested in crypto assets despite not owning any traditional securities.

There is a clear correlation with income: the higher the income, the greater the percentage of those who own crypto assets. 22% of people with an annual income of more than 150,000 francs hold crypto assets. This correlation is less clear when it comes to wealth – one reason being that many older people with a high level of wealth do not own any crypto assets. Regression analyses even suggest that ownership of crypto assets among wealthy baby boomers (>100,000 francs) is lower than among those of low or average wealth.

An analysis of customers based on their primary banking relationships shows that customers of various banking groups invest in crypto assets to a similar extent (between 10 and 12%).

How does the resident population of Switzerland invest?

Investments in securities such as shares or bonds are significantly more widespread in Switzerland than investments in digital assets. Every second person (49 %) invests in securities (excluding crypto assets; cf. Figure 4). A further 8 % of people resident in Switzerland hold securities exclusively in conjunction with a pillar 3a fixed pension plan. A survey conducted in 2022 shows similar percentages: then, 50 % of households surveyed stated that they owned securities (pillar 3a, pension fund excluded).[1]

At 41 %, the percentage of women who hold securities is significantly lower than that of men (58 %). There are also clear trends in terms of age, language region, level of education, and wealth and income situation. Older people tend to invest more frequently than younger people. While 57 % of baby boomers are investors, only 34 % of Generation Z invest in securities. It is also conspicuous that people in German-speaking Switzerland invest considerably more frequently than those resident in Western Switzerland or Ticino. The evaluations also show that the percentage of investors among people with a higher level of education is considerably greater than that of people without a degree (63 % as opposed to 40 %). Figure 4 also shows that people with greater wealth, income, financial knowledge and risk appetite are more likely to be active in the financial markets.[2]

Figure 5 shows the asset categories in which investors invest. 68% of all investors have shares. 66% of all investors have invested in pillar 3a funds. 66% of people have investments in funds (other than pillar 3a funds). These are followed at some distance by the categories “Other (gold, raw materials, etc.)”, “Bonds” and “Fixed-term deposits, medium-term notes” with 28, 27 and 26% respectively. 18% of all investors have crypto assets.

Looking at the different asset categories, it is clear that traditional investments such as funds and shares are still the preferred options for investors. There is nevertheless a growing interest in digital investments, which is illustrated in particular by the 18% of investors who are already invested in crypto assets.

1 Dietrich, A., Amrein, S. & Rey, R. (2022). “Anlegen – warum (nicht)?” (Why (not) invest?). In: IFZ Retail Banking Study 2022. Editors: Dietrich, A., Amrein, S., Lengwiler, C. & Passardi, M. Rotkreuz; published by IFZ.

2 Risk appetite was assessed with the question “What risk would you take with your financial assets on a scale of 1 (no risk) to 6 (high risk)?”. Anyone answering with a value of 4 or lower was classified as risk-averse.

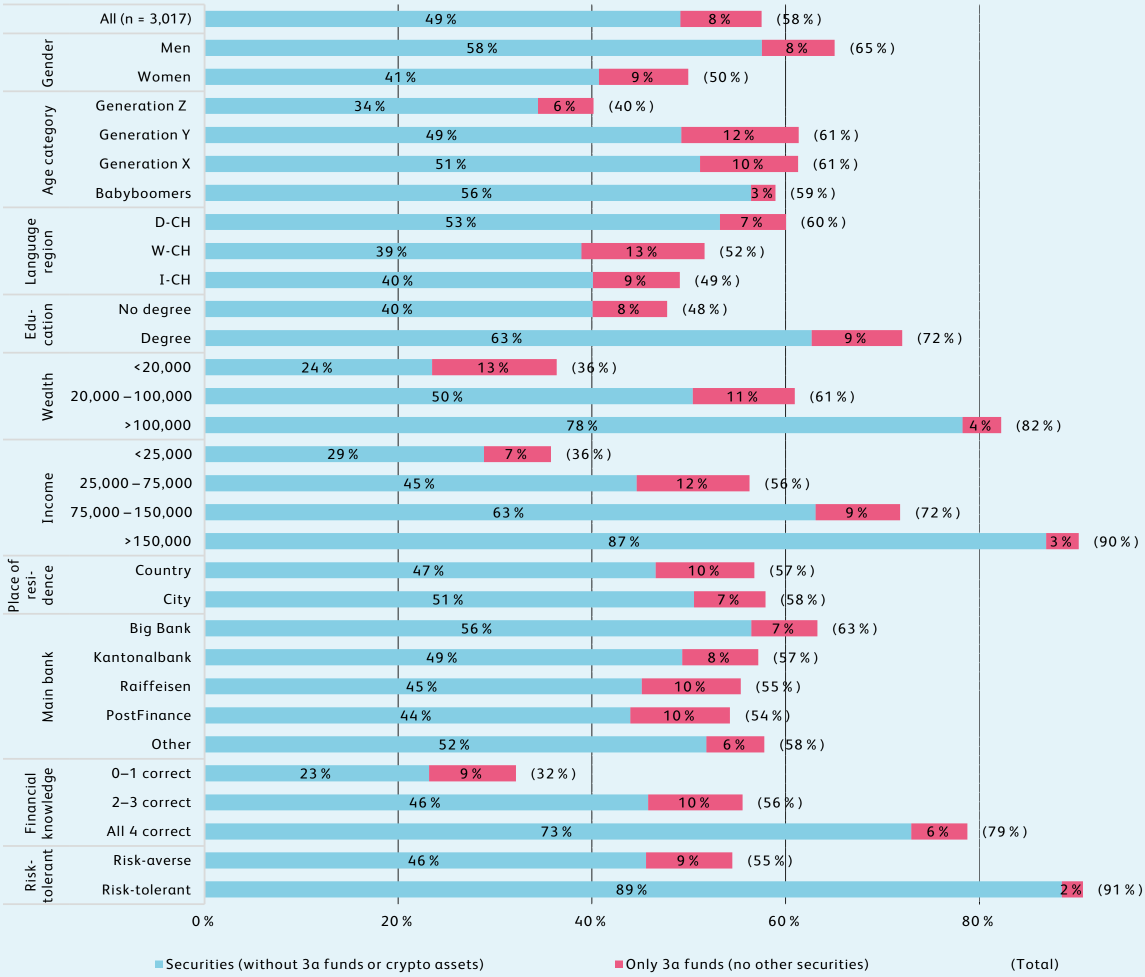

Figure 4: Percentage of people with securities

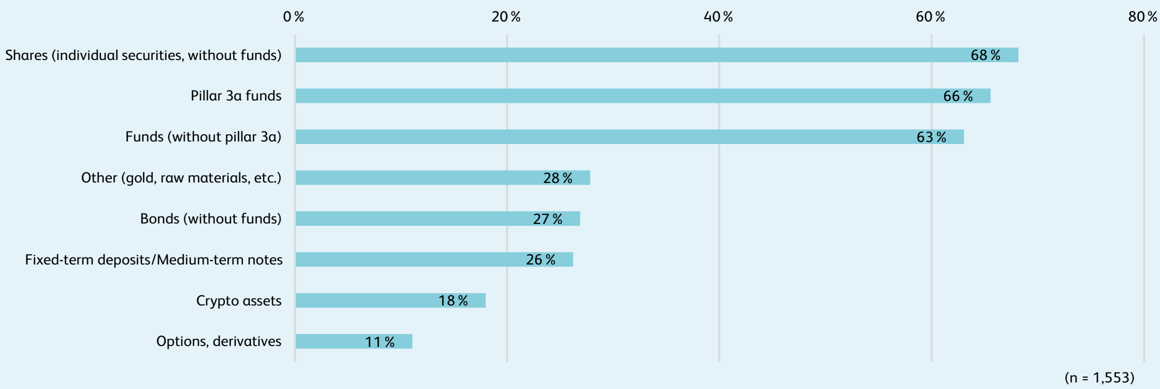

Figure 5: Asset categories of investors

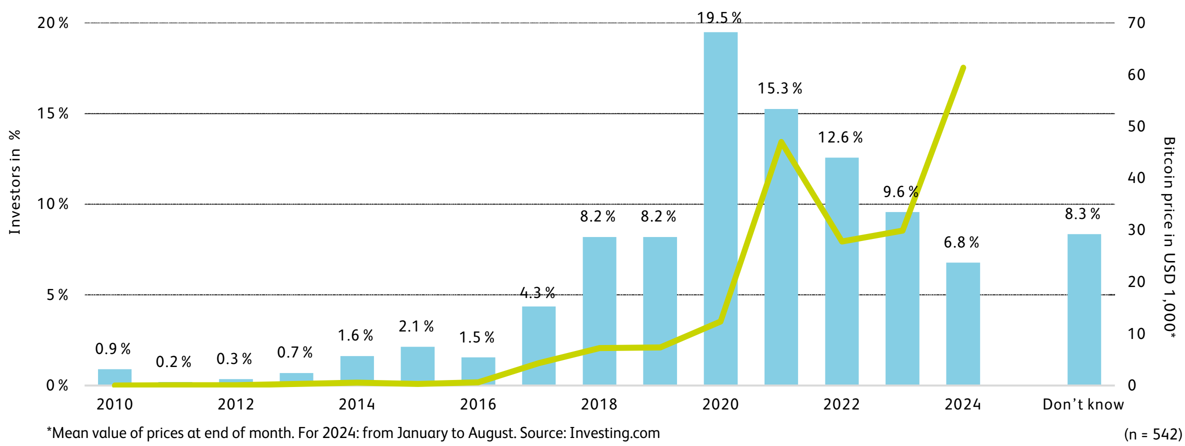

Figure 6: Time of first investment in crypto assets (as percentage of current or former crypto investors; left-hand axis)

Figure 6 shows when which percentage of crypto investors invested in crypto assets. The development of the Bitcoin price (annual average price, right-hand axis) is also shown. Almost half of respondents who hold crypto assets invested for the first time between 2020 and 2022. Only 4% of investors had already invested in crypto assets prior to 2015 (cf. Figure 6). Despite the easier access and the positive overall development of the Bitcoin price since 2020, the number of new investors in crypto assets has continuously declined in recent years.

Figure 7 shows that more than two thirds of current crypto investors have invested in Bitcoin, making it the most popular cryptocurrency among investors in Switzerland. Ether, the second-biggest cryptocurrency in terms of market capitalization, is held by almost half of investors. Solana, known for its high speed and low transaction costs, but also for its high centralization and occasional network failures, is held by 20% of respondents. Binance Coin (BNB) is held by 8% of investors, while 31% have invested in other crypto assets that are currently less strongly represented in the market.

As far as Stablecoins are concerned, 7% of crypto investors hold USDC, one of the most popular Stablecoins that is coupled to the value of the US dollar. Tether, another prominent Stablecoin, is held by 6% of respondents. DAI, a decentralized Stablecoin that is safeguarded by an overcollateralization model, is held by 2% of participants. Other Stablecoins are currently only represented by around 1% of respondents.

A further 11% of surveyed crypto investors have invested in crypto ETFs or ETNs, enabling access to crypto assets via traditional financial instruments. Additionally, 10% of crypto investors possess NFTs (non-fungible tokens), such as digital works of art, collector cards or tickets. RWA tokens, i.e. real assets that have been tokenized (e.g. real estate, bonds), are currently held by around 6% of investors.

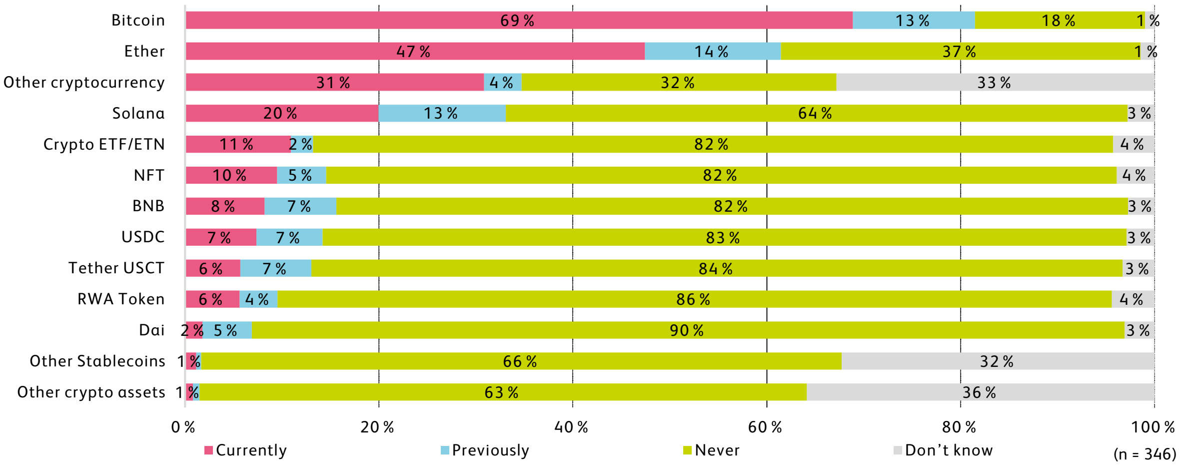

Figure 7: Percentage of investments in cryptocurrencies, Stablecoins and NFTs for people who currently hold crypto assets

4 Reasons for purchasing crypto assets

Investors in crypto assets also stated why they invest in crypto assets (cf. Figure 8). The main reason for the commitment to crypto assets for the majority of current crypto investors was curiosity and interest in trying out this new investment option. Some 71% of respondents stated this to be the motivation for their investment. Almost half of crypto investors also see good potential returns on these investments. For 30% of investors, diversification of their portfolio is an important factor, particularly for higher earners and those with greater wealth. Furthermore, 11% hope that crypto assets will protect against inflation. For 20% of investors, access to technology or supporting the idea of decentralization is important. Crypto assets play a minor role in everyday life, however, as only 4% of respondents said that they also use them as a payment method. A smaller share of 2% invests in crypto assets in order to purchase works of art.

Figure 9 shows the providers used by the respondents to purchase crypto assets. The two most significant platforms are Revolut and Swissquote. Revolut topped the list with a share of 23%, closely followed by Swissquote with 22%. Other providers also play an important role in the Swiss crypto market. 19% of investors use Binance, while 15% purchase their crypto assets via Coinbase Exchange. Swiss smartphone bank Yuh also already enjoys quite high popularity among crypto investors with a share of 13%. Around 17% invest, or have invested, via a different digital provider not listed here. Almost 20% of people purchased their crypto assets via a Swiss bank, with 9% having used PostFinance and 10% other banks.

Accordingly, it comes as no surprise that almost 58% of people who own crypto assets purchased them via a bank account in Swiss francs (CHF). A further 16% of investors purchased their crypto assets with a credit card. 13% used a bank account in US dollars (USD), while 9% invested via a bank account in a different currency. The remaining 4% or so of investors can no longer remember how they purchased their crypto assets.

The most important factor for investors in their choice of provider is trust in the processor – be it a stock exchange, a broker or a bank (cf. Figure 10). However, other aspects also play quite an important or a very

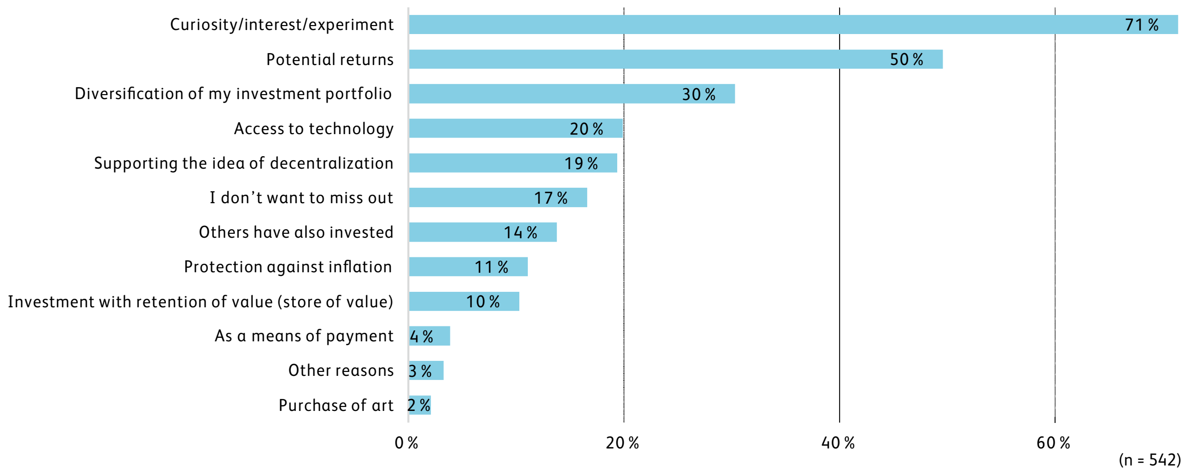

Figure 8: Reasons for investing in crypto assets

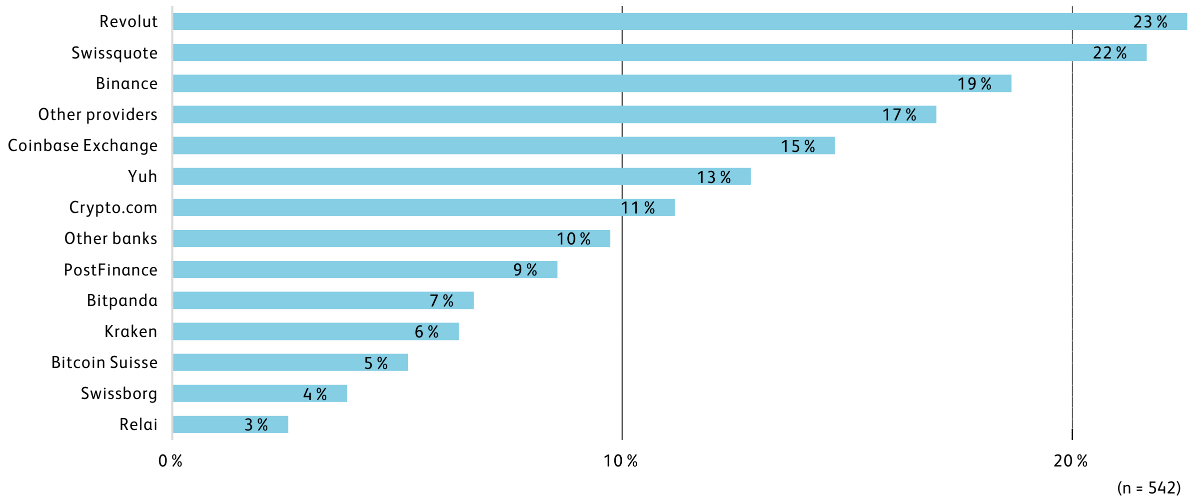

Figure 9: Providers used for purchasing crypto assets

important role for more than half of investors. In descending order, these include: the user-friendliness of the application, low fees and costs, control over one's own wallet key, safe storage of the assets and a comprehensive investment universe.

Somewhat less important for investors, yet still significant, are the fact that the provider is Swiss, the option of dealing via an existing banking relationship, access to advice and support, and the option of staking.

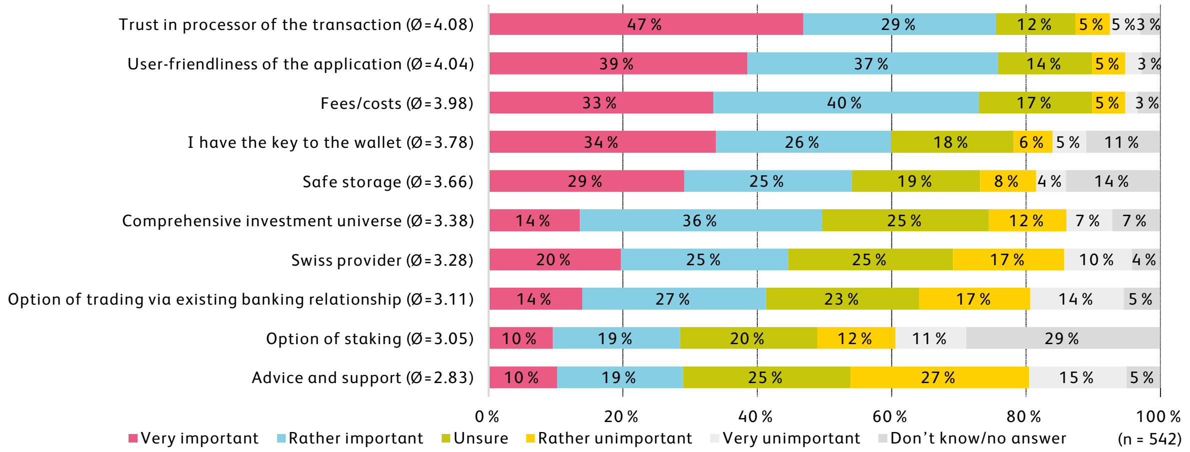

Figure 10: Importance of factors for the investment in crypto assets

5 Value of crypto assets

Figure 11 shows that, for most investors, the commitment to crypto assets still appears to be of a rather experimental nature. 31% of current crypto investors, for example, hold less than 1,000 francs in crypto assets. As already explained, "curiosity/interest/trying out" were the most commonly stated reasons for investing in crypto assets (cf. also Figure 8). The fact that almost a third of all crypto investors has invested a relatively low amount bears out this statement.

For 71% of crypto investors, the value of the investments is less than 10,000 francs. Only a minority of respondents hold larger amounts in crypto assets: 14% state that their crypto assets are worth more than 20,000 francs, while 8% hold crypto assets with a value of more than 50,000 francs. 5% of respondents are unable or unwilling to state the exact value of their crypto assets.

It is hardly surprising that people with higher incomes and wealth hold higher amounts in crypto assets on average than people with lower incomes and less wealth. For example, one in four people with wealth of more than 100,000 francs who invest in crypto assets hold assets worth 20,000 francs or more. It is also noticeable that, on average, men hold higher amounts in crypto assets than women do.

Figure 12 once again illustrates the correlation between wealth and the value of the crypto assets. The value of the crypto assets is indicated in Swiss francs, however. A further distinction is made between the mean and median values.

On average, people with a wealth of more than 100,000 francs hold crypto assets with a value of 38,030 francs. In the case of people with a wealth of less than 20,000 francs, the average amount in crypto assets is 2,450 francs. What is conspicuous in all wealth classes, however, is the clear difference between median and mean value. In the wealth class below 20,000 francs, the median value is just 500 francs. This means that half of respondents in this wealth class hold crypto assets valued at more than 500 francs, the other half less. The significantly higher mean value of 2,450 francs indicates that a few people hold far higher amounts in crypto assets, resulting in a skewed distribution. This effect can be observed in all wealth classes.

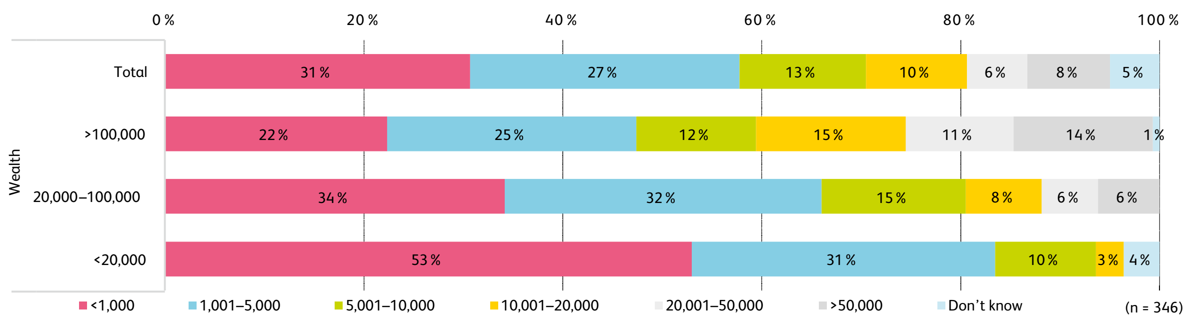

Figure 11: Current value of crypto assets of crypto investors (total and by wealth)

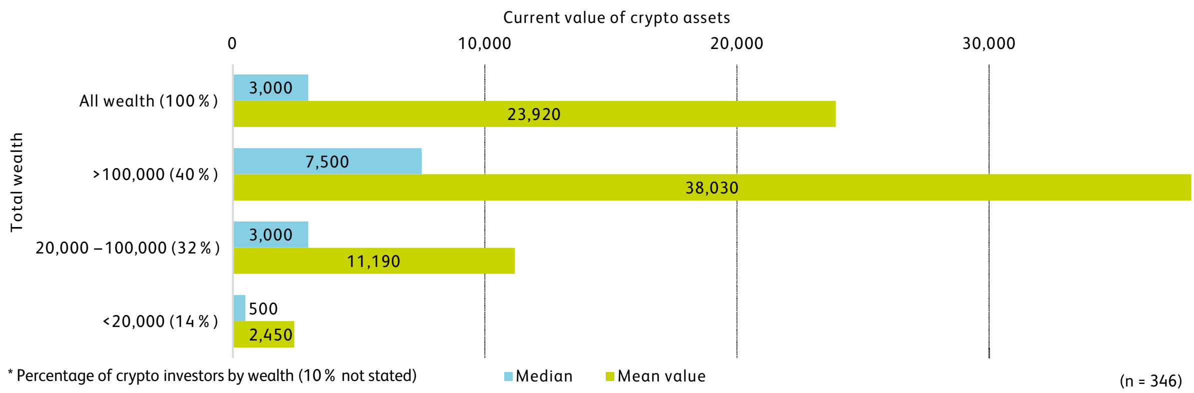

Figure 12: Current value of crypto assets by overall wealth and performance of the crypto assets

In this respect, the statement that crypto investors primarily invest small amounts in crypto assets, in relation to their wealth, out of curiosity can be further differentiated. It can be seen that the majority invests primarily from curiosity. There is another, smaller, group of people, however, that invests very high amounts in crypto assets relative to their wealth.

6 "HODL" vs. active trading

Figure 13 shows that 13% of crypto investors in Switzerland trade actively with their crypto assets. In other words, they buy and sell at least once a year. This group is presumably strongly interested in short-term market developments and tries to profit from the fluctuations in the crypto market.

Most investors, about 50%, pursue a buy-and-hold strategy, holding onto their crypto assets in the long term and only rarely trading. This is frequently referred in the crypto scene to as "HODL", which originated from a typo ("HODL" instead of "Hold"), but has meanwhile become a set term for this strategy. These investors clearly trust the long-term potential of crypto assets and see them more as a kind of digital gold that could gain in value over a longer time frame.

34% of investors trade sporadically during the year (2 to 10 trades per year). This group only buys and sells occasionally, possibly in response to specific market conditions or personal financial needs. This distribution shows that most Swiss crypto investors are not highly active traders.

Men between the ages of 18 and 44 are the most active traders of crypto assets. This age group demonstrates a higher affinity to active trading. This could also be attributable to the fact that young men tend to have a greater interest in new, innovative investment options, such as crypto assets. According to our investigations, they are also less risk-averse.

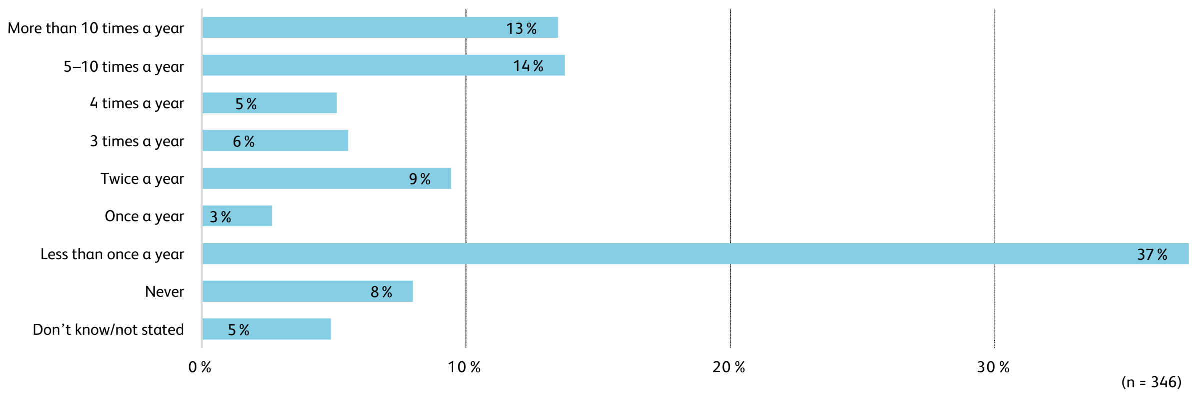

Figure 13: Frequency of buying/selling crypto assets

7 Expected future yields

With another question, we wanted to find out how the respondents estimate the future development of the Bitcoin price, both in the next six months and over the coming five years. 13% of respondents stated that they do not know Bitcoin and 58% either did not want to make a forecast or explained that they could not predict the future development (Figure 14). 29% of respondents did hazard a forecast for the future development of the price of Bitcoin. A distinction was made between three main groups in the analyses: current Bitcoin investors, former investors and people who have never yet invested in crypto assets.

At the time of the start of the survey on 16 June 2024, the price for Bitcoin was 63,715 US dollars (this value was communicated to respondents in the survey). For the present analysis, the price expected by the respondents was compared with the current price (cf. Figure 15). On average, the respondents expected the Bitcoin price to fall by about 6% over six months. For the five-year period, the respondents expected an average increase in value of 18%.

Expectations differed considerably between genders: on average, men expected a higher Bitcoin price than women. On average, men expected the price to be 24% higher in five years (median: 8%), while women forecast an average price increase of “only” around 7% (median: minus 3%). This indicates that men are more optimistic about the future performance of Bitcoin than women are. Men are also far more likely to hazard an estimate of the development of the Bitcoin price. 38% of male respondents made an estimate. 19% of women made a price forecast (cf. Figure 14).

Moreover, there are considerable differences in expectations – depending on whether the respondents currently own crypto assets, previously owned crypto assets, but have meanwhile sold them, or have never invested in crypto assets. On average, people who

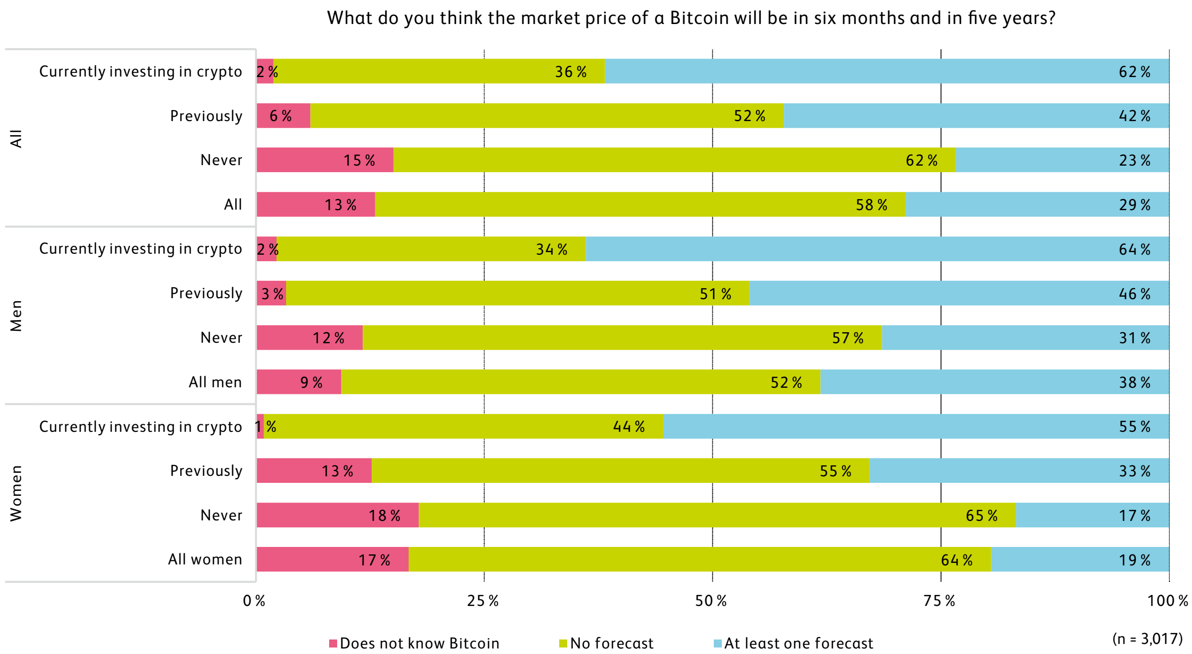

Figure 14: Percentage of respondents by Bitcoin forecast

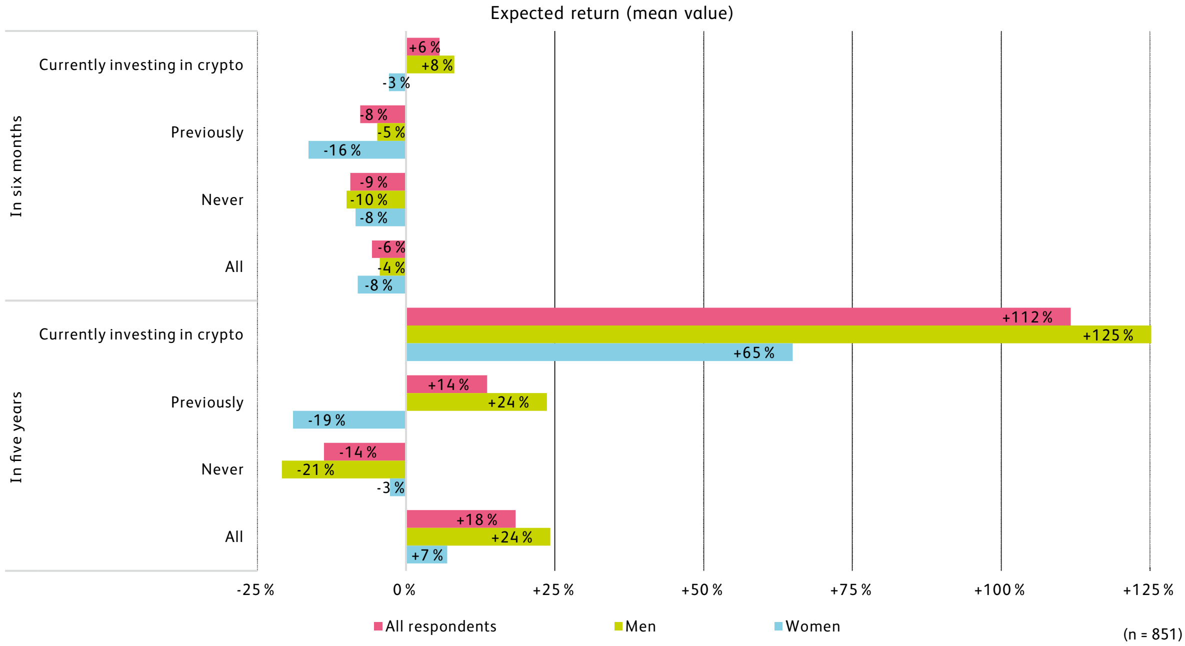

Figure 15: Expected returns by crypto experience and gender

currently own crypto assets expect the Bitcoin price in five years to be 112% higher than at the time of the survey (median: 57%). By contrast, respondents who have never invested in crypto assets expected a negative long-term price development. On average, people who previously owned crypto assets, but no longer have them, forecast an increase of 14% in the value of Bitcoin compared with the time of the survey (median: 2%).

An analysis of the expected returns according to various demographic features of people who currently invest in crypto assets shows that the language region also influences expectations (cf. Figure 16). Respondents from German-speaking Switzerland forecast a considerably higher Bitcoin price in five years than respondents from Western Switzerland or Ticino. This is primarily due to the fact that German-speaking Swiss more often have very high yield expectations. The median of the forecasts by region, on the other hand, is very similar.

There are also differences relating to income and wealth: people with greater income and wealth generally expect a greater increase in the value of Bitcoin than those with lower financial resources.

What can also be seen is that respondents with greater financial knowledge expect greater returns from Bitcoin than those with a lower level of financial knowledge.

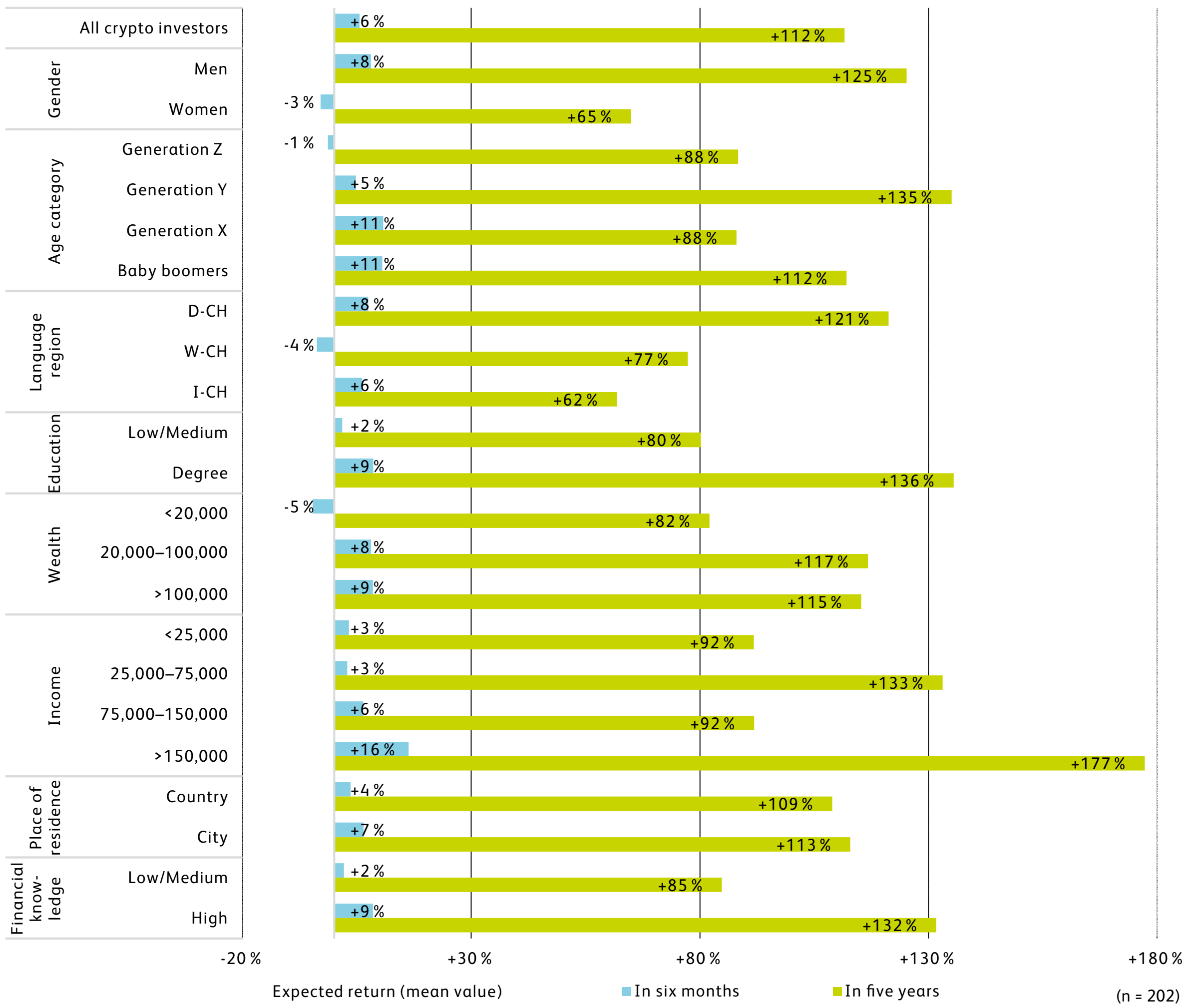

Figure 16: Yield expectations of current crypto investors according to demographic features

8 Investor profits and losses

The value of many crypto assets has increased greatly over the past ten years. Not all investors were able to profit from this increase, however, as illustrated by Figure 17. Around 24% of current and former investors state that they have made a loss with their crypto assets or are currently in the minus zone.

At the time of the survey, a third of investors were uncertain whether they had made a profit or a loss with their crypto assets. Of the former crypto investors, 41% do not know whether they made a profit or a loss with them. Of current crypto investors, 27% do not know. It is particularly noticeable that women disproportionately often stated that they did not know exactly how their crypto assets had performed. This could indicate that women tend to have less information about the performance of their investments or are less involved in checking and analysing their investments.

The median performance among all current and former crypto investors is +10%. This means that half of all investors made (even) higher profits and the other half made lower profits or even losses. For a quarter of investors with negative performance, the median loss was 26% (cf. Figure 18; average loss: 38%). On the other side, 43% of investors reported a profit with a median increase of 35%. The average (in some cases not yet realized) profit is 256%, but this is greatly influenced by a few investors with profits of more than 1000%.

People who previously invested in crypto assets, but no longer do so, stated with above-average frequency that they had suffered losses with their crypto investments. Former investors who had made profits recorded a median increase of 20%. Those who had suffered losses, on the other hand, had a median loss of 50% of their invested capital (mean value also 50%). This means that half of this group had lost even more than 50%.

Slightly more than a quarter of respondents stated that returns on their crypto assets were better than expected (cf. Figure 19). A further quarter reported that returns on their investments were more or less as expected. However, 29% of respondents expressed disappointment: their crypto portfolio had performed worse than expected. 21% of respondents stated that they had no concrete expectations regarding the return on their crypto investments, which could indicate that these investors entered the crypto market as something of an experiment or without clear financial goals.

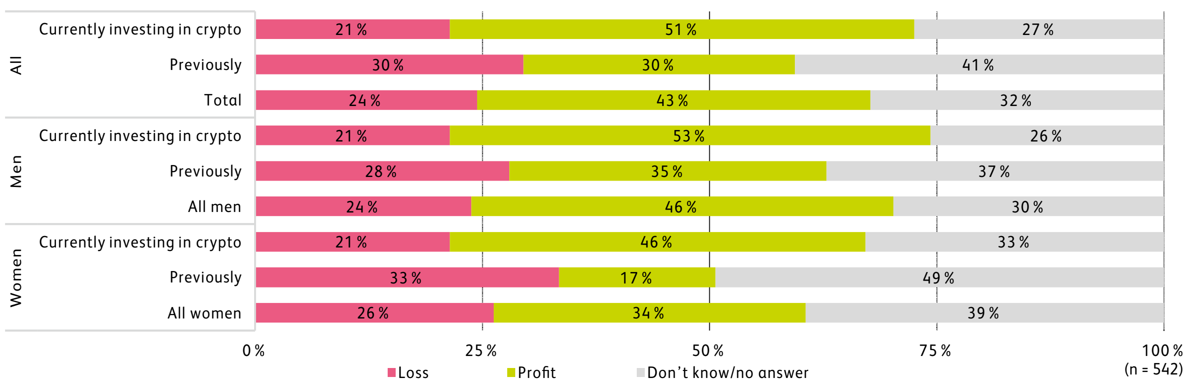

Figure 17: Profit/loss with crypto assets broken down by gender and current/former ownership of crypto assets

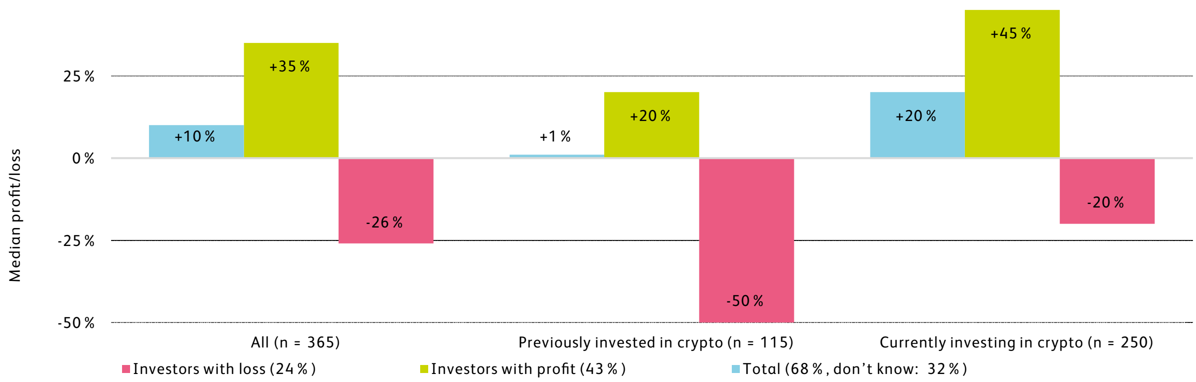

Figure 18: Median gain/loss of investors with crypto assets

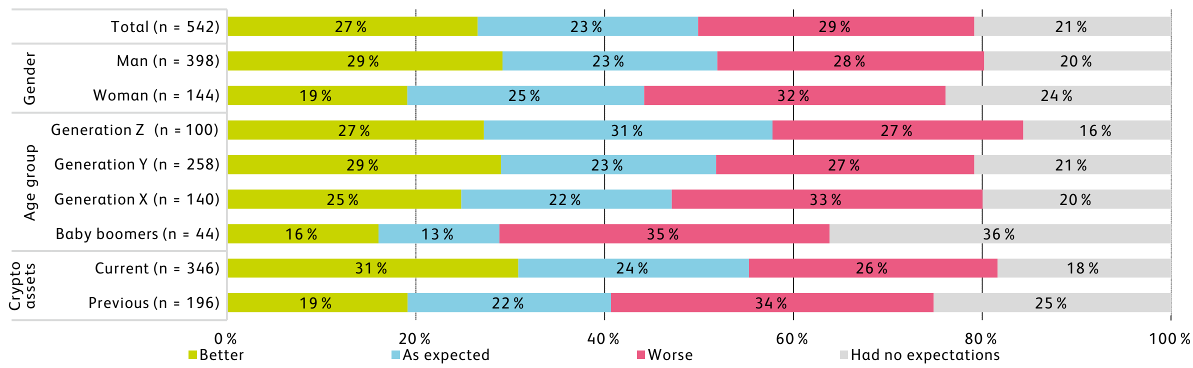

Figure 19: Expected versus realized past returns on crypto assets of current and former investors

9 Market potential for new customers

In another question for non-investors, we wanted to know the probability of people who do not currently invest in crypto assets (re-)entering this market in the next two years. The question was intended to gauge the future interest and readiness to reinvest in crypto assets of those who have currently withdrawn from the market.

As shown in Figure 20, only 5% of those who do not currently invest in crypto assets consider it quite probable or highly probable that they will invest in crypto assets (again) in the future. It was particularly people who had already invested in crypto assets in the past who could imagine investing in crypto assets again in the future (26%). Of those who had never invested in crypto assets, only 3% stated that they would quite probably or certainly do so in the future. Men showed slightly higher potential interest – the differences are quite small, however.

For a large majority (73%), on the other hand, it is highly probable or even certain that they will not invest in crypto assets in the future. This clear reservation leads to the conclusion that the market potential for new customers in the field of crypto investments is rather limited and currently only appeals to a comparatively small group of potential investors. Furthermore, the majority of former investors would appear to have withdrawn permanently from this market.

The two primary reasons for the reluctance to invest (again) in crypto assets are insufficient knowledge and a lack of interest in this asset class (cf. Figure 21). Many people feel uncertain when dealing with crypto assets and do not feel sufficiently informed to make well-founded investment decisions.

Other factors also play a significant role in the decision not to (re-)enter the crypto market. Among the reasons frequently cited are the high price fluctuations and the associated fear of losses in value, limited financial resources and the risk that crypto exchanges could go bankrupt. While former investors primarily cite fear of a loss in value of crypto assets as a reason for not investing, people who have never invested in cryptocurrencies cite a lack of interest and knowledge as the key reasons for not doing so.

Table 2 shows what variables influence ownership of crypto assets. The statistically significant factors are indicated in each case with asterisks (*** = highly significant, ** = strongly significant, * = significant). The "marginal effect" shows the forecast probability of ownership of crypto assets compared to the reference group.

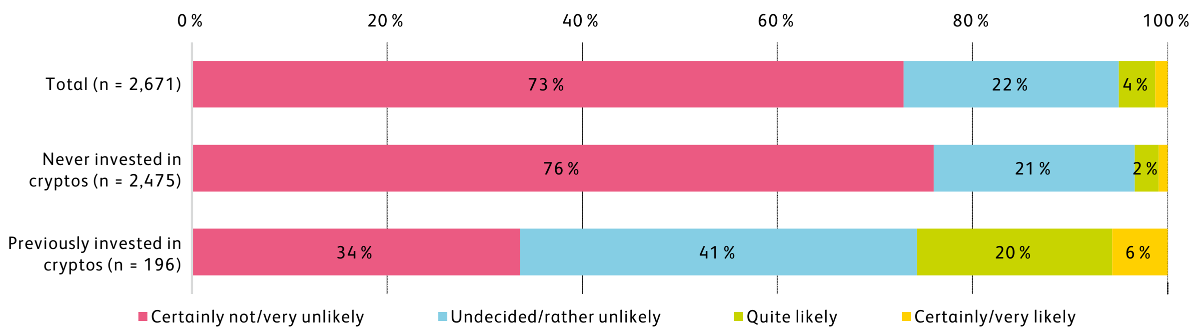

Figure 20: Probability of an investment in crypto assets in the next two years

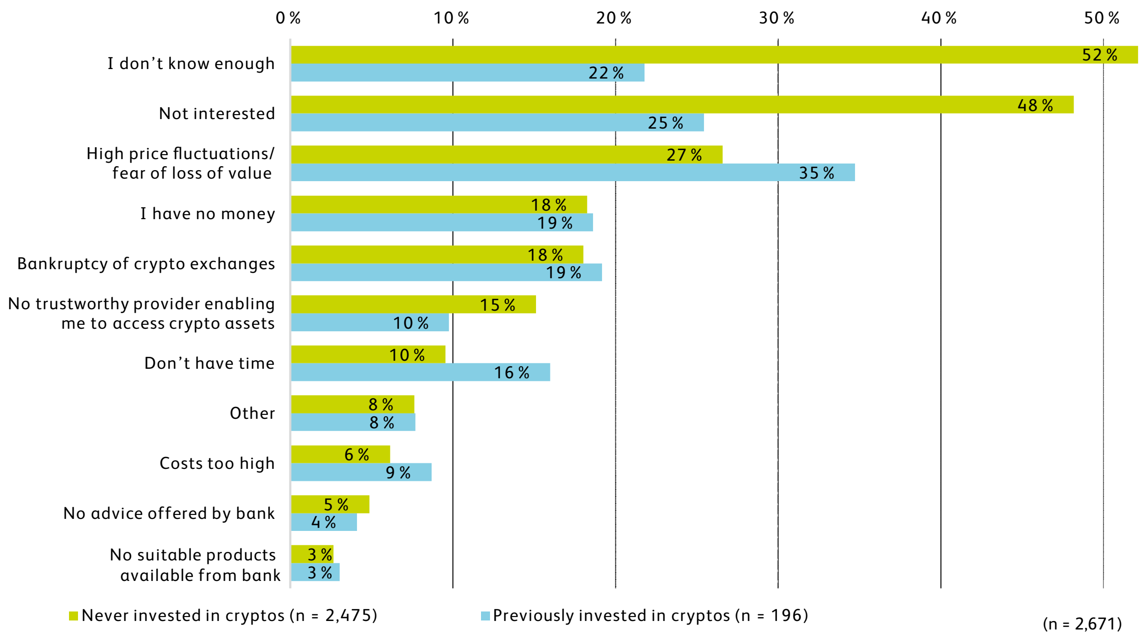

Figure 21: Reasons for not investing in crypto assets (total and broken down into "former crypto investors" and people who have never invested in cryptocurrencies)

As stated above, 11% of respondents currently own crypto assets. The results of the regression analyses now show that the two factors with the strongest correlation to crypto asset ownership are age and interest in financial markets. Compared to Generation Z, for example, baby boomers are 8% less likely to own crypto assets. People with very high interest in financial markets (value 5 on a scale from 1 to 5) are 8% more likely to own crypto assets than those with very low interest (value 1). When it comes to gender, it can be seen that women are 3% less likely than men to own crypto assets.

Previous studies on the ownership of securities have shown that strong interest in financial markets is closely linked to the ownership of securities.[3] The lower interest of women compared with men may in part explain the gender-specific difference in the ownership of securities. For this reason, the present study investigated whether this correlation also exists in the case of crypto assets.

Figure 22 shows that men with very low interest in financial markets only have a probability of around 5 percent of owning crypto assets. Very high interest quadruples the probability of owning crypto assets to over 20%. For women – who, on average, have a low interest in financial markets – the influence of interest in financial markets, while again noticeable, is considerably less pronounced than for men.

[3] Dietrich, A., Amrein, S. & Rey, R. (2022). "Anlegen – warum (nicht)?" (Why (not) invest?). In: IFZ Retail Banking Study 2022. Editors: Dietrich, A., Amrein, S., Lengwiler, C. & Passardi, M. Rotkreuz; published by IFZ. Brown, M., & Graf, R. (2013). Financial Literacy and Retirement Planning in Switzerland. Numeracy, 6(2). Van Rooij, M., Lusardi, A., & Alessie, R. (2011). Financial literacy and stock market participation. Journal of Financial Economics, 101(2), 449–472.

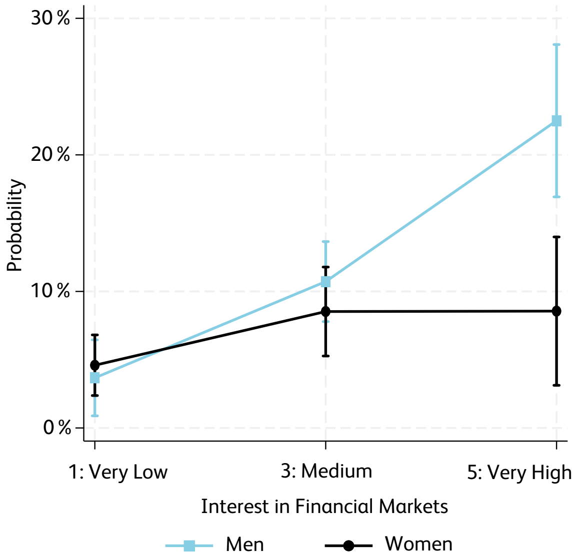

Figure 22: Forecast probability of crypto assets by gender and interest in financial markets

By contrast, we find no significant correlation with factors such as wealth, financial knowledge or level of education. It is also conspicuous that the interest in financial markets has a highly significant influence on the probability of crypto investments. Financial knowledge as measured by four questions, on the other hand, shows no statistical correlation with the ownership of crypto assets. What is significant, however, is the correlation with ownership of securities (+5% points) and risk appetite with regard to financial assets (+2% points for a risk appetite of 4 or 5 on a scale from 1: no risk to 5: high risk.)

Probability of crypto ownership (current)			Marginal effect (% pt.)	Signifi-cance
Gender (vs. men)	Women	↘	-3%	**
Age (vs. Gen Z)	Generation Y	↗	+2%	
	Generation X	↓	-5%	**
	Baby boomers	↓	-8%	***
Language region (D-CH)	W-CH	→	+1%	
	I-CH	→	+2%	
Education	Degree	→	-0%	
Wealth (vs. <20)	20,000–100,000	→	+2%	
	>100,000	→	+2%	
Income (vs. <25)	25,000–75,000	→	+2%	*
	75,000–150,000	↗	+3%	**
	>150,000	→	+0%	
Residential area (vs. rural)	Stadt	→	+1%	
Fear of loss	>3 on scale 1–5	→	-1%	
Security	>3 on scale 1–5	→	+1%	
Too little wealth to invest	>3 on scale 1–5	→	+2%	*
Interest in financial markets	2 (vs. 1)	↗	+3%	***
	3	↗	+4%	***
	4	↑	+9%	***
	5	↑	+8%	***
Ownership of securities, yes	(vs. no)	↗	+5%	***
Risk appetite	scale 1–5, per unit	→	+2%	***
Subjective knowledge of sustainable investments	>3 on scale 1–5	→	+2%	
Subjective knowledge of financial matters	>3 on scale 1–5	→	+1%	
Subjective financial knowledge of parents	>3 on scale 1–5	↘	-2%	*
Financial Literacy Score	scale 0–4, per unit	→	0%	
Sustainable Literacy Score	scale 0–3, per unit	→	+0%	

Table 2: Factors influencing the ownership of crypto assets (marginal effects on the basis of a probit regression, n = 3,017, pseudo R^2: 24%)

10 Summary

Crypto assets are well-known, but interest in them is only moderate
The overall interest of the Swiss public in crypto assets is moderate. Around 8% are quite strongly interested or very strongly interested in them, with interest being greater among the younger generations, men, and people with high incomes. At the same time, the majority of people living in Switzerland are meanwhile familiar with at least the most well-known cryptocurrencies such as Bitcoin (87%) and Ether (35%). Nevertheless, 82% of the population has never invested in crypto assets.

Crypto assets: an investment type for a minority
Crypto assets enjoy great attention in the media, which gives the impression that many people living in Switzerland actively invest or trade in this market. In reality, however, only 11% of the population own crypto assets, and only a small proportion of those people – about 14% – trade actively or with large amounts. This means that, overall, crypto assets are only of great importance to about 1 to 2% of the population.

Small fish in the crypto pond: curiosity rather than yield and diversification
The majority of Swiss crypto investors commit themselves to this investment type with small amounts. This indicates that many investments are of a somewhat experimental nature. 31% of respondents have less than 1,000 francs in crypto assets. The main reason investors give for these investments is curiosity. Exploiting potential returns and diversification of the portfolio are not unimportant – but (still) play a secondary role for many investors.

A bird in the hand: growth potential for existing crypto investors
Potential crypto investors can be subdivided into three groups: current investors, former investors (who do not currently invest in crypto assets) and people who have never yet invested in crypto assets. The analysis shows that it is a challenge to acquire new customers who have never yet had contact with crypto assets. Interest among people in this group, who have never yet invested, is very low. Former investors offer slightly greater potential for providers of crypto products, but also with limited potential for growth. This is shown, among other things, by the time at which they made their first investment in crypto assets. Almost half of all crypto investors purchased their first crypto assets in the three years from 2020 to 2022. The proportion of new investors in this asset class was highest in 2020 and has fallen ever since. This means that the greatest potential for banks or other providers, at least in the short to medium term, is among existing investors via the expansion of investments.

Or will everything turn out quite differently?
The integration of crypto assets into the range of products and services offered by established Swiss banks, such as Swissquote, PostFinance and the cantonal banks, illustrates the increasing influence of this asset class. By providing simple access via e-banking and mobile banking, these institutions are promoting the acceptance and spread of crypto assets among the general population. Studies show that despite this progress, there is not yet broad acceptance. By far the two most important reasons for not investing in crypto assets are a lack of interest and a lack of knowledge. These are reasons that are often also given for not investing in conventional securities, such as shares, funds or bonds. However, the increasing integration of crypto products by established financial institutions could stimulate the future market potential of crypto assets more than the respondents themselves currently consider possible.

One indication of the potential is that investors in securities invest significantly more frequently in crypto assets than people who do not invest in securities. According to the study, 18% of those who invest in securities also invest in crypto assets. This means that while these crypto assets are less significant than traditional investment categories, such as shares, funds or bonds, people are investing in crypto assets more often than in derivatives and bonds.

Lucerne School of Business
Institute of Financial Services Zug IFZ
Campus Zug-Rotkreuz
Suurstoffi 1
6343 Rotkreuz

T +41 41 757 67 67
ifz@hslu.ch
hslu.ch/ifz

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