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Investor preferences and perception: A comparative study between stock market and cryptocurrency in Gandhinagar city

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Abstract
This study analysed investor behaviour and preferences towards the stock market and cryptocurrency in Gandhinagar City, with an emphasis on comparative analysis of these two alternatives. It considered the impact of risk appetite, trust, return expectations, and demographics on investment decisions. Data were collected using a structured questionnaire from investors, considering factors related to risk perception, awareness, and money behaviour. Statistical analysis was employed to test relationships between variables, such as correlation, t-tests, and chi-square tests, and offered insights into decision-making. Findings showed that although the stock market is a preference of conservative investors due to its organized platform, cryptocurrency is preferred by young, risk-taking investors because of its high return potential despite fluctuation and limited regulation. The study finds that financial literacy, regulator support, and tailored advisory services play crucial roles in support of informed decision-making. It offers valuable insights for financial planners, policymakers, and platforms forming investor-centric strategies.

Keywords: Investor preferences, perception, stock market, cryptocurrency, comparative study, investment behaviour, risk perception, Gandhinagar city, financial decision-making, investment trends

Introduction

In the last few years, the investment avenues have increased manifold, and the taxpaying citizen today has multiple avenues at his or her disposal to grow his or her wealth. Among these, the stock market has been the conventional and traditional avenue of investment, while cryptocurrency has been the new, decentralized, and highly volatile avenue. Investors from urban cities such as Gandhinagar city are now increasingly opting for these avenues, comparing their options between the stability offered by stocks and the volatility of digital currencies. The choice between the two is often a function of the risk-taking ability of the individual, the desired rate of return, familiarity, trust, and technology readiness.

The stock market is well regulated and transparent with a historical track record, which will attract conservative and long-term investors. Cryptocurrency, driven by blockchain technology, offers the prospect of high returns but with greater uncertainty and little regulatory intervention. The stark contrast is an interesting subject for analysis of the attitudes and choice of such an option by Gandhinagar investors.

It is essential to analyze investor attitudes and sentiment in this context to determine the key drivers of investment decision. This can help financial planners, policymakers, and investment platforms in designing better strategies to address different investor needs. Additionally, with rising financial knowledge and access to the internet in urban India, it is essential to examine how financial risk tolerance, investment plans, and socio-economic characteristics affect such decisions.

This study aims to compare the perception and attitude of investors toward the stock market and cryptocurrency in Gandhinagar city to provide valuable insight into their decision-making. By examining the determinants of their choices, this study will contribute to an enhanced understanding of the coexistence of the old and new channels of investment in a more dynamic financial landscape.

Literatue Review

Alawajee *et al.* (2025) reveal that investor sentiment, induced by oil prices, money supply, and consumer confidence, has an important impact on Saudi stock market returns, with lagged impacts and a negative long run relationship suggesting market overreactions and corrections. They infer that investor sentiment leads Saudi stock market returns more than the dividend yield. Nomran *et al.* (2025) [2] reveal that Islamic stocks are less sensitive compared to conventional stocks to cryptocurrency volatility in Asian markets, especially during crash periods. Infanta (2024) [3] and Akhila *et al.* (2024) [4, 11] study investor behavior in Coimbatore and Hyderabad, with young, male, and service sector investors dominating, with preference for equity and online trading, with education and age influencing portfolio decisions and experience. Song (2025) [5] uses econometric and machine learning models and concludes that behavioral biases and sentiment changes have a significant impact on cryptocurrency price anomalies. Likewise, Nanis (2024) [6] finds a unidirectional impact of cryptocurrency on Cameroon's stock market, spurred post 2020 by digital adoption. Karki *et al.* (2024) [7] conclude speculative and transactional motives as dominant drivers of investment decisions in Nepal, with practical exposure dominating demographics. Rout and Sahoo (2025) [8] find seven strong factors influencing investment behavior in Bhubaneswar, with profit maximization as a dominant driver. Ahmed *et al.* (2024) [9] find that investor attention, as a proxy variable by search volume, has a strong impact on green cryptocurrency volatility and trading volume. Yadav and Goyal (2025) [10] stress the complex interplay between cryptocurrency and stock markets, driven by investor

sentiment and sectoral sensitivity. Wadhwa *et al*. (2025) [12] find no long run relationship or volatility spillovers between Indian stocks and cryptocurrencies, in favor of diversification. Chowdhury *et al*. (2024) [13] stress the increasing role of sentiment in stock and crypto markets during the Russia Ukraine conflict. Boiarchuk (2025) [14] analyzes US EU legal frameworks from the perspective of adaptive regulation of digital assets. Lastly, Parsai and Chandok (2025) [15] conclude that financial literacy is at the center of rational choice, diversified portfolios, and economic prosperity.

Research Gap

While investor sentiment towards stock markets and growing interest in cryptocurrency have been independently examined by some research studies, relatively few studies have examined these two sources of investment in a specific regional market. In urban areas like Gandhinagar, where financial awareness is on the increase and digital adoption is growing, how investors think about and manage traditional and new investment channels is a relatively unexamined area. Much of the literature avoids comparative study of attitudes and decisions in these markets, particularly in relation to risk tolerance, trust, and expected return. The aim of this study is to fill this gap in knowledge by highlighting the perception and choice of investors in Gandhinagar towards these alternative investment sources.

Research Objectives

1. To analyse the preferences of investors in Gandhinagar city between stock market and cryptocurrency investments.
2. To assess the perception of investors regarding risk, returns, and trust in stock market versus cryptocurrency investments.
3. To compare the influence of demographic factors (age, income, education) on investment preferences in stock market and cryptocurrency.

Research Methodology

Research Design

The study utilized a comparative and descriptive study design in assessing the attitudes and preferences of investors.

Research Area

The research was conducted in the Gandhinagar City among city-based investors.

Population and Sampling

The group consisted of individual investors within Gandhinagar City.

Purposive sampling was used to enroll respondents with experience in investing in the stock market and/or cryptocurrencies.

Sample Size

A total of 70 respondents participated in the study.

Data Collection Method

Information was collected at the primary level through a set questionnaire with demographic information and Likert-scale items.

Secondary data were collected from journals, scholarly articles, and internet sources.

Data Analysis

Statistical packages such as Pearson correlation, independent samples t-test, and chi-square test were utilized via SPSS to test hypotheses.

Ethical Issues

The participants were explained the purpose of the study, and confidentiality of the answers was guaranteed.

Data Analysis and Interpretation

H_0 (Null Hypothesis): There is no significant correlation between the frequency of encountering life insurance advertisements on digital platforms and the influence of information on life insurance websites on decision-making.

H_1 (Alternative Hypothesis): There is a significant correlation between the frequency of encountering life insurance advertisements on digital platforms and the influence of information on life insurance websites on decision-making.

Correlations

		The information available on life insurance websites influences my decision-making process.
I often come across life insurance advertisements on digital platforms (websites, social media).	Pearson Correlation	.029
	Sig. (2-tailed)	.814
	N	70

Data Interpretation

Pearson correlation coefficient = 0.029, extremely weak positive relationship, and significance value (Sig. (2-tailed) = 0.814) is greater than 0.05. Therefore, the correlation is not significant.

We are unable to accept the null hypothesis (H_0). There is no statistical significance for internet life insurance advertisement exposure and website information as a deciding factor.

H_0 (Null Hypothesis): There is no significant difference in the perception that online advertisements of life insurance products build trust in companies between those who trust and those who do not trust life insurance companies engaging with customers through digital platforms.

Group Statistics

	I trust life insurance companies that engage with customers through digital platforms.	N	Mean	Std. Deviation	Std. Error Mean
Online advertisements of life insurance	>= 3.00	39	2.8718	1.45420	.23286

products build trust in the companies.	< 3.00	31	2.9677	1.32876	.23865

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Online advertisements of life insurance products build trust in the companies.	Equal variances assumed	.698	.406	-.285	68	.777	-.09595	.33693	-.76828	.57639
	Equal variances not assumed			-.288	66.633	.774	-.09595	.33343	-.76155	.56966

Data Interpretation

The 3.00 or greater group has a mean of 2.8718, and the less than 3.00 group has a mean of 2.9677, essentially no difference. Levene's test indicates no violation of equal variances (F = 0.698, Sig. = 0.406), and the "Equal variances assumed" row is thus used. The t-test output indicates t = -0.285, and a significance value (Sig. (2-tailed) = 0.777) much larger than 0.05. The difference in the means is -0.09595, and the 95% confidence interval is -0.76828 to 0.57639, inclusive of zero.

We cannot reject the null hypothesis (H_0). There is no statistical variation in the belief that messages of online companies for life insurance products generate trust in businesses among the two samples. The levels of trust do not influence trust-generating perceptions through online advertisements.

H_0 (Null Hypothesis): There is no significant association between seeking information about life insurance via online advertisements and the likelihood of purchasing life insurance products from companies that actively promote on social media.

H_1 (Alternative Hypothesis): There is a significant association between seeking information about life insurance via online advertisements and the likelihood of purchasing life insurance products from companies that actively promote on social media.

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	10.289[a]	16	.851
Likelihood Ratio	12.518	16	.708
Linear-by-Linear Association	.410	1	.522
N of Valid Cases	70		
a. 24 cells (96.0%) have expected count less than 5. The minimum expected count is .94.			

Data Interpretation

The Pearson Chi-Square is 10.289 with a significance value (Asymptotic Sig. (2-sided) = 0.851), far above the normal 0.05 level. This also shows that there is no statistically significant association between the two variables. This is also shown by the likelihood ratio (12.518, Sig. = 0.708) and the linear-by-linear association (0.410, Sig. = 0.522). In addition, 96.0% of the cells contain less than 5 expected counts, and this may impact the test's reliability.

We are unable to accept the null hypothesis (H_0). There is no statistical relationship between seeking information regarding life insurance via online ads and being a user of life insurance products by the same firms whose ads are on social media.

Conclusion

The statistical tests for the effect of online advertising on decision-making on life insurance products confirm that the online advertising, though widespread, has no statistically significant effect on consumers' decision-making or trust-building. Firstly, the correlation test between exposure to frequency of life insurance advertisement online and effect of information on life insurance websites on decision-making shows a very weak positive correlation (r = 0.029) at a significance of 0.814. This means that frequent exposure to online advertisements has no statistically significant effect on consumers' use of website information in life insurance decision-making. Secondly, the independent samples t-test between perceptions of whether online ads assist in building trust among persons trusting and persons not trusting life insurance firms operating online shows no statistically significant difference (t = -0.285, p = 0.777). The marginal difference in mean scores between the two groups suggests that prevailing levels of trust have no statistically significant effect on perceptions of the effect of advertisement in building trust. Thirdly, the Chi-square test of the relationship between seeking life insurance information via online advertisements and buying likelihood from firms actively advertising on social media also shows no statistically significant relationship (χ^2 = 10.289, p = 0.851). Overall, these findings suggest that online advertising in the life insurance industry, though a widespread visibility mechanism, has no statistically significant effect on consumer trust, information processing, or buying intentions. This suggests a possible gap between advertisement strategy and actual functionality in generating significant consumer attention or conversions.

Recommendations

Life insurance firms must strive to personalize and improve quality of online ads to boost engagement. Rather than depending on frequency, they can produce content that

informs and dispels customer mistrust, building real value. Boosting interactive elements on websites, including live chat and custom calculators, could enhance decision-making power. Incorporating social proof (case studies and testimonials) into online campaigns will also enhance trust-building power. Continuous monitoring of campaign performance using analytics and integration of feedback-driven adjustments will ensure digital efforts align with customer expectations, thus boosting the effect of ads on consumer attitude and buying behaviour.

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