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Argentines Are Increasingly Keen to Adopt Crypto and NFTs

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Research and Insights



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Executive Summary

Crypto.com has recently commissioned a survey of more than 2,000 Argentine citizens who are 18 years and above to find out more about their investment preferences, knowledge, and opinions on cryptocurrencies and non-fungible tokens (NFTs).

Here is a summary of the most salient insights.

- Out of 2,003 survey responses:
 - **Almost half of the respondents** (46%) believe it is **important or very important** to be able to **spend crypto using a debit card**.
 - There is **strong interest in NFTs**, with 76% of respondents looking to buy one, be given one as a gift, or learn more information on the subject.
 - 38% of respondents **have invested in cryptocurrency in the last twelve months**.
 - 44% plan to **buy cryptocurrency in the next year as a savings and investment plan**.
- About cryptocurrency investors:
 - The main factor they look for in a **cryptocurrency app is security** (78%).
 - The majority of respondents (43%) who have investments in cryptocurrency indicated that **between 3-10% of their portfolio is in these assets**, while more than 4% have between 41-70% of their investments there.
 - In terms of investment product preferences, **buying cryptocurrency leads (68%) the way, followed by NFTs (30%)**.
 - The **main reason for investing in cryptocurrency was adopting it as an alternative investment** (52%), followed by Argentines' intention to protect themselves from inflation (48%).
 - 35% **would take out a cryptocurrency loan** rather than a traditional financial loan.
- Of those who have not invested in this type of asset (62% of the 2,003 respondents who did not buy cryptocurrency in the last 12 months):
 - **57% have indicated that they are likely or very likely** to invest in cryptocurrency in the next 12 months, which is a clear sign of the growing adoption of these assets.
 - Regarding the motivations for entering the world of cryptocurrency, **52% indicated that they would do so to better understand how cryptocurrencies work**, while 45% intend to understand how to buy and invest in these assets.

1. Introduction

Argentina's economy was shaken by the impacts of the COVID-19 pandemic, with a 10% drop in 2020. This added to the problems of the Argentine peso's fluctuating exchange rate and high inflation. As a result, its citizens had to look for new ways to invest their money and diversify their portfolios.

This is reflected in our Q2 2022 survey, where the majority of individuals who invest in cryptocurrencies – such as Bitcoin or Ethereum – are interested in buying more of these assets (68%), investing in a crypto asset investment fund (26%), or acquiring NFTs (30%).

About 44% of respondents indicated that they plan to buy cryptocurrencies, while those who have already invested in these assets said they did so with the intention of making alternative investments (52%), hedging inflation (48%), and protecting their assets from economic instability (36%).

57% of respondents who have not made any investments in crypto have expressed the willingness to have their first try next year. What they are looking for is a better understanding of how crypto works (52%), how to buy and invest in crypto, as well as how to withdraw money from a crypto card at an ATM (38%).

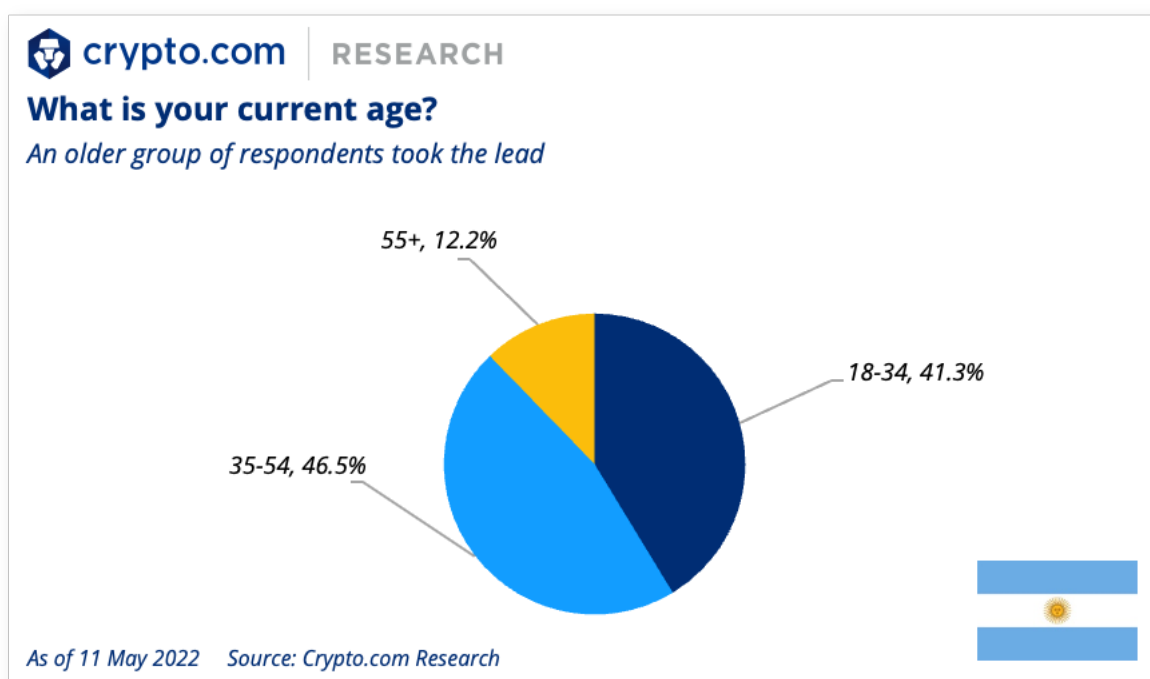
2. Results

2.1 Demographics

This survey included the opinions of 2,003 Argentines, split 50/50 between men and women.

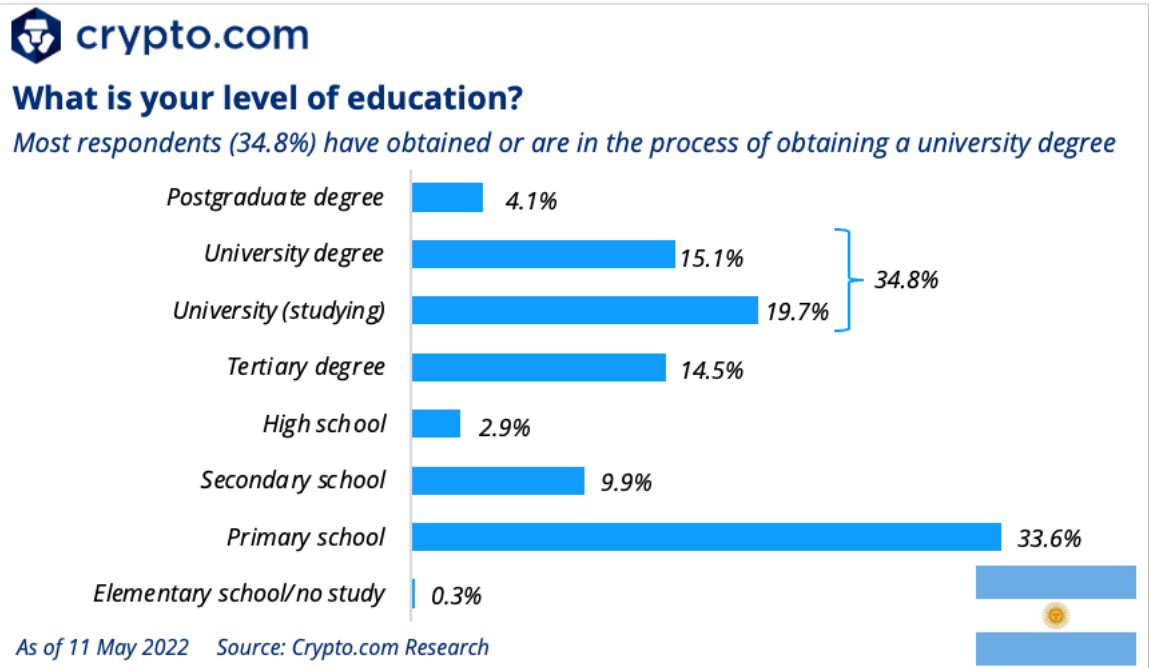
Age

Respondents were aged 18+, with the majority (47%) aged between 35 and 54, followed closely by individuals in the 18-34 age bracket (41%).



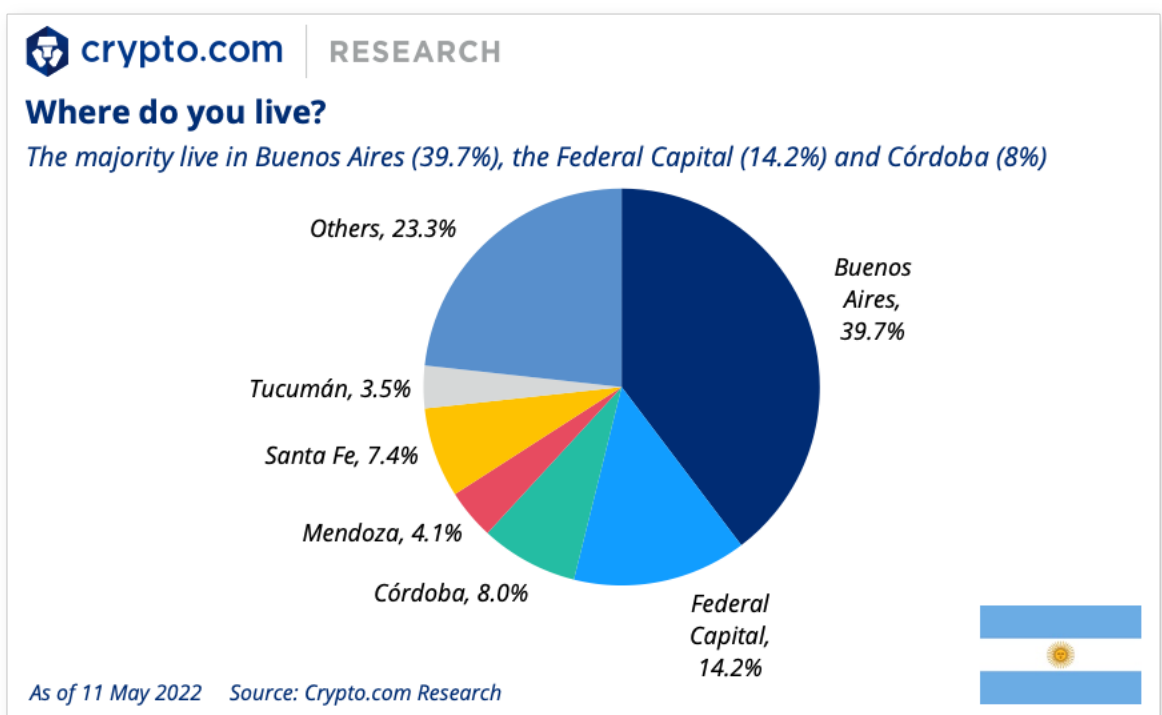
Education

Most respondents (35%) have obtained or are in the process of obtaining a university degree.



Location

The majority live in Buenos Aires (40%), followed by the Federal Capital (14%) and Córdoba (8%).

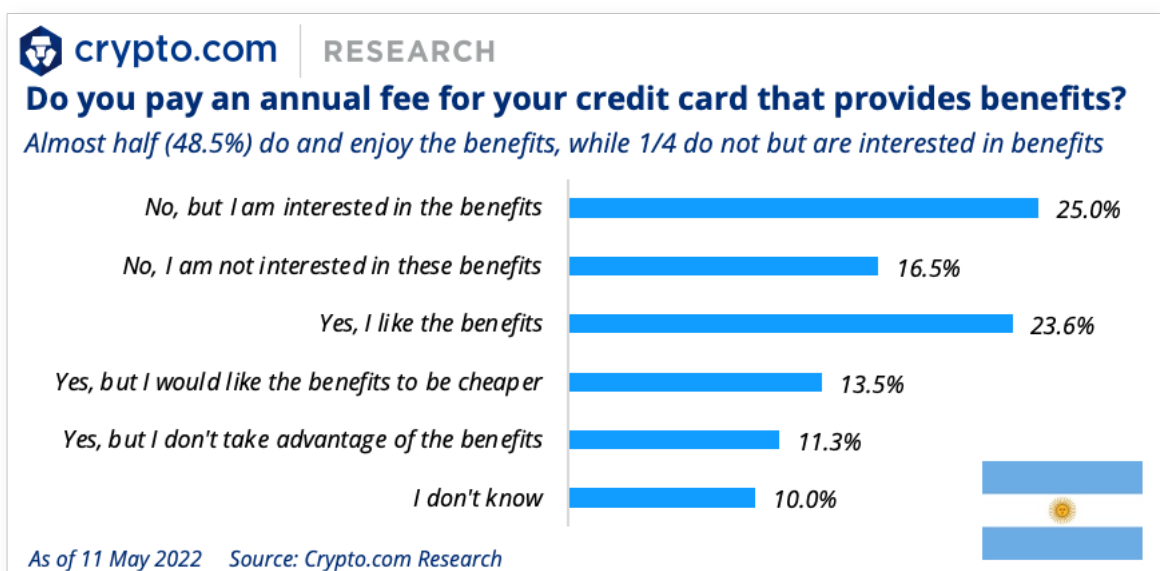


2.2 Key Findings

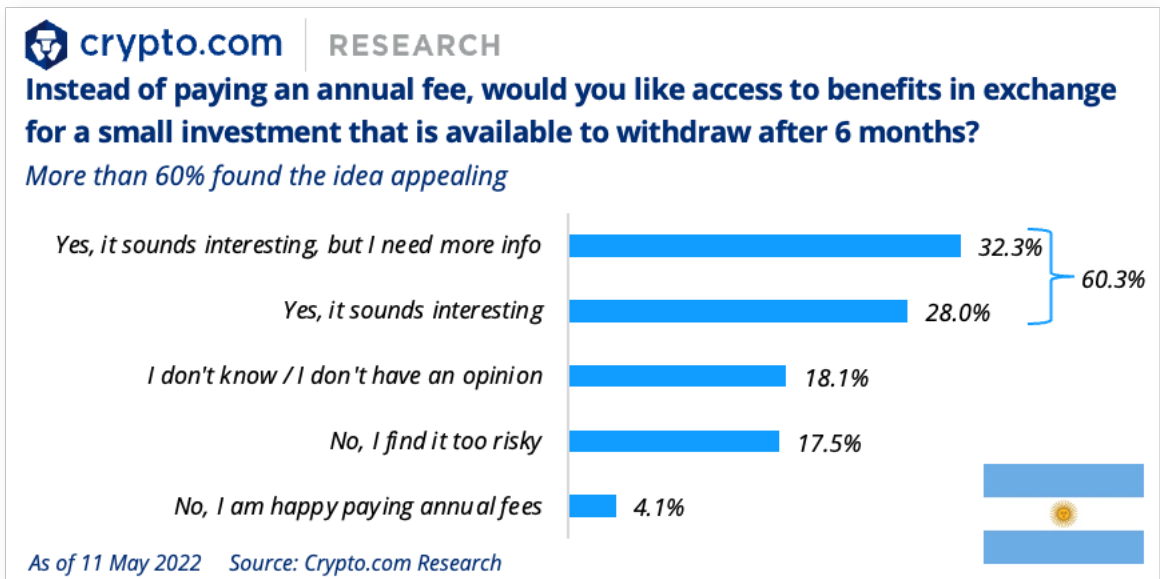
Card Benefits

In order to find out the opinions of Argentines on the relationship they have with the banks with which they have cards and their respective benefits, they were asked a number of questions. One in four (25%) respondents indicated that they do not receive benefits, but would like to have access to them. 24% said they have benefits and like the perks, while 17% indicated that they are not interested in having these services.

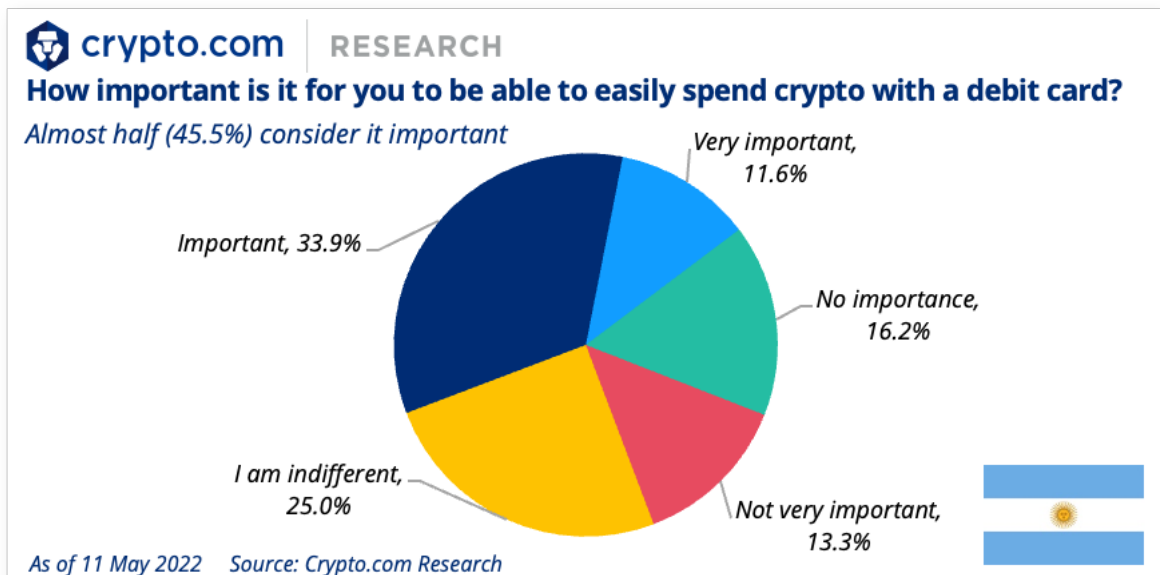
On the other hand, 14% said that they like the benefits, but would like the card fees to be cheaper. 11% said they have the benefits, but do not take advantage of them.



60% of respondents said yes to having access to benefits in return for a small investment that would be available after six months, rather than having to pay an annual fee. One in three respondents (32%) thought it was an interesting proposition, but said they needed more information. On the other hand, only 4% said they were happy to pay annual fees.



On the importance of being able to spend cryptocurrencies using a debit card, respondents took a very divisive stance. Almost half of the respondents (46%) believe it is important or very important to have this option, while the rest considered it not very important or were indifferent.

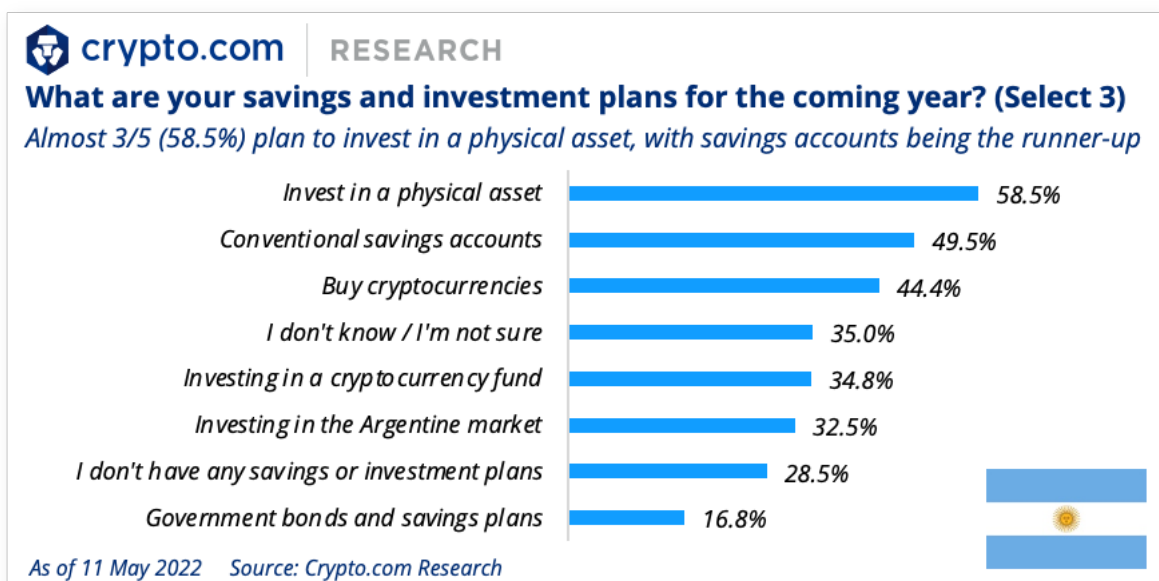


Future Plans

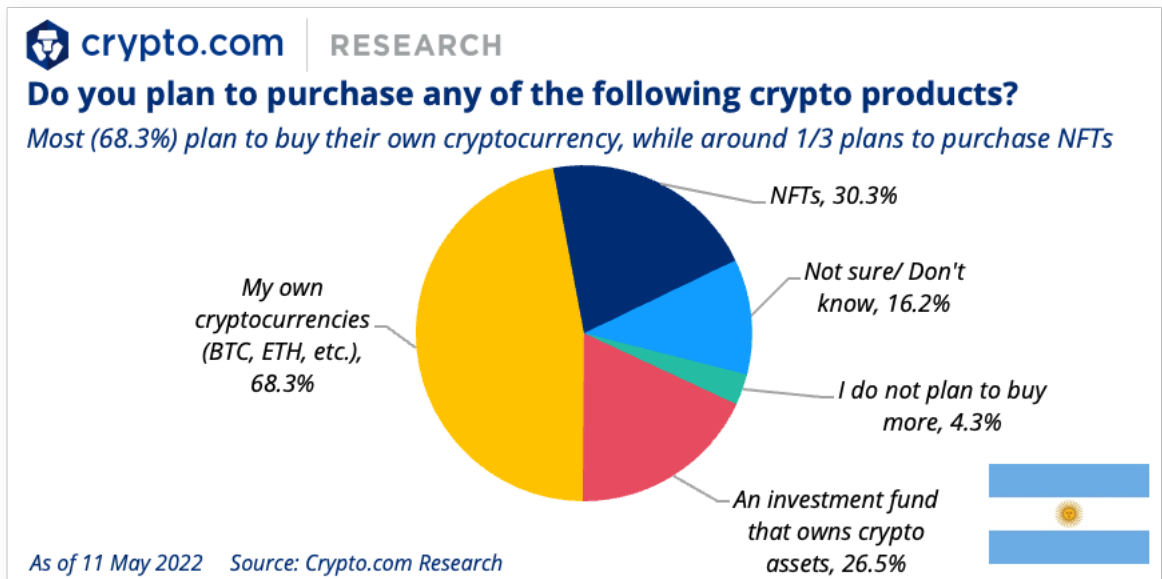
To get a better idea of Argentines' plans for the coming year, we asked our survey participants about their top investment choices. The top choice, selected by 59% of respondents, was to invest in a physical asset, while almost half of the respondents (50%) still believe in conventional savings accounts.

It is interesting to note that Argentina's central bank has set one of the highest interest rates in the world ([42.5% as of Feb 2022](#)). However, inflation is reported to [increase by the end of 2022](#) ([75% as of Sep 2022](#)) – a trend that will make conventional savings accounts a poor option as time goes on.

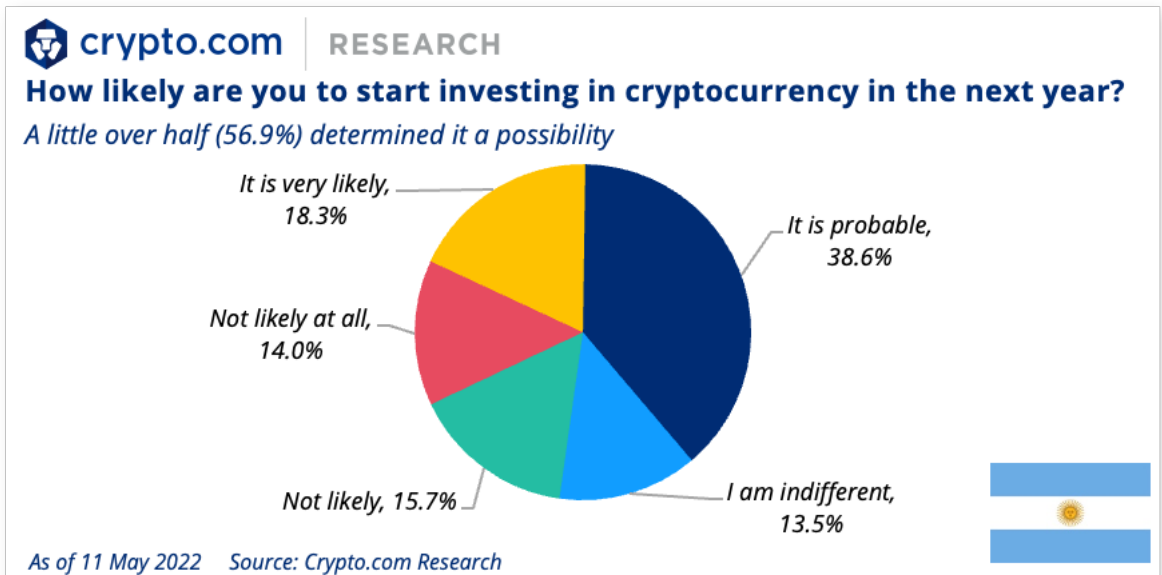
Meanwhile, 44% will buy cryptocurrency in the next twelve months as an investment plan, in addition to 35% who will invest in a cryptocurrency fund. Surprisingly, a whopping 64% of respondents either had no plans or weren't sure about their investment plans for the year. Government bonds and savings plans seem to be less favourable.



Of the 2,000+ respondents, 768 were looking to actively invest in cryptocurrency. When asked which crypto products they plan to buy, 68% said individual cryptocurrencies such as Bitcoin and Ethereum, while almost one in three (30%) plan to buy NFTs. Additionally, 27% target an investment fund that owns crypto assets. Only a fraction of respondents (4%) don't plan to buy any crypto assets.



Meanwhile, more than 1,200 respondents who did not invest in cryptocurrency left open the possibility of doing so in the near future. A combined 57% said it was likely or very likely for them to invest in cryptocurrency in the next 12 months.



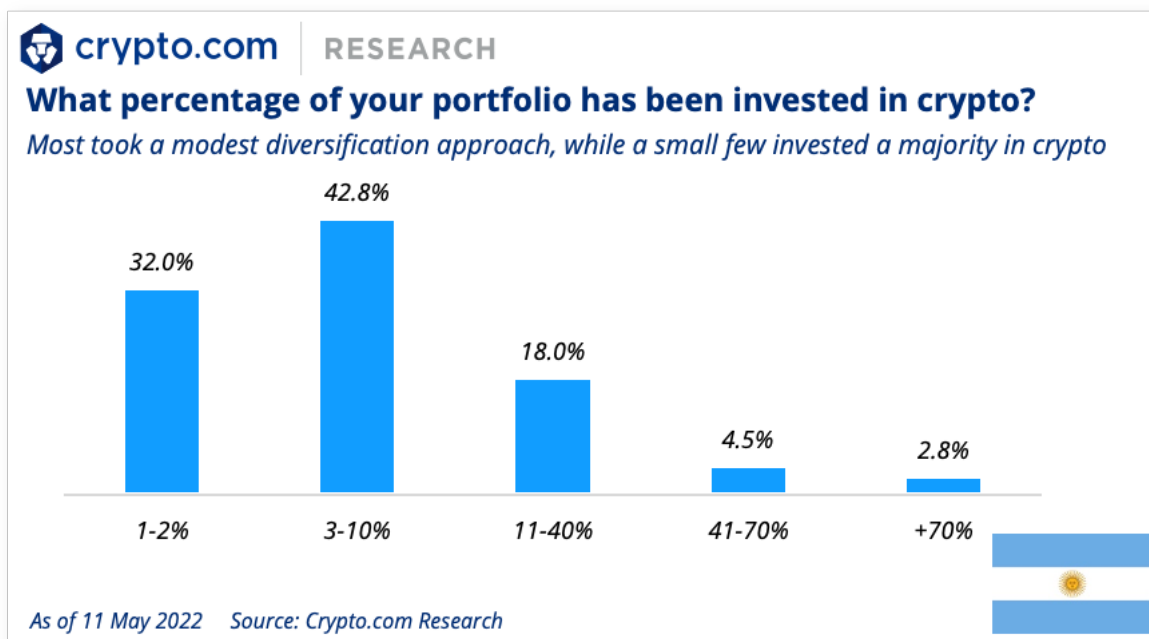
Crypto Adoption

Argentines who have entered the world of cryptocurrency were also asked about the amount invested in the last year and it is noticeable that the movement in this business is growing. Surprisingly, a large sum of respondents (almost two thirds) did not invest in cryptocurrency at all in the past 12 months, while the vast majority of the rest only invested small amounts. About 13% said they have invested up to AR\$2,000, while nearly 8% have invested between AR\$2,001 and AR\$10,000.



Nearly 43% of people who hold cryptocurrencies and participated in this survey indicated that they have 3-10% of their portfolio invested in cryptocurrency. Meanwhile, 32% of respondents have 1-2% invested, 18% have 11-40% invested, and 4.5% have 41-70% invested in crypto. Only 3% have invested more than 70% of their portfolio in cryptocurrency.

Most participants took a modest diversification approach, while a small few invested a majority of their portfolio in cryptocurrency.



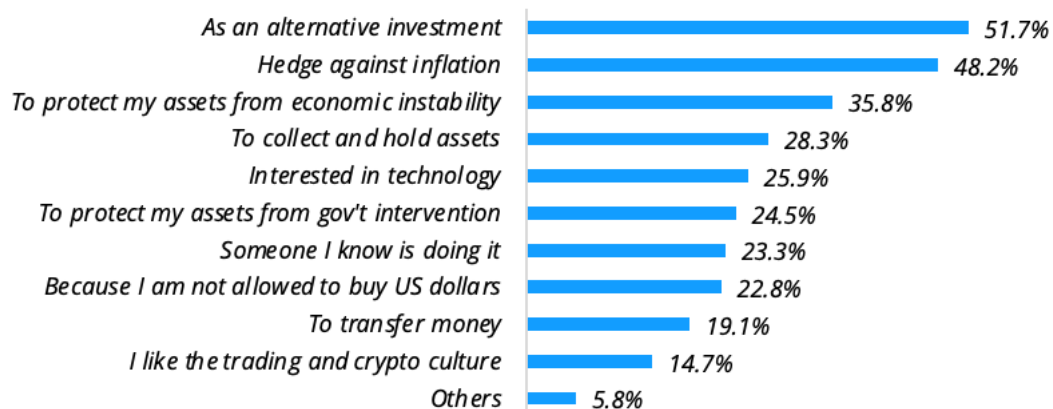
The Growth of NFT Adoption

Regarding the reasons for buying crypto/NFTs, opinions are split. 52% see it as an alternative investment, while 48% would do so to hedge against inflation. One in three respondents (36%) would buy to protect assets from economic instability, while 28% would buy to hold.

Meanwhile, 26% would invest in crypto/NFTs because they are interested in the technology, and 25% to protect their assets from government intervention. About 23% aren't allowed to buy more US dollars than they already have, due to [limits imposed in 2019](#).



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What were your main reasons for buying cryptos/NFTs? (Select 3)*Around half of respondents said they bought crypto/NFTs as an alternative investment**As of 11 May 2022 Source: Crypto.com Research*

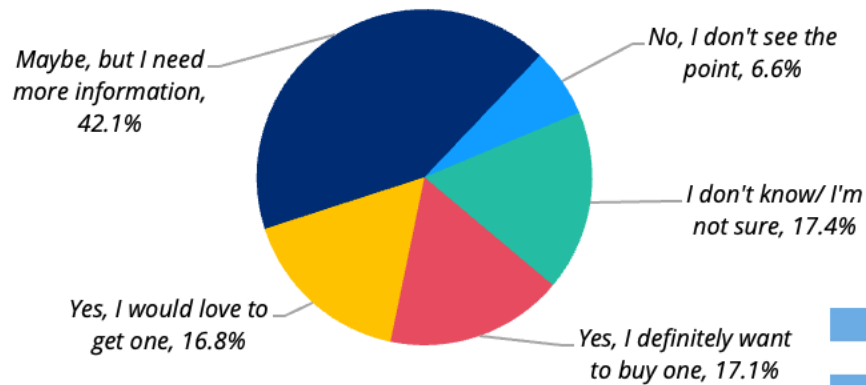
In terms of the desire to buy an NFT, four out of ten respondents (42%) said they might do so, but they needed more information. Users getting into the NFT scene are spoiled for choice, and the number of collections is only increasing. The number of ETH-based NFTs has [doubled since the beginning of 2022](#), and may run the risk of overwhelming newcomers. Some 17% said they definitely want to buy one, while another 17% were in favour of being given an NFT as a gift. Less than 7% thought there wasn't any point in having an NFT.



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Would you like to have an NFT in the future?

Respondents answered with an air of uncertainty, most being unsure or needing more info



As of 11 May 2022 Source: Crypto.com Research

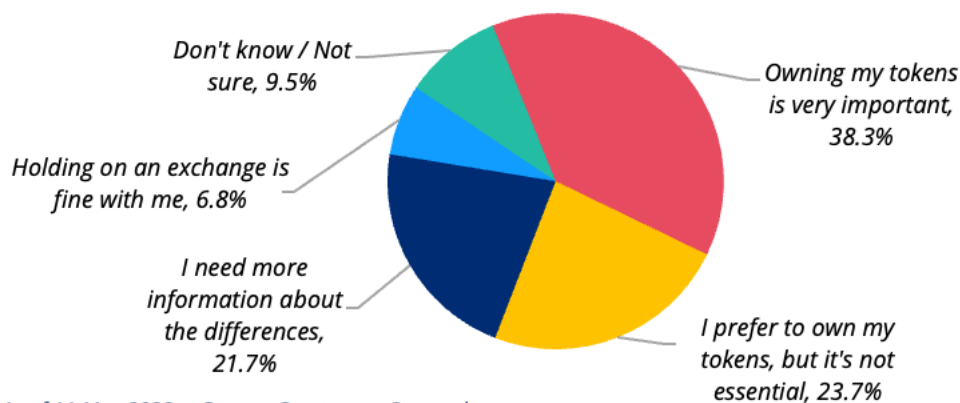
Looking for more in-depth answers about tokens, respondents were asked whether it was important for crypto investors to own their tokens or if it was a better option to hold them in an exchange. For 38% of respondents, owning their tokens is very important, while 24% stated that they prefer to own their tokens, but it is not essential. 22% said they needed more information about the differences, while only 7% said they don't mind holding their cryptocurrency in an exchange.



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Is it important for you to own your tokens or hold them on an exchange?

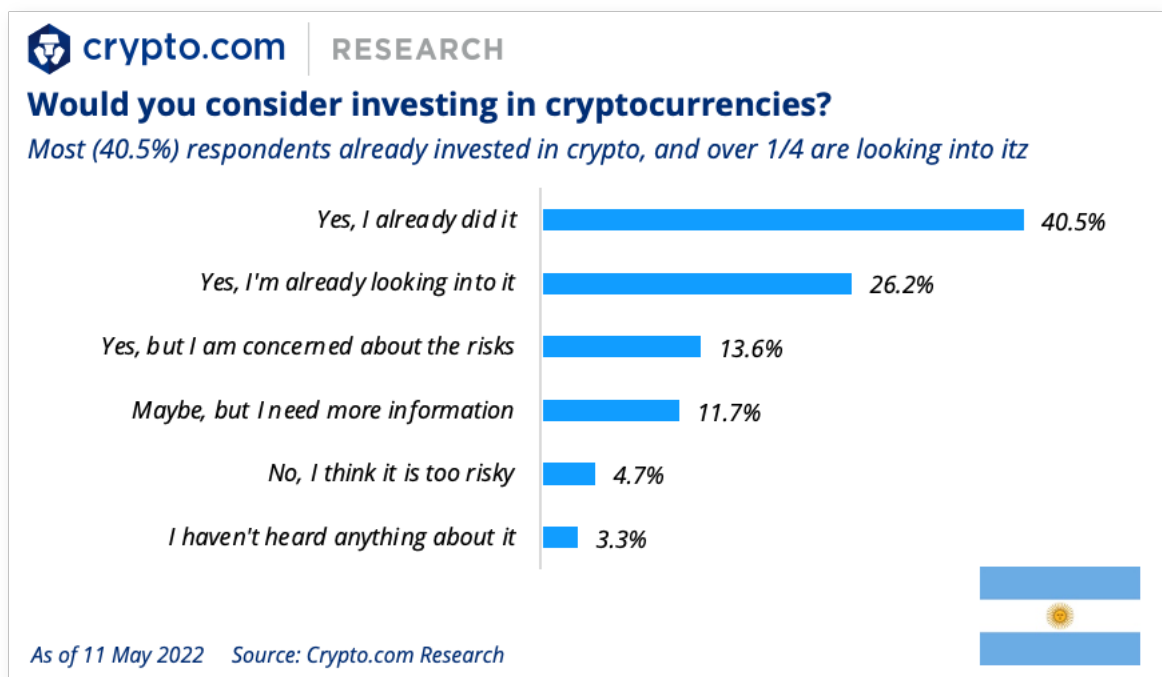
Most (62%) preferred decentralised finance platforms, only a few would hold on an exchange



As of 11 May 2022 Source: Crypto.com Research

Crypto Continues to Advance

Latin America is one region where investment in cryptocurrencies has grown rapidly in recent years. When asked if they invest in these assets, 41% said they had already done so, while 26% said they are still doing research. 14% are concerned about the risks and 12% said they need more information. Less than 5% thought it too risky.



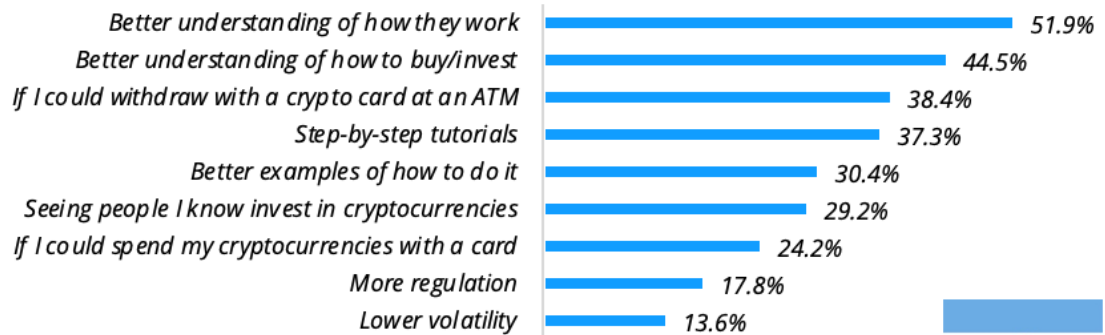
On motivations for investing in cryptocurrency, the main one was for a better understanding of how they work (52%), followed by understanding how to buy and invest in cryptocurrencies (45%). The third reason that would motivate them would be if they could withdraw money with a crypto card (38%), although there was also a lot of interest in a step-by-step tutorial (37%). Almost one fourth (24%) were motivated by the thought of being able to spend their cryptocurrency with a debit card. It is clear that a better understanding of how cryptocurrency and blockchain technology function will help with its widespread adoption.



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What would motivate you to invest in crypto? (Select all that apply)

A lack of understanding is holding most respondents back from investing in crypto



As of 11 May 2022 Source: Crypto.com Research

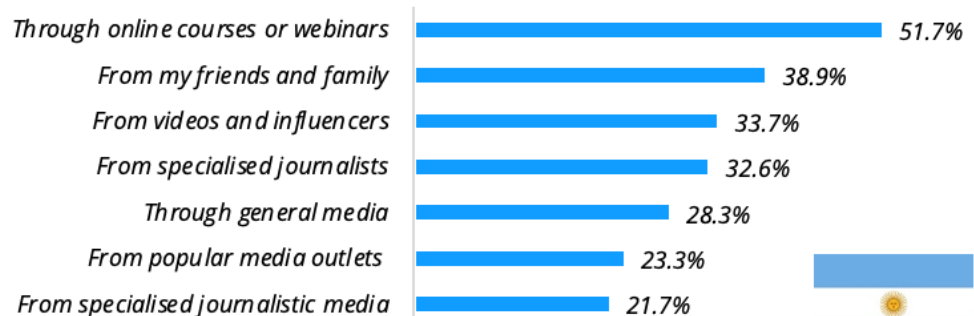
As for how they would like to learn more about cryptocurrency, respondents indicated that the most popular option was online courses and webinars (52%), followed by friends and family (39%). They are also interested in learning more about the subject from specialised journalists (33%), as well as videos and influencers (33%). Traditional media was relegated to the bottom.



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How would you like to learn more about the cryptocurrency market? (Select all that apply)

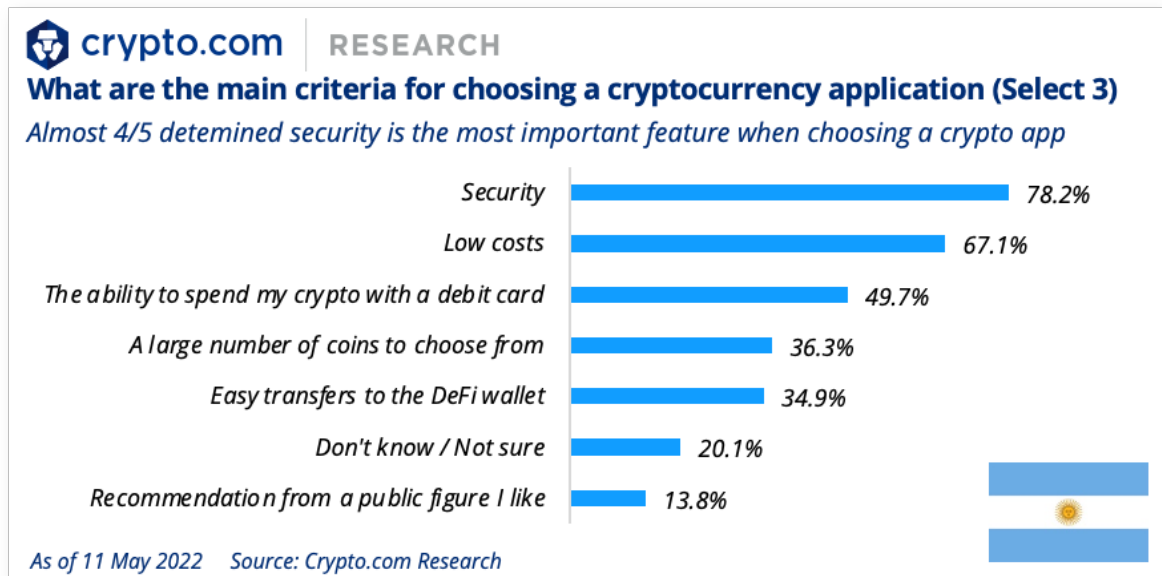
More than half cited online courses or webinars as a platform they'd like to learn from



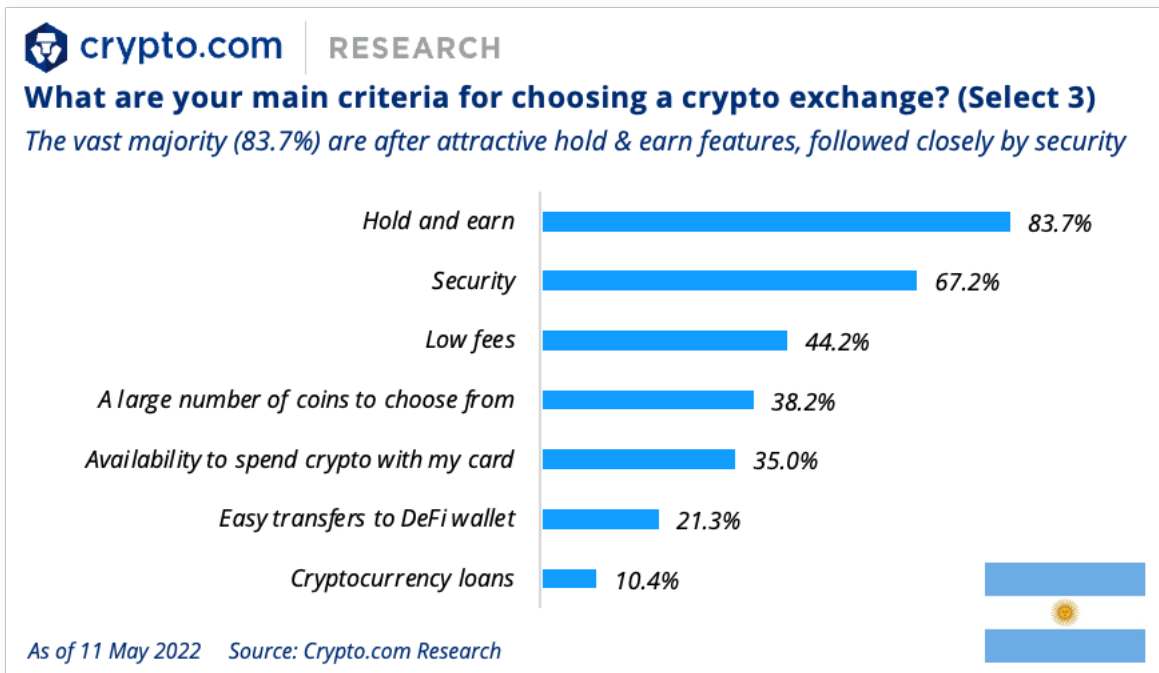
As of 11 May 2022 Source: Crypto.com Research

The Importance of Security

Choosing the right app to manage your cryptocurrencies is crucial. When asked about the most important criteria for choosing a cryptocurrency app, the number one reason was security (78%), followed by low costs (67%), and the possibility of spending crypto with a debit card (50%).



On the criteria for choosing a cryptocurrency exchange, the users surveyed also stated that the main reason for choosing one was attractive hold and earn features (84%), followed by security (67%). Low fees (44%) are another important factor, as well as a large number of cryptocurrencies to choose from (38%). Only about one in ten would take cryptocurrency loans into account when choosing an exchange.



Openness to Crypto Lending

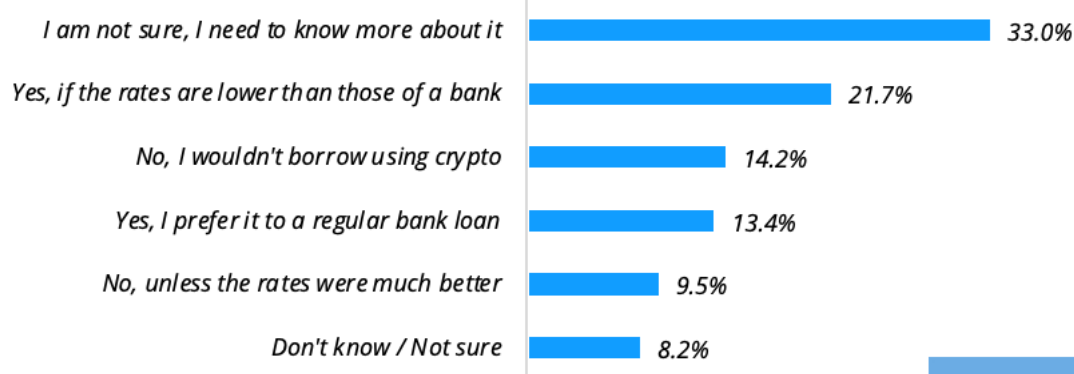
Respondents were also asked whether they would take out a cryptocurrency loan, which appears to be an innovative option when compared with traditional financial loans. 35% answered yes, divided between those who would accept if the rates are lower than banks and those who prefer it as it is different from a normal bank loan. In addition, 33% said they need more information to make this decision. Almost one fourth (24%) said they wouldn't take out a loan in cryptocurrency.



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How likely are you to borrow in crypto rather than traditional finance?

Most (35.1%) said it's likely, followed closely by uncertainty due to lack of information (33%)



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