

# INTO THE CRYPTOVERSE

DECODING THE WORLD OF CRYPTO CONSUMERS

---



2022 TURKEY EDITION

# Introduction



Source: The Guardian

Cryptocurrency trading has boomed in Turkey during a financial crisis that almost halved the value of the lira in 2021 and resulted in a 30% inflation. While Turkish citizens are looking to avoid the depreciation of their savings in lira by reinvesting in dollars or gold, an increasing number of investors see cryptocurrencies as the alternative way forward.

However, cryptocurrencies still exist in a legal grey area in Turkey. While the government banned the use of cryptocurrencies to pay for goods and services in April 2021, owning and trading them are still permitted. Despite whether cryptocurrencies genuinely provide an opportunity for wealth is unclear, the lure of the possibility to get rich overnight with huge market volatility outweighs the worries about the risk for many.

With an attempt to encourage lira investments, the Turkish government is drafting a law to regulate cryptocurrency markets, which has been a fierce debate among local crypto enthusiasts. Some fear the upcoming regulation may devastate the market, while others consider some regulation to be necessary to protect people from scams and scandals.

As a key crypto exchange player in Turkey, KuCoin has commissioned this survey among 1,002 Turkish crypto investors and crypto-curious consumers to gain a comprehensive view of the Turkish crypto market.

## Survey Methodology

This report is based on a total sample of 1,002 Turkish adults aged 18 to 60. Survey respondents were polled from October 21 to November 1, 2021, and included 501 self-identifying cryptocurrency investors (who currently own cryptocurrency or have traded cryptocurrency in the past six months and will continue to trade in the coming six months) and 501 crypto-curious consumers (who were interested in investing in cryptocurrency in the coming six months).

# Content

## Size of Crypto Investors & Crypto-Curious

Crypto mass adoption is underway in Turkey

## Growth of Cryptocurrency

The size of crypto investors has shown exponential growth in recent quarters

## Profile of Crypto Investors & Crypto-Curious

Crypto is gaining appeal among women and older generations

## Motivations to Investing in Cryptocurrency

Crypto means much more than just quick money

## Cryptocurrency Investment Portfolio

Stablecoins and derivatives are critical parts of the portfolio

## Top Cryptocurrencies

Metaverse crypto projects are gaining interests

## Barriers to Investing in Cryptocurrency

Market volatility still worries the crypto-curious

## Considerations for Crypto Exchanges

Security is the top consideration when selecting a crypto exchange

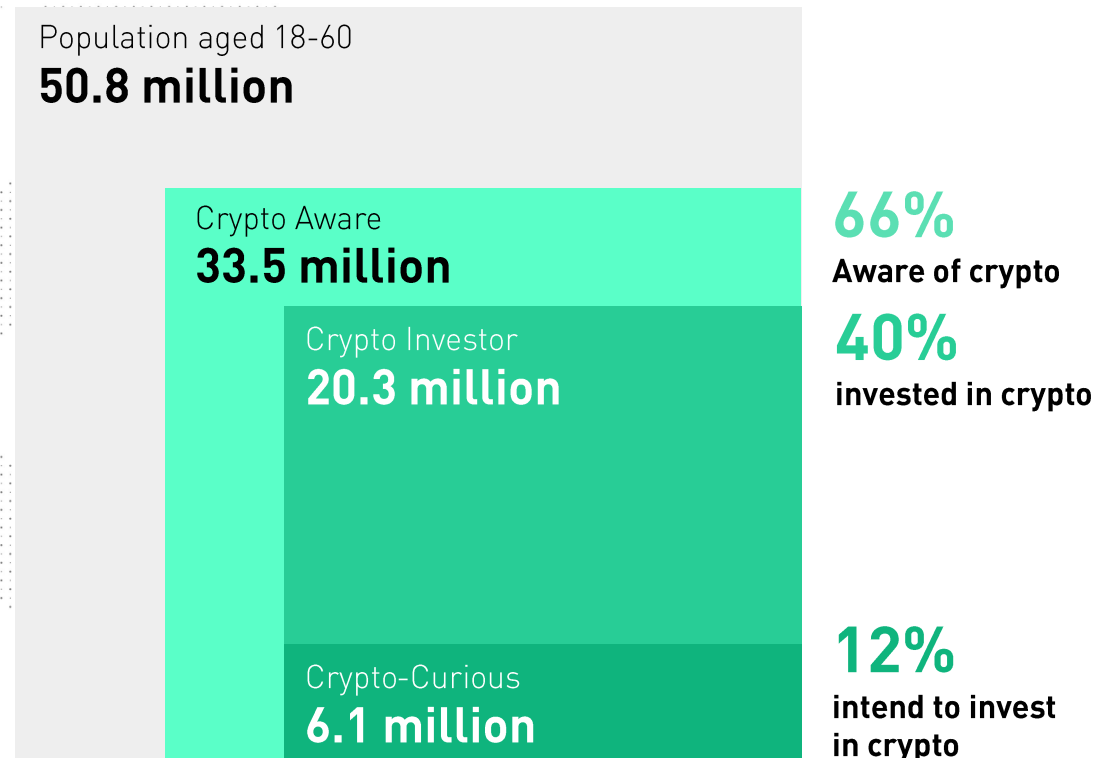
## Size of Crypto Investors & Crypto-Curious

# Crypto mass adoption is underway in Turkey

The increasing lack of trust in government solutions fuels the belief that digital, decentralized cryptocurrencies could be the alternative safe havens for those who try to avoid the loss from devaluated lira.

This survey polled in late October 2021 revealed a whopping size of crypto investors, suggesting that **40% of the Turkish population aged 18-60 are crypto investors** who either currently own cryptocurrency or have traded cryptocurrency in the past 6 months and intend to keep trading in the near future, which equals to the size of 20.3 million people. **These crypto investors show strong enthusiasm in cryptocurrency, with 59% claiming to increase their investments in cryptocurrency over the coming 6 months.**

Unsurprisingly, the size of crypto investors is expected to grow further, with another **6.1 million (12% of the population) who never invested but are planning on investing in cryptocurrency in the coming 6 months, among which 44% express a high likelihood to invest in cryptocurrency.**



Base: N=5,968 Turkish population aged 18-60  
Source: The World Bank

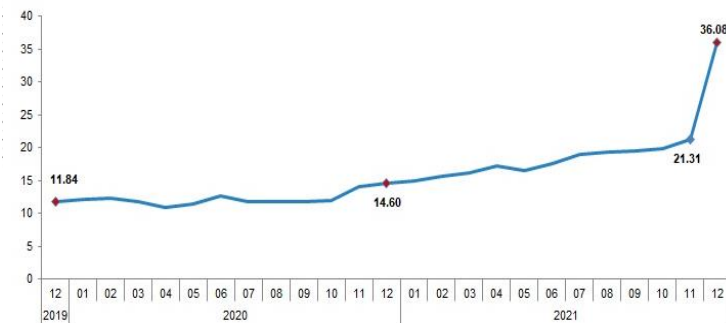
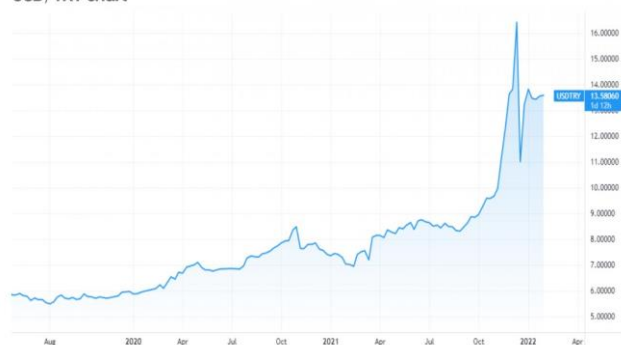
## Growth of Cryptocurrency

# The size of crypto investors has shown exponential growth in recent quarters

The fast-growing size of crypto investors coincides with the trend of the devaluating lira and inflation in late 2021. **A half of crypto investors joined that game in the recent 6 months, and a third only started trading cryptocurrency in the recent 3 months.**

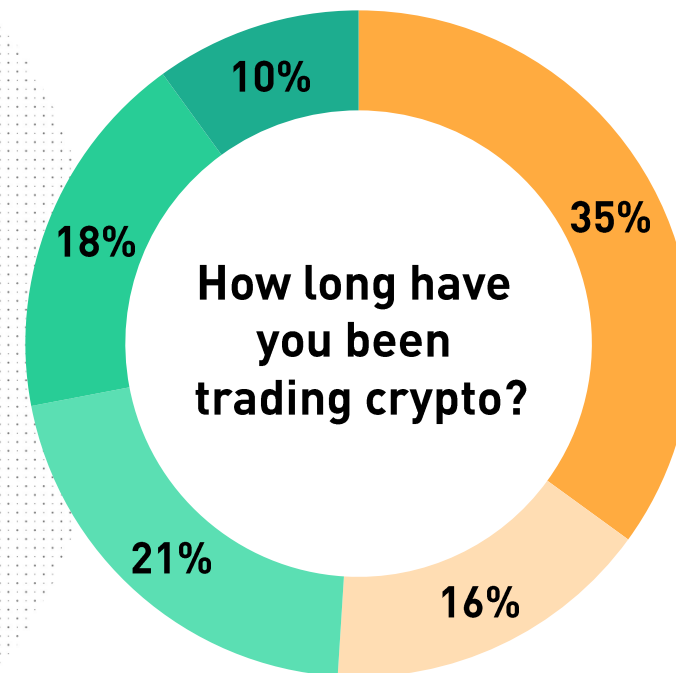
With most crypto investors being newbies in the category, merely one-fourth have the experience of trading cryptocurrency for over a year. The immaturity of crypto investors sends an alarming signal and demands more resources to be allocated to educate the investors to facilitate the security and stability of the market.

USD/TRY chart



Turkey's Annual Inflation for the Years 2019-2021 | Source: Turkstat

Source: Capital Com, Turkstat



- Less than 3 months
- 3-6 months
- 6 months to 1 year
- 1-2 years
- More than 2 years

Base: N=501 crypto investors

## Profile of Crypto Investors & Crypto-Curious

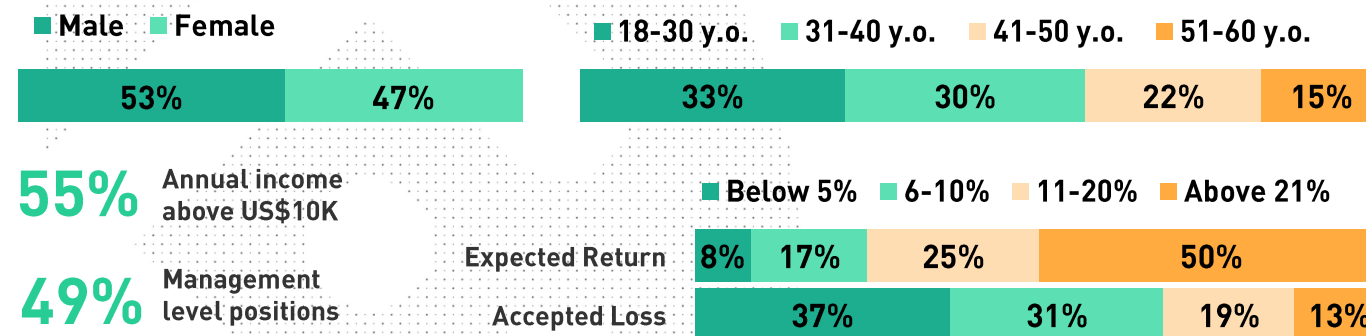
# Crypto is gaining appeal among women and older generations

A third of Turkish crypto investors are below the age of 30. They are not only younger but also richer and more aggressive in investment. **Half of the crypto investors expect over 20% profit from cryptocurrency at risk of considerable possible loss.**

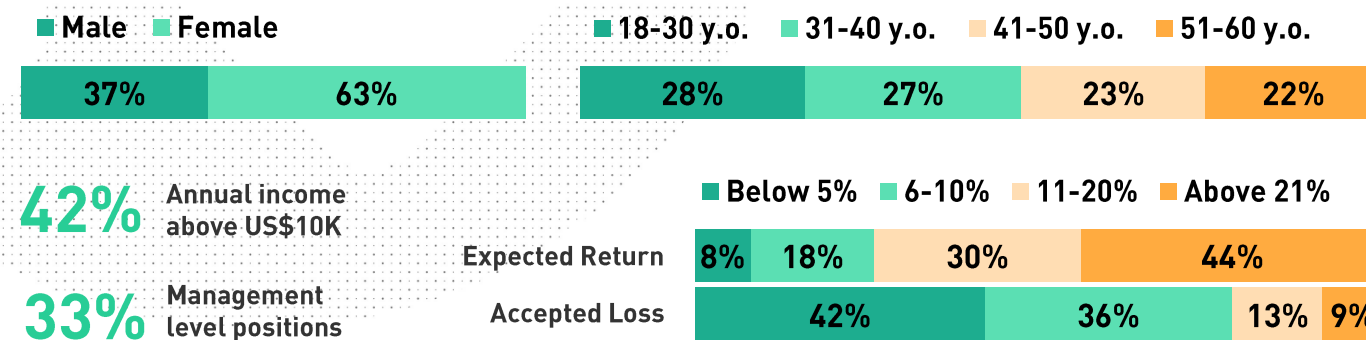
Although cryptocurrency investment has been more popular among the young generations, the older groups are showing increasing interest in it. **Almost half of the crypto-curious consumers are aged above 40.** With lower income, the crypto-curious consumers are generally more conservative towards cryptocurrency investment and more sensitive to the downside risks.

Surprisingly, Turkish women are almost as active as men when it comes to cryptocurrency investment. **Female accounts for 47% of crypto investors and 63% of the crypto-curious,** suggesting a possible future for cryptocurrency adoption in Turkey to achieve gender parity, or even more driven by women.

### Crypto Investors



### Crypto-Curious



Base: N=501 crypto investors & N=501 crypt-curious

## Motivations to Investing in Cryptocurrency

# Crypto means much more than just quick money

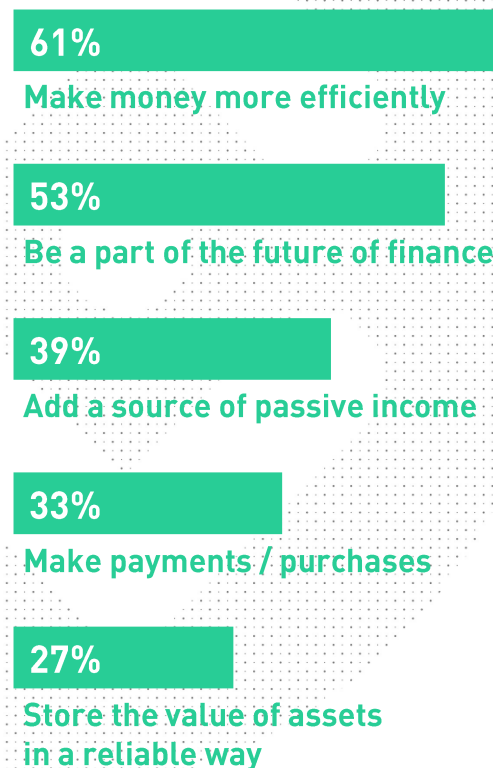
Unsurprisingly, when it comes to what drives the investors into the world of cryptocurrency, the temptation of getting rich tops the list. **61% of crypto investors see cryptocurrency as a way to help them to make money more efficiently than other financing tools. Another 39% include cryptocurrency in their investment portfolios as an additional source of passive income.**

But cryptocurrency means much more than just “quick money” to Turkish investors. Like any other financial product, investors do have a plan for the money gained from the cryptocurrency market. 27% intend to use the money to repay their debts. Others plan to improve their lives and social status by buying a new house, paying for children’s education, getting a new car, or starting a business.

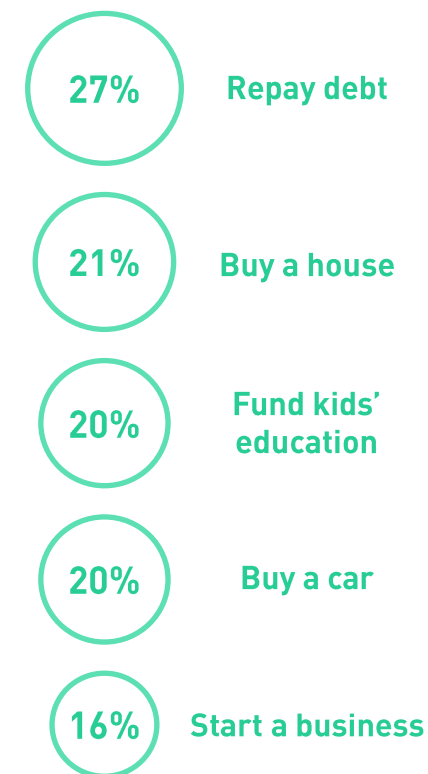
Many are hoping for a more decentralized financial system where citizens can take better control of their savings. **53% of crypto investors believe that cryptocurrency is the future of finance**, and the future is where they would like to invest in. Due to the lack of trust for the government and financial system, another **27% consider cryptocurrency a reliable way to store the value of their assets.**

Although the Turkish government had banned the use of cryptocurrencies to pay for goods and services in April 2021, some 33% of crypto investors still see the potential of cryptocurrency becoming a way to make payments in the long term. It is generally speculated among crypto investors that the government will make an effort to bring regulations into the cryptocurrency market and loosen this ban.

### Why did you invest in cryptocurrency?



### How will you use the profit from cryptocurrency trading?



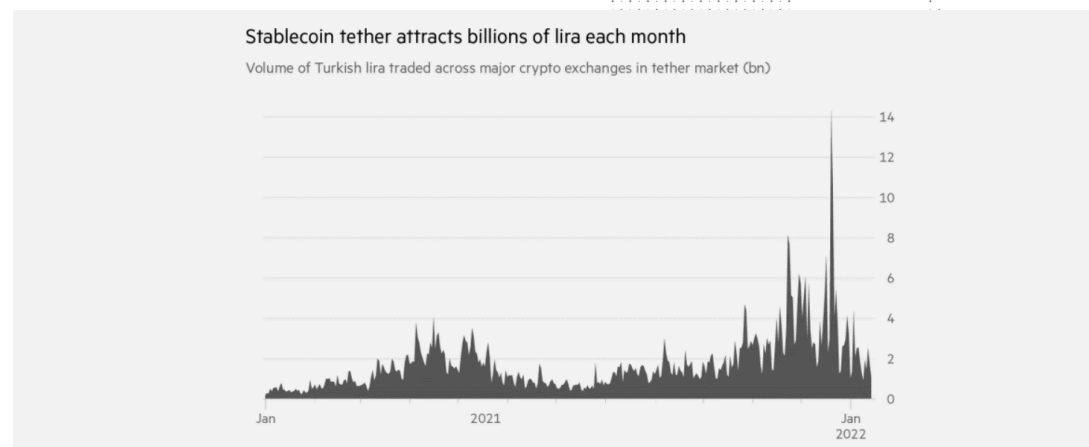
Base: N=501 crypto investors

## Cryptocurrency Investment Portfolio

# Stablecoins and derivatives are critical parts of the portfolio

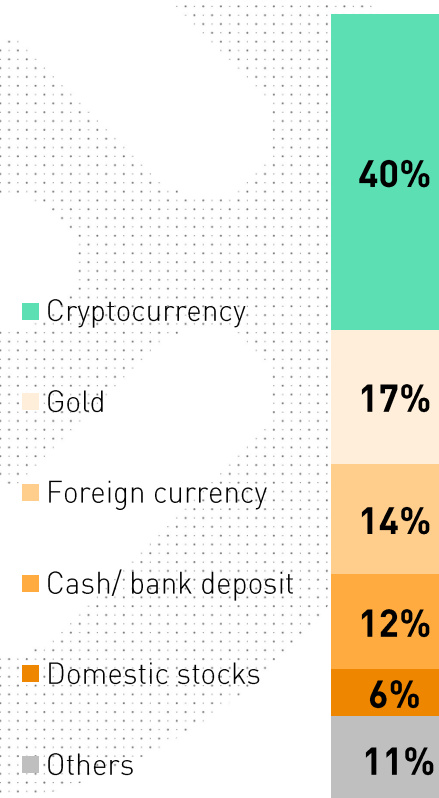
As Turkish citizens looking to avoid the devaluation of their savings in lira tend to reinvest in dollars or gold, an increasing number of them turn to cryptocurrency. In fact, **crypto investors allocate on average 40% of their assets invested (excluding real estate) into cryptocurrency, which is beyond gold and foreign currency.**

**Over the past month, an average of 36% of trading volume was from the exchange between fiat and crypto.** According to FRNT, traders in Turkey are using stablecoin Tether (USDT) as a proxy for fiat dollar exposure. USDT can be moved freely across exchanges and national borders as well as swapped between spot and futures, bypassing traditional banking channels. **25% of trading volume was related to derivatives**, such as futures and options, which could function as important risk-management tools amidst volatile markets. **Another 14% of trading volume came from spot trading**, including BTC, ETH and other altcoins such as SHIB.



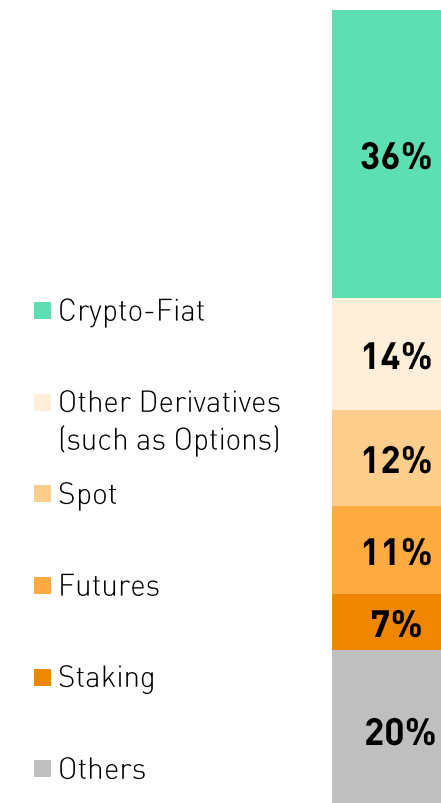
Source: Elliptic / Financial Times

### Investment Portfolio of Crypto Investors



Base: N=501 crypto investors

### Share of Trading Volume in the Past One Month





## Top Cryptocurrencies

# Metaverse crypto projects are gaining interests

Briefly reaching its all-time high in November 2021, Bitcoin was the most popularly traded cryptocurrency among Turkish investors throughout the year. In addition to the mainstream Bitcoin and Ethereum, other altcoins are recognized with upside potentials and have received increasing awareness and interest in trading. Some observations can be found on Turkish investors from their cryptocurrency preference.

### Resisting the inflation

Deflationary tokens such as BTC, AVAX and XRP are generally welcomed by Turkish investors. They reduce in supply over time to improve the value of the tokens, serving the purpose of resisting the inflation of lira.










### Riding on the trends

Turkish investors do not miss out on the trending topics, which can be seen from the popularity of meme coins such as DOGE and SHIB. Platform blockchain tokens such as ADA and AVAX are recognized with the potentials to take over ETH in the long run.

### Investing in the metaverse

Metaverse is gaining interest in Turkey, where investors are actively trading some top metaverse project tokens such as BLOK, VRA and NWC. Bloktopia (BLOK) is a decentralized metaverse backed by the Polygon Network, providing an unprecedented VR experience for the crypto community, where Bloktopians can earn revenue through real estate ownership, advertising revenue, play games, build networks, and much more. Veracity (VRA) aims to create an entirely new experience in esports, AdTech, and digital rights management by building a system allowing both developers and advertisers to gain value. NewsCrypto (NWC) is an all-in-one crypto ecosystem covering everything from education to industry-leading proprietary trading indicators and tools.

## Top Cryptocurrencies in Turkey 2021 (by Trading Volume)

-  Bitcoin (BTC)
-  Ethereum (ETH)
-  Bloktopia (BLOK)
-  Shiba Inu (SHIB)
-  Dogecoin (DOGE)
-  NewsCrypto (NWC)
-  Cardano (ADA)
-  Veracity (VRA)
-  Avalanche (AVAX)
-  Ripple (XRP)

Source: KuCoin Database

## Barriers to Investing in Cryptocurrency

# Market volatility still worries the crypto-curious

When crypto-curious consumers (those who plan to invest in cryptocurrency in the coming 6 months) are asked about what has been stopping them from investing in cryptocurrency, **42% claimed that market volatility is their top concern.** Being more cautious than those who are already in the game, the crypto-curious consumers are looking for ways to deal with uncertainty and risks. **26% stated that they are still trying to figure out the risk management of their investment portfolios,** and **24% are worried that the changing government regulations may add uncertainty to the cryptocurrency market.** As more consumers include cryptocurrency into their investment portfolio, we can expect to see growth in crypto financing products offering more stable returns and manageable risks, such as robo-advisors, automatic investment plans, etc.

While cryptocurrency exchanges remain key targets of hackers, potential security breach worries some crypto-curious consumers. **22% are worried that there is no guarantee that they could get the money back if a security breach occurs.** In April 2021, a CEO of a crypto exchange in Turkey was accused of scamming up to \$2 billion - even the exchange itself could be suspected of stealing money from its customers.

Limited knowledge about cryptocurrency is another reason why some crypto-curious consumers are hesitant. **32% say that they are not sure which types of cryptocurrency investment are suitable for them.** This implies a huge demand for cryptocurrency-related information, tutorials and other educational content in the market to help not just the newbie investors but also the ones curious to step in.

### Why haven't you invested in cryptocurrency yet?

42%

*"I'm worried that the market is too volatile"*

32%

*"I'm not sure which types of cryptocurrency investment suits me"*

26%

*"I'm still trying to figure out risk management of my portfolio"*

24%

*"Government regulation is adding uncertainty to the market"*

22%

*"No guarantee to get my money back if a security breach occurs"*

Base: N=501 crypto-curious

## Considerations for Crypto Exchanges

# Security is the top consideration when selecting a crypto exchange

On average, every Turkish crypto investor knows 6 cryptocurrency exchanges and has registered accounts at 3 different cryptocurrency exchanges. When selecting which cryptocurrency exchanges to register with, **security and stability of the platforms are the most considered factors (70%), followed by the easiness of fiat deposit and withdrawal on the platform (66%) and transaction liquidity (55%).** Heavily reliant on cryptocurrency to hedge against inflation, Turkish crypto investors are looking for reliable exchanges where they can truly entrust their money with.

According to the survey, more than half of crypto investors open their main crypto exchange platform multiple times a day to check on the status of their investment. It is no wonder that the **user interface of the platform is another critical consideration (65%).**

**A variety of tradable coins on the exchange platform (63%) is also important to crypto investors,** especially to those who look to capture profit by trading small. In addition to trading the well-known mainstream coins such as BTC, ETH and SHIB, many Turkish crypto investors turn to more niche altcoins with larger upside potentials and tend to register an account at a new crypto exchange in order to buy high potential coins listed exclusively on the platform.

### Top Considerations When Selecting Crypto Exchange



70%

Backed by secure & stable technology



66%

Easy fiat deposit and withdrawal



65%

Featuring User-friendly interface



63%

Listing a wide variety of tradable coins



55%

High liquidity & transaction volume

Base: N=501 crypto investors

# ABOUT KUCOIN

KuCoin is a global cryptocurrency exchange for numerous digital assets and cryptocurrencies. Launched in September 2017, KuCoin has grown into one of the most popular crypto exchanges and already has over **10 million registered users** across **207 countries and regions** around the world.

With a simple user interface, KuCoin is easy to use even for beginners. Known as the "**People's Exchange**", KuCoin provides users with 24/7 multi-language customer services. Meanwhile, KuCoin has established **22 local communities** in North America, Europe, Southeast Asia, and other regions, providing users with highly localized services.

KuCoin boasts one of the world's most sophisticated **security technology and maintenance team** and is constantly upgrading its security systems to ensure the safety of user assets and accounts.

As the home of crypto gems, KuCoin has supported over 640 projects with 1,100+ trading pairs. A number of projects like **BLOK, CHMB, VR, KMA, and DAO had their primary listing** on KuCoin.

In November 2018, KuCoin announced **\$20 million (USD) round A funding from IDG Capital and Matrix Partners**. In 2021, Forbes Advisor named KuCoin as one of **the Best Crypto Exchanges**. In 2022, The Ascent, a Motley Fool service, awarded KuCoin as the **Best Crypto Exchanges and Apps**.



# Find the Next Crypto Gem on KuCoin, the Home of Altcoins

Get started at

 [www.kucoin.com](https://www.kucoin.com)



For media inquiries, please contact [media@kucoin.com](mailto:media@kucoin.com)

Android



iOS

