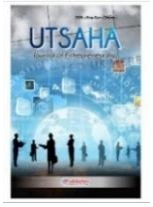

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# Factors Influencing Cryptocurrency Investment Decisions Among Indonesian Retail Investors: A Quantitative Study

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## ABSTRACT

*The rapid growth of cryptocurrency markets in Indonesia has attracted millions of retail investors, yet the behavioral and motivational factors that drive individual investment decisions in this context remain insufficiently understood. This study examines the simultaneous influence of five variables, namely investment experience, motivation, risk perception, investment interest, and financial literacy, on cryptocurrency investment decisions among Indonesian retail investors. A quantitative cross-sectional design was employed, with data collected from 168 respondents drawn from an active Indonesian cryptocurrency investment community forum through a structured Likert-scale questionnaire administered in February 2023. Multiple linear regression analysis was conducted using IBM SPSS version 23 to test six hypotheses. The results confirm that all five variables jointly and significantly influence cryptocurrency investment decisions, with the integrated model explaining 96 percent of the total variance in investment decisions. Among individual predictors, motivation emerged as the dominant positive influence, followed by risk perception and investment interest, while investment experience contributed a smaller but statistically significant positive effect. Financial literacy was the only variable to exert a significant negative effect, indicating that more financially literate investors exhibit greater caution toward cryptocurrency participation. These findings support, extend, and in the case of financial literacy partially contradict prior empirical studies, contributing an integrative multi-factor framework to the growing literature on cryptocurrency investment behavior in emerging markets. The study offers practical implications for investors, financial educators, and policymakers working to strengthen investor protection and financial decision-making quality within Indonesia's rapidly expanding digital asset ecosystem.*

**Keywords**: *Cryptocurrency Investment, Financial Literacy, Investment Motivation, Risk Perception, Retail Investors*

## INTRODUCTION

The global financial landscape has undergone a profound transformation over the past two decades, driven in large part by the rapid advancement of digital technologies and the emergence of new asset classes that challenge conventional investment paradigms (Firdausi & Antonio, 2025; Hery et al., 2023). Investment behavior, once largely confined to regulated instruments such as equities, bonds, and bank deposits, has expanded to encompass a broad spectrum of alternative assets, reflecting shifts in investor demographics, technological accessibility, and evolving risk preferences (Almeida & Gonçalves, 2023). Within this broader transformation, digital finance has progressively redefined how individuals access, allocate, and manage capital, particularly in economies where traditional banking infrastructure remains unevenly distributed and where younger, digitally native populations are increasingly seeking investment vehicles that align with their technological familiarity and return expectations (Makarov & Schoar, 2022). Understanding the factors that motivate, constrain, and shape individual investment behavior has therefore become a critical concern for scholars, regulators, and financial practitioners, especially as retail investors continue to enter markets that carry substantially higher complexity and risk than those for which conventional financial education was originally designed.

Among the alternative asset classes that have attracted the most significant retail investor attention in recent years, cryptocurrency stands out as both the most transformative and the most contested. Introduced in 2009 through the Bitcoin protocol, cryptocurrency operates through decentralized, peer-to-peer blockchain networks that function independently of central banking authorities or government oversight (Nakamoto, 2008). Since its inception, the global cryptocurrency market has expanded dramatically, encompassing more than 10,000 distinct digital assets and reaching a combined market capitalization that briefly exceeded USD 3 trillion in late 2021 before experiencing severe corrections that underscored the market's inherent volatility (Makarov & Schoar, 2022). These characteristics — high return potential, extreme price volatility, technological complexity, and limited regulatory protection — create a distinctive investment environment in which individual decision-making is shaped by a constellation of behavioral, motivational, and cognitive factors that differ fundamentally from those governing participation in conventional financial markets.

Indonesia represents one of the most compelling emerging-market contexts in which to examine these dynamics. According to data published by the Commodity Futures Trading Regulatory Agency (Bappebti), the number of registered cryptocurrency investors in Indonesia grew from 9.9 million in 2021 to 28.52 million by 2024, with total transaction values reaching IDR 475.13 trillion in the first ten months of 2024 alone, an increase of 352.89 percent relative to the equivalent period in the prior year (Bappebti, 2024). Approximately 75 percent of

these investors are aged 18 to 35 years, indicating a strong concentration among younger participants who may possess varying degrees of financial sophistication and whose investment motivations are likely shaped as much by social and psychological influences as by fundamental financial analysis (Bappebti, 2024). Compounding this picture is Indonesia's still-developing regulatory framework, which, despite significant reforms including the reclassification of crypto assets as digital financial assets and the transfer of supervisory authority to the Financial Services Authority in 2025, continues to expose retail investors to considerable market, security, and information risks. This confluence of rapid growth, demographic concentration, and regulatory complexity makes Indonesia a particularly salient context for investigating what drives individuals to invest in cryptocurrency.

The behavioral and psychological factors underlying individual cryptocurrency investment decisions have attracted increasing scholarly attention in recent years, producing a body of evidence that consistently points beyond rational-choice explanations. Almeida and Gonçalves (2023) conducted a systematic literature review and found that the primary drivers of cryptocurrency investment intent are strongly shaped by social influence, performance expectancy, and perceived usefulness, with financial literacy serving as a key moderating condition. Hayashi and Routh (2024) similarly demonstrated that risk tolerance exerts a positive and significant effect on cryptocurrency ownership, while the relationship between financial literacy and cryptocurrency investment is nuanced, with objective financial knowledge positively associated with ownership but subjective literacy measures showing more complex patterns. Taken together, these findings suggest that cryptocurrency investment decisions cannot be adequately explained by traditional financial models alone and instead require integrative frameworks that account for the interplay of motivational, experiential, risk-related, and literacy-based dimensions.

Research conducted within the Indonesian context further reinforces this view while simultaneously revealing dynamics that are specific to the country's socioeconomic and cultural setting. Tjondro et al. (2023) found that Indonesian cryptocurrency investors exhibit heightened irrationality during bearish market conditions, with intergroup bias and overborrowing emerging as the most significant behavioral determinants of investment decisions, suggesting that social conformity pressures play a more prominent role in this market than rational risk assessment. Fourqoniah et al. (2024) demonstrated that psychological dimensions, including sensation-seeking tendencies and emotional intelligence, significantly shape the behavioral finance patterns of Indonesian cryptocurrency investors, while Handoko et al. (2026) found that financial literacy and digital literacy function as primary determinants of investment decisions among Indonesian retail investors, with herding behavior exerting its influence indirectly through these mediating literacy variables. These studies collectively establish that understanding

cryptocurrency investment behavior in Indonesia requires analytical frameworks sensitive to both the psychological characteristics of individual investors and the broader informational and regulatory environment in which they operate.

Despite this growing body of evidence, several important gaps remain that the existing literature has yet to adequately address. Most prior studies examine behavioral biases, literacy, or motivational factors in isolation, without simultaneously investigating how investment experience, motivation, risk perception, investment interest, and financial literacy interact as a combined set of determinants within a single analytical model. Furthermore, research specifically targeting active members of Indonesian cryptocurrency investment communities — who represent the most engaged segment of the retail investor population and whose behavior is most directly relevant to market and policy outcomes — remains scarce, with many existing studies relying instead on general population surveys or university-based samples that may not capture the decision-making dynamics of experienced cryptocurrency participants. The absence of such integrative, community-sourced evidence constitutes a meaningful gap in the literature, particularly given the scale and demographic distinctiveness of Indonesia's cryptocurrency market.

The present study addresses these gaps by examining the simultaneous influence of five theoretically grounded variables — investment experience, motivation, risk perception, investment interest, and financial literacy — on cryptocurrency investment decisions among Indonesian investors. Data were collected from 168 respondents drawn from an active Indonesian cryptocurrency investment community forum, and the hypotheses were tested through multiple linear regression analysis using SPSS. The central novelty of this study lies in its integrative analytical model, which brings together motivational, experiential, risk-related, interest-based, and literacy dimensions within a unified empirical framework, applied to a community-sourced sample that more closely reflects the profile of active retail cryptocurrency investors in Indonesia than the samples used in most prior research. By situating this analysis within Indonesia's rapidly evolving digital asset market, the study also contributes to the broader literature on investment behavior in emerging economies undergoing simultaneous financial and digital transformation.

This study seeks to answer the following research questions: Does investment experience significantly influence cryptocurrency investment decisions? Does motivation significantly influence cryptocurrency investment decisions? Does risk perception significantly influence cryptocurrency investment decisions? Does investment interest significantly influence cryptocurrency investment decisions? Does financial literacy significantly influence cryptocurrency investment decisions? And do all five variables simultaneously exert a significant combined influence on cryptocurrency investment decisions? The answers to these questions are expected to advance the theoretical understanding of cryptocurrency investment

behavior in emerging markets while also offering practical guidance for investors, financial educators, and policymakers working to strengthen the quality and sustainability of individual financial decision-making within Indonesia's growing digital asset ecosystem.

## LITERATURE REVIEW

### Theoretical Foundations of Cryptocurrency Investment Behavior

Individual investment behavior has long been examined through the lens of rational choice theory, which assumes that investors process available information efficiently and make decisions that maximize expected utility. However, the cryptocurrency market presents conditions that challenge this assumption at nearly every level, given its extreme price volatility, information asymmetry, absence of intrinsic valuation benchmarks, and limited regulatory oversight (Almeida & Gonçalves, 2023). Behavioral finance theory offers a more adequate explanatory framework in this context, recognizing that investors systematically deviate from rational decision-making due to cognitive biases, emotional responses, and social influences that shape how risk and return are perceived and processed.

Within this framework, the decision to invest in cryptocurrency is understood not as a single rational calculation but as the product of multiple interacting factors, including an individual's prior investment experience, the strength of their motivational orientation, their perception of financial risk, their personal interest in digital assets, and the degree to which they possess the financial knowledge necessary to evaluate investment choices critically (Almeida & Gonçalves, 2023; Tjondro et al., 2023). Extending beyond behavioral finance, Expectancy Theory provides a complementary theoretical anchor for this study, as it links motivation and behavior through the perceived outcomes of an action, suggesting that individuals are more likely to invest in cryptocurrency when they believe doing so will yield outcomes they value, whether financial gain, portfolio diversification, or participation in a technology-driven financial ecosystem (Handoko et al., 2026). Together, these theoretical perspectives frame the five constructs examined in this study as an integrated set of determinants rather than isolated predictors, which is the analytical approach the existing literature has most consistently neglected.

### Key Determinants of Cryptocurrency Investment Decisions

Investment experience has been identified across multiple studies as one of the most consistent positive predictors of cryptocurrency investment participation. Zhao and Zhang (2021) found that investment experience exerts a stronger influence on cryptocurrency investment decisions than objective financial literacy, as experienced investors bring familiarity with asset volatility, portfolio management, and risk calibration that reduces the psychological barriers associated with entering a new and unfamiliar market. This finding aligns with the broader

behavioral finance literature on learning-by-doing, which holds that prior exposure to investment environments enables individuals to develop heuristics and confidence that facilitate engagement with higher-risk instruments (Bai et al., 2025).

Motivation functions as an equally important driver, though its character in the cryptocurrency context is notably multidimensional. Prihatini and Widakdo (2022) demonstrated that financial motivation, particularly the expectation of high returns, is the primary driver of cryptocurrency investment intent, while non-financial motivations including interest in blockchain technology, a desire for portfolio diversification, and ideological alignment with decentralized finance also contribute meaningfully to the investment decision. More recently, research grounded in Regulatory Focus Theory found that investors with a strong promotional motivational orientation, characterized by a focus on growth, gain, and the pursuit of aspirations, are significantly more likely to participate in cryptocurrency markets than prevention-focused individuals who prioritize security and the avoidance of loss (Baeckström et al., 2024).

Risk perception occupies a particularly complex position in the cryptocurrency investment literature. Hayashi and Routh (2024) confirmed that risk tolerance is positively associated with cryptocurrency ownership, with crypto investors consistently displaying higher risk appetite than participants in conventional investment markets. However, the relationship between risk perception and investment decisions can be bidirectional: investors may enter cryptocurrency markets precisely because they perceive the risk as manageable given their experience or knowledge base, while elevated perceived risk can simultaneously deter less experienced participants from entering at all (Kiruba et al., 2023). Investment interest, reflecting an individual's intrinsic curiosity about and attraction to cryptocurrency as an asset class, has been found to mediate the pathway between awareness and actual investment participation, with higher interest levels associated with greater information-seeking behavior and, subsequently, with higher investment intent (Almeida & Gonçalves, 2023).

Financial literacy presents the most theoretically contested relationship with cryptocurrency investment. While higher financial literacy is generally associated with better investment outcomes and more rational risk assessment, several studies have found a negative association between financial literacy and cryptocurrency investment propensity, interpreted as reflecting more financially literate individuals' greater awareness of the speculative risks, regulatory uncertainties, and valuation difficulties inherent in digital asset markets (Hayashi & Routh, 2024; Zhao & Zhang, 2021). This negative relationship carries particular salience in the Indonesian context, where the rapid expansion of the cryptocurrency investor base has considerably outpaced the development of financial education infrastructure, leaving many retail investors to enter the market with limited analytical grounding. These five constructs, experience, motivation, risk perception, investment interest,

and financial literacy, are therefore examined in this study as jointly operating determinants whose simultaneous effects have not been adequately captured in prior empirical research conducted within the Indonesian setting.

**Prior Studies and Research Positioning**

A review of the empirical literature most directly relevant to this study reveals a consistent pattern of findings while also exposing the gaps that the present research seeks to address. The studies summarized in Table 1 provide the key empirical reference points from which the hypotheses of this paper are developed.

**Table 1** Summary of Prior Empirical Studies

| Author(s) | Focus | Method | Key Findings |
|---|---|---|---|
| Rahadi et al. (2025) | Millennial investment decision-making across instrument types | Qualitative interview | Investment knowledge and experience influence decision-making; safety is a primary consideration; self-motivation is the dominant social influence; knowledge, experience, and risk collectively determine investment decisions. |
| Setiawan (2020) | Potential and risk of cryptocurrency investment in Indonesia | Qualitative | Different cryptocurrencies carry varying risk-return profiles; return volatility exhibits clustering patterns; risk-tolerant investors are better suited to high-return cryptocurrencies |
| Jusuf et al. (2023) | Influence of risk tolerance, experienced regret, risk perception, and financial literacy on investment decisions | Quantitative, questionnaire | Risk tolerance and experienced regret each positively and significantly influence investment decisions; risk perception positively influences decisions; financial literacy does not significantly influence investment decisions independently. |
| Tjondro et al. (2023) | Rational versus irrational behavior of Indonesian cryptocurrency owners | Quantitative, binary logistic regression, n=309 | Intergroup bias and overborrowing are the most significant behavioral predictors of cryptocurrency investment; Indonesian investors exhibit heightened irrationality during bearish market conditions, driven by |

| Author(s) | Focus | Method | Key Findings |
|---|---|---|---|
| | | | social conformity rather than financial reasoning. |
| Ramadhani (2022) | Factors influencing Bitcoin price | Quantitative, time series | Total Bitcoin supply negatively influences price; transaction volume and fees positively influence price in both short and long run; all variables jointly explain 99.36% of Bitcoin price variance in the long run. |

**Source:** Researchers Database (2025)

The studies presented in Table 1 collectively establish several important empirical anchors for the present research and, taken together, point toward the analytical contribution this study aims to make. Jusuf et al. (2023) and Stevanus and Rahadi (2021) demonstrate that experience, risk perception, and motivational self-direction consistently shape investment decisions in the Indonesian retail context, yet neither study examined these variables simultaneously within a cryptocurrency-specific quantitative framework. Setiawan (2020) confirms that Indonesian investors face heterogeneous risk environments depending on their cryptocurrency asset of choice, underscoring the importance of treating risk perception as a variable factor rather than a fixed parameter across the investor population.

Tjondro et al. (2023) extend this picture by demonstrating that the behavior of active Indonesian cryptocurrency community members is shaped by social and psychological forces that standard financial theory does not capture, reinforcing the case for a behaviorally grounded, community-sourced approach to studying this market. Ramadhani (2022), while focusing on price determinants rather than investor behavior, provides essential contextual grounding for understanding the supply and demand dynamics within which Indonesian cryptocurrency investors make decisions, particularly the role of transaction volume and market infrastructure in shaping asset valuations. What none of these studies individually accomplishes, however, is the simultaneous empirical examination of experience, motivation, risk perception, investment interest, and financial literacy as joint predictors of cryptocurrency investment decisions within a community-based Indonesian sample. It is precisely this gap that motivates the hypotheses and analytical framework developed in the following section.

## RESEARCH METHODOLOGY

This study adopts a quantitative research design with a cross-sectional approach, in which data were collected at a single point in time and analyzed using

inferential statistical methods to test the proposed hypotheses. The quantitative approach was selected on the grounds that the research objective requires the measurement and testing of causal relationships between clearly defined variables across a sufficiently large sample, an objective that lends itself to statistical rather than interpretive analysis (Fischer et al., 2023; Neuman, 2014). The dependent variable in this study is cryptocurrency investment decision, while the five independent variables are investment experience, motivation, risk perception, investment interest, and financial literacy. Each variable was operationalized through a structured set of questionnaire items developed from prior empirical literature, with investment experience items adapted from Stevanus and Rahadi (2021), financial literacy, motivation and risk perception items drawing from Salim and Pamungkas (2025), interest items from Hafizhah and Kusumawati (2021), and investment decision items from Suprasta and MN (2020). Responses were recorded on a six-point Likert scale ranging from 1 (strongly disagree) to 6 (strongly agree), a format chosen to eliminate the neutral midpoint and encourage respondents to express a directional position on each statement.

The population of this study comprised all individuals who actively participate in Indonesian cryptocurrency investment communities and forums, estimated at approximately 9,000 members within the targeted online community at the time of data collection. Given the impracticality of surveying the entire population, a sample of 168 respondents was drawn using simple random sampling, calculated at a 95 percent confidence level with a margin of error of 7.5 percent. This sample size is consistent with accepted standards for quantitative survey research and is considered sufficiently representative to support the generalization of findings to the broader population of active Indonesian retail cryptocurrency investors (Fischer et al., 2023; Neuman, 2014). Data were collected during February 2023 through a self-administered online questionnaire distributed via Google Forms to members of the cryptocurrency investment community forum, with the distribution period lasting two weeks. The use of an online data collection instrument was necessitated by the geographically dispersed nature of the respondent population, as the target community exists primarily in digital spaces rather than physical locations where face-to-face administration would be feasible.

Prior to the main analysis, the questionnaire was subjected to validity and reliability testing to confirm that all measurement items appropriately captured their intended constructs. Validity was assessed using Pearson product-moment correlation, with an item considered valid when its correlation coefficient exceeded the critical r-table value at a significance level of five percent. Reliability was assessed using Cronbach's Alpha, with a minimum threshold of 0.60 required for an instrument to be considered acceptable, 0.60 to 0.79 indicating acceptable reliability, and values of 0.80 and above indicating good reliability (Priyanto, 1997). All items across the six variable scales passed both tests, with Cronbach's Alpha values ranging from 0.819 to 0.895 across the independent variable scales and 0.837

for the investment decision scale, confirming that the instrument was both valid and reliable for use in the main analysis.

The primary analytical technique employed in this study is multiple linear regression, which was carried out using IBM SPSS version 23. Multiple linear regression was selected because it enables the simultaneous estimation of the independent contribution of each predictor variable to the dependent variable while controlling for the effects of the remaining predictors, making it appropriate for testing the five individual hypotheses as well as the simultaneous hypothesis of joint influence (Malhotra, 2012). The regression equation takes the form Y = a + b1X1 + b2X2 + b3X3 + b4X4 + b5X5 + e, where Y represents the cryptocurrency investment decision, X1 through X5 represent experience, motivation, risk perception, investment interest, and financial literacy respectively, and e represents the error term. Hypothesis testing was conducted at the five percent significance level using three complementary procedures: The F-test to assess the overall significance of the regression model, the t-test to evaluate the individual significance of each predictor, and the coefficient of determination (Adjusted R-Square) to quantify the proportion of variance in the dependent variable explained by the model as a whole.

## RESULT AND DISCUSSION

### Descriptive Statistics and Sample Profile

A total of 168 respondents participated in this study, drawn from an active Indonesian cryptocurrency investment community forum. The sample was predominantly male, with 122 male respondents (72.6 percent) and 46 female respondents (27.4 percent), reflecting the broader pattern of male dominance in cryptocurrency investment participation documented consistently in the Indonesian market context (Bappebti, 2024). In terms of age distribution, the largest group of respondents fell within the 36 to 45 year age bracket (35 percent), followed closely by those aged 26 to 35 years (34 percent), with respondents aged 18 to 25 years comprising 28 percent of the sample and no respondents aged above 55 years. This age profile indicates that the sample skews toward productive-age adults rather than the very youngest investor cohort, which provides a degree of experiential diversity that strengthens the analytical value of the experience and risk perception variables. With respect to investment objectives, 40 percent of respondents reported that their primary motivation for cryptocurrency investment was profit generation, followed by savings accumulation (21 percent), future financial security (20 percent), and asset value preservation (2 percent), with the remaining 17 percent citing other objectives. These distributional characteristics confirm that the sample is predominantly profit-oriented in its investment outlook, consistent with the motivational patterns identified in the hypothesis development and aligned with the

broader literature on retail cryptocurrency investor profiles in emerging markets (Almeida & Goncalves, 2023).

With respect to asset holdings, Ethereum (ETH) was the most widely retained cryptocurrency at the time of the survey (42 percent of respondents), followed by XRP (38 percent), Bitcoin (36 percent), and USD Coin (USDC) at 52 percent, the latter reflecting a preference among some investors for lower-volatility stablecoin positions alongside more speculative holdings. Regarding investment tenure, 40 percent of respondents had held cryptocurrency assets for between one and three years, 30 percent for between six months and one year, 21 percent for less than six months, and 10 percent for more than three years, indicating that the majority of the sample possessed at least a moderate level of cryptocurrency-specific investment experience. Table 2 below summarizes the key descriptive statistics for all continuous variables included in the regression analysis.

**Table 2** Descriptive Statistics of Research Variables

| Variable | Mean | Std. Deviation | N |
|---|---|---|---|
| Cryptocurrency Investment (Y) | 146.131 | 384.572 | 168 |
| Experience (X1) | 98.393 | 173.492 | 168 |
| Motivation (X2) | 194.524 | 334.952 | 168 |
| Risk Perception (X3) | 232.917 | 557.943 | 168 |
| Investment Interest (X4) | 111.845 | 280.427 | 168 |
| Financial Literacy (X5) | 114.405 | 312.744 | 168 |

**Source:** Primary Data Processed by Researchers (2025)

*Note: All values represent composite summed scores across all Likert-scale items within each variable scale, not single-item means.*

## Validity and Reliability

All measurement items across the six variable scales passed the validity test, with Pearson correlation coefficients ranging from 0.571 to 0.980 at a significance level of $p < 0.001$, confirming that each item meaningfully measured its intended construct. Reliability testing using Cronbach's Alpha produced values of 0.895 for Experience (X1), 0.849 for Motivation (X2), 0.819 for Risk Perception (X3), 0.868 for Investment Interest (X4), 0.879 for Financial Literacy (X5), and 0.837 for the Cryptocurrency Investment scale (Y), all of which exceed the minimum threshold of 0.60 and fall within the acceptable to good reliability range (Priyanto, 2013). These results confirm that the measurement instrument is both valid and reliable for use in the regression analysis. Table 3 summarizes the reliability coefficients across all variables.

**Table 3** Summary of Reliability Test Results

| Variable | Cronbach's Alpha | Number of Items | Reliability Status |
|---|---|---|---|
| Cryptocurrency Investment (Y) | 0.895 | 3 | Good |
| Experience (X1) | 0.849 | 5 | Good |
| Motivation (X2) | 0.819 | 7 | Good |
| Risk Perception (X3) | 0.868 | 4 | Good |
| Investment Interest (X4) | 0.879 | 4 | Good |
| Financial Literacy (X5) | 0.873 | 5 | Good |

**Source:** Primary Data Processed by Researchers (2025)

## Multiple Linear Regression Results

Prior to conducting the multiple linear regression analysis, multicollinearity was assessed by examining the Variance Inflation Factor (VIF) values for all independent variables. All VIF values fell below the commonly accepted threshold of 10, confirming that multicollinearity did not pose a threat to the stability or interpretability of the regression estimates, despite the high inter-variable correlations observed in the Pearson correlation matrix (Ghozali, 2018). The regression analysis was subsequently conducted using IBM SPSS version 23, and the results are presented in Tables 4 and 5.

The overall model was tested using the F-test, and the results confirmed that the model is statistically significant at the one percent level ($F = 795.441$, $df = 5,162$, $p < 0.001$), indicating that the five independent variables jointly and significantly explain variance in cryptocurrency investment decisions. The Adjusted R-Square was 0.960, meaning that approximately 96 percent of the variation in cryptocurrency investment decisions among the respondents is explained by the combined influence of investment experience, motivation, risk perception, investment interest, and financial literacy. The remaining four percent is attributable to factors outside the scope of this model. This level of explanatory power reflects the strong collective relevance of the selected predictors within this community-based sample, where all respondents are active participants in the cryptocurrency investment ecosystem and therefore exhibit more clearly defined and measurable investment orientations than general population samples typically do.

**Table 4** ANOVA Results (F-Test)

| Model | Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|---|
| Regression | 2,373,186 | 5 | 474.637 | 795.441 | 0.000 |
| Residual | 96,665 | 162 | 597 | | |
| Total | 2,469,851 | 167 | | | |

**Source:** Primary Data Processed by Researchers (2025)

**Table 5** Multiple Linear Regression Coefficients (t-Test)

| Variable | B | Std.Error | Beta | t | Sig. |
|---|---|---|---|---|---|
| (Constant) | -5.739 | 0.734 | | -7.816 | 0.000 |
| Experience (X1) | 0.273 | 0.081 | 0.123 | 3.366 | 0.001 |
| Motivation (X2) | 0.596 | 0.082 | 0.519 | 7.243 | 0.000 |
| Risk Perception (X3) | 0.253 | 0.068 | 0.367 | 3.731 | 0.000 |
| Investment Interest (X4) | 0.332 | 0.125 | 0.242 | 2.650 | 0.009 |
| Financial Literacy (X5) | -0.310 | 0.112 | -0.252 | -2.771 | 0.006 |

**Source:** Primary Data Processed by Researchers (2025)

The regression equation derived from Table 5 is as follows:

$$\mathbf{Y = -5.739 + 0.273X1 + 0.596X2 + 0.253X3 + 0.332X4 - 0.310X5}$$

The standardized beta coefficients indicate that Motivation (Beta = 0.519) exerts the strongest individual influence on cryptocurrency investment decisions among all five predictors, followed by Risk Perception (Beta = 0.367), Investment Interest (Beta = 0.242), Financial Literacy (Beta = -0.252), and Experience (Beta = 0.123). The negative beta coefficient for Financial Literacy indicates that this variable operates in the opposite direction to the remaining four predictors, with higher financial literacy associated with lower cryptocurrency investment propensity. Figure 1 below visualizes the relative magnitude and direction of all five standardized beta coefficients to facilitate interpretation of the regression results.

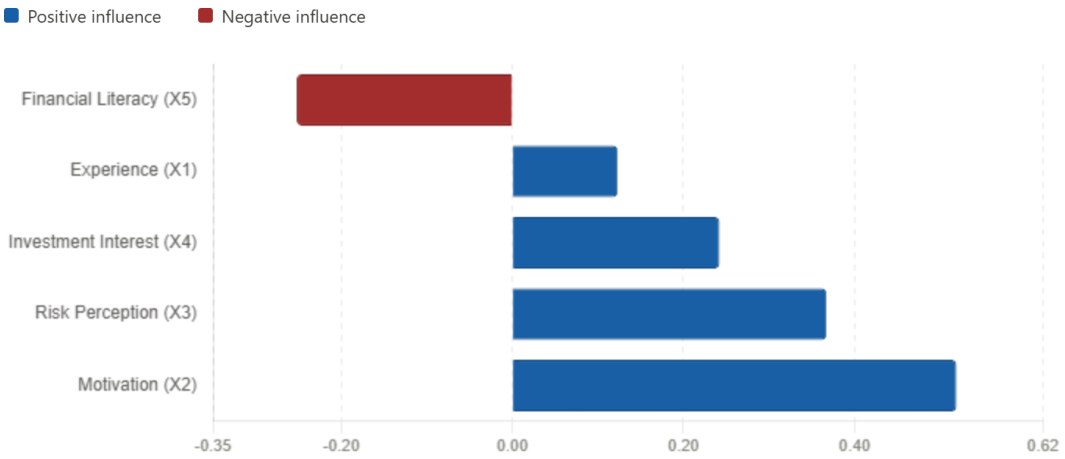


**Figure 1** Standardized Beta Coefficients of Independent Variables on Cryptocurrency Investment Decisions
**Source:** Primary Data Processed by Researchers (2025)

**Hypotjesis Testing and Discussion**

1. Experience and Cryptocurrency Investment (H1)

   Investment experience was found to exert a significant positive influence on cryptocurrency investment decisions (B = 0.273, Beta = 0.123, t = 3.366, p = 0.001), providing support for H1. This finding indicates that respondents with greater prior investment experience across asset classes demonstrate a higher inclination toward cryptocurrency investment, consistent with the interpretation that experience builds the cognitive familiarity and risk calibration skills necessary to engage confidently with a volatile and technically complex asset class. This result directly supports and extends the findings of Stevanus and Rahadi (2021), who identified investment knowledge and experience as key determinants of millennial investment decision-making in the Indonesian context, and aligns with Zhao and Zhang (2021), who found investment experience to be a more influential predictor of cryptocurrency participation than objective financial literacy. The present findings extend both prior studies by situating the experience effect specifically within an active cryptocurrency community sample rather than a general investor population, suggesting that the experience premium may be more pronounced among individuals who have already committed to cryptocurrency as an investment domain and who therefore possess domain-specific experience that translates more directly into investment confidence (Chhatwani & Parija, 2023).

2. Motivation and Cryptocurrency Investment (H2)

   Motivation produced the strongest and most statistically robust effect in the model (B = 0.596, Beta = 0.519, t = 7.243, p < 0.001), confirming H2 and establishing it as the dominant predictor of cryptocurrency investment decisions among the five variables tested. This finding is consistent with Prihatini and Widakdo (2022), who demonstrated that financial motivation, particularly the expectation of significant returns, is the primary driver of cryptocurrency investment intent across different investor populations. It also aligns with the Regulatory Focus Theory framework applied by Baeckström et al. (2024), who found that promotion-focused motivational orientation is a significant predictor of cryptocurrency market participation among individual investors. Furthermore, Wang et al. (2025) confirmed that both intrinsic and extrinsic motivations significantly influence behavioral intention to invest in cryptocurrency, with the expectation of high financial returns functioning as the most consistently reported motivational trigger across diverse cultural and demographic settings. The overwhelming strength of the motivation effect in the present study,

which is more than four times the magnitude of the experience effect in standardized terms, suggests that for Indonesian retail investors operating within cryptocurrency community forums, the anticipation of financial gain functions as a near-primary decision trigger that substantially outweighs other considerations including accumulated experience or financial knowledge.

3. Risk Perception and Cryptocurrency Investment (H3)

   Risk perception was found to positively and significantly influence cryptocurrency investment decisions (B = 0.253, Beta = 0.367, t = 3.731, $p < 0.001$), supporting H3. The positive direction of this relationship indicates that respondents who perceive higher levels of risk associated with cryptocurrency investment are nonetheless more inclined to invest, which is consistent with the profile of active cryptocurrency community members who tend to view risk as an inherent and accepted feature of the asset class rather than as a deterrent. This finding supports Hayashi and Routh (2024), who confirmed that cryptocurrency investors consistently display higher risk appetite than conventional market participants, and extends Jusuf et al. (2023), who found that risk tolerance exerts a significant positive influence on investment decision-making among Indonesian retail investors. The present findings advance Jusuf et al. (2023) by demonstrating that this positive risk orientation holds specifically within the cryptocurrency domain and within a community-sourced sample, further reinforcing the view that active cryptocurrency investors constitute a self-selected population for whom elevated risk perception functions as a signal of potential upside rather than a reason for restraint (Kiruba et al., 2023).

4. Investment Interest and Cryptocurrency Investment (H4)

   Investment interest was found to positively and significantly influence cryptocurrency investment decisions (B = 0.332, Beta = 0.242, t = 2.650, p = 0.009), supporting H4. This result confirms that personal interest in cryptocurrency as a technological and financial phenomenon serves as a meaningful and independent predictor of investment participation, above and beyond the influence of motivation and experience. The finding is consistent with research by Qi et al. (2025), who demonstrated that investment confidence rooted in genuine interest in an asset class correlates positively and significantly with cryptocurrency investment propensity, as individuals who are intrinsically curious about an investment domain engage in more sustained information-seeking behavior that ultimately facilitates the transition from passive awareness to active participation. It also connects with the findings of Tjondro et al. (2023), who observed that Indonesian cryptocurrency investors are strongly shaped by the social and

psychological dimensions of their investment communities, suggesting that interest may be partly cultivated through community membership and peer interaction rather than arising solely from individual deliberation, a dynamic that is particularly relevant for the forum-based sample used in this study.

5. Financial Literacy and Cryptocurrency Investment (H5)

   Financial literacy was found to exert a significant negative influence on cryptocurrency investment decisions (B = -0.310, Beta = -0.252, t = -2.771, p = 0.006), supporting H5 in directional terms but in the opposite direction to the positive relationship initially hypothesized. This result indicates that respondents with higher levels of financial literacy are less inclined to invest in cryptocurrency, a finding that contradicts the initial hypothesis but aligns with a growing body of empirical evidence suggesting that more financially literate individuals approach cryptocurrency with greater caution precisely because they are better equipped to recognize its speculative nature, valuation difficulties, and regulatory risks (Hayashi & Routh, 2024; Zhao & Zhang, 2021). The negative relationship found here is consistent with and extends the findings of Jusuf et al. (2023), who found that financial literacy did not significantly influence investment decisions in a general investment context, and goes further by demonstrating that in the cryptocurrency-specific context, financial literacy actively suppresses rather than merely fails to encourage investment intent. This finding carries practical significance for financial educators and policymakers in Indonesia, as it suggests that improving financial literacy among the population may serve as a meaningful mechanism for moderating excessive speculative participation in the cryptocurrency market, particularly among younger and less experienced investors who currently constitute the majority of the investor base (Bappebti, 2024).

6. Simultaneous Influence of All Variables (H6)

   The F-test results confirmed that all five independent variables simultaneously exert a significant collective influence on cryptocurrency investment decisions (F = 795.441, p < 0.001), supporting H6. The Adjusted R-Square of 0.960 indicates that the integrated model explains 96 percent of the variance in cryptocurrency investment decisions among the respondents, which represents a substantially higher level of explanatory power than most single-variable or dual-variable studies in this domain have achieved. This result confirms that the five constructs function together as a coherent determinant framework rather than as independent predictors, with motivational orientation providing the primary directional force, risk perception and investment interest amplifying it, experience calibrating it, and financial literacy moderating

it in a constraining direction. This integrative finding extends the contributions of all prior studies cited in this paper by demonstrating that the combined model is empirically more powerful than any of its component parts, and reinforces the call by Almeida and Gonçalves (2023) for broader, multi-factor analytical frameworks in future cryptocurrency investment research.

The findings of this study stand in a relationship of partial support, meaningful extension, and one notable contradiction with the body of prior research reviewed in the Introduction and Literature Review. In terms of direct support, the positive effects of experience, motivation, risk perception, and investment interest on cryptocurrency investment decisions are broadly consistent with findings reported by few researchers, all of whom identified these dimensions as significant drivers of investment participation across different market and cultural contexts (Almeida & Gonçalves, 2023; Hayashi & Routh, 2024; Prihatini & Widakdo, 2022; Stevanus & Rahadi, 2021). The present study reinforces these conclusions by replicating them within an Indonesian community-based sample that more closely reflects the behavioral profile of active retail investors than the general population or university-based samples on which many prior studies relied, and by confirming that the same directional patterns hold even when all five constructs are modelled simultaneously rather than in isolation.

In terms of meaningful extension, this study advances the existing literature in three important ways. First, it demonstrates that motivation is not merely one among several equally weighted predictors but is by far the dominant determinant of cryptocurrency investment decisions within this population, a finding that earlier studies including Baeckström et al. (2024) and Prihatini and Widakdo (2022) hinted at but did not explicitly quantify within an Indonesian retail investor community context. Second, by simultaneously modelling all five constructs, this study reveals the interactive structure of the determinant framework, showing that financial literacy does not simply fail to promote cryptocurrency investment but actively suppresses it, a nuance that studies examining financial literacy in isolation or as a secondary variable have been unable to capture with precision. Third, the very high explanatory power of the integrated model suggests that the five constructs together constitute a near-comprehensive account of investment decision variance within this particular community sample, which implies that future research extending this model would benefit more from exploring mediating or moderating variables, such as digital literacy, trust, or social influence, than from adding further direct predictors, consistent with the research directions identified by Almeida and Gonçalves (2023) and Tjondro et al. (2023).

The single most significant contradiction with prior research concerns the direction of the financial literacy effect. The initial hypothesis, consistent with the theoretical expectation that financially literate individuals make more informed and

therefore more confident investment decisions, predicted a positive relationship between financial literacy and cryptocurrency investment. The empirical results contradict this expectation, finding instead a significant negative relationship. This contradiction is not without precedent in the literature: Hayashi and Routh (2024) and Zhao and Zhang (2021) both reported negative or null relationships between objective financial literacy and cryptocurrency ownership, and Jusuf et al. (2023) found that financial literacy did not significantly influence investment decisions in the Indonesian context. The present study sharpens this contradiction by demonstrating that in the specific context of an active Indonesian cryptocurrency investment community, financial literacy functions as a restraining rather than an enabling force, most plausibly because investors with stronger financial knowledge bases apply more rigorous risk-return assessments and consequently view cryptocurrency's combination of high volatility, limited regulatory protection, and speculative pricing with greater skepticism than their less financially literate counterparts. This finding carries important implications for financial policy in Indonesia, suggesting that investment in financial literacy programs may simultaneously contribute to more rational capital allocation and to a natural degree of moderation in speculative digital asset markets, reinforcing the broader policy position advanced by Bappebti (2024) that literacy strengthening and investor protection must develop in tandem with Indonesia's rapidly growing digital asset ecosystem.

## CONCLUSION

This study examined the influence of five variables, namely investment experience, motivation, risk perception, investment interest, and financial literacy, on cryptocurrency investment decisions among 168 Indonesian retail investors drawn from an active cryptocurrency community forum. The results of the multiple linear regression analysis confirmed that all five variables simultaneously and significantly influence cryptocurrency investment decisions, with the integrated model explaining 96 percent of the total variance in the dependent variable. Among the individual predictors, motivation emerged as the dominant force shaping investment decisions, followed by risk perception, investment interest, experience, and financial literacy. Notably, financial literacy was the only variable to exert a negative effect, indicating that investors with higher financial knowledge are more cautious and less inclined toward cryptocurrency participation, while the remaining four variables each contributed positively to investment intent. These findings confirm five of the six hypotheses as stated, with H5 supported in terms of statistical significance but contradicted in terms of its originally hypothesized direction.

The practical implications of these findings extend to multiple stakeholder groups. For prospective cryptocurrency investors, the study highlights that motivational clarity, accumulated investment experience, and a measured

orientation toward risk are the most constructive foundations for entering the cryptocurrency market, while the inverse relationship between financial literacy and investment propensity serves as a reminder that deeper financial knowledge tends to produce more cautious and deliberate decision-making rather than speculative enthusiasm. For financial educators and policymakers in Indonesia, the findings suggest that strengthening financial literacy programs among the population, particularly among the young and digitally active demographic that dominates the current investor base, may serve as a practical instrument for moderating excessive speculative behavior in the digital asset market without suppressing legitimate investment participation. For platform operators and industry regulators, the dominance of motivational and risk-related factors over literacy-based ones underscores the continued need for transparent risk disclosure frameworks, investor protection mechanisms, and community-level financial education initiatives that can function within the informal digital spaces where many Indonesian retail investors form and act on their investment decisions.

This study is not without limitations that should inform the interpretation of its findings and the direction of future research. The sample was drawn exclusively from a single online cryptocurrency community forum, which, while providing high ecological validity for active retail investors, limits the generalizability of the results to the broader Indonesian population or to investors operating through institutional channels. The cross-sectional design also precludes causal inference, as it captures respondents' attitudes and behaviors at a single point in time rather than tracking how investment decisions evolve in response to changing market conditions, regulatory developments, or shifts in financial literacy over time. Future research would benefit from adopting longitudinal designs, incorporating larger and more demographically diverse samples, and extending the analytical framework to include mediating variables such as digital literacy, trust in regulatory institutions, and social influence, which the current model's high explanatory power suggests are likely to operate through the five constructs examined rather than as independent direct predictors. Comparative studies across different emerging market contexts would also strengthen the generalizability of these findings and contribute to a more comprehensive theoretical account of cryptocurrency investment behavior in developing economies.

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