CBS COPENHAGEN BUSINESS SCHOOL
HANDELSHØJSKOLEN

BSc in International Business – Principles of International Marketing

Traditional finance vs. emerging digital finance:

What drives the contrasting consumer perceptions of cryptocurrencies, from strong enthusiasm to deep skepticism?



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1. Introduction

When Bitcoin was first introduced to the world in the year of 2009, one bitcoin traded for under 1 USD. The first decentralized cryptocurrency network was thereby established, and while the mysterious person or organization behind it has never been fully disclosed, the pseudonym Satoshi Nakamoto has come to represent a financial movement that has reached a market value of 2.5 trillion USD, with one coin trading at around 126.000 USD at its peak (The Economist (6), 2013, The Economist (9), 2026).

The cryptocurrency movement, and particularly Bitcoin with its fixed supply of 21 million tokens, initiated the global ability to trade directly between parties using electronic cash, giving a cold shoulder to the traditional world of double-sided transactions, exchange rates, financial institutions, and central authorities (The Economist (6), 2013).

Since 2009, cryptocurrencies have blossomed from being initially perceived as a joke within the financial sector, to becoming the exciting new kid on the block, and in more recent years, an asset that arguably deserves a seat at the big table. This transformation has, for many consumers, meant an increasing exposure to a persistent clash between strong and opposing viewpoints, where narratives of opportunity and risk coexist. This has pushed the debate and speculation in a hundred different directions, leading to a myriad of verdicts and forecasts for the future (Reuters (1), 2025, Reuters (2), 2026, The Economist (4), 2025).

This growing prevalence of cryptocurrencies raises the following question: ***What drives the contrasting consumer perceptions of cryptocurrencies, from strong enthusiasm to deep skepticism?***

2. Relevance

An understanding of how cryptocurrencies are perceived is of great importance not only to marketing managers and policymakers, but also to the general consumer. We have entered

an ever more digital world, where cryptocurrencies, along with other technological innovations, are becoming more widespread. Crypto has grown out of the closed and secretive markets, where advanced and limited technology once prevented the general consumer from trading on the blockchains. Nowadays, people can get a piece of it through apps on their phones, by trading ETFs via their bank, or through some of the world's most established investment banks, such as Morgan Stanley. Even the American president, Donald Trump, has his own personal coin available to buy (Reuters (2), 2026, The Economist (4), 2025).

Crypto is therefore more mainstream than ever before, but what remains most important is its high unpredictability and complexity (Reuters (1), 2025, The Economist (4), 2025). Consumers can now more easily be drawn into a spiral of rapidly declining value, or, as others believe, risk being left behind and missing out on great returns, when the crypto train speeds up again. Either way, we find ourselves in a situation where decisions are strongly influenced by biases, emotions, and social dynamics within the crypto universe and the people around it (Kahneman, 2011). Understanding how such perceptions are formed can help consumers make more informed decisions and become more aware of the factors influencing their attitudes and behavior.

For marketing managers, it is interesting to observe how the same product can be perceived very differently across consumers and markets. This reflects a core challenge in international marketing: understanding heterogeneous consumer behavior and managing divergent perceptions in global markets (Albaum et al., 2016). For policymakers, an understanding of how consumers form perceptions is important for regulation, communication, and consumer protection, particularly in markets characterized by uncertainty and rapid change.

3. Theoretical background

To answer the research question, this paper applies a set of consumer behavior theories. Mental Representations and Schema Theory are used as a foundation, as these shape both cognitive and emotional responses (Slides LE 2, Slide 4). Cognitive Load Theory is applied to examine how consumers process complex information. In this context, Heuristic Processing is used to explore how consumers may rely on mental shortcuts when forming judgments (Kahneman, 2011). Additionally, Cognitive Appraisal Theory is included to understand consumers emotional responses. To further investigate how these perceptions may become polarized, ingroup and outgroup dynamics, together with similarity–attraction and dissimilarity–repulsion, are applied to explain how consumers align.

Together, these theories form a solid framework for understanding both the formation and amplification of consumer perceptions. Although several theories are applied, they complement each other, building a natural bridge in explaining the process behind polarized perceptions.

Further research into this topic exceeds the scope of this paper but would be highly relevant. Future studies could explore the extent of the “cliff” in consumer opinions on cryptocurrencies by applying the GLOBE framework to understand cultural differences, for example through dimensions such as uncertainty avoidance, power distance, in-group collectivism, and future orientation (Slides LE 3, slide 15).

Another relevant avenue would be to examine whether the increasing accessibility of cryptocurrencies to the general public has contributed to a shift in their perceived exclusivity and value. As cryptocurrencies become more mainstream, their original appeal may diminish, particularly in a landscape where emerging technologies such as AI are gaining increasing attention.

4. Analysis

4.1 Formation of Consumer Perceptions

4.1.1 Mental Representations

Consumers perceptions of cryptocurrencies are shaped through **mental representations**, consisting of cognitions and emotional responses. Cognitions center around their various experiences, information, and opinions and how they influence the way the mind tackles situations. While our emotional responses rely on our affective state. These representations are almost as an internal compass consumers use to navigate their feelings and thoughts (Slides LE 2, Slide 4).

When looking at crypto, this compass often points in one of two dominant directions. The differences between the two directions can be understood by their underlying **schemas**, where representations are stored. Some associate cryptocurrencies with innovation, freedom, and opportunity. An extension of existing financial markets but further developed and with possible first-mover advantages. They follow **scripts** similar to traditional investing, entering the market, trading, and expecting returns. In contrast, others link it to misinformation, fraud, and uncertainty. Here consumers follow gambling-like scripts, characterized by risky platforms, loss of legal protection, and “hit or miss” outcomes. Once created, these schemas, and connected scripts, control how new information is interpreted, reinforcing consumers perceptions.

4.1.2 Cognitive Load

This reinforcement of beliefs is also seen elsewhere. **Cognitive Load Theory** suggests that the human mind and memory have a limited capacity (Sweller et al., 2011). Three types of load restrict our ability to process all necessary information, and when this limit is exceeded, consumers become overwhelmed and more prone to biased decision-making.

The different cognitive loads are intrinsic, extraneous, and germane load. When relating this to the world of crypto, difficulties already arise at the **intrinsic** level. The subject itself is complex and unfamiliar to many consumers. Crypto is built on new technologies such as

blockchain and operates without physical or central authorities, making it difficult to understand from the outset. This complexity is further intensified by **extraneous** load. The way information is presented, often unclear, fragmented, or overly technical, adds unnecessary difficulty. In the crypto space, this is visible through scams, aggressively marketed coins, and the wide range of platforms and trading methods, which can confuse consumers and make it harder to distinguish reliable information (Jagolinzer (8), 2023). As a result, the **germane** load is negatively affected. Instead of building structured understanding, consumers struggle to form clear and effective schemas. This limits their ability to process information deeply and reinforces simplified interpretations.

4.1.3 Heuristic Processing

Because of mental representations and cognitive overload, consumers are often forced to make decisions from an underinformed standpoint. This leads to **heuristic processing**, where consumers rely on mental shortcuts or rule-of-thumb approaches to evaluate information (Kahneman, 2011). While efficient, this process increases the likelihood of biased judgments.

For some consumers, cryptocurrencies are understood through **anchoring** (Slides LE 2, slide 27). By comparing crypto to previous technological or financial booms, such as the .com era or the rise of the internet. They interpret it as the next big opportunity. This can lead to an overestimation of future potential.

Social proof further strengthens these perceptions. When consumers observe others investing, it signals legitimacy and attractiveness. Social media amplifies this effect, as influencers and self-proclaimed experts promote success stories and financial freedom. These narratives can dominate perception, especially when repeated frequently. Research shows that such influencers can actively shape and even manipulate vulnerable investors, reinforcing overly optimistic views (Jagolinzer (8), 2023).

At the same time, negative signals also influence perception. Some consumers are guided by critical voices from established financial authorities. For example, investor-icon Warren

Buffett has strongly criticized cryptocurrencies, arguing that they have no real value, and is "*probably rat poison squared*" (CNBC, 2020).

As a result, consumers rely on selectively remembered information when forming judgments. Positive signals reinforce enthusiasm, while negative signals reinforce skepticism. This leads to biased perceptions, where cryptocurrencies are either overvalued as opportunities or dismissed as overly risky, depending on which cues dominate the individual.

4.1.4 Cognitive Appraisal Theory

Not only is it the remembered information that forms judgment, but also how it is emotionally evaluated. According to **Cognitive Appraisal Theory**, consumers assess situations based on personal interpretation and emotional relevance (Lazarus, R. S. 1991). When introduced to cryptocurrencies, consumers evaluate them through three dimensions: personal relevance, goal congruence, and coping potential.

First, **personal relevance** determines how important crypto is to the individual. For some, it represents an attractive investment opportunity, making it highly relevant. Others may not see it as important due to lack of interest, time, or motivation, and are therefore less affected by pressure such as fear of missing out. Second, **goal congruence** relates to whether crypto aligns with the consumers resources and intentions. Consumers assess whether they have the skills or knowledge to benefit from it. Finally, **coping potential** reflects whether consumers feel capable of engaging with crypto. If the market appears understandable and accessible, it can create positive responses, if not, it may lead to uncertainty.

These evaluations shape **emotional responses**. Positive appraisals lead to excitement and opportunity, while negative appraisals result in fear and uncertainty. Consumers may also place more weight on positive outcomes, such as success stories, which can reinforce optimistic perceptions over time (Kensinger & Corkin, 2003). As a result, emotional evaluation also plays a big role in how consumers interpret future information, contributing to the contrast in perceptions.

4.2 Amplification of Consumer Perceptions

4.2.1 Ingroup Formation

Having explained how differences in consumer perceptions are initially formed, the analysis now turns to how these perceptions are reinforced, one could almost say amplified. A key mechanism in this process is **ingroup formation**. Humans have always had a natural tendency to form groups, driven by the need to be social, belong, and create identity (Maslow, 1943). At the same time, being part of a group can help reduce uncertainty, as individuals rely on shared beliefs and norms to interpret complex environments (Hogg, 2000). These **intergroup relations** have always existed and can be found in many aspects of modern everyday life (Brewer, 1979, 1993).

Cryptocurrency enthusiasts can be understood as an ingroup, where shared beliefs actively shape and reinforce perceptions. These beliefs often center around the same narratives, continuously validated through interaction, making them appear more credible without necessarily being critically evaluated.

This ingroup is often associated with younger, male, and more risk-seeking consumers, who tend to be more open to new technologies. Their familiarity with digital environments and skepticism towards what some refer to as “the matrix”, a perceived rigid and traditional system of work, finance, and societal expectations, can make cryptocurrencies more relatable and aligned with their worldview. Within this perspective, traditional financial institutions and career paths are seen as limiting, while crypto represents an alternative route characterized by independence and the possibility of breaking free from established structures. This framing makes cryptocurrencies particularly appealing to individuals who seek autonomy (The Economist (5), 2021, Jagolinzer (8), 2023).

In more recent years, the strengthening of this ingroup has been further supported by influential public figures. Examples are Donald Trump, his close family and Elon Musk, along with their networks, who engage actively with cryptocurrencies and are both financially and ideologically invested (Reuters (2), 2026). Their involvement increases visibility and signals legitimacy, particularly among like-minded individuals or those who

follow their political views. A dynamic intensified by crypto influencers, who actively build communities around shared identity and belonging. Research shows that such communities can take on almost cult-like characteristics, where the desire to be part of the crowd reinforces their beliefs and behaviors (Jagolinzer (8), 2023).

4.2.2 Outgroup Formation

The people that do not fall within this ingroup can be seen as the **outgroup**. An outgroup is not inherently different from an ingroup, but rather defined in relation to it. It is important to remember that what is perceived as an outgroup from one perspective may function as an ingroup for another set of consumers (Brewer, 1979, 1993). While ingroups and outgroups are structurally defined in relation to each other, they are not necessarily equally strong in terms of identity.

In the case of cryptocurrencies, enthusiasts often display a higher level of involvement, integrating crypto into their identity and actively engaging with and investing in it. In contrast, the outgroup consists of both strongly opposing individuals, such as Warren Buffett, but also more passive consumers who simply choose not to engage. This makes the outgroup more heterogeneous and, in some cases, less identity driven. Despite this variation, the overall difference between positive and negative perceptions remains clear, sustaining a polarized landscape.

That said, we can still identify shared patterns within the outgroup. There are many "professional, straight-laced investors that eschew crypto" (The Economist, (9) 2026). Skeptical groups emphasize that cryptocurrencies are primarily a method of transmitting money, and that their high valuation is a "*joke*" or a speculative bubble (CNBC, 2020). These consumers tend to value stability, regulation, and transparency, and are generally more risk averse, placing trust in established financial systems.

These perceptions are further reinforced by institutional players, who frame cryptocurrencies as risky and less trustworthy alternatives. In Denmark, for example, the financial regulator Finanstilsynet has warned consumers about cryptocurrencies, while major banks such as Danske Bank and Nordea have blocked access to crypto investments

(DR, 2026). Although access has very recently been opened for selected customers, such institutional positions continue to influence how the outgroup perceives cryptocurrencies.

4.2.3 Attraction–Repulsion Mechanism

These group-based differences can be further understood through the **Attraction–Repulsion Mechanism**. Rather than forming randomly, consumers are drawn toward groups that align with their existing beliefs, while distancing themselves from those that do not. **Similarity attraction** suggests that individuals are naturally drawn to others who share similar attitudes and values (Slides L9, slide 26). And **dissimilarity** can lead to **repulsion**, where opposing views are avoided or rejected (Rosenbaum, 1986). This contributes to clearer group boundaries, as these mechanisms operate simultaneously, and shape how consumers position themselves.

As cryptocurrencies increasingly become associated with public figures, presidents and famous entrepreneurs it may end with taking on a political label, contributing to stronger alignment with specific groups.

At an even broader level, crypto may be seen as developing a form of "country of origin", where concepts such as **ethnocentrism** and **consumer disidentification** influence whether consumers align with or distance themselves from it. Also, mechanisms such as consumer **affinity** and **animosity** may further shape these perceptions.

This suggests that the divide may extend beyond financial reasoning and becomes embedded in wider identity structures. Where the initial ingroup supporting cryptocurrencies, such as Bitcoin, has evolved from primarily tech-oriented investors into a broader, identity-driven community. Within this emerging ingroup, libertarian-leaning values, especially individual freedom, have become central, shifting participation from more original motivations toward alignment with wider, and at times more politically and nationalistically oriented beliefs (Vossen et al. (11), 2002, 2023). Ultimately, these dynamics could be captured through the full **Consumer Attraction–Repulsion Matrix**, where multiple layers of attraction and repulsion together define consumer positioning (Slides L9, slide 32).

5. Conclusions and implications

In conclusion, the findings show that the contrasting consumer perceptions of cryptocurrencies are not driven only by rational financial evaluation, but by an interplay of cognitive, emotional, and social factors. Consumers rely on mental representations, which, under cognitive constraints, lead to simplified interpretations through heuristic processing. These perceptions are then strongly reinforced and amplified through ingroup and outgroup dynamics. As a result, individual interpretations evolve into a self-reinforcing polarization, where enthusiasm and skepticism are strengthened within opposing groups.

One key point is that cryptocurrencies are not perceived purely as financial assets, but as symbolic constructs embedded in identity and social meaning. As such, consumer responses are shaped as much by alignment with values, beliefs, and social groups as by objective reasons.

For marketing managers, this highlights that communication should not only focus on clarity and simplicity, particularly in complex or uncertain markets, but also account for the emotional, social, and identity-driven nature of consumption. This makes it essential to understand underlying belief systems and adapt strategies to different consumer segments rather than assuming uniform responses. These dynamics can both create opportunities and pose risks for marketers.

For policymakers, the findings emphasize the importance of clear, accessible, and credible communication. Inconsistent or complex information may reinforce confusion and polarization. Regulatory efforts should therefore focus on reducing uncertainty, improving transparency, and counteracting misleading narratives that can lead to biased decisions.

For consumers, the analysis highlights the need for greater awareness of how perceptions are formed. Decisions regarding cryptocurrencies are not purely objective, but are heavily influenced. Recognizing this may support more informed and balanced decisions and investments in an uncertain and rapidly evolving market.

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