

Bitcoin Sentiment Tracker



BITCOIN SENTIMENT TRACKER

**A NATIONAL GAUGE OF CONSUMER PERCEPTIONS
AND ATTITUDES TOWARDS BITCOIN**

April 2019



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Report Highlights

- The growth of cryptocurrency for consumer use is still in its infancy. While Bitcoin has made significant headway in awareness, a majority of consumers are not yet familiar nor comfortable enough with the concept.
- Consumer intrigue and investment growth have spurred adoption of Bitcoin thus far, and will continue to drive potential usage moving forward.
- Once a consumer takes the step to purchase or transact with Bitcoin, he / she is predominantly satisfied with the experience.
- There is a clear gap between initial consumer perceptions about the safety / security of Bitcoin, compared to subsequent perceptions after experiencing use. Perceptions of safety / security are improved after experiencing use.
- Bitcoin adoption for purchasing goods or services can perhaps be best characterized as a “chicken and egg” scenario—consumers want greater access from merchants to incent them to use Bitcoin—merchants want greater interest from consumers to incent them to add (or expand) Bitcoin as a payment option.
- Bitcoin price volatility generates mixed feelings among consumers. While favored by a minority of respondents who view Bitcoin primarily as an investment, the majority indicate that price volatility creates discomfort and is a core obstacle to trial or continued usage.
- Consumers are primarily bullish on expected usage of Bitcoin by Canadians for the foreseeable future.



Executive Summary

We are witnessing a significant progression in the use of digital (or crypto) currency. With more than a thousand reported digital currencies in use¹, an estimated market cap of over \$150 billion, and forecasts reaching up to \$500 billion in the next year and \$3.5 trillion over the next 10 years (\$U.S.), this technological advancement is beginning to drive a paradigm shift in how consumers and businesses view currency networks and everyday monetary exchange.²

It's reasonable to infer that among the digital currency options, Bitcoin is the most widely established at present. This is evidenced by its budding network of trading exchanges, reported acceptance as a method of payment at over 100,000 merchants worldwide, and adoption of its Blockchain-based technology by an increasing number of multinationals.³ This base of recognition and activity is leading to many bullish projections, including a recent forecast by Security Token advisor 'Satis Group' that Bitcoin's value will rise to \$96,000 by 2023 and \$144,000 by 2028 (\$U.S.)⁴

However, the prospects for Bitcoin's continued expansion are not all rosy. Sharp volatility has seen its value fluctuate below \$4,000 (U.S.), with a recent assessment from Bloomberg Intelligence predicting a drop to as low as \$1,500 (\$U.S.)⁵, certainly raising red flags to both current and potential users. Continuous regulatory threats to ban trading, including those from China and

¹ Mark Ayesa, "Bitcoin Is Number 10, EOS Is Number 1 for the 3rd Month", Cryptocurrency365 Ltd., <https://www.cryptocurrency365.com/news/bitcoin-is-number-10-eos-is-number-1-for-the-3rd-month/>, August 20, 2018

² Aaron Stanley, "Bitcoin To \$96,000, XRP To \$0.01 By 2023, ICO Advisor Satis Group Estimates", Forbes Media, <https://www.forbes.com/sites/astanley/2018/08/31/bitcoin-to-96000-xrp-to-0-01-by-2023-ico-advisor-satis-group-estimates/#3bc6c2071490>, August 31, 2018

³ Yoni Blumberg, "Here's how you can—and can't—spend bitcoin", CNBC, <https://www.cnbc.com/2017/12/07/heres-how-you-can-and-cant-spend-bitcoin.html>, December 7, 2017

⁴ Sherwin Dowlat, "Cryptoasset Market Coverage Initiation: Valuation", Satis Group, https://research.bloomberg.com/pub/res/d37g1Q1hEhBkiRCu_ruMdMsb0A, August 30, 2018

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the EU, present significant obstacles to growth. Add in the cumulative risk of system outages by a growing number of startup exchanges, as well as rising credit associated with Bitcoin investing, and you better appreciate the counter opinion to the direction Bitcoin may be heading.

Nevertheless, with significant development to date, and continued investment to support its growth moving forward, Bitcoin has been described as being a potential “game changer”, which explains why it is being closely monitored by stakeholders in traditional banking, and why the legal and regulatory communities are taking swift action to catch up with the technology.

Growth of Bitcoin has been particularly recognized in the Canadian marketplace. While reported use thus far has been limited to a small segment of the consumer population, recently estimated at 5%, awareness of Bitcoin has jumped by almost a third in one year, with more than 8 in 10 Canadians now claiming at least some familiarity.⁶ Additionally, Canada’s digital currency presence has featured a growing network of Bitcoin-related startups, a total number of Bitcoin ATMs reported as second only to the U.S. globally⁷, and a large local presence of Blockchain knowledge leaders. The Canadian government, in partnership with a wide range of reputable public and private sector organizations, recently launched the ‘Blockchain Research Institute’, a Toronto-based think-tank operating a multi-million dollar research program designed to establish and expand Blockchain-based economies worldwide.

But what exactly is driving the evolution of Bitcoin from a retail sentiment perspective? In a recent study of impressions by merchants who accept Bitcoin as a payment option from customers, most viewed the digital currency as a valuable innovation, praising its speed, convenience, and lower transaction costs as compared to debit or credit cards.⁸ Most admitted to initially being attracted to the novelty aspect of Bitcoin, but the grand majority stated they would recommend other business owners adopt it as a payment source. However, while willing to advocate on its behalf, most merchants admitted that they have processed a very limited number of transactions to date, noting consumer acceptance as the major hurdle, and the need to increase consumer awareness and education. To quote one business owner, “Encouraging the use of Bitcoin is critical to our success with it. The technology works as it should, and the payment process is reliable—it just isn’t getting market traction.”

From a consumer standpoint, the combination of Bitcoin awareness, knowledge, acceptance, and adoption are vital components to its ongoing

⁶ Christopher Henry / Kim Huynh / Gradon Nicholls, “*Bitcoin Awareness and Usage in Canada: An Update*”, Bank of Canada, <https://www.bankofcanada.ca/2018/07/staff-analytical-note-2018-23/>, July 2018

⁷ David Kariuki, “*Cryptocurrency ATM markets to reach \$144.5 Million by 2023*”, Cryptomorrow.com, <https://www.cryptomorrow.com/2018/09/05/cryptocurrency-atm-markets-to-reach-144-5-million-by-2023/>, September 5, 2018

⁸ CorbinPartners Inc., 2016 Bitcoin Merchant Study (titled “The Bitcoin Revolution” and subsequently awarded the MRIA’s ‘Murray Philp Altruism Award of Excellence’), <http://corbinpartners.com/wp-content/uploads/2016/01/Bitcoin-Release-22-01-2016.pdf>, January 2016



development. However, while efforts have been successful to begin to track consumer awareness and usage in the Canadian marketplace, including the most recent Bank of Canada study⁹, there has been minimal formal research on a national scale to gauge Canadian consumer perceptions and attitudes towards Bitcoin.... to begin to understand the experience of those who have either just dipped their toe into the Bitcoin market or are actively invested, and to truly understand reasons or obstacles for those yet to acquire and use it.

CorbinPartners Inc. has been retained by Payments Canada to plan, design and implement an inaugural tracking study of Canadians who hold and / or transact Bitcoin, and those who haven't adopted this form of currency, but are profiled as having a higher propensity to use Bitcoin in the near future. The purpose of the study is to understand the advancement of Bitcoin from the vantage point of consumer sentiment. More specifically, the objectives of the study are the following:

- For existing Bitcoin users, to determine the level of familiarity, reasons for use, motivations / influences to trial, and any advantages / disadvantages experienced compared to traditional currency
- For non (but potential) Bitcoin users, to determine the level of familiarity, and concerns or obstacles blocking them from usage, motivations to trial, and perceived advantages / disadvantages to traditional currency
- To highlight any consistency or gaps between the sentiments of both consumers who use or potentially use Bitcoin and the merchants who make it available for payment
- To assess adoption from the consumer market in the foreseeable future, including reasons for or against, and purposes of use
- To obtain consumer feedback on the prospects of Bitcoin usage by Canadians in general (rather than related to personal use)

A national online survey was carried out under the direction of CorbinPartners, employing the field services of Canadian Viewpoint Inc. A large established Internet-based panel was utilized to recruit participants, managed by panel-owner Canadian Viewpoint. As well, invitations were made to participants through a variety of Bitcoin / Cryptocurrency-related channels, including readers of online forums, attendees at cryptocurrency events, members of social media groups, members of Bitcoin / Blockchain associations, and customers of exchanges that provide access to the purchase of digital currencies.

One thousand two hundred and twenty-six (1226) qualified respondents across Canada took part in the survey, in either English or French language, including 223 who currently hold and / or transact in Bitcoin, and 1003 non-Bitcoin users who are profiled as potential users on a go-forward basis.

⁹ Christopher Henry / Kim Huynh / Gradon Nicholls, "Bitcoin Awareness and Usage in Canada: An Update", Bank of Canada, <https://www.bankofcanada.ca/2018/07/staff-analytical-note-2018-23/>, July 2018



The design of the survey was governed by social scientific principles, and the survey administration employed quality controls that met or exceeded usual industry practice. The survey was completed between July 5th and October 29th, 2018.

Key findings of the study are highlighted below, each followed by a set of specific survey results that support the statement. The figures shown highlight the most frequent answers to survey questions—see the question-by-question section and data tables for the complete set of results.

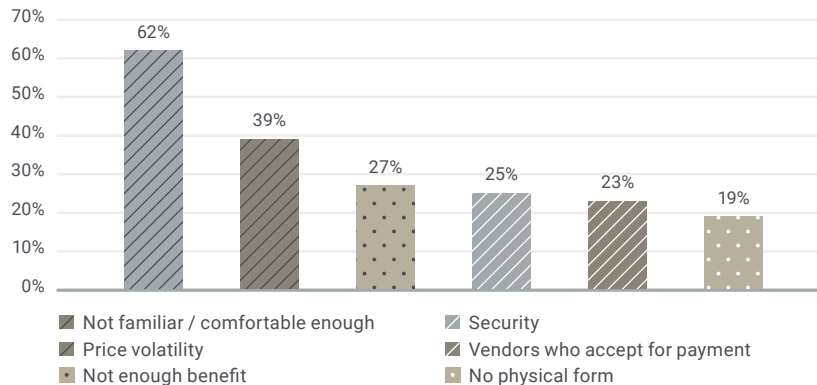


The growth of cryptocurrency for consumer use is still in its infancy. While Bitcoin has made significant headway in awareness, a key barrier to ongoing advancement is that the majority of consumers are not yet familiar or comfortable enough with the concept.

- Almost a quarter of all survey participants (24%) are not yet familiar with the concept of cryptocurrency. However, of those claiming familiarity, almost all are already aware of Bitcoin, including 97% of non-Bitcoin users.
- The majority of those aware of Bitcoin, but not having used it (62%) say the primary reason for non-use is not being familiar or comfortable enough. More than a quarter of these participants do not see enough benefit to using Bitcoin.

PRIMARY REASON FOR NOT USING BITCOIN

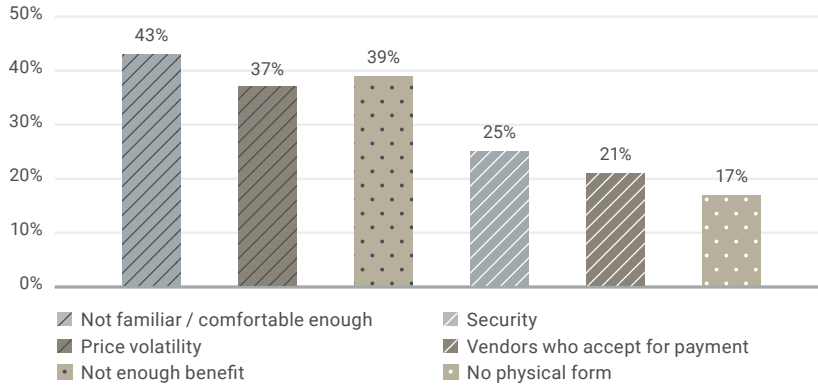
% PARTICIPANTS WHO HAVE NOT OWNED OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- More than four in ten participants not expecting to use Bitcoin in the near future (43%) state the reason for this is just not being familiar or comfortable enough.

REASON(S) FOR NOT USING BITCOIN MOVING FORWARD

% PARTICIPANTS WHO WILL NOT BE PURCHASING OR USING BITCOIN IN THE NEXT 12 MONTHS

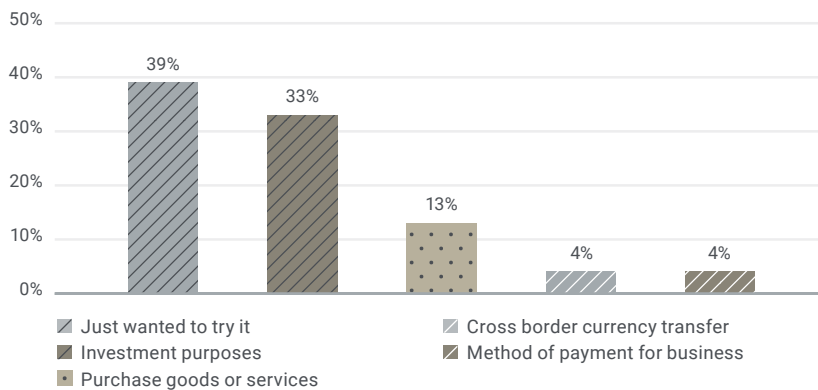


Consumer intrigue and investment growth have spurred adoption of Bitcoin thus far, and will continue to drive potential usage moving forward.

- Almost four in ten Bitcoin users (39%) purchased it the first time just to give it a try. A third of Bitcoin users did so primarily for investment purposes.

PRIMARY PURPOSE IN ACQUIRING BITCOIN FOR FIRST TIME

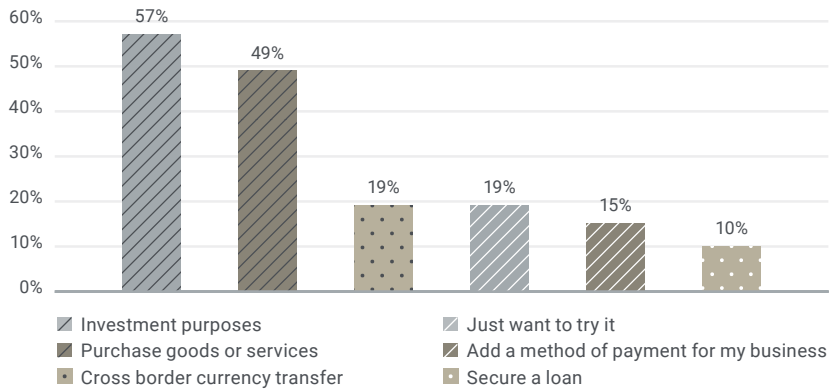
% PARTICIPANTS WHO WILL HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- The majority of participants intending to use Bitcoin in the coming year plan to purchase or maintain it as an investment (57%). For those not having used Bitcoin to date but intending to in the next year, four in ten of them (40%) state they will do so just to give it a try.

PURPOSE FOR FUTURE BITCOIN USE

% PARTICIPANTS WHO WILL BE PURCHASING OR USING BITCOIN IN THE NEXT 12 MONTHS

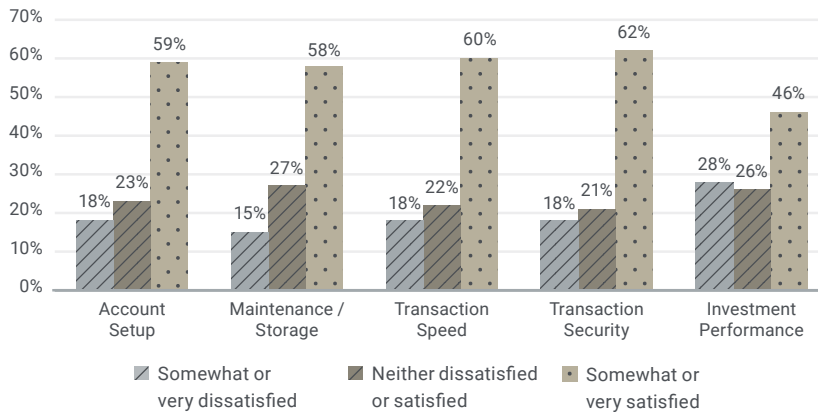


Once a consumer takes the step to purchase or transact with Bitcoin, he / she is predominantly satisfied with the experience.

- Bitcoin users are principally satisfied with a number of factors that impact their overall experience, including account setup, transaction security, maintenance / storage, transaction speed, transaction security and investment performance.

SATISFACTION WITH BITCOIN USE

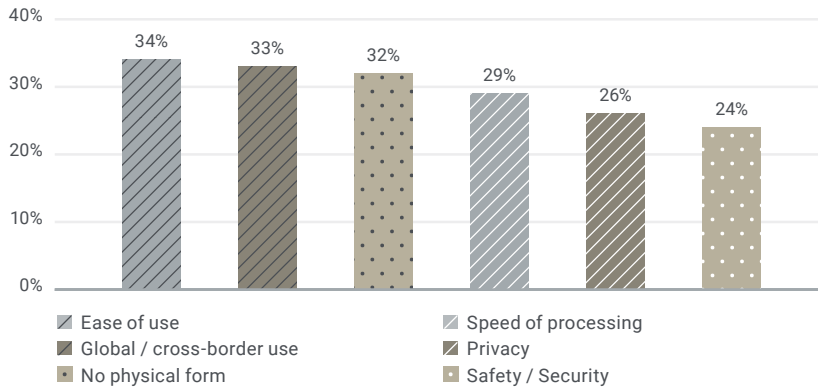
% PARTICIPANTS WHO WILL HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Bitcoin users noted a variety of positive factors related to their experience with Bitcoin. More than three in ten Bitcoin users identified ease of use (34%), cross-border use (33%), and no physical form (32%) as a main advantage of Bitcoin compared to traditional currency.

MAIN ADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

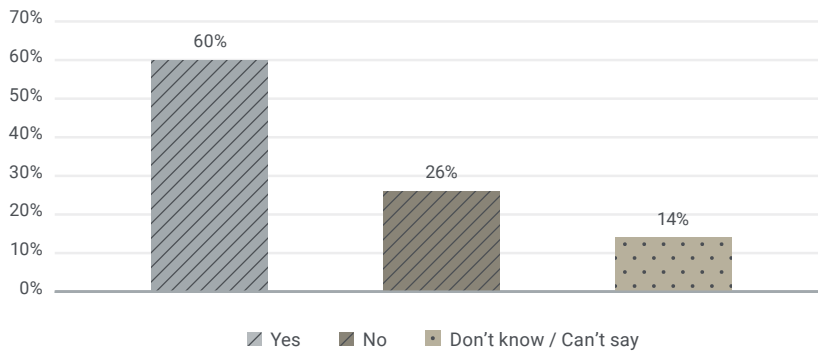
% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Six in ten Bitcoin users (60%) plan to use Bitcoin again in the next 12 months. Those transacting with Bitcoin in the past are significantly more likely to purchase or transact in Bitcoin in the near future compared to those who had not.

INTEND TO PURCHASE OR TRANSACT BITCOIN IN THE NEXT 12 MONTHS

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



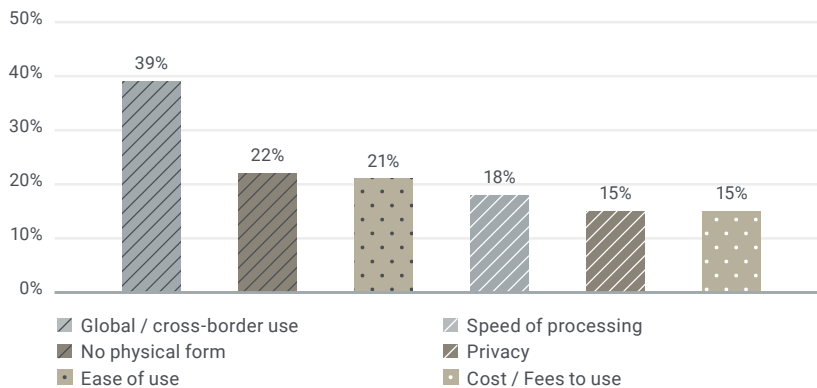


While not frequently featured as a prime selling point of Bitcoin, global / cross-border use is perceived by the consumer market as offering an important comparable benefit to traditional currency.

- While only 4% of Bitcoin users noted cross-border currency transfer as a primary purpose of Bitcoin, a third of Bitcoin users (33%) identified this attribute as a main advantage compared to traditional currency.
- Almost four in ten non-users of Bitcoin (39%) consider global / cross-border use to be a main advantage of Bitcoin over traditional currency.

PERCEIVED ADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



While price volatility has opposing effects on consumer sentiment, for most it creates discomfort and is a core obstacle to trial or continued usage.

- For some, Bitcoin is perceived as providing significant growth potential for investment purposes.

A third of Bitcoin users (33%) acquired it the first time primarily as an investment.

Almost three in ten Bitcoin users (29%) who acquired Bitcoin for investment purposes found price volatility to be a main advantage of Bitcoin as compared to traditional currency.

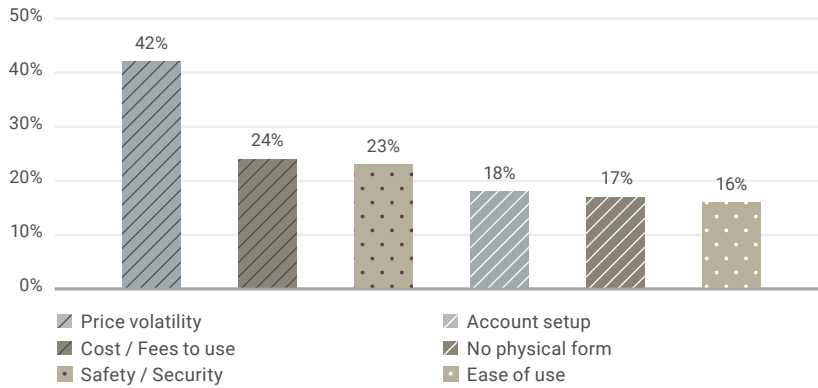
The majority of existing users plan to use Bitcoin again as an investment (58%).



- Significantly more participants found price volatility to be a negative influence on intentions to use Bitcoin moving forward. More than four in ten existing Bitcoin users (42%) found price volatility to be a primary drawback compared to traditional currency.

MAIN DISADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS

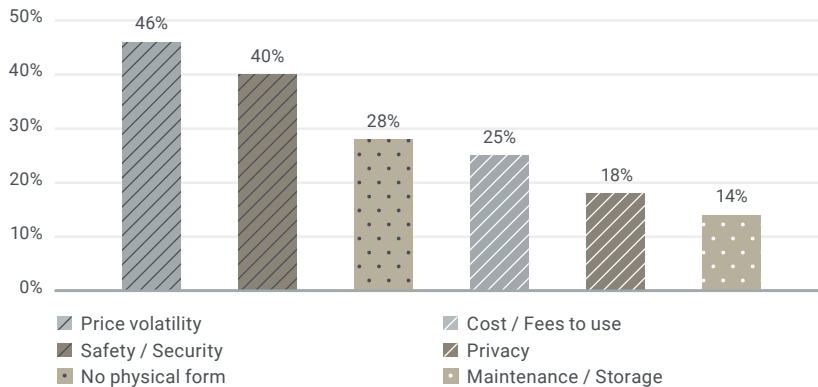


- For non-users of Bitcoin, almost four in ten (39%) cite price volatility as a primary reason for not owning it.

While a small segment of non-users (5%) find price volatility to be an advantage of Bitcoin compared to traditional currency, it is more frequently perceived as a disadvantage (46%).

PERCEIVED DISADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- To motivate non-users to begin using Bitcoin, almost four in ten answered they would want to see less price volatility (or a lower price).
- Of non-users who perceive price volatility as an advantage of Bitcoin, more than three-quarters (77%) do not intend (or are uncertain whether) to use Bitcoin in the next year.



- More than a third of all participants aware of Bitcoin (37%) say they won't use Bitcoin in the next 12 months due to its price volatility.

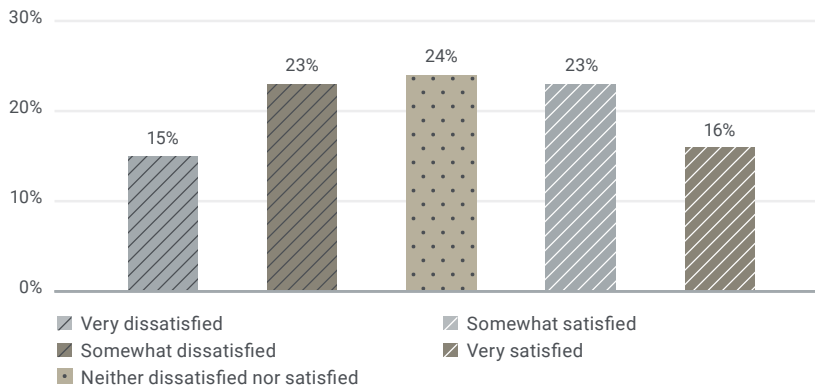


When it comes to Bitcoin adoption for purchasing goods or services, there is a “chicken and egg” scenario between consumers and merchants—consumers want greater access from merchants to incent them to use Bitcoin—merchants want greater interest from consumers to incent them to add (or expand) Bitcoin as a payment option.

- A significant percentage of Bitcoin users are principally dissatisfied with the number of businesses that accept Bitcoin payment. Almost four in ten Bitcoin users answered they were somewhat or very dissatisfied with this factor.

LEVEL OF SATISFACTION WITH AVAILABLE BUSINESSES THAT ACCEPT BITCOIN FOR PAYMENT

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- When Bitcoin users were asked about improvements to using this form of currency, the most frequent answer was the number of vendors that accept Bitcoin for payment (45%).
- Almost a quarter of non-Bitcoin users (23%) note the lack of vendors who accept Bitcoin payments as a reason for not owning / transacting this form of cryptocurrency.
- Almost four in ten non-Bitcoin users (39%) would be motivated to try it if more vendors made it available for payment.
- In a previous CorbinPartners study, the experience of Canadian vendors to Bitcoin was notably positive, including praise for its speed and cost. While four of every five vendors were willing to advocate for it as a payment source to other businesses, almost all admitted there was less popularity for using this option among their customers than they had hoped or expected.



There is a clear gap between initial consumer perceptions about the safety / security of Bitcoin, compared to subsequent perceptions after experiencing use.

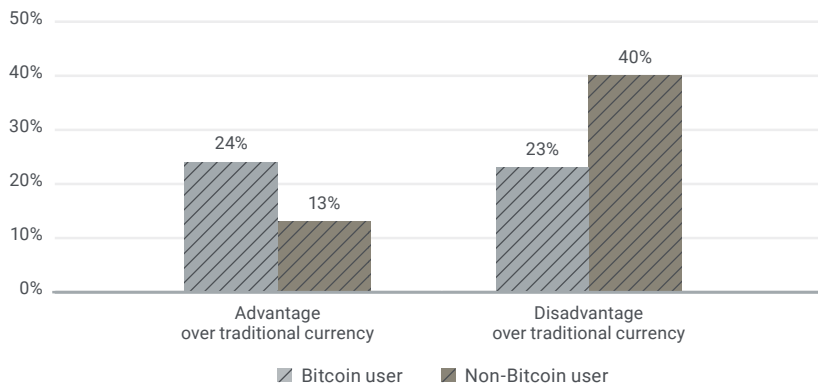
- A quarter of non-users answered that they have not owned nor transacted Bitcoin because of security concerns. More than a third of non-users would be motivated to try Bitcoin if they had a greater comfort with its security.

At the same time, more than six in ten Bitcoin users (62%) claim to be at least satisfied with transaction security, including almost a third (31%) who answered they are very satisfied.

- Statistically fewer non-Bitcoin users (13%) cited safety / security to be a main advantage of Bitcoin over traditional currency than do Bitcoin users (24%). Similarly, statistically more non-Bitcoin users (40%) identified safety / security as a disadvantage of Bitcoin as compared to Bitcoin users (23%).

PERCEPTION OF SAFETY / SECURITY OF BITCOIN

BITCOIN USERS VS NON BITCOIN USERS



- For participants aware of Bitcoin but not intending to purchase or use it in the next 12 months, more than a quarter of non-users (26%) referenced security / safety concerns, compared to 16% for Bitcoin users.



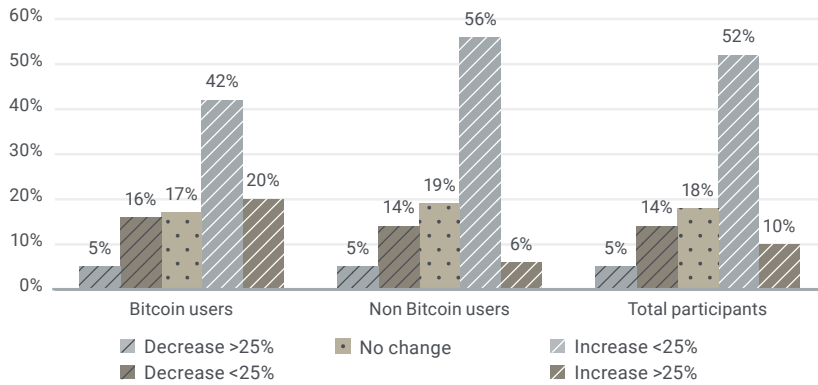
Consumers are primarily bullish on expected use of Bitcoin by Canadians for the foreseeable future.

- Of those participants with an opinion, the majority (62%) expect general use of Bitcoin by Canadians, whether for personal or business use, to increase in the next 3 years. Existing Bitcoin users foresee higher growth in usage than those not having used Bitcoin.



ESTIMATED CHANGE IN BITCOIN USAGE OVER THE NEXT 3 YEARS

BITCOIN USERS VS NON BITCOIN USERS (WITH AN OPINION)

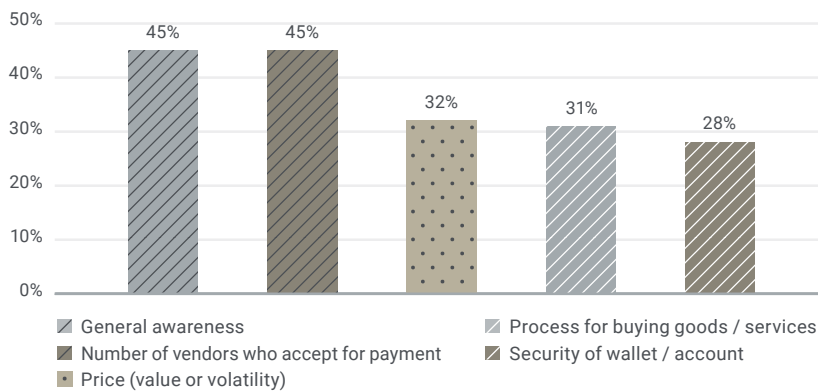


For growth in the Bitcoin market to continue, it will need to be fueled by ongoing initiatives aimed at awareness and education.

- More than four in ten Bitcoin users (43%) learned about Bitcoin through an online or print article prior to acquisition. More than a third (39%) conducted an online search.
- The most frequent improvement recommended by Bitcoin users relates to increasing general awareness (45%).

IMPROVEMENTS TO USAGE OF BITCOIN

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS

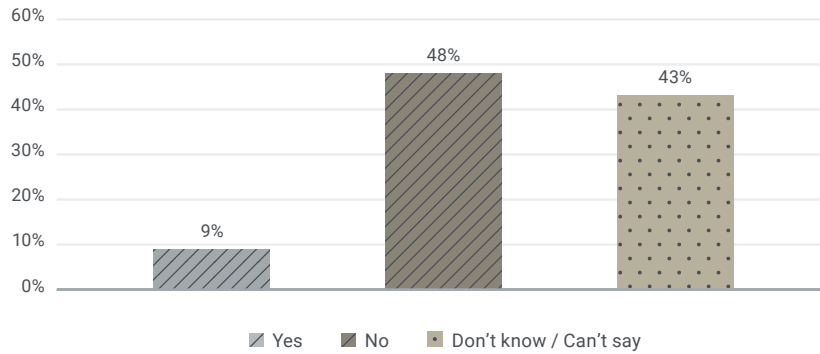


- Fewer than one in ten non-users plan to purchase or transact with Bitcoin in the next 12 months.



INTEND TO PURCHASE OR TRANSACT BITCOIN IN NEXT 12 MONTHS

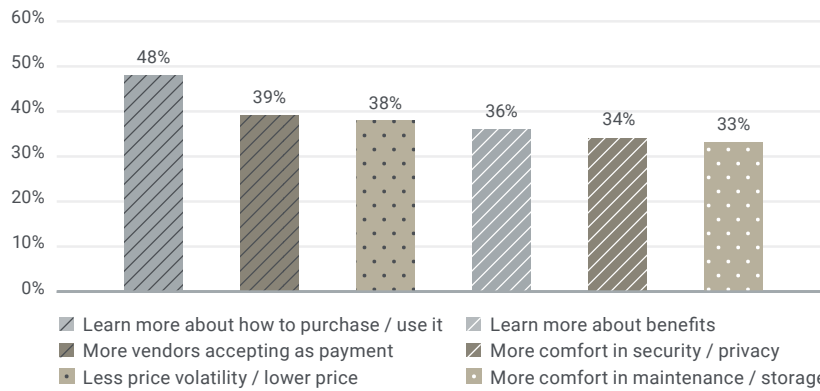
% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Almost half of non-users (48%) would be motivated to try Bitcoin if they could learn more about how to purchase and use it.

MOTIVATIONS TO USE BITCOIN FOR THE FIRST TIME

% PARTICIPANTS WHO HAVE NOT OWNED OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



Background and Mandate

We are witnessing a significant progression in the use of digital (or crypto) currency. With more than a thousand reported digital currencies in use¹⁰, an estimated market cap of over \$150 billion, and forecasts reaching up to \$500 billion in the next year and \$3.5 trillion over the next 10 years (\$U.S.), this technological advancement is beginning to drive a paradigm shift in how consumers and businesses view currency networks and everyday monetary exchange.¹¹

It's reasonable to infer that among the digital currency options, Bitcoin is the most widely established at present. This is evidenced by its budding network of trading exchanges, reported acceptance as a method of payment at over 100,000 merchants worldwide, and adoption of its Blockchain-based technology by an increasing number of multinationals.¹² This base of recognition and activity is leading to many bullish projections, including a recent forecast by Security Token advisor 'Satis Group' that Bitcoin's value will rise to \$96,000 by 2023 and \$144,000 by 2028 (\$U.S.).¹³

However, the prospects for Bitcoin's continued expansion are not all rosy. Sharp volatility saw its value fluctuate below \$4,000 (\$U.S.), with a recent assessment from Bloomberg Intelligence predicting a drop to as low as

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\$1,500 (\$U.S.)¹⁴, certainly raising red flags to both current and potential users. Continuous regulatory threats to ban trading, including those from China and the EU, present significant obstacles to growth. Add in the cumulative risk of system outages by a growing number of startup exchanges, as well as rising credit associated with Bitcoin investing, and you better appreciate the counter opinion to the direction Bitcoin may be heading.

Nevertheless, with significant development to date, and continued investment to support its growth moving forward, Bitcoin has been described as being a potential “game changer”, which explains why it is being closely monitored by stakeholders in traditional banking, and why the legal and regulatory communities are taking swift action to catch up with the technology.

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¹⁷ CorbinPartners Inc., 2016 Bitcoin Merchant Study titled “*Digital Currency Gaining Acceptance Bit by Bit*” (subsequently awarded the ‘Murray Philp Altruism Award of Excellence’ by the Marketing Research and Intelligence Association—MRIA), <http://corbinpartners.com/wp-content/uploads/2016/01/Bitcoin-Release-22-01-2016.pdf>, January 2016

owner, *“Encouraging the use of Bitcoin is critical to our success with it. The technology works as it should, and the payment process is reliable—it just isn’t getting market traction.”*

From a consumer standpoint, the combination of Bitcoin awareness, knowledge, acceptance, and adoption are vital components to its ongoing development. However, while efforts have been successful to begin to track consumer awareness and usage in the Canadian marketplace, including the most recent Bank of Canada study¹⁸, there has been minimal formal research on a national scale to gauge Canadian consumer perceptions and attitudes towards Bitcoin.... to begin to understand the experience of those who have either just dipped their toe into the Bitcoin market or are actively invested, and to truly understand reasons or obstacles for those yet to acquire and use it.

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- For non (but potential) Bitcoin users, to determine the level of familiarity, and concerns or obstacles blocking them from usage, motivations for trial, and perceived advantages / disadvantages to traditional currency
- To highlight any consistency or gaps between the sentiments of both consumers who use or potentially use Bitcoin and the merchants who make it available for payment
- To assess adoption from the consumer market in the foreseeable future, including reasons for or against, and purposes of use
- To obtain consumer feedback on the prospects of Bitcoin usage by Canadians in general (rather than related to personal use)

¹⁸ Christopher Henry / Kim Huynh / Gradon Nicholls, *“Bitcoin Awareness and Usage in Canada: An Update”*, Bank of Canada, <https://www.bankofcanada.ca/2018/07/staff-analytical-note-2018-23/>, July 2018

Research Methodology

One thousand two hundred and twenty-six (1226) interviews were carried out under the direction of CorbinPartners, employing the field services of Canadian Viewpoint Inc., a reputable data collection provider and member of numerous market research industry associations. The survey was completed between July 5th and October 29th, 2018.

TARGET POPULATION

The study utilized an “integrative evaluation” approach which gathered and compared data from two main segments, including 223 current users of Bitcoin, and 1003 non (but potential) users. It also leveraged data from a previous CorbinPartners study with Canadian merchants who presently accept Bitcoin as a payment option for their own products or services. As such, the survey attempted to assess sentiment towards Bitcoin adoption from those with direct experience, and those profiled as having a higher propensity to use Bitcoin in the foreseeable future, rather than gathering information from (and making assessments about) the general Canadian population.

To qualify for the consumer survey, one must have been a Canadian resident, at least 18 years of age, be a primary or one of the primary decision-makers pertaining to their personal or business finances, and have conducted at least five online / mobile banking or shopping transactions for personal or business use in the last three months (consistent with the profile of those having a higher propensity to use Bitcoin).

For profiling and qualification purposes, the two segments were defined as follows:

Current Bitcoin users > Individuals who have

- Owned Bitcoin at any point in the last three years, whether for personal or business use, and / or
- Conducted at least one transaction for goods or services using Bitcoin in the last 12 months, whether for personal or business use¹⁹

1. Non / Potential Bitcoin users > Individuals who have not owned nor transacted Bitcoin in the time periods noted above, but are profiled as having a higher propensity to use Bitcoin in the near future:²⁰

- Have conducted online banking / shopping transactions (as noted in the criteria above)
- Are 18 – 45 years of age
- Have at least \$50,000 in annual income

METHOD OF ADMINISTRATION

Online interviewing was the chosen method of administration for the survey. Internet studies offer the benefit of reaching a large sample of participants on a national scale, and avoiding the potential “interviewer effects” that risk occurring in telephone or in-person surveys. In addition, a self-completion approach accounts for the limited time availability that target respondents often experience, allowing for completion of the survey on their own schedule. As well, an online approach is consistent with the required participant qualification of being actively involved in online / mobile banking and / or shopping.

CorbinPartners enhanced the standard online survey management practices with several quality controls, explained later in the report, which strengthened both statistical reliability of the survey sample within the participant universe, and also the data validity (i.e., the capture of genuine views of participants).

Responses to all questions were entered in a statistical program, and each participant’s set of data assigned a unique ID. Any participant identification details received were stored in a separate standalone file, consistent with privacy regulations.

¹⁹ For qualification as a Bitcoin user, distinguishing the two criteria allows for inclusion of those with experience transacting without holding the digital currency for a period of time— e.g., conducting a currency transfer, accepting Bitcoin as loan collateral, Bitcoin mining.

²⁰ The profile of a Bitcoin user was based on previous research from a number of sources who actively monitor the growth of cryptocurrency. Examples of sources used included the following... Cointelegraph, “*Bitcoin Users: Who They Are and What They Do?*”, <https://cointelegraph.com/news/bitcoin-users-who-they-are-and-what-they-do>, August 2017
CoinDesk Inc., “*New CoinDesk Report Reveals Who Really Uses Bitcoin*” <https://www.coindesk.com/new-coindesk-report-reveals-who-really-uses-bitcoin/>, June 2015
Bank of Canada, “*Bitcoin Awareness and Usage in Canada: An Update*”, <https://www.bankofcanada.ca/2018/07/staff-analytical-note-2018-23/>, July 2018

PARTICIPANT RECRUITING

Potential respondents were recruited across Canada. The sampling frame was generated by a two-fold approach. First, a large established Internet-based panel was utilized, managed by panel-owner Canadian Viewpoint. Second, invitations were sent to potential participants directly using various sources related to Bitcoin / cryptocurrency usage, including readers of online forums, attendees at cryptocurrency events, members of related social media groups, members of Bitcoin / Blockchain associations, and customers of exchanges that provide access to the purchase of digital currencies.

When categorizing respondents according to their answers to screening questions at the beginning of the survey, and categorizing questions to conclude the survey, it confirms that this recruitment approach successfully accessed a diverse sample of both Bitcoin users and non-users (according to a wide range of profile factors).

Examples of the online invitations used to recruit participants are shown in Appendix A to this report. The respondent profile generated from the survey sample is documented in Appendix B.

Note: When leveraging Internet panel participation—i.e., those who volunteer to be part of an online panel, one should be cautioned from statistically generalizing to the broad population of current or potential Bitcoin users. "Best practice" quality controls were applied to the survey and the survey included a wide-ranging profile. It is a matter of judgment as to whether the results would be different for a survey of only those who do not participate in Internet panel surveys. We know of no reason that results should be materially different.

STUDY DESIGN

The survey was designed according to online survey standards, with respect to question wording, management of logical flow, and user-friendly screen layouts. The survey was made available in either English or French language.

The survey began by confirming the participant qualified as a Canadian resident, 18 years of age or older, a primary decision maker regarding personal or business finances, and proficient with online / mobile banking or shopping. Participants were then asked about their familiarity with cryptocurrency in general, and then specific types (including Bitcoin). Those familiar with Bitcoin were asked about recent ownership and transactions using this type of currency.

Participants who confirmed ownership and / or transactions with Bitcoin were then asked questions about the following:

- Number of purchases
- Number of transactions
- Description of latest experience
- Source(s) used for learning prior to acquisition
- Primary purpose of acquisition
- Main advantages vs. traditional currency
- Main disadvantages vs. traditional currency

- Level of satisfaction with specified elements of experience
- Recommended improvements

Participants who did not own nor transact with Bitcoin were instead asked questions about the following:

- Primary reason(s) not owned nor transacted
- Motivations to try
- Perceived advantages vs. traditional currency
- Perceived disadvantages vs. traditional currency

All participants were then asked about the future state of Bitcoin, initially by stating their intention to purchase or transact in the coming year. Those claiming their intent to use Bitcoin were asked about purpose(s) of use and number of purchases or transactions expected. Those not planning to purchase or use Bitcoin were instead asked for reasons. All participants were then asked for their opinion about how much total usage of Bitcoin in Canada will change in the coming years.

To conclude the survey, all participants answered some final questions to categorize their cumulative responses.

Appendix C contains the full survey administered to participants (both in English and French), including qualifying questions and online programming instructions.

Quality Controls

CorbinPartners' quality controls systematically meet or exceed industry practice. The company's level of attention to quality control and organized process has been recognized in its designation as a member of the Canadian Research and Insights Council (CRIC), and author of litigation survey standards for the Canadian Trademark Law Benchbook.²¹ For the present study, CorbinPartners added quality controls, detailed below, not collectively typical of Internet studies, to strengthen reliability and enhance validity, allowing for the capture of genuine participant views.

QUESTIONNAIRE DESIGN

Care in survey design was diligently exercised to produce a valid, objective measurement instrument. The overall design was based on established learning and practice precedents in online surveys. As a matter of quality control, including checking for unanticipated problems, the survey was first "pilot-launched" with a small sample prior to an expanded launch.²²

Closed-ended questions provided a "Don't know" or "Can't say" option, to avoid forcing opinions where none existed. Open-ended questions and "Other-specify" answer options provided ample space for participants to record comments. Participants were encouraged to take as much time as required and to answer as much as they had to say.

²¹ The litigation survey standards can be found in Chapter 9—Surveys and Related Market Evidence in Canadian Litigation, Canadian Trade-Mark Law Benchbook, Second Edition, Carswell—<https://store.thomsonreuters.ca/product-detail/canadian-trade-mark-law-benchbook-second-edition-cd/>

²² Because the pilot-launch interviews were correctly managed, and indicated no problems, these interviews were combined with the remaining interviews to yield the overall sample.

CONTROLS AGAINST ORDER BIAS

Systematic rotation was used in the positioning of answer options, where appropriate, to avoid the risk of order bias. This occurred in certain closed-ended survey questions involving the presentation of more than one answer option, including...²³

- Q1b Level of familiarity with cryptocurrency
- Q2 Types of cryptocurrency aware of
- Q7 Primary purpose in acquiring Bitcoin
- Q8 Main advantages compared to traditional currency
- Q9 Main disadvantages compared to traditional currency
- Q11 Improvements to Bitcoin
- Q12 Reasons not owned nor transacted
- Q13 Motivations to try
- Q14 Perceived advantages compared to traditional currency
- Q15 Perceived disadvantages compared to traditional currency
- Q17 Purpose for future use of Bitcoin
- Q19 Reason not using Bitcoin in future
- Q20 Estimated change in Canadian Bitcoin use

CONTROL-NAME TO MITIGATE EFFECTS OF GUESSING

Respondents familiar with the concept of cryptocurrency were asked about their awareness of specific types, in the form of a closed-ended question with a list of different cryptocurrencies. Closed-ended questions are vulnerable to eliciting guesses from respondents who have no informed opinion. To mitigate the effects of possible guessing, the list included a fictional control name, “DTX”. The control name was chosen for its similar initialized structure to other cryptocurrencies not on the list—e.g., NEM, PIVX. All respondents who answered affirmatively to their awareness of “DTX” were terminated from the survey.

FIELD PARTNER TRAINING AND MONITORING

Prior to survey execution, an initial training session was held between CorbinPartners and the project management team of Canadian Viewpoint. At this session, the field requirements were thoroughly reviewed. Field partner training stressed the importance of being accurate and complete in survey programming and data collection. Subsequent meetings were held with the project management team to ensure accuracy in the provision of the survey through all distribution channels. In all meetings, it was emphasized that the client would be relying on the accuracy and completeness of their work.

²³ A frequent exception to this practice, made here, concerns questions that offer only the option of “Yes” or “No”. Early years of pilot-testing surveys led CorbinPartners to conclude that participants prefer the predictability of having “No” follow “Yes” and that any risk of yes-saying bias is not a function of the order of the options.

Following a launch of the first day's interviews (both in the pilot and expansion stages), the data records were reviewed by CorbinPartners to verify accuracy and completeness. Continuous monitoring was conducted by both CorbinPartners' and field partner personnel to ensure effective administration of the study.

SAMPLING AND DEMOGRAPHIC MATCHING

For the online panel recruitment (which provided the majority of respondents in the 'Non / Potential Bitcoin User' category), the survey process commenced by inviting a representative national sample of profiled panelists to participate. This was according to age and gender within region (per Statistics Canada based on the profile parameters). Invitees who subsequently qualified were those Canadian adults who are a primary decision-maker pertaining to personal or business finances, and are more active in online / mobile banking or shopping transactions.

COMPUTER CONTROLLED SEQUENCING WITH "BETA-TESTING"

Consistency of administration and correct implementation of the survey were guaranteed by having the survey sequencing controlled by a computer program for participants as they completed their interviews.

For consistency with voluntary participation, respondents could move forward from an open-ended question without providing an answer. However, all closed-ended questions were designed to be mandatory, meaning that participants could not move forward to a subsequent question without answering the current question. All participants could also not return to a previous question once proceeding forward in the survey.

Beta-testing refers to the testing of a computer program in a "live" environment. The computer programming of the survey was beta-tested by staff at CorbinPartners and independently by staff at Canadian Viewpoint. All possible paths through the survey were tested to ensure that the logical flow of the survey worked as intended.

DATA VERIFICATION / INTERVIEW VALIDATION

Quality controls were incorporated into the data management process to strengthen data integrity. The response record for participants was thoroughly reviewed to ensure the survey administration worked as intended.

In addition, Canadian Viewpoint incorporates the following quality controls into its panel management process to strengthen data integrity:

- **Panel establishment**—Participants are added to the online panel only if they meet specified quality checks. Those with reported occupational conflicts are excluded.

- **Panelist exclusions**—There is an ongoing process to de-list from the panel participants who exhibit certain irresponsible behaviors, such as answering surveys too quickly or “straight-lining” their response patterns by choosing options which appear in certain positions on a list (e.g. always choosing the middle option), apparently without regard to the content of the questions.

Validation entails an independent verification that interviews took place and were accurately recorded. In the survey reported herein, the interview concluded by capturing the participant’s name and phone number for possible subsequent call-back. Seven percent (7%) of completed interviews were validated by a follow-up phone call, in which participants were re-asked a set of questions that had qualified them for participation.

CODING BY CONTENT ANALYSIS

An open-ended question which allows participants to answer in their own words, without pre-set options, requires coding prior to data analysis. Coding is a process that categorizes responses according to their meaning. It permits qualitative verbal data to be quantified. CorbinPartners implements coding procedures consistent with scientific standards in the field of social science known as “content analysis”.

All open-ended verbatim answers appear as Appendix D to this report.

INTEGRATIVE DATA EVALUATION

As noted in the previous section, the research methodology was based on an ‘integrative evaluation’ approach, including multiple recruitment channels and target audiences. Albeit a relatively smaller sample size of Bitcoin users, it exceeds the minimum recommended sample size for “reliability,”²⁴ and the research constitutes a set of valid opinions to illustrate consumer sentiment following actual experience purchasing and / or transacting with Bitcoin. The results are further strengthened through a comparative analysis with perceptions of non-Bitcoin users, and results of a previous study obtaining sentiments from Canadian Bitcoin merchants.

²⁴ Technical note: Textbook guidelines for permitting “margin of error” statements are explained in Chapter 9 of the *Canadian Trademark Law Benchbook* (Carswell, 2014); For sub-samples, Advertising Standards Canada has recommended a minimum of 100 (www.adstandards.com). Internet panels are not themselves a randomly selected representation of the Canadian population, so statistical reliability must be interpreted within the context of the Internet panel population.



Key Findings

The following presents the cumulative key findings of the survey. Conclusions are highlighted, followed by a selection of statistical results for specific survey questions and verbatim answers that support the summary assessment.

NOTES:

1. The figures shown below highlight the most frequent answers to survey questions. See the question-by-question section and data tables for the complete set of results.
2. In addition to comparisons of responses for Bitcoin users vs. non / potential users, the survey included introductory and concluding questions which allowed for categorizing and analysis of participants based on the following:
 - Region of residence
 - Gender
 - Age
 - Number of online / mobile banking transactions
 - Number of online / mobile shopping transactions
 - Professional / Employment Status
 - Marital status
 - Level of school completed
 - Annual income
3. Verbatim comments cited are reproduced exactly as they were typed in by participants. Punctuation has been added, or format modified, for readability.

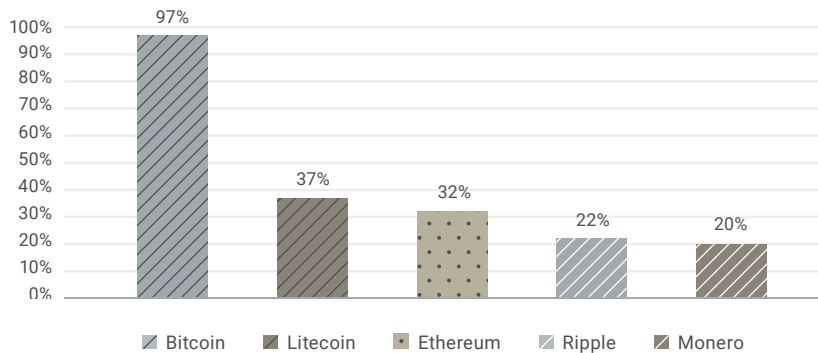


The growth of cryptocurrency for consumer use is still in its infancy. While Bitcoin has made significant headway in awareness, a key barrier to ongoing advancement is that the majority of consumers are not yet familiar or comfortable enough with the concept.

- Almost a quarter of participants (24%) are not yet familiar with the concept of cryptocurrency. However, of those claiming familiarity, almost all are already aware of Bitcoin, as shown in Figure KF-1. Ninety-seven percent (97%) of non-Bitcoin users are aware of Bitcoin.

FIGURE KF-1: AWARENESS OF CRYPTOCURRENCY TYPES

% PARTICIPANTS FAMILIAR WITH THE CONCEPT OF CRYPTOCURRENCY



- While Bitcoin users are primarily satisfied with their experience, many note the hurdles they face to achieve a sufficient comfort level.

"It was too complicated. I kept having to ask my husband for advice. Even then, I felt uneasy."

"It is confusing."

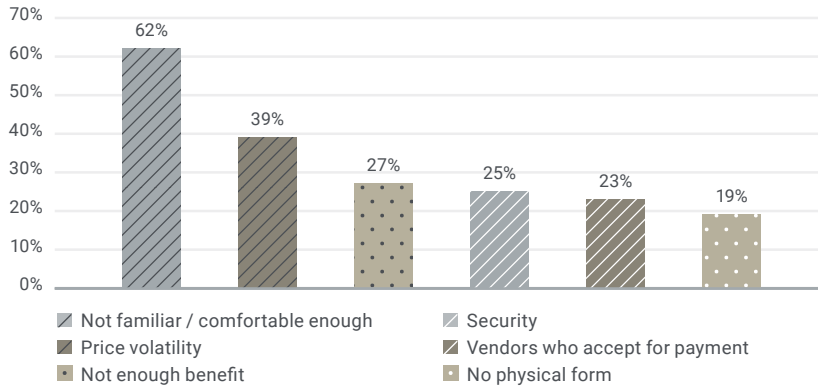
"J'ai du me renseigner beaucoup car cela me semblait compliqué. Je ne suis pas certaine, même si j'ai réussi ma transaction, d'avoir tout saisis."

"I had to do my research as this seemed very complicated. I'm not certain I understood everything, even though I succeeded with the transaction."

- As shown in Figure KF-2, the majority of those aware of Bitcoin, but not having used it (62%) say the primary reason for non-use is not being familiar or comfortable enough. More than a quarter of these participants do not see enough benefit to using Bitcoin.

FIGURE KF-2: PRIMARY REASON NOT USED BITCOIN

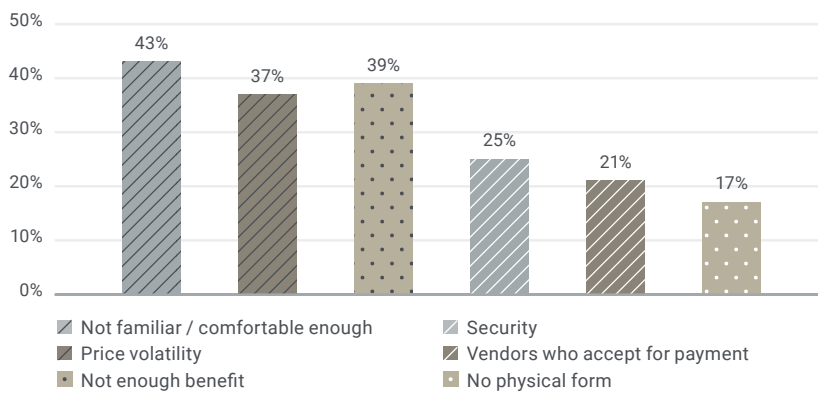
% PARTICIPANTS WHO HAVE NOT OWNED OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- As shown in Figure KF-3, more than four in ten participants not expecting to use Bitcoin in the near future (43%) state the reason for this is just not being familiar or comfortable enough.

FIGURE KF-3: REASON(S) FOR NOT USING BITCOIN MOVING FORWARD

% PARTICIPANTS WHO WILL NOT BE PURCHASING OR USING BITCOIN IN THE NEXT 12 MONTHS

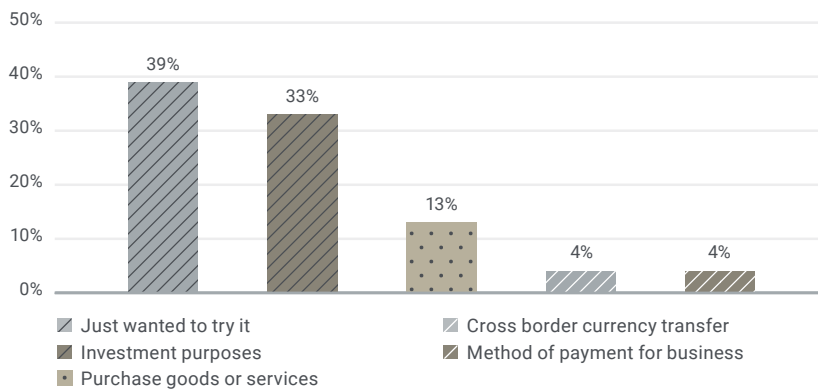




Consumer intrigue and investment growth have spurred adoption of Bitcoin thus far, and will continue to drive potential usage moving forward.

- As shown in Figure KF-4, almost four in ten Bitcoin users (39%) purchased it the first time just to give it a try. A third of Bitcoin users did so primarily for investment purposes.

FIGURE KF-4: PRIMARY PURPOSE IN ACQUIRING BITCOIN FOR FIRST TIME
% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- A number of Bitcoin users expressed their captivation with this innovative technology.

"I love Bitcoin. I think it's a fascinating experience."

"I love it. I hope the government can come to understand and love it as well. Voting Green for the rest of my life."

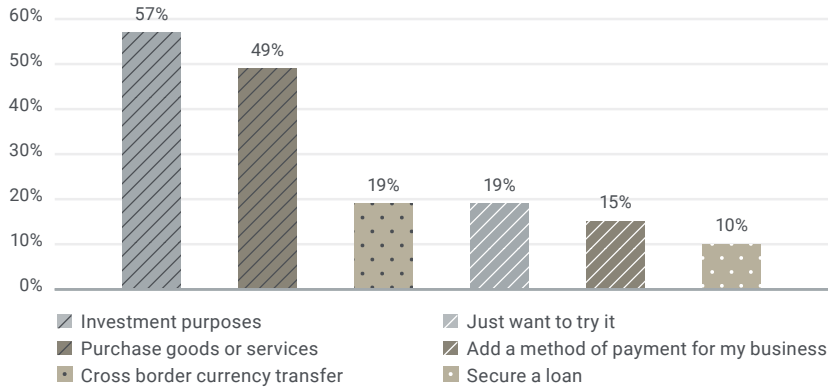
"Offered a great payment alternative to get specific goods and services not as readily available in the free market."

"Total control, I have the ownership of it, and do what I want with it, no banks needed."

- As shown in Figure KF-5, the majority of participants intending to use Bitcoin in the coming year plan to purchase or maintain it as an investment (57%).

FIGURE KF-5: PURPOSE FOR FUTURE BITCOIN USE

% PARTICIPANTS WHO WILL BE PURCHASING OR USING BITCOIN IN THE NEXT 12 MONTHS



For those not having used Bitcoin to date but intending to in the next year, four in ten of them (40%) state they will do so just to give it a try.

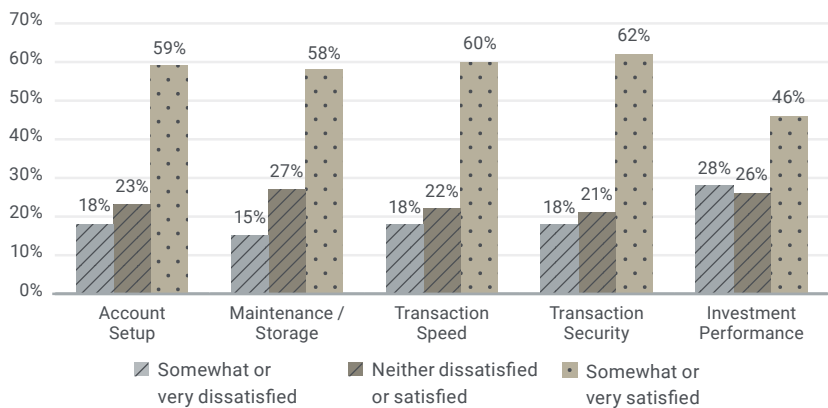


Once a consumer takes the step to purchase or transact with Bitcoin, he / she is predominantly satisfied with the experience.

- As shown in Figure KF-6, Bitcoin users are principally satisfied with a number of factors that impact their overall experience, including account setup, transaction security, maintenance / storage, transaction speed, transaction security and investment performance.

FIGURE KF-6: SATISFACTION WITH BITCOIN USE

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Satisfaction with these factors was confirmed in verbatim descriptions about respondents' latest experience with Bitcoin.

"It's amazing and very fast service."

"J'ai apprécié mon expérience BitCoin rentable efficace."

"I had a good experience last with Bitcoin. It was quick, efficient and very easy to use."

"Easy to use. Reliable way of managing transactions."

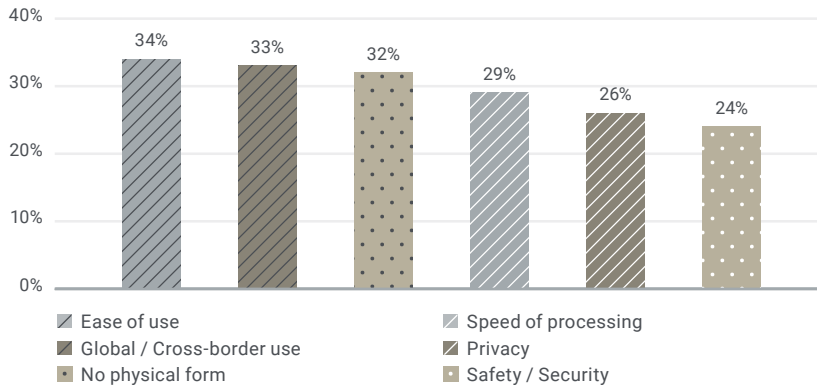
"I used Bitcoin to purchase a trip through Expedia. It was just as easy to pay this way as using a credit card."

"I was able to quickly and securely purchase a pair of headphones off a local guy I met on Kijiji (like Craigslist). The transaction was nearly instant, cost pennies, and meant I didn't need to meet a stranger with \$900 in cash!"

- As shown in Figure KF-7, Bitcoin users noted a variety of positive factors related to their experience with Bitcoin. More than three in ten Bitcoin users identified ease of use (34%), cross-border use (33%), and no physical form (32%) as a main advantage of Bitcoin compared to traditional currency.

FIGURE KF-7: MAIN ADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

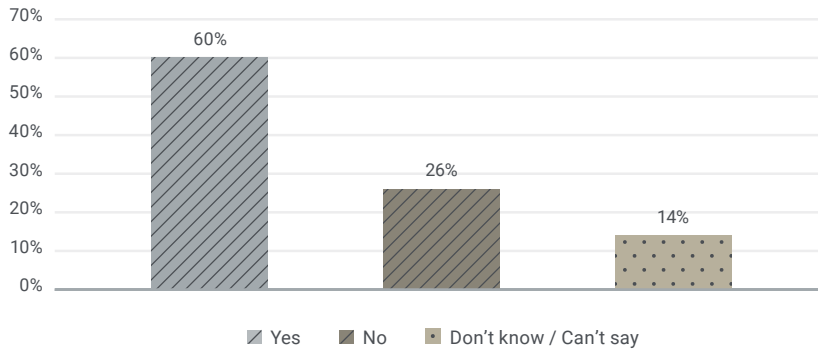
% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Six in ten Bitcoin users (60%) plan to use Bitcoin again in the next 12 months, as shown in Figure KF-8.

FIGURE KF-8: INTEND TO PURCHASE OR TRANSACT BITCOIN IN THE NEXT 12 MONTHS

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



Those transacting with Bitcoin in the past are significantly more likely to purchase or transact in Bitcoin in the near future compared to those who had not.



While not frequently featured as a prime selling point of Bitcoin, global / cross-border use is perceived by the consumer market as offering an important comparable benefit to traditional currency.

- While only 4% of Bitcoin users noted cross-border currency transfer as a primary purpose of Bitcoin, a third of Bitcoin users (33%) identified this attribute as a main advantage compared to traditional currency.
- As noted by one Bitcoin user when asked about their latest experience with Bitcoin...

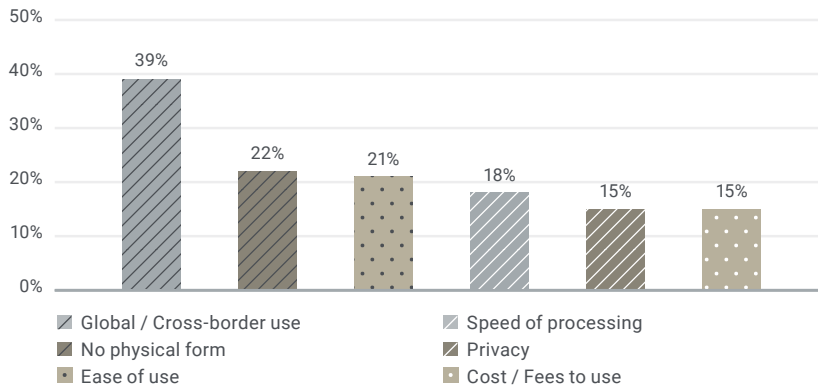
“Bitcoin is a worldwide transaction process. I think it is an easy process and we can use this method within a second. It is a trustful sector.”



- As shown in Figure KF-9, almost four in ten non-users (39%) consider global / cross-border use to be a main advantage of Bitcoin over traditional currency.

FIGURE KF-9: PERCEIVED ADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



While price volatility has opposing effects on consumer sentiment, for most it creates discomfort and is a core obstacle to trial or continued usage.

- For some, Bitcoin is perceived as providing significant growth potential for investment purposes.

"Bought Bitcoin as an investment. It's volatile but high potential for returns."

"I bought it when it was cheap and sold it at a higher price as an investment."

"Amour haine. Investissement risque mais peut-être payant."

A third of Bitcoin users (33%) acquired it the first time primarily as an investment. Almost three in ten Bitcoin users (29%) who acquired Bitcoin for investment purposes found price volatility to be a main advantage of Bitcoin as compared to traditional currency. The majority of existing users plan to use Bitcoin again as an investment (58%).

- The majority of participants commenting on price volatility found this factor to be a negative influence on intentions to use Bitcoin moving forward.

"Very discreet, but owning some is stressful to me."

"The Bitcoin is easy, convenient, safe to trade with. But it contains too much uncertainty in its value. The value fluctuates a lot and is not that stable as a normal currency."

"The value keeps going down since I bought it. Don't know if it was a wise decision to make."

"Very volatile and unpredictable."

"The price kept going down."

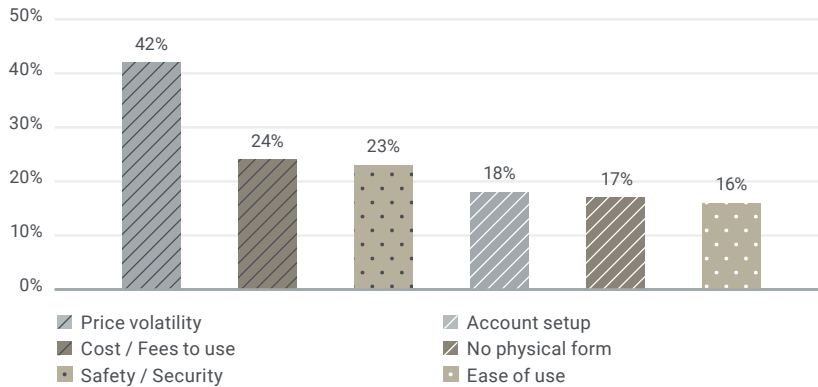
"Very likely to collapse in value."

"Je ne sais pas comment s'en procurer et il ne semble que c'est très coûteux en plus d'être volatile sur les marches."

- More than four in ten existing Bitcoin users (42%) found price volatility to be a primary drawback compared to traditional currency, as shown in Figure KF-10.

FIGURE KF-10: MAIN DISADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

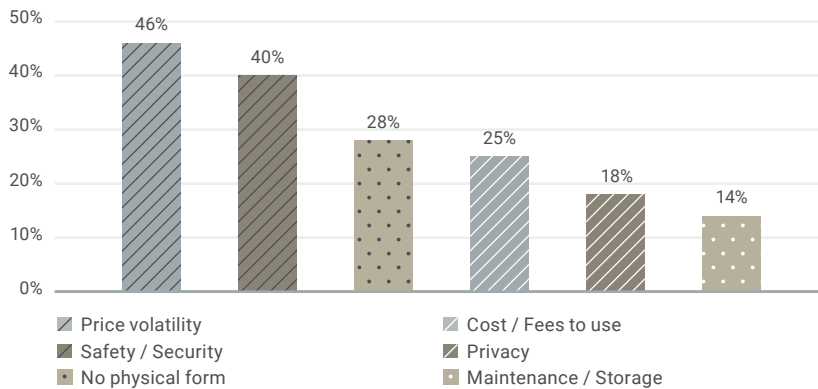
% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- For non-users of Bitcoin, almost four in ten (39%) cite price volatility as a primary reason for not owning it.
- While a small segment of non-users (5%) find price volatility to be an advantage of Bitcoin compared to traditional currency, it is more frequently perceived as a disadvantage (46%), as shown in Figure KF-11.

FIGURE KF-11: PERCEIVED DISADVANTAGES OF BITCOIN TO TRADITIONAL CURRENCY

% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- To motivate non-users to begin using Bitcoin, almost four in ten answered they would want to see less price volatility (or a lower price).
- Of non-users who perceive price volatility as an advantage of Bitcoin, more than three-quarters (77%) do not intend (or are uncertain whether) to use Bitcoin in the next year.
- More than a third of all participants aware of Bitcoin (37%) say they won't use Bitcoin in the next 12 months due to its price volatility.

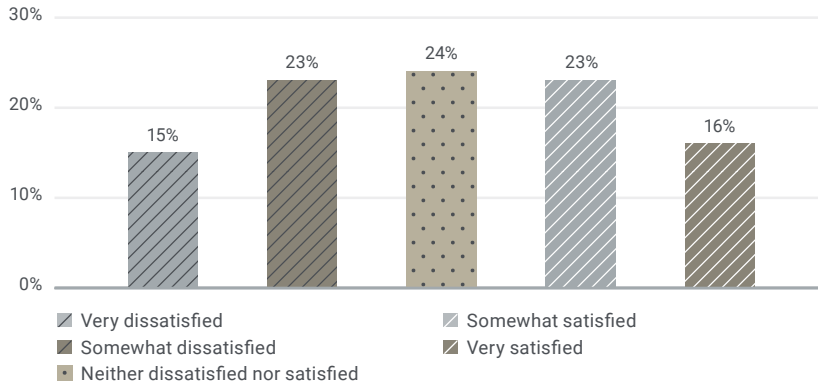


When it comes to Bitcoin adoption for purchasing goods or services, there is a “chicken and egg” scenario between consumers and merchants—consumers want greater access from merchants to incent them to use Bitcoin—merchants want greater interest from consumers to incent them to add (or expand) Bitcoin as a payment option.

- A significant percentage of Bitcoin users are principally dissatisfied with the number of businesses that accept Bitcoin payment. As shown in Figure KF-12, almost four in ten Bitcoin users answered they were somewhat or very dissatisfied with this factor.

FIGURE KF-12: LEVEL OF SATISFACTION WITH AVAILABLE BUSINESSES THAT ACCEPT BITCOIN FOR PAYMENT

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



Twelve Bitcoin users answered this factor was not applicable to their circumstances, and are excluded from this figure.

Select comments from Bitcoin users about their latest experience speak to a lack of available vendors.

"Just tried it out. It's kinda confusing as not many places to use."

"I don't trust it. Places I go to don't take it."

"C'est un moyen très simple et sécuritaire de faire des paiements en ligne mais il n'y a pas encore assez de détaillants en ligne qui l'accepte."

"Mode de paiement facile toutefois peu ou pas accepter par les entreprises."

"Not sure where Bitcoin would be accepted."

- When Bitcoin users were asked about improvements to using this form of currency, the most frequent answer was the number of vendors that accept Bitcoin for payment (45%).



- Almost a quarter of non-Bitcoin users (23%) note the lack of vendors who accept payment as a reason for not owning / transacting this form of cryptocurrency.
- Almost four in ten non-Bitcoin users (39%) would be motivated to try it if more vendors made it available for payment.
- In a previous CorbinPartners study, the experience of Canadian vendors to Bitcoin was notably positive, including praise for its speed and cost. While four of every five vendors were willing to advocate for it as a payment source to other businesses, almost all admitted there was less popularity for using this option among their customers than they had hoped or expected.²⁵

"Encouraging the use of Bitcoin is critical to our success with it. The technology works as it should, and the payment process is reliable—it just isn't getting market traction."

"The general public needs to become more aware of Bitcoin and businesses need to become more vocal about offering it."



There is a clear gap between initial consumer perceptions about the safety / security of Bitcoin, compared to subsequent perceptions after experiencing use.

- A quarter of non-users answered that they have not owned nor transacted Bitcoin because of security concerns. More than a third of non-users would be motivated to try Bitcoin if they had a greater comfort with its security.

At the same time, more than six in ten Bitcoin users (62%) claim to be at least satisfied with transaction security, including almost a third (31%) who answered they are very satisfied.

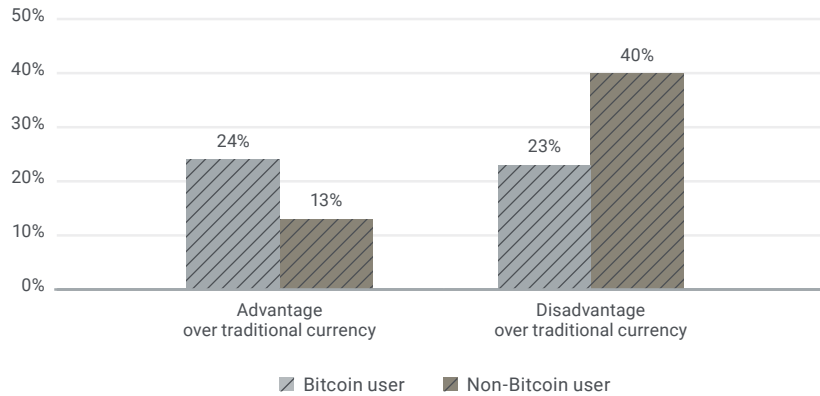
- As shown in Figure KF-13, statistically fewer non-Bitcoin users (13%) cited safety / security to be a main advantage of Bitcoin over traditional currency than do Bitcoin users (24%). Similarly, statistically more non-Bitcoin users (40%) identified safety / security a disadvantage of Bitcoin as compared to Bitcoin users (23%)

²⁵ Based on a comparison of findings from this consumer study with a previous study conducted by CorbinPartners with Canadian merchants who accept Bitcoin as a payment option—<http://corbinpartners.com/wp-content/uploads/2016/01/Bitcoin-Release-22-01-2016.pdf>



FIGURE KF-13: PERCEPTION OF SAFETY / SECURITY OF BITCOIN

BITCOIN USERS VS NON BITCOIN USERS



- For participants aware of Bitcoin but not intending to purchase or use it in the next 12 months, more than a quarter of non-users (26%) referenced security / safety concerns, compared to 16% for Bitcoin users.
- Verbatim responses from participants highlight a clear divide as it relates to the security / safety of Bitcoin.

NON-BITCOIN USERS

"Used mostly by criminals."

"Potential counterfeitability."

"Not safe."

"Shady business dealings."

"Security, security, security. Too easy to hack."



BITCOIN USERS

"It's a very simple and secure way of making payments online."

"The Bitcoin is easy, convenient, safe to trade with."

"Easy, fast, reliable, secure."

"Easy to use. Reliable way of managing transactions."

"It was fast and reliable."

NOTES:

1. This is not to say that existing users don't have security concerns. In fact, over a quarter of existing Bitcoin users (28%) noted 'security of wallet / account' as an area of improvement. However, the relative concern towards this factor is notably higher for those who haven't experienced Bitcoin ownership or transactions.
2. It is unclear whether Bitcoin users or non-users associate this issue with the industry as a whole or to a precise component, such as a specific cryptocurrency exchange. A more detailed assessment of the reasons for security / safety concerns may be a component of future tracking.



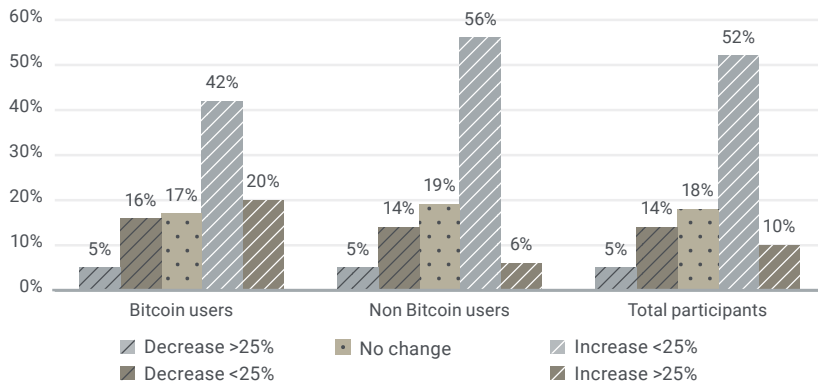
Consumers are primarily bullish on expected usage of Bitcoin by Canadians for the foreseeable future.

- Of those participants with an opinion (i.e., excluding those answering “No opinion / Don’t know / Can’t say”), the majority (62%) expect general use of Bitcoin by Canadians, whether for personal or business use, to increase in the next 3 years.

As shown in Figure KF-14, existing Bitcoin users foresee higher growth in usage by Canadians than those not having used Bitcoin.

FIGURE KF-14: ESTIMATED CHANGE IN BITCOIN USAGE OVER THE NEXT 3 YEARS

BITCOIN USERS VS NON BITCOIN USERS (WITH AN OPINION)



Segments that don't equal 100% due to rounding. Excludes all participants who answered “No opinion / Don’t know / Can’t say”

- Some Bitcoin users further expressed optimism towards the future of Bitcoin in Canada.

“C’est une monnaie a qui j’ai confiance. C’est le type de monnaie du futur.”

It’s the future. Removes banks and governments control over money.”

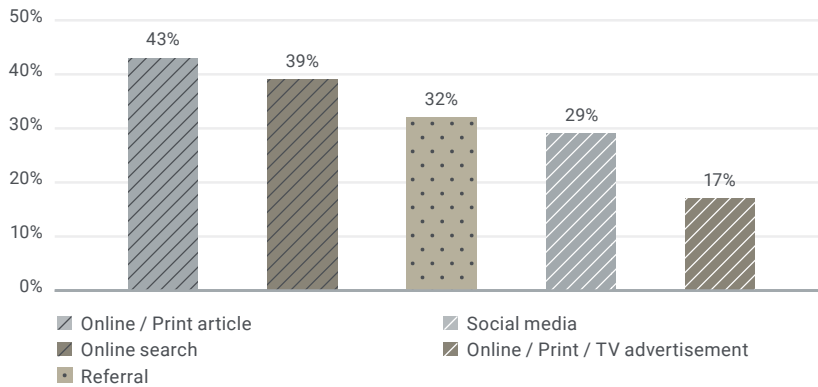


For growth in the Bitcoin market to continue, it will need to be fueled by ongoing initiatives aimed at awareness and education.

- As shown in Figure KF-15, more than four in ten Bitcoin users (43%) learned about Bitcoin through an online or print article prior to acquisition. More than a third (39%) conducted an online search.

FIGURE KF-15: SOURCE(S) TO LEARN ABOUT BITCOIN PRIOR TO ACQUISITION

% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Bitcoin users expressed their need to learn more when describing their most recent Bitcoin experience.

"My latest experience with Bitcoin has been to understand it more."

"I know a little about Bitcoin but need to learn more."

"Je connais peu le Bitcoin. Intéressée à en apprendre davantage."

"I had to get help because I was a bit lost in the transaction process."

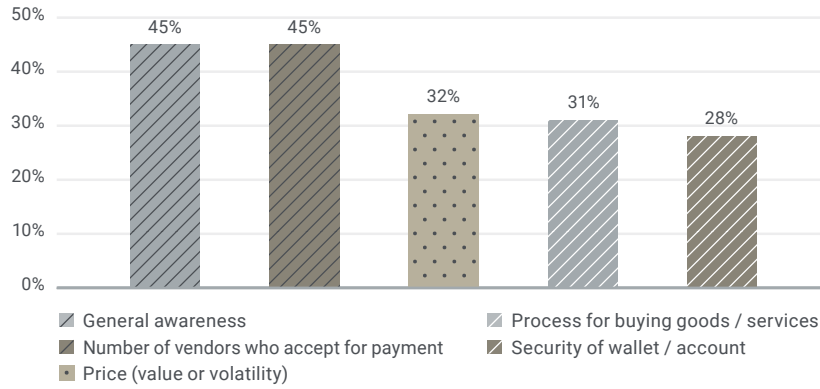
"I'm trying to find a reliable source to help me learn better and more in depth on how to use Bitcoin to the best of my ability."

"Je n'en connais pas suffisamment au sujet des Bitcoin."

- As shown in Figure KF-16, the most frequent improvement recommended by Bitcoin users relates to increasing general awareness (45%).

FIGURE KF-16: IMPROVEMENTS TO USAGE OF BITCOIN

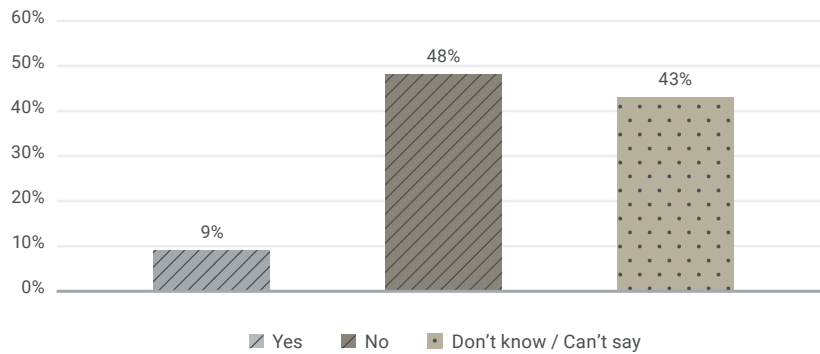
% PARTICIPANTS WHO HAVE OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- As shown in Figure KF-17, fewer than one in ten non-users plan to purchase or transact with Bitcoin in the next 12 months

FIGURE KF-17: INTEND TO PURCHASE OR TRANSACT BITCOIN IN THE NEXT 12 MONTHS

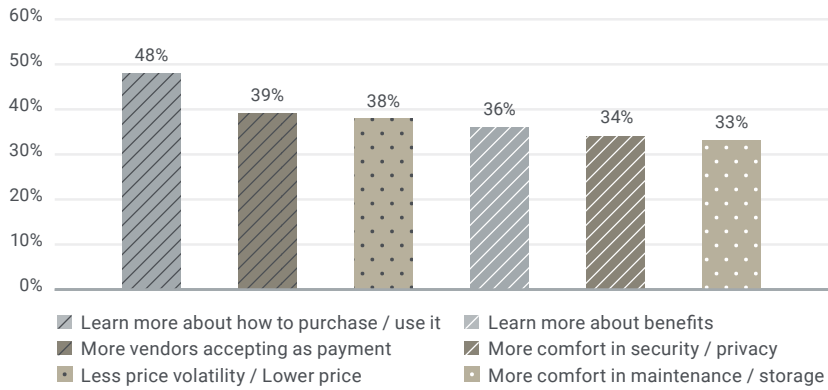
% PARTICIPANTS WHO HAVE NOT OWNED AND / OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



- Almost half of non-users (48%) would be motivated to try Bitcoin if they could learn more about how to purchase and use it, as shown in Figure KF-18.

FIGURE KF-18: MOTIVATIONS TO USE BITCOIN FOR THE FIRST TIME

% PARTICIPANTS WHO HAVE NOT OWNED OR TRANSACTED BITCOIN IN THE PAST 12 MONTHS



Detailed Question-By-Question Results

This section of the report presents the survey results question by question. The questions as they appeared to participants are shown in bold, followed by a summary of statistical results.

Detailed data tables supporting the survey results appear in Appendix E.

CURRENT STATE OF BITCOIN SENTIMENT

Participants who met the qualifying questions were introduced to the survey topic and asked the following question:

Q1a. This survey pertains to cryptocurrency, meaning digital or virtual currency that operates independently from traditional currency accessed through a banking institution. Are you familiar with the concept of cryptocurrency?

As shown in Table 1.1, just over three-quarters of the participants answered affirmatively.

TABLE 1.1—FAMILIARITY WITH CRYPTOCURRENCY	
TOTAL PARTICIPANTS (N=1226)	
Yes	76%
No	24%

Affirmed familiarity with cryptocurrency was higher with male participants and increased with the level of education completed.

Those participants answering “No” were skipped ahead to categorizing questions to conclude the survey. All participants answering affirmatively were asked the following:

Q1b. Please indicate your level of familiarity with cryptocurrency:

Participants were provided with three options—*Not at all familiar, Somewhat familiar, and Quite familiar.*

As shown in Table 1.2, the majority of participants (75%) claimed to be at least somewhat familiar with the concept of cryptocurrency.

TABLE 1.2—LEVEL OF FAMILIARITY WITH CRYPTOCURRENCY	
TOTAL PARTICIPANTS ANSWERING Q1B (N=933)	
Not at all familiar	8%
Somewhat familiar	75%
Quite familiar	17%

Similar to affirmed familiarity, the level of familiarity is higher for men than for women, most notably those claiming they were “quite familiar” with cryptocurrency.

All participants answering Q1b were then asked the following:

Q2. Which of the following types of cryptocurrency, if any, are you aware of?

Participants were provided with a list of five of the most heavily-traded cryptocurrencies, including Bitcoin. The list also included a fictional cryptocurrency named “DTX”, which resulted in termination from the survey if there was claimed awareness.

As shown in Table 2.1, a statistically greater number of participants were aware of Bitcoin compared to any other type of cryptocurrency listed. Almost all participants claimed to be aware of Bitcoin, compared to over a third for Litecoin, and just under a third for Ethereum.

TABLE 2.1—AWARENESS OF SPECIFIC TYPES OF CRYPTOCURRENCY

TOTAL PARTICIPANTS ANSWERING Q2 (N=933)			
	Yes	No	Don't know
Bitcoin	97%	1%	1%
Litecoin	37%	56%	7%
Ethereum	32%	60%	8%
Ripple	22%	70%	8%
Monero	20%	72%	9%

Rows that do not add to 100% due to rounding.

All participants unaware of Bitcoin, and not answering affirmatively to “DTX”, were skipped ahead to categorizing questions to conclude the survey. All participants aware of Bitcoin, and not answering affirmatively to “DTX”, were asked the following two questions to determine whether to probe into actual Bitcoin usage and experience (for Bitcoin users), or perceived usage and experience (for non / potential Bitcoin users):

Q3. You answered that you are aware of Bitcoin. Have you owned any Bitcoin at any point in time in the last 3 years, whether for business or personal use?

Q4. In the last 12 months, have you conducted at least one transaction for goods or services using Bitcoin, whether for business or personal use?

For both questions, participants were provided answers options “Yes”, “No” and “Don’t know / Can’t say”. A “Bitcoin user” was defined as any participant who answered affirmatively to either Q3 or Q4. Those answering “No” to both Q3 and Q4 were defined as a “non / potential Bitcoin user”. Minimum quotas were followed to ensure a sufficient sample of participants in both groups.

All participants answering “No” to Q3 and Q4 were skipped ahead to a set of questions for non-Bitcoin users, beginning with Q12. All participants answering “Yes” to either Q3 or Q4 were asked the following:

QUESTIONS FOR EXISTING BITCOIN USERS

Q5a. In the last 12 months, how many *individual purchases of Bitcoin* have you completed?

Participants were provided with a list of purchase levels, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 5.1, the majority of Bitcoin users conducted one to three purchases. One in five participants placed more than three individual purchases of Bitcoin.

TABLE 5.1—INDIVIDUAL PURCHASES OF BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q5A (N=223)	
No purchases	18%
1 purchase	30%
2 – 3 purchases	31%
4 – 5 purchases	7%
Over 5 purchases	14%

When viewing individual purchases by demographic segment, the number of Bitcoin purchases increased with the age level of the participants.

All Bitcoin users were then asked the following:

Q5b. In the last 12 months, how many *individual transactions using Bitcoin* have you completed, whether for goods / services, person-to-person transfer or other purposes?

Participants were provided with a list of transaction levels, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 5.2, the majority of Bitcoin users have conducted at least one transaction. More than four in ten Bitcoin users conducted at least three transactions.

TABLE 5.2—INDIVIDUAL TRANSACTIONS USING BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q5B (N=223)	
No transactions	27%
1 – 2 transactions	30%
3 – 5 transactions	22%
6 – 10 transactions	9%
11 – 20 transactions	4%
Over 20 transactions	7%
Don’t know / Can’t say	1%

Similar to individual purchases of Bitcoin, the number of individual transactions using Bitcoin also increase with the age level of participants.

All Bitcoin users were then asked the following:

Q5c. Please describe your latest experience with Bitcoin.

This was an open-ended question where participants were provided an open unlimited field to answer in their own words. For content analysis purposes, each response was given one or more codes, depending on the number of themes expressed in their comment(s).

As shown in Table 5.3, a vast array of themes was provided by participants. Seventeen percent (17%) of participants made reference to a positive experience. Ten percent (10%) of participants noted the ease of using Bitcoin.

TABLE 5.3—LATEST EXPERIENCE WITH BITCOIN

RESPONSE CATEGORY	RESPONSE THEME	TOTAL PARTICIPANTS ANSWERING Q5C (N=215)
GENERAL COMMENTS	Own it / Bought it / Use it / Sold it / Mine it	18%
	Mixed feelings / Ok / No issues	4%
ADVANTAGE / POSITIVE ATTRIBUTE	Positive / Interesting	17%
	Easy to use	10%
	Fast	5%
	Reliable / Trustworthy	3%
	Convenient / Efficient	3%
DISADVANTAGE / NEGATIVE ATTRIBUTE	Risky / Unsafe / Volatile	5%
	Confusing / Complicated	4%

TABLE 5.3—LATEST EXPERIENCE WITH BITCOIN

RESPONSE CATEGORY	RESPONSE THEME	TOTAL PARTICIPANTS ANSWERING Q5C (N=215)
SPECIFIC CIRCUMSTANCES	Paid / Can pay or exchange for items	11%
	Purchased as an investment	8%
	Currency exchange / transfer	7%
	Price changed	5%
	Setup / transferred to wallet or account	3%
OTHER	Don't know / Can't say / Nothing to say	9%

This table presents the most frequent responses for each theme category—See the data tables in the appendix for a full list of coded themes. Column total exceeds 100% due to multiple coded responses for some participants.

Examples of verbatim comments from Bitcoin users noting a positive experience appear below.²⁶

“Very satisfying with good value for money.”

(RESPONDENT # 1099)

“I love Bitcoin. I think it’s a fascinating experience.”

(RESPONDENT # 1261)

²⁶ Verbatim comments cited are reproduced exactly as they were typed in by participants. Punctuation has been added, or format modified, for readability. Each verbatim comment is followed by the participant identification number.

"I think It's a good way to trade as well as to save money, and I enjoyed the fact that its crypto."
(RESPONDENT # 1757)

"J'ai apprécié mon expérience Bitcoin rentable efficace."
(RESPONDENT # 1851)

"I love it. I hope the government can come to understand and love it as well. Voting Green for the rest of my life."
(RESPONDENT #2216)

"Awesome, it's better than fiat and actually sound money."
(RESPONDENT #2220)

Examples of verbatim comments from Bitcoin users referring to its ease of use appear below.

"I had a good experience last with Bitcoin. It was quick, efficient and very easy to use."
(RESPONDENT # 2325)

"I like Bitcoin, it's very easy to use, to earn and even to spend. On the other hand, Bitcoin has vulnerability's and scams."
(RESPONDENT # 1224)

"Easy, innovative and fluid."
(RESPONDENT # 689)

"C'est un moyen très simple et sécuritaire de faire des paiements en ligne mais il n'y a pas encore assez de détaillants en ligne qui l'accepte."
(RESPONDENT # 737)

"Easy to use and manage, if you know what are doing."
(RESPONDENT #2244)

"I used Bitcoin to purchase a trip through Expedia. It was just as easy to pay this way as using a credit card."
(RESPONDENT #135)

All Bitcoin users were then asked the following:

Q6. How did you learn about Bitcoin prior to first acquiring it?

Participants were provided with a list of promotional channels, an option to refer to another source not listed, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 6.1, more than four in ten Bitcoin users learned about it through an online or print article. More than a third learned about Bitcoin through an online search, and almost a third of participants received a business or personal referral.

TABLE 6.1—LEARNING ABOUT FIRST ACQUIRING BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q6 (N=223)	
Online / Print article	43%
Online search	39%
Referral from business associate, family member, friend	32%
Social media	29%
Online / print / TV Ad	17%
Trade show / Conference	7%
Another source not mentioned above	11%
Don’t know / Can’t say	2%

Column total exceeds 100% due to multiple responses for some participants.

All Bitcoin users were then asked the following:

Q7. What was your primary purpose in acquiring Bitcoin for the first time?

Participants were provided with a list of possible objectives for acquisition, including an option to specify another purpose not listed, or to answer “Don’t know” (or “Can’t say”).

As shown in Table 7.1, almost four in ten Bitcoin users acquired Bitcoin just to give it a try. A third of Bitcoin users purchased it for investment purposes, most notably participants who are male and employed.

TABLE 7.1—PURPOSE IN FIRST ACQUIRING BITCOIN

TOTAL PARTICIPANTS ANSWERING Q7 (N=223)

Just wanted to try it	39%
For investment purposes	33%
To purchase goods or services	13%
Cross-border currency transfer	4%
Add a method of payment for my business	4%
To secure a loan	3%
Another reason not shown above	4%
Don’t know / Can’t say	<1%

Column total exceeds 100% due to multiple responses for some participants.

All Bitcoin users were then asked the following:

Q8. Since using Bitcoin, what have you found to be its main *advantage(s)* as compared to traditional currency, if any?

Participants were provided with a list of possible advantages, the option to specify an advantage not listed, an option to state there are no advantages to using Bitcoin, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 8.1, the most frequent response was its ease of use, answered by more than a third of Bitcoin users (34%). This advantage was more frequently noted by younger age groups. A third of Bitcoin users answered its use for global or cross-border purposes.

TABLE 8.1—ADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY

TOTAL PARTICIPANTS ANSWERING Q8 (N=223)

Ease of use	34%
Global / Cross-border use	33%
No physical form	32%
Speed of processing	29%
Privacy	26%
Safety / Security	24%
Cost / Fees to use	22%
Price volatility	19%
Maintenance / Storage	16%
Transparency	16%

TABLE 8.1—ADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY

TOTAL PARTICIPANTS ANSWERING Q8 (N=223)

Account setup	11%
No advantage(s)	9%
Another specific advantage not shown above	2%
Don't know / Can't say	3%

Column total exceeds 100% due to multiple responses for some participants.

All Bitcoin users were then asked the following:

Q9. Since using Bitcoin, what have you found to be its main disadvantage(s) as compared to traditional currency, if any?

Participants were provided with a list of possible disadvantages, the option to specify a disadvantage not listed, an option to state there are no disadvantages to using Bitcoin, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 9.1, the most frequent disadvantage given was its price volatility, answered by more than four in ten Bitcoin users (42%). Price volatility was more frequently noted by male participants, located in Western Canada, and in an older age category.

Almost a quarter of participants answering Q9 each noted either the cost associated with Bitcoin (24%), or its safety / security (23%).

TABLE 9.1—DISADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY

TOTAL PARTICIPANTS ANSWERING Q9 (N=223)

Price volatility	42%
Cost / Fees to use	24%
Safety / Security	23%
Account setup	18%
No physical form	17%
Ease of use	16%
Speed of processing	13%
Maintenance / Storage	13%
Privacy	10%
Transparency	9%
No disadvantage(s)	5%
Global / Cross-border use	4%
Another specific disadvantage not shown above	4%
Don't know / Can't say	2%

Column total exceeds 100% due to multiple responses for some participants.

All Bitcoin users were then asked the following:

Q10. How would you rate your current level of satisfaction with using Bitcoin based on each of the following:

Bitcoin users were provided with seven factors related to Bitcoin usage and for each one, a set of satisfaction levels—*Very dissatisfied*, *Somewhat dissatisfied*, *Neither dissatisfied nor satisfied*, *Somewhat satisfied*, and *Very satisfied*. Participants were also able to state that the listed factor is not applicable to their circumstances. Results for each factor are shown below.

A. SETUP OF MY BITCOIN ACCOUNT / WALLET

As shown in Table 10.1, the majority of Bitcoin users (59%) were primarily satisfied with account / wallet setup, with more than three in ten answering they were **very** satisfied.

TABLE 10.1—SATISFACTION WITH ACCOUNT / WALLET SETUP	
TOTAL PARTICIPANTS ANSWERING Q10A (N=219)	
Very dissatisfied	5%
Somewhat dissatisfied	13%
Neither dissatisfied nor satisfied	23%
Somewhat satisfied	28%
Very satisfied	31%

Excludes four Bitcoin users who answered "Not applicable to me"

Participants most satisfied with this factor were those most familiar with cryptocurrency and those most specifically active with Bitcoin.

B. AVAILABLE BUSINESSES THAT ACCEPT BITCOIN FOR PAYMENT

As shown in Table 10.2, Bitcoin users expressed more dissatisfaction in this area (compared to most other factors inquired about), with almost four in ten participants noting at least some dissatisfaction, yet almost identical to the percentage satisfied.

TABLE 10.2—SATISFACTION WITH AVAILABLE BUSINESSES THAT ACCEPT BITCOIN PAYMENT	
TOTAL PARTICIPANTS ANSWERING Q10B (N=211)	
Very dissatisfied	15%
Somewhat dissatisfied	23%
Neither dissatisfied nor satisfied	24%
Somewhat satisfied	23%
Very satisfied	16%

Excludes twelve Bitcoin users who answered "Not applicable to me". Column total exceeds 100% due to rounding.

Those participants who had not previously transacted with Bitcoin were more dissatisfied than those who had.

C. PUBLIC / BUSINESS KNOWLEDGE ABOUT USING BITCOIN

As shown in Table 10.3, Bitcoin users skewed towards being dissatisfied with the general knowledge level. More than four in ten participants answered they were either somewhat or very dissatisfied.

TABLE 10.3—SATISFACTION WITH PUBLIC / BUSINESS KNOWLEDGE ABOUT USING BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q10C (N=219)	
Very dissatisfied	13%
Somewhat dissatisfied	28%
Neither dissatisfied nor satisfied	24%
Somewhat satisfied	22%
Very satisfied	13%

Excludes four Bitcoin users who answered "Not applicable to me"

Those participants who had not transacted with Bitcoin were notably more dissatisfied with the knowledge level than those who had.

D. INVESTMENT PERFORMANCE

Bitcoin users were primarily satisfied with how the cryptocurrency performed as an investment. As shown in Table 10.4, more than four in ten participants noted satisfaction in this area, with a quarter stating they are very satisfied.

TABLE 10.4—SATISFACTION WITH INVESTMENT PERFORMANCE	
TOTAL PARTICIPANTS ANSWERING Q10D (N=215)	
Very dissatisfied	9%
Somewhat dissatisfied	19%
Neither dissatisfied nor satisfied	26%
Somewhat satisfied	21%
Very satisfied	25%

Excludes eight Bitcoin users who answered “Not applicable to me”

The participants most satisfied with Bitcoin’s investment performance are those who are more active purchasers of Bitcoin, and those transacting with this cryptocurrency more frequently.

E. TRANSACTION SPEED

As shown in Table 10.5, the majority of Bitcoin users are satisfied with the speed of conducting transactions. Fewer than two in ten participants expressed dissatisfaction in this area.

TABLE 10.5—SATISFACTION WITH TRANSACTION SPEED	
TOTAL PARTICIPANTS ANSWERING Q10E (N=216)	
Very dissatisfied	5%
Somewhat dissatisfied	13%
Neither dissatisfied nor satisfied	22%
Somewhat satisfied	27%
Very satisfied	33%

Excludes seven Bitcoin users who answered "Not applicable to me"

Of those satisfied with the transaction speed of Bitcoin, those most satisfied were the participants most familiar with cryptocurrency, the more active purchasers of Bitcoin, and those transacting with Bitcoin more frequently.

F. TRANSACTION SECURITY

Of all factors assessed for their satisfaction level, transaction security displayed the highest level of consumer satisfaction. As shown in Table 10.6, more than six in ten Bitcoin users answered they are either somewhat or very satisfied.

TABLE 10.6—SATISFACTION WITH TRANSACTION SECURITY	
TOTAL PARTICIPANTS ANSWERING Q10F (N=217)	
Very dissatisfied	6%
Somewhat dissatisfied	12%
Neither dissatisfied nor satisfied	21%
Somewhat satisfied	31%
Very satisfied	31%

Excludes six Bitcoin users who answered "Not applicable to me". Column total exceeds 100% due to rounding.

Perhaps not surprising, the satisfaction level increased the more active the participant was in purchases of and transactions with Bitcoin.

G. MAINTENANCE / STORAGE PROCESS:

As shown in Table 10.7, almost six in ten Bitcoin users are satisfied with the process to maintain or store Bitcoin, with the majority of the other Bitcoin users neither satisfied nor dissatisfied.

TABLE 10.7—SATISFACTION WITH MAINTENANCE / STORAGE	
TOTAL PARTICIPANTS ANSWERING Q10G (N=215)	
Very dissatisfied	4%
Somewhat dissatisfied	11%
Neither dissatisfied nor satisfied	27%
Somewhat satisfied	29%
Very satisfied	29%

Excludes eight Bitcoin users who answered “Not applicable to me”

Again, the satisfaction level increased the more active the participant was in purchases of, and transactions with, Bitcoin.

All Bitcoin users were then asked the following:

Q11. What about Bitcoin needs to be improved, if anything?

Participants were provided with a list of possible improvements, the option to specify an improvement not listed or to state there are no improvements necessary, or an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 11.1, the most frequent response from Bitcoin users was the need to improve the number of vendors accepting Bitcoin for payment, answered by 45% of participants. An equal percentage noted the need to improve general awareness. Almost a third of Bitcoin users referred to the price per unit, referring either to its value or level of volatility.

TABLE 11.1—IMPROVEMENTS TO BITCOIN

TOTAL PARTICIPANTS ANSWERING Q11 (N=223)

Number of vendors that accept Bitcoin for payment	45%
General awareness	45%
Price per unit (i.e. value or volatility)	32%
Process to use Bitcoin to buy goods or services	31%
Security of wallet / account	28%
Process to purchase Bitcoin	24%
Speed of transaction	19%
Maintenance / Storage process	18%
Account setup / Exchanges that offer Bitcoin	17%
Privacy	15%
No improvements necessary	1%
Another specific reason or reasons not shown above	2%
Don't know / Can't say	3%

Column total exceeds 100% due to multiple responses for some participants.

Those expressing a need to improve the number of vendors who accept Bitcoin payments were higher for male participants, and increasing for those in older age categories, and for those resident in Western regions vs. the rest of Canada.

This need was also expressed significantly more frequently by those Bitcoin users who had not transacted in the recent past, presumably due to their preferred vendors not making this option available.

Bitcoin users who answered Q11 were then skipped ahead to Q16 in the 'Future State of Bitcoin' section of the survey.

QUESTIONS FOR NON BITCOIN USERS

Non-Bitcoin users determined after Q4 were skipped ahead and asked the following:

Q12. What is the primary reason (or reasons) that you have not owned or transacted Bitcoin in the last 12 months?

Participants were provided with a list of potential reasons, including an option to specify another reason not listed, or to answer "Don't know" (or "Can't say").

As shown in Table 12.1, more than six in ten non-Bitcoin users answered they were not familiar or comfortable enough with Bitcoin. Almost four in ten participants noted the price volatility of Bitcoin as a reason.

TABLE 12.1—REASON(S) FOR NOT OWNING / TRANSACTING BITCOIN

TOTAL PARTICIPANTS ANSWERING Q12 (N=686)

Not familiar / comfortable enough	62%
Price volatility	39%
Not enough benefits for me	27%
Security	25%
Vendors who accept for payment	23%
No physical form	19%

TABLE 12.1—REASON(S) FOR NOT OWNING / TRANSACTING BITCOIN

TOTAL PARTICIPANTS ANSWERING Q12 (N=686)	
Reputation	12%
Transaction process	10%
Privacy	9%
Maintenance or storage process	9%
Speed	2%
Use other type(s) of cryptocurrency instead	2%
Another specific reason or reasons not shown above	7%
Don't know / Can't say	5%

Column total exceeds 100% due to multiple responses for some participants.

Female participants noted their lack of comfort (or unfamiliarity) with Bitcoin significantly more than did male participants.

Participants referencing price volatility as a reason was higher for those resident in Western regions, compared to elsewhere in Canada. As well, references to price volatility increased for participants as their level of education increased, suggesting a greater understanding of the risks related to this factor.

All non-Bitcoin users were then asked the following:

Q13. What would motivate you to try using Bitcoin for the first time?

Participants were provided with a list of possible motivations, the option to specify a motivation not listed, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 13.1, the most frequent response was the need to learn more about how to purchase or use Bitcoin, answered by almost half of non-users. Almost four in ten non-users referred to more vendors who accept Bitcoin as a method of payment. A similar proportion of non-users stated the need for less price volatility (or a lower price).

TABLE 13.1—MOTIVATORS TO USE BITCOIN FOR THE FIRST TIME	
TOTAL PARTICIPANTS ANSWERING Q13 (N=686)	
Learning more about how to purchase / use it	48%
More vendors making it available for payment	39%
Less price volatility / Lower price	38%
Learning (more) about the benefits over traditional currency	36%
More comfort in the security / privacy aspect	34%
More comfort in how to maintain / store it	33%
More exchanges making it available for sale	20%
Advice from an investment advisor	18%
Referral from another Bitcoin user	18%
More media exposure / public awareness	14%
Another specific reason or reasons not shown above	2%
Don't know / Can't say	13%

Column total exceeds 100% due to multiple responses for some participants.

Female participants referred to their need to learn more about Bitcoin use significantly more than did male participants. An increase in available vendors was noted more frequently as the level of participant education increased. Lower price volatility was found to be a greater motivator for use with those participants in Western Canada.

All non-Bitcoin users were then asked the following:

Q14. If you have an opinion, what do you think would be the main advantage(s) of using Bitcoin as compared to traditional currency, if any?

Participants were provided with a list of possible advantages, the option to specify an advantage not listed, an option to state there are no advantages, and an option to answer "Don't know" (or "Can't say").

As shown in Table 14.1, the most frequent response was global / cross-border use, answered by almost four in ten non-Bitcoin users (39%). More than two in ten participants referenced the lack of physical form (22%), while a similar percentage answered its ease of use (21%).

TABLE 14.1—PERCEIVED ADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY	
TOTAL PARTICIPANTS ANSWERING Q14 (N=686)	
Global / Cross-border use	39%
No physical form	22%
Ease of use	21%
Speed of processing	18%
Privacy	15%
Cost / Fees to use	15%
Safety / Security	13%
Transparency	11%

TABLE 14.1—PERCEIVED ADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY

TOTAL PARTICIPANTS ANSWERING Q14 (N=686)

Maintenance / Storage	7%
Price volatility	5%
Account setup	4%
Another specific advantage not shown above	1%
No advantage(s)	11%
No opinion / Don't know / Can't say	17%

Column total exceeds 100% due to multiple responses for some participants.

Global / cross-border use is perceived as an advantage of Bitcoin more so by single / non-married participants, and those with a greater familiarity with cryptocurrency in general.

All non-Bitcoin users were then asked the following:

Q15. If you have an opinion, what do you think would be the main disadvantage(s) of using Bitcoin as compared to traditional currency, if any?

Participants were provided with a list of possible disadvantages, the option to specify a disadvantage not listed, an option to state there are no disadvantages, and an option to answer “Don't know” (or “Can't say”).

As shown in Table 15.1, almost half of participants answering Q15 noted the price volatility of Bitcoin (46%). Four in ten non-Bitcoin users answered its safety / security.

TABLE 15.1—PERCEIVED DISADVANTAGES OF BITCOIN COMPARED TO TRADITIONAL CURRENCY	
TOTAL PARTICIPANTS ANSWERING Q15 (N=686)	
Price volatility	46%
Safety / Security	40%
No physical form	28%
Cost / Fees to use	25%
Privacy	18%
Maintenance / Storage	14%
Account setup	11%
Transparency	11%
Ease of use	10%
Global / Cross-border use	8%
Speed of processing	7%
Another specific disadvantage not shown above	2%
No advantages	1%
No opinion / Don't know / Can't say	13%

Column total exceeds 100% due to multiple responses for some participants.

The perception of price volatility as a disadvantage of Bitcoin increased with age, the level of education, and the familiarity level with cryptocurrency. It was also significantly higher for those not currently employed.

All non-Bitcoin users answering Q15, and Bitcoin users skipped ahead earlier, were then asked questions about their perceptions of the future state of Bitcoin, both personally and for the Canadian marketplace.

FUTURE STATE OF BITCOIN

Q16. In the next 12 months, do you intend to either purchase new Bitcoin or transact with existing Bitcoin?

As shown in Table 16.1, current Bitcoin users are statistically more likely to utilize Bitcoin in the next 12 months than current non-users. However, fewer than two-thirds of current users confirmed their intentions to purchase or use Bitcoin.

For non-Bitcoin users, less than one in ten noted their intention to use Bitcoin in the coming year. However, more than a third stated uncertainty in their expectations.

TABLE 16.1—INTENTION TO PURCHASE OR TRANSACT BITCOIN			
	BITCOIN USERS (N=223)	NON-BITCOIN USERS (N=686)	TOTAL PARTICIPANTS (N=909)
Yes	60%	6%	20%
No	26%	56%	48%
Don't know / Can't say	14%	38%	32%

Those more likely to purchase or transact in Bitcoin in the near future can be profiled as male, 18 – 34, more active in online shopping, more familiar with the concept of cryptocurrency, and those with previous experience using Bitcoin.

Those participants answering “No” to Q16 were skipped ahead to Q19. Those participants answering “Don’t know” / Can’t say” were instead skipped ahead to Q20. All participants answering affirmatively to Q16 were asked the following:

Q17. For what purpose(s) will you use Bitcoin in the next 12 months?

Participants were provided with a list of potential purposes for use, including an option to specify another purpose not listed, or to answer “Don’t know” (or “Can’t say”).

As shown in Table 17.1, the majority of participants answering Q17 stated that Bitcoin will be used for investment purposes (57%). Almost half of participants (49%) answered that Bitcoin will be used to purchase goods or services.

TABLE 17.1—PURPOSE FOR USE OF BITCOIN IN NEXT 12 MONTHS	
TOTAL PARTICIPANTS ANSWERING Q17 (N=178)	
For investment purposes	57%
To purchase goods or services	49%
Cross-border currency transfer	19%
Just want to try it	19%
Add a method of payment for my business	15%
To secure a loan	10%
Another reason not shown above	2%
Don’t know / Can’t say	2%

Column total exceeds 100% due to multiple responses for some participants.

Male participants are more likely to use Bitcoin for investment purposes, or to purchase goods or services, as compared to female participants. Purchases of goods and services using Bitcoin is a more frequently stated purpose for those previously owning or transacting with Bitcoin, and increases based on past Bitcoin usage.

For non-Bitcoin users, four in ten answered that they just want to try it.

Participants answering Q17 were then asked the following:

Q18a. In the next 12 months, how many individual purchases of Bitcoin do you think you may complete?

Participants were provided with a list of estimated purchase levels, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 18.1, the most frequent response from participants was an estimate of two to three purchases (40%).

TABLE 18.1—ESTIMATED PURCHASES OF BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q18A (N=178)	
No purchases	2%
1 purchase	17%
2 – 3 purchases	40%
4 – 5 purchases	14%
Over 5 purchases	16%
Don’t know / Can’t say	11%

A greater number of expected purchases were noted by those participants who were previously active in Bitcoin use.

All participants answering Q18a were then asked the following:

Q18b. In the next 12 months, how many individual transactions using Bitcoin do you think you may complete, whether for goods / services, person-to-person transfers or other purposes?

Participants were provided with a list of transaction levels, and an option to answer “Don’t know” (or “Can’t say”).

As shown in Table 18.2, the majority of participants expect to conduct at least three transactions.

TABLE 18.2—ESTIMATED TRANSACTIONS USING BITCOIN	
TOTAL PARTICIPANTS ANSWERING Q18B (N=178)	
No transactions	6%
1 – 2 transactions	26%
3 – 5 transactions	28%
6 – 10 transactions	11%
11 – 20 transactions	9%
Over 20 transactions	8%
Don't know / Can't say	13%

Column total exceeds 100% due to rounding.

Similar to expected Bitcoin purchases, a greater number of expected transactions are anticipated by those participants who were previously active with Bitcoin.

Participants answering Q18b were then skipped ahead to Q20. Those participants who earlier answered they did not intend to purchase or transact Bitcoin in the next 12 months were asked the following:

Q19. Please indicate any reasons that you will not be purchasing or using Bitcoin in the next 12 months?

Participants were provided with a list of potential reasons, including an option to specify another reason not listed, or to answer “Don’t know” (or “Can’t say”).

As shown in Table 19.1, more than four in ten participants (43%) answered they are not familiar or comfortable enough with Bitcoin. More than a third of participants (39%) stated that Bitcoin does not offer enough benefits to purchase or use. A similar percentage (37%) noted their concerns with Bitcoin’s price volatility.

TABLE 19.1—REASON(S) FOR NOT PURCHASING OR USING BITCOIN

TOTAL PARTICIPANTS ANSWERING Q19 (N=440)	
Not familiar / comfortable enough	43%
Not enough benefits for me	39%
Price volatility	37%
Security	25%
Vendors who accept for payment	21%
No physical form	17%
Privacy	14%
Reputation	13%
Maintenance or storage process	9%
Transaction process	9%
Speed	4%
Use other type(s) of cryptocurrency instead	2%
Another specific reason or reasons not shown above	5%
Don't know / Can't say	5%

Column total exceeds 100% due to multiple responses for some participants.

Those participants answering a lack of familiarity or comfort were more frequently female and non-users of Bitcoin, and increased for participants resident from Western Canada to Eastern Canada.

Those participants referring to the price volatility of Bitcoin were more frequently male, and increased with the age category of the participants.

For current Bitcoin users, the most frequent response was “Price volatility” noted by over a third of these participants (35%). This was followed by answers of “Not enough benefit to me”, answered by almost a third of Bitcoin users (32%).

All participants aware of Bitcoin were then asked about estimated usage of Bitcoin across Canada, as follows:

Q20. Please think about the general usage of Bitcoin by Canadians moving forward, whether for business or personal use. If you have an opinion how much do you estimate total usage of Bitcoin in Canada (in terms of value of Bitcoin transacted) will change over the next 3 years?

- Increase by more than 25%
- Increase by 10 – 25%
- Increase by less than 10%
- No change
- Decrease by less than 10%
- Decrease by 10 – 25%
- Decrease by more than 25%

As shown in Table 20.1, the majority of participants expect usage of this cryptocurrency to increase in the next 3 years, with three in ten participants estimating an increase of at least 10%. This bullishness towards Bitcoin usage is more prevalent with those more familiar with cryptocurrency, as well as current Bitcoin users over non-users.

TABLE 20.1—ESTIMATED CHANGE IN TOTAL USAGE OF BITCOIN IN CANADA			
	BITCOIN USERS (N=223)	NON BITCOIN USERS (N=686)	TOTAL PARTICIPANTS ANSWERING Q20 (N=909)
Increase by more than 25%	19%	5%	9%
Increase by 10 – 25%	24%	20%	21%

TABLE 20.1—ESTIMATED CHANGE IN TOTAL USAGE OF BITCOIN IN CANADA

	BITCOIN USERS (N=223)	NON BITCOIN USERS (N=686)	TOTAL PARTICIPANTS ANSWERING Q20 (N=909)
Increase by less than 10%	16%	27%	24%
No change	16%	16%	16%
Decrease by less than 10%	9%	6%	6%
Decrease by 10 – 25%	6%	6%	6%
Decrease by more than 25%	4%	4%	4%
No opinion / Don't know / Can't say	5%	16%	14%

Column that does not total to 100% due to rounding.

All participants answering Q20, and those unfamiliar with the concept of cryptocurrency or unaware of Bitcoin specifically, were then asked a series of categorizing questions to conclude the survey.

Research Summary and Conclusion

An online survey was conducted among 1226 Canadian consumer respondents who currently hold and / or transact in Bitcoin, or were profiled as a non (but potential) Bitcoin user. The purpose of the survey is to understand the advancement of Bitcoin from the vantage point of consumer sentiment.

The key findings of the study are as follows:

- The growth of cryptocurrency for consumer use is still in its infancy. While Bitcoin has made significant headway in awareness, a key barrier to ongoing advancement is that the majority of consumers are not yet familiar or comfortable enough with the concept.
- Consumer intrigue and investment growth have spurred adoption of Bitcoin thus far, and will continue to drive potential usage moving forward.
- Once a consumer takes the step to purchase or transact with Bitcoin, he / she is predominantly satisfied with the experience.
- While not frequently featured as a prime selling point of Bitcoin, global / cross-border use is perceived by the consumer market as offering an important comparable benefit to traditional currency.
- While price volatility has opposing effects on consumer sentiment, for most it creates discomfort and is a core obstacle to trial or continued usage.
- When it comes to Bitcoin adoption for purchasing goods or services, there is a “chicken and egg” scenario between consumers and merchants—consumers want greater access from merchants to incent them to use Bitcoin—merchants want greater interest from consumers to incent them to add (or expand) Bitcoin as a payment option.
- There is a clear gap between initial consumer perceptions about the safety / security of Bitcoin, compared to subsequent perceptions after experiencing use.
- Consumers are primarily bullish on expected use of Bitcoin by Canadians for the foreseeable future.

- For growth in the Bitcoin market to continue, it will need to be fueled by ongoing initiatives aimed at awareness and education.

In summary, this tracking study found the advancement of Bitcoin in the Canadian consumer marketplace to be in its early stages of evolution.

The majority of non but potential Bitcoin users are already aware of the concept, intrigued by the notion and potential advantages, but just not familiar or comfortable enough with the process and state of the marketplace to try it as of yet, or have plans to in the near future.

Those consumers who have already adopted the technology are, for the most part, satisfied with the experience, and are just starting to realize specific advantages they perceive compared to traditional currency. However, a notable percentage of existing users are hesitant about their future intentions, and weighing reasons for and against its continued use.

For both sectors, the volatile price of a digital currency in its infancy, while attracting more active investors, has been and will continue to be a key deterrent to trial. The same can be said for acceptance by the retail business channel, likely waiting (possibly in vain) for consumer interest to energize its own involvement.

When looking forward (and based solely on consumer sentiment while assuming no substantial challenges presented in the legal or regulatory community), a forecast for slow to moderate growth in the consumer market can likely be anticipated. The success to convert non-users and reactivate non-active users will be a key factor to the extent of Bitcoin's progression, as will reducing the gap between perceptions of potential users, and the prospective reality once acquiring and using the currency.

This will likely be a longer-term evolution, treated by consumers for some time as a complement to traditional currency (rather than a replacement), and driven by organic growth generated by ongoing publicity and word of mouth. For more rapid growth to occur, Bitcoin stakeholders will need to respond to the impediments noted above, and deliver on more proactive efforts aimed at awareness and education.

One final note: While this survey has uncovered valuable information about the current and potential advancement of Bitcoin, one should be cautioned that this study is a "point-in-time" assessment. Financial markets in their early stages of development can be impacted by many factors and subject to wide swings, much like Bitcoin's price to date. Further insight can and should be accomplished through future tracking against current study benchmarks, expanded questioning of certain sentiments to obtain a deeper understanding, ongoing assessment of the opinions and attitudes of other stakeholders (e.g., retail vendors, knowledge leaders), and the use of additional sentiment analysis methodologies (such as social media monitoring). It will certainly be interesting to continuously monitor the acceptance of digital currency and learn how significant the Bitcoin wave will disrupt the means by which we use physical currency, and in what new ways Bitcoin and its Blockchain technology will be leveraged by the consumer market moving forward. Stay tuned for updates as they arrive "bit by bit".



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