CHAPTER V

CONCLUSION

5.1 Conclusion

This study set out to explore the behavioral dynamics of cryptocurrency investors in Indonesia by analyzing the influence of four external factors trust, regulation, digital access, and risk perception while also investigating the mediating role of psychological empowerment. Based on empirical data collected from 150 active crypto investors, the study revealed that trust, regulation, and digital access significantly and positively influence investor behavior. Investors who perceived cryptocurrency platforms as secure, regulations as protective, and digital infrastructure as accessible are more likely to participate actively in crypto markets. This indicates that external environmental conditions play a foundational role in facilitating or hindering investment decisions.

Risk perception, on the other hand, exhibited a positive and not significant influence on investor behavior. This means that although some investors perceived cryptocurrency as risky, such perceptions do not necessarily deter them from participating possibly due to speculative motivations or high return expectations. However, the presence of psychological empowerment defined as the investor's sense of competence, autonomy, and self-determination was found to significantly mediate the relationship between these external factors and investment behavior. Empowered investors demonstrated greater resilience toward market risks and uncertainty, showing a higher likelihood of engaging in investment activities despite recognizing the inherent risks. In essence, while external conditions create the environment for investment, internal empowerment determines whether and how investors act within that environment.

Overall, the study concludes that investor behavior in Indonesia’s cryptocurrency market is a function of both environmental enablers and internal psychological readiness. Trust in platforms, clarity in regulation, ease of digital access, and subjective risk perceptions all matter, but their effects are amplified or dampened depending on the investor's psychological empowerment. The findings underscore the complexity of investment decision-making and support the use of integrated theoretical models such as Behavioral Finance and the Theory of Planned Behavior in explaining such behavior.

This research contributes to the theoretical development of investment behavior studies by integrating psychological empowerment as a mediating variable in the relationship between trust, regulation, digital access, and risk perception, specifically within the cryptocurrency market in Indonesia. While prior studies have predominantly examined these constructs in developed economies, this study contextualizes them in an emerging market setting, thereby enriching cross-cultural investment behavior literature. From a practical standpoint, the findings provide insights for Indonesian regulators, financial institutions, and cryptocurrency platforms to design strategies that strengthen investor trust, improve regulatory frameworks, expand digital access, and address perceived risks, ultimately fostering more informed and empowered investment decision-making in Indonesia's rapidly evolving digital financial ecosystem.

5.2 Research Implications

The results of this study carry meaningful implications for both theoretical development and practical application. From a theoretical standpoint, this research contributes to the literature on behavioral finance and technology adoption by emphasizing the role of psychological empowerment as a mediating variable. While prior studies have extensively examined trust, regulation, and access in financial contexts, few have positioned psychological empowerment as a central mechanism through which these external variables affect actual investment behavior. The findings validate and extend the Theory of Planned Behavior (TPB), particularly the dimension of perceived behavioral control, by demonstrating how investor self-belief and autonomy mediate the effects of external conditions on action.

Practically, this study offers critical insights for multiple stakeholders. For regulators and policymakers, the findings highlight the importance of crafting clear, consistent, and investor-friendly regulations to enhance confidence and participation. Regulatory bodies such as OJK and Bappebti must focus not only on compliance and oversight but also on public communication and investor education to foster a secure and trustworthy environment. For cryptocurrency platforms and financial institutions, building robust security systems, ensuring transparency in data reporting, and simplifying user interfaces can improve user trust and digital access. Furthermore, educational tools and empowerment-focused content (such as tutorials, risk management guides, and portfolio tools) can help enhance user competence and decision-making confidence.

For investors themselves, the research underscores the importance of developing psychological empowerment through financial literacy, experience, and strategic thinking. Investors who feel in control of their decisions and capable of managing risks are more likely to thrive in volatile markets. This suggests that self-development, education, and peer engagement are as vital as technical tools or market timing in building sustainable investment practices. In a rapidly evolving financial landscape like cryptocurrency, where uncertainty is inherent, psychological empowerment serves as a crucial buffer and catalyst for informed investor behavior.

5.3 Limitations and Future Research

This study has several limitations that should be acknowledged. First, the use of non-probability purposive sampling limits the generalizability of the findings to the broader population of cryptocurrency investors in Indonesia. Second, the data collection period was cross-sectional and limited to a specific timeframe, which may not fully capture changes in investor behavior influenced by market volatility or regulatory developments over time. Third, the study focuses on four independent variables trust, regulation, digital access, and risk perception while other potentially influential factors such as financial literacy, cultural values, and market sentiment were not included. These limitations present opportunities for future research to employ longitudinal designs, broader sampling strategies, and an expanded set of variables to obtain a more comprehensive understanding of cryptocurrency investment behavior.

While the study offers valuable insights, in addition, there are also some limitations. First, the sample was limited to individual cryptocurrency investors in Indonesia, with a heavy concentration of male respondents (97%) and younger age groups (mostly under 40 years). This demographic skew may affect the generalizability of the findings to older investors, women, or institutional participants. Future studies should aim for more diverse samples to improve representation across gender, age, region, and professional background.

Second, the study used a cross-sectional design, capturing investor perceptions and behaviors at a single point in time. This approach limits the ability to observe how behavior evolves in response to changing market dynamics, regulatory updates, or personal experiences over time. Longitudinal studies could be conducted in the future to track behavioral changes and test causality more effectively. Additionally, the reliance on self-reported data introduces potential bias, such as overestimation of confidence or underreporting of risky behavior. Although the use of Likert scales provides standardization, it cannot fully capture the complexity and nuance of individual decision-making processes.

Future research could also investigate other psychological or emotional factors such as financial anxiety, overconfidence, or Fear of Missing Out (FOMO) that may influence investor behavior in the crypto space. These elements could be tested as moderators or additional mediators. Moreover, comparative studies across countries or between regulated and unregulated crypto environments could provide a more global perspective on the interaction between external frameworks and internal investor traits. Finally, with the rapid emergence of decentralized finance (DeFi), NFTs, and blockchain innovations, future studies might explore how psychological empowerment operates in newer areas of crypto-finance beyond traditional token investment.