

# Understanding consumer-based brand equity in the crypto market

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Cite as:

Boukis Achilleas (2022), Understanding consumer-based brand equity in the crypto market . *Proceedings of the European Marketing Academy*, 50th, (111797)

Paper from the EMAC Regional 2022 Conference, Kaunas, Lithuania, September 21-23, 2022



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## Abstract

Understanding consumer-based brand equity in the crypto market Abstract This exploratory study uses a qualitative approach to understand consumer-based brand equity (CBBE) in the cryptocurrency context. Drawing on thirty-two semi-structured interviews with crypto users, findings reveal three main sources of CBBE for crypto brands. Also, we provide insights into the nature and features of blockchain technology and how it influences consumers' attitude towards crypto brands. Our findings also reveal the key elements of cryptos' brand identity as well as various psychological factors that influence consumer perceptions of crypto brands. Keywords: cryptocurrency, consumers, blockchain

1. Introduction Cryptos are heralded as the harbinger of a new era for peer-to-peer transactions, rendering Bitcoin and Ripple as iconic global brands (CoinMarketCap, 2020). Despite the massive attention that these assets have attracted with the total capitalization of the market skyrocketing at around \$ 1bn in 2020, scarce insights exist around how consumers experience this new type of platform brands and which the determinants of consumer-based brand equity (CBBE) in the crypto market are (Wichmann et al., 2022). In fact, no empirical insights investigate how cryptos' brand identity shapes consumer cognitive and emotional responses towards cryptos in this high-risk, volatile and unregulated market (White et al., 2020). Also, issuers know very little around how blockchain features influence consumers' behavioral responses to Initial Coin Offerings (ICOs), through which most new cryptocurrencies are launched (Bellavitis et al., 2021). Given the high-failure rates among start-ups attempting to launch new cryptos as well as numerous scams in the market, a more thorough understanding is needed around the determinants of consumer-based brand equity in the crypto market. This study aspires to shed light in the determinants of CBBE in the crypto market. To achieve this goal, an exploratory approach is adopted through conducting thirty-two depth interviews with crypto owners in the UK. Our findings extend the technology and branding literatures in three ways. First, we uncover three group of determinants (blockchain-based, crypto brand identity, psychological determinants) that CBBE in the cryptocurrency market. Additionally, we provide insights on how the features of blockchain technology shape consumer attitudes towards crypto brands. Our findings also reveal the key elements of cryptos' brand identity (i.e. white papers, brand purpose, ICOs) in ICOs as well as some psychological factors (i.e. psychological distance, escapism, curiosity) that shape consumer perceptions of crypto brand equity.

**Keywords:** *cryptocurrency, consumer-based brand equity, blockchain*