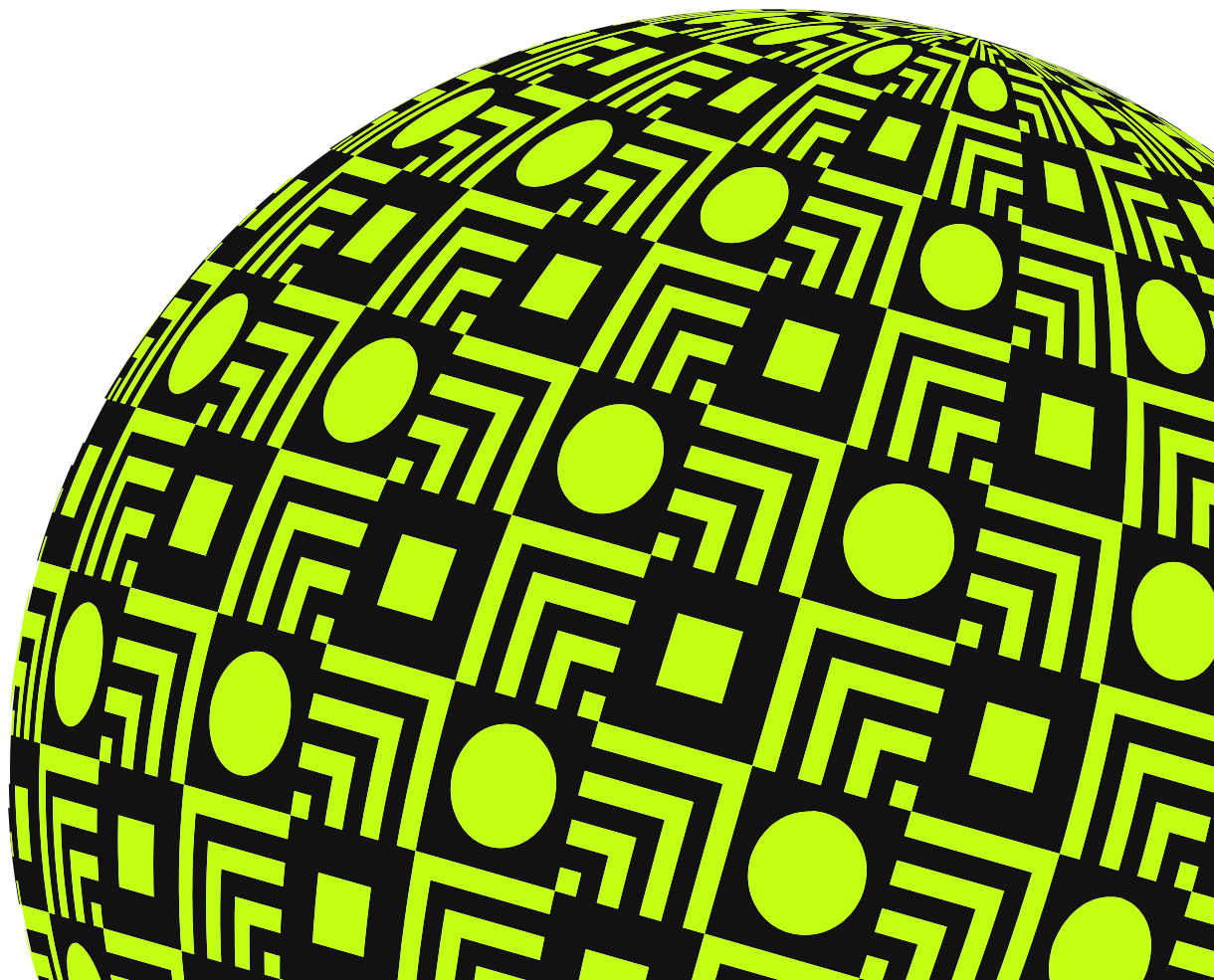


GLOBAL REPORT

Global Survey on Crypto and Web3

A study by Consensys with YouGov data



Executive summary

Consensys and YouGov's Global Survey on Crypto and Web3 aims to provide insights into perceptions and understandings of crypto and web3 across the globe. The survey goes beyond the typical questions about people's investment in crypto assets and explores topics such as data privacy, digital ownership, the crypto carbon footprint, and the recent crypto news cycle. YouGov interviewed 15,158 people aged 18 - 65 across 15 countries in North and South America, Europe, Africa and Asia to form the survey results.

The expanded scope of this survey seeks to understand people's knowledge and perceptions of web3 technology and includes their concerns about data privacy and beliefs around being compensated for the value they add to the internet. The ultimate goal of the survey is to provide a greater understanding of how web3 can support a growing community inspired to build the next generation of the Internet.

Web3 is defined as the third generation of internet services that are emerging through the use of blockchain technology, to create a user-centric web where people own and control their data. Utilizing smart contracts, decentralized finance (DeFi), and other decentralized applications (dapps), web3 fosters a more secure, private, and open internet. Emphasizing peer-to-peer interactions, it reduces reliance on centralized entities, creating new economic systems and business models using web3 foundations like cryptocurrencies, non-fungible tokens (NFTs), and decentralized autonomous organizations (DAOs).

While 92% of respondents reported an awareness of cryptocurrencies, only 8% were very familiar with the concept of web3. Respondents were given a definition of cryptocurrencies after their initial response to their level of awareness. Cryptocurrencies were defined as "a digital currency in which transactions are verified and records maintained by a public ledger (blockchain) using cryptography, rather than by a centralized authority."

The survey highlights a disconnect between public perceptions of web3 and its potential to be the solution to core issues raised by respondents about privacy and digital ownership on the Internet today. Key insights from the survey include:

- People have a broad awareness of crypto, but a shallow understanding of concepts such as centralized exchanges and self-custody.
- A strong belief exists amongst respondents that they add value to the internet and should be better compensated for their contributions.
- There is a desire among respondents to own the things they make on the internet with the concept of digital ownership emerging as a solution.
- People believe privacy is important and they should have more control over their online identities.
- People associate crypto more with the future of money and the Internet, than with scams and speculation.
- Trust in current internet service providers has been weakened.

Consensys views the above trends as indicative of a desired shift towards a more equitable online landscape that is facilitated by crypto and web3, through scalable peer-to-peer coordination. Individuals engaging with crypto and web3, whether through software development, crypto asset staking, or involvement with Non-Fungible Tokens (NFTs), are not merely users but active contributors and builders of the ecosystem. This signifies a “new age of the builder” in which builders retain agency, enjoy ownership and receive rewards for their contributions to the Internet.

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Introduction

Consensys conducted a global web3 perception survey. This multi-country study aims to provide a global and regional view of the perceptions around web3 and its various dimensions: blockchain technology, cryptocurrencies, NFTs, the metaverse, and others. It also aims to understand people's feelings about the Internet in its current state, data privacy, and evaluates current events affecting the sector, such as the impact of the bankruptcies experienced by some cryptocurrency companies.

YouGov was commissioned by Consensys to conduct this study, covering 15 countries across all continents. To answer the questions and hypotheses on the web3 ecosystem, 32 questions were administered to a representative sample of each country's population between April 26th and May 18th, 2023. Altogether, YouGov interviewed 15,158 people aged 18 - 65 across 15 countries: Argentina, Brazil, France, Germany, India, Indonesia, Japan, Mexico, Nigeria, South Africa, South Korea, The Philippines, the UK, the US, and Vietnam.

The data collected was weighted on age, gender, and region to ensure representation of the national populations, and it was analyzed afterwards by YouGov, an international online research data and analytics technology group.

1.0 Report purpose

The crypto industry has a significant opportunity to re-engage with the broader public on the potential of blockchain technology. Despite significant and broad-based awareness of cryptocurrencies, this awareness has not resulted in a deep public understanding of terms such as web3 and self-custody. This lack of deep understanding and mass adoption coincides with the public reporting of global growing concerns over data privacy and consumer protection and a desire for greater control and agency over their data and contributions to the internet.

These underlying beliefs and impressions emphasize the desire for web3, a new decentralized, transparent and blockchain-based internet that is not controlled by centralized, all-seeing entities. Web3's fundamental tenet of decentralization to empower individuals with control over their own data and privacy holds significant potential to be seen as a solution for people's frustrations with the current iteration of the internet.

Since Bitcoin's inception in 2009, public discourse surrounding the crypto industry has been dynamic and primarily focused on "Money Crypto". This includes fluctuations in currency prices, such as Ethereum (ETH), Litecoin (LTC), and others, and the regulatory and legal troubles of centralized exchanges such as FTX.

While these issues have garnered significant media and popular attention, it ignores a significant element of the crypto industry and its efforts to build web3. "Tech Crypto", as it has been termed, describes the ongoing efforts to build peer-to-peer computer networks where participants transact by interacting with globally accessible software. Tech Crypto is not concerned about price fluctuations in cryptocurrencies, it is focused on the underlying software.

Software is not as exciting or subject to "click-bait" as token gambling, leading to a public discourse on "crypto" that is volatile and focused on Money Crypto. This is why builders of web3 are focused on how they can reframe and reconnect with the public around Tech Crypto. The existing dynamic and shallow understandings of "crypto" and web3 underlines the need for the sector to build trust and understanding of web3's potential, by appropriately understanding the public's perceptions and attitudes towards the technology.

This report aims to delve into the global opinions and understanding of crypto and web3 and explore the potential for its adoption in the face of global data privacy concerns and the desire for more control and ownership of people's engagement on the internet. The findings could provide valuable insights into the dynamics of the evolving digital landscape and help shape the future of web3 and its place in our everyday lives.

2.0 Perceptions:

Data privacy, value creation, and the current financial system

How do people feel about the current financial ecosystem? Are they concerned about their data privacy? Would they like to have more control over their identity on the Internet? Finally, do they think that they add value to the internet?

2.1 Concerns around data privacy

Globally 83% of people strongly agree or slightly agree that data privacy is important to them.

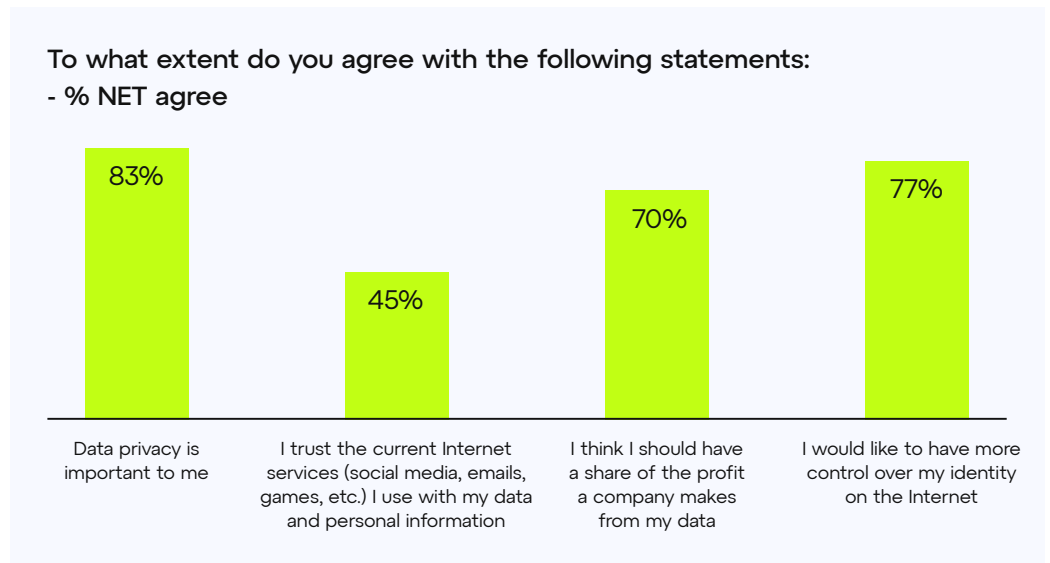


Figure 1 Global respondents

However, only 45% of respondents trust how current internet services (e.g. social media, emails, games, etc.) use their data and personal information. Additionally, 79% of the people surveyed would like to have more control over their identity on the Internet and 70% believe they should have a share of the profit a company makes from their data.

Note: US= USA - BR = Brazil - AR = Argentina - MX= Mexico - FR= France - DE= Germany - UK= United Kingdom - PH= Philippines - VN = Vietnam - IN= India - ID= Indonesia - JP = Japan - SK= South Korea - NG= Nigeria - ZA= South Africa

In Nigeria and Indonesia, respondents have a higher level of trust in their data usage, but they are also more likely to want a stronger control of their online identity and have higher expectations regarding the sharing of profits generated from their data.

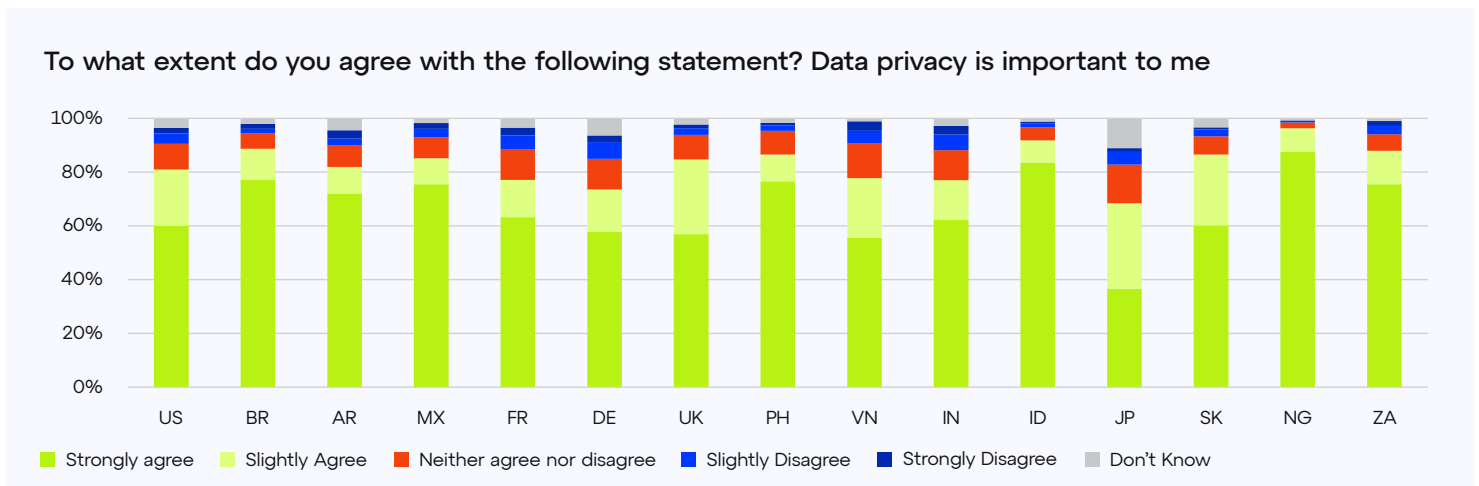


Figure 2

2.2 Views around the value they create on the internet

There is a strong sense of value and ownership among respondents, with 50% believing they add value to the internet and 67% asserting their right to own the things that they make online. However, only 38% feel adequately compensated for their creative contributions. Respondents from France, Germany and Japan have a lower sense of value and ownership over the things they make on the internet and at the same time feel less compensated for their contributions.

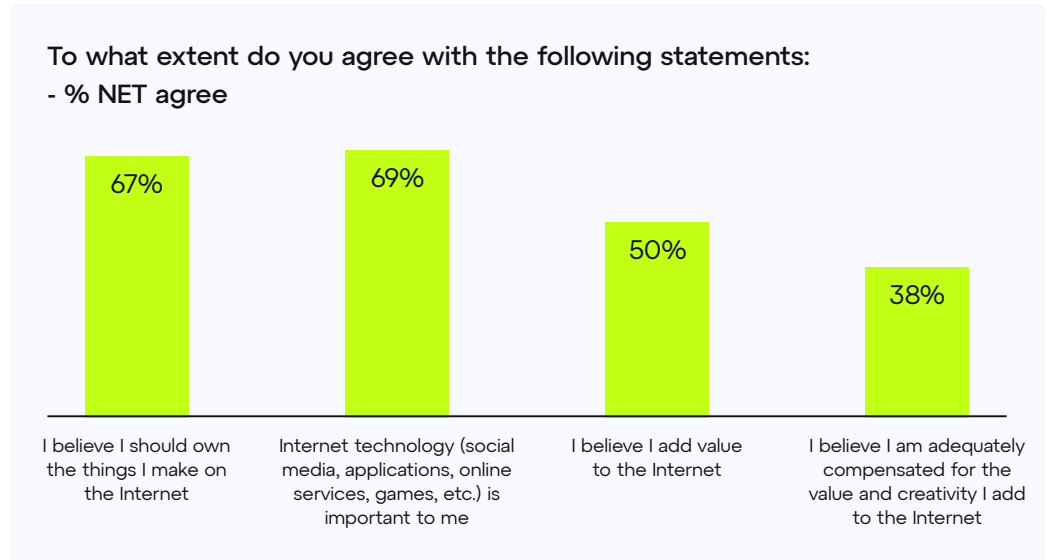


Figure 3

2.3 Perceptions around the current financial ecosystem

Most people believe that the financial system could be improved. This feeling is significantly strong in Nigeria. Moreover, the majority of respondents agree that the technology can help transform or rebuild the ecosystem. Countries such as Nigeria, South Africa, Brazil, Vietnam, the Philippines, India, and Indonesia show an even higher level of agreement in this regard.

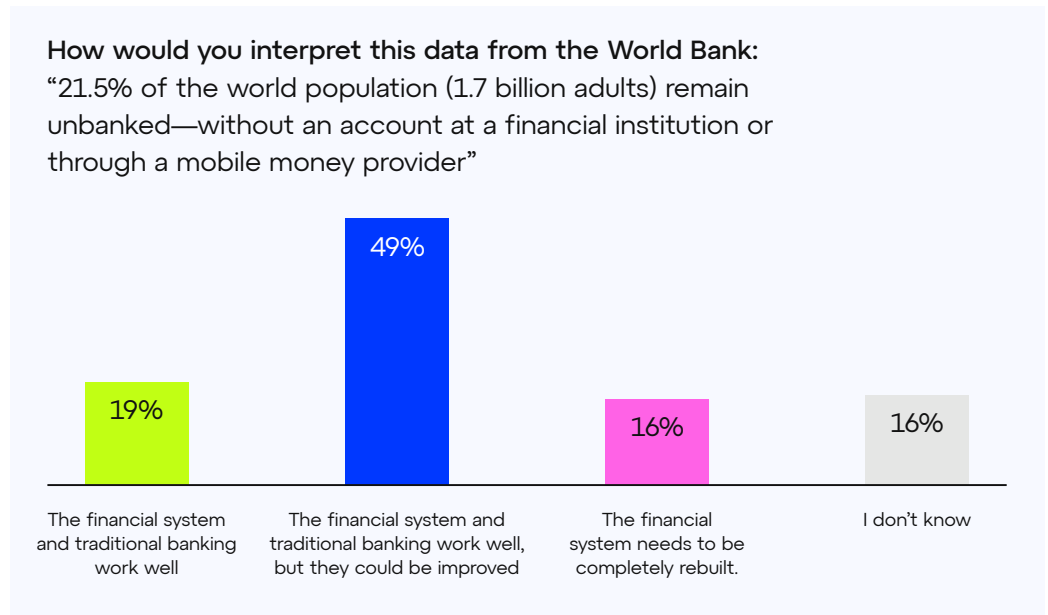


Figure 4 Global respondents

3.0 Crypto adoption across the globe:

Awareness, ownership, and barriers to entry

Are people truly aware of what cryptocurrencies are, despite their frequent presence in the media and public discussions? Do people own crypto or plan on owning some in the near future? What are the key ideas that people around the world commonly associate with cryptocurrencies?

3.1 Crypto Awareness

Overall, a large majority of people, about 92% globally, are aware of cryptocurrencies. Among them, 50% claim to also understand what they are. The understanding of cryptocurrencies is notably higher in countries like Nigeria (78%), South Korea (63%), South Africa (61%) Brazil (59%), and India (56%). However, the proportion of people who claim to understand crypto is lower in Indonesia and Japan, with only 1 in 3 individuals saying they know what crypto is.

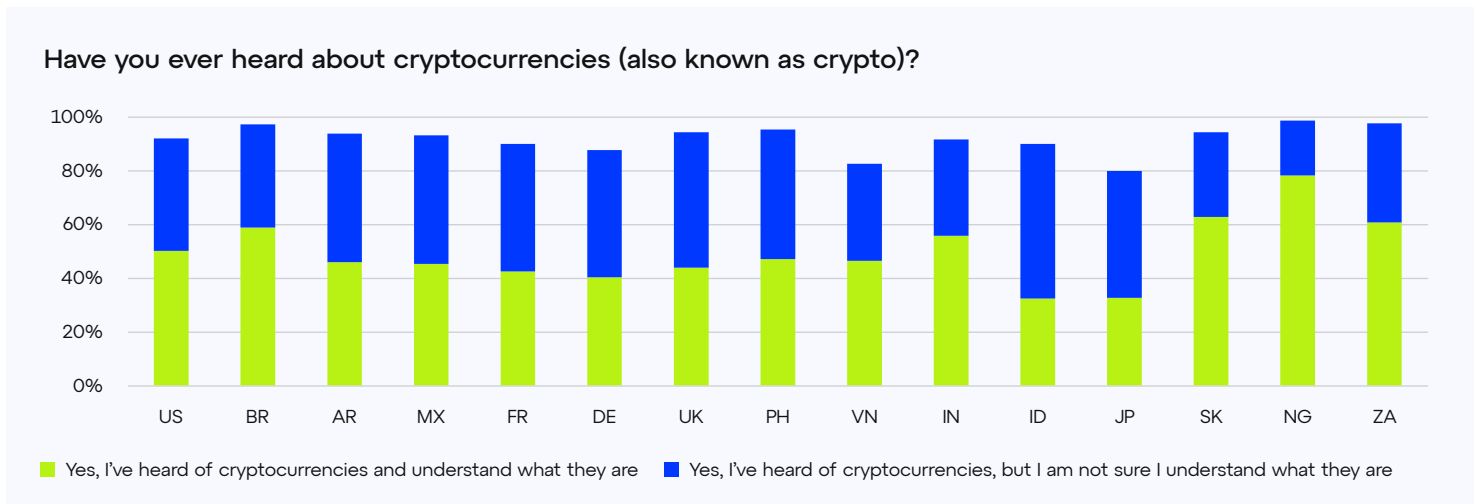


Figure 5

Consistent with the global digital divide in terms of age and gender, there are some significant differences in the understanding of cryptocurrency among different demographic groups. Men aged between 25-34 y.o. are the socio-demographic segments with a better understanding of this financial technology, while women and older respondents tend to have less knowledge. This is a trend that appears with varying intensity across most of the countries analyzed.

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3.2 Crypto ownership, current and future

40% of respondents surveyed globally currently own or have bought cryptocurrencies in the past. Among the countries surveyed, the highest percentage of past or present owners can be found in the US, Philippines, Vietnam, India, Nigeria, and South Africa. On the other hand, Japan, Argentina, Mexico and European countries (France, Germany, the UK) are further behind with a higher likelihood of never having bought any cryptocurrencies. Ownership levels are particularly high in Nigeria, where 7 in 10 affirm owning or having owned crypto.

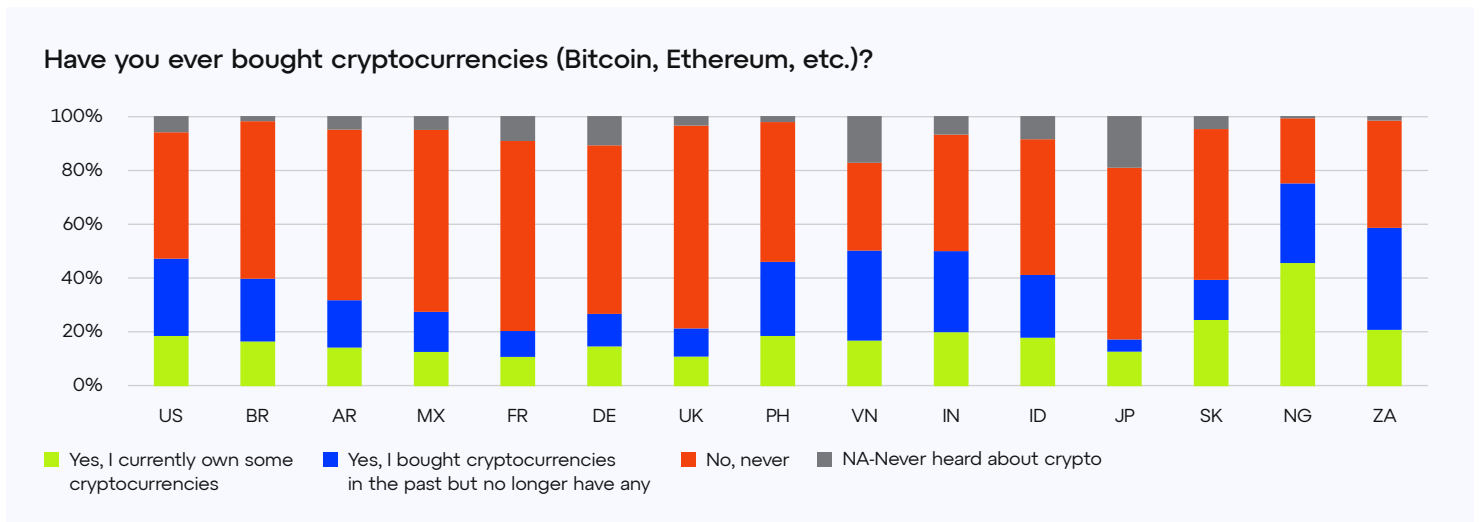


Figure 6

When looking at the future of owning crypto assets, a stronger willingness to invest in cryptocurrencies is generally found in Asia & Africa: Nigeria (90% will invest definitely or probably), South Africa (78%), Philippines (57%), Vietnam (57%), Indonesia (56%), and India (53%). This is a sharp contrast with the much lower willingness in Europe and Japan, where a very high proportion of respondents affirm they will surely not invest.

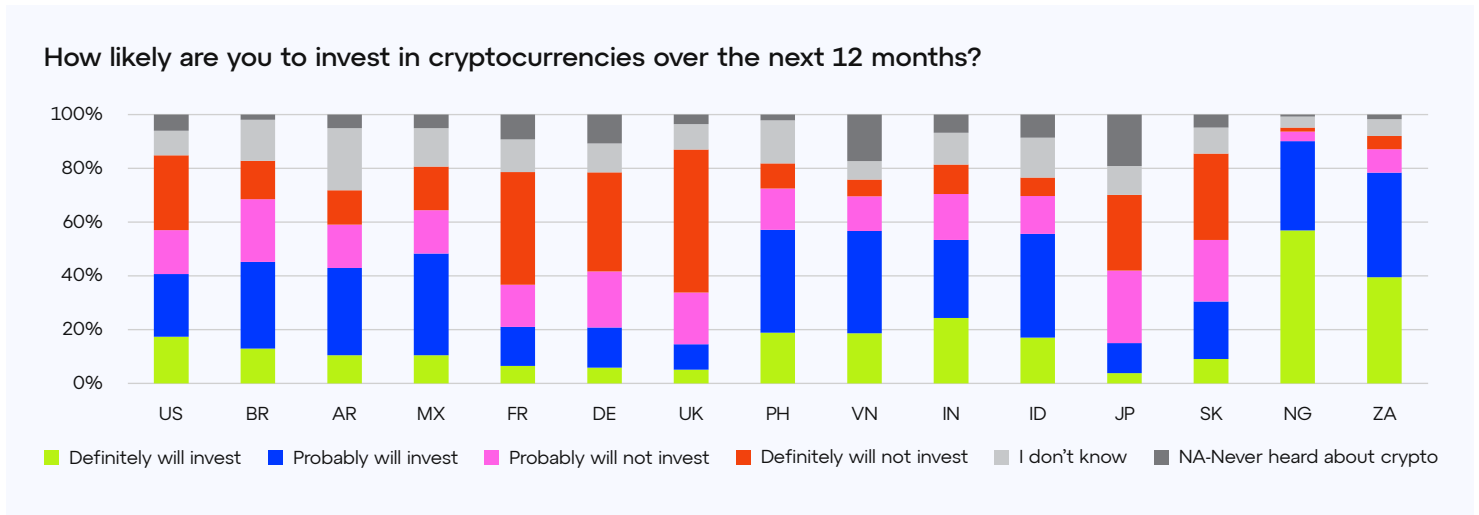


Figure 7

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3.3 Main barriers to enter the crypto ecosystem

The crypto ecosystem faces challenges to improve adoption as respondents often perceive the market as too volatile, risky, or express concerns about potential scams. These concerns are particularly prominent in Brazil, the Philippines, and South Africa.

More education about how to be safely on-boarded to web3 platforms could be beneficial to adoption in countries like Nigeria and South Africa where willingness to invest is highest in spite of the associated risks. This is because when respondents are willing to participate in the ecosystem, they don't necessarily know where to start and how to protect themselves. This is particularly the case in South America (18% in Brazil, 19% in Argentina, 20% in Mexico), the Philippines (17%), and India (21%).

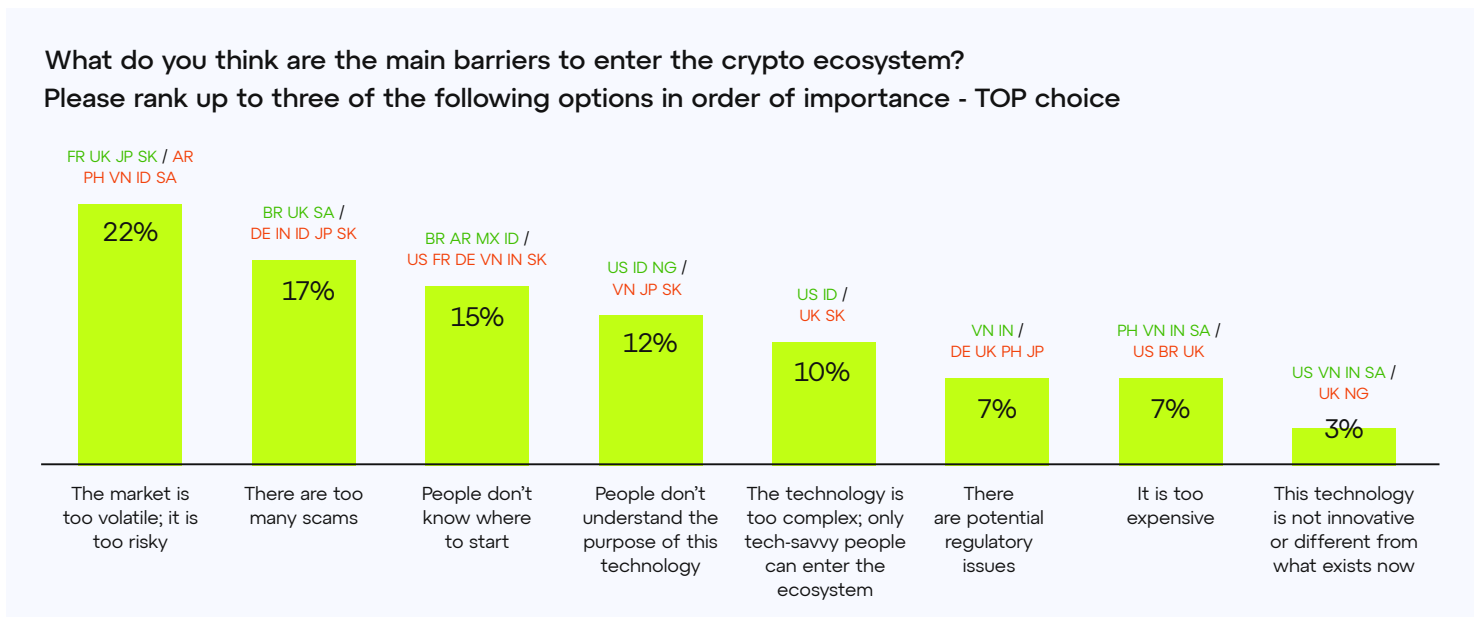


Figure 8
XX - significantly higher than average
XX - significantly lower than average

Note: US= USA - BR = Brazil - AR = Argentina - MX= Mexico - FR= France - DE= Germany - UK= United Kingdom - PH= Philippines - VN = Vietnam - IN= India - ID= Indonesia - JP = Japan - SK= South Korea - NG= Nigeria - ZA= South Africa

3.4 Main concepts associated with cryptocurrencies

Globally, cryptocurrency is seen as the “Future of Money”, and an “alternative to the traditional financial ecosystem”. However, European countries are more likely to associate it with negative aspects such as speculation (especially in France and Germany) or scams/phishing. It is worth noting that in the US there is a significant association of crypto as an alternative to the traditional financial ecosystem, but at the same time shows some concerns pertaining to potential scams/phishing.

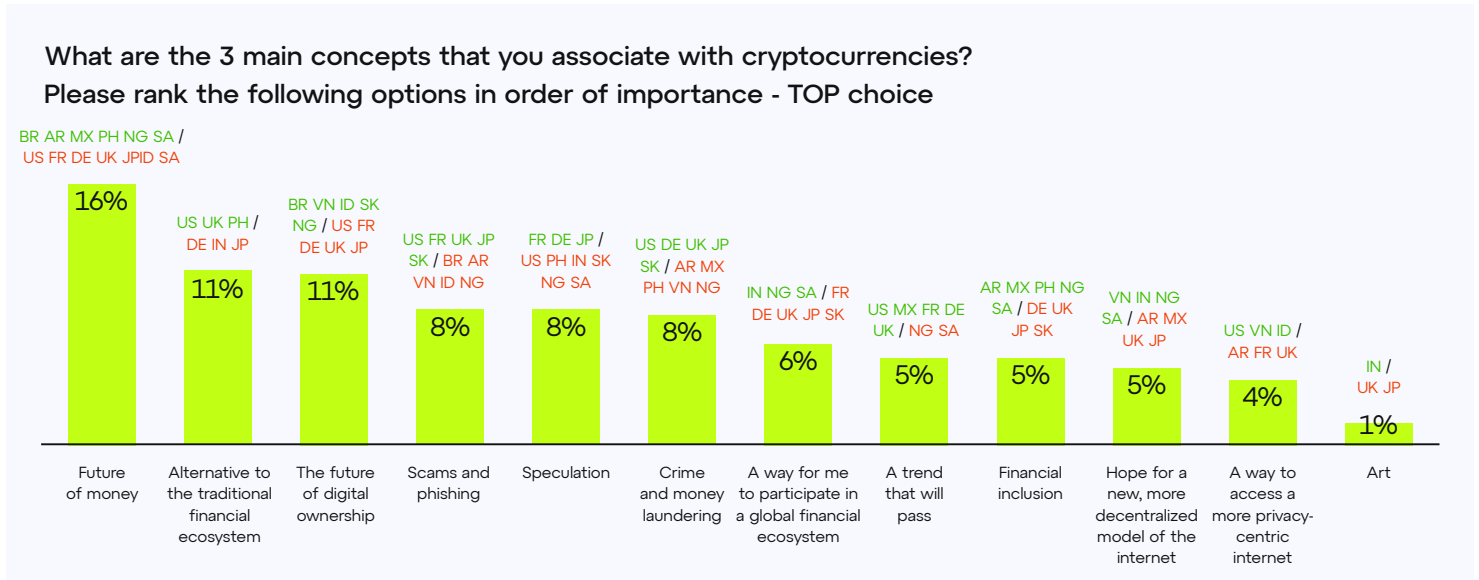


Figure 9

XX - significantly higher than average
XX - significantly lower than average

3.5 Perceptions around crypto environmental footprint

In general, respondents worldwide believe crypto is an environmentally-friendly technology. This is mainly the case in Asian countries (Philippines, Vietnam, India and Indonesia), South America (Brazil, Argentina, Mexico), and Africa (Nigeria, and South Africa). However, the US, Japan, South Korea and European countries are way more skeptical about the environmental impact of crypto, and a significant proportion of their populations believe it is not good for the environment and never will be.

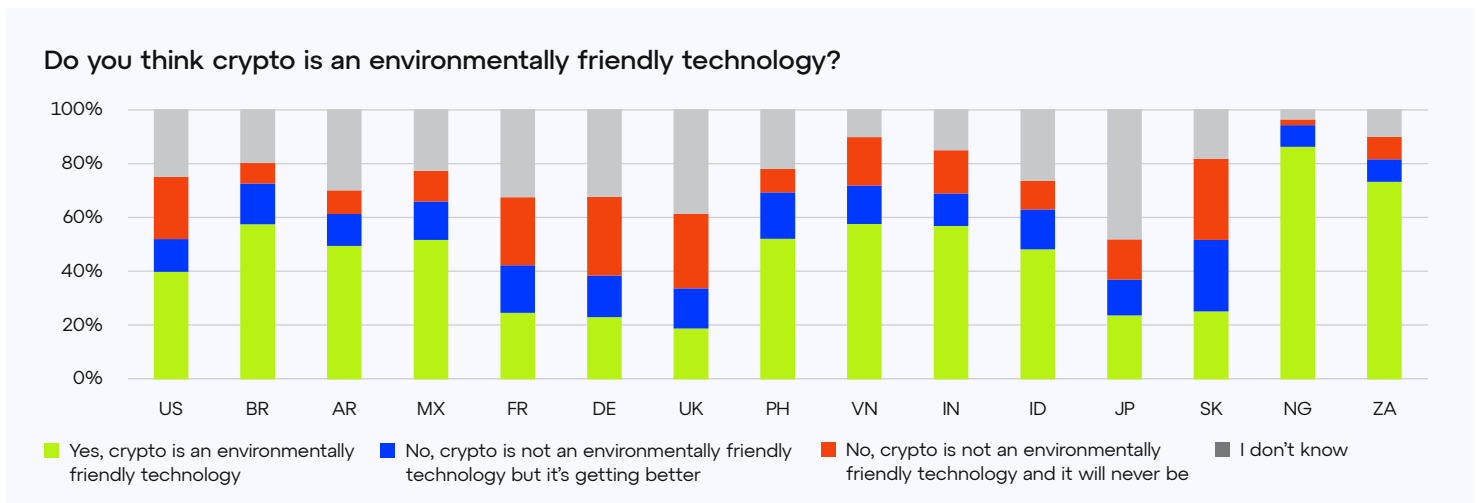


Figure 10

Note: US= USA - BR = Brazil - AR = Argentina - MX= Mexico - FR= France - DE= Germany - UK= United Kingdom - PH= Philippines - VN = Vietnam - IN= India - ID= Indonesia - JP = Japan - SK= South Korea - NG= Nigeria - ZA= South Africa

The coin perceived as the most environmentally-friendly is Bitcoin, especially in South America (Brazil and Mexico) and Asia (Philippines, Vietnam, and India). For the rest of the countries, respondents are unsure about which one to choose between Bitcoin and Ethereum. These results are likely to be driven by the higher awareness of Bitcoin compared to Ethereum, rather than by any real knowledge of the environmental impact of each of the coins.

4.0 Recent news cycle:
The impact of centralized financial crypto company bankruptcies

2022 was the year when centralized cryptocurrency exchanges like FTX, and Celsius were shut down, but did the public notice it?

4.1 The recent crypto collapses

Around two third of respondents globally have heard about the recent closures of centralized cryptocurrency exchanges, but there are significant differences among countries. Knowledge of the crisis is more widespread in the US, Vietnam, India, Nigeria, and South Africa where over half of the respective populations are aware of it. On the contrary, only 1 in 5 respondents in Japan have heard about it.

Have you heard about recent bankruptcies of finance cryptocurrency companies, such as Celsius, FTX, and Voyager in 2022?

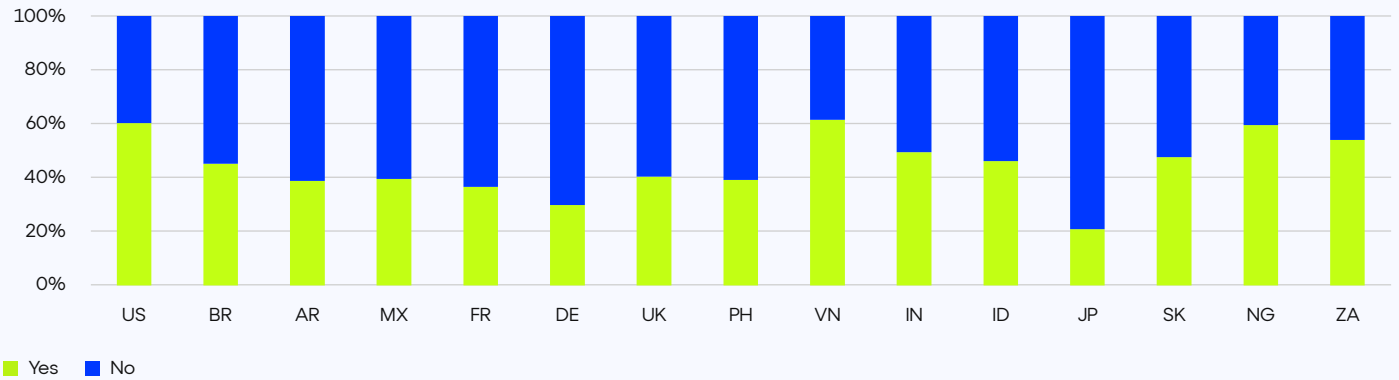


Figure 11

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4.2 Misconceptions around ftx and celsius being decentralized exchanges

Most respondents incorrectly identify FTX and Celsius as examples of decentralized crypto exchanges. This misconception is particularly prevalent in Nigeria (53%), South Africa (53%), and Vietnam (52%). American and Indian respondents were more likely to correctly identify that FTX and Celsius were not decentralized crypto exchanges, but that number barely reached 14% in both countries.

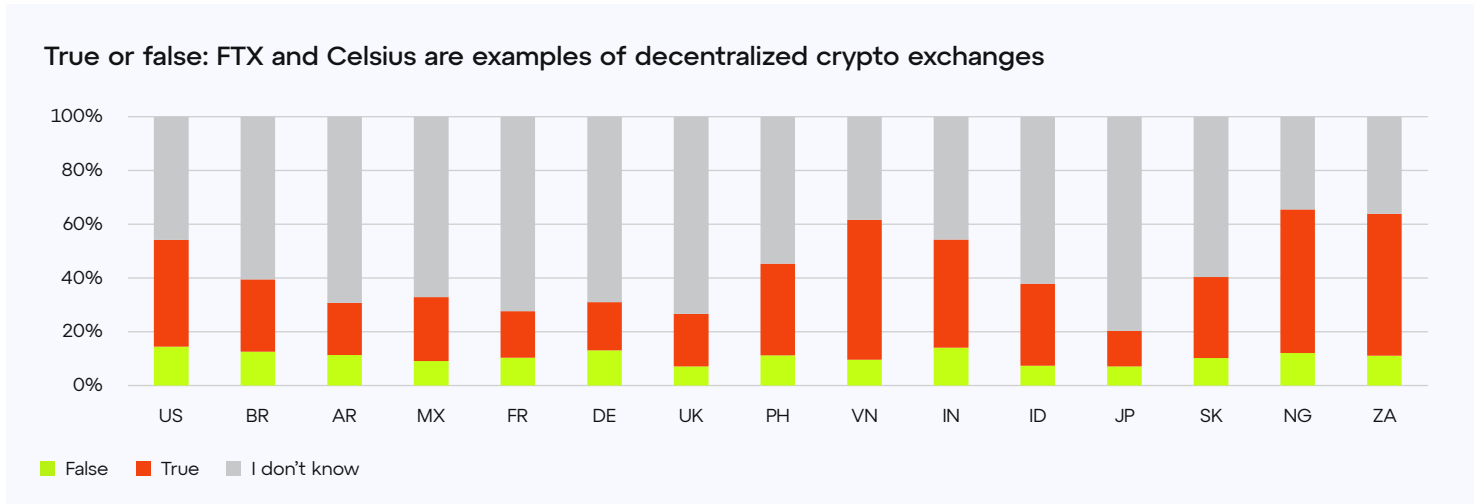


Figure 12

4.3 Influence of bankruptcies on trust in web3 and crypto

This series of bankruptcies of centralized cryptocurrency companies has had an impact on respondents' overall trust in blockchain, crypto and web3. However, respondents in Germany, Vietnam, India, and South Africa are more likely to declare that it had no impact on their trust in the ecosystem.

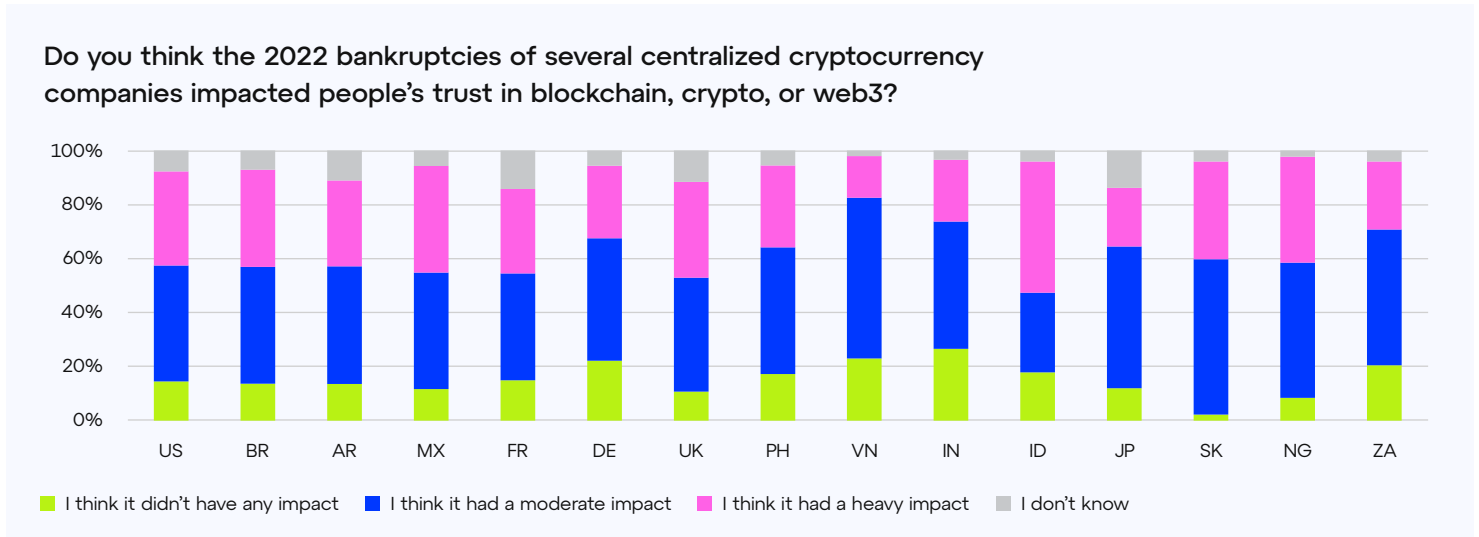


Figure 13

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4.4 How to rebuild trust?

All countries agree that improving security measures and transparency are the main actions that should be taken to rebuild trust in the sector. South Korea and Vietnam expect government bodies to intervene with better regulation and oversight. Accountability is also deemed crucial in Asia and especially in Japan and Indonesia, whereas Nigeria and Argentina favor user education and communications about risks and best practices.

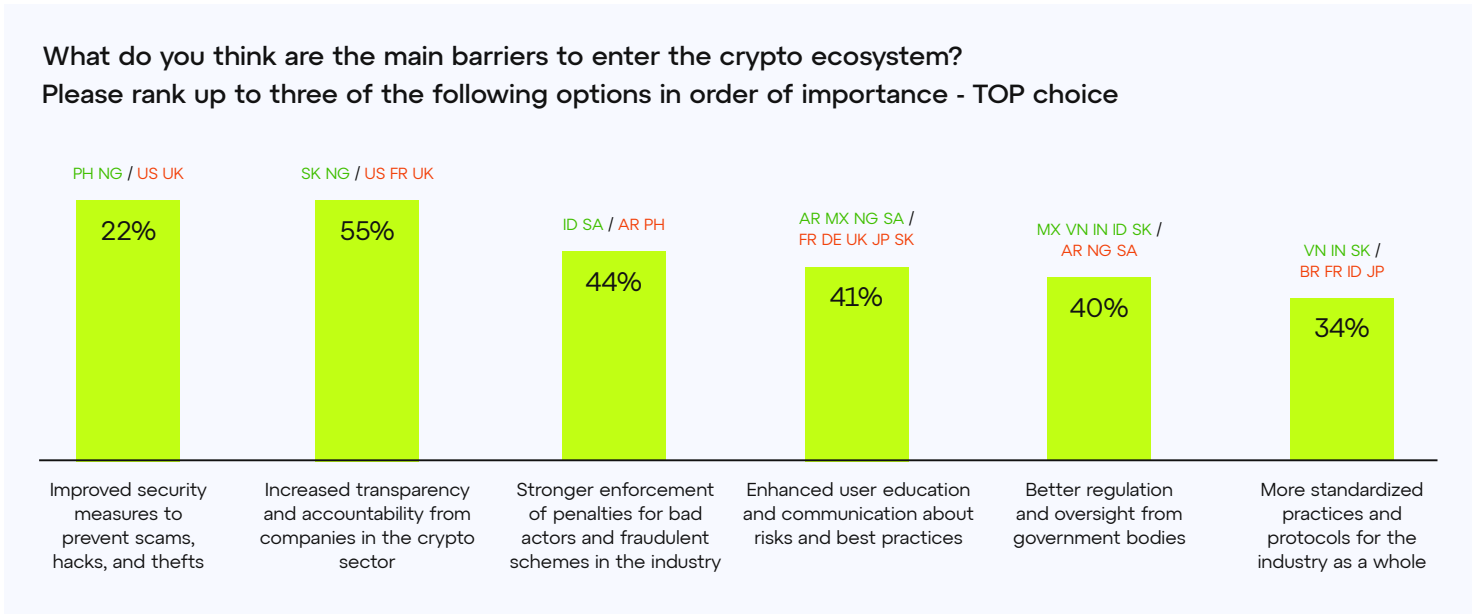


Figure 14

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5.0 The Web3 opportunity:

Awareness and understanding of NFTs and the Metaverse

From NFTs to the Metaverse of the underlying technology blockchain, web3 encompasses several concepts that resonate differently to people. Do people know what blockchain is? Have they heard about NFTs? Do they plan to own some in the future?

5.1 Knowledge of blockchain

While awareness and familiarity with crypto and web3 concepts are relatively high worldwide, only around one-third of respondents can correctly define a blockchain when provided with options - "A secure, decentralized, and transparent digital ledger that records and verifies transactions".

Respondents get it right more often in Nigeria, South Africa, in Asian countries (Philippines, Vietnam and India) and the US. On the contrary, less than 3 in 10 respondents can select the right definition in South American countries (Brazil, Argentina), Mexico, European countries (France, Germany), and Japan.

% of people who guessed the definition of blockchain:

"A secure, decentralized and transparent digital ledger that records and verifies transactions"

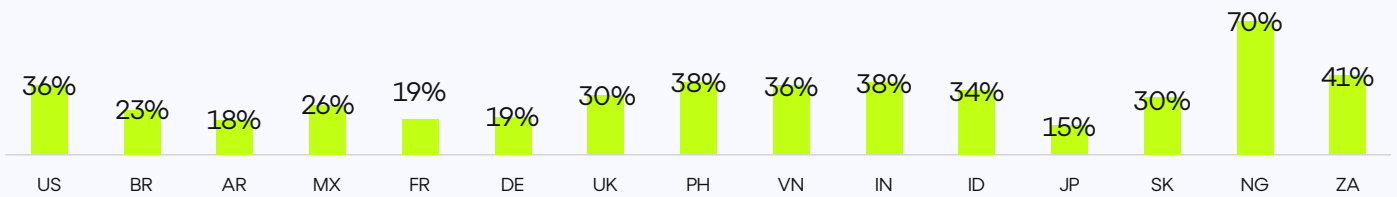


Figure 15

5.2 Custodial wallets versus self-custody wallets

Most respondents worldwide are not familiar with the difference between a custodial crypto wallet and a self-custody crypto wallet. This lack of familiarity is prominent in the UK (72% not very familiar or not at all familiar) and in Mexico (70%). However, those who are familiar with the concept are mainly located in Nigeria (50% very familiar or fairly familiar), South Africa (42%), Vietnam (40%), and India (39%).

How familiar are you with the difference between a custodial crypto wallet and a self-custody crypto wallet?

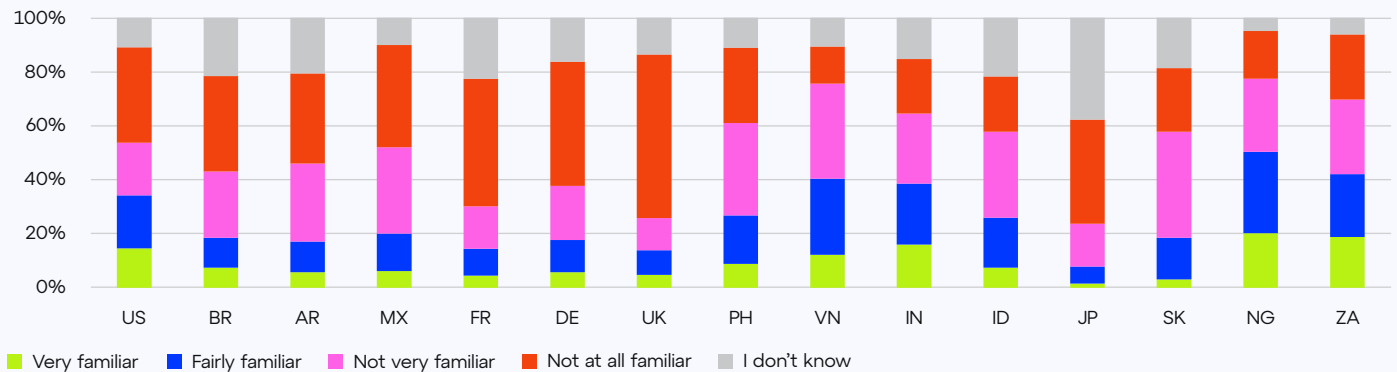


Figure 16

5.3 NFT, Web3 and metaverse awareness

Globally most respondents are familiar with all of the concepts tested in the survey. However, there are relevant differences: the most popular concepts are the Metaverse (36%) and NFTs (34%), while web3 is the least-known concept, with only 24% of respondents being familiar with it.

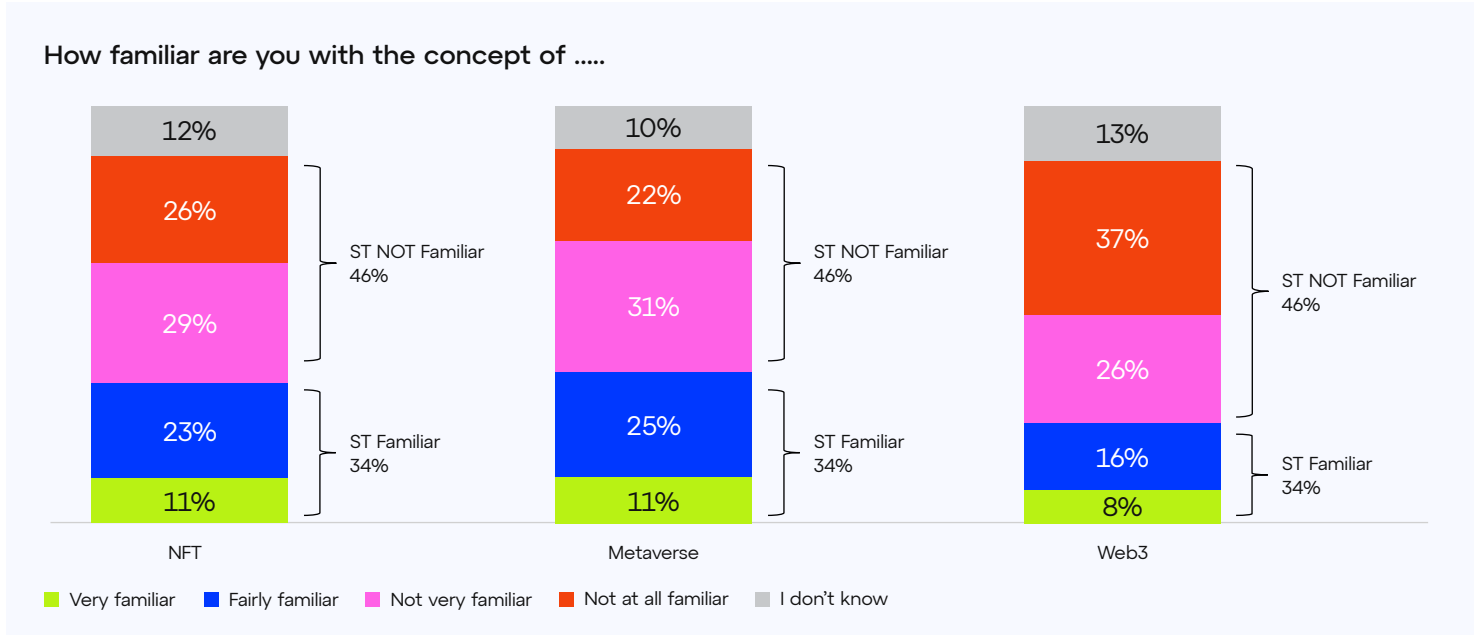


Figure 17

ST = Net of %
(eg. ST Familiar = "very familiar" + "fairly familiar")

Across countries, these trends show important differences. Respondents in the US, India, South Korea, Nigeria, and South Africa are the most familiar with the Metaverse, whereas countries in Europe, Latin America, and Japan are the least.

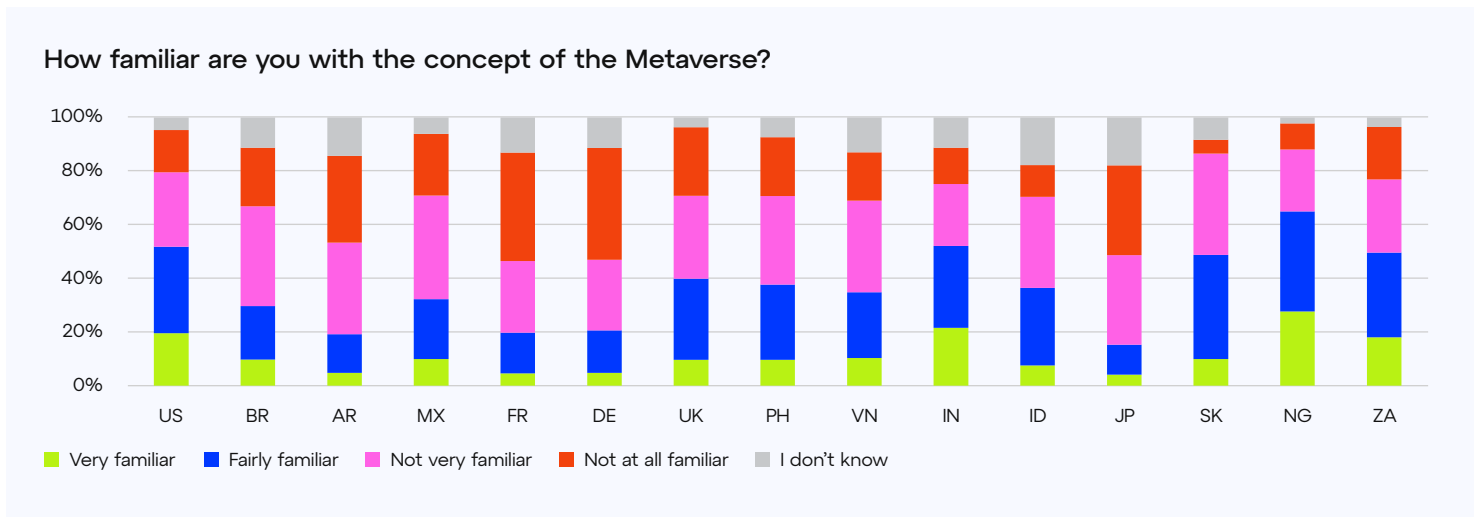


Figure 18

Regarding familiarity with NFTs, the US, India, South Africa, and especially Nigeria are the countries that are the most familiar. On the contrary, South American and European countries together with Japan have the highest proportion of respondents who are not familiar with it.

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How familiar are you with the concept of a Non-Fungible Token (NFT)?

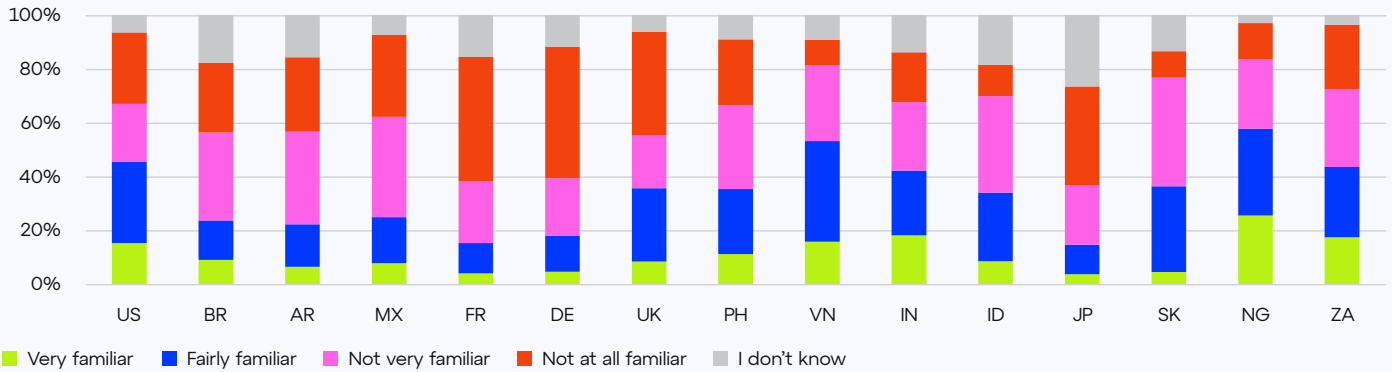


Figure 19

Web3 seems to be the least well-known concept across the globe. However, Nigerians and Vietnamese respondents show a high familiarity with this concept. In particular, 1 in 4 Nigerians claim to be very familiar with this concept. On the other hand, European countries and Japan tend to show lower familiarity levels, with the only exception being the UK.

And, to what extent are you familiar with the idea of "Web3"?

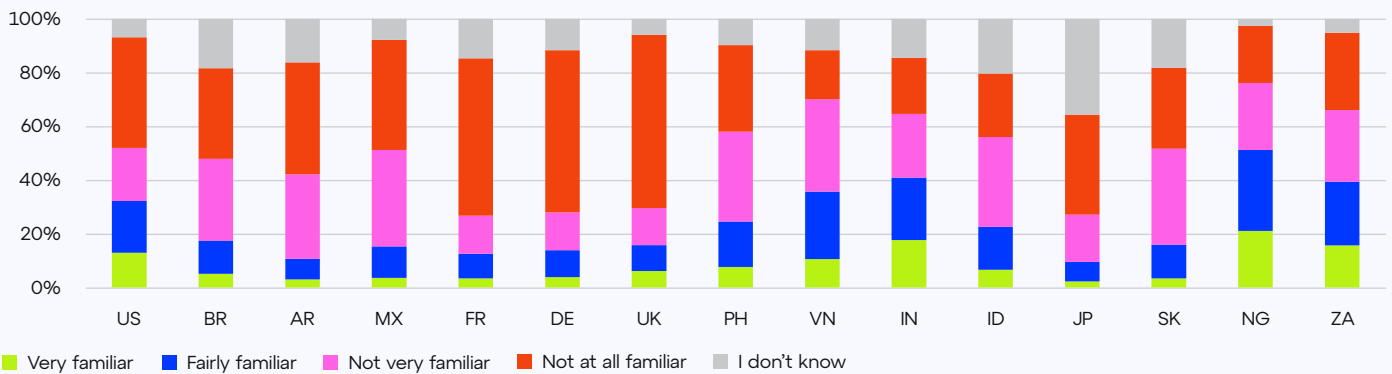


Figure 20

The digital divide also contributes to differences in familiarity with these concepts based on gender and age. Generally, younger respondents tend to be more familiar, and men tend to have higher levels of familiarity.

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5.4 Engagement in web3 activities over the past year

Globally, the most common web3 activities are sending and receiving transactions with one third of respondents familiar with the web3 concept engaging in this task. The next most common activities in the ranking include using a web3 wallet and staking cryptocurrencies, both comprising 27%. Among the top five activities, the last two are using a decentralized social media platform and playing blockchain-based games.

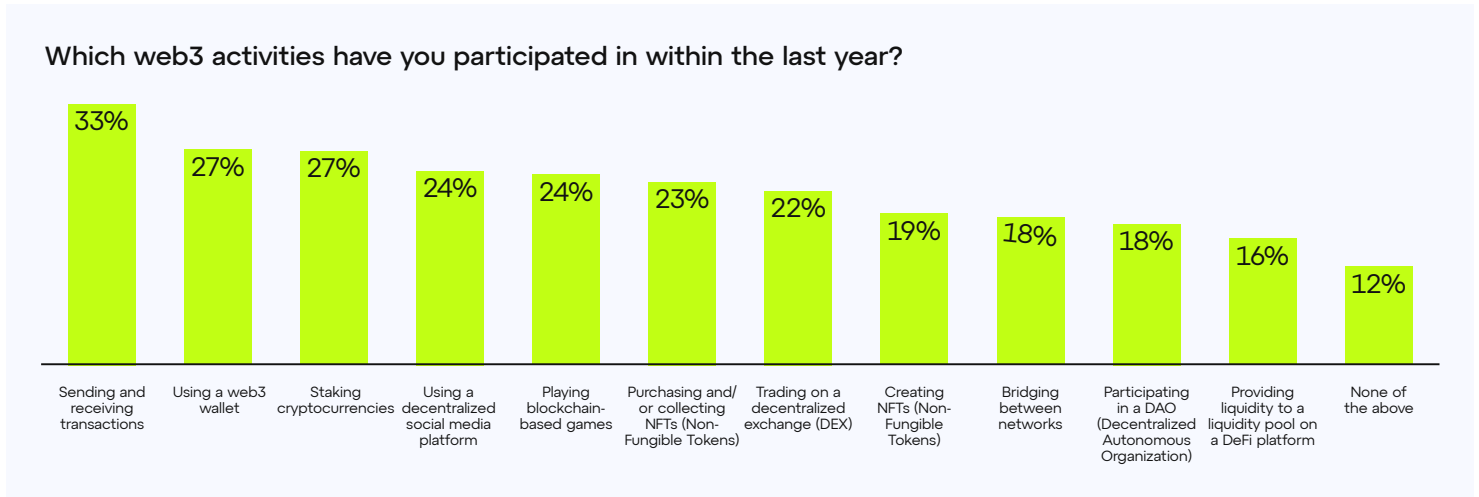


Figure 21

5.5 Nft ownership current and future

Vietnam, India, and South Africa are the countries where respondents own NFTs the most; while European countries the least. However, these numbers are conditioned by limited awareness levels in most countries.

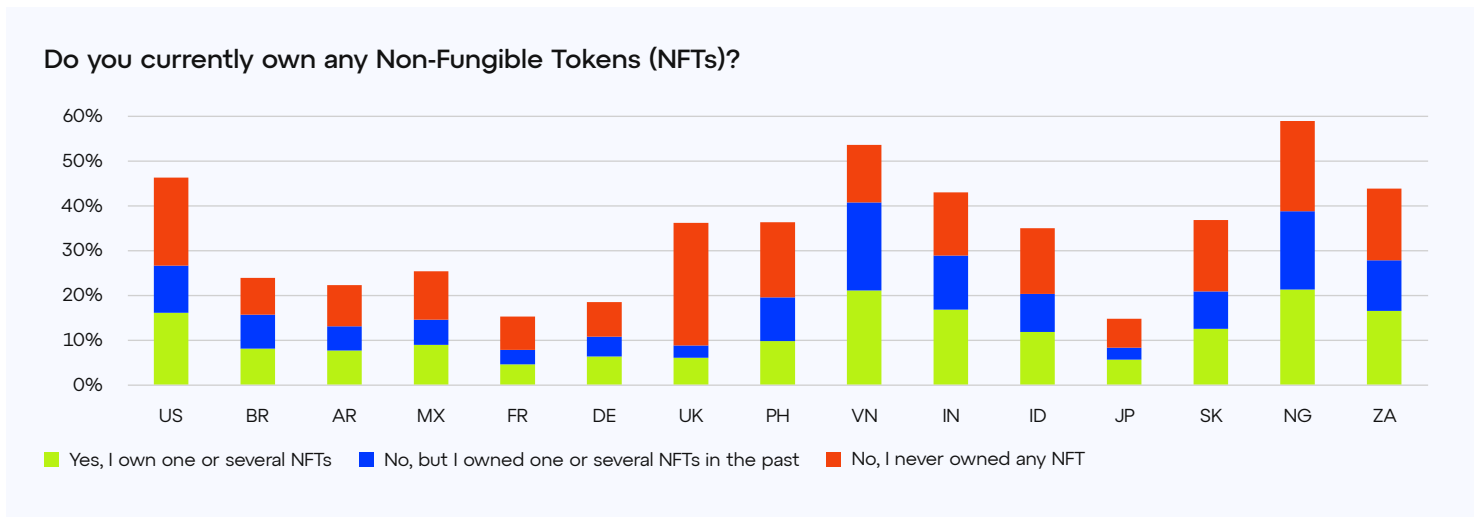


Figure 22

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There is a strong willingness to invest in cryptocurrencies in Asia & Africa: Nigeria leads with 90% of respondents saying they will invest definitely or probably followed by South Africa (78%), The Philippines (57%), Vietnam (57%), Indonesia (56%), and India (53%).

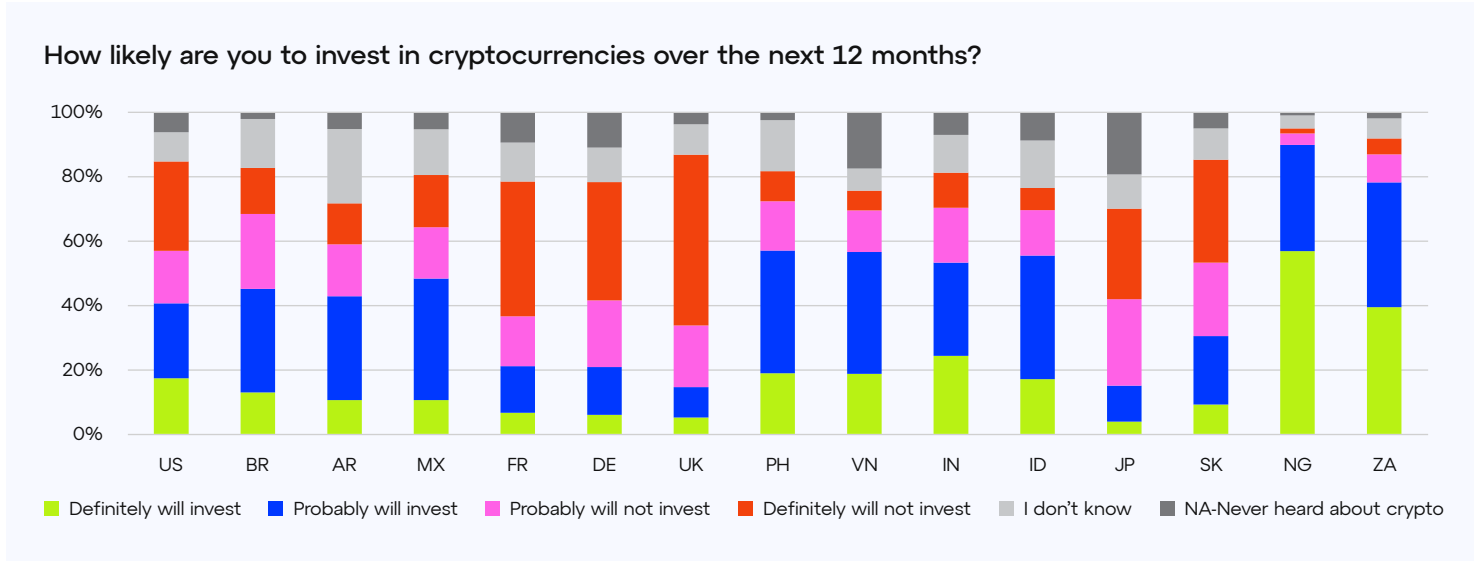


Figure 23

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6.0 Key Insights

While there's a strong global cryptocurrency awareness, there is much lower awareness of web3

Overall, a large majority of people, about 92% globally, are aware of cryptocurrencies. However, there are still variations among countries, with Nigeria, South Africa, and Brazil leading in awareness. Despite a high global awareness of cryptocurrencies, only 8% of respondents consider themselves to be very familiar with the concept of web3. This highlights a disconnect between public perceptions of web3 and its potential as a solution to issues around privacy, identity, and digital ownership on the internet today.

There is a desire for more ownership and data privacy

Despite many respondents not being aware of web3, many support the underlying aspirations of the technology and the ecosystem. 50% believe they add value to the internet and 67% assert that they should own the things that they make on the internet. Additionally, 62% of global respondents do not feel adequately compensated for their creative contributions. Furthermore, concerns about data privacy are prominent, as 83% of respondents prioritize data privacy, 70% believe they should share in the profits companies make from their data, and 79% desire greater control over their online identities. These findings emphasize the importance of helping people understand how web3 can give them more ownership of their identity and ownership on the internet, as well as empower users with greater privacy guarantees and a share in the profit that companies currently make through users' web activities.

Regional discrepancies

Another noticeable divide surfaces when comparing perceptions across countries. European nations exhibit a greater degree of skepticism towards crypto, a behavior that is often mirrored in countries like Japan and South Korea. In these countries, the association of crypto with negative concepts such as scams, money laundering, and speculation is stronger. In contrast, most countries in Southeast Asia, South America, and Africa generally exhibit more enthusiastic attitudes towards crypto and web3. Accordingly, in these countries, associations with concepts like the future of money, digital ownership, or alternatives to the traditional financial ecosystem are stronger. Also, in countries like Argentina and Nigeria, where the local currency is unstable, crypto is seen as an important way to access global capital and protect against inflation.

From "Users" to "Builders": A paradigm shift

The survey results shed light on an encouraging shift in mainstream attitudes towards a vision of the internet that provides more control over the data we share online, and more equitably shares profits with creators. However a significant gap persists between the awareness of crypto and the practical understanding and utilization of web3 technologies. This disconnect presents a valuable opportunity for mainstream web3 applications to solve the agency gap in today's internet landscape that is characterized by limited privacy, control and ownership.

We see an opportunity for users of the internet to adopt a "builder" mindset where they can leverage web3 products to solve problems around ownership on the web, identity, privacy, and creator monetization.

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