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Measuring Global Crypto Users

A Study to Measure Market Size Using On-Chain Metrics

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Research and Insights

Data Report



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Content

Executive Summary	4
Introduction	5
Results	7
Limitations and Caveats	12
Summary	13
References	14

Executive Summary

Welcome to the updated version of 'Measuring Global Crypto Users: A Study to Measure Market Size Using On-Chain Metrics.'

Key Takeaways

- The number of global crypto users reached 221 million in June 2021.
- It only took four months to double the global crypto population from 100 million to 200 million. In comparison, it took nine months to reach 100 million from 65 million since we began this initiative.
- Although Bitcoin drove growth in January and February, altcoin adoption in May led to a massive surge in crypto users, from 143 million at the end of April to 221 million as of June.
- Altcoin adoption was likely spurred by the influx of new users who were interested in tokens like Shiba Token (SHIB) and Dogecoin (DOGE), among others.

Introduction

The [first edition of](#) ‘Measuring Global Crypto Users’, which was released last May, introduced a methodology that combines on-chain data with blended parameters estimating the number of global crypto owners. At the end of May 2020, that number was more than 66 million.

























In the second half of 2020, we saw accelerated adoption, which resulted from several remarkable events: the sudden rise of DeFi in August; [PayPal](#) introducing crypto purchases to U.S. users in November; and institutional adoption in December (i.e., [Greyscale](#), [MicroStrategy](#)). Our [revamped methodology](#) for this version of the study captured the events that helped to boost crypto adoption.

Crypto adoption accelerated further in 2021. Heavyweight institutions, such as Tesla and Mastercard, took steps to embrace cryptocurrency. In March, [Visa collaborated with Crypto.com](#) to settle payments in crypto. Furthermore, [El Salvador](#) became the world’s first country to adopt Bitcoin as legal tender.

For this version of the study, we dynamically updated the following parameters to produce the final results. If you are interested in learning more about the methodology, please view this report [here](#).

Item	Description
$r_{BTC\ deposit}$	The rate of users depositing BTC from one exchange to another
$r_{ETH\ deposit}$	The rate of users depositing ETH from one exchange to another
$r_{BTC\&\ ETH}$	The ratio of users holding both BTC and ETH
$r_{\underline{BTC\&\ ETH}}$	The rate of users owning neither BTC nor ETH
Exchanges	The exchanges included in our on-chain data extraction

The exchanges included in our methodology are:

Exchange	Logo
Crypto.com	
Binance	
Bitfinex	
Bittrex	
BitMax	
Bithumb	
Bitstamp	
Gemini	
Huobi	
Kraken	
KuCoin	
OKEx	
Liquid	
BitFlyer	
Gate.io	
Zaif	
Poloniex	
UPbit	
BitMEX	
Deribit	
FTX	
itBit	
HitBTC	
Bybit	

Results

The following tables list the results of calculations for Bitcoin and Ethereum adoption rates as of June 2021.

BTC Calculation Table

Step	Parameter (BTC)	Notation	Result
(1)	User deposit rate	$r_{deposit}$	22.0%
(2)	Total no. of on-chain overlapping addresses	$N_{on-chain\ overlapping\ addresses}$	3,293,134
(3)	Total no. of on-chain addresses (selected exchanges)	$N_{exchange\ total\ addresses}$	25,333,450
(4)	No. of on-chain non-overlapping addresses	$N_{non-chain\ non-overlapping\ addresses} = (3) - (2)$	22,040,316
(5)	Weighted-average no. of exchanges per user	$k_{addresses\ per\ user}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{total\ market\ share}$	92%
(7)	Total no. of BTC owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 114 Mln

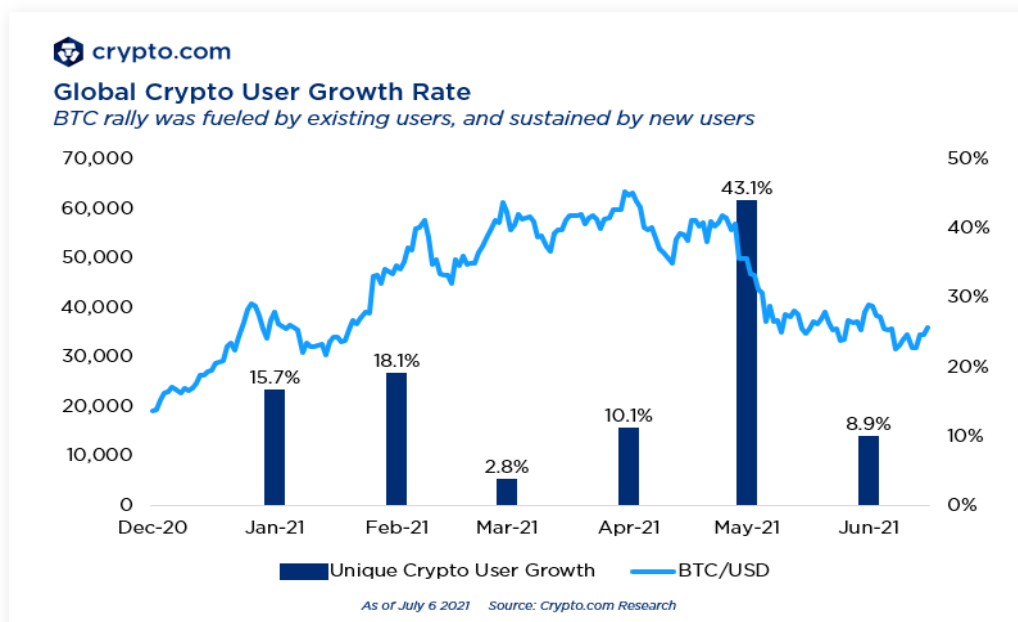
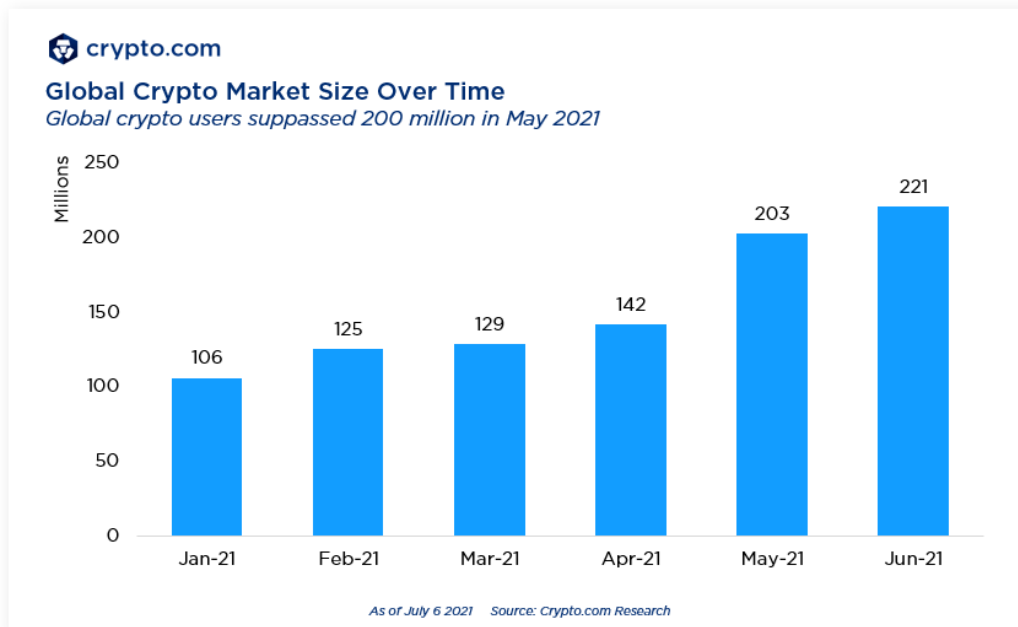
ETH Calculation Table

Step	Parameter (ETH)	Notation	Result
(1)	User deposit rate	$r_{deposit}$	25.5%
(2)	Total no. of on-chain overlapping addresses	$N_{non-chain\ overlapping\ addresses}$	5,527
(3)	Total no. of on-chain addresses (selected exchanges)	$N_{exchange\ total\ addresses}$	5,402,221
(4)	No. of on-chain non-overlapping addresses	$N_{non-chain\ non-overlapping\ addresses} = (3) - (2)$	5,396,694
(5)	Weighted-average no. of exchanges per user	$k_{addresses\ per\ user}$	3.36
(6)	Selected exchanges' coverage ratio	$r_{total\ market\ share}$	92%
(7)	Total no. of ETH owners	$\frac{[(2) \div (5) + (4)]}{(1) \times (6)}$	~ 23 Mln

Final Aggregation

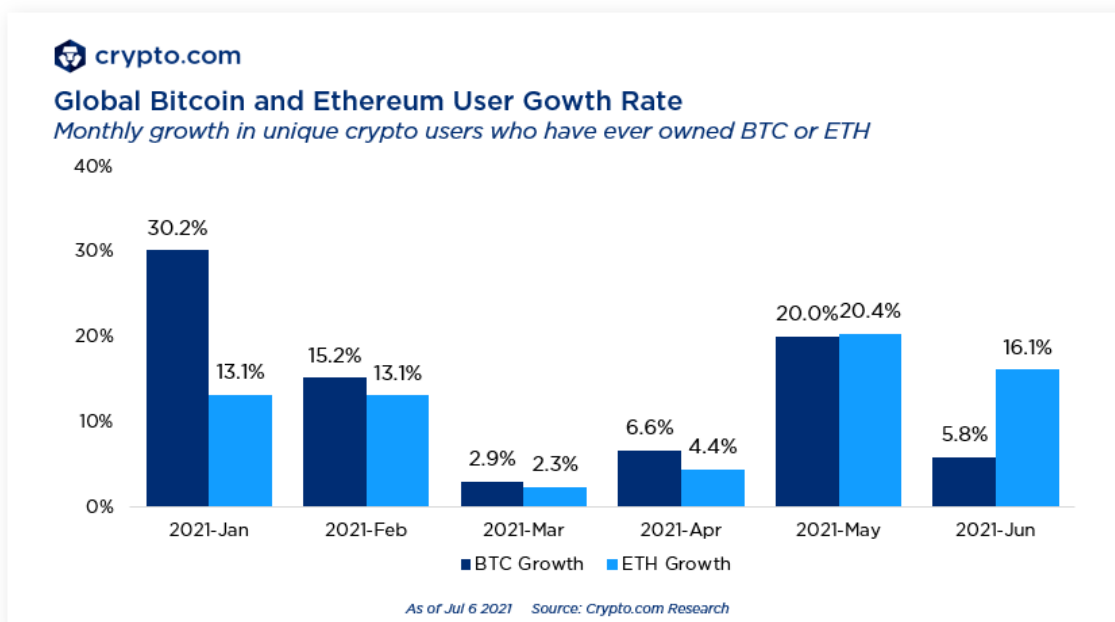
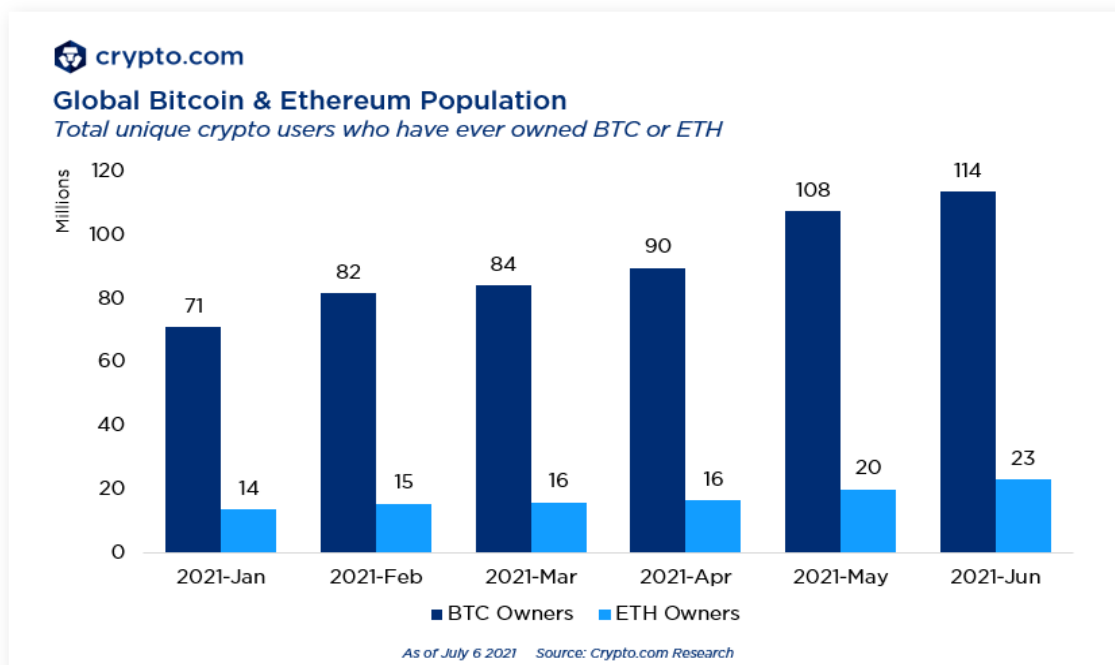
Step	Estimates	Notation	Result
(1)	BTC owners	$N_{BTC\ owners}$	~ 114 Mln
(2)	ETH owners	$N_{ETH\ owners}$	~ 23 Mln
(3)	BTC & ETH overlapping rate	$r_{BTC\ \&\ ETH}$	26.0%
(4)	Rate of the users who own neither BTC nor ETH	$r_{\underline{BTC\ \&\ ETH}}$	56.5%
(5)	Exchange adoption rate	$r_{exchange}$	89.0%
(6)	Overall crypto population	$\frac{(1) + (2)}{[1 + (3) - (4)] \times (5)}$	~ 221 Mln

Now, we look at how the crypto population has trended in the first half of 2021. We can see that January, February, and April were exceptionally strong months, driven by Bitcoin’s stellar performance. However, May was also extraordinary, given Bitcoin and Ethereum’s price plunge. Altcoins performed better following Elon Musk’s criticisms about Bitcoin mining and its environmental impact.

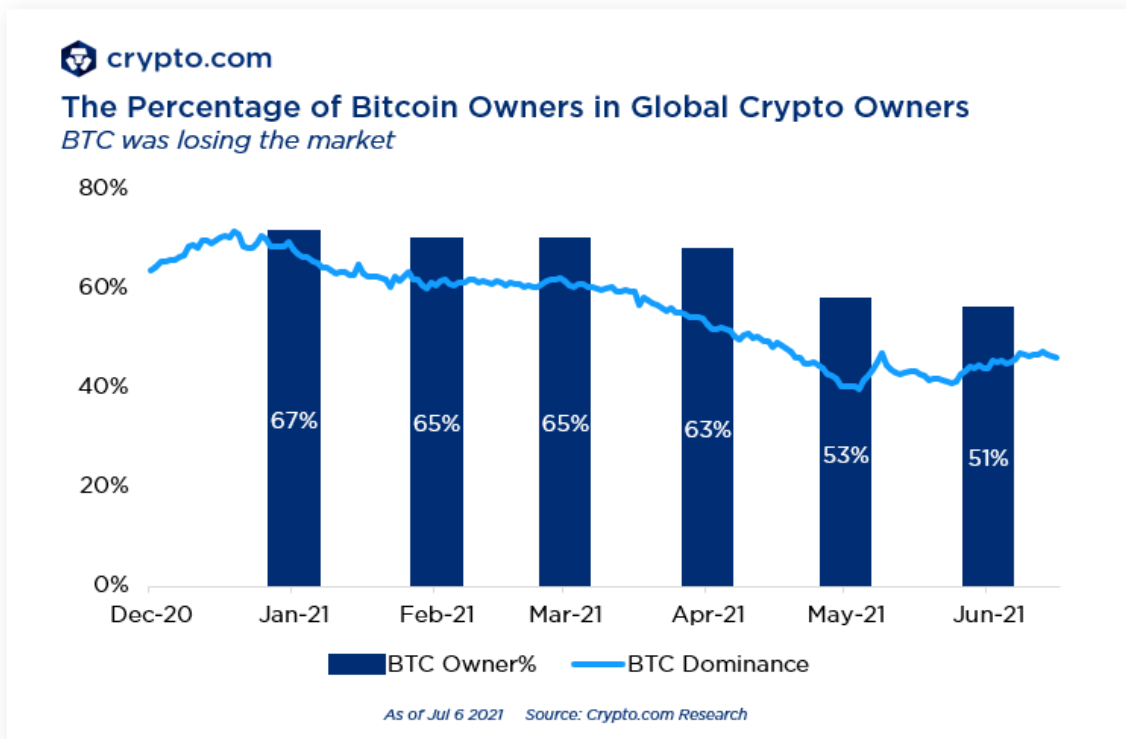
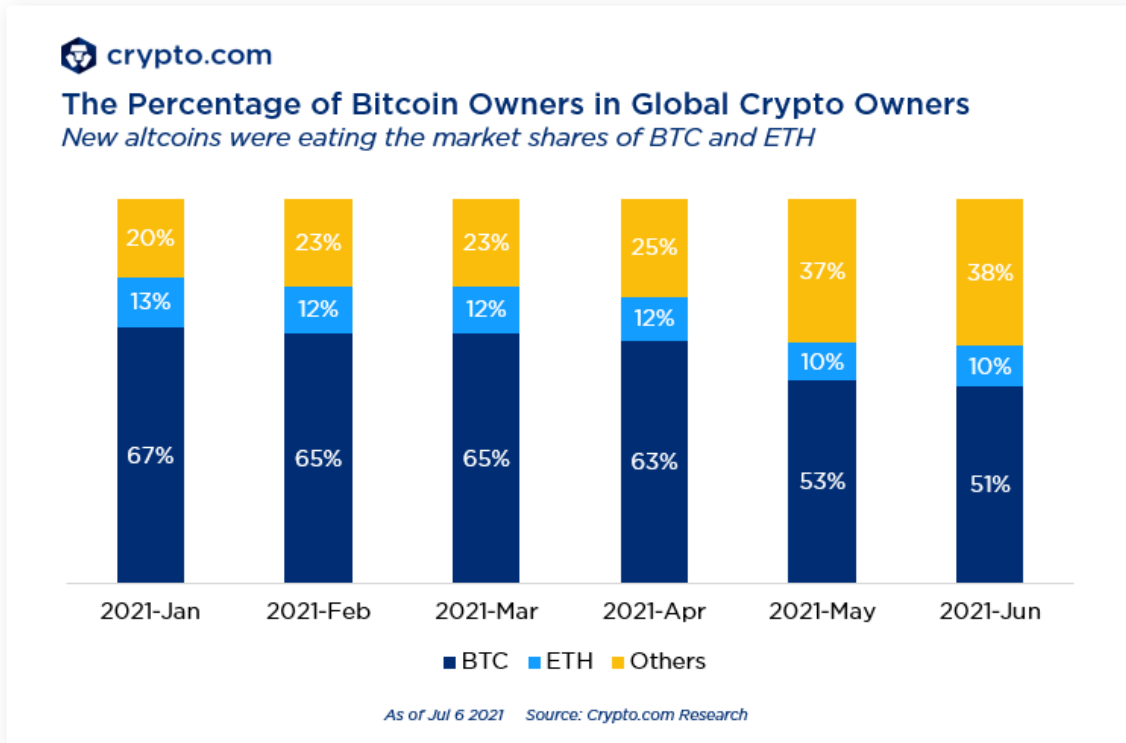


Notably, it only took **four months** to double the global crypto population from 100 million to 200 million. By comparison, it took **nine months** to reach 100 million from 65 million since we began tracking these numbers.

There are several interesting things to note when the data is broken down into Bitcoin and Ethereum users. Bitcoin led growth from January to April, as heavyweight institutions like PayPal, Microstrategy, Visa, and Mastercard announced plans to support crypto. Similarly, Ethereum saw significant growth in May and June as institutional investors [continued to favour](#) the token.



When checking the composition of crypto owners, we found that Bitcoin and Ethereum were losing their market shares. New challengers like Proof-of-Stake protocols and meme tokens showed great potential in May, especially after Bitcoin mining came under more scrutiny.



Limitations and Caveats

Our analysis is built on a combination of Bitcoin and Ethereum's on-chain data, survey analysis, and Crypto.com's internal data. While we believe that our updated methodology presents a more accurate estimation than our previous version, it is still subject to the following limitations and caveats:

- Our method assumes that all on-chain users still own crypto today, but it's likely that some have already sold their holdings.
- We assumed that all the selected exchanges use the same deposit sweeping flows, but we did our best to remove exchanges that use different flows.
- OTC trading and users who have never made on-chain transactions may not be effectively captured.
- Sub-accounts in exchanges may not be accurately reflected.
- Parameters obtained by the surveys may change over time.
- Since all parameters are at least partially sourced from Crypto.com users (either by survey or internal data), sampling bias is inevitable.
- The result has dependency on the third-party tools and data that we used.

Summary

Key Takeaways

- The number of global crypto users reached 221 million in June 2021
- It only took four months to double the global crypto population from 100 million to 200 million. In comparison, it took nine months to reach 100 million from 65 million since we began this initiative.
- Although Bitcoin drove growth in January and February, altcoin adoption in May led to a massive surge in crypto users, from 143 million at the end of April to 221 million as of June.
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