



# ANALYZING SOCIAL MEDIA FORUMS TO DISCOVER POTENTIAL CAUSES OF PHASIC SHIFTS IN CRYPTOCURRENCY PRICE SERIES

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## Abstract

**Introduction:** The study mainly focussed on the role of social media forums in order to analyse the influence the crypto market.

**Literature review:** In order to analyse past literature different past literature were analysed and critically discusses. All of the past literature helped to understand the topic and helped to make researcher own opinion.

**Methodology:** In order to collect data secondary data was collected method was followed and after that thematic analysis was done for qualitative analysis

**Findings:** The study has developed two themes which illustrated the significant role of digital media forums while discovering all the potential reasons for the shifts in cryptocurrency prices.

**Discussion:** Two themes are discussed to show the effectiveness of different social forums like Facebook, Twitter, LinkedIn and many other discussion platforms like Quora and Rebbit in uncovering the possible causes of crypto currency.

**Conclusion:** It can be concluded that the current volatility in crypto currency prices is due to the use of social media forums are popular.

**Keyword:** Phasic changes, Cryptocurrency, Social media, Block chain, bitcoins, Alt coins

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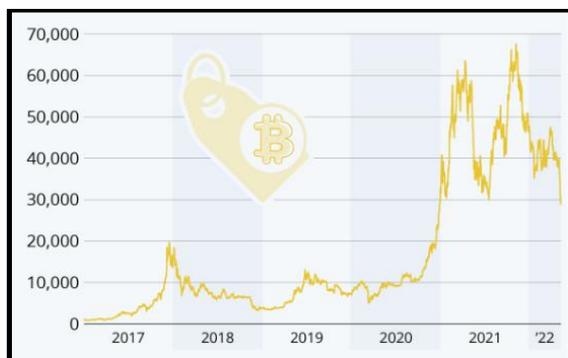
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## Introduction

The market of cryptocurrency is quite unregulated and vulnerable and shifts can be observed with changes in the market. Additionally, social media have a distinctive role in controlling the market vulnerability of cryptocurrency. As per the opinion of Koker & Koutmos (2020), small changes in input from social media it is possible to control cryptocurrency.

Moreover, the influence of people influences the market of cryptocurrency. Therefore, the following study has presented an observation related to phasic changes in social media caused due to social media forums. Additionally, there are problems related to social media forums, which manipulated the cryptocurrency market.

Hence, these phasic changes are the basic reason for the rise and fall of cryptocurrency in the market. According to the opinion of Fernández et al. (2021), the lack of regulation in the cryptocurrency market is the main problem for the sensitivity of the market. Moreover, the price of cryptocurrency depends directly related to the inputs for social media.



**Figure 1: Price shift of a cryptocurrency from 2017 to 2021**

(Source: Statista, 2022)

The above graph highlights the potential rise and fall of cryptocurrency and it can be seen that in 2021 the growth of the cryptocurrency was at its peak. However, the past years of 2018 and 2019 saw a flat growth rate for a cryptocurrency (Statista, 2022). Similarly, after 2021 a fall was witnessed. Thus, the study is focused on the problem of phasic changes in the crypto market for social media forums. Additionally, the study signifies the

importance of social media for the crypto market.

### *Aim*

The primary aim of the study is to analyse the role of social media forums to discover potential causes for the phasic shifts in cryptocurrency price series

### *Research Objectives*

**RO 1:** To analyse the impact of social media on the cryptocurrency market

**RO 2:** To understand the factors of social media forums that are decisive for cryptocurrency

**RO 3:** To identify the problems responsible for the vulnerability of the cryptocurrency

**RO 4:** To suggest possible practical solutions in order to rescue the vulnerability of cryptocurrency

### *Research questions*

**RQ 1:** How social media influences the cryptocurrency market?

**RQ 2:** What are the factors of social media forums that are decisive for the rise and fall of cryptocurrency?

**RQ 3:** What are the problems responsible for the vulnerability of the cryptocurrency

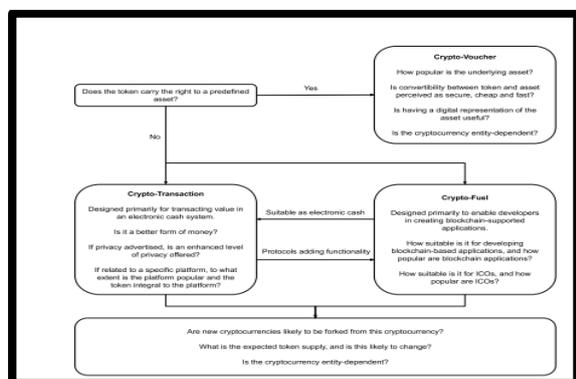
**RQ 4:** Are there any possible practical solutions in order to rescue the vulnerability of cryptocurrency?

### **Literature Review**

#### *Impact of social media on the cryptocurrency market*

The use of social media is mainly like a platform for information sharing related to social media. Therefore, the practical market of cryptocurrency directly depends on the use of social media. As per the opinion of Chaim & Laurini (2021), influence is a major power that has a direct power of influencing cryptocurrency. In addition, the influence of social media is directly linked to the rise and fall of the cryptocurrency. On the other hand, Kwon et al. (2019) opined that there is no direct control of social media over the crypto market and its rise and fall. Thus from the above discussion, it is understood that social media is indirectly related to the cryptocurrency market

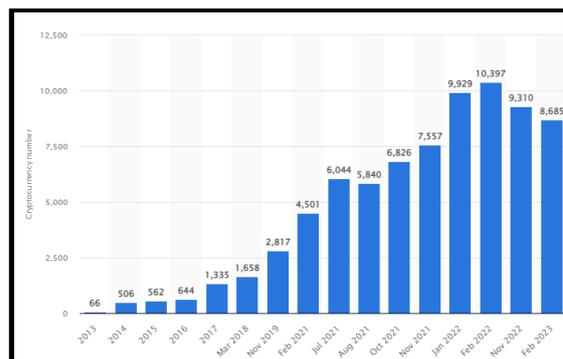
The extreme level of volatility in cryptocurrency powered in the setting of social media forums in recent years has had a significant effect on the observational data. In this context, as per the view of Burnie & Yilmaz, (2019), the *price dynamic* is associated with the bitcoin metrics and social media as well. Besides, the *DDPWI* or data-driven phasic word identification is crucial for the *peer-to-peer version* of getting electronic cash. On the contrary, as opposed by Fernández Vilas et al. (2021), in crypto-transaction and crypto fuelling, the bitcoin plays an invariable role in phasic shifts. Hence, user-generated social media content is considered one of the most valuable tools in high-frequency markets oriented with digital assets.



**Figure: The fundamental assets of crypto assets**

(Source: Vilas et al. 2021)

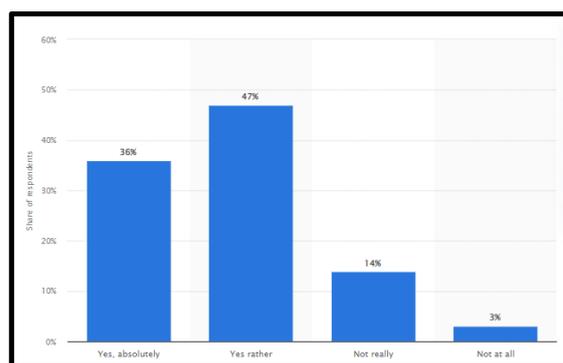
Figure 1 shows the importance and interrelation of the crypto-voucher along with the crypto-fule and crypto transaction. In determining a better form of money, mining or the validation of the record transaction can be helpful while the crypto-transaction systems are concerned ( Figure 1 shows the importance and interrelation of the crypto-voucher along with the crypto-fule and crypto transaction., 2021).



**Figure 2: Cryptocurrency number worldwide**

(Source: Statista, 2023)

Figure 2 shows that there are only 9000 cryptocurrencies in the year 2023 though a few more digital coins were present prior to that year. It is also believed that the 20 cryptocurrencies holding the pole position, can make up approximately 90% of the entire market (Statista, 2023).



**Figure 3: Cryptocurrency trends in France**

(Source: Statista, 2023)

Figure 3 depicts that cryptocurrencies are the going concern of the plate that accounts for nearly 83% of the respondents. Only 17% believed that this cryptocurrency has no effects on price shifts at all (Statista, 2023).

## Methodology

### Data Collection

For collecting reliable data process, Oof data collection is important. As per the opinion of Cohen (2020), incorporating an appropriate method of data collection helped to collect reliable data. Therefore, secondary data was collected from secondary sources like past research and books. Similarly, the secondary data helped to gather relevant data from authentic sources. In addition, the impact of appropriate data collection and data analysis is

directly related to the final results of a study. Additionally, a positivist philosophy and ethical rules will be followed in order to maintain the integrity of the study.

### **Data Analysis**

The methodology of the research is directly related to the implication of steps used in order to develop a study, as per the opinion of Kwon et al. (2019) methodology of research directly impacts the process of data collection and data analysis. Considering an appropriate method of analysis in order to malaise the collected data is essential for reaching a conclusion. In order to analyse, the collected data related to the cryptocurrency thematic analysis was done and data were analysed accordingly.

### **Findings**

#### **Theme 1: Role of social media platforms in discovering potential causes of the phasic shifts in cryptocurrency type of price series**

Social media forums play a crucial role in identifying the potential causes of phasic changes in the crypto-currency series. As per the suggestion of Bogusz, Laurell & Sandström (2020), this happens because, in the present years, digital media became a popular way for people that help in sharing their views and experiences about different topics including cryptocurrencies. It has been noted that, on social media sites, such as Twitter, Instagram, and Facebook, users can discuss trends, news and many other things regarding the event of cryptocurrency. Along with this, people can also share their thoughts and visions about the different phases of cryptocurrencies which affect the market sentiment and fluctuations of prices (Kwon et al. 2019). In summary, social media channels can offer completely different insights as well as information that can help to understand all the potential reasons for phasic changes in the cryptocurrency price series.

#### **Theme 2: Significance of digital media forums in uncovering the potential reasons for phasic changes in cryptocurrency**

Digital media forums or platforms have great significance in uncovering the possible causes of phasic shifts in cryptocurrency prices. Digital forums which include social media platforms, like Facebook, Twitter, Instagram, and Reddit, online communities, discussion panels or boards help to provide a great forum

for cryptocurrency enthusiasts, and merchants, as well as proficient for transferring news, critique, and valuable statements about the global business market. As per the suggestion of Cohen (2020), one of the key advantages of using online media channels such as different social networking forums like Facebook, LinkedIn, and Twitter, YouTube and other discussion platforms like Quora, Reddit helps the users at the time of sharing g their real-time experiences, updates and views about the competitive market.

Additionally, users can get breaking news, new information about the policies, and other regulatory changes or other technological advancements which can impact cryptocurrency prices (Pano & amp, 2020). Hence, it can be deduced that all this knowledge and information can be essential for investors and traders for making correct decisions regarding their investments.

Overall, it can be deduced that online media platforms became a vulnerable source of valuable information about the market and insights for merchants as well as investors in the cryptocurrency market. With the help of these forums, marketers can remain up-to-date about the latest news and information.

### **Discussion**

It has been observed that social media channels are handled by social media experts and media influencers in the industry of cryptocurrency for sharing their analysis as well as predictions about market demands. As per the comment of Ortu et al. (2022), social media channels can also provide insights into future developments and technical improvements that could influence crypto currency prices. Other than this, analysis of digital media sentiment can help to measure the general perspective of the community of cryptocurrency towards various tokens and coins. Moreover, this analysis can be beneficial while predicting the upcoming price movements and determining possible reasons for phasic changes in the event of cryptocurrency price strings (Pacheco et al. 2021). Hence, this information can be utilized by investors, vendors, and traders for making informed decisions regarding purchasing, selling, as well as maintaining cryptocurrencies.

A significant benefit of analyzing social media platforms is that they offer a great path for good collaboration as well as knowledge sharing among all users. Along with this, social media professionals and enthusiasts can share their valuable points of view and insights with other people for refining their market-related understanding. Other than this, to improve the market predictions or future market trends, it is important to find out the possible reasons for significant shifts in cryptocurrency prices.

Furthermore, it has been observed that social forums can also support understanding the market sentiment towards detailed cryptocurrencies. As per the suggestion of Keskin & (2020), by observing all the social forums, investors and merchants can get better knowledge about the cryptocurrency community and how this community deals with different coins or tokens. Along with this, digital forums can also be beneficial for the prediction of future price movements and specifying the effective grounds for a phasic shift of prices in the case of cryptocurrency (Mirtaheri et al. 2021). Hence, it can be deduced that digital media forums like Instagram, YouTube, Facebook, Quora, and Reddit, can easily identify the possible causes of cryptocurrency price changes and produce more helpful judgments about their market investments.

### Conclusion and recommendation

From the overall study it can be summarized that social media on the cryptocurrency market has a great impact. Digital media forums and digital communities plays a critical role perception shaping, hype driving as well as investment influencing and informed decision making . Along with this, when phasic changes occurs in the cryptocurrency market, the analysis social media channels can increase the effects and also can create sudden fall in the crypto market prices. It's also important to approach proper investment decisions and to meticulously handle the risks before making any single moves in the market.

It can be deduced that the recent extreme volatility in cryptocurrency prices is set due to the setting of social media forums that are popular. The one-off effect or various recurring effects are trending due to the price

series. Moreover, it has been seen that the regulatory bans which were imposed on bit coins influenced the technical traders that were unpredictable black swans. The phasic shifts have several catastrophic effects on the crypto market where the impact of digital media is writ large. It has been seen that the 24-hour cryptocurrency trade volume has fluctuated in the crypto market.

### Recommendation

The *EOS* or the Electro-Optical system can be beneficial where the Ethereum coins can be used in fostering the operational processes of Apps or decentralized apps. The creation of this kind of app is helpful in presenting lucrative as well as convincing cases for the company to be considered. In addition, the *AI model* is of immense importance to fruitfully analyze the close price of the cryptocurrency in phasic shifts. Besides, the *LSTM* or the long short-term memory that is an invariable part of the AI can process data while adhering to the gradient-based logarithm.

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