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The Effect of Institutional Adoption on Bitcoin Price and Volatility Dynamics

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ABSTRACT

This research paper investigates the effect of institutional adoption on Bitcoin price and volatility dynamics and focuses on whether institutional adoption events have influenced Bitcoin's short term average returns and volatility. An event study method was used for 16 institutional adoption events between 2009 and 2025, and average returns and abnormal volatility were determined. In addition, a survey was also created to collect primary data from individuals who work in the crypto industry. The results show that Bitcoin is associated with a positive short term return a day after the event. Abnormal volatility suggests that on average institutional adoption events increase abnormal volatility; however, Bitcoin shows a more stable reaction compared to smaller cryptocurrencies like XRP or SOL. The robustness test further indicates that corporate & institutional adoption events generate the strongest positive market reaction compared to government and regulatory announcements. Overall, the research shows that institutional adoption has caused Bitcoin's integration into the financial market and has caused a positive short term market performance.

INTRODUCTION

In less than 20 years Bitcoin went from a digital experiment worth nothing into a financial asset with a market value of $1.3 trillion. Now governments, large multinational corporations, and some of the world's largest financial institutions continue to adopt Bitcoin, and so an important question emerges: “Does institutional adoption really change Bitcoin's price and volatility?”

In 2009 Bitcoin was created by Satoshi Nakamoto, and Bitcoin was designed to remove the need for things like banks and reduce governments' involvement in people's portfolios. Initially, it was used mostly by retail investors or unsophisticated investors and individuals who sought alternatives to traditional financial markets. It was characterized by extremely high volatility, for example, $13 in January 2013 to $1100 in December 2013; low market liquidity; and limited institutional involvement. However, over the past years, large institutions started adopting large amounts of Bitcoin even though many economists criticized bitcoin, like Paul Krugman, and he called it “evil” (P. Krugman, 2013). MicroStrategy adopting Bitcoin as its primary treasury reserve asset in 2020, Tesla purchasing $1.5 billion worth of Bitcoin in 2021, El Salvador passing the “Bitcoin law” in June 2021, the expansion of institutional custody services by BNY Mellon and BlackRock, and the approval of spot Bitcoin exchange traded funds have changed the structure of Bitcoin's market. Looking at even more recent events, for example, the announcement of a

United States strategic Bitcoin reserve in 2025 has further demonstrated that Bitcoin is increasingly considered within government and institutional financial strategies rather than remaining mainly a speculative cryptocurrency.

These developments attract more attention from investors, institutions, and governments. Understanding whether different categories of institutional adoption leading to different market responses is becoming more important as cryptocurrency is becoming more integrated in the global financial system. Relatively little research has been done not only regarding this topic but overall in the cryptocurrency industry. This paper aims to analyse to what extent institutional adoption has affected Bitcoin price and volatility dynamics and to identify an association between institutional adoption events and short term market reactions by looking at 16 major institutional events between 2009 and 2025. In this paper the "effect" of institutional adoption refers to the short term changes in Bitcoin's price and volatility around these events.

LITERATURE REVIEW

Bitcoin's significance and use have evolved since its creation. Bitcoin was regarded as a decentralised digital currency that allowed people to send money directly to each other without the involvement of central authorities like banks. Then it developed into an asset, and the recent adoptions have generated academic interest regarding whether institutional adoption has really affected Bitcoin's price behaviour and volatility dynamics. Most literature that is available online views Bitcoin as an isolated speculative asset, an asset that is mostly famous for money laundering and other illegal activities. More recent research suggests that institutional participation has increased its integration with traditional financial markets, which actually on the other hand reduces its initial purpose of existence. However, there remains considerable debate regarding whether this process has stabilised Bitcoin markets or simply exposed them to new sources of financial risk.

Volatility

Before large institutions adopted Bitcoin, the market was known as a high volatility market that included a lot of speculative trading and limited association with traditional financial systems. Buchwalter, Chibane and Giménez Roche (2026) introduce the concept of Bitcoin fragility, which is when there is a larger downside crash risk over upside return potential. Using a jump-diffusion model and daily Bitcoin data from 2013 to 2024, they show that Bitcoin's fragility changes more frequently in response to global macro financial conditions. The authors show that increases in economic policy uncertainty are associated with greater Bitcoin fragility, while increases in equity market volatility reduces this fragility.

Their findings suggest that macroeconomic uncertainty primarily affects its volatility. This research shows that Bitcoin's volatility is influenced by external economic factors rather than purely cryptocurrency specific factors, such as the collapse of Mt Gox, which shows that institutional adoption of Bitcoin has contributed to Bitcoin's growing integration with global financial markets.

Those findings are relevant to the present day study because they demonstrate that Bitcoin's volatility dynamics can react to external financial changes. This motivates to create more research on whether institutional adoption events are also associated with fluctuations in Bitcoin's abnormal volatility and whether these changes occur immediately or with a delay before or after the event.

Financial Market Integration & Price Reactions

Harvey et al. (2020) and other authors examine the role of cryptocurrencies within institutional investment portfolios and argue that the cryptocurrency market has evolved, which increased institutional interest. Although the authors acknowledge Bitcoin historically has a high volatility; they argue that this risk can be effectively managed through portfolios made up using techniques like volatility targeting and diversification rather than excluding cryptocurrencies entirely. Their empirical analysis shows that the diversification benefits which were previously associated with Bitcoin have declined over time because of its correlation with equity markets, particularly the S&P 500, has increased substantially since 2020. The authors find that these correlations are strong during periods of stock market stress, suggesting that Bitcoin increasingly behaves like other risk assets during financial downturns. Authors also highlight that institutional Bitcoin adoption depends on compliance with anti-money laundering and knowing your customer regulations. They argue that these developments have made Bitcoin closer to traditional financial markets. This shows how growing institutional participation

Di Wu's (2025) research offers the strongest empirical data about the effect of institutional adoption of Bitcoin price and volatility patterns. Wu employs econometric methods to study the impact of institutional adoption on Bitcoin's price and volatility. Wu finds that Bitcoin's correlation with major equity indices has increased significantly. following institutional milestones such as Bitcoin ETF approvals and MicroStrategy's addition to the Nasdaq 100 on December 23, 2024. The research indicates that during strong bull market periods, Bitcoin is increasingly acting like a regular financial asset, but is more weakly associated during moments of bad market stress. Wu believes that institutional adoption has impacted Bitcoin's price dynamics by increasing its integration into financial markets. Those findings motivate the present day because increasing integration with traditional financial markets suggests that institutional announcements may now have a greater relationship with Bitcoins market price reactions.

Research Gap and Connection to the Present Study

Compared to things like the traditional financial markets, for crypto currencies the academic research isn't as developed, and many research gaps remain. Most existing studies focus on Bitcoin's relationship with traditional financial markets or others focus on specific events like the ETF approvals or corporate treasury investment. There is limited evidence regarding whether institutional adoption affects Bitcoin's price and volatility dynamics directly, how different categories of institutional adoption generate different volatility responses, and which types of institutional events have the greatest influence on Bitcoin's market behaviour. This paper will be the first to provide this analysis.

DATA

Table 1: Summary statistics

Variable	*First date*	*Frequency*	*Min*	*Mean*	*Max*	*Source*
BTC	2014-09-17	daily	$176.90	$28791.87	$124752.14	Google finance
ETH	2017-11-09	daily	$84.28	$1715.61	$4831.09	Google finance
Gold	2009-01-02	daily	$805.60	$1708.18	$5415.70	Google finance
S&P 500	2009-01-02	daily	$679.28	$2942.58	$7605.31	Google finance
SOL	2020-04-10	daily	$0.51	$86.66	$261.87	Google finance
XRP	2017-11-09	daily	$0.14	$0.83	$3.56	Google finance

This research paper uses daily frequency financial data to examine the effect of institutional adoption on Bitcoin price and volatility dynamics. Daily frequency was chosen as it allows me to see the immediate market responses for each of the events days before and after and create an average. The dataset includes Bitcoin (BTC), Ethereum (ETH), Solana (SOL), XRP, gold, and the S&P 500 as a proxy for equity markets. The data covers the data ranging from January 2009 until June 2026.

All the data were collected from Google Finance using the daily closing, opening, maximum, minimum, volume, and returns pricing. Google Finance was selected, as it provides freely accessible, reliable, and easy to use large amounts of data, which allows it to be easily downloaded and analyzed. I used a single data source so that the calculations could be consistent.

METHODOLOGY

This study uses an event study methodology by A. Craig MacKinley (1997) to investigate the effect of institutional adoption on Bitcoin price and volatility dynamics. This methodology focuses on measuring the effect of a specific event on the outcome over time, and by doing so, it allows us to compare the outcome variable before and after the event to determine whether the event caused a statistically significant change. Institutional adoption is an action by a major corporate, financial, or government institution which changes, regulates or recognises institutional participation in Bitcoin. For this methodology the main focus was on 16 major events occurring between 2009 and 2025, which include announcements by the publicly traded companies, financial institutions, ETFs, and governments, which can have an effect on Bitcoin's price and volatility dynamics. By looking at the average returns during different periods of the event, I created an average for each t and then created a table to structure my data.

For each institutional adoption announcement, an event window from -2 to +2 trading days, where 0 represents the day of the event.

The events that were selected had to represent a significant move or announcement involving Bitcoin by a government, publicly traded company or an investment by a financial institution. The event had to also have a clear implementation date that could be matched with the market data. Most importantly when choosing the event for the research it needed to have reliable sources like from government announcements, institutional official announcements or established news sources.All the events were weighted equally when doing the calculations and so the difference in the relative importance or size of the individual institutional adoption events were not separately weighted.

In order to create data visualization in the form of graphs I used the daily returns, abnormal returns and average abnormal volatility for each institutional event. It helped create the Average Abnormal Volatility graphs for Bitcoin individually and for the comparison between Bitcoin, Etherium, Solana and XRP relative to the S&P 500. Table 2 is the list of the events.

Table 2: Institutional adoption events

ID	date	event	category	Source
1	2009-01-03	Bitcoin genesis block mined by Satoshi Nakamoto	Origin	Wikipedia / Bitcoin whitepaper history
2	2013-12-05	People's Bank of China (PBOC) bans Chinese financial institutions from handling Bitcoin transactions	Regulatory	PBOC notice coverage
4	2020-08-11	MicroStrategy announces initial purchase of 21,454 BTC	Corporate Treasury	MicroStrategy SEC 8-K filing
9	2020-12-10	MassMutual purchases $100M of Bitcoin	Institutional Investor	Bloomberg
5	2021-02-08	Tesla discloses in 10-K SEC filing that it purchased $1.5B of Bitcoin	Corporate Treasury	CNBC / SEC 10-K
6	2021-05-07	Goldman Sachs confirms formation of dedicated cryptocurrency trading team and began executing BTC NDFs and CME futures	Institutional Trading Desk	CNBC
7	2021-06-08	El Salvador Legislative Assembly passes the 'Bitcoin Law' making BTC legal tender (effective Sept 7, 2021)	Sovereign Adoption	Wikipedia - Bitcoin Law

11	2021-09-07	El Salvador's Bitcoin Law takes effect;	Sovereign Adoption	Wikipedia - Bitcoin Law
12	2021-10-05	U.S. Bank announces live cryptocurrency custody services for institutional investment	Institutional Custody	U.S. Bancorp Investor Relations
13	2021-10-19	ProShares Bitcoin Strategy ETF launches on NYSE -	Institutional Investment Vehicle	ProShares press release
8	2022-08-04	BlackRock partners with Coinbase Prime	Institutional Investor	CoinDesk
10	2022-10-11	BNY Mellon launches Digital Asset Custody platform	Institutional Custody	BNY press release
14	2023-06-15	BlackRock files S-1 application with SEC for a spot Bitcoin ETF	Institutional Investment Vehicle	CNBC
15	2024-01-10	SEC approves 11 spot Bitcoin ETFs	Institutional Investment Vehicle	Mintz Law / SEC order
16	2025-03-06	President Trump signs executive order establishing the U.S. Bitcoin Reserve	Sovereign Adoption	White House / CNBC

The other methodology that I have used is Google survey. I created a survey and sent it to several crypto specialists, which helped me collect primary research and more opinions on this topic. The purpose of this survey was to understand how individuals with experience in the cryptocurrency sector see institutional adoption and whether they believe it influences Bitcoin's price and volatility dynamics. Some of the questions that I asked are "In your opinion, how does institutional adoption affect Bitcoin's price volatility?", "If a large company (such as Tesla or MicroStrategy) announced a significant Bitcoin purchase, how likely would you be to increase your own investment?" and “To what extent do you agree

with the following statement?, "Institutional adoption increases confidence in Bitcoin as an investment."" to see more questions you can look at the appendix. I got some responses from individuals in Cyprus who trade with crypto currencies and individuals who are employees of companies in Cyprus that operate with cryptocurrencies or blockchain technology in their company. The survey was sent to a small sample of people, as they were selected based on their experience with cryptocurrency. Due to small sample size and focus on individuals in Cyprus, the sample is not representative of a broader population of cryptocurrency investors. Therefore, the survey is used as explanatory evidence of individuals perceptions rather than as evidence that can be generalised towards all the investors in the world. This primary research allows me to combine my event study where you can see the actual market behavior, with some of the opinions of industry participants.

Return calculation

Daily returns were calculated using the percentage change in the closing price between two consecutive trading days. The daily returns were then averaged for each t across selected events so that it could be implemented in a graph to see the market response during an event window.

$$R_t = \frac{(P_t - P_{t-1})}{P_{t-1}}$$

R_t represents the return on the day t, P_t represents the closing price on the day t and P_{t-1} represents the closing price on the previous trading day.

Abnormal return calculation

Expected returns were calculated relative to the S&P 500 so that it would be used in the abnormal return calculation.

$$E(R_{i,t}) = a_i + \beta_i R_{m,t}$$

$E(R_{i,t})$ represents the expected return of a crypto currency i on day t, $R_{m,t}$ represents the return of the S&P 500 on day t, a_i represents the intercept and β_i represents the estimated relationship between the market return and its expected return.

The abnormal return by finding the difference between the cryptocurrencies returns and its expected return. It was used to see fluctuations in market's price during an event window.

$$AR_{i,t} = R_{i,t} - E(R_{i,t})$$

$AR_{i,t}$ represents the abnormal return of cryptocurrency i on day t and $R_{i,t}$ represents its return.

Volatility

Volatility was measured using the standard deviation of the returns and was used to see how cryptocurrencies volatility differed from its normal level around institutional adoption events.

$$\sigma = \sqrt{\frac{\Sigma^{N}_{i=1}(x_i - \mu)^2}{N}}$$

σ represents volatility, N represents the total number of observations, x_i represents an individual return and μ represents the mean return.

Linear regression

A linear regression model was used to estimate the relationship between the cryptocurrency returns and broader market returns.

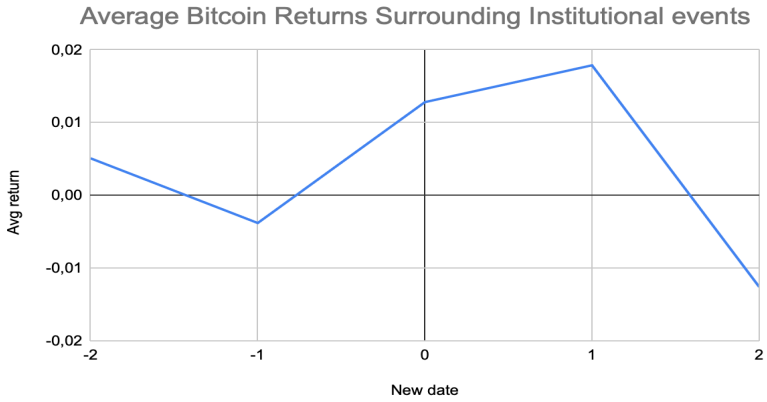
$$R_{i,t} = a_i + \beta_i R_{m,t} + \epsilon_{i,t}$$

$R_{i,t}$ is the return of the cryptocurrency i on day t, a_i represents the intercept , β_i represents the estimated sensitivity of the cryptocurrencies return to the market return, $R_{m,t}$ represents the S&P 500 return on day t and $\epsilon_{i,t}$ represents the residual return.]

RESULTS

The figure 1 and table 3 present the average Bitcoin returns during the event window surrounding institutional adoption announcements. The results show that Bitcoin experienced different market reactions before and after the events on average. Two days before the event (t=-2) the average return is around 0.5%, and it is positive, and it declines for the day before the event, being negative. However, on the event day (t=0), the average return increased to approximately 1.3%, which suggests that institutional adoption announcements on average are associated with a positive market response. The day after the event is when there is the highest average return, reaching around 1.8%, which indicates to us that the market reaction may not be immediate for the event, but it occurs shortly afterwards. However, 2 days after the event (t=2), the average returns become negative again, which suggests that the initial positive market response after the event is reversed back into its initial average return or even lower. As a result, those findings suggest that institutional adoption is associated with positive short term movements in Bitcoin price, particularly during the first trading day after the event, and can even increase demand for Bitcoin in the short run.

Figure 1: Average Bitcoin returns around institutional adoption events



New date	Avg return
-2	1.0%
-1	0.0%
0	1.281546197%
1	2.0%
2	-1.0%

Table 3: Average Bitcoin returns around institutional adoption events

AAV stands for Average Abnormal Volatility, which is the unexpected fluctuation in a security or market's price during an event window, compared to its baseline "normal" volatility calculated over a prior estimation period. Table 4 and figure 2 show the average abnormal volatility of Bitcoin and Ethereum, Solana and XRP over a 21 event window for each institutional adoption event window. It compares the volatility of each cryptocurrency relative to the S&P 500, and day 0 represents the institutional adoption event. The shaded region represents the 95% Cls, which shows the uncertainty around the estimated average abnormal volatility. Bitcoin's AAV has declined from 2.55% ten days before the event to 2.00% on the event day, which suggests that the AAV remained relatively low before and during the event. However, abnormal volatility increased after the event to 4.30% when t=2.5 and peaked 5 days after the event at 6.25% and then decreased back to around 2.70% 10 days after the event, which is similar to 10 days before the event 2.55%. This pattern suggests to us that institutional adoption events can cause a delayed increase in Bitcoin's AAV, peaking around 5 days after the event with a range of 4.25% over the 21 day event window.

Ethereum showed a more stable AAV throughout the event window, having a range of 1.6% throughout the 21 event window. Its AAV decreased from 4.90% when t=-10 to 3.60% on the event day and then went back to 4.80% 5 days after the event. This suggests that Ethereum's AVV response was more moderate, which can be explained by the fact that those events were more specifically associated with Bitcoin rather than Ethereum.

The largest AAV responses were recorded for Solana and XRP, with the range for Solana being 7.35% and 6.35% for XRP. Solana had the highest AAV before the event, 11.25% for t=-5, while XRP had 7.65% when t=-2.5. After the event, XRP had the strongest post-event increase, reaching 8.75% when

t=5, and Solana also remained having high AAV, with 6.25% when t=7.5 and 5.10% when t=10. This shows that smaller cryptocurrencies have a substantially stronger AAV response to the institutional adoption events than Bitcoin.

Table 4: Average Abnormal Volatility around institutional adoption events

Variable	AAV for t=-10	AAV for t=-7.5	AAV for t=-5	AAV for t=-2.5	AAV for t=0	AAV for t=2.5	AAV for t=5	AAV for t=7.5	AAV for t=10
Bitcoin (BTC)	2.55%	3.80%	3.75%	4.90%	2.00%	4.30%	6.25%	2.6%	2.70%
Etherium (ETH)	4.90%	4.80%	5.00%	5.20%	3.60%	3.85%	4.8%	3.75%	3.80%
Solana (SOL)	3.90%	6.25%	11.25%	5.10%	4.80%	6.15%	4.9%	6.25%	5.10%
XRP	7.55%	5.10%	3.75%	7.65%	2.70%	3.80%	8.75%	2.65%	2.40%

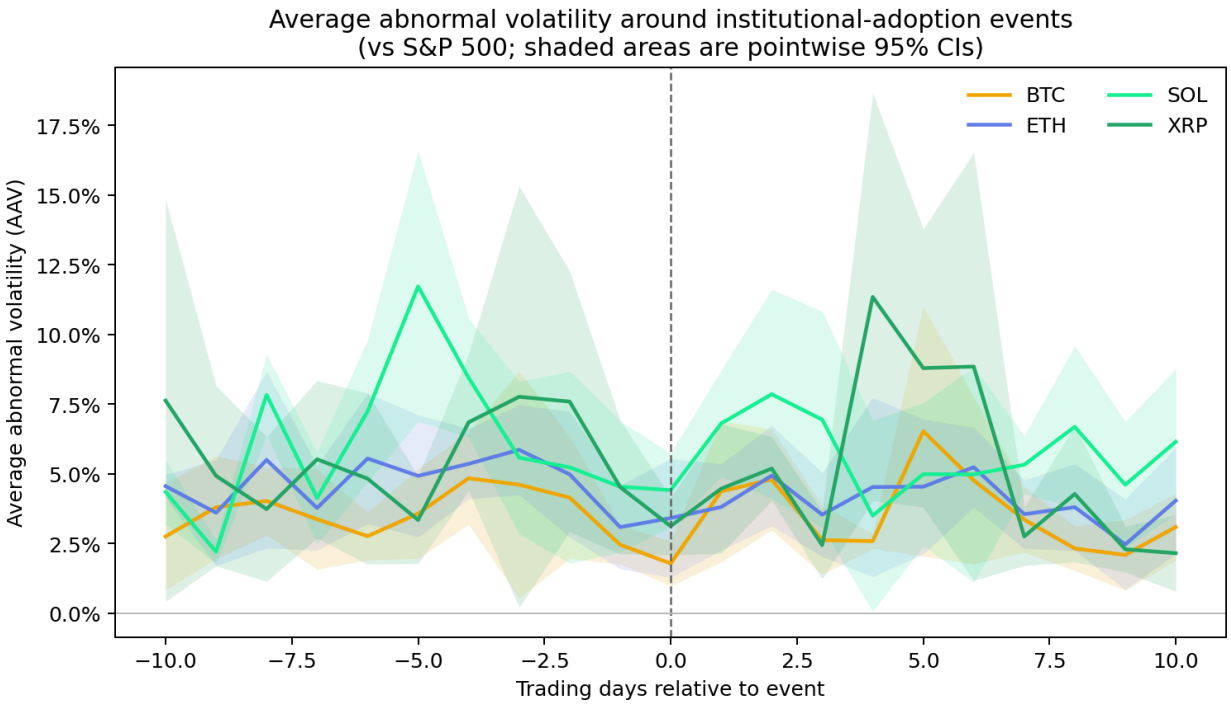


Figure 2: Average Abnormal Volatility around institutional adoption events

Based on the responses, individuals uniformly agreed that institutional adoption has an influence on Bitcoin. When the question asked whether announcements of major institutions adopting bitcoin influenced its market price, all 6 individuals agreed, with 50% selecting 9, 33.3% selecting 10, and 16.7% selecting 8 on a ten point scale. Individuals also agreed that institutional adoption increases confidence in Bitcoin as an investment, with 50% selecting 10, 33.3% selecting 9, and 16.7% selecting 8. Those results indicate that institutional adoption leads to an increase in investor confidence and has a strong impact on Bitcoin's market performance. However, the volatility responses were different; while 66.7% of individuals believed that institutional adoption slightly decreases Bitcoin's price volatility, 16.7% believed in a slight increase in volatility, and 16.7% were unsure.

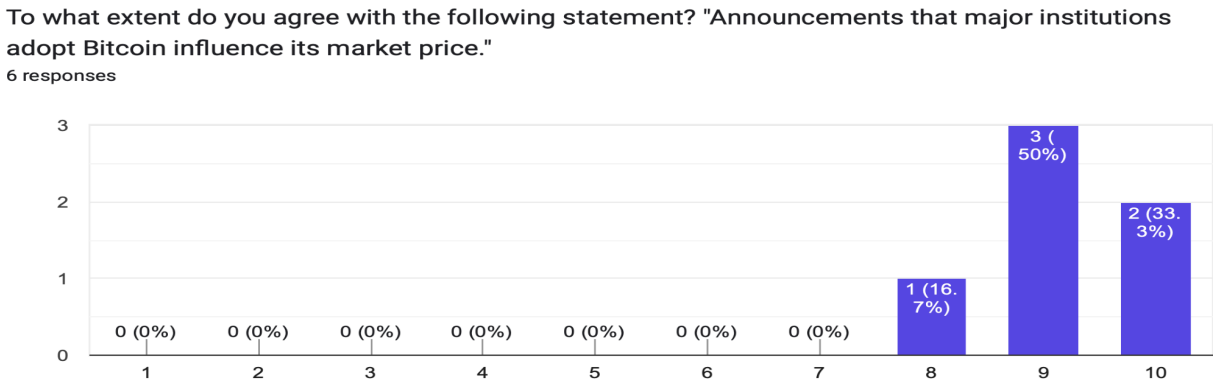


Figure 3: Survey question

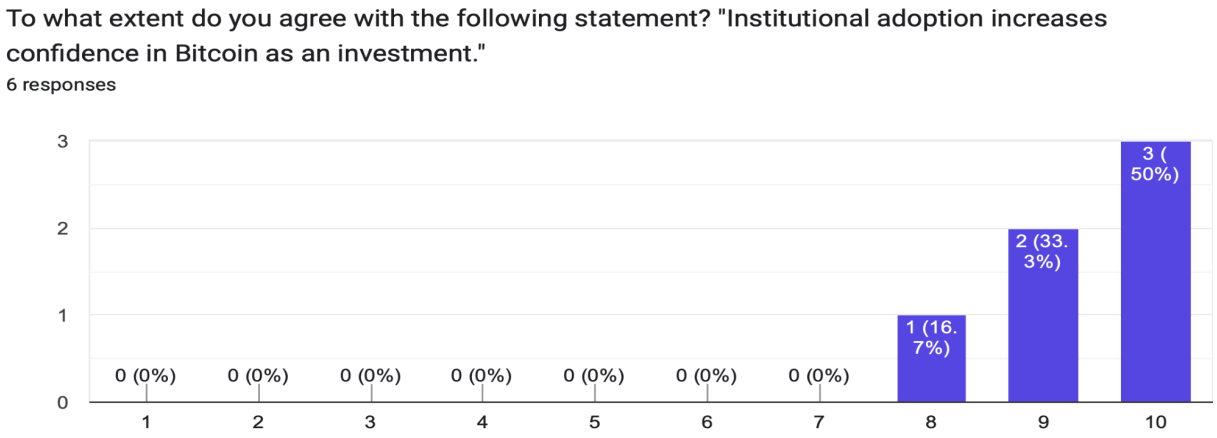


Figure 4: Survey question

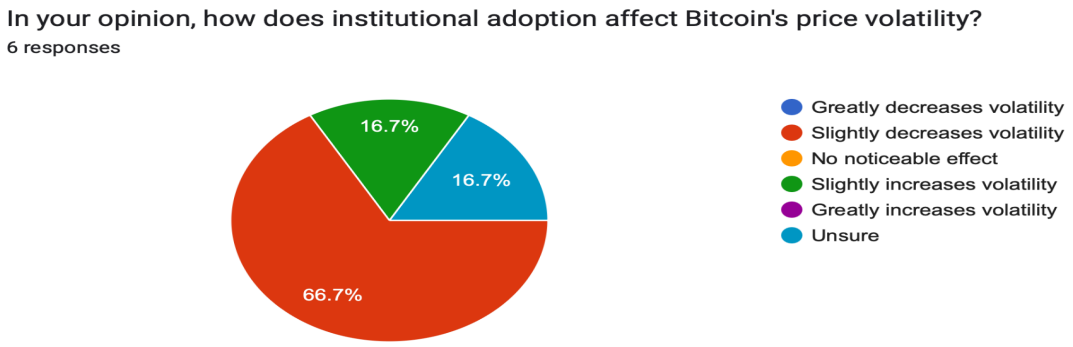


Figure 5: Survey question

Results suggest that institutional adoption events are associated with increased AAV across cryptocurrency markets, although the magnitude of the responses depends on the cryptocurrency. Ethereum and Bitcoin show the most stable AAV profile compared to XRP and Solana, which have much larger fluctuations. Results also show that Bitcoin has a more stable AAV which can be associated with a more increased institutional participation, whereas smaller cryptocurrencies remain more sensitive to market changes. However, the analysis does not establish that increased institutional participation causes this difference. The survey results support the results from the event study overall by showing that in general surveyed participants perceived institutional adoption of Bitcoin as having a positive effect on Bitcoins market response, although the effect on the volatility is less certain among individuals.]

ROBUSTNESS TEST

To examine which types of institutional events really matter, the original 16 events were divided into 3 categories: Corporate & Institutional Adoption 2020-2022 (Event numbers 4, 5, 6, 8, 9, 10, 12), Government & Regulatory Adoption 2021-2025 (Event numbers 7, 11, 16), and Financial Market & Investment Product Adoption 2021-2024 (Event numbers 13, 14, 15). The event study was then repeated separately for each category using the same event window, and this robustness test allows us to see whether the average returns differ based on whether the event originates from private institutions, government actions, or market financial developments.

Corporate & Institutional Adoption

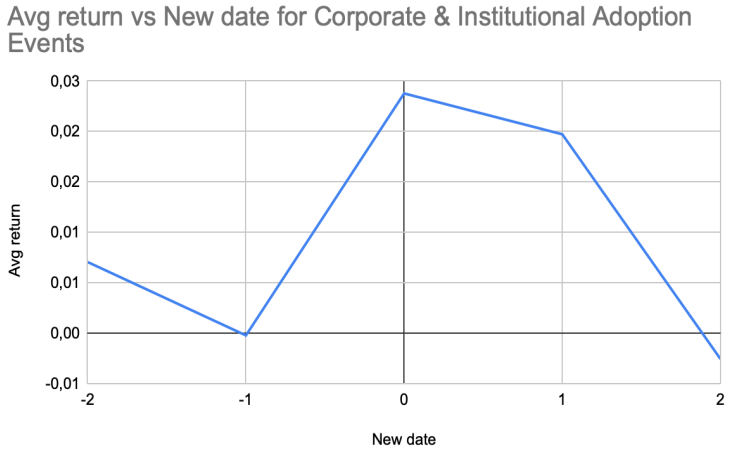
The results indicate that there is a positive market response following the corporate and institutional adoption events. The average returns were approximately 1.0% two days before the event, and they declined to 0% one day before and increased rapidly on the day of the event to 2.38% on the event day, and the positive average return remained positive on the next day as well, which is consistent with a positive short term market response following these events. However the analysis cannot determine

whether this pattern was directly caused by changes in investor confidence. Although the returns declined to 0% on day 2, it still suggests to us that those categories of events generate a positive price response and increase investors' confidence and positively influence Bitcoin's price in the short run.

Table 5: Average returns for corporate & institutional adoption events

New date	Avg return
-2	1.0%
-1	0.0%
0	2.37876699%
1	2.0%
2	0.0%

Figure 6: Average returns for corporate & institutional adoption events



Government & Regulatory Adoption

The average returns for this category were less stable. Returns averaged approximately -2.0% two days before the event and increased to 0% one day before the event and declined again to -2.14% on the event day. After the event the average returns increased to 1.5% one day after the event and then declined back to -1% two days after the event. This can suggest again that the average returns increase with a delay after the event; however, the average returns are much lower compared to other categories, so potentially investors may interpret policy related events with lower confidence.

Table 6: Average returns for government & regulatory adoption events

New date	Avg return
-2	-2.0%
-1	0.0%
0	-2.1407596%
1	1.0%
2	-1.0%

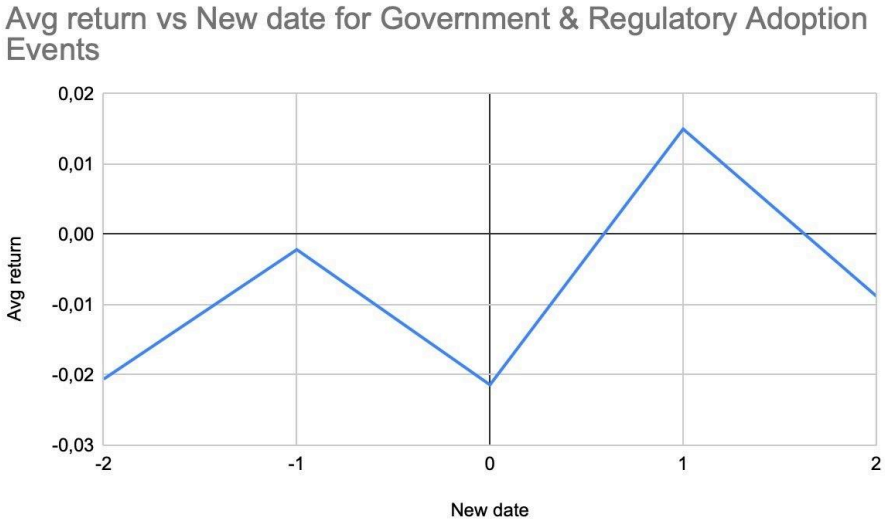


Figure 7: Average returns for government & regulatory adoption events

Financial Market & Investment Product Adoption

This category showed the largest price response on the event day, which indicates that these events had the largest short term impacts on Bitcoin's returns. The average Bitcoin returns were 3.0% two days before the event and decreased to -1.0% one day before and then increased to 2.14% on the event day, and then the positive returns remained after the event until two days after the event (-4%). This shows that there is a positive response towards ETF related events. However, on the other hand, this category of events also has the lowest returns when t=2, which can show that the initial positive response was followed by a substantial decline.

Table 7: Average returns for financial market & investment product adoption events

New date	Avg return
-2	3.0%
-1	-1.0%
0	2.143670146 %
1	2.0%
2	-4.0%

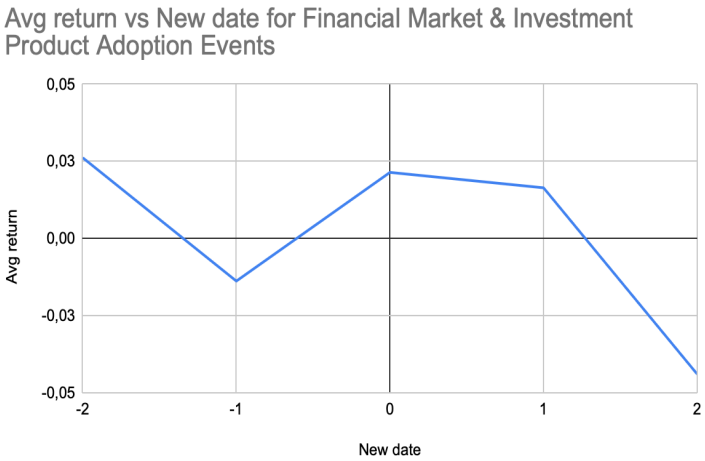


Figure 8: Average returns for financial market & investment product adoption events

Overall

This robustness test indicates that the effect of institutional adoption on Bitcoin differs according to the type of the event. Corporate and institutional adoption events create the most stable average returns for Bitcoin as they remain positive in this event window, which can indicate to us that those events increase investors' confidence. Government and regulatory adoption events lead to the weakest average returns and have more frequent fluctuations, which shows that there is more uncertainty surrounding those events. Specifically, this robustness test shows us that the findings that are presented in the general event study are not driven by a single category of institutional adoption. The corporate & institutional adoption events and the financial market & investment product adoption events show a similar pattern to the general event results as they both have positive returns on the day of the event and the day after the event. However, the

government & regulatory adoption events follow a different pattern, which shows that government related events create, on average, more mixed market reactions and that there is decreased investor confidence.]

LIMITATIONS AND FURTHER RESEARCH

One of the main limitations of this research paper is the number of the events used is relatively small. They are the most significant institutional adoption events, and if more events were used, then the results might be more accurate. For future research, more events could be used, including those from different countries and financial institutions, which would reduce the influence of a particular event on the average. The other limitation is that crypto is a relatively new topic, therefore historical Bitcoin data available for the analysis is very limited. For example, the historical price data starts 2014-09-17 on Google Finance because that is when reliable pricing from mainstream institutional data feeds and surviving commercial exchanges became uniformly available. As a result, some early institutional events like "People's Bank of China (PBOC) bans Chinese financial institutions from handling Bitcoin transactions" could not be analyzed.

Another limitation is that the event window that was used in this study is relatively small, and it focuses mostly on 2 trading days before and after the event to really see the immediate market responses. However, institutional adoption can have long-term effects, and so in future research a larger event window could be used. The other important limitation is that there are multiple factors that can affect Bitcoin's price and volatility dynamics, like geopolitical conflicts, inflation, recession, GDP growth, and many more factors. It is difficult to control those variables and to isolate a specific event from all those external factors during the research and analysis.

Finally, this research paper's author has limited access to different resources like databases and subscription based sources and professional software. The research relied on publicly available sources like Google Finance, JSTOR, Google Scholar, and other articles for example from New York Times, TechCrunch and CNBC. The primary research was also limited, and the number of responses was relatively low due to the limited access to professionals working in the cryptocurrency industry. All of those limitations are opportunities for further research.

These limitations directly affect the interpretation of the studies' conclusions which means that the observed patterns may not represent Bitcoin's response to all institutional adoption events. The survey findings are also very limited by only having only 6 responses. Future research could address all of those limitations by analysing larger number of institutional adoption events over a bigger event window and collecting survey responses from a larger and more diverse sample of investors and cryptocurrency professionals.

CONCLUSION

Findings suggest that institutional adoption causes a positive short term average return on the event day (t=0) and the day after the event (t=1) and the effect is tempered. It showed that on the second day after the event the average returns decreased and normally decreased to the initial percentage that was 2 days before the event (t=-2). The analysis of the abnormal average volatility showed that institutional adoption events are associated with volatility changes not only in Bitcoin but also in other crypto currencies. While Bitcoin and Ethereum showed relatively stable volatility patterns compared to XRP and Solana, which experienced much larger fluctuations around the institutional events, this suggests that more established and larger cryptocurrencies showed a greater resilience as institutional adoption has increased compared to smaller cryptocurrencies, although the analysis does not establish that institutional adoption caused that difference. The robustness test allowed us to see which types of events have the largest influence on the price changes and volatility dynamics and the magnitude of the events. The results indicated that the corporate & institutional adoption events have the largest positive market response on the day of the event, showing that announcements made by companies and financial institutions were associated with greater average returns. Overall, these results indicate that institutional adoption of Bitcoin could have helped Bitcoin grow from a speculative asset into an integrated part of the global financial system and that understanding institutional participation can be very important for investors.

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APPENDIX

Here are all the questions that were used in the survey.

1. What best describes your experience with cryptocurrency investing?
2. Which cryptocurrencies have you invested in?
3. Before today, were you familiar with institutional Bitcoin adoption?
4. To what extent do you agree with the following statement? "Announcements that major institutions adopt Bitcoin influence its market price."

5. To what extent do you agree with the following statement? "Institutional adoption increases confidence in Bitcoin as an investment."
6. In your opinion, how does institutional adoption affect Bitcoin's price volatility?
7. Which institutional events do you believe have the greatest impact on Bitcoin's market performance?
8. If a large company (such as Tesla or MicroStrategy) announced a significant Bitcoin purchase, how likely would you be to increase your own investment?
9. What factors most influence your decision to invest in Bitcoin?
10. In your opinion, how do institutional investors influence the future of Bitcoin and the wider cryptocurrency market?