Analysis of Persuasive Strategies in Cryptocurrency Scams: A Case Study in Malaysia

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Abstract
This study explores the persuasive strategies employed by scammers in cryptocurrency scams in Malaysia through the analysis of three scam articles. By applying Aristotle's persuasive modes (ethos, pathos, and logos), the research aims to uncover the linguistic manipulations used to deceive individuals into investing in fraudulent schemes. The findings highlight that scammers utilize ethos to establish credibility by associating their scams with renowned figures, while pathos appeals to emotions such as hope, excitement, and fear of missing out through personal success stories and emotional language. Logos is employed to present logical reasoning by emphasizing the safety, profitability, and advantages of the cryptocurrency platforms. These insights underscore the need for increased awareness and critical evaluation of cryptocurrency investments, as well as the development of countermeasures to protect individuals from scams. Future research directions may involve assessing the effectiveness of countermeasures and investigating evolving language techniques employed by scammers. By shedding light on persuasive strategies, this study aims to contribute to the prevention and detection of cryptocurrency scams, safeguarding potential victims from financial harm.
Keywords: Cryptocurrency Scam, Persuasive Strategies, Malaysia, Language Analysis, Rhetorical Appeals

Introduction
Background of Study
Cryptocurrency scams refer to fraudulent schemes involving digital currencies, where perpetrators use deceptive tactics to manipulate individuals into investing in non-existent or illegitimate cryptocurrency projects. Cryptocurrency scams have become a global concern, as they exploit the popularity and potential profitability of digital currencies to deceive unsuspecting individuals (Chua, 2018). These scams employ various tactics to convince people

to invest, often leveraging persuasive techniques rooted in ethos, pathos, and logos to establish credibility, evoke emotions, and present seemingly logical reasoning (Machado & Santos, 2019). The analysis of persuasive strategies, such as ethos (credibility and trustworthiness), pathos (emotional appeals), and logos (logical reasoning), can shed light on the linguistic techniques employed by scammers in Malaysia. The study aims to investigate the language structure employed by Malaysian cryptocurrency scams, focusing on the persuasive strategies rooted in ethos, pathos, and logos.

This topic holds significant relevance in Malaysia due to the growing prevalence of cryptocurrency scams in the country. Malaysia has witnessed a surge in fraudulent cryptocurrency schemes, resulting in substantial financial losses for unsuspecting individuals. The Malaysian Securities Commission (SC) has been actively monitoring and taking actions against these scams to protect investors. Understanding the language structure and persuasive strategies utilized by cryptocurrency scammers is crucial for devising effective countermeasures and raising awareness among the general public, investors, and regulatory authorities (Lim & Hara, 2020). According to the Securities Commission Malaysia's Annual Report (2020), there has been an increase in the number of cryptocurrency scams reported in Malaysia, highlighting the urgency to address this issue. The study's analysis of the language structure and persuasive strategies employed by scammers can provide insights into the modus operandi of these scams, enabling the development of educational materials, regulatory policies, and awareness campaigns to combat cryptocurrency fraud.

Analyzing the language structure used by Malaysian cryptocurrency scams, specifically focusing on the persuasive strategies rooted in ethos, pathos, and logos, is crucial in understanding the techniques employed by scammers. The prevalence of such scams in Malaysia necessitates comprehensive research to develop effective countermeasures and raise awareness among the public and regulatory authorities.

Statement of Problem

Ideally, a comprehensive understanding of the language structure employed by cryptocurrency scams can lead to the development of effective countermeasures and awareness campaigns. Past studies have provided valuable insights into the topic, highlighting the significance of analyzing persuasive strategies and linguistic techniques utilized by scammers. For instance, Chua (2018) explored the phenomenon of Initial Coin Offerings (ICOs) as a fundraising mechanism in Malaysia. The study identified the need for regulatory frameworks and investor education to address the risks associated with ICOs. This finding underscores the importance of understanding the language structure used in cryptocurrency scams to protect potential investors. Furthermore, Machado and Santos (2019) conducted research on cryptocurrency fraud detection using natural language processing techniques. The study revealed the relevance of analyzing linguistic patterns and textual features to identify fraudulent schemes. This finding demonstrates the potential of linguistic analysis to detect and prevent cryptocurrency scams.

Despite the importance of analyzing the language structure used in cryptocurrency scams, several challenges hinder the achievement of the ideal situation. Cryptocurrency scammers constantly adapt their language structure and persuasive strategies to exploit new trends and technological advancements. This dynamic nature of scammer tactics poses a challenge in effectively capturing and analyzing the evolving language patterns. According to Lim and Hara (2020), the cryptocurrency landscape in Malaysia is constantly changing, with scammers employing innovative methods to deceive investors. This finding underscores the

need for ongoing research to keep pace with evolving scammer tactics. Malaysia is a linguistically diverse country, with multiple languages and dialects spoken across different regions. Scammers may utilize language variations and cultural nuances to target specific communities, making it challenging to analyze the language structure comprehensively. The Securities Commission Malaysia's Annual Report (2020) highlighted the diverse range of languages used in cryptocurrency scams in Malaysia, including English, Malay, Chinese, and Tamil. Understanding the linguistic complexities and variations in scammer strategies across different languages poses a significant challenge in this research domain.

In general, understanding the language structure used by Malaysian cryptocurrency scams and its persuasive strategies is essential, challenges such as rapidly evolving scammer tactics and language diversity need to be addressed. Past studies have demonstrated the importance of linguistic analysis in combating fraud, emphasizing the need for continued research to develop effective countermeasures and raise awareness among the public and regulatory authorities.

Objective of the Study and Research Questions

The primary objective of this study is to analyze the language structure used by Malaysian cryptocurrency scams, focusing on the persuasive strategies rooted in ethos, pathos, and logos. The research aims to address the following questions:

- How do scammers employ ethos, pathos, and logos in their language structure to persuade individuals to invest in fraudulent cryptocurrency schemes?
- What linguistic techniques and persuasive strategies are commonly utilized by cryptocurrency scammers in Malaysia?
- How can an understanding of the language structure used in cryptocurrency scams contribute to the development of effective countermeasures and awareness campaigns in Malaysia?

Literature Review
Cryptocurrency Scam

Cryptocurrency scams in Malaysia refer to fraudulent activities involving digital currencies, where scammers deceive individuals by offering false investment opportunities or promising high returns on non-existent or illegitimate cryptocurrency projects. These scams have become a growing concern in Malaysia, with unsuspecting individuals falling victim to financial losses. The scams are often conducted through various channels, including phishing emails, social media platforms, online advertisements, and fraudulent websites. Scammers employ persuasive techniques and manipulate the language structure to establish credibility, evoke emotions, and present seemingly logical reasoning to entice individuals into investing their money. Despite efforts by regulatory authorities such as the Securities Commission Malaysia to curb cryptocurrency scams, the dynamic nature of these fraudulent activities and the diverse linguistic strategies used by scammers pose significant challenges in effectively combating this issue.

Rhetorical Appeals

Aristotle's Persuasive Modes, also known as the rhetorical appeals, are a framework developed by the Greek philosopher Aristotle to understand and analyze persuasive communication. The three modes, namely ethos, pathos, and logos, encompass different strategies that speakers or writers use to persuade their audience. Ethos appeals to the

credibility and trustworthiness of the speaker, pathos appeals to the emotions and values of the audience, and logos appeals to logical reasoning and evidence. Ethos establishes the speaker's expertise and character, pathos evokes emotional responses, and logos employs logical arguments to persuade the audience (Cooper, 1997).

Past Studies on Analysing Language in Cryptocurrency Scams

In a study conducted by Singh and Hara (2020), the researchers analyzed the language structure used by scammers in cryptocurrency scams. The study focused on the online communication channels, such as social media platforms and online forums, where scammers interacted with potential victims. The researchers collected a sample of scam messages and applied natural language processing techniques to identify the linguistic patterns and strategies employed by scammers. The findings revealed that scammers often used persuasive language, emotional appeals, and urgency tactics to manipulate individuals into investing in fraudulent cryptocurrency schemes. The study emphasized the need for individuals to be aware of these language patterns and to exercise caution when engaging with cryptocurrency-related communications on online platforms.

Another study by Park et al (2019) investigated the language structure used by scammers in cryptocurrency phishing emails. The researchers collected a corpus of phishing emails targeting cryptocurrency users and conducted a qualitative analysis to identify linguistic features and persuasive strategies employed by scammers. The study found that scammers used various linguistic techniques, such as personalization, urgency, and fear appeals, to deceive recipients and elicit their response. The findings highlighted the importance of analyzing the linguistic structure and content of phishing emails to develop effective detection and prevention mechanisms. The study recommended the integration of linguistic analysis techniques in email filters and security systems to mitigate the risk of falling victim to cryptocurrency scams.

Conceptual Framework

The conceptual framework for this study on analyzing the language structure used by Malaysian cryptocurrency scams, focusing on ethos, pathos, and logos, is based on the integration of persuasive communication theories and linguistic analysis. The study draws upon Aristotle's persuasive modes (ethos, pathos, and logos) as a theoretical foundation to understand the persuasive strategies employed by scammers in cryptocurrency scams. This framework provides a conceptual lens to analyze how scammers manipulate language to establish credibility, evoke emotions, and present logical reasoning to persuade individuals to invest in fraudulent schemes (Cooper, 1997). The study incorporates qualitative linguistic analysis techniques to examine the language structure used in cryptocurrency scams. Discourse analysis is employed to identify recurring linguistic patterns, persuasive language techniques, and rhetorical devices utilized by scammers. The integration of persuasive communication theories and linguistic analysis forms the foundation of the conceptual framework for this study. This framework enables a systematic analysis of the language structure employed in Malaysian cryptocurrency scams and facilitates the translation of research findings into practical implications for mitigating the impact of these scams and raising public awareness.

Methodology

This qualitative study aims to explore the language usage employed by scammers in cryptocurrency scams in Malaysia. The study utilizes a textual analysis approach, focusing on analyzing the language structure found in three selected cryptocurrency scam articles. Additional scam articles were considered if available, to enhance the comprehensiveness of the analysis. The analysis is guided by Aristotle's persuasive modes (ethos, pathos, and logos) to examine how scammers manipulate language to persuade individuals to invest in fraudulent schemes.

Data Collection

The data for this study consists of written articles reporting on cryptocurrency scams in Malaysia. Three articles were selected based on their relevance to the research topic and availability. These articles serve as textual sources for the analysis of language usage by scammers in cryptocurrency scams. If additional scam articles are found, they will be included to strengthen the analysis.

The first article used in the study is the article written by Bitcoin Evolution. The article discusses an interview with the Prime Minister of Malaysia, Dr. Mahathir Mohamad, who claims to have found ways to eliminate RM200 billion of the country's debt. He introduces a new cryptocurrency trading system called Bitcoin Evolution as a solution to pay off debts and provide financial independence to the people of Malaysia. The platform operates using an automated trading algorithm and charges a 2% commission on profits. The article includes testimonials from Malaysian entrepreneurs who have tested the platform and achieved significant profits. It highlights the growing interest in Bitcoin as a new asset class and emphasizes the platform's perceived reliability. The author shares their personal experience with Bitcoin Evolution, reporting substantial profits within a week of using the platform. They express satisfaction with the results and plan to reinvest in the system.

The second article was taken from BitcoinGael, the article is an interview with Tony Fernandes about his Bitcoin investment project called BitcoinGael. Fernandes explains that traditional banks are threatened by cryptocurrencies because they take power away from the banks and give it back to the people. He addresses the volatility of Bitcoin and claims that even during a market crash, users of BitcoinGael were still making daily profits. Fernandes encourages people to take action and join BitcoinGael before it's too late. He also discusses the benefits of shared AI and the potential dangers of AI controlled by a single person or government. Fernandes shares that he is still using BitcoinGael and making substantial profits. He challenges the skepticism surrounding cryptocurrencies and highlights the shortcomings of traditional banking systems. Fernandes emphasizes the opportunity for wealth creation and urges users to be smart with their newfound money. He sees BitcoinGael as part of a revolution and hopes that users will use their wealth responsibly. The article concludes by mentioning an updated guide on BitcoinGael provided by Fernandes for readers interested in getting started.

The third article used in the study was taken from a cryptocurrency platform called Bitcoin Fortune. The article discusses Malaysian politician Lim Guan Eng's appearance on the Meletop show, where he shared a new "wealth loophole" that he claims can make anyone a millionaire within 3-4 months. He promotes a cryptocurrency auto-trading program called Bitcoin Fortune as the key to building wealth quickly. Lim Guan Eng showcases the money he has made using the program and urges people to take advantage of it before banks shut it down. The article includes testimonials from individuals who claim to have profited from

Bitcoin Fortune. It emphasizes the potential of cryptocurrencies and portrays the program as a revolutionary opportunity that big banks are trying to suppress.

Data Analysis

The textual analysis involves a systematic examination of the language structure used in the selected scam articles. Each article will be carefully read and coded to identify instances of persuasive language usage. The analysis will focus on identifying linguistic techniques associated with ethos, pathos, and logos. Ethos analysis will examine how scammers establish credibility and authority, pathos analysis will explore emotional appeals, and logos analysis will investigate logical reasoning and evidence employed by scammers. Patterns and recurring themes will be identified, and excerpts illustrating the language structure will be documented.

Validity and Reliability

To ensure the validity and reliability of the analysis, multiple researchers will independently review and code the selected scam articles. Any discrepancies in coding will be discussed and resolved through consensus. The use of Aristotle's persuasive modes provides a standardized framework for analysis, enhancing the reliability of the findings.

Result and Discussion

Ethos

Ethos, the appeal to credibility and authority, is employed in various ways throughout the analyzed articles to persuade readers to invest in the respective cryptocurrency platforms. Firstly, the inclusion of Prime Minister Mahathir Mohamad in the article on Bitcoin Evolution establishes credibility by associating the platform with a prominent political figure (Lee et al., 2022). The endorsement of a figure in a position of power and influence enhances the perceived legitimacy and trustworthiness of the platform. Furthermore, the mention of economists involved in creating a roadmap for Bitcoin Evolution adds an additional layer of credibility, as their expertise contributes to the platform's potential to address Malaysia's debt (Lee et al., 2022).

In the article discussing BitcoinGael, ethos is established through multiple strategies. Firstly, the CEO of Air Asia, Tony Fernandes, is portrayed as an authority on cryptocurrencies and investing. His exclusive interview positions him as an expert, highlighting his knowledge and experience in the field (Tan et al., 2020). By featuring Fernandes as a credible source, the article aims to enhance the platform's credibility and persuade readers to view it as a legitimate investment opportunity. Additionally, Fernandes sharing his personal experience with BitcoinGael further strengthens his ethos. By presenting himself as someone who has successfully benefited from the platform, he establishes a connection with potential investors and bolsters his credibility. Lastly, the reference to other technology leaders, such as Elon Musk, associates Fernandes with well-known figures in the industry, further enhancing his credibility and positioning him as a trusted source in the cryptocurrency realm (Tan et al., 2020).

Similarly, in the article discussing Bitcoin Fortune, ethos is established through the portrayal of Lim Guan Eng, a prominent politician, as a successful and honest individual. As a well-known figure, his endorsement lends credibility and authority to the platform. By positioning Lim Guan Eng as someone who openly discusses his financial ventures, the article aims to enhance his trustworthiness and persuasiveness.

The strategic utilization of ethos in these articles serves to enhance the credibility and trustworthiness of the respective cryptocurrency platforms. By associating the platforms with authoritative figures, such as political leaders or industry experts, the articles aim to persuade readers to view the platforms as legitimate investment opportunities.

Pathos

Pathos involves appealing to the emotions of the audience. The article on Bitcoin Evolution utilizes emotional language and testimonies to evoke positive sentiments and generate interest (Lee et al., 2022). The inclusion of phrases such as "financial freedom" and "earning money" aims to evoke a sense of hope and excitement among readers. Furthermore, the testimonial from Goh Peng Ooi, a successful entrepreneur, presents a personal narrative that reinforces the emotional appeal and instils a sense of trust in the platform (Lee et al., 2022).

Similarly, in the article discussing BitcoinGael, pathos is employed through various techniques to evoke emotional responses from the readers (Tan et al., 2020). It uses emotionally charged language, such as "shocker," "mind-blowing fortunes," and "completely turned around," to create a sense of excitement and urgency (Tan et al., 2020). These words aim to evoke positive emotions and a desire for similar success. Furthermore, Fernandes shares stories of individuals who have experienced financial transformation through BitcoinGael, appealing to the readers' empathy and generating a sense of hope and possibility (Tan et al., 2020).

Likewise, in the article discussing Bitcoin Fortune, pathos is evident through the use of emotional language and personal success stories. The narrative employs emotional language, such as "dream car," "relieve financial pressure," and "get rich," to tap into the desires and aspirations of readers. Personal success stories are used to evoke feelings of hope, excitement, and envy, creating a sense of urgency and FOMO (fear of missing out) to motivate individuals to consider investing in Bitcoin Fortune.

The strategic use of pathos in these articles aims to evoke emotional responses from the readers, such as hope, excitement, and a desire for financial success. By employing emotionally charged language and presenting personal success stories, the articles tap into the readers' emotions and create a sense of urgency and possibility. These emotional appeals contribute to the persuasive strategies employed by scammers in cryptocurrency scams.

Logos

Logos encompasses logical appeals based on evidence and reasoning. In the article on Bitcoin Evolution, several strategies are employed to present a logical argument (Lee et al., 2022). Firstly, the author emphasizes the safety and effectiveness of the system, highlighting that it is government-owned and ensures the financial protection of its users (Lee et al., 2022). This reasoning aims to establish trust and reliability in the platform's security measures. Additionally, the article mentions the mathematical certainty of asset ownership in Bitcoin Evolution, presenting a contrast with conventional banks and their fractional reserve system (Lee et al., 2022). This logical comparison implies that Bitcoin Evolution offers a more reliable and transparent financial solution.

Similarly, in the article discussing BitcoinGael, logos is employed through various strategies (Tan et al., 2020). Firstly, it provides statistical evidence, with Fernandes offering specific numbers and figures to support his claims (Tan et al., 2020). He mentions average daily profits, initial investment requirements, and potential returns, thereby adding credibility and rationality to the argument (Tan et al., 2020). Secondly, Fernandes utilizes comparison

and contrast to illustrate the shortcomings of the traditional banking system, where interest rates are low or negative, in contrast to the potential returns offered by crypto banks like BitcoinGael (Tan et al., 2020). This logical comparison aims to persuade the audience that cryptocurrencies provide a superior alternative to traditional banking. Lastly, the article employs cause and effect reasoning, explaining the motivations behind banks' opposition to cryptocurrencies and presenting a relationship between their profits and the financial struggles of their customers (Tan et al., 2020). This reasoning supports Fernandes' argument for the need to embrace cryptocurrencies and break free from financial shackles.

Similarly, in the article discussing Bitcoin Fortune, Logos is employed to present the case for the platform. It introduces the concept of cryptocurrency investment and highlights the profitability of cryptocurrencies like Bitcoin, Ripple, Ethereum, and others. The mention of advanced AI algorithms and the involvement of tech giants like Richard Branson, Elon Musk, and Bill Gates aims to lend credibility to the platform. However, the article lacks concrete evidence or verifiable data to substantiate the profitability claims associated with Bitcoin Fortune.

The strategic use of Logos in these articles aims to present logical reasoning and evidence to support the claims made about the respective cryptocurrency platforms. By utilizing statistical evidence, comparison and contrast, and cause and effect reasoning, the articles seek to persuade readers of the rationality and potential benefits of investing in cryptocurrencies.

Conclusion
Summary of Findings

The study conducted a qualitative analysis to explore the language usage employed by scammers in Malaysian cryptocurrency scams, with a focus on the persuasive strategies of ethos, pathos, and logos. By analyzing three articles promoting different cryptocurrency platforms, the study gained insights into how scammers manipulate language to influence individuals' investment decisions. Answering the research questions, the study found that ethos was established through associations with credible figures such as politicians, CEOs, and industry experts. Pathos was employed by appealing to readers' emotions, evoking hope, excitement, and a sense of urgency through emotional language and personal success stories. Logos was utilized to present logical arguments through statistical evidence, comparisons, and cause and effect reasoning. These findings align with past studies that have highlighted the persuasive techniques employed by scammers in various domains (Lee et al., 2022; Tan et al., 2020).

Implications and Suggestions for Future Research

The implications of this study are significant for mitigating the impact of cryptocurrency scams and raising public awareness. By understanding how scammers utilize ethos, pathos, and logos, more effective countermeasures, educational materials, and awareness campaigns can be developed to empower individuals to make informed decisions and protect themselves from scams. The study also has implications for cybersecurity, as it identifies the linguistic structures and patterns utilized in phishing emails targeting cryptocurrency users. This knowledge can aid in the development of more effective fraud detection systems and strategies. Regulatory bodies can enhance their monitoring and enforcement efforts, taking into account the linguistic patterns and strategies used by scammers. Additionally, the study provides practical implications for individuals and organizations involved in cryptocurrency

transactions, helping them recognize and avoid potential scams. Moreover, financial institutions, educators, and media organizations can play a crucial role in educating the public about the risks and warning signs of cryptocurrency scams.

For future research, it would be valuable to conduct a larger-scale quantitative study to analyze a wider range of scam communications and identify common linguistic patterns and persuasive strategies. Additionally, exploring the impact of cultural and contextual factors on individuals' susceptibility to cryptocurrency scams would provide valuable insights. Furthermore, investigating the role of technology, such as natural language processing and machine learning algorithms, in automatically detecting and preventing scam communications could contribute to the development of more efficient and proactive measures. Overall, continued research in this area is crucial to staying ahead of scammers' evolving tactics and safeguarding individuals and society from the detrimental effects of cryptocurrency scams.

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