

## DEPENDENCIES BETWEEN "PET FRIENDLY" EFFECT & DOGECOIN - DEVELOPMENT TRENDS

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**Abstract:** *Cryptocurrencies are one of the most discussed objects of the 21st century. There is a lot of digital money that aims to offer economic agents more functions and freedom in operating them, as well as to attract more investors in the field. One of the most innovative cryptocurrencies of our time is Dogecoin with its innovative PET FRIENDLY vision, which in recent years has been the subject of numerous research analyzes related to its development trends.*

**Key words:** *cryptocurrency, Dogecoin, innovation, pet friendly, COVID*

**JEL CLASSIFICATION:** A10, F01, F15, F19, F30, G23, M21, 016

### 1. INTRODUCTION

For more than a decade, cryptocurrencies have remained a hot topic in modern society, changing the worldview of economic agents. The global COVID-19 pandemic is outpacing the gradual process of digitalisation worldwide, and to date, virtual technology is part of almost every branch of public and social life. In this regard, the object of scientific development is the cryptocurrency Dogecoin, and the subject are cryptocurrencies on the PET FRIENDLY example of Dogecoin, as well as possible trends in this direction.

### 2. DOGECOIN CRYPTOCURRENCY ANALYSIS & PET FRIENDLY EFFECT

Dogecoin is one of the many cryptocurrencies offered in the cryptocurrency markets for trading and exchanging digital money. A historical review shows that it was created in 2013 by Billy Marcus and Jackson Palmer, and the network operates on the principle of "peer-to-peer" with open source. The PET FRIENDLY design is unique and impressive, as it depicts a dog of the Shiba Inu breed. The author's analysis of the design of the Dogecoin website stands out with its ease and "PET FRIENDLY" style, as well as its information about the dog breed used in the logo. The page is colorful, and the cryptocurrency is described as "fun and friendly". (Dogecoin.com, 2021) A previous author's study of the current "PET FRIENDLY" defines it as a set of places/sites that are suitable and where they are allowed to visit with pets, as they are friendly to them. (Yaneva, 2021)

The analysis of the cryptocurrency Dogecoin and the dependence with the "Pet Friendly" effect are the basis for the author's statement that there is a dependence between them in the form of a skillful marketing strategy aimed at digital currency design, aimed at increasing demand, supply and attracting new investors.

In the context of the 21st century, decentralization and anonymity are part of the characteristics of any digital currency, including Dogecoin, and a key prerequisite for accepting them as high-risk investments. In this regard, Dogecoin is also subject to hacker fraud, with investors incurring losses in excess of USD 12 000 in coins. A good marketing strategy is the basis for recovering losses through a SaveDogemas donation campaign for mutual aid and recovery from cryptocurrency theft. (Сикирин, 2018)

Among the main features of the digital currency with "PET FRIENDLY" design are:

- easy realization of transactions;
- low and fixed commissions of 1 Dogecoin;
- anonymous transactions;
- Easily recognizable vision based on the "PET FRIENDLY" effect.

### 3. REGRESSION ANALYSIS OF THE CRYPTOCURRENCY DOGECOIN

Cryptocurrencies have been part of our world for more than a decade and are still a hot topic of discussion and analysis. The case of changes in their price value, which can be formed on the basis of supply and demand, remains controversial, but the possibility of external, speculative interference in their values is not excluded. Nevertheless, their decentralization and anonymity ensures independence and lack of control by the state and/or national and supranational banking institutions, which has its positives but also risks.

Given all that has been presented so far, one of the most important topics for cryptocurrency investors is the value of digital currency. In this regard, the author traces the chronology of its value in the period from 01.2020 to 07.2021, as well as makes forecasts for its value in the next five months, ie. by the end of 2021 (Investing.com, 2021) (Figure 1.)

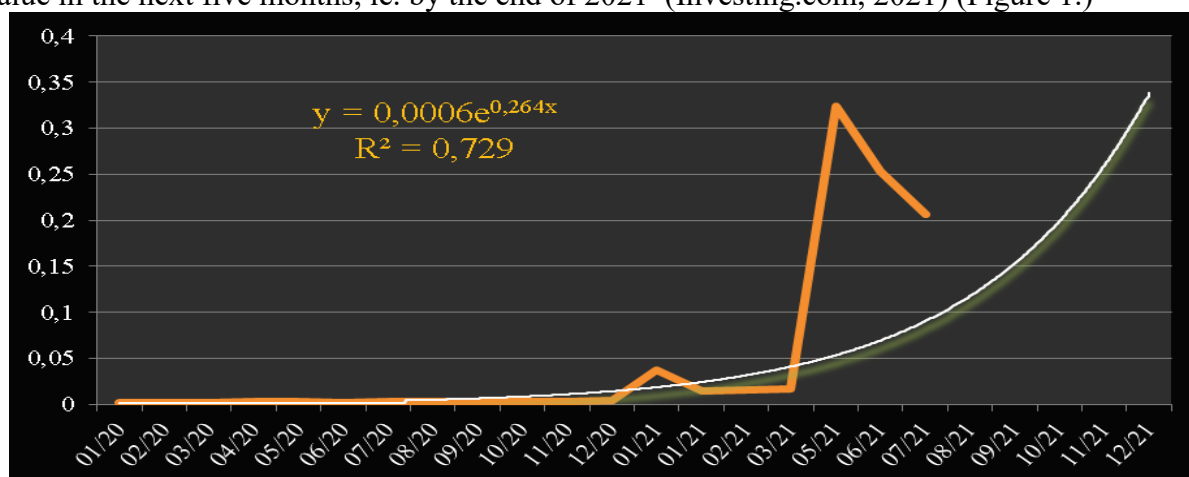


Figure 1. The price of Dogecoin in USD – Regression analysis for the period 01.2020 - 07.2021 and trends for the period until 31.12.2021

Source: investing.com and own calculations

Analysis of the cryptocurrency in the style of "PET FRIENDLY" outlines the conclusions that in early 2020, in January 1 DOGE traded for USD 0.002381, and its lowest value was in 02/2020 - USD 0.002216. After this period, as can be seen from the graphical values, its price increases at a constant rate, as the highest of the period analyzed in the scientific development is in 05/2021, when 1 DOGE is trading for USD 0.323951. In order to forecast the future price values of Dogecoin in the regression analysis, a trend line is set, related to forecasting trends for the value of Dogecoin until 12/2021, incl.

The trend line clearly shows that its price levels are expected to increase. In view of the above and in connection with Figure 1. it can be summarized that the price of the cryptocurrency Dogecoin shows sharp price amplitudes in the direction of increasing its values, and is expected to continue in the coming months. A more in-depth analysis related to the Dogecoin unit price forecast creates preconditions for determining that it is possible to increase the price by December 2021 and reach about USD 0.35.

In this case, the coefficient of determination ( $R^2$ ) is 0.729, which shows that nearly 73% of the total variance of the analyzed feature is related to the analyzed time factor, and the remaining 27% are part of factors not included in the model, and the author does not rule out are the result of the PET FRIENDLY effect, the increased demand for cryptocurrency, the global COVID pandemic or other factors in public and social life that are likely to affect the value of Dogecoin.

#### **4. DEVELOPMENT TRENDS IN DOGECOIN & POSSIBLE DEPENDENCIES WITH THE PET FRIENDLY EFFECT**

For more than a decade, we have witnessed a trend towards the integration of digital and digital technologies into our daily lives. The world of cryptocurrencies is gaining momentum, offering crypto-investors many opportunities to increase financial well-being, despite the risks of financial losses as a result of cyberism. Many cryptocurrencies fail to integrate into cryptocurrencies, gradually lose their value and disappear, leaving their investors in financial losses.

Given the vision of Dogecoin, the author can define it as the "different" cryptocurrency, the cryptocurrency with PET FRIENDLY vision. At present, there is no clear relationship between the rising value of Dogecoin and the PET FRIENDLY effect, but such a hypothesis cannot be rejected, as cryptocurrencies are still new and not fully explored objects. As can be seen from the different types of digital money that stand the test of time and maintain their value over the years, the trend is aimed at attracting new investors, as well as improving cybersecurity and fraud prevention, but also through various marketing strategies.

The trend is aimed at integrating digital money into the financial system, through legislative changes and international directives to clarify the status of digital money and ways to control it. To date, cryptocurrencies are still an anonymous and decentralized alternative form of financial instrument and differ from traditional fiat money, but the trend is to increase the interest of economic entities in them and their inclusion in the international financial system.

#### **4. CONCLUSION AND RECOMMENDATIONS**

The relationship between Dogecoin and the PET FRIENDLY effect in the 21st century, driven by innovation and technological growth, is still being analyzed. Although the cryptocurrency is interesting in itself, through the graphic depiction of a dog - a pet, at the moment it is not possible to prove a relationship between its price value and the PET FRIENDLY effect, but such a statement cannot be denied. In this regard, and in view of the above, the author recommends that the subject of future research in the field be directed to analyzes related to the study of social and societal attitudes of the PET FRIENDLY effect in the choice of digital money trading, as well as ways and means of attracting new economic entities for the purpose of purchase and sale with cryptocurrencies.

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