



Is Avalanche the Next Bitcoin?

Description

With the cryptocurrency industry continuing its impressive rally from 2020 into 2021, several attractive investments in the space have come to light. Avalanche has been one of the best stories out of the cryptocurrency industry over the last year. In fact, its native cryptocurrency, **AVAX**, is now the 12th most valuable, although its market cap of US\$26.5 billion is still well off **Bitcoin's** market cap of US\$1.1 trillion.

With Avalanche gaining so much popularity over the last year, and with AVAX rallying rapidly, many investors are interested in the cryptocurrency, especially since it hasn't been around for very long, only launching in the middle of 2020.

That's in contrast to Bitcoin, which was launched back in 2009. But while Bitcoin has been out for over a decade, in the early years, it slowly gained notoriety from the general public. Some had already seen the potential, though. This led to new cryptocurrencies being launched, such as **Dogecoin**, in 2013.

By 2015, Ethereum launched, with the capability to run smart contracts, a true game-changer. This also launched a new type of blockchain.

So, when you're investing in the [cryptocurrency industry](#) today, you have two main choices. You have investments like Bitcoin, which is a coin used only as a digital currency and it runs on its own blockchain. Dogecoin is also an example of a cryptocurrency used strictly as a digital currency on its own blockchain.

Avalanche, though, is more like Ethereum than it is like Bitcoin. Ethereum is the blockchain, and **Ether** is the cryptocurrency that's used to power the blockchain and pay for transactions. However, you can have an unlimited number of tokens all with their own use case on the network. For example, one of the more popular tokens on Ethereum's blockchain is **Shiba Inu**.

So, while digital coins like Bitcoin certainly have their uses, there is far more potential with blockchains that have smart contract functionality, as Avalanche does.

Is AVAX a better investment than Bitcoin?

There is no question that Bitcoin is the most dominant cryptocurrency at the moment and should continue to remain that way for some time. However, that doesn't necessarily mean it's the best investment.

There are other cryptocurrencies that could grow at a far faster pace, especially as the industry continues to gain popularity, not just from retail investors but also from companies and institutions.

So, as [decentralized finance](#) and all the other uses for smart contracts continue to grow, these blockchains, such as Avalanche and Ethereum, as well as their native currencies, stand to offer the best potential for investors.

Plus, because Ethereum still has a number of drawbacks, Avalanche has a ton of potential to continue gaining popularity.

Why is Avalanche one of the best smart contract platforms?

When looking at investing in the growth of a blockchain with smart contract functionality, it's important to see whether it's Ethereum Virtual Machine (EVM) compatible. This means that any decentralized app, for example, that's deployed on Ethereum's blockchain can also be deployed across other EVM compatible chains.

Not every smart contract platform that's going to be successful needs to be EVM compatible. However, it's a major advantage because it's a great way to attract users and developers when a blockchain first launches, which Avalanche has going for it.

In addition, Avalanche arguably has better technology than Ethereum and a strong core team of developers behind the project. This makes it one of the best Layer 1 blockchains that there is, which is why it has so much potential and has been dubbed the Ethereum killer.

We'll see how that plays out with Ethereum 2.0 launching over the next year. Either way, though, both Avalanche and Ethereum offer a ton of long-term potential. And because these blockchains can run smart contracts and can benefit from the massive popularity of new industries, such as decentralized finance and NFTs, both are a better long-term investment than Bitcoin.

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