



Here's Why Ethereum Could Overtake Bitcoin as the Most Valuable Cryptocurrency in 2022

Description

Investors who don't know much about cryptocurrencies, or even investors who are just getting started, have almost surely heard of **Bitcoin** ([CRYPTO:BTC](#)). However, the second most valuable cryptocurrency, **Ethereum** ([CRYPTO:ETH](#)), is nowhere near as popular.

Since Bitcoin was the first cryptocurrency created and the most popular cryptocurrency since its inception, naturally, it's the big name that everyone has heard of.

That's one of the reasons why Bitcoin continues to be the most dominant crypto, making up roughly 40% of the entire industry's value, despite having technology that's been improved upon by others for years.

It's this lagging technology that is precisely why Ethereum has the potential to overtake Bitcoin as the most dominant coin in the [cryptocurrency industry](#) this year.

But if you're wondering how Ethereum could have the potential to be number one, we first have to understand why it's already the second most valuable cryptocurrency.

What gives Ethereum so much potential?

When Bitcoin was created, it was completely revolutionary. However, Ethereum, one could argue, was even more revolutionary, because the blockchain network can run what are called smart contracts.

Right now, with Bitcoin, it's used as a ledger to send financial transactions. Ethereum, though, can theoretically handle any type of transaction.

That's why [NFTs](#) have become so popular. It's not so much for the artwork, which is what's primarily caught the attention of investors and the media. It's about the potential NFTs have in the future.

Any type of contract can be run on blockchains. Therefore, in the future, NFTs could be used to

represent real estate transactions, a stake in a business, or even to prove vehicle ownership.

And though much of this development is still years away, visionaries have already seen the potential. In the shorter term, Ethereum has the potential to continue gaining value and popularity due to the growing number of investors looking to invest in [DeFi](#).

Between DeFi, NFTs and now the growing popularity of play-to-earn video games, Ethereum should undoubtedly continue to gain in popularity. But just because Ethereum has so much potential doesn't mean it's without risk.

What are the risks of investing in Ether?

Because Ethereum was launched so long ago, it does have some significant drawbacks. And to make matters worse, competitors who have launched more recently have generally addressed these issues.

So, while Ethereum has an advantage due to its popularity, its technology is slightly on the back foot. That's why lately, other "Ethereum killer" blockchains that also run smart contracts are gaining in popularity.

These drawbacks should generally all be addressed this year, though, as Ethereum is upgraded to [Ethereum 2.0](#).

And in my view, even if Ethereum is outperformed by some of these other cryptocurrencies in the short term, it has so much potential that it will still be an incredible long-term investment.

In addition, Ethereum's code is compatible with many blockchains, which are said to be in its ecosystem. This is another reason why it's the second most valuable cryptocurrency and is so popular already.

Most of the developers are incentivized to create projects for Ethereum's ecosystem, which keeps more users on its blockchain and keeps it as one of the most dominant cryptocurrencies.

So, if you're looking to gain exposure to cryptocurrencies and are looking for solid investments to make, you'll be hard-pressed to find a better long-term investment than Ethereum.

CATEGORY

1. Cryptocurrency
2. Investing

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. danieldacosta
2. kduncombe

Category

1. Cryptocurrency
2. Investing

Date

2025/07/07

Date Created

2022/01/12

Author

danieldacosta

default watermark

default watermark