



Bitcoin or Ethereum in 2022: Which to Choose?

Description

2021 was a fantastic year for cryptocurrencies. With many Canadians learning [how to start investing](#) during the pandemic, the cryptocurrency industry also saw a significant influx of money from retail and institutional investors, driving the speculative industry to greater heights. Many of the top cryptocurrencies posted impressive growth due to the rising interest in this space.

The choice between **Bitcoin** ([CRYPTO:BTC](#)) or **Ethereum** ([CRYPTO:ETH](#)) has been one of the biggest debates in the crypto industry for several years. Bitcoin has remained at the top in the industry, being the first cryptocurrency and the asset that paved the way for thousands of cryptocurrencies over the years. Ethereum is the second-largest cryptocurrency after Bitcoin, and it has plenty of room to cover before it can catch up with Bitcoin.

The second-largest cryptocurrency has to see [considerable growth](#) to surpass the world's top cryptocurrency. It might seem impossible for Ethereum to beat Bitcoin to those bullish on Bitcoin, but ETH's growth rate has outpaced that of BTC in recent years. Today, I will discuss why Ethereum could oust Bitcoin as the top crypto soon.

Energy-efficient blockchain network

One of the most significant challenges plaguing Bitcoin and the broader cryptocurrency industry is the energy-intensive proof-of-work protocol that maintains the blockchain network and validates transactions. Ethereum also began operating with the same protocol, but the blockchain network will soon shift to another more energy-efficient approach.

Expected to come into play by mid-2022, Ethereum 2.0 will update the current blockchain network and move it to the proof-of-stake mining protocol. How does this impact Ethereum's chances of beating Bitcoin? Let's go for a simpler way to understand this.

Traditional mining through the proof-of-work protocol relies on a lot more processing power to maintain the blockchain network. The proof-of-stake protocol uses staking existing cryptocurrency tokens, allowing individuals to contribute to mining in a more energy-efficient, less cost-intensive, and quicker

manner.

Shifting to a more eco-friendly mining protocol will be the biggest reason for Ethereum's potential rise to the top amid rising concerns about climate change and global warming.

Much faster blockchain after the update

Cryptocurrencies are notorious for the long time required to validate transactions and maintain the blockchain network. The speed and cost improvements through the proof-of-stake protocol will be quite dramatic compared to the current system. Ethereum is not the fastest blockchain network right now, and transaction costs are too high.

Improving the transaction speeds and reducing transaction times will encourage more developer growth on the network and increase the overall utility of the Ethereum blockchain network. The massive size of the Ethereum blockchain network remains one of its biggest strengths. Combined with better speed and efficiency, Ethereum's popularity could significantly decrease the gap between Bitcoin and itself.

Foolish takeaway

At writing, Bitcoin boasts a market capitalization of \$819 billion, and Ethereum boasts a market capitalization of \$342.42 billion. While Ethereum may have a long way to go to catch up with Blockchain, the Ethereum 2.0 update could [significantly boost](#) its chances of ousting Bitcoin as the top cryptocurrency.

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