



## In the World of Crypto, Ethereum Could Be the Real Winner

### Description

**Ethereum** ([CRYPTO:ETH](#)) is the second-largest cryptocurrency worldwide, and it has effectively led the charge in innovating the disruptive cryptocurrency industry. Unlike **Bitcoin**, Ethereum also offers a massive decentralized finance (DeFi) ecosystem that blockchain developers created to get more utility out of the blockchain network.

Despite offering numerous advantages over its more traditional crypto counterpart, Ethereum has not been immune to the volatility that plagues the industry. So far, 2022 has been a bad year for cryptocurrencies, and we're barely into the second month of the new year. At writing, Ethereum is down by almost 35% year to date, and it could slump further.

However, it might not be wise to give up on Ethereum if you are a [long-term investor](#) bullish about the future of cryptocurrencies. Today, I will discuss why you might want to consider hanging onto any Ethereum holdings you have or even add the crypto token to your portfolio if you don't own it.

### The Ethereum 2.0 upgrade is on its way

One of the biggest problems with Ethereum and several other cryptocurrency blockchain networks is long transaction times and high costs. Ethereum boasts a massive blockchain network, and it still relies on the proof-of-work validation mechanism to maintain the network. The validation method causes too much congestion on the network, leading to more energy usage, higher costs, and slower transaction processing times.

It comes as no surprise that crypto enthusiasts have been searching for better alternatives that process transactions faster and at a lower cost. Additionally, investors worried about climate concerns would also prefer to invest in a more energy-efficient cryptocurrency.

Ethereum has decided to address the problem, and the blockchain network is planning to shift to Ethereum 2.0. The upgrade would effectively see the blockchain network adopt a proof-of-stake validation method to carry out transactions at a lower cost and significantly faster speeds.

Additionally, the upgrade to its blockchain network is also slated to make Ethereum far more energy-efficient than its current infrastructure.

## Why the upgrade makes a big difference

Ethereum is a programmable cryptocurrency with an extensive DeFi ecosystem on the blockchain network that has smart contracts allowing greater utility out of the platform. When it comes to its DeFi ecosystem, all the alternative crypto tokens out there cannot match its sheer size. The only advantages most of them have are the promise of faster transaction times and lower costs.

The incoming upgrade for Ethereum will essentially destroy the only advantage those blockchain networks offer over Ethereum. The upgrade should be integrated into Ethereum's blockchain network sometime in mid-2022. Of course, only time will tell how well the transition to an upgraded network goes, but the signs are promising.

## Foolish takeaway

[Investing in technology](#) is not limited to investing in tech stocks. The cryptocurrency industry may be the right space to invest your capital if you have some money you can afford to lose and you have a high risk tolerance.

Despite the potential of offering significant long-term upside, investing in Ethereum or any other cryptocurrency runs the risk of potentially losing your entire investment in the asset. If you are bullish about the [industry's future](#), gaining exposure to Ethereum may be the best way forward.

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