



Could Ripple (XRP) Be the Next Bitcoin?

Description

How does one asset dethrone another from the top spot and take its place? There is no simple answer because the top spot can take many shapes. The most common of which (especially when it comes to stocks) is market capitalization. But there are other quantifiers as well.

For example, in the crypto market, many cryptocurrencies have left the top dog **Bitcoin** ([CRYPTO:BTC](#)) in the dust when it comes to trading activity. But when it comes to market capitalization, only **Ethereum** has any realistic chance of surpassing Bitcoin. It might even be slightly more famous and well known compared to crypto, thanks to its secondary markets and investment assets it's associated with (like NFTs).

For other cryptocurrencies, like **Ripple** ([CRYPTO:XRP](#)), becoming the next Bitcoin would be challenging, to say the least.

Bitcoin vs. Ripple

[Bitcoin and Ripple](#) have several differences. Bitcoin is the cryptocurrency with its own blockchain, while Ripple was created as a payment settlement system. This alone makes it a serious competitor to Bitcoin, as it's more likely to be adopted by the existing banking/financial systems than Bitcoin (which is still primarily coveted as an investment asset).

However, Ripple fails as an actual cryptocurrency. When it comes to paying for goods and services via crypto, Bitcoin has a much higher chance of being accepted than Ripple.

The fundamental technological difference between the two is that where Bitcoin follows a proof-of-work system for validating the transaction, Ripple uses a consensus protocol.

The next Bitcoin?

Despite the differences, many of which are in Ripple's favour, its chances of becoming the next Bitcoin

are pretty low for several reasons. It's currently the seventh-largest crypto by market cap, and Bitcoin is about 23 times larger than Ripple. So, the smaller crypto is hardly on track to displace Bitcoin from the top spot. It might not even be possible if Bitcoin's price reaches four digits instead of the current five.

The same goes for the price tag. At its best, Ripple couldn't even cross US\$4 per unit, whereas Bitcoin reached over US\$67,500.

The one area where Ripple might be considered a more promising crypto investment compared to Bitcoin is its growth potential. Even if we just use re-reaching the former peak as the comparison benchmark, Ripple far [outstrips Bitcoin](#). The largest crypto is trading at a 43% discount to its peak.

Ripple, however, can grow your investment capital 2.5 times just by reaching its 2021 peak and about five times growth if it reached its all-time high peak in 2017. Bitcoin will have to break through several expectations and ceilings to reach that mark.

Foolish takeaway

If you are not intimately familiar with the intricacies of [crypto investing](#) and different cryptocurrencies, you will naturally learn more about Bitcoin, the most well-known cryptocurrency that everyone, from retail investors to institutional ones, is investing in. But out of the two, Ripple might be a slightly better buy, even if it can never become the next Bitcoin.

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