

TokenReporter: The Unexpected Benefit of the Cryptocurrency Crash

John Biggs Dec 17, 2018

The Update

This week I invited guest writer Vsem Yenovkian to comment on crypto pricing. In a stirring and in-depth look, he shares why he's still bullish although all signs point towards bear.

Earn BTC Right Now

These videos, hosted on [HypeHop](#), can earn you 50 cents per view. Please head over and check them out!

[GoBambino - The Simplest Way to Plan Kids' Activities](#)




GoBambino - The Simplest Way to Book Kids' Activities


 0.0001 per view


 109 left

[CoinSwitch - Crazy Easy Exchange Access](#)

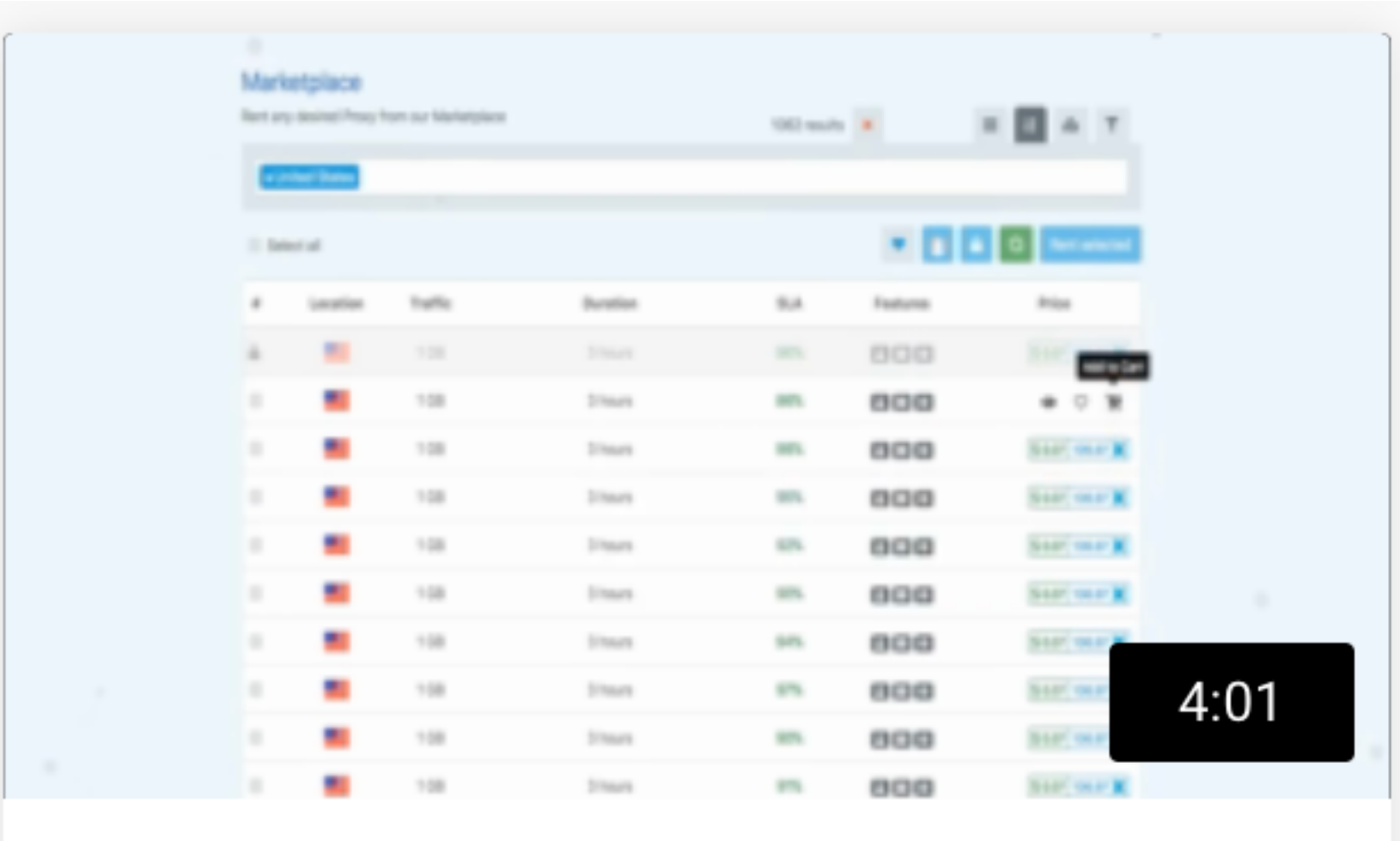


CoinSwitch - Trade 300+ coins without an account on any exchange


 0.0001 per view


 109 left

[IP Exchange - IP addresses for hire](#)



Meet IP Exchange. Distributed network layer

 0.0001 per view

 103 left

Sponsors

[Typewriter.Plus](#) offers white paper editing, website proofreading, and presentation management for startups. Our rates are low and our experts have worked at the New York Times, Gizmodo, and other amazing tech sites. Upload your document today or try our inexpensive Startup Pitch Pack.

MetaCert - After eradicating phishing on Slack in 2017 for the crypto world, MetaCert is now protecting over 1 million Crypto enthusiasts from phishing scams worldwide. Install their [new email security service](#) for iPhone.

HypeHop.com is an experimental

Want to reach 5,000+ crypto fanatics? Email joanna@cabalpartners.com

The Unexpected Benefit of the Cryptocurrency Crash

by Vsem Yenovkian

What a difference a year makes.

This time last year Bitcoin and its cryptocurrency brethren were on an unprecedented surge. Prices skyrocketed, millions were made, and even your grandmother was asking about investing in this new moneymaker. But that was then. Today it's more realistic to see Bitcoin hitting \$2,000 than going back to the heights of \$20,000.

But is that such a bad thing?

Well, yes if you're a cryptocurrency investor you've probably lost your shirt and then some. But if you're someone who believes in the fundamentals of cryptocurrency and what it stands for, this crash definitely has its benefits.

While the surge last year was great from a profit point of view, it was actually detrimental to the overall cryptocurrency world. For starters, any time that much money is involved it's going to bring out all sorts of unscrupulous characters looking to capitalize on the craze. True to form the number of ICO's that ended up being complete scams skyrocketed along with the price surge in 2017.

Even putting aside the outright criminal activity, there was still a flood of ICO projects that entered the market, many with no actual product or long-term plan behind them. The entire industry was being diluted by these capitalizing latecomers.

This wasn't why cryptocurrency was created in the first place.

See, lost in all the craziness of the last year was the original vision for why Bitcoin was created. It was never intended to be a form of investment, something you buy in hordes and cash out when you're ready to retire. It was created to be an alternate, digital, form of currency. Something you use to buy-and-sell as you would fiat money. This is what got the original community interested in the first place, especially coming off of the financial crash of 2008. People loved the idea of having currency that wasn't cash, wasn't centralized, and wasn't tied into the health of an unreliable economy structure. Bitcoin, and cryptocurrency, was going to modernize money.

And it was on track to achieve this...until 2017.

Before the price surges, the hype, the Lambos, and investments people were using cryptocurrency for its intended purpose. Merchants were accepting cryptocurrency as a form of payment and everything from cars to vacations to food was purchasable with cryptocurrency.

This all changed when the prices shot up in 2017. Suddenly people were no longer using cryptocurrency to buy anything because it made more sense to hold onto an appreciating asset. Why spend 5 Bitcoin to buy a car today when you can probably buy that car for 1 Bitcoin in a month? Now, with the price drop, we're seeing the opposite effect. Merchants are hesitant to take on a depreciating asset and many have phased out taking cryptocurrency altogether.

However it's not all bad news for cryptocurrency advocates. The price drop is also weeding out the phony and flimsy ICO projects. The market decline has created a filter effect where its no longer worthwhile for companies to launch an ICO haphazardly. This filter effect is making it more likely that an ICO enters the market with a viable product and strong long-term plan behind it.

Does this mean all the projects out there now are all legitimate and guaranteed to be successful? Unfortunately not, but the ones left standing after the crash are a stronger group than the ones that were around at the beginning of the year.

For many in the tech world the cycle that cryptocurrency has gone through over the last year or so is eerily similar to the dot-com boom/crash from 20 years ago. Back then, websites that had no value or product were being given ridiculous valuations just for being on the internet. Similarly many ICO's were being given ridiculous valuations just for existing as cryptocurrencies over the last year.

When the dot-com market eventually came crashing down many were doubting the future of the internet itself. We know now that this was an overreaction to a necessary market correction. We know that the dot-com crash was actually a good thing for the viability of the internet as a whole and e-commerce specifically. By weeding out the websites that added nothing of value, it left room for the Amazon's of the world to thrive.

It's left to see whether this cryptocurrency crash will have the same effect on the industry. The effect of reduced ICO's is already a big win and a strong start for true cryptocurrency advocates. If we ever see a stability in prices and merchants being willing to accept cryptocurrency as a payment method again then the future will be even stronger.

The people who lost a ton in the last year may not like hearing this but if this crash causes cryptocurrency to return to its intended roots, we will look back on it being the turning point in this currency revolution. A stronger, better, and more stable cryptocurrency rising from the ashes will truly be something more significant than a bunch of people buying sports cars from a one-time fad.

We can only watch and see what direction this goes into from here.



← Previous


Next →

Top

New

What is Great Reads?

Q




Pre-order my new book now!

Ahoy! I'm putting together this month's Great Reads but until then I wanted to share something I've been working on with my friend Eric Villines. It's ...

John Biggs

Apr 13

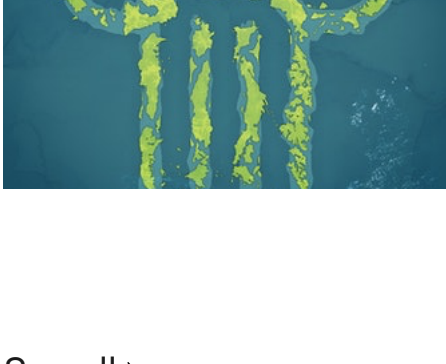


Great Reads for April

Here's what to read in this cruelest month

John Biggs

Apr 22



Great Podcasts for April 27, 2020

Happy Monday! This week we're highlighting the most popular podcasts this week using our AI system. This week these were the three top role-playing podc...

John Biggs

Apr 27


See all >

Ready for more?

Type your email...

Subscribe

© 2020 Cabal Partners LLC. See [privacy](#), [terms](#) and [information collection notice](#)

 Publish on Substack