

# 10 Important Cryptocurrencies Other Than Bitcoin

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Bitcoin has not only been a trendsetter, ushering in a wave of cryptocurrencies built on a decentralized peer-to-peer network but has also become the de facto standard for cryptocurrencies, inspiring an ever-growing legion of followers and spinoffs.

Because it isn't the only cryptocurrency available, it is essential to look into others and find out which ones besides Bitcoin are doing well. Here are some cryptocurrencies that have held on throughout steep price climbs and nosedives.

## Key Takeaways

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- Bitcoin continues to lead the pack of cryptocurrencies in terms of market capitalization, user base, and popularity.
- Other virtual currencies such as Ethereum are helping to create decentralized financial (DeFi) systems.
- Some altcoins have been endorsed as having newer features than Bitcoin, such as the ability to handle more transactions per second or use different consensus algorithms such as proof of stake.

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**Click Play to Learn All About Altcoins**

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## What Are Cryptocurrencies?

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Before taking a closer look at some of these alternatives to Bitcoin (BTC), let's step back and briefly examine what we mean by terms like cryptocurrency and altcoin. A cryptocurrency, broadly defined, is virtual or digital money that takes the form of tokens or "coins." Though some cryptocurrencies have ventured into the physical world with credit cards or other projects, the large majority remain entirely intangible.

The "crypto" in cryptocurrencies refers to complicated cryptography that allows for creating and processing digital currencies and their transactions across decentralized systems. Alongside this important "crypto" feature is a common commitment to decentralization;

cryptocurrencies are typically developed as code by teams who build in mechanisms for issuance (often, although not always, through a process called mining) and other controls.

Cryptocurrencies are almost always designed to be free from government manipulation and control—although, as they have grown more popular, this foundational aspect of the industry has come under fire. The cryptocurrencies modeled after Bitcoin are collectively called altcoins, and in some cases, shitcoins, and have often tried to present themselves as modified or improved versions of Bitcoin. Though some of these currencies may have some impressive features that Bitcoin does not, matching the level of security that Bitcoin's networks achieve largely has yet to be seen by an altcoin.

## Types of Altcoins

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### Cryptocurrencies

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Cryptocurrencies are intended for payments, transmitting value (akin to digital money) across a decentralized network of users. Many altcoins (i.e., those that are not Bitcoin or sometimes Ethereum) are classified in this way and may sometimes be called value tokens.

### Tokens

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There are also blockchain-based tokens that are meant to serve a different purpose from that of money. One example could be a token issued as part of an initial coin offering (ICO) that represents a stake in a blockchain or decentralized finance (DeFi) project. If the tokens are linked to the value of the company or project, they can be called security tokens (as in securities like stocks, not safety).

Other tokens have a particular use case or function. Examples include Storj tokens, which allow people to share files across a decentralized network, or Namecoin, which provides decentralized Domain Name System (DNS) service for Internet addresses.<sup>12</sup> These are known as utility tokens.

Today, while many crypto users understand and appreciate these differences, traders and lay investors may not notice the difference because all categories of tokens tend to trade on crypto exchanges in the same way.

## 1. Ethereum (ETH)

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The first Bitcoin alternative on our list, Ethereum (ETH), is a decentralized software platform that enables smart contracts and decentralized applications (dApps) to be built and run without any downtime, fraud, control, or interference from a third party. The goal behind Ethereum is to create a decentralized suite of financial products that anyone in the world can freely access, regardless of nationality, ethnicity, or faith.<sup>3</sup> This aspect makes the

implications for those in some countries more compelling because those without state infrastructure and state identifications can get access to bank accounts, loans, insurance, or a variety of other financial products.

The applications on Ethereum are run on ether, its platform-specific cryptographic token. Ether (ETH) is like a vehicle for moving around on the Ethereum platform and is sought mostly by developers looking to develop and run applications inside Ethereum, or now, by investors looking to make purchases of other digital currencies using ether.

Ether, launched in 2015, is currently the second-largest digital currency by market capitalization after Bitcoin, although it lags behind the dominant cryptocurrency by a significant margin. Trading at around \$1,200 per ETH as of July 8, 2022, ether's market cap of \$147.5 billion is less than half of Bitcoin's.<sup>4</sup>

## 2. Tether (USDT)

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Tether (USDT) was one of the first and most popular of a group of so-called stablecoins—cryptocurrencies that aim to peg their market value to a currency or other external reference point to reduce volatility. Because most digital currencies, even major ones like Bitcoin, have experienced frequent periods of dramatic volatility, Tether and other stablecoins attempt to smooth out price fluctuations to attract users who may otherwise be cautious. Tether's price is tied directly to the price of the U.S. dollar. The system allows users to more easily make transfers from other cryptocurrencies back to U.S. dollars in a more timely manner than actually converting to normal currency.

Launched in 2014, Tether describes itself as “a blockchain-enabled platform...to make it easier to use fiat currency digitally.”<sup>5</sup> Effectively, this cryptocurrency allows individuals to utilize a blockchain network and related technologies to transact in traditional currencies while minimizing the volatility and complexity often associated with digital currencies.

As of July 8, 2022, Tether is the third-largest cryptocurrency by market capitalization, with a market cap of \$70 billion and a per token value of \$0.9994.<sup>6</sup>

## 3. USD Coin (USDC)

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Another stablecoin, USD Coin also pegs its price to the U.S. dollar using fiat-collateralized reserves, which means it holds an amount of fiat currency equal to the amount of USD Coin in circulation.<sup>7</sup> USD Coin was launched in 2018 by the Centre Consortium, which consists of Circle and Coinbase. Because Circle is based in the U.S., it is subject to regulation—this makes USD Coin a regulated stablecoin.<sup>8</sup>

As of July 8, 2022, USD Coin has a market cap of \$55.5 billion and a price per coin of \$1. It ranks fourth in market cap and trading volume.<sup>9</sup>

## 4. Binance Coin (BNB)

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Binance Coin (BNB) is a utility cryptocurrency that operates as a payment method for the fees associated with trading on the Binance Exchange. It is the third-largest cryptocurrency by market capitalization.<sup>10</sup> Those who use the token as a means of payment for the exchange can trade at a discount.

Binance Coin's blockchain is also the platform on which Binance's decentralized exchange operates. The Binance Exchange was founded by Changpeng Zhao and is one of the most widely used exchanges in the world based on trading volumes.

Binance Coin was initially an ERC-20 token that operated on the Ethereum blockchain. It eventually had its own mainnet launch. The network uses a PoS consensus model. As of July 8, 2022, Binance Coin has a \$39 billion market capitalization, with one BNB valued at around \$241.83.<sup>10</sup>

## 5. Binance USD (BUSD)

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Binance USD was created by the cryptocurrency exchange Binance as a stablecoin pegged to the U.S. dollar. The stablecoin was approved by the New York State Department of Financial Services; thus, it is also regulated.<sup>11</sup>

On July 8, 2022, BUSD had a market cap of \$17.5 billion and was trading at \$0.9994 per coin.<sup>12</sup>

## 6. XRP

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XRP is the native token for the XRP Ledger, created as a payment system by Ripple in 2012. The XRP Ledger uses a consensus mechanism called the XRP Ledger Consensus Protocol, which doesn't use proof-of-work or proof-of-stake for consensus and validation. Instead, client applications sign and send transactions to the ledger servers. The servers then compare the transactions and conclude that the transactions are candidates for entry into the ledger.

The servers then send the transaction candidates to validators, who work to agree that the servers got the transactions right and record the ledger version.<sup>13</sup>

On July 8, 2022, XRP had a market cap of \$16.5 billion and traded around \$0.34.<sup>14</sup>

## 7. Cardano (ADA)

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Cardano (ADA) is an "Ouroboros proof-of-stake" cryptocurrency created with a research-based approach by engineers, mathematicians, and cryptography experts. The project was co-founded by Charles Hoskinson, one of the five initial founding members of Ethereum.

After disagreeing with the direction that Ethereum was taking, he left and later helped to create Cardano.

The team behind Cardano created its blockchain through extensive experimentation and peer-reviewed research. The researchers behind the project have written more than 120 papers on blockchain technology across various topics.<sup>15</sup> This research is the backbone of Cardano.

Due to this rigorous process, Cardano stands out among its PoS peers and other prominent cryptocurrencies. Cardano has also been dubbed an “Ethereum killer” because its blockchain is said to be capable of more. That said, Cardano is still in its early stages. Though it has beaten Ethereum to the PoS consensus model, it still has a long way to go regarding DeFi applications.

Cardano aims to be the world’s financial operating system by establishing DeFi products similar to Ethereum’s and providing solutions for chain interoperability, voter fraud, and legal contract tracing, among other things. As of July 8, 2022, Cardano has the eighth-largest market capitalization at \$15.7 billion, and one ADA trades for around \$0.47.<sup>16</sup>

## 8. Solana (SOL)

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Founded in 2017, Solana is a blockchain platform designed to support decentralized applications (dApps). Also referred to as an ‘Ethereum killer,’ Solana performs many more transactions per second than Ethereum. Additionally, it charges lower transaction fees than Ethereum.

Solana and Ethereum can utilize smart contracts, which are essential for running cutting-edge applications, including decentralized finance (DeFi) and non-fungible tokens (NFTs). However, the two have some fundamental differences.

Ethereum uses a proof of work (PoW) blockchain, meaning miners compete to solve complex puzzles to validate transactions, making this technology more energy-intensive and thus more damaging to the environment. In contrast, Solana uses proof of stake (PoS), which is said to be less harmful than PoW.

The cryptocurrency running on the Solana blockchain is called Solana (SOL). Since its inception, its price has risen tremendously. Solana has a market capitalization of \$12.8 billion, and is valued at around \$38, making it the ninth-largest cryptocurrency by market cap.<sup>17</sup>

## 9. Dogecoin (DOGE)

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Dogecoin (DOGE), seen by some as the original “memecoin,” caused a stir in 2021 as its price skyrocketed. The coin, which uses an image of the Shiba Inu as its avatar, is accepted as a form of payment by some major companies.

Dogecoin was created by two software engineers, Billy Markus and Jackson Palmer, in 2013. Markus and Palmer reportedly created the coin as a joke, commenting on the wild speculation of the cryptocurrency market.

As of July 8, 2022, Dogecoin’s market capitalization is \$19.2 billion, and one DOGE is valued at around \$0.07 making it the 10th-largest cryptocurrency.<sup>18</sup>

## **SHIB**

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A memecoin inspired by a memecoin, Shiba Inu (SHIB), rose to prominence in the fall of 2021, briefly surpassing Dogecoin's market capitalization.

## **10. Polkadot**

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Polkadot (DOT) is a unique PoS cryptocurrency aimed at delivering interoperability among other blockchains. Its protocol is designed to connect permissioned and permissionless blockchains and oracles to allow systems to work together under one roof. Polkadot’s core component is its relay chain, which enables the interoperability of varying networks. It also provides for parachains—parallel blockchains with their own native tokens for specific-use cases.<sup>19</sup>

Where Polkadot differs from Ethereum is that rather than creating just dApps on Polkadot, developers can create their own blockchain while also using the security that Polkadot’s chain already has. With Ethereum, developers can create new blockchains but need to create their own security measures, which can leave new and smaller projects open to attack because the larger a blockchain, the more security it has. This concept in Polkadot is known as shared security.

Polkadot was created by Gavin Wood, another member of the core founders of the Ethereum project who had differing opinions about the project’s future. As of July 8, 2022, Polkadot has a market capitalization of roughly \$6.9 billion, and one DOT trades for \$7.12.<sup>20</sup>

## **Honorable Mentions**

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We were only able to list 10 altcoins above, but there are many other important cryptocurrencies out there, and they jockey for position over time in terms of user bases, market value, and influence. Some other important cryptocurrencies include (as of July 8, 2022) but are not limited to:<sup>17</sup>

## More Top Altcoins

Crypto	Ticker	\$ Price	Mkt Cap (\$B)	Note
Dai	DAI	\$1.00	\$6.9	DAI is another stablecoin pegged to the U.S. dollar.
<u>Tron</u>	TRX	\$0.068	\$6.3	TRX is the basic unit of accounts on the Tron blockchain. TRX is also a natural medium currency for all TRC-based tokens. TRX connects the entire Tron ecosystem with abundant application scenarios that power transactions and applications on the chain.
Shiba Inu	SHIB	\$0.0000113	\$6.03	A memecoin
Avalanche	AVAX	\$19.89	\$5.6	Avalanche is the fastest smart contracts platform as measured by time-to-finality and has the most validators securing its activity of any proof-of-stake protocol.
Wrapped Bitcoin	WBTC	\$21,443.32	\$5.5	WBTC is a tokenized Bitcoin that runs on the Ethereum blockchain

## Why Are Cryptocurrencies Important?

As decentralized platforms, blockchain-based cryptocurrencies allow individuals to engage in peer-to-peer financial transactions or enter into contracts. In either case, there is no need for some trusted third-party intermediary such as a bank, monetary authority, court, or judge. This has the potential to disrupt the existing financial order and democratize finance. The size of the cryptocurrency space has grown exponentially in the past decade, with new innovations and a collective market capitalization of more than \$948 billion.<sup>21</sup>

## Why Are There So Many Cryptocurrencies?

Most cryptocurrencies today are derived in some form or another from Bitcoin, which uses open-source code and a censorship-resistant architecture. This means anyone can copy and tweak the code and create their own new coin.

## What Are Some Other Important Cryptocurrencies?

Many cryptocurrencies have gained importance or hold the promise to do so. Other important coins include XRP, Solana, USD Coin, and Cardano.

## Why Is Bitcoin Still the Most Important Cryptocurrency?

Despite the thousands of competitors that have sprung up, Bitcoin—the original cryptocurrency—remains the dominant player in terms of usage and economic value. None have matched its market cap and value so far.

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