

The most popular cryptocurrency in the world

What is Bitcoin?



Introduced to the world in 2008, Bitcoin has since become the pioneering and most popular cryptocurrency in the world. By using the blockchain and Bitcoin mining consensus mechanism, Bitcoin made peer-to-peer digital payments viable. Bitcoin gives people, not institutions, the means to transfer money.

The Origins of Bitcoin

On October 28th 2008, the world was forever changed. And like other world-changing events, this event was not necessarily an action taken, but more an idea made known to the world. This idea was for an inflation-resistant, double-spend proof, fully trustless and digital form of currency. The theory of this currency, laid out in the “Bitcoin Whitepaper” opened people’s perceptions of currency to a reality where they could transfer money transparently and anonymously.

No one really knows who invented Bitcoin. The person, or group, went by Satoshi Nakamoto and all we really know is that they are the developer of the world’s first and thus far most successful and popular form of decentralized, peer-to-peer (P2P) digital currency.

Why is Bitcoin sometimes referred to as BTC?

If you’ve seen Bitcoin in the news, talked about on Twitter or in the media, you may have seen it referred to as BTC, especially when people are talking about its price. BTC is the “ticker” or “symbol” used for listing Bitcoin on exchanges, and every cryptocurrency has its own symbol. This mirrors traditional “stock tickers” that public companies use on stock exchanges.

Why is Bitcoin worth so much now? Why is it so popular?

Bitcoin is the most successful and oft-used P2P digital currency. And it pioneered the rise of crypto and blockchain technology because of the security and transparency it provides with its blockchain. With so much transaction volume and utility, Bitcoin has become a very useful tool, and thus has gained immense value alongside its popularity.

Who controls the Bitcoin network?

Everyone! The short answer is that since everyone, from those who mine Bitcoin to all those that buy, sell, and transfer it, completely own the means to do so. Bitcoin is, by design, a decentralized, user-owned payment system.

Decentralizing finance

When Bitcoin was released to the public, it sent waves across the internet. But what exactly did it and does it mean for the world? We hear a lot of terms get thrown around, like “the democratization of finance” or “banking the bankless”, so it’s pretty easy to get lost in the jargon and buzzwords. Extrapolating from the immediate implications of Bitcoin a bit, it means that we, the users, own the means to transfer, buy, sell and invest without the need for a 3rd party. Without the need for intermediaries, financial processes take less long and for a fraction of the cost of their traditional counterparts.

Why is there so much interest in Bitcoin?

In the last 5 years, the value of one Bitcoin has grown over 4000%. Holy smokes, right?? And like traditional currency, it is because of its utility that it has the value it has. But of course, unlike traditional currencies, Bitcoin is a peer-to-peer (more often called P2P) payment system that is owned by users rather than banks and other financial institutions. And once you have access to a Bitcoin wallet, you can send and receive money anywhere and anytime.

How exactly does Bitcoin work?

There are 21,000,000 Bitcoin in total, with over 18,000,000 currently in circulation. A decentralized network of computers are responsible for securing the Bitcoin blockchain, verifying transactions and providing a consensus mechanism. This is what’s called “mining”, where computers process and verify transactions in order to earn Bitcoin, linking together the individual blocks that record transactions on the blockchain. We go more into what exactly “the blockchain” is in our “What is a blockchain” article. This sort of consensus mechanism is categorized as a “proof-of-work” system, called so because of the amount of computational power required to verify transactions and secure the network.

What can you use Bitcoin for?

Because of the explosion in adoption by merchants around the world, Bitcoin can be used to buy anything from a new pair of Adidas shoes, to booking flight tickets, to tipping your favorite creators on Twitch or Twitter. It is commonly said that Bitcoin has a great “store of value” like real estate or gold, and as such, is becoming a popular long-term investment as well.

Where you can buy Bitcoin

The easiest way to buy Bitcoin is through an exchange, like Poloniex. Our online exchange allows you to purchase Bitcoin with 40+ national currencies right from your browser. Since its inception, the crypto market has matured, and thus getting Bitcoin has become a lot easier. Likewise, Poloniex offers both a browser and mobile app, so you can buy on your personal computer or right from your smartphone!