

What separates successful start-ups from failed ones in a bear market?

We are in a bear market. And yes, it is worth noting that a bear market usually refers to a period in which an asset trades 20% or more below its preceding all-time high, then followed by a high level of widespread panic and pessimism about the near future.

However, this hasn't been an effective approach to think about cryptocurrency recently. A 20% decline could just be a strange Friday.

Currently, we are in a massive drawdown. Bitcoin is seeing a drawdown of 69.79% from its last all-time high. Meanwhile, [according to CoinMarketCap](#) the Global Cryptocurrency market cap has lost over \$1.5 trillion in just eight months.

Global Cryptocurrency Charts

Total Cryptocurrency Market Cap

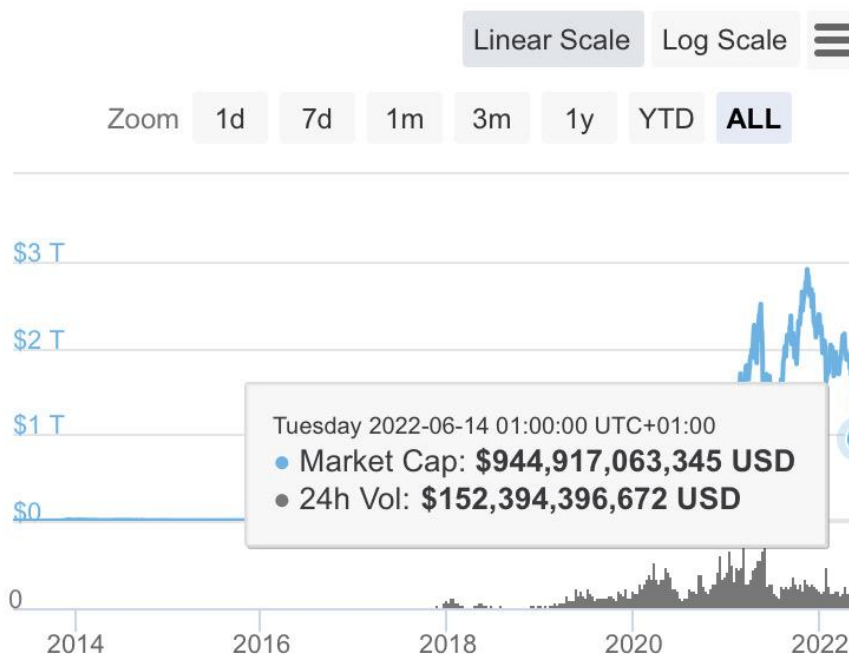


Photo credit: CoinmarketCap

When the market experiences a correction like this, fraudulent project start-ups tend to fall apart, but successful project start-ups take advantage of the bear market to expand and improve their

operations. What are your thoughts on this? Well, as we move on, we will take a look at what separates successful start-ups from failed ones during the bear market.

Recent History— The impact of the bear market

The last bear market, which occurred in the summer of 2018, taught a lesson: by November of that year, Bitcoin had lost more than 80% of its value. Moving on, I'd want to remind you that the first NFT appeared shortly before that. With the emergence of initiatives like Cryptopunks and CryptoKitties near the end of the 2017 bull market, it emerged.

Shortly after its launch, the 2018 bear market hit, forcing many start-ups, projects, and investors to tap out. Some groups, on the other hand, did not succumb to the storm; instead, they withstood it and profited from it.

For example, During the heart of the bear market, Opensea team builders built their platform in an obscure area of the crypto market that few knew about and even fewer cared about, for the next three years. As a result, their capital raised jumped from \$8 million as at then to a staggering \$13 billion earlier this year. That's 1600x in just less than four years.

This is the type of opportunity that successful start-ups target, the bear market is always seen as a blessing in disguise for them so that when the bull market returns, they will skyrocket.

On May 27, the CEO of the Web3 Foundation [told](#) CNBC that the crypto sector is currently in a bear market, which is good because it will sieve out people who entered the crypto market with bad intentions.

Also he went ahead to [say](#):

“It’s good also, because all those projects are gone. So the legit ones will be able to focus only on developing on building and forget about the valuation of the token because everyone is down”

Notable projects that took advantage of the bear market

The previous crypto winter in 2018 became a critical period for growing projects and start-ups such as Binance, Polygon, Solana, Alameda research, Axie Infinity, etc. The foundations of the industry as we know it today were laid during this period.

Binance, the world's largest cryptocurrency exchange, began operations in July 2017, during the bull market. It received \$15 million in an initial coin offering at the time, which is a funding alternative to venture capital in which startups sell new crypto tokens instead of shares.

Binance's growth was unaffected even throughout the subsequent year's market crash. While other projects suffered losses, Binance went on a hiring spree and soared even higher, as their CFO Wei Zhou told CNBC. *"To date, even in this bear market, we still run a profitable business,"* Zhou said.

Meanwhile, in this current bear market he plans to take advantage in preparation for the next bull run by recruiting more staff. He said: ***“Now the markets are more balanced, so top talents are available, and we want to hire them.”***

Also, the [Polygon](#) which was formerly known as Matic Network was launched in October 2017 just very close towards the peak of the then bull run. But even during the bear market in the following year, Polygon kept committed to building and enhancing their products despite the downward trend. As a result, Polygon has found great success.

In the same vein we can also take a look at the story of Alameda Research, a crypto-orientated venture capital founded in October 2017 by Sam Bankman-Fried (SBF) who is the CEO of the centralized exchange FTX. Alameda Research placed a large bet on Solana and its ecosystem, which paid off handsomely for the venture capital firm and propelled Solana to an all-time high in 2021. In Solana, Alameda Research has a stellar reputation. Even when the market was in a bear market in 2018, all of this was achievable.

Successful vs Failed Crypto Start-ups: what they do differently

- Successful start-ups possess groundbreaking and scalable infrastructure that will power the next iteration of the industry ecosystem's evolution. Whereas failed start-ups do not have a solid idea and vision, hence they crash out during a bear market.
- Successful start-ups have great ideas, utilities and set up targets that will keep their users for the long-term no matter the market conditions whereas failed start-ups are only there for cash grabs and quick profits, they do not have the best interest of their users in heart and will fold up during a bear market.
- Also while good and successful start-ups build, they also keep up with the latest trends in order to stay relevant. Failed start-ups overlook this and fail woefully.
- Good and successful start-ups have great accountability which plays an important role in the growth of a project. But failed ones lack accountability and therefore go dark all of a sudden without any consequence.
- Successful start-ups focus on building their communities during the crypto bear market, that is, involving more people through various social platforms such as Twitter, Reddit and Discord. Doing this increases their chances of thriving once market conditions change in favor of the bulls. But failed start-ups are less concerned and may have even crashed out already.

Concluding Thoughts

Based on past data, it is clear that crypto functions in the same way as any other market; it goes up and down. The most important thing is that innovators and start-ups generate valuable products at all hours of the day and night.

We are on target to have a great project launch here at Weplay. We are in a position to keep doing what we're doing and providing value to our users; we have their best interests at heart, and we're making sure everything is in place to take advantage of this bear market and turn it around to deliver even more value to our users when the market recovers.

Instead of relying on periodic pumps to move the market forward, we will ensure that momentum and morale are constantly high among our community members.

About WePlay Project

[WePlay](#) offers a Social Network Metaverse where users will not only be able to walk and interact but drive as well as refuel their vehicles, buy wearable NFTs, allow their NFTs from other blockchains to be used as well as interact with all sorts of SocialFi, DeFi, and DAO protocols in a fun and visual way. On top of that, Users are allowed to mint and release their own NFTs in the WeVerse via WePlay NFTime.

The WeVerse also further gives WePlayers the ability to chat, talk and communicate with each other in a highly secure, encrypted, and decentralized way.

To stand a chance of being whitelisted for WePlay NFTs and getting more information about the NFT projects at large, do well to follow us on [Twitter](#) (@WePlayLabs) and also our spaces which are being held every Wednesday. Feel free to also join our [Discord](#).