

When will Bitcoin be taken seriously?

There are three types of people in the world today: those who have heard of Bitcoin, those who haven't and the last group who acknowledges its existence but refuse to accept its potential. Bitcoin's rocky past and uncertain future has yet to win over the majority audience on the world's financial and global stage.

Temps de lecture : minute

25 June 2020

When the average Joe on the street hears about Bitcoin or cryptocurrency, the first thing that comes to mind is the thought of losing money, scams or illicit activities. For any investors looking for more information about Bitcoin, what it is? What can it do? Where does it come from? Many people new to space face an uphill battle for legitimate information from any number of sources.

If you start to google through the most significant events of Bitcoin's history a slightly immature picture is painted which is holding the crypto-asset industry back. Without a true evolution of technology, community support and regulation to bridge the gap between crypto and traditional financial services, Bitcoin's "hay day" could have already come and gone.

Some of the most important key dates in Bitcoin's history are few and far between when you look at how space has developed and evolved over its first eleven years of life. If you go searching for answers about bitcoin's history you'll most likely come across articles, meme's, forums posts and videos with irrelevant information that would likely put off would-be investors.

One of these “historic” events is *Bitcoin Pizza day on May 22, 2010*:

Laszlo Hanyecz, a developer and bitcoin miner from the earliest bitcoin forum days historically purchased two large Papa Johns pizza’s for the cool price of 10K BTC (worth roughly \$25 at the time but worth over \$93M at time of writing) since Bitcoin had no real exchange rate. Laszlo was mining 1,000’s of coins per day from his machines and had nothing to do with them.

Lazlo wanted to put the P2P currency to the test and It worked. Lazlo’s pizzas were on their way after the transaction was confirmed on the Bitcoin blockchain. This was most probably one of the first commercial exchanges of Bitcoin for a good or service. But the transaction with the pizza shop was still conducted in Fiat USD. The order was made over the internet as a promise by another Bitcoin forum member.

Another so-called event in Bitcoin’s history that is still heavily referred to as gospel is the “HODL” meme. One might assume that the term might refer to “Hold On for Dear Life” while drawing attention to Bitcoin’s volatility and aggressive market movements. But no, the term was coined by a Bitcoin forum member in December 2013 whilst complaining about losing a large sum of his portfolio to Bitcoin trading.

When out at dinner with his girlfriend and group of friends he drunkenly posted on a bitcoin forum “I’m Hodling”... referring to his now simplified investment strategy of “holding” by buying and then doing nothing. This term of phrase “HODL” is now a key need to know the term in the Bitcoin and cryptocurrency space which several major proponents and outspoken twitter personalities putting their spin on the term.

Why is there such a key focus on a few specific dates and events that have no real relationship to the true origins of Bitcoin and cryptocurrency?

The current use case for crypto has devolved rather than evolved in recent years. Between 2011 and 2015 many online retailers, eCommerce stores and gaming brands were heavily invested in implementing Bitcoin transactions into their offerings to access a global market of users and partners.

By leveraging a global decentralized payment network these businesses could pivot and offer new products and services without having the issues and costs involved with international banking restrictions. Now, price speculation is Bitcoin's main appeal with many investors not knowing what they are buying or the technological significance of what Bitcoin represents.

As a community, as an eco-system, as the pioneers of our industry, we should all be laser-focused on adoption, accessibility and most importantly, education. These facets are key to onboarding the next group of users to Bitcoin and the crypto-asset space. Without a more mature brand image, all the work that was originally put into making Bitcoin, blockchain and crypto-assets a living breathing eco-system with unlimited potential, will end up becoming a never-ending pipe dream.

Some quotes from Satoshi Nakamoto from the whitepaper and Bitcoin forum posts sum up these points:

All or nothing

"In a few decades when the reward gets too small, the transaction fee will become the main compensation for [mining] nodes. I'm sure that in 20 years there will either be very large transaction volume or no volume." - Satoshi Nakamoto

Bitcoin was just the start of the blockchain ecosystem. In eleven years billions of dollars of wealth have been created, thousands of different blockchains and tokens developed in a community with no borders, no central authority or regulation to hamper innovation.

Bloody hard

"Sorry to be a wet blanket. Writing a description for this thing for general audiences is bloody hard. There's nothing to relate it to." - Satoshi Nakamoto

The narrative for Bitcoin since it's inception has stayed the same, Peer-2-Peer, decentralized digital cash. Being able to transact between two or more people without the use of a central government or bank anywhere in the world, nearly instantly.

What we are taught in school and home about money is to work hard, earn money, pay taxes and put your savings in the bank. Until we are all thoroughly educated about how and why fiat currencies and banking works, the general public is unable to learn and know about the evolution of money that bitcoin has started.

When the cryptocurrency space brings a more mature, adoption and education-focused message to the forefront, new participants in the space will grow exponentially. This statement applies to retail investors as well as professional and institutional firms who are still on the fence about the cryptocurrency spaces' legitimacy and long term potential. Bitcoin has already started an evolution of money and has the potential to be so much more.

Citizens in hyper-inflation countries like Venezuela are relying on

decentralized digital currencies to establish a form of stable trade to avoid the 10,000,000% inflation of the Bolivar. Charities and relief efforts are using blockchain-based platforms to facilitate immediate collaborative responses to crisis and set up systems of commerce and identification for thousands of people to deliver aid where it's needed. These types of systems used to be inherently expensive, complex and insecure to roll out to a live environment, blockchain solves this problem.

The road ahead for Bitcoin, blockchain and crypto will still be a long and hard one for the entrepreneurs, visionaries and businesses who dare to do something different. One thing is for sure, blockchain and crypto are here to stay. We are the individuals responsible for how the world views the eco-system and what happens next. If we can all band together as one and focus on clear and concise messaging to bring the masses on board, the future is bright for Bitcoin and crypto.

Jeff Hancock is the CEO of Coinpass.



Read also

What is DeFi and how does it work?

Article by Jeff Hancock