The Tale of Two Crypto Super Bowls – How Startups Can Thrive in a Bear Market

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While you might expect anything to grow in the winter, it is not the same with the cryptocurrency market. Startups do, surprisingly, *start*, and some even flourish. In this article, we will address your pressing question: to launch your dream project during the seemingly barren crypto winters or to wait for a bull.

A crypto tale of two super bowls

There was, of course, a time of superabundant flourish for all of crypto – 2022 was one. Super Bowl 2022 saw a slew of ads from crypto companies. In fact, Super Bowl 2022 was nicknamed the "Crypto Bowl." The reason for this was not difficult to figure out: it was the crypto bull market. There was a rising demand in the market powered by the increasing popularity of NFTs, meme tokens and the metaverse.

Fast forward to 2023, the market crashed – no thanks to Luna, FTX and the stiff crypto regulations that followed. There have been no Super Bowl crypto commercials this year, except for one misleading ad from an NFT-based game. The market's image in 2023 starkly contrasted with what it was in 2022. Retail and institutional investors who embraced crypto last year didn't want to touch it this time with a ten-foot pole. Crypto startups that once thrived struggled to stay afloat, while potential startups looking to enter the market now faced a

dilemma: *to launch or not to launch?*

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The dilemma of crypto winters

There is no right or wrong answer to the question: to launch or not? However, this article will provide perspectives to help potential founders decide. But first, we will have to flashback to 2009 – the origin of Bitcoin.

In the beginning, there was no market – When Satoshi Nakamoto created the first cryptocurrency, there was no crypto market. All the anonymous creator had was an idea that could solve global economic issues by democratizing finance. They were unsure of what to expect. Why would anyone believe, accept, and use a digital currency? Despite this and other valid concerns, Satoshi Nakamoto went ahead to create Bitcoin. And from that one currency, 25,794 coins and tokens (per data from CoinMarketCap) have been birthed.

Early currencies that followed Bitcoin, such as Ethereum, Litecoin and Ripple, stuck to the plot of innovating within the established democratized financial system. But this wasn't the case with many of the thousands of projects afterward. These projects, especially after the 2017 crypto boom, went off script. From ICOs and IDOs to meme coins and NFTs, the crypto industry became a center for speculation. Users were not concerned about use cases; they kept hopping from project to project, looking to make quick profits. This is why new founders face the dilemma of crypto winters. Should they risk their new project failing because of the high fear index of the market, or should they just wait to ride on the wave of market hype, albeit temporarily?

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Startups vs. crypto winters: The present dynamics

During bear markets, investors would rather stick with the few resilient projects they know and *trust*. New projects, even with viable utilities, may not get their attention if they do not see any quick way to profit from them.

This is why the founders of meme coins do not bother about offering utility. PEPE, for example, had no utility yet surged by about 7000% within days, reflecting how greed, not value, drives the crypto market.

But this is not to say that no utility-based projects have successfully launched during crypto winter. UniSwap is one such project. The decentralized crypto exchange launched in 2018 amid a rough bear market. But as of October 2022, the parent company, Uniswap Labs was worth $1.66 billion, controlled 64% of all DEX volumes, and the $UNI token had a market cap of over $5 billion. Users were able to see the project beyond temporary gains.

Solving the dilemma

I believe crypto winter is the best period to launch a crypto company or product. It is a period marked by less noise and less hype. A period to test the loyalty and sentiments of users or investors. However, the founder who wants to be successful during this period needs to fulfill two duties: (1) Have a viable product, and (2) Control the narrative.

Viable blockchain solutions stand a high chance of surviving crypto winters. Though the market is looking for the next cash machine, a utility-focused project would never capture the market’s attention.

Owning your story as a crypto startup

Often, founders who successfully navigate the crypto winter are those that control their narrative. They are those that do not let the market stamp them with the “get-rich-quick” tag. These projects continue to present themselves as utility-based and community-centric, even when the market wants otherwise.

Any founder can capture the attention of the market during bear markets. In fact, a bear market is a period where investors’ attention isn’t divided among the many projects displaying profitability simultaneously. So it is the best moment for startups to emerge provided that they are coming with unique crypto solutions. Once that’s settled, it becomes easy to sell their story to the market.

Hence, by focusing on viable products with utility and controlling the narrative, emerging crypto startups can increase their chances of success in an unpredictable crypto market.

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