

Make money creating and promoting your crypto coin

The age of cyberspace has arrived, and the money used to pave this digital superhighway is cryptocurrencies.

But what is a cryptocurrency, and how is it made? In principle, anyone can create a cryptocurrency.

However, it will take a particularly knowledgeable and resourceful person who can do it properly.

If this person succeeds in making a new cryptocurrency, there will still be additional work like promotion, maintenance, and many more.

This person can be you and all you need to do is take the first step.

What is the difference between coins and tokens?

Before getting into the nitty-gritty, it is crucial to understand the difference between a coin and a token.

Firstly, both are part of the cryptocurrency term, while a coin similar to Litecoin exists and grows in its blockchain.

A token similar to a Basic Attention Token operates on top of a long-established blockchain system like Ethereum.

Tokens cannot be used or have value outside a particular organization or community.

Cryptocurrencies function similar to a fiat currency, which is government-regulated money used as a medium of exchange, but the difference is it does not operate under a centralized bank.

In the meantime, a token has a particular value that exists under a blockchain application.

For instance, Basic Attention Tokens reward online content creators via the Brave browser.

A token can also serve as a contract that functions as a digital version of loyalty points or event tickets.

An NFT or Non-Fungible Token represents a piece of digital possession like a painting.

What are the three methods in creating a cryptocurrency?

- Creating a new blockchain- A blockchain is a digital ledger that maintains a list of data blocks containing various batches of transactions, which are all secure from tampering.

To make a new blockchain takes a significant amount of coding skills, which are taught in online courses. Yet you need to have prior knowledge about it to grasp its intricacies.

- Forking an existing blockchain- Instead of creating a new blockchain, you can fork an existing one, which is a less complex process and much quicker.

Forking entails convincing crypto miners to adopt a change of code to another kind of cryptocurrency, then launch a new coin under a new name.

For instance, Litecoin was created by forking from Bitcoin, and developers have also forked new coins from Litecoin like Litecoin Cash and Garlicoin.

This process still necessitates an understanding of how to modify an existing code.

- Utilizing an existing platform- A easier alternative for people that do not know how to code is to create a new token or cryptocurrency on a current platform similar to Ethereum.

Various new projects use the Ethereum network to create new tokens. You can also hire a creation service that does all the technical tasks, and once done, hands you the completed product.

What are the steps in creating your cryptocurrency?

After learning about the different ways of creating a cryptocurrency, here are the actual ways to make one;

- Deciding on a consensus mechanism- Firstly, a consensus mechanism is a type of online protocol that determines if a network provides consideration on a specific transaction.

It has to confirm a transaction to go through and necessitates a mechanism to ascertain how the nodes will be doing this. For instance, Proof-of-Work is a popular consensus mechanism and Bitcoin's first one.

- Selecting a blockchain- This step relates to the three methods mentioned previously.

Tokens and coins need a location to exist and thrive, and deciding on a blockchain environment is crucial.

It will depend on how technically skillful you are, your project goals, and your level of comfort.

- Creating nodes- In a DLT or Distributed Ledger Technology, nodes are the central source of stability and support.

They are the computers that link to a cryptocurrency network. If you intend to create a cryptocurrency, it is essential to know how they function.

Some questions will arise, like will your blockchain have to be permissionless or permissioned? What will the hardware details look like or how will the hosting work?

- Building the blockchain- As a crypto developer, you have to be fully sure about the node designs and blockchain functionalities before launching it. And once it does, they could not be changed anymore. Most developers first test it out before the launch to ensure that there are no mistakes.

Some aspects that needed to be looked at are its address format or its IBC or Inter-Blockchain Communication protocol, which allows it to communicate with other blockchains.

- Integrating APIs or Application Programming Interface- Not every online platform have APIs, so make sure your newly made cryptocurrency has one.

It will enable it to increase adoption and stand out.

Also, there are third-party API blockchain providers that assist with this step.

- Designing the interface- As a crypto developer, one of your aims in creating a cryptocurrency is to make it easy to use.

The FTP or File Transfer Protocol and online servers have to be cutting-edge, and the front and backend programming has to be done with future updates in mind.

- Be sure that your new cryptocurrency follows all legal procedures- This final step is also crucial since many of the previous crypto creators made the mistake of not taking this seriously.

In its heyday (2017-18) the cryptocurrency market was situated in a legal grey area, and its creators did not realize that making and promoting them resulted in criminal charges and penalties.

Before launching your new cryptocurrency, make sure you research the rules and regulations concerning it.

These legal matters might be too complex, so it is a good idea to hire a lawyer expert in this area to assist you.

Conclusion

Each one is essential information for a regular person with an average understanding of cryptocurrencies who intends to create one.

However, this is only the beginning since there are still other aspects that needed to be undertaken.

Aspects like figuring out how the cryptocurrency provides value to others, persuading them to purchase it, and how to properly maintain the network.

It will entail separate teams that handle marketing, development, promotion, and many more, all in the service of the digital coin.