

THE EVOLUTION OF CRYPTO:

FROM MINING TO ONE-CLICK TOKEN CREATION

Key Takeaways

- As token issuance models become more diverse, they reduce entry barriers, sparking greater market activity and innovation.
- The market has shifted from mining-based issuance to one-click token creation, focusing on community participation and fairness.
- Innovations like DeFi and NFTs have diversified token types, expanding blockchain use cases.
- Solana and Base chains are leading the way in new token issuance, with meme tokens attracting significant attention.
- While the diversity in issuance methods has energized the market, it has also led to market saturation and inconsistent quality.
- The growth of blockchain technology drives the prosperity of the token economy, and the variety of issuance options fuels market growth.

Key Word

Gate Research, ICO, IDO, Solana



The Evolution of Crypto: From Mining to One-Click Token Creation

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Introduction

This report explores the evolution of the cryptocurrency market, focusing on the diversification of token issuance methods. It provides an in-depth analysis of the current state of the crypto market and its future trends. By reviewing the history of token issuance and examining different models, the report aims to give readers a clear understanding of the market.

1. The Evolution of Token Issuance

In the cryptocurrency world, technological advancements have gradually lowered the barrier to issuing assets. In the early days, token issuance mainly relied on intensive computing power for "mining." With the introduction of ICOs (Initial Coin Offerings) and IEOs (Initial Exchange Offerings), projects required significant capital and industry expertise. The rise of liquidity mining made launching long-tail assets easier, and decentralized projects started gaining traction. Now, the emergence of one-click token creation platforms has made it much simpler to issue tokens, allowing individuals and small teams to participate in the market easily.

1.1 Diversification of Token Issuance Methods

With the development of blockchain technology, how tokens are issued has become more varied, significantly lowering the technical barriers. Even users without technical expertise can now issue tokens. These methods cater to different project needs and market conditions. Here are some common token issuance methods:

1. Mining

This was the earliest and most common method of token issuance. Users provided computing power to the network, earning token rewards while mining new blocks. Bitcoin (BTC) is the most iconic example.

2. Crowdfunding Issuance

This includes ICOs, IEOs, and IDOs (Initial DEX Offerings), where project teams pre-sell tokens to raise funds.

- ICOs were the first crowdfunding method, peaking between 2014 and 2018 and raising over \$56 billion. However, due to regulatory challenges, they have since declined.

- In 2019, IEOs emerged, backed by reputable centralized exchanges, which boosted project credibility.
- With the rise of DeFi, IDOs—offered by decentralized exchanges—gained popularity for their community-driven, decentralized nature. In 2021, they became one of the most common methods, raising over \$130 billion.

3. Yield Farming

Users provide liquidity to decentralized platforms in exchange for token rewards. The "DeFi Summer" of 2020 made yield farming one of the most popular token issuance methods, increasing token liquidity and offering new revenue streams for users. Compound was one of the pioneers, significantly boosting its user base and total value locked (TVL).

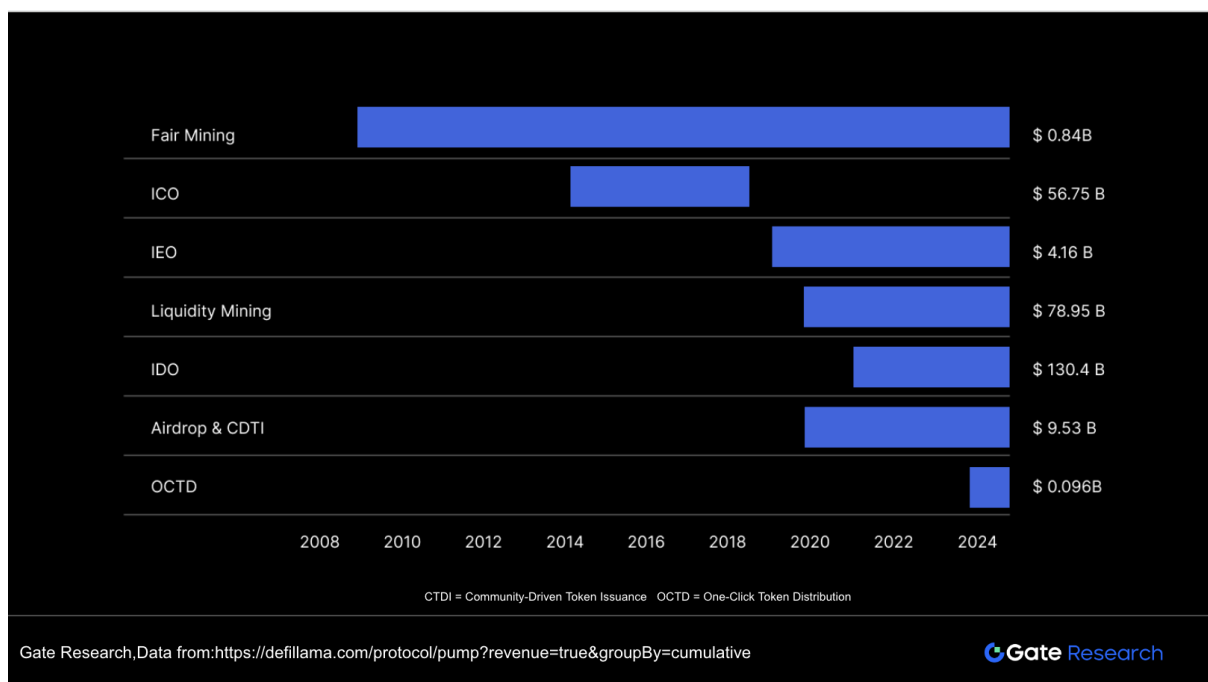
4. Airdrop

Projects distribute tokens for free to early supporters or specific user groups as a marketing or reward strategy. Airdrops help increase project visibility and encourage user participation in community governance. Uniswap's 2020 airdrop to early users became a classic success story. Blur introduced a points system, and Pendle's innovative DeFi mechanism separating principal and interest sparked the creation of the PointFi sector.

5. One-Click Token Creation

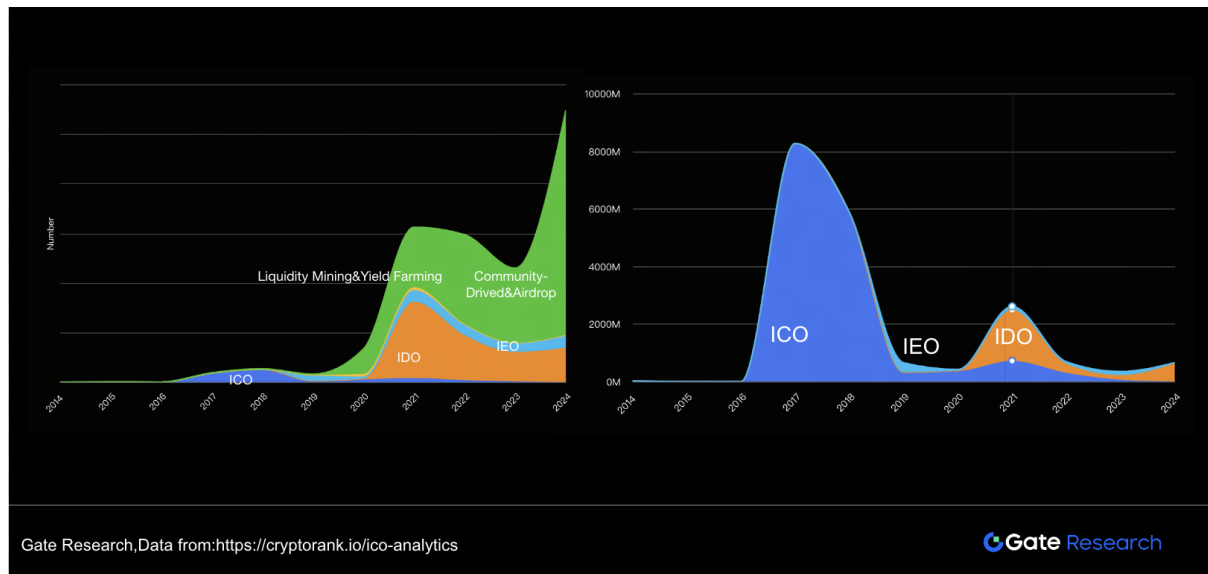
Recent innovations like inscription minting and Pump.Fun token creation have simplified the process. With simple tools or smart contracts, users can quickly create customized tokens without complex operations. This method has significantly lowered the barrier to entry for token issuance and has fueled the rise of meme culture.

Figure 1: History of Different Cryptocurrency Issuance Methods and Market Capitalization



With the rise of the DeFi ecosystem, one-click token creation platforms like Pump.Fun have streamlined the token creation process through low costs and automation, lowering the threshold for token creation. These trends reflect the demand for efficient, flexible, and decentralized issuance methods, providing more financing and participation opportunities for both project teams and investors.

Figure 2: Number of Token Issuance Methods and Fundraising Amounts (in USD)

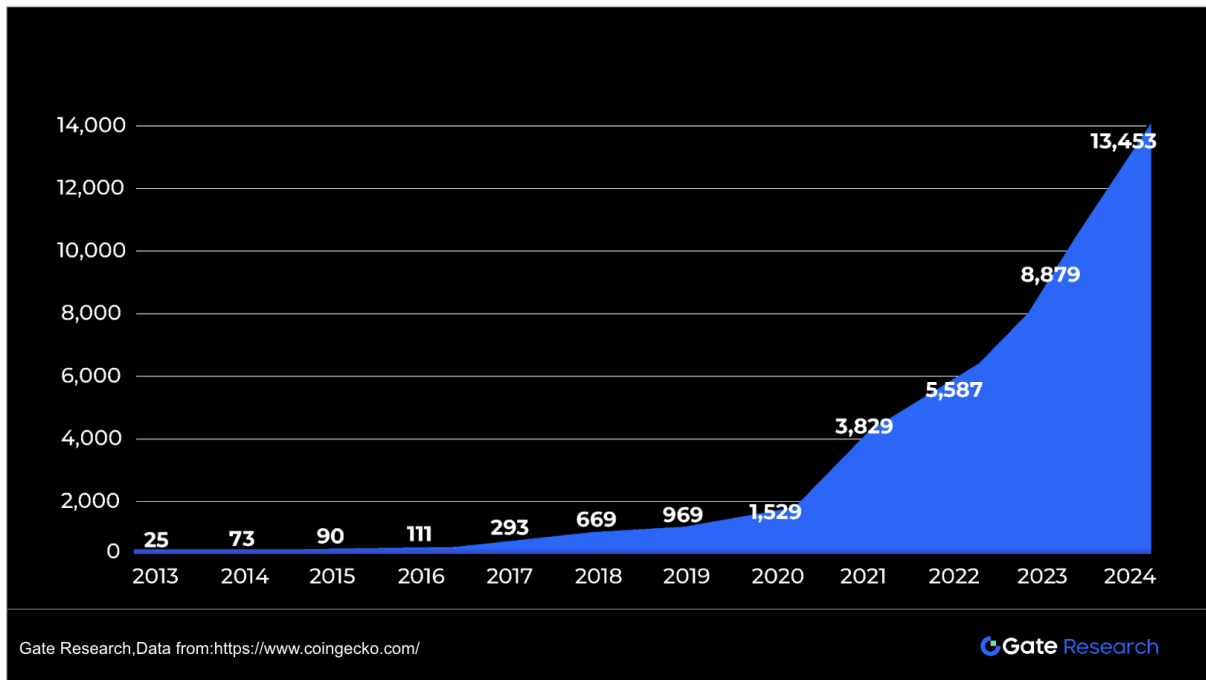


1.2 Recent Surge in Token Issuance

As the barriers to entry for issuing assets decrease, the number of new tokens has grown exponentially—from 25 tokens in 2013 to 13,453 in 2024. Since 2020, the average annual growth rate has exceeded 150%.

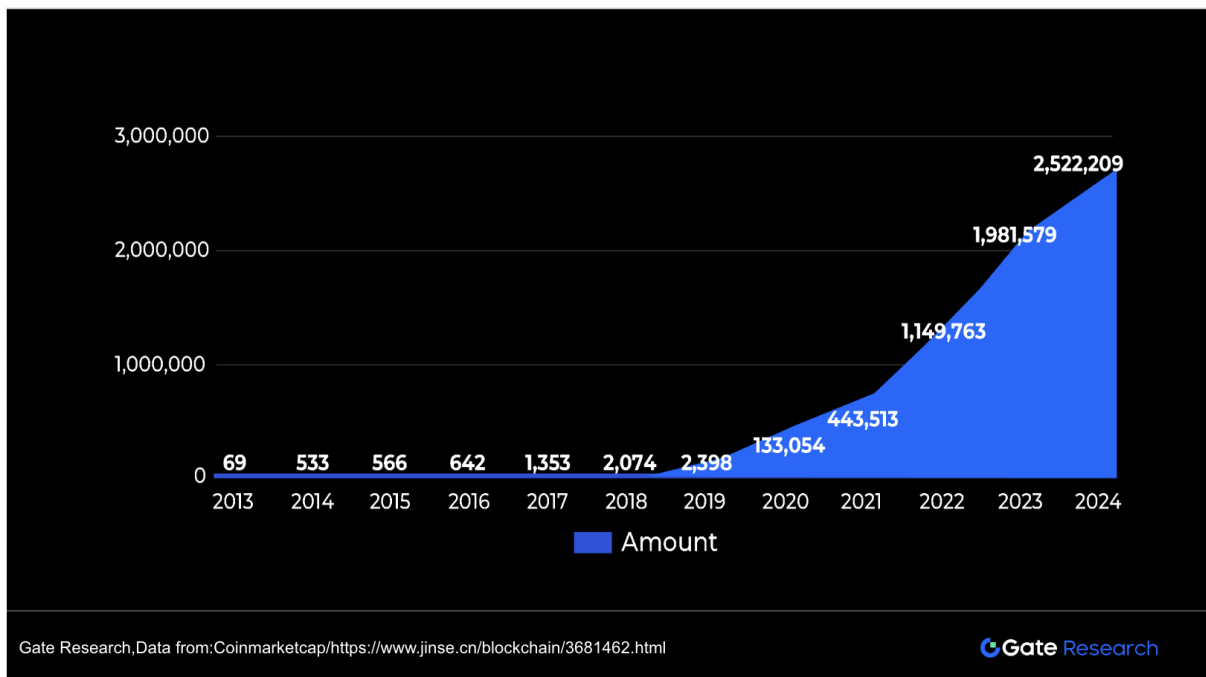
This growth is driven by the adoption of the ERC-20 token standard, the rise of DeFi, the popularity of NFTs, the emergence of new blockchain platforms, and the rapid expansion of the crypto ecosystem. Additionally, the standardization of technology, the widespread use of smart contracts, and the rise of one-click token creation platforms (like Pump.Fun) have further lowered barriers, leading more projects and communities to issue tokens to increase visibility and appeal.

Figure 3: Number of New Tokens Listed on CoinGecko Each Year



Although platforms like CoinGecko track new token listings, the number of tokens issued is far greater. In 2024, the number of newly issued tokens surpassed 2.52 million, marking an explosive increase since 2020. This highlights the crypto market's vibrant activity and token economies' growing importance in project development.

Figure 4: New Tokens Issued Each Year (Including Solana Ecosystem and Pump.fun)



2. In-depth Analysis of Various Token Issuance Methods

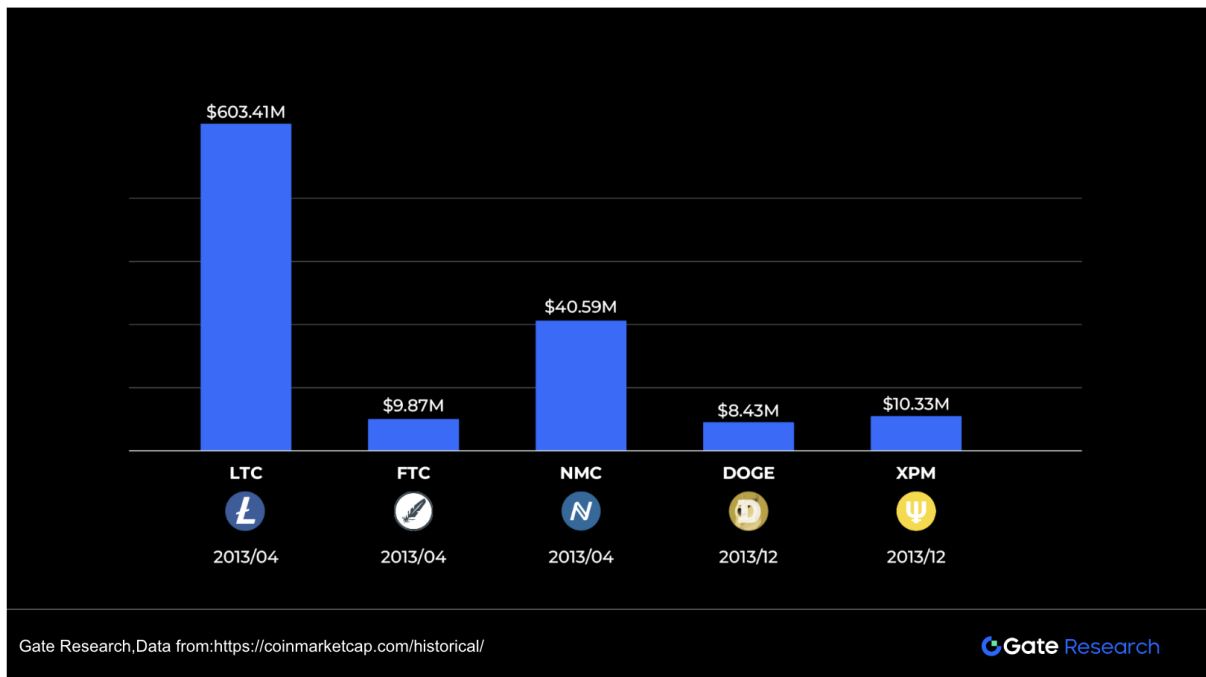
The development of cryptocurrency issuance models highlights the growing focus on community engagement and fairness. From early mining-based methods to community-driven models and now mechanisms like IDOs and airdrops, the role of the community in the crypto ecosystem has become increasingly important. Dogecoin, for example, demonstrated the power of community-driven growth by fostering a strong community culture, which helped drive its value. This showcases how communities can play a crucial role in a project's success and reflects the significance of community-driven models in the evolution of cryptocurrencies.

Newer mechanisms like IDOs and airdrops have further decentralized token distribution, allowing a broader range of users to participate in a project's early stages. This increases fairness and transparency and reflects the cryptocurrency industry's pursuit of democratization and inclusivity, highlighting the sector's adaptability and innovation.

2.1 Mining Issuance: The Dominant Issuance Method in the Early Clone Coin Era

In the early days of blockchain, most clone coins were based on Bitcoin's code, copied and modified for new cryptocurrency projects, such as Litecoin, Feathercoin, Namecoin, Dogecoin, and Primecoin. The fair mining issuance model, which originated from Bitcoin, relied on competition through computing power to distribute tokens and was the primary issuance method during the early stages of the crypto market. Decentralized mining allowed tokens to be distributed more evenly, as participants used computing resources to compete for newly minted tokens, providing security for blockchain networks and creating a relatively fair system for token distribution. Even today, a few clone coins (like Litecoin and Dogecoin) continue to hold significant positions in the cryptocurrency market, standing out as representatives of early altcoins.

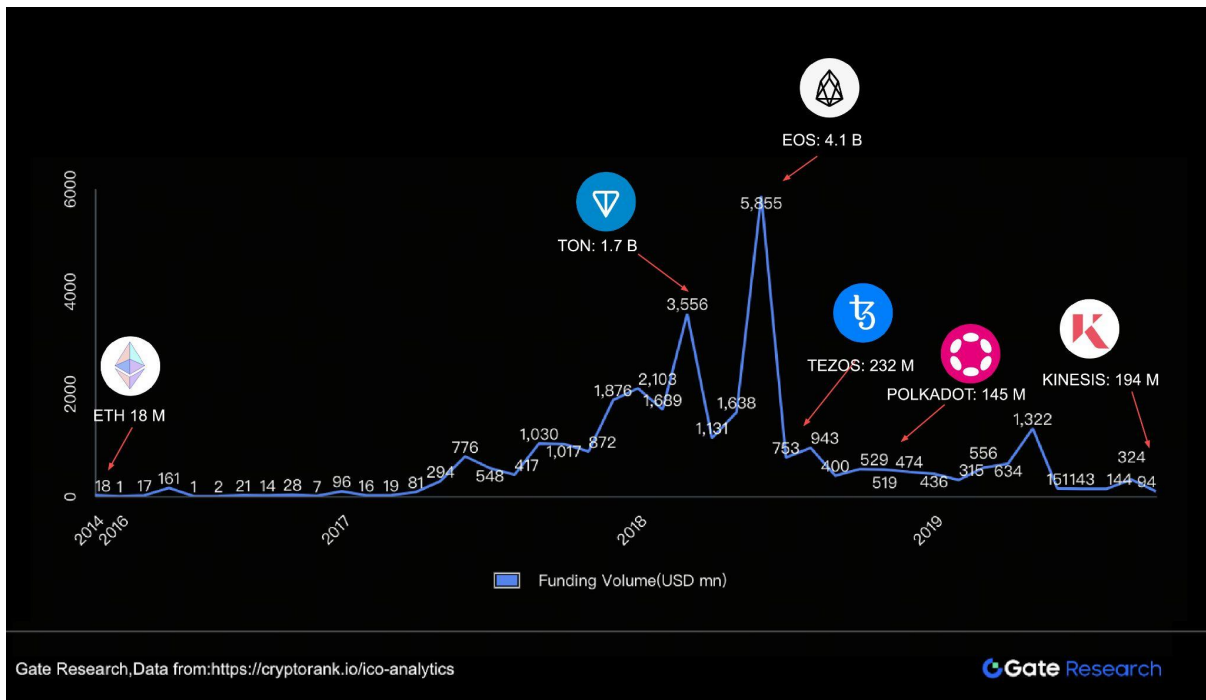
Figure 5: Market Capitalization of Early Clone Coins (USD)



2.2 The ICO Boom: The Rise of Star Projects like EOS

ICOs (Initial Coin Offerings) represent an innovative fundraising method for blockchain projects akin to IPOs in the stock market. Project teams raise funds by issuing tokens to the public via white papers released on the internet. After the first ICO by Mastercoin (Omni) in 2013, this model quickly gained traction. In 2014, Ethereum raised approximately \$18 million through its ICO, and in 2015, The DAO project achieved a fundraising scale of up to \$150 million. The ICO boom peaked in 2017 when the EOS project raised nearly \$4.2 billion within a year. However, security and regulatory issues became apparent after The DAO hack in 2016 and China's ICO ban in 2017, causing a decline in the ICO frenzy.

Figure 6: Fundraising Amounts of Major ICO Token Issuances (USD)



2.3 The IDO Era: Enhancing Decentralization in Token Issuance

In June 2019, Binance DEX launched the first IDO project, signaling a revolution in cryptocurrency fundraising methods. Before IDOs, IEOs (Initial Exchange Offerings) were a popular semi-centralized fundraising option. In the IEO model, exchanges handled project vetting and token sales, boosting project credibility and speeding up listing processes. Although IEOs were popular after the ICO era in 2019, their dependence on centralized platforms and KYC requirements alienated some users.

In response, IDOs (Initial DEX Offerings) emerged. This new token issuance model utilizes decentralized exchanges (DEXs) like Uniswap for token sales, reinstating permissionless fundraising. In IDOs, project teams or communities can independently provide liquidity on DEXs, bypassing the need for centralized exchange approval. This lets investors purchase tokens directly in the early stages, enhancing flexibility and transparency, and reducing centralized risks. IDOs open up wider fundraising opportunities for small investors and innovative projects, further decentralizing the cryptocurrency ecosystem.

Figure 7: Fundraising Amounts of Major IDO Token Issuances (USD)



2.4 Liquidity Mining: Accelerating the Growth of the DeFi Ecosystem

The "DeFi Summer" of 2020 propelled liquidity mining to the forefront of token issuance and fundraising. Liquidity mining (yield farming) is a groundbreaking fundraising model in the DeFi space that allows users to contribute to liquidity pools supported by smart contracts in exchange for rewards. This model began with IDEX in 2017, was further developed by Synthetix in 2019, and reached significant success in June 2020 when Compound distributed governance tokens (COMP), leading to a dramatic increase in total locked value (TVL) by nearly tenfold within five months, acting as a catalyst for DeFi growth. Other DeFi projects, like Uniswap, quickly adopted this successful model, spurring rapid development across the DeFi ecosystem.

Figure 8: Compound TVL Growth Trend

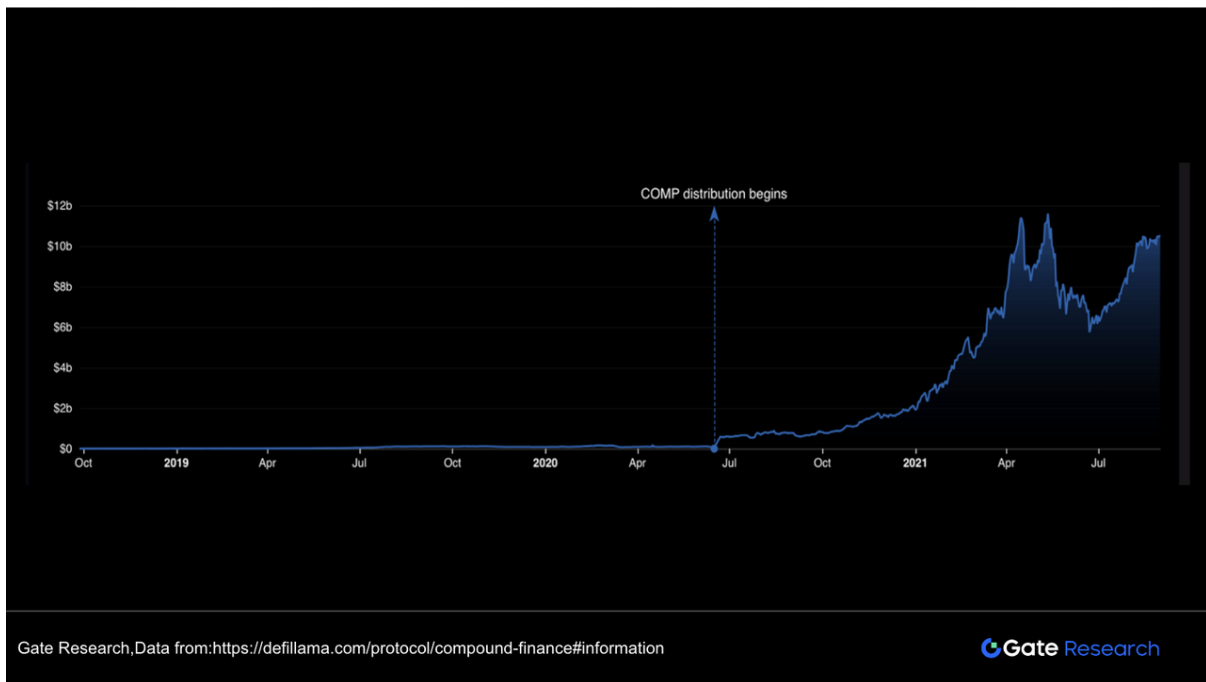
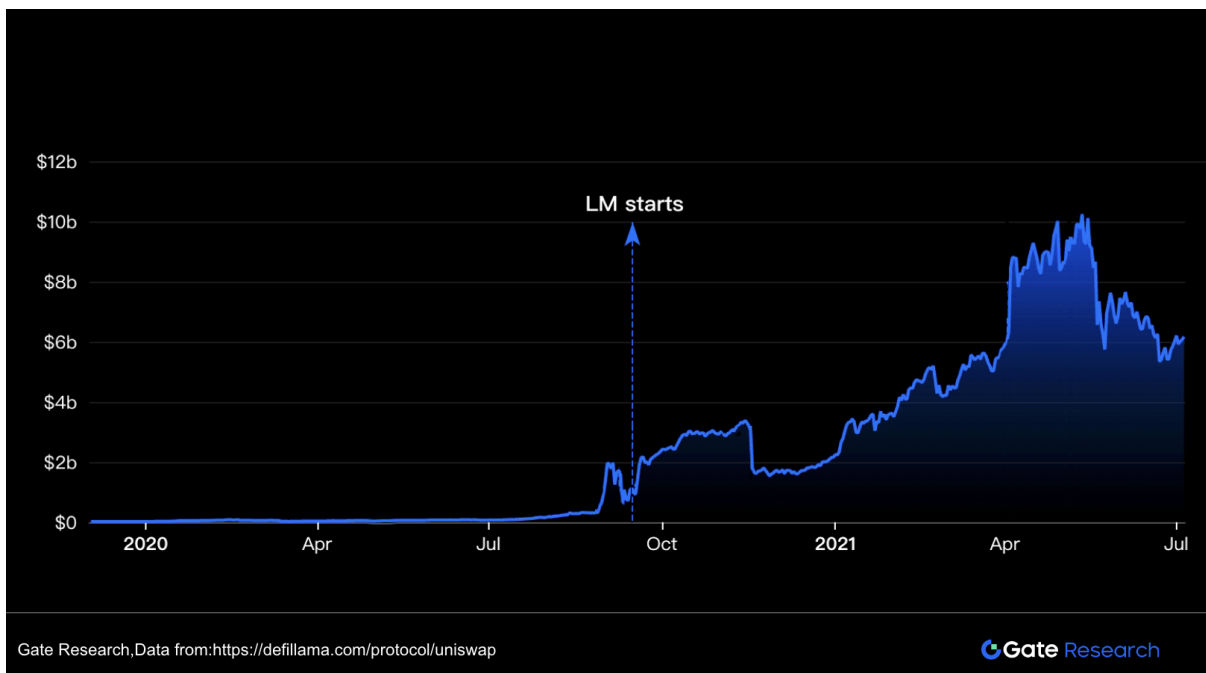


Figure 9: Uniswap TVL Growth Trend

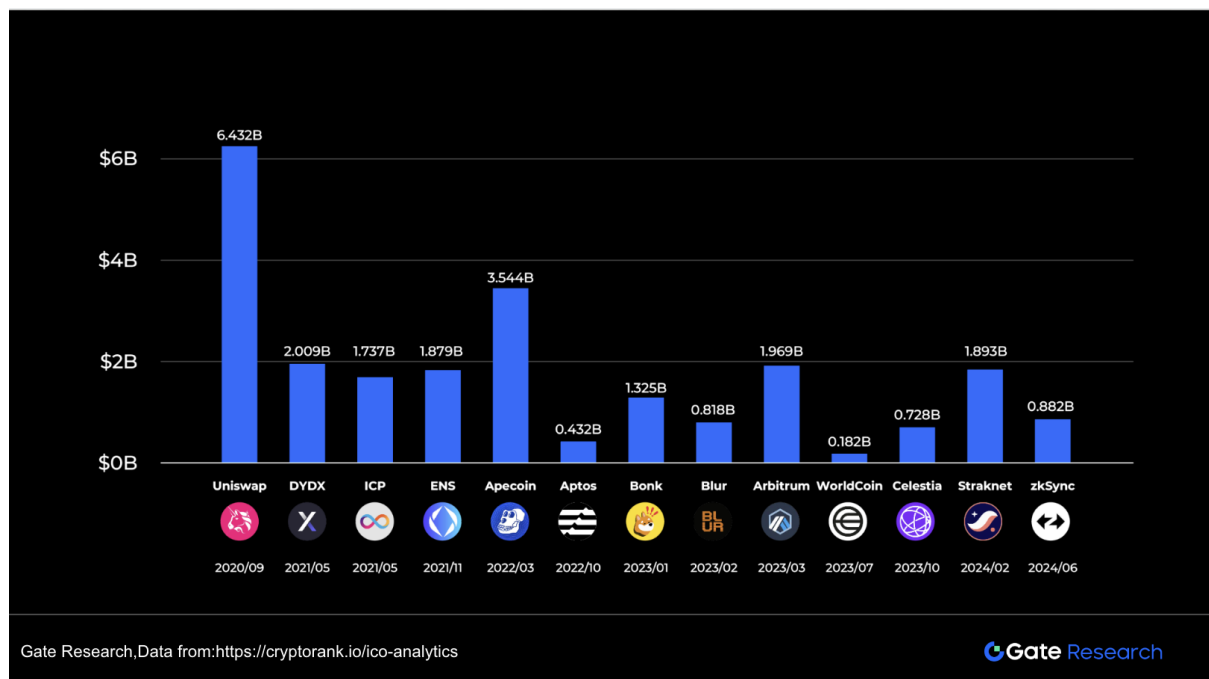


2.5 Airdrop Incentives: The Hot Trend of Airdrop Marketing

Since 2020, many blockchain projects have implemented airdrop strategies to incentivize users and increase project visibility. The first airdrop in cryptocurrency history

can be traced back to 2014 when programmer Baldur Friggjar Odinson distributed AuroraCoin to Icelandic citizens. However, airdrops became mainstream in 2020 when Uniswap executed a large-scale airdrop to counter Sushiswap, giving eligible users UNI tokens worth at least \$1,000. This strategy attracted a substantial user base and contributed to the rise of "DeFi Summer." Following this, projects like DYDX and ICP incorporated airdrops into their token economics. Airdrops have thus become a powerful tool for Web3 projects to attract users, enhance visibility, and achieve decentralized token distribution, laying the groundwork for future applications like GameFi and SocialFi.

Figure 10: Initial Market Capitalization of Popular Airdrop Projects

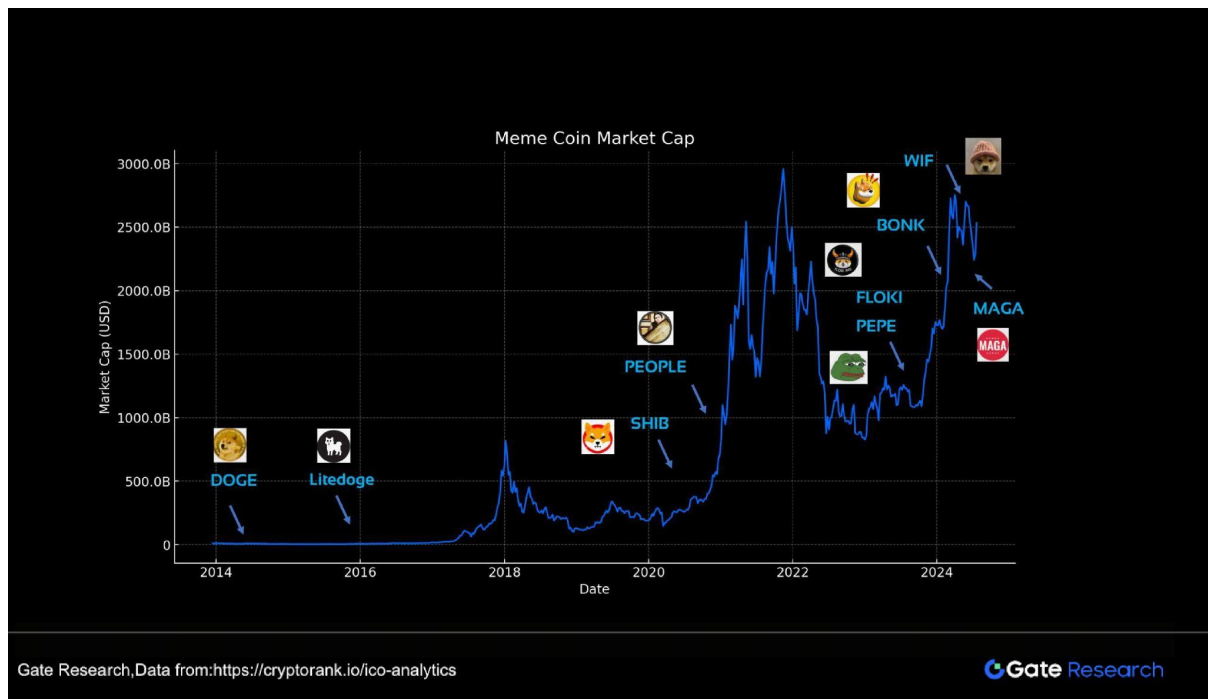


2.6 Community-Driven Issuance: Community Culture as a Driving Force for Token Value

Dogecoin was launched in December 2013, with community culture becoming the central driver of its value. Initially created as a satire of cryptocurrency speculation, Dogecoin gained popularity due to its humorous branding and strong community ties. The Dogecoin community gained significant attention through charitable initiatives, such as funding the Jamaican bobsled team and clean water projects in Kenya. These efforts increased the project's visibility and underscored the crucial role of community culture in the value of cryptocurrencies. Dogecoin's innovative model seamlessly merged entertainment

with investment, inspiring subsequent meme coins like Shiba Inu, Pepe, and Bonk, and profoundly influencing the development of meme community culture and community-driven tokens.

Figure 11: Changes in Total Market Cap of the Meme Sector



2.7 One-Click Token Creation Platforms: Convenient and Flexible Token Issuance

In mid-March 2024, the Solana ecosystem witnessed a surge in meme tokens like BOME, propelling the rise of one-click token creation platforms like Pump.Fun. Pump.Fun, a rapidly growing platform for issuing and trading memecoins within the Solana ecosystem, attracted many users through the wealth effect associated with memecoins. Within three months, the platform quickly generated revenue by charging token issuance fees exceeding \$10 million. By August 16, total revenue surpassed \$96 million, with a single-day peak of \$2.31 million, outperforming several major blockchain networks (like Base, Arbitrum, BNB, and Blast, earning under \$1 million daily).

Figure 12: Cumulative Revenue of Pump.Fun

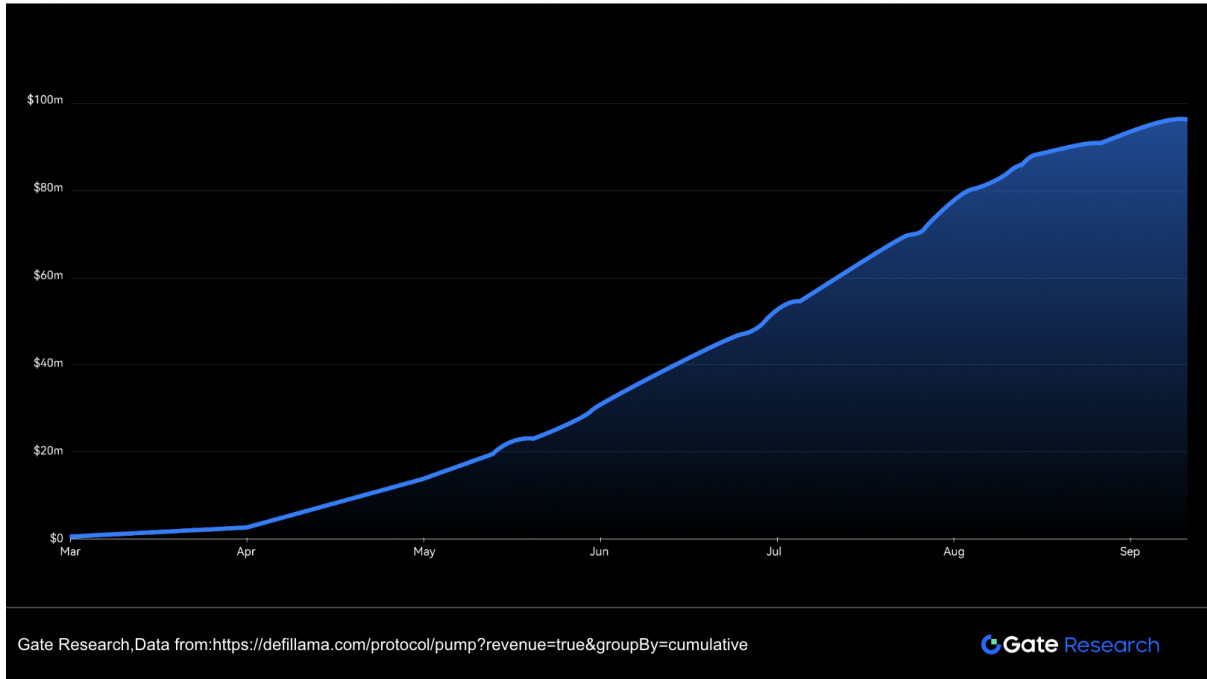


Figure 13: Daily Revenue of Major Blockchains



3. A Variety of Tokens: From "Digital Gold" to the Meme Craze

As blockchain technology continues innovating, the uses and types of tokens expand. Bitcoin, the first cryptocurrency, is mainly used for storing value and making transactions. In contrast, Ethereum has expanded the application of tokens through smart contracts. Recently, with the rise of decentralized finance (DeFi), the functions of tokens have diversified significantly, leading to the creation of stablecoins, governance tokens, non-fungible tokens (NFTs) for digital art, GameFi tokens that blend gaming and finance, SocialFi tokens for social interaction, and Meme coins for community entertainment. This expansion gives investors more choices and boosts the overall cryptocurrency market.

3.1 Historical Trends: Popular Concepts Change with Time

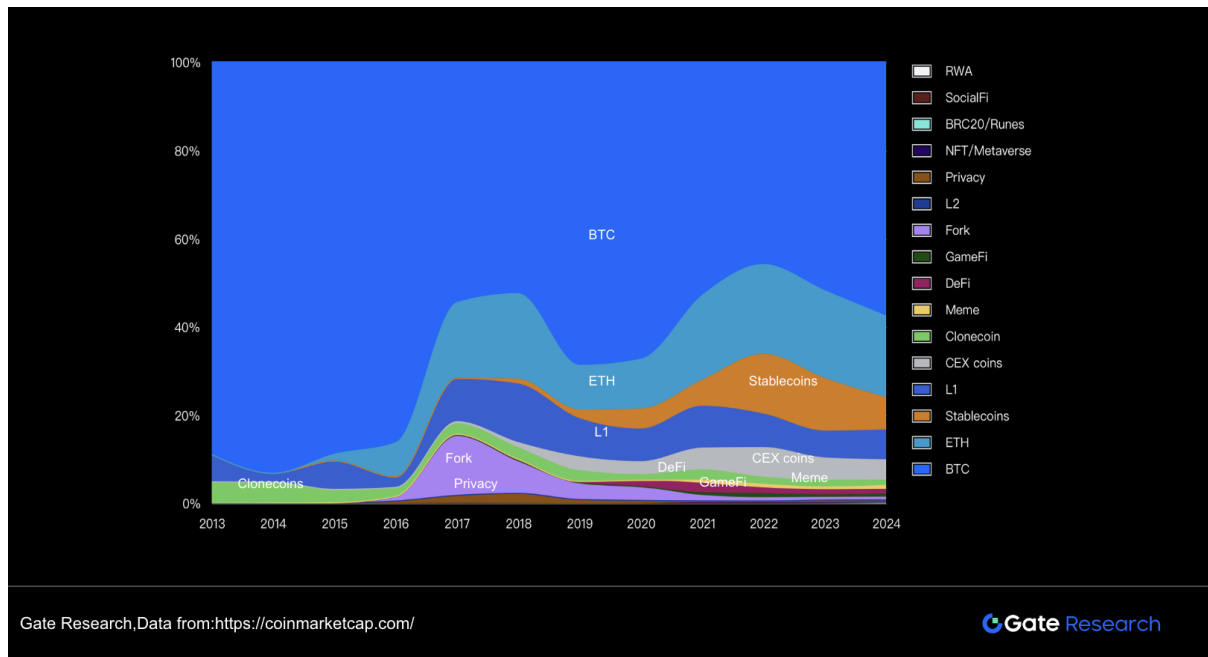
The creation of the Bitcoin Genesis Block in 2009 marked a new era in the crypto industry. Since then, the blockchain ecosystem has seen numerous innovative ideas emerge, each bringing unique value and energy.

In 2013, Bitcoin experienced its first halving, which inspired many developers to create and optimize clone coins, initiating the "Clone Coin Era." According to Gate Research Institute, the total market value of these early clone coins reached around \$91.8 billion. With the rise of Ethereum (ETH) and other Layer 1 blockchains during the ICO boom in 2015, Bitcoin's market share started to decline.

By 2017, stablecoins and tokens for centralized exchanges had gained traction, and the 2020 DeFi Summer spurred the growth of new types of cryptocurrencies, highlighting a trend toward diversification.

Despite various market cycles, Bitcoin remains dominant, stabilizing its market share at around 50% after peaking at over 80%. It currently holds a market cap exceeding \$1.2 trillion, earning it the nickname "digital gold."

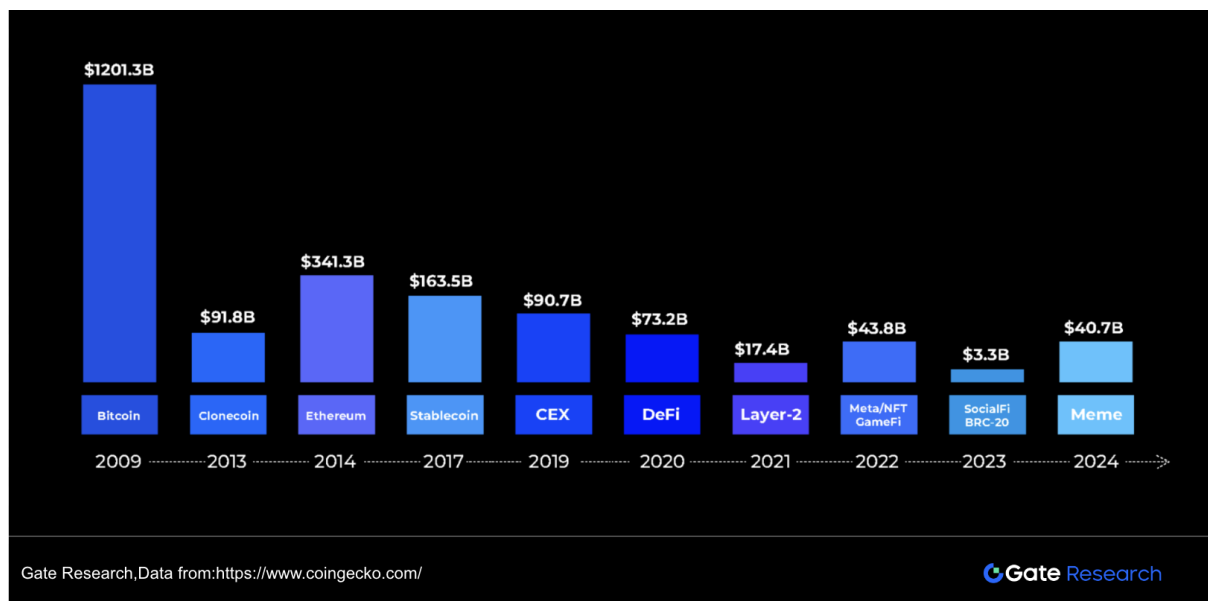
Figure 14: Market Capitalization Share of Different Concept Sectors Over the Past 10 Years



Ethereum's whitepaper was published in December 2013, marking the start of the programmable blockchain era. Ethereum's introduction of smart contracts greatly expanded the applications of blockchain technology, and by 2021, its market value surpassed \$340 billion, making it the second-largest cryptocurrency after Bitcoin.

In 2017, stablecoins and centralized exchange (CEX) platform tokens gained momentum during the ICO boom. Currently, stablecoins have a market cap of over \$160 billion, while CEX platform tokens have exceeded \$90 billion. The cryptocurrency market continues to gain influence and recognition worldwide.

Figure 15: Historical Popular Sectors and Their Current Market Value



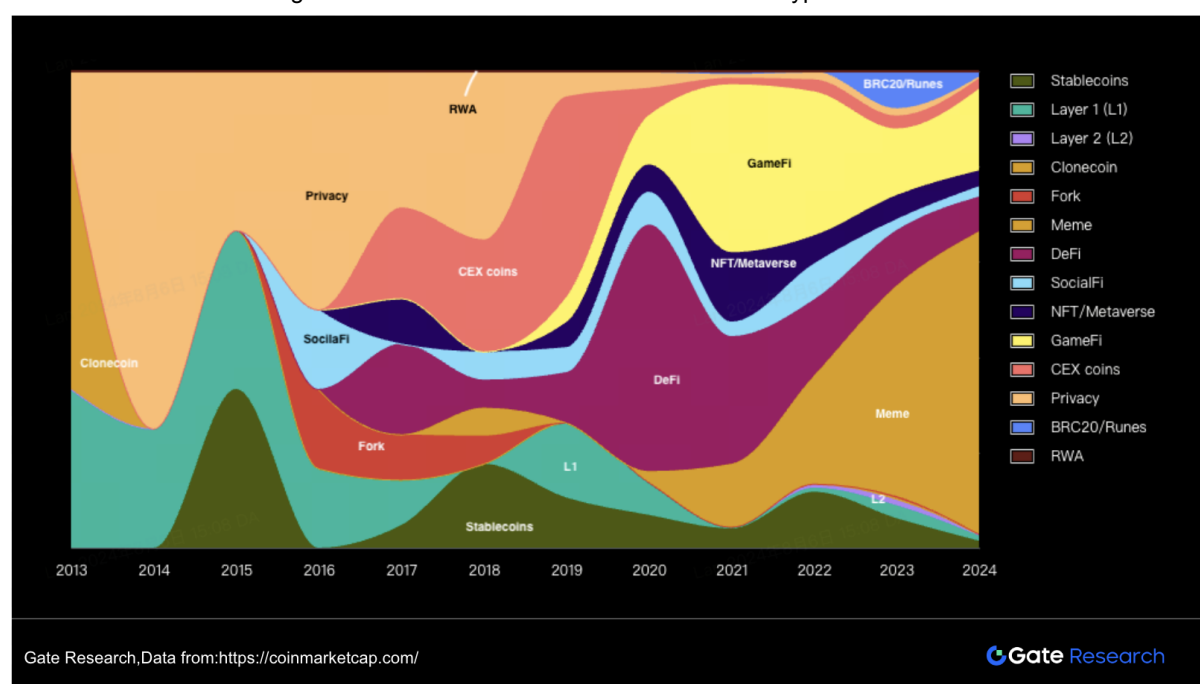
From 2014 to 2017, the demand for anonymous transactions drove the growth of privacy coins like Monero and Zcash. However, as government regulations tightened, the market share of privacy coins began to decline after 2018. Early fork and clone coins also faded as newer, more innovative projects emerged.

Ethereum's activity surged with the rise of DeFi. Still, its main chain faced limitations in transaction speed and high gas fees, leading to the creation of Layer 2 solutions to improve scalability. Today, the Layer 2 sector has a market value of over \$17.4 billion.

Since 2020, the DeFi and GameFi sectors have grown rapidly, with decentralized applications (Dapps) like Uniswap and AAVE offering alternative financial services. The DeFi sector now has a market value of \$73.2 billion. Projects like Axie Infinity and STEPN have attracted large user bases and significant funding with their "Play to Earn" model, demonstrating blockchain's potential for digital ownership and virtual worlds. These projects currently have a market cap of \$4.38 billion.

In 2023, SocialFi and BRC-20 emerged as major trends. They combined blockchain with social media and expanded Bitcoin's ecosystem, reaching a market capitalization of over \$3.3 billion.

Figure 16: Trends in Market Share of Different Cryptocurrencies

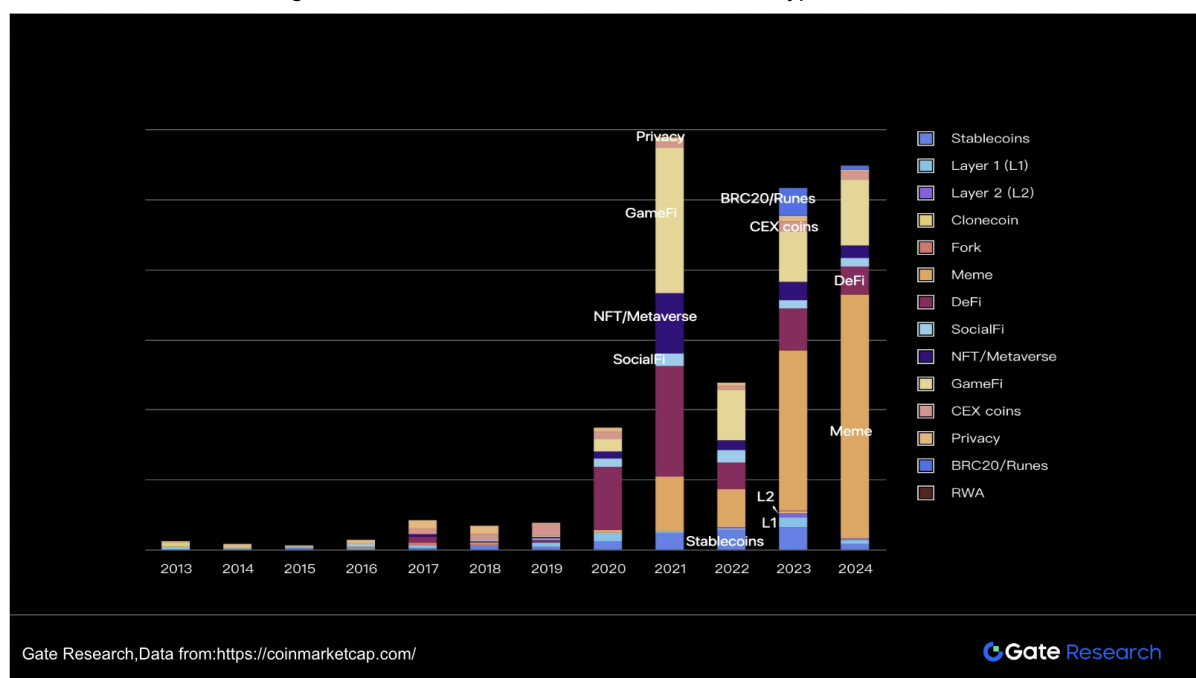


Since 2020, the crypto market has become more segmented and specialized, with new token categories emerging rapidly. The number and variety of new tokens have grown significantly, with Meme tokens, GameFi, DeFi, and NFTs being major highlights. These sectors maintained a strong market share even during the bear market from 2022 to 2023.

Meme tokens have shown the most dramatic growth, far surpassing other categories. Their market value now exceeds \$40 billion, reflecting investors' sustained enthusiasm. Meanwhile, the GameFi, DeFi, and NFT sectors have seen some decline after their peak in 2021.

With the approval of a Bitcoin spot ETF in 2024, institutional investors have entered the cryptocurrency market, driving the overall market cap to new highs.

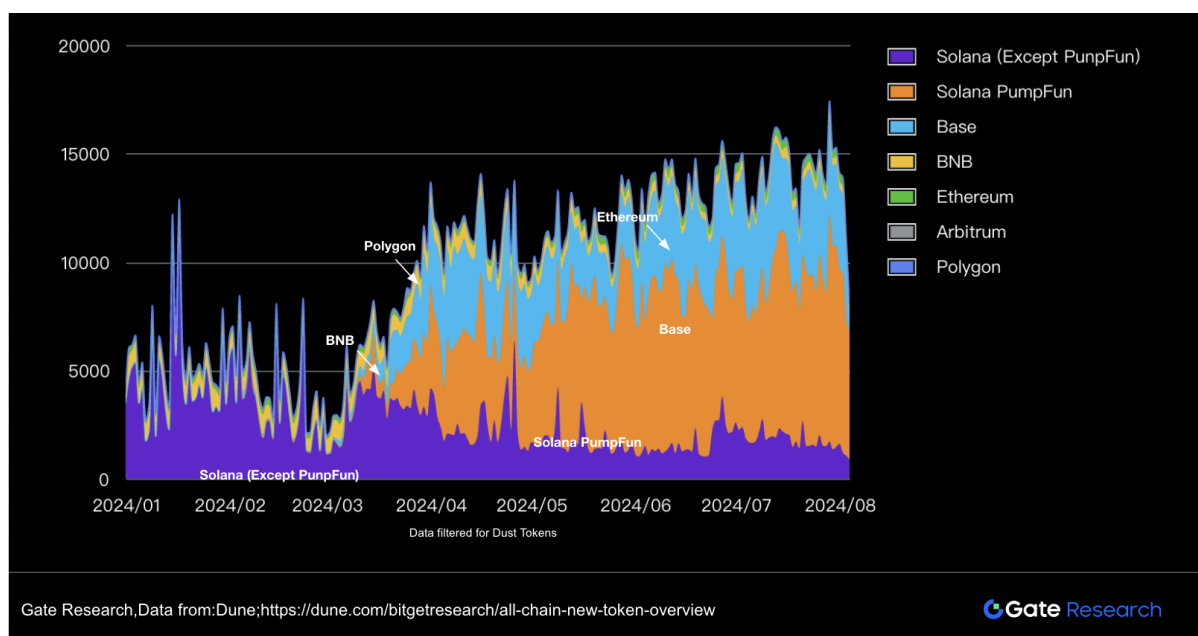
Figure 17: Growth in the Issuance of Different Cryptocurrencies



3.2 Current Landscape: Solana Leads New Token Issuance

In 2024, the Meme token phenomenon took hold across several public chains, with Solana particularly standing out. In March, tokens like Bome and Slerf in the Solana ecosystem gained attention for their high returns. The rise of one-click token issuance platforms such as Pump.Fun has made it easier to issue new tokens, resulting in Solana seeing a daily issuance of over 10,000 tokens. According to data from Gate Research Institute, Solana now holds over 60% of the new token issuance market share, far surpassing other public chains.

Figure 18: Daily New Tokens Count on Major Blockchains in 2024



In addition to Solana, the Base chain has performed impressively this year. Thanks to support from Coinbase, the introduction of EIP-4844, which lowers transaction fees, the Meme trend, and the growth of the Farcaster community, the Base ecosystem has seen a rapid increase in users and activity. Since March, the wealth generated from the skyrocketing “Degen” tokens has further boosted the popularity of Base, making it the second-largest public blockchain this year with a market share exceeding 20%.

Figure 19: Proportion of Daily New Tokens by Major Blockchain in 2024



Conclusion

The ways tokens are issued in the cryptocurrency market have evolved from mining, ICOs, IEOs, and IDOs to liquidity mining and now to platforms for one-click token issuance. This evolution shows a commitment to community participation and fair distribution. Each method has addressed the specific needs of its time, reflecting market demand and technological advancements. Today's diverse token issuance models give blockchain projects more funding options, lower barriers to entry, improve efficiency, and enhance community engagement.

As blockchain technology advances, it has fostered a thriving token economy. From Bitcoin being seen as "digital gold" to Ethereum leading a smart contract revolution, plus the rise of stablecoins, governance tokens, and utility tokens, the uses of tokens are expanding. With new concepts like DeFi, NFTs, GameFi, and SocialFi gaining traction, blockchain applications are becoming more prevalent in finance, art, gaming, and social interaction. High-performance public chains like Solana and one-click token issuance platforms have made Meme tokens particularly popular due to their strong potential for growth, leading the way in new token issuance. This diversification of tokens provides investors with more choices and accelerates overall growth in the cryptocurrency market.

The cryptocurrency market has seen extraordinary growth in the last decade. Therefore, Gate Research has launched a special series titled '10-Year Review of the Cryptocurrency Market' to detail this growth. The series aims to explore the industry's evolution using detailed data analysis and charts to identify key trends. The report is divided into four parts: token issuance methods, cryptocurrency trading platforms, development of public blockchains, and trends in market capitalization and user growth. This article is the first in the series. To view the remaining reports, please click [here](#).

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