Gate Research

A Comprehensive Analysis:

Memes and the Secrets to Driving Traffic in the Crypto Industry

Meta Description

- As the U.S. election concludes, 2024 draws to a close.
- Looking back at this year's crypto bull market, Meme has been an unavoidable topic.
- From BOME at the start of the year, MAGA in the middle, to GOAT at the end, Memecoin has generated new hot topics every quarter, maintaining the industry's momentum.
- Belgian scholar Francis Paul Heylighen proposed in 1998 that meme culture consists of four stages, including ”assimilation,” ”retention,” ”expression,” and ”transmission.”
- On a deeper level, meme culture's popularity can be attributed to its alignment with the uses and gratifications theory proposed by British communication scholar McQuail.

Topic Tags:

Blockchain, Altcoins, Meme

The Evolution of Crypto: The Chain

1 A Brief History of Memecoins

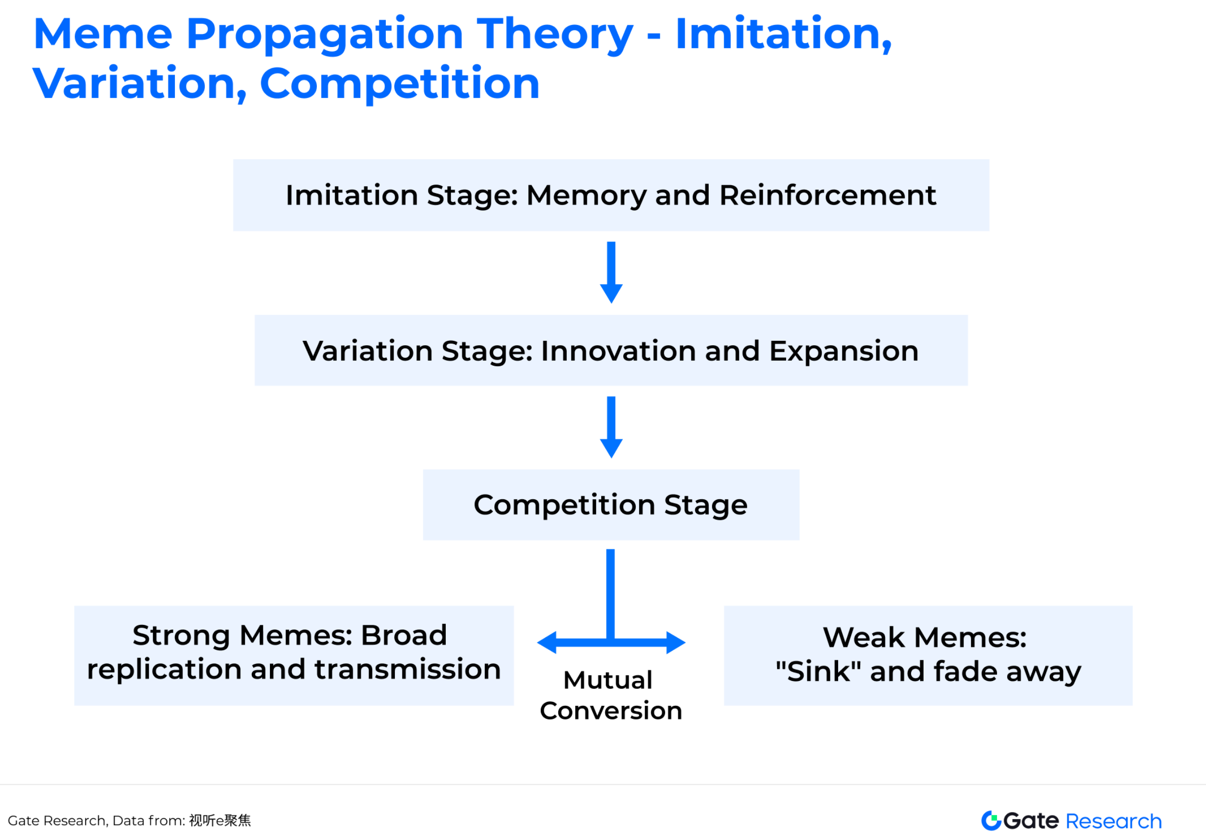
With the conclusion of the U.S. presidential election, 2024 is drawing to a close. Looking back on this year’ s crypto bull market, Meme has become an unavoidable topic. From BOME at the beginning of the year, MAGA in the middle, to GOAT at the end, trending Memecoins have emerged continuously. If oracles, cross-chain bridges, and DA projects can be regarded as the cornerstone of cryptocurrency—enhancing transaction efficiency and convenience—Memecoins represent the other end of the spectrum. They are more akin to ”hot topics” and serve as the ”traffic key” for the crypto industry.

In 2024, Memecoin Key Opinion Leader (KOL) Murad proposed that Memecoins would enter a ”Supercycle,” with multiple coins achieving hundredfold returns. In its early days, however, Memecoins were merely products of internet memes, making it difficult for investors to assign value. Through continuous technological iterations and community expansion, Memecoins have established their current position. The term ”meme” is phonetically translated into Chinese as ” 迷因 (mí yīn),” and the closest Chinese equivalent in meaning is ” 梗 (gěng)” (a cultural reference or meme). For a meme to spread virally among people, it must meet three criteria: it must be highly narrative, entertaining, and easily understood.

Meme culture is a phenomenon-level topic in modern communication studies. Belgian scholar Francis Paul Heylighen proposed in 1998 that meme culture evolves through four stages: assimilation, retention, expression, and transmission [1]. Keeping pace with the times, the School of Communication at Central China Normal University suggested in 2022 that meme culture spreads in three stages: imitation, variation, and competition [2].

For instance, the popular meme of 2023, “遥遥领先 (yáo yáo lǐng xiān)” (meaning “far ahead”), originated from Huawei executive Yu Chengdong. Initially, Huawei’s superior product performance led fans to spam ” 遥遥领先” during product launches. This represents the imitation stage of the meme. However, due to Huawei’s high pricing and declining reviews for several new models, “遥遥领先” transformed into a sarcastic comment on Huawei, marking the meme’ s variation stage. During this period, other memes like “哪里贵了 (nǎ lǐ guì le)” (meaning “It’s not expensive at all”), “哈基米 (Hakimi)” (originated from Japanese anime and means ”cute”), and “狗罕见 (gǒu hǎn jiàn)” (this is a wordplay on ”Hàn jiān in Chinese, meaning “traitor”) vied for attention, representing the competition stage. Stronger memes survive and dominate this phase, while weaker ones fade away.

Figure 1: Meme Propagation Theory - Imitation, Variation, Competition



On a deeper level, the popularity of meme culture can be attributed to its alignment with the ”uses and gratifications theory” proposed by British communication scholar McQuail [3]. This theory includes four utilities: mood management, social interaction, self-affirmation, and environmental monitoring. Firstly, meme culture often serves as a humorous commentary and a way to diffuse life's tensions. For instance, the Memecoin IQ50 humorously suggests that even someone with an IQ of 50 can achieve financial success, fulfilling the utility of mood management. Secondly, meme culture thrives within well-established communities where fans exchange ”meme images” with one another, aligning with the utility of social interaction. Additionally, meme culture carries strong symbolic meanings. For example, a significant portion of MAGA holders aligns with Trump's political views, fulfilling the utility of self-affirmation. Lastly, meme culture's continuous creation of new narratives allows users to dynamically perceive changes in the external environment, satisfying the utility of environmental monitoring.

1.1 The Birth of Memecoins

DOGE was the world's first Memecoin. It was created in 2013 on the American Reddit forum, even before prominent blockchain projects like Ethereum. Its widespread popularity stemmed from the humorous and playful Shiba Inu imagery. During the same period, several celebrity coins, such as CoinYe, PotCoin, and MaxCoin, also emerged.

In 2015, Ethereum successfully launched, ushering in the establishment of numerous infrastructure projects, including the oracle Chainlink and decentralized storage Filecoin. Before 2021, Memecoins had not yet formed a complete sector, with DOGE being largely regarded as a cultural symbol. However, the ICO boom of 2017 and the DeFi Summer of 2020 provided Memecoins with enhanced security on trading platforms and pricing mechanisms, allowing users to trade Memecoins on-chain with greater confidence.

1.2 The First Boom of Memecoins

In 2021, DOGE, a dormant Memecoin for years, experienced an unexpected surge, delivering an 81-fold return within that year. Elon Musk was the primary driver of DOGE's rise. In 2019, Musk was voted the CEO of the Doge project by Twitter users, and he frequently tweeted in support of Doge thereafter. Also in 2021, Shiba Inu introduced new innovations to Memecoin gameplay by deeply integrating with DeFi and launching staking yield mechanisms. Shiba holders could earn excessive returns through staking. That year marked the true beginning of Memecoins, though they also faced stiff competition from NFTs (non-fungible tokens), which shared similar narratives and functionality. NFTs overshadowed Memecoins in 2021, with their gaming and social narratives making them the shining stars of the cryptocurrency market.

1.3 The Supercycle of Memecoins

From the second half of 2022 to the first half of 2023, the cryptocurrency market faced a prolonged slump due to the collapses of Three Arrows Capital and FTX. During this period, many primary market projects saw their valuations plummet by more than 50% within months of their Token Generation Events (TGEs). Retail investors, hit hard by these losses, began rethinking their investment strategies, questioning why they should be ”harvested” by VC-backed popular projects. Instead, they turned to undervalued projects with no sell-off pressure, becoming early-stage investors themselves.

This shift in investment logic among retail investors sparked a new wave of Memecoin growth in 2024. As 2024 progressed, Memecoins' market capitalization as a share of the total cryptocurrency market steadily increased. Many phenomenal Memecoins, such as WIF, Floki, and Punt, emerged, driven by advancements in distribution channels. Traditional financial platforms like Robinhood began listing Memecoins such as PEPE, while on-chain platforms like Pump.fun lowered the barriers to launching tokens, enabling the emergence of more hundredfold coins in the Memecoin sector.

On the narrative front, political memes and AI memes have become new storytelling drivers for Memecoins. Coupled with the positive impact of Trump’ s presidential election victory on the crypto industry, Memecoins have officially entered a “supercycle.”

2 Observing Memecoins

In this section, we will first analyze the reasons behind Memecoins’ success. Next, we will provide indicators for observing Memecoins. With in-depth research, every investor has the potential to become a diamond hand in Memecoins. Lastly, we will categorize Memecoins by market capitalization to offer a preliminary understanding for new readers.

2.1 Memecoins vs. NFTs

To explore the success of Memecoins in this cycle, it is essential to reference the previous cycle dominated by NFTs. The success of NFTs was driven by several factors. First, the Ethereum dominance. NFT trading has predominantly taken place on Ethereum. From late 2020 to mid-2022, Ethereum’ s ecosystem experienced its strongest phase, with abundant on-chain liquidity supporting the high valuation of NFTs. Secondly, the Metaverse hype of 2021. NFTs were the blockchain concept most aligned with the Metaverse narrative, particularly in areas like digital twins and virtual reality. Finally, fulfillment of vanity: The uniqueness of NFTs catered to personal vanity. Unlike Memecoins, every NFT is unique. For example, in the case of BAYC, the most rare NFTs were worth several times the floor price. Similar to the dynamics of in-game purchases, high-rarity NFTs carried significant social value.

When discussing NFTs and Memecoins, prominent KOL Murad stated: “From a technical perspective, Memes and NFTs are essentially the same, but I believe the scale of Memes will be 50 times larger. The reasoning is simple: even in a successful NFT collection, if you crunch the numbers, you’ll find only 3,000 to 4,000 people shilling 10,000 highly illiquid JPEGs. Memes, on the other hand, operate far more efficiently, with optimization on both sides.” [4]

Murad’ s statement highlights a critical difference between the two markets: liquidity. NFTs’ high prices and limited supply have led to significant liquidity challenges. Memecoins, by contrast, adopt the opposite strategy, using low prices to attract a broad user base. This has resulted in numerous tenfold and hundredfold returns, maintaining high momentum for the entire Memecoin sector.

Additionally, in the new cycle that began at the end of 2023, Ethereum has faced noticeable disadvantages in Gas fees and TPS (transactions per second) compared to Solana. Platforms like Pump.fun, which facilitate Memecoin issuance, have benefited from Solana' s performance advantages, leading to an increase in new token issuances and trading volume. Conversely, NFT platforms like Opensea and Blur have experienced a decline in new issuances and activity.

Lastly, the product logic behind NFTs and Memecoins is fundamentally different. NFTs operate top-down. They start by attaching to a prominent IP (e.g., NBA, the World Cup, renowned artists) and then rely on user purchases. However, leading NFT projects like BAYC, Cryptopunks, and Azuki have invested insufficient resources into community building. Memecoins, on the other hand, operate bottom-up. By issuing large quantities of tokens, they invite users into their communities, gradually filtering out concepts with sustained momentum. Moreover, Memecoin issuance costs are significantly lower than NFTs. While Memes and NFTs share technical similarities, Memecoins align better with mass-market dynamics, whereas NFTs cater more to elite audiences.

2.2 Observing Memecoin Indicators

Pricing Memecoins is a challenging task for investors, and investing in Memecoins can be compared to buying a lottery ticket - while it offers high risk and high returns, there aren't many reference indicators. MIIX Capital has provided a scoring method for valuation. According to their approach, Memecoin valuation equals the size of the narrative plus the frequency of emotional engagement plus celebrity effects plus media coverage share.[5]

However, from my perspective, a deep dive into meme communities reveals that the valuation of a Memecoin is primarily a valuation of its users. The narrative evolves from the tone of the community. If a Memecoin community can meet three criteria—large membership, high loyalty, and strong willingness to pay—then its future narratives, whether in gaming, finance, or social applications, will likely provide significant monetization opportunities.

The price movements of Memecoins are highly random. Even if an investor believes a particular meme might go viral, engaging deeply with the community is essential. On the content side, five social media platforms play critical roles: Telegram, Discord, X (formerly Twitter), YouTube, and TikTok. Investors must maintain keen sensitivity to changes within these communities to better identify high-yield Memecoins.

These five social media platforms serve different functions. While Telegram and Discord have some overlapping features, Telegram focuses on facilitating convenient user communication, leading to multiple groups for the same Memecoin. Telegram groups show a high overlap between users and token holders, resulting in more discussions about token prices. Discord, catering primarily to gamers, has structured categories and forums, offering a higher barrier to entry. It is ideal for systematically learning about a Memecoin. X (formerly Twitter) leans towards project promotion and KOL announcements. X has a high update frequency and provocative content. Regarding video platforms, TikTok, compared to traditional platforms like YouTube, exhibits greater potential for viral spread and has become a major dissemination platform for the next generation of Memecoins.

Beyond these five platforms, niche subculture hubs like Tumblr, 4chan, and Reddit serve as incubators for new memes. Additionally, third-party media and research institutions' analytical articles significantly influence the dissemination of Memecoins.

On the trading front, Memecoin investors must remain vigilant about on-chain data. Many early Memecoins traded exclusively on decentralized platforms, only listing on centralized exchanges after reaching certain market cap thresholds. This differentiates Memecoin investing from projects like DeFi, GameFi, and Infra. For early-stage projects, users can utilize bots like GMGN, Bonkbot, and Maestro for automated tracking. Analytical tools such as Dune can also help monitor "smart money" addresses, offering insights into strategic investment patterns.

2.3 A Preliminary Exploration of Memecoins

The classification of Memecoins is relatively complex and can be examined through various dimensions such as market capitalization, themes, and underlying blockchain networks. However, for readers new to this field, using market capitalization as the initial classification criterion is the most intuitive approach. Based on market cap, Memecoins can be divided into five stages—Mature Stage (above $10 billion), Near-Mature Stage (between $10-100 billion), Growth Stage (between $1-10 billion), Bottleneck Stage (between $70,000-$1 billion), and Startup Stage (below $70,000) [6].

As of the end of November 2024, only two Memecoins, DOGE and Shiba, have surpassed the $10 billion market cap threshold. Both are also among the earliest Memecoin projects. DOGE consistently ranks within the top ten cryptocurrencies by market capitalization. Nine Memecoins fall within the $10-100 billion range, including PEPE, BONK, WIF, FLOKI, BRETT, POPCAT, and PNUT. Among them, PNUT has recently seen a continuous price surge, breaking past the $1 billion mark. Other projects in this range have mature community operations but require further narrative development to sustain growth.

Additionally, 46 Memecoins are in the $1-10 billion range. Tokens in this category are relatively diverse, but crossing the $1 billion milestone suggests that these projects excel in aspects like community building, storytelling, and promotion. For bottleneck and startup stages, classification follows the graduation standard of the mainstream one-stop token issuance platform, Pump.fun. Projects exceeding a $69,000 market cap qualify to list trading pairs on decentralized exchange Raydium. However, the graduation rate on Pump.fun is only 1.6%, indicating that the number of ungraduated Memecoins far exceeds those that have graduated.

Figure 2: Memecoins with Market Cap Exceeding $1 Billion

Memecoins with Market Cap Exceeding $1 Billion

#	Name	Price	1h %	24h %	7d %	Market Cap
7	Dogecoin DOGE	$0.3913	▾0.81%	▾0.06%	▴0.24%	$57,505,825,311
14	Shiba Inu SHIB	$0.00002467	▾0.23%	▴1.05%	▴0.44%	$14,538,693,694
20	Pepe PEPE	$0.00001827	▾1.18%	▾1.93%	▾9.38%	$7,684,244,648
41	Bonk BONK	$0.00004235	▾0.60%	▴1.48%	▾21.58%	$3,183,950,426
44	dogwifhat WIF	$3.06	▾0.96%	▾2.15%	▾8.13%	$3,057,570,002
56	FLOKI FLOKI	$0.0002186	▾0.57%	▴0.45%	▾9.47%	$2,099,138,367
62	Brett (Based) BRETT	$0.1644	▾1.10%	▴2.72%	▾5.56%	$1,629,380,970
80	Popcat (SOL) POPCAT	$1.22	▾2.37%	▾4.29%	▾28.25%	$1,195,736,187
87	Peanut the Squirrel PNUT	$1.10	▾1.14%	▾2.20%	▾32.36%	$1,100,603,649

Gate Research, Data from: Coinmarketcap

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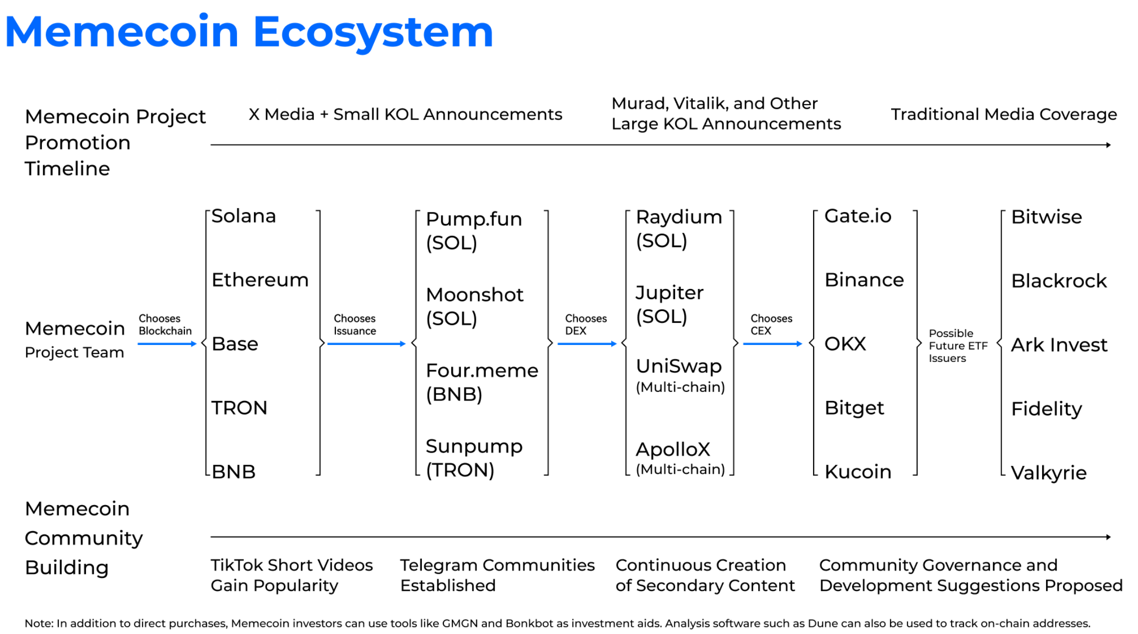
3 The Memecoin Ecosystem

After a basic understanding of Memecoins, this chapter introduces the various participants in the Memecoin ecosystem, including founding teams, fans, public blockchains, one-click issuance platforms, decentralized exchanges (DEXs), centralized exchanges (CEXs), market makers, and Key Opinion Leaders (KOLs).

Figure 3: Memecoin Ecosystem



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3.1 Founding Teams

Memecoin founding teams can be anonymous or public. Known non-anonymous teams include those behind DOGE, BOME, and PEPE. These teams are responsible for critical decisions such as fundraising, social media operations, token exchange listings, and future narratives, making their capabilities vital to a Memecoin' s price performance. For example, the Memecoin Slerf (Sloth) project faced issues after its founder mishandled funds, burning raised capital and leaving insufficient refunds for investors, leading to its downfall.

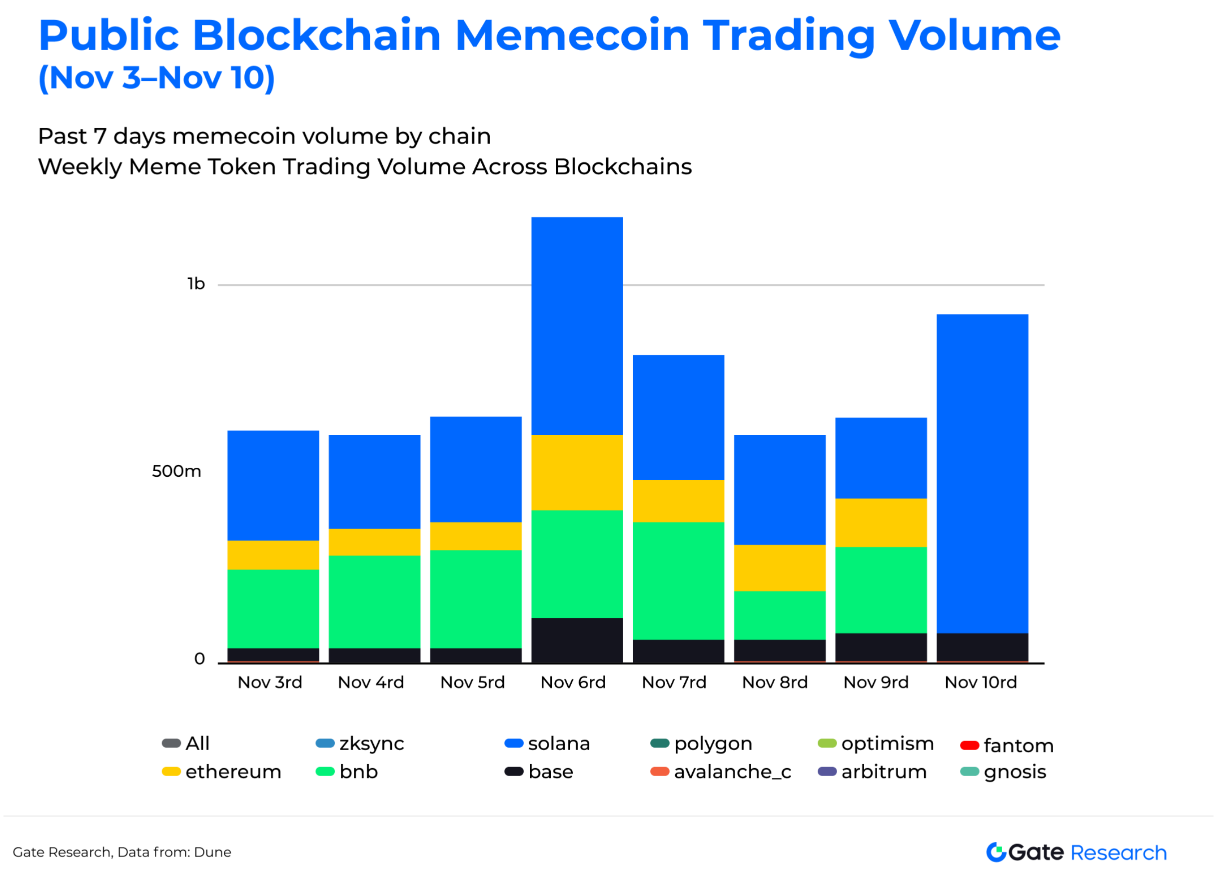
3.2 Fans and Communities

Fans are the most important factor in evaluating a Memecoin's value. The Memecoin fanbase is diverse, including holders, creators, and enthusiasts. Holders' primary goal is for the Memecoin's price to increase. They often act as promoters on platforms like Telegram and X (formerly Twitter), marketing the tokens they support. Creators produce memes, short videos, and written content to attract more fans to the community. Enthusiasts join communities out of an affinity for a Memecoin's imagery but have not yet created content or purchased tokens. They may eventually evolve into creators or holders.

3.3 Public Blockchains

Memecoins represent traffic and are highly sought after by public blockchains. For example, Ethereum and Solana have both introduced Memecoins like MOO DENG and Moo Deng. Active chains in the Memecoin ecosystem include Solana, Binance Smart Chain (BSC), and Ethereum. Some Memecoins are even launched across multiple chains, allowing them to be traded on several networks [7].

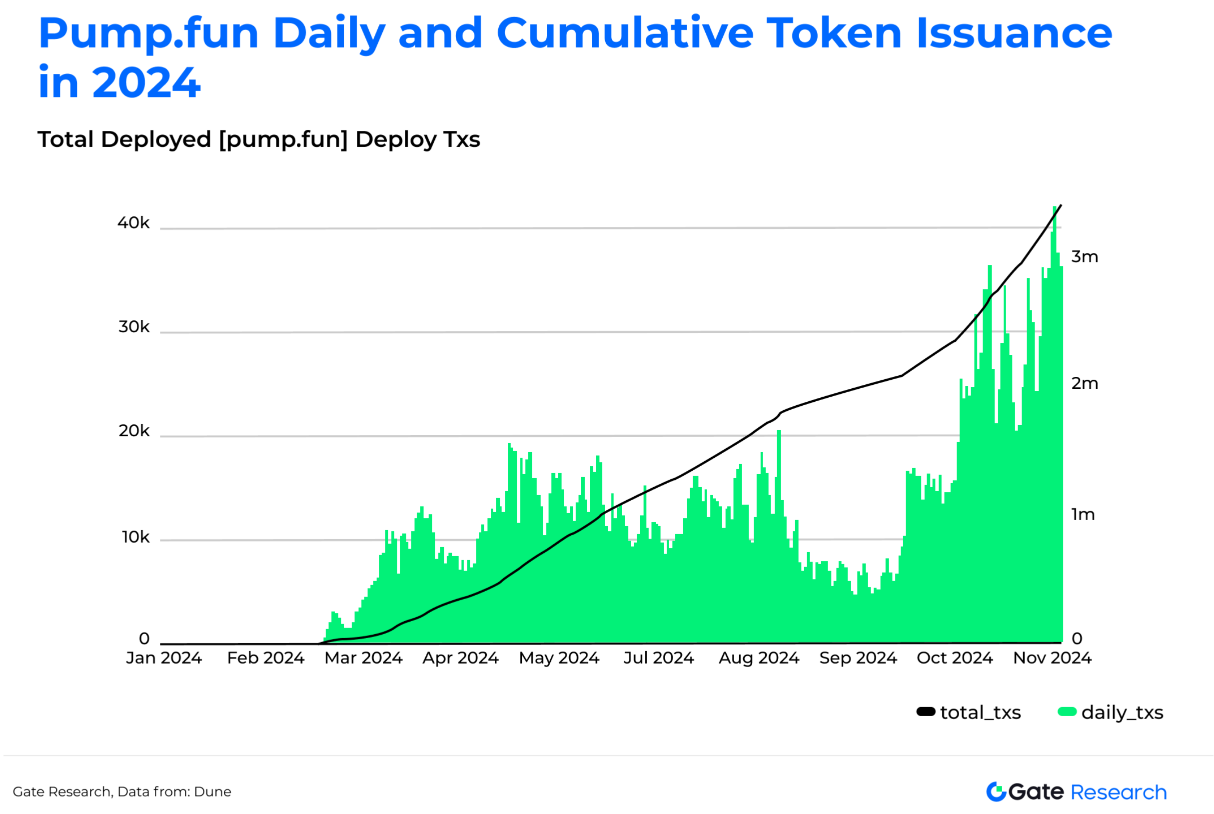
Figure 4: Public Blockchain Memecoin Trading Volume (Nov 3–Nov 10)



3.4 One-Click Token Issuance Platforms

In January 2024, Solana launched Pump.fun, a one-click token issuance platform that has produced multiple hundredfold coins in under a year. By mid-November, Pump.fun had issued 3,409,324 Memecoins, generating protocol revenues of 1,291,142 SOL. These platforms reduce the cost and time for Memecoin projects to launch, making them vital infrastructure for building Memecoin ecosystems. Other public blockchains like TRON, TON, and BSC have also introduced their one-click issuance platforms [8].

Figure 5: Pump.fun Daily and Cumulative Token Issuance in 2024



3.5 Decentralized Exchanges (DEXs)

Before the advent of one-click issuance platforms, Memecoins often began by raising funds on X and then distributing tokens to investors, with trading pairs later listed on DEXs. One-click platforms like Pump.fun have changed this process. For instance, once a Memecoin is successfully deployed on Pump.fun and reaches a $69,000 market cap, its liquidity is automatically added to Raydium.

Raydium's success with Memecoins is reshaping the dominance of traditional DEXs like Uniswap, Jupiter, and PancakeSwap. As of November, Raydium ranked first in DEX trading volumes according to Coinmarketcap [9].

Figure 6: Decentralized Exchange (DEX) Trading Volume Rankings

Decentralized Exchange (DEX) Trading Volume Rankings

#	Name	Trading volume(24h)	% Mkt Share	No. Markets	Type	Launched	Vol. Graph (7d)
1	Raydium	¥30,006,112,836	28.9706%	1410	Swap	Feb 2021	
2	Uniswap v3 (Ethereum)	¥8,475,155,230	8.1827%	897	Swap	May 2021	
3	Raydium (CLMM)	¥6,119,053,042	5.9079%	383		--	
4	Aerodrome SlipStream	¥5,600,707,195	5.4074%	40		--	
5	Orca	¥5,491,154,240	5.3017%	936		Feb 2021	
6	Uniswap v3 (Arbitrum)	¥3,946,640,646	3.8104%	271		--	
7	SynFutures v3	¥3,446,427,515	3.2324%	31		Jun 2021	
8	Meteora VD	¥3,393,362,465	3.2763%	893		--	

Gate Research, Data from: Coinmarketcap

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3.6 Centralized Exchanges (CEXs)

CEXs represent the next step for Memecoins to reach a broader investor base. Listing on platforms like Gate.io, OKX, or Binance often triggers significant price increases. Gate.io's pilot zone has begun listing Memecoins and providing detailed analyses. The next step after CEX listings would be the introduction of Memecoin ETFs, enabling qualified securities investors to buy into them. While a DOGE ETF has garnered attention, no Memecoin ETF has been approved yet [10].

Figure 7: Gate.io’s Pilot Zone is Now Live

3.7 Market Makers

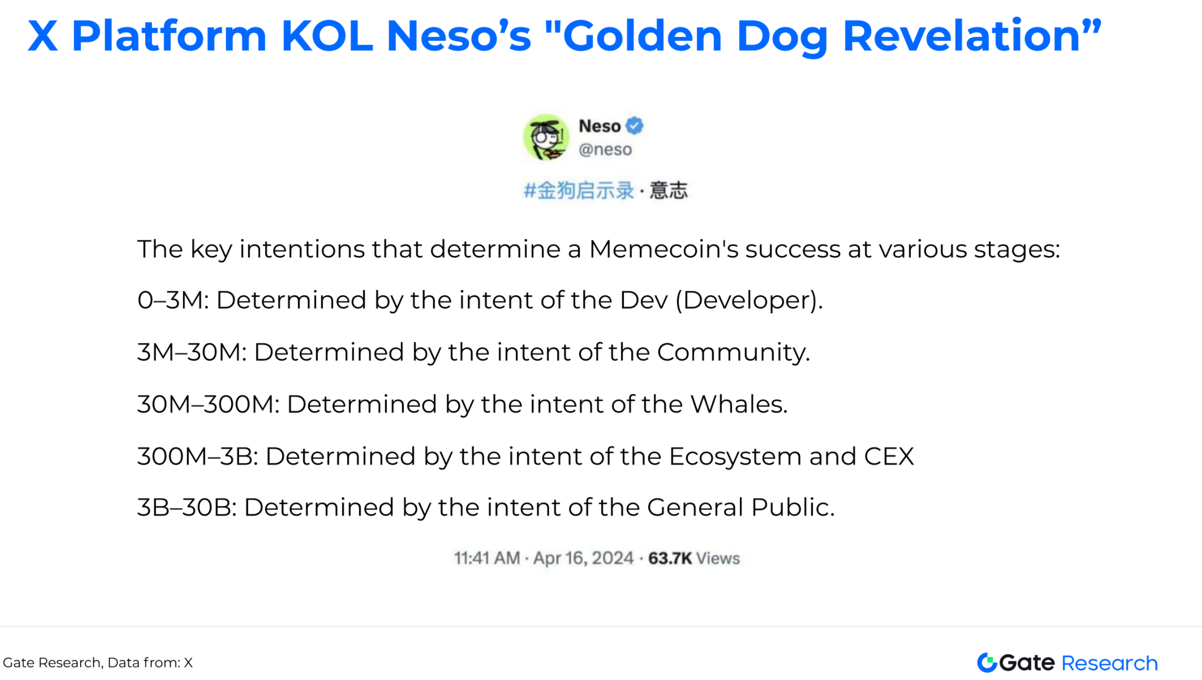
Market makers play a crucial role in the crypto chain, influencing price movements behind the scenes. Firms like Jump Trading, Wintermute, DWF Labs, and Auros provide liquidity and sometimes stabilize or destabilize token prices. As Memecoins gain popularity, more market makers are embracing them. Wintermute, the largest Memecoin-holding market maker, owns tokens like Moo Deng, PEPE, and WIF, with a total Memecoin portfolio exceeding $110 million as of November 8. In contrast, DWF Labs, despite initial enthusiasm for Memecoins, no longer holds any Memecoin assets in its disclosed wallets.

3.8 Key Opinion Leaders (KOLs)

In the Memecoin ecosystem, KOLs often accumulate significant positions at low prices before publicly endorsing a project. Their statements frequently trigger price surges, serving as the final catalyst for growth. Key market maker personnel sometimes act as de facto KOLs as well. Influential figures in the Memecoin space include established names like Elon Musk and Vitalik Buterin, as well as grassroots leaders like Murad, who gained a following through successful coin endorsements.

On X, KOL Neso summarized the key factors driving Memecoin growth across market cap stages. Additionally, the algorithmic promotion of one-click platforms is crucial for Memecoins with market caps below $3 million, ensuring initial visibility and momentum [11].

Figure 8: X Platform KOL Neso’s ”Golden Dog Revelation”



4 Memecoin Classification

This chapter categorizes Memecoins by themes and provides in-depth analysis of several representative tokens from perspectives such as public blockchains, distribution channels, and communities.

4.1 Zoo-Themed Memecoins

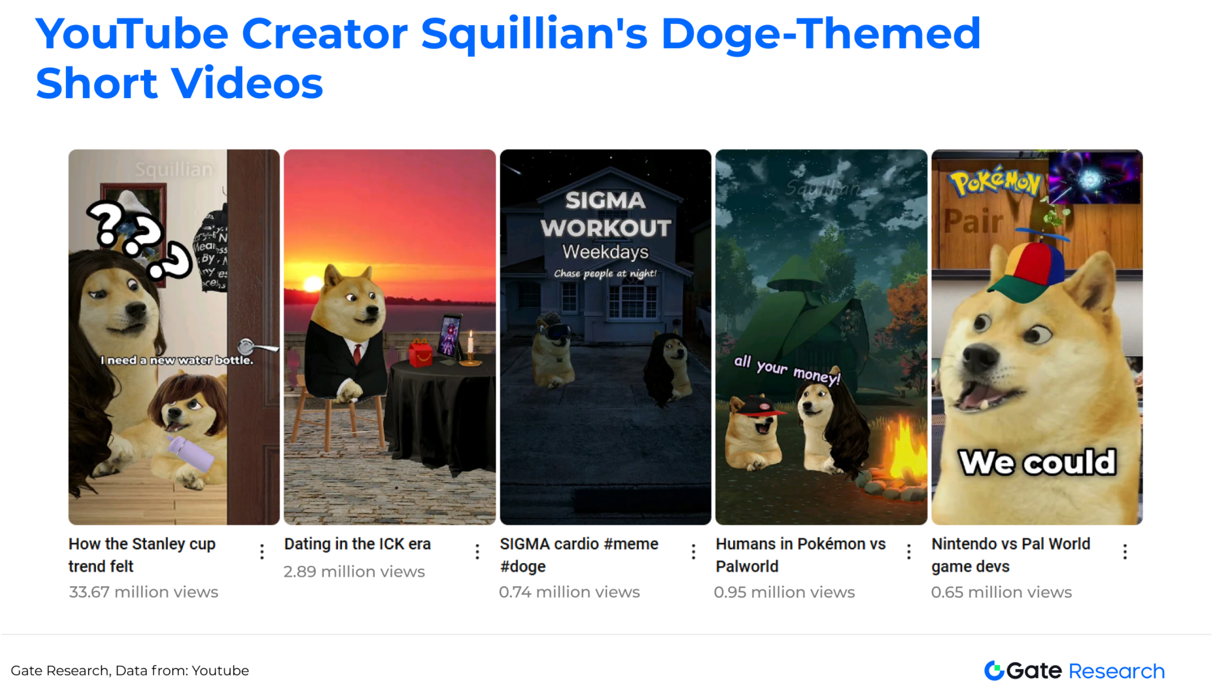
Animal-themed tokens have consistently been a hotspot in the Memecoin sector. Among the top ten Memecoins by market capitalization, nine are related to animals. The popularity of specific animal themes, such as dogs, cats, frogs, penguins, hippos, and squirrels, rotates cyclically. Given this cyclical nature, investors should conduct thorough research on zoo-themed Memecoins.

(1) DOGE

DOGE, the first-ever Memecoin, remains a benchmark for the entire Memecoin market. As the purest Musk-related token, DOGE experienced a significant price surge in the week following Trump's election victory. Its market capitalization rose from $23 billion on November 5 to a peak of $62 billion. Below, we analyze DOGE from both community and on-chain perspectives [12].

Since its inception in 2013, DOGE has built a robust community ecosystem. Telegram is a crucial platform for DOGE, with multiple Chinese-language groups exceeding 10,000 members, while English-language groups like @DogeChainOfficial and @DOGE_COIN20 also show high engagement. The Discord community "Own The Doge" requires users to verify DOGE ownership before participating in discussions and currently has over 6,000 members. On social media, X platform, with Musk as CEO (who was also chosen by users as DOGE's CEO), has given DOGE unique advantages. Following Trump's election, Musk's government efficiency department chose to be named D.O.G.E. As a result, DOGE enjoys exceptional visibility on X, with the official Dogecoin account having over 4 million followers and related discussions frequently trending. On video platforms, YouTube creator Squillian regularly produces DOGE-themed animated content, with multiple videos surpassing 1 million views and a channel following of 940,000 subscribers.[13]

Figure 9: YouTube Creator Squillian's Doge-Themed Short Videos



On the trading front, DOGE’ s trading volume on centralized exchanges (CEXs) far exceeds that on decentralized exchanges (DEXs), as it has been listed on all major CEXs. Conversely, on-chain funds tend to pursue smaller-cap Memecoins for higher potential returns. Historically, DOGE and Shiba were the primary Memecoins traded on-chain, but Shiba’ s financial features have given it greater transaction volume. By 2024, newer Memecoins like WIF, BONK, and MEW dominated on-chain trading volumes. DOGE’s token distribution is relatively decentralized. While one whale (address starting with ”DEgD”) holds over 20% of total DOGE tokens, the top 100 holders collectively own merely 65% of the supply [14].

Figure 10: Memecoin On-Chain Volume Rankings

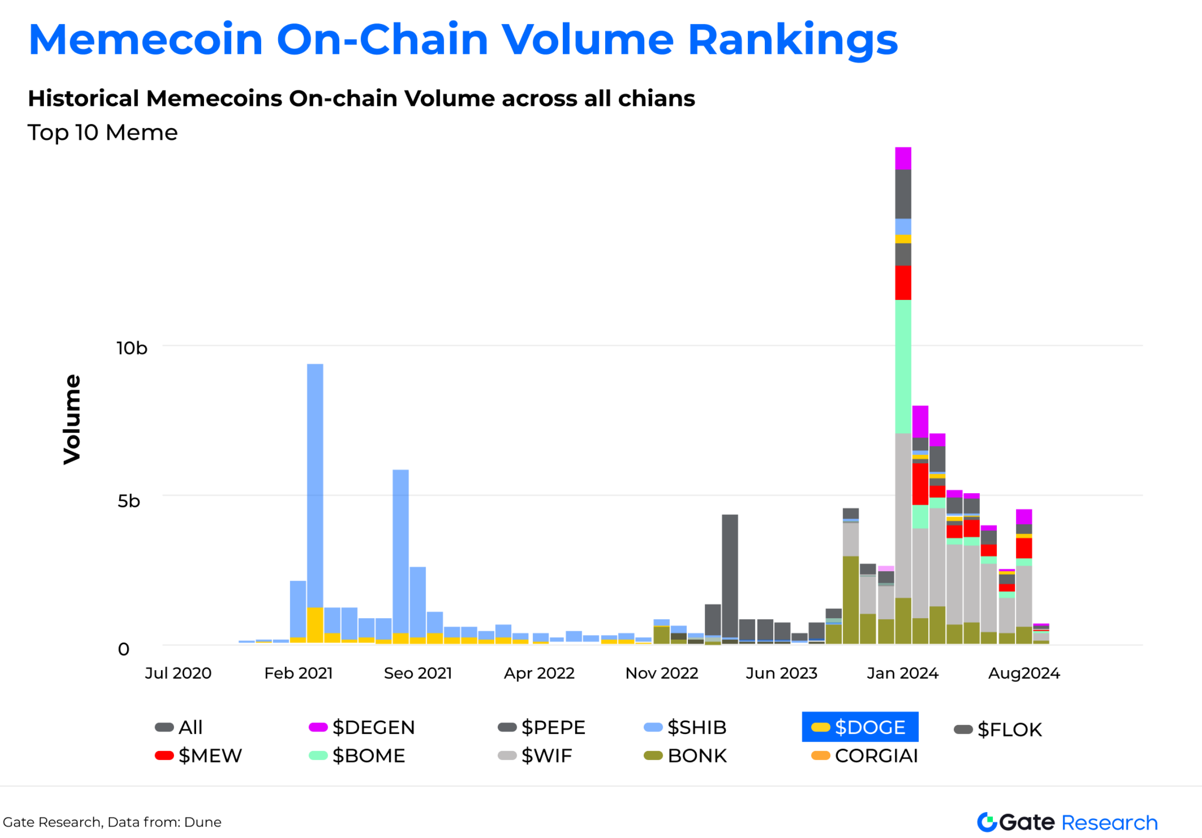


Figure 11: DOGE Price Trend Over the Past Year

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Figure 12: Top 5 On-Chain Addresses Holding DOGE

Top 5 On-Chain Addresses Holding DOGE

#	Address	Quantity	Percentage	7d Change
1	DEgDVFa2DoW1533dxeDVdTxQFhMzs1pMke	30,387,003,395	20.67%	150,000,102
2	DE5opaXjFgDhFBqL6tBDxTAQ56zkX6EToX	10,667,249,091	7.26%	-68,739,980
3	D8ZEVbgf4yPs3MK8dMJJ7PpSyBKsbd66TX	8,285,154,245	5.64%	570,893,105
4	DDTtqnuZ5kfRT5qh2c7sNtqrJmV3iXYdGG	5,031,001,964	3.42%	--
5	ADNbM5fBujCRBW1vqezNeAWmnsLp19ki3n	4,020,867,558	2.73%	261,273,120

Gate Research, Data from: CoinCarp

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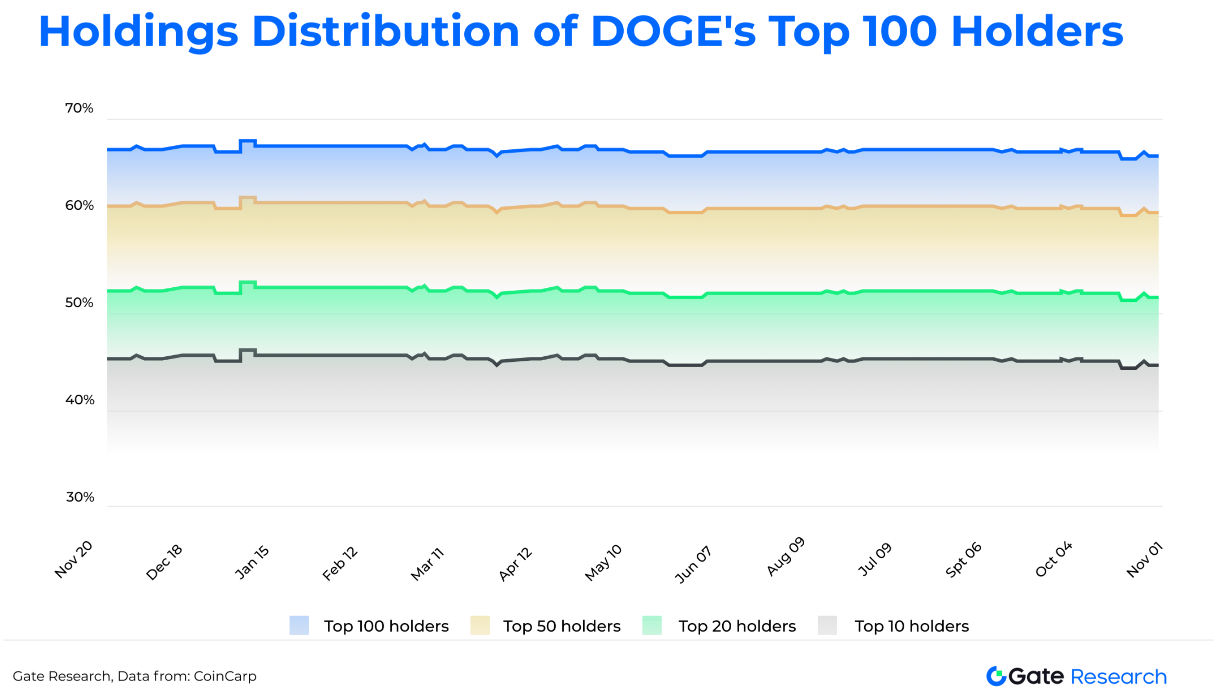
Figure 13: Holdings Distribution of DOGE’s Top 100 Holders



(2) PEPE

The evolution of PEPE closely aligns with the three stages of meme propagation theory: imitation, variation, and competition. The name PEPE originates from the comic series Boy’s Club created by American cartoonist Matt Furie in 2005. The comic featured four main characters, one of whom was Pepe the Frog. Initially, Boy’s Club was a niche work, gaining wider recognition only after being serialized online. By 2010, the comic had concluded, and PEPE began to spread across various subculture forums, becoming a popular meme on platforms like Reddit and Tumblr. During this imitation stage, internet users frequently used PEPE images to express their emotions.

Around 2015, PEPE underwent significant variation in both appearance and symbolic meaning.In terms of appearance, in the original comic, PEPE was a happy character who often laughed with friends over trivial matters. However, internet culture shifted towards self-deprecation and ironic humor. As a result, images of a crying PEPE became more common than the smiling ones, leading many who were unfamiliar with its origins to label it as ”Sad Frog.” And in terms of symbolic meaning, PEPE became politically charged during Donald Trump’s 2016 presidential campaign. Trump frequently used PEPE in his promotional materials, and many of his supporters adopted PEPE avatars. During this phase, PEPE was even associated with extreme ideologies like white supremacy [15].

Figure 14: Trump’s PEPE-Related Tweet in 2016

Trump's PEPE-Related Tweet in 2016

Gate Research, Data from: BBC

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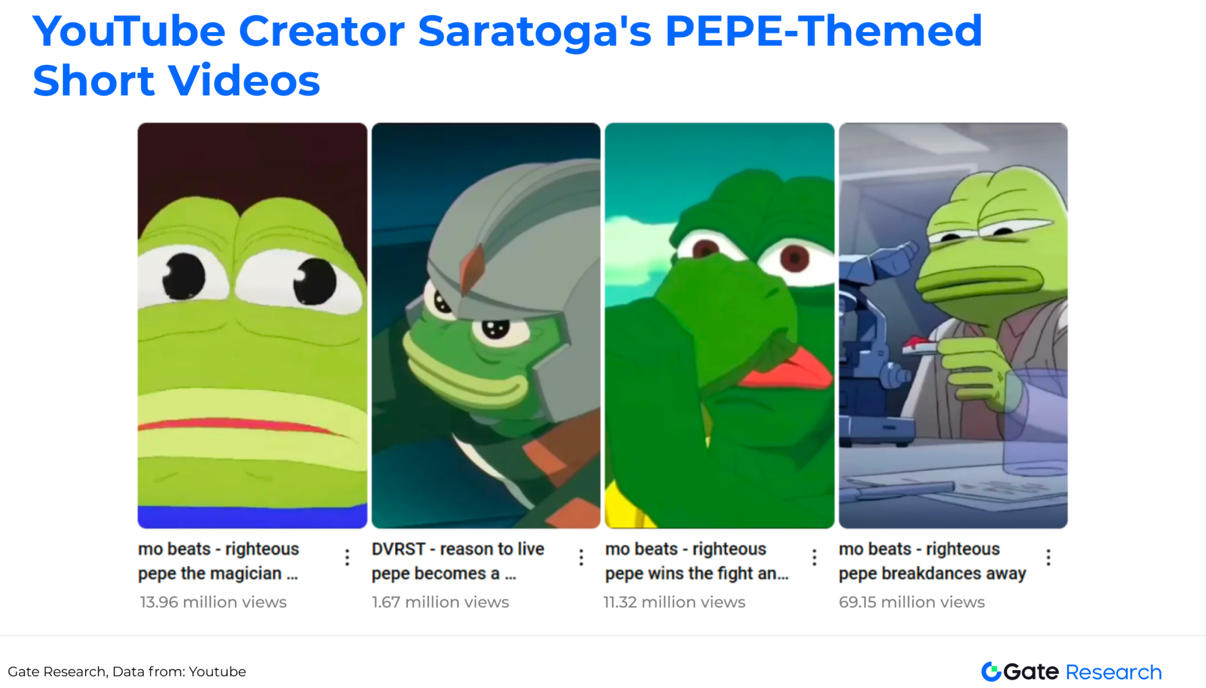
Between 2016 and 2023, PEPE endured as a powerful meme while other Trump-related memes faded into obscurity. In April 2023, the PEPE token emerged. Rather than being created by original artist Matt Furie, it was launched by Zachary Testa—a University of Arizona marketing graduate with a strategic approach to promotion.

Testa set a bold goal for PEPE: to challenge DOGE and Shiba, the dominant dog-themed Memecoins, and to revive the entertainment spirit of Memecoins. This ambition drew significant attention from crypto enthusiasts. Within a year and a half of its launch, PEPE had spawned numerous popular Telegram communities, with the main PEPE group amassing over 60,000 subscribers and its derivative PEPU group surpassing 130,000. PEPE also inspired the creation of new frog-themed characters, including Apu, Groyper, and Peepo. On YouTube, creator Saratoga produced PEPE-themed short videos, with some garnering over 60 million views. From a social media standpoint, PEPE’ s influence rivals that of DOGE [16].

Figure 15: YouTube Creator Saratoga’s PEPE-Themed Short Videos



PEPE is not only a new contender to dog-themed Memecoins but also a key indicator of the health of Ethereum’s Memecoin ecosystem amid Solana’s rapid growth. It serves as the highest market cap Memecoin on Ethereum and an indicator of the Ethereum Memecoin ecosystem’s prosperity. Due to its strong connection with U.S. politics, PEPE’s value surged dramatically following Trump’s election victory, rising from $3.3 billion on November 5 to $10.4 billion on November 14—a 200% increase [17].

On-chain analysis shows that since PEPE has been listed on multiple on-chain exchanges, the top five holders are all centralized exchange wallet addresses. Besides exchanges, fintech company Revolut holds 1.94% of total PEPE for its clients, while securities company Robinhood holds 2.45% for its clients. Among independent addresses, only one address starting with 0x3f holds more than 1% of PEPE, and this address holds less than $1,000 in other crypto assets. The address marked as the PEPE team currently holds only 0.2% of PEPE on-chain. [18] The number of on-chain addresses holding PEPE has surged over the past year, increasing from 154,900 in early January to 329,400 by the end of November. [19]

Figure 16: Market Cap Changes for PEPE Over the Past Month

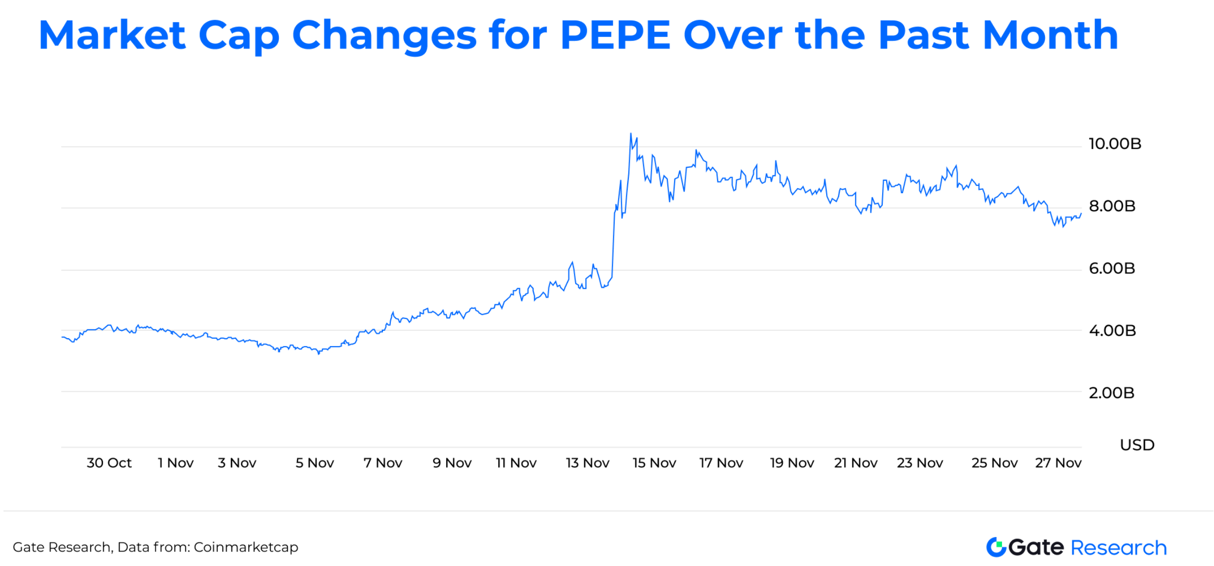


Figure 17: PEPE Holdings by Key On-Chain Addresses

PEPE Holdings by Key On-Chain Addresses

Address [Group by entity]	Value	PCT	USD
Binance:Cold Wallet(OxF97)	60,000,000,000,000	14.23%	$1.11B
Binance: Cold (0x5a5)	29,862,430,896,315	7.08%	$553.95M
Bybit: Cold Wallet (0x88a)	19,100,000,000,050	4.53%	$354.31M
OKX: Hot Wallet (0x6Cc)	17,547,733,255,251	4.16%	$325.51M
Crypto.com: Hot Wallet (0xf3B)	8,733,746,768,861	2.07%	$162.01M
Binance: Cold (0x835)	8,173,708,596,254	1.94%	$151.62M
Revolut (0x9b0)	8,162,656,881,283	1.94%	$151.42M

Gate Research, Data from: Arkham

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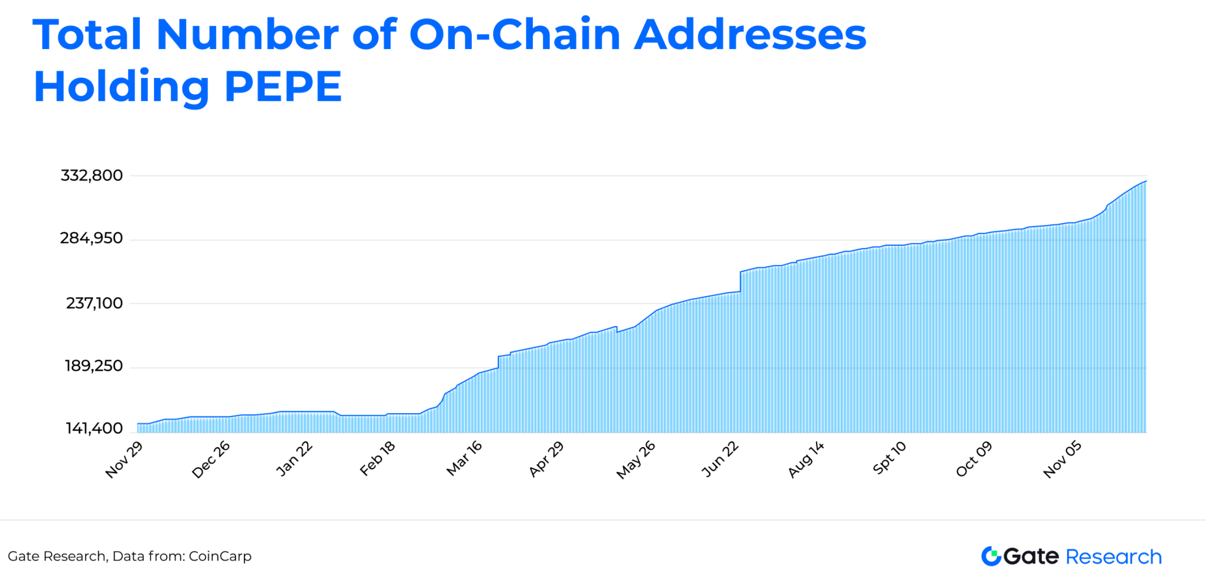
Figure 18: Total Number of On-Chain Addresses Holding PEPE



(3) Moo Deng

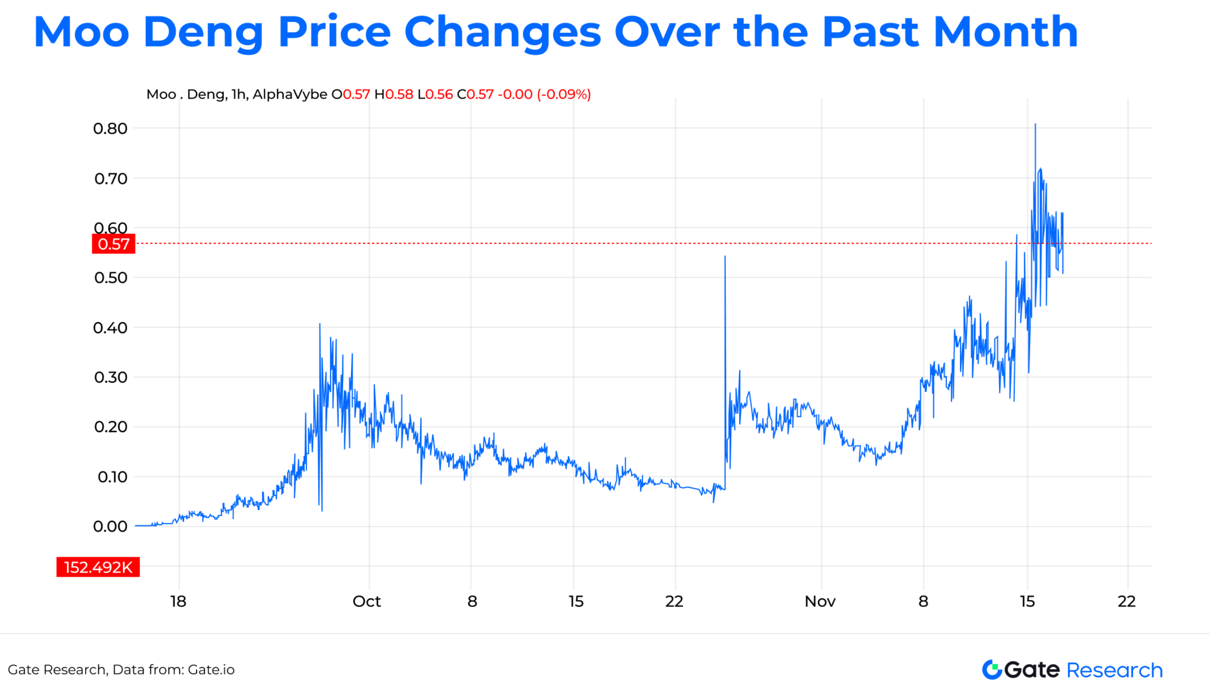
Moo Deng is a small hippopotamus from Thailand that became a beloved internet celebrity due to its habit of playfully biting its caretakers. Before its launch on the Pump.fun platform, Moo Deng had already gained a notable following on YouTube and TikTok.

In terms of community, Moo Deng's Telegram group has nearly 15,000 members, with content primarily focused on daily on-chain transaction reports and user-generated content. On video platforms, Moo Deng's main TikTok account ”bestofmoodeng” has 53,000 followers and documents the daily life of the little hippo. Another TikTok account ”moodeng101067” mainly produces animated short videos about Moo Deng. On X, Moo Deng has two main accounts: ”Moo Deng” and ”Moo Deng Fun Page,” with 100,000 and 80,000 followers respectively.

MAs part of a marketing stunt to capitalize on the U.S. presidential election buzz, staff at Moo Deng' s zoo allowed the hippo to choose between cakes labeled ”Trump” and ”Harris.” Moo Deng chose Trump's cake, adding to its internet fame. While Moo Deng represents a successful digital marketing case, its relatively short time in the spotlight means its community base and user-generated content are still developing.

MMoo Deng is a Memecoin issued on the Solana blockchain, launched on the Pump.fun platform in September. There is also a similarly named token on Ethereum, spelled in uppercase as MOO DENG. Although both tokens use the same animal IP, they are distinct assets. Moo Deng' s price experienced significant growth, rising from $0.03 to $0.56 within two months. The token underwent several price surges during this period [20].

Figure 19: Moo Deng Price Changes Over the Past Month



From the distribution of holders, the largest holder of Moo Deng is the centralized exchange Gate.io, which holds 10.12% of the token supply. Another major centralized exchange, Kucoin, holds 2.25%. Additionally, the market maker Wintermute holds 5.81% of the Moo Deng tokens. A blockchain address starting with CQxg rapidly accumulated Moo Deng tokens, with holdings valued at $34 million, making it the second-largest on-chain holder. Another address, starting with 969u, purchased Moo Deng tokens on September 23 and has since achieved over 10x returns.

Figure 20: Key On-Chain Addresses Holding Moo Deng

Key On-Chain Addresses Holding Moo Deng

Name	Token Balance	%of Total Supply	Value(USD)
Gate.ioExchange2	100.14M MOODENG	10.12%	$56.52M
CQxgsEW64gkzeEJ9FYfsyfc46u7r-1R7DNLnp8R	60.76M MOODENG	6.14%	$34.29M
Wintermute	57.47M MOODENG	5.81%	$32.43M
A77HErqtfN1hLLpvZ9pCtu66FEtM-KbbMoZ4RiR	37.10M MOODENG	3.75%	$20.94M
969uz8JLbKfeXd391bca6ZLjDtutG8H7KmHqY3	22.31M MOODENG	2.25%	$12.59M
Kucoin Main Wallet	22.23M MOODENG	2.25%	$12.54M
FixDET3jRBMjT9M69Wim8iRpMQi2..7wivStuuph	21.13M MOODENG	2.13%	$11.93M
9HLb8fGKGMkBQdU41tjKnpa5ZRFs-gFxzC4i4KE	14.00M MOODENG	1.41%	$7.90M
jz1RPBQEEgroa63tqPfNWDUgEoJ 3TthDMHbB1	13.27M MOODENG	1.34%	$7.49M

Gate Research, Data from: vybenetwork

Gate Research

4.2 Political Memecoins

The year 2024, marked by the U.S. presidential election, saw political Memecoins as one of the key narratives in the crypto industry. However, with Trump’s election as the 46th President of the United States, political Memecoins experienced a significant decline. Tokens tied to Trump, such as Trump and MAGA, both dropped by over 50% on November 6, the day of Trump’s victory. This stands in stark contrast to Memecoins like DOGE and PEPE, which benefited from Trump’s win. The decline in political-themed Memecoins stems largely from their narratives losing direction immediately after the election.

From a demographic filtering perspective, political memes have an even stronger filtering effect than zoo and AI memes. Users who hold Trump-concept Memecoins and join their Telegram communities tend to have right-wing political leanings, while those who hold Biden and Harris concept Memecoins tend to be left-wing. For these two groups with different political orientations, if their respective communities focus on engagement and continuously launch attractive activities, finding a profitable business model in the future shouldn’t be difficult.

(1) PEOPLE

Unlike many Memecoins, PEOPLE had a clear purpose from the beginning. It was the core token of ConstitutionDAO, playing multiple roles in the DAO ecosystem, including exchange, governance, and ownership. ConstitutionDAO aimed to crowdsource funds to purchase a copy of the U.S. Constitution and make it accessible to the internet. After the bid failed, PEOPLE transitioned entirely into a Memecoin, symbolizing citizens' pursuit of constitutional ideals.

In terms of community operations, ConstitutionDAO had notable shortcomings. After failing in the auction, this decentralized autonomous organization announced its dissolution and returned funds to donors. Subsequently, the project's updates on X (formerly Twitter) significantly decreased in frequency. X posted about participating in another constitution auction at the end of 2022, but later announced withdrawal from the auction.

PEOPLE was issued on the Ethereum blockchain in 2021. During the 2024 U.S. election, fueled by rising political sentiment, PEOPLE's price surged from $0.025 to $0.135 in May, representing a 440% increase [21]. As PEOPLE is already listed on multiple major exchanges, the on-chain distribution of addresses shows that most major holders are centralized exchange wallets. The number of on-chain holders has remained relatively stable over the past year, growing from approximately 17,000 addresses to 18,500 [22].

Figure 21: PEOPLE Price Trend Over the Past Year

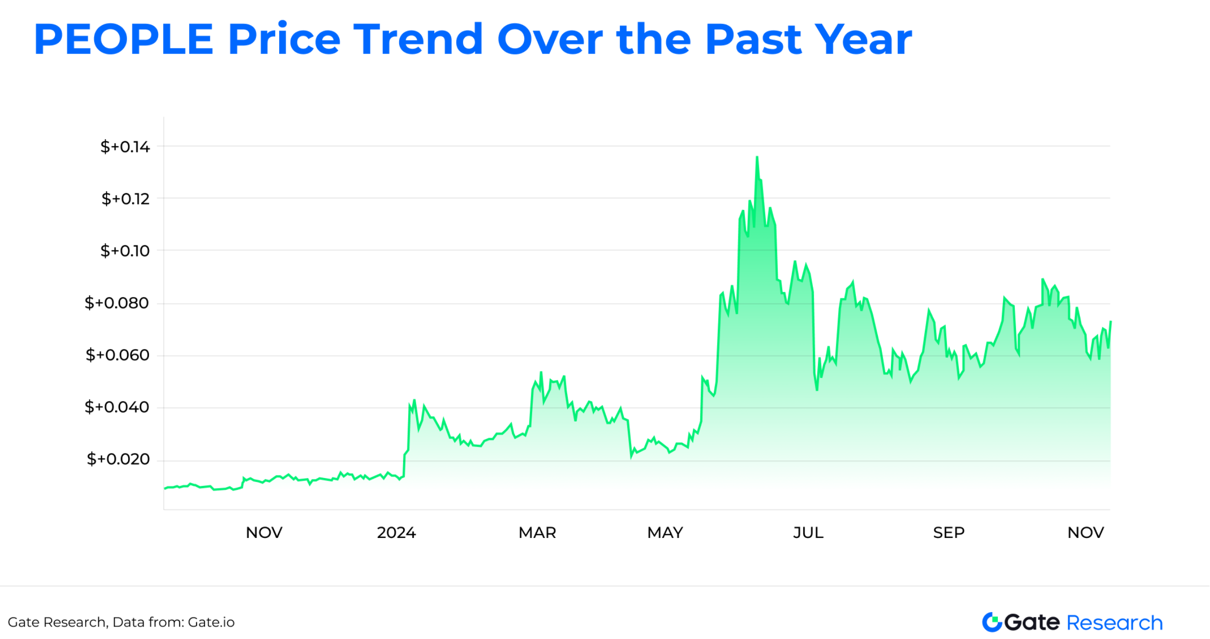


Figure 22: Key On-Chain Addresses Holding PEOPLE

Key On-Chain Addresses Holding PEOPLE

Address	Value	PCT	USD
Binance:Cold Wallet(OxF97)	1,505,858,191	29.72%	$96.80M
OKX:Hot Wallet(Ox6cC)	1,343,180,833	26.51%	$86.34M
Binance:Binance-Peg Token Funds(0x47a)	794,500,000	15.68%	$51.07M
Binance:Cold(0x5a5)	284,017,243	5.61%	$18.26M
0x5275ccbe74172C97964c2029A00Fb°4101B91Cb1	100,000,000	1.97%	$6.43M
Bybit:Hot Wallet(exf89)	92,152,289	1.82%	$5.92M
Gate.io Deposit(0x478)	71,194,280	1.41%	$4.58M

Gate Research, Data from: Arkham

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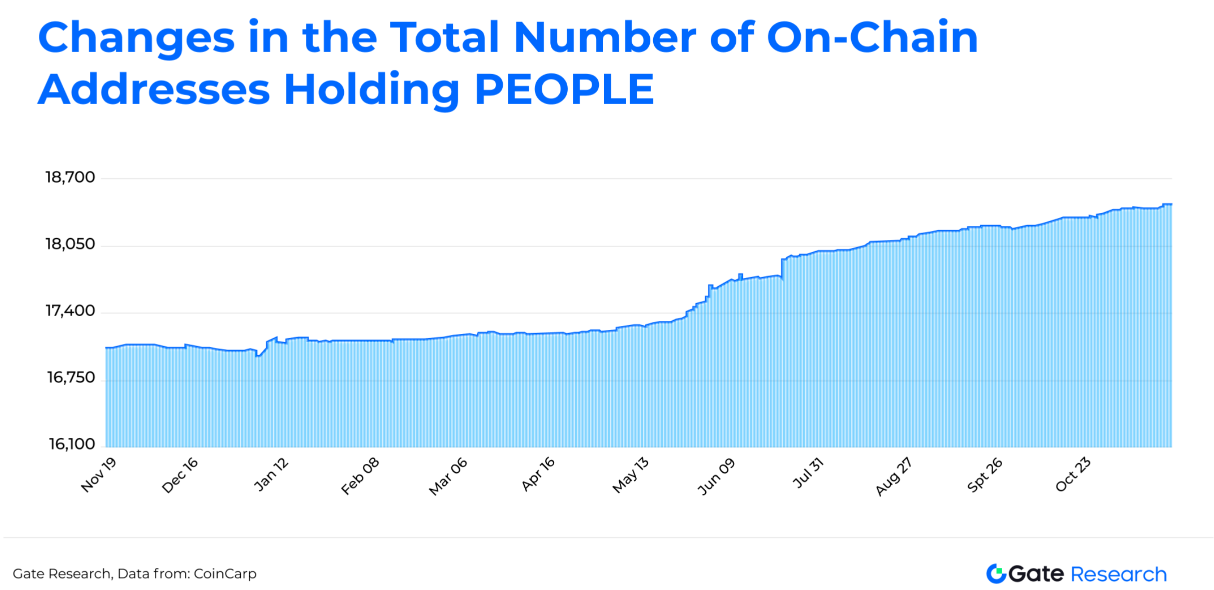
Figure 23: Changes in the Total Number of On-Chain Addresses Holding PEOPLE



(2) MAGA

MThe MAGA token, named after Trump’ s political slogan ”Make America Great Again,” was launched by a U.S.-registered LLC. Inspired by Trump’ s iconic red MAGA hats, the token quickly gained attention in the crypto community, fueled by strong support from Trump’ s followers and the MAGA movement. Key features of the token include active community participation, including debates about Trump, MAGA rallies, and media coverage stemming from Trump’ s controversial persona and ongoing presidential campaigns. Unlike many Memecoins with anonymous teams, MAGA is operated by professional individuals, Diligent and Mark.

The primary platform for MAGA's social media operations is X. The project team has not registered accounts on Discord, YouTube, or TikTok, and while a Telegram community exists, it is poorly maintained. On X, MAGA content primarily consists of images of various figures wearing MAGA hats, with little in-depth content creation to date.

The MAGA token was successfully listed on major exchanges in May 2024. Riding the wave of U.S. election fervor, MAGA's price surged from $0.0007 to $0.004—a 470% increase [23]. However, following Trump's election victory on November 6, the token's value plummeted by 63%, dropping from $0.00019 to $0.0007 within two days.

Looking at the on-chain address distribution, MAGA's major holding addresses are primarily centralized exchange wallets, with Gate.io's cold and hot wallets holding 16.6% and 4.9% respectively, making it the exchange with the largest MAGA token holdings. Over the past year, the number of on-chain addresses holding MAGA has rapidly increased from around 2,000 to 23,800. [24].

Figure 24: Price Trend for MAGA After Its Launch

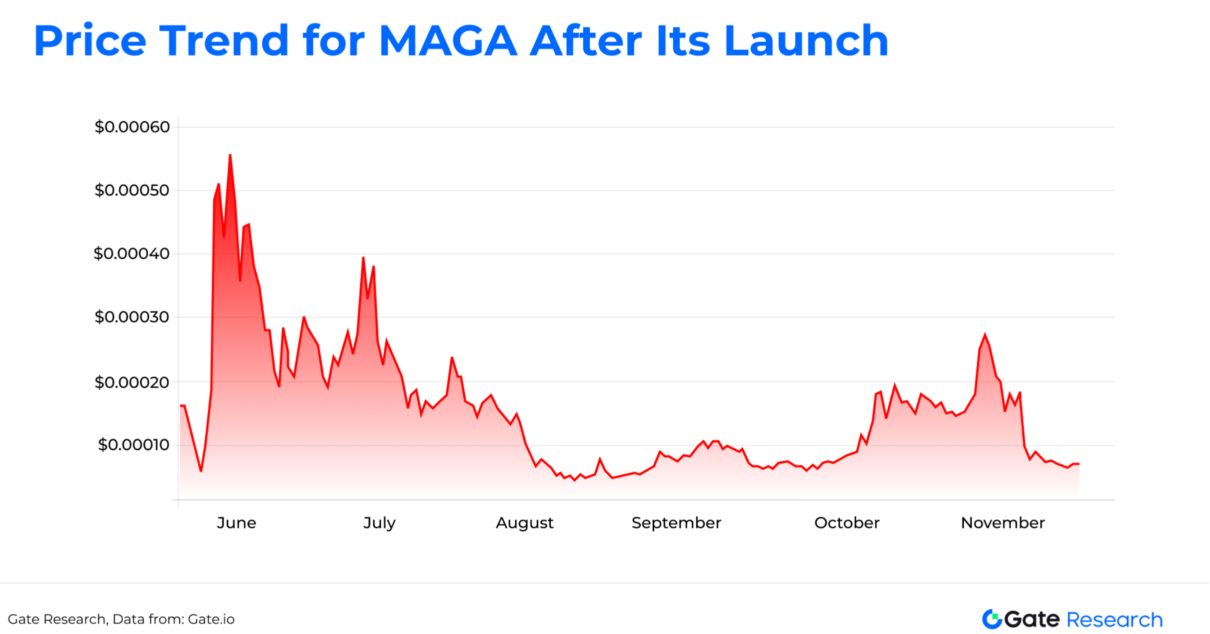


Figure 25: Key On-Chain Addresses Holding MAGA

Key On-Chain Addresses Holding MAGA

Address [Group by entity]	Value	PCT	USD
Gate.io:Cold(0xC88)	69,844,422,164	16.6%	$4.78M
,HTX:Recovery Hot Wallet(0x187)	22,781,359,413	5.42%	$1.56M
Gate.io:Hot Wallet(exeDO)	20,970,385,199	4.98%	$1.44M
MEXC:Hot Wallet(0x3CC)	17,885,274,651	4.25%	$1.23M
Uniswap:V2 Pool(ex0c3)$1.21M	17,656,779,311	4.2%	$1.21M
Gate.io Deposit(0x6CD)	14,012,277,437	3.33%	$959.84K
HTX:Gnosis Safe Proxy(ex4fb)	13,938,812,512	3.31%	$954.81K

Gate Research, Data from: Arkham

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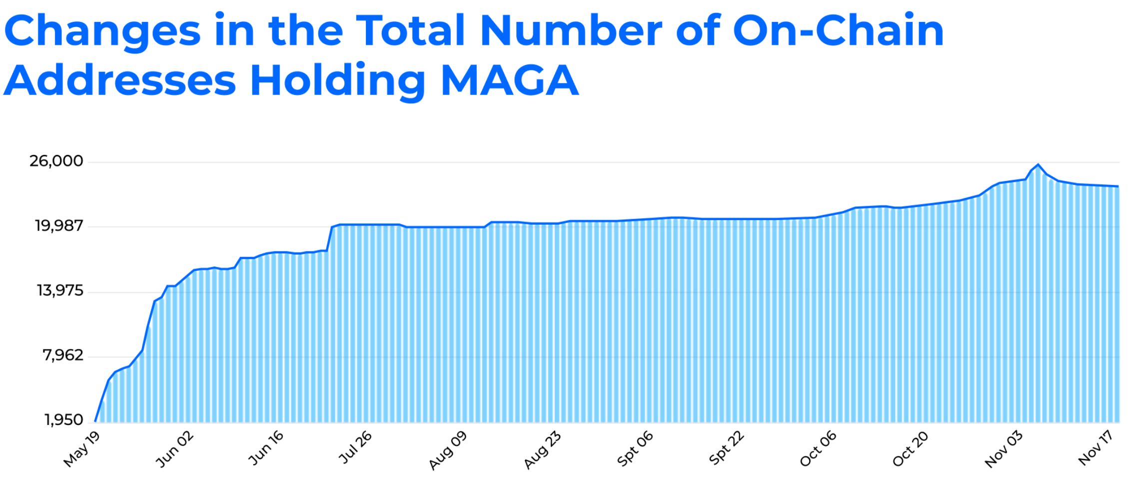
Figure 26: Changes in the Total Number of On-Chain Addresses Holding MAGA



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4.3 AI Memecoin

AI Memecoins became a hot target for investment in the cryptocurrency market starting in September 2024. Leading the trend was GOAT, an AI Memecoin whose market capitalization grew from less than $120millionto$1.2 billion in under a month. This surge also encouraged numerous AI agent companies to launch their own Memecoins on the Pump.fun platform.

Taking a rational look at the AI Memecoin trend, there is actually a notable time gap between its emergence and the launch of AI Agents. AI Agents refer to intelligent entities that can perceive their environment, make decisions, and execute actions, serving as human intelligence assistants. Discussions about AI assistants began as early as late 2022 with the release of ChatGPT 3.5. In February 2023, Microsoft officially defined Copilot as an AI Agent. There is at least an 18-month gap between the rise of AI Agents and AI Memes.

The main reason is that there are very few applications that successfully integrate AI with blockchain. Bittensor, as a mining network, allows different AI models to solve algorithmic problems in the blockchain, with the network rewarding tokens to the most efficient AI models. While Bittensor is one of the most ingenious cases of AI and blockchain integration to date, its prominence gradually diminished after maintaining discussion momentum in early 2024. Although AI Memecoins don't show significant innovation in design, Memecoin enthusiasts, being the most rebellious and avant-garde group in Web3, have embraced the AI × Web3 narrative, providing the market with a new storyline.

(1) GOAT

GOAT was the first AI Memecoin to create a Fear of Missing Out (FOMO) frenzy within the community. It originated from an AI bot called "Truth Terminal", developed by Andy Ayrey using the Llama-70B model and inspired by Ayrey's earlier AI dialogue experiment. In this experiment, AI models autonomously discussed ideas, leading to the unexpected emergence of the concept "The Enlightened Goat." Ayrey trained the Truth Terminal model using this dialogue and related articles. The Truth Terminal began spreading the "Gospel of the Goat" on X, capturing the crypto community's attention. Soon after, an anonymous team issued the GOAT token on the Pump.fun platform, leveraging the AI's popularity. The Truth Terminal openly supported the GOAT token, further driving its success [25].

GOAT was not issued by the Truth Terminal but by an anonymous team, distinguishing it from other AI Agent-backed Memecoins. The GOAT project lacks a fully developed community and has limited content creation, primarily consisting of analytical articles about the token. The Truth Terminal continues to publish posts on X, serving as an evangelist for the "Gospel of the Goat."

The project's legendary backstory and consistent inflow of funds have sustained GOAT's momentum. On October 20, a Truth Terminal tweet misspelled the word "group," sparking speculation about human interference. This incident caused the GOAT token price to briefly dip from $0.51 to $0.26. However, after Andy Ayrey clarified the error, on-chain funds showed renewed confidence in the AI Agent narrative. By November 17, GOAT's price had reached $1.15, marking a 400% increase from its October 20 low [26].

Figure 27: Price Trend for GOAT After Its Launch

In terms of token distribution, the largest holder of GOAT tokens is centralized exchange Gate.io, which holds 7.34%. Market maker Wintermute owns 3.63%, making it the third-largest holder. A blockchain address starting with 4Jpe, identified by X users as a ”smart money” address, has made several successful Memecoin investments in October and currently holds 13.3 million GOAT tokens. The number of GOAT holders surged significantly in the past month, rising from around 30,000 in October to over 67,000 by mid-November—a growth of over 100% [27].

Figure 28: GTop 10 Current Holders of GOAT

Top 10 Current Holders of GOAT

Name	Token Balance	%of Total Supply	Value(USD)
Gate.io Exchange 2	73.43M GOAT	7.34%	$84.10M
Bybit Exchange	38.85M GOAT	3.88%	$44.50M
Wintermute	36.29M GOAT	3.63%	$41.57M
5QucYz87axSVkKmemzBcUr71qRguYN4hGKBNZvFUa3cz	16.29M GOAT	16.29M GOAT	$18.65M
4Jpef1sPVwFaQmWhDVaoHcY66nmSmbLd2fXgVW59wJqL	13.36M GOAT	13.36M GOAT	$15.30M
a77HErqtfN1hLLpvZ9pCtu66FEtM8BveoaKbbMoZ4RiR	12.52M GOAT	12.52M GOAT	$14.34M
Kucoin Main Wallet	11.89M GOAT	11.89M GOAT	$13.62M
6jtAdrXSVG1JTBqo2FJWajqSVp1CR7Rnq8dB5ijN8Ci	10.00M GOAT	10.00M GOAT	$11.45M
Aw1rq9VSY5SjsufnfmDJ6jAwJNx768ExypU15k8iVoW	8.00M GOAT	0.80%	$9.16M
7fCKnKWZR9QrqfVc43AkPeoAM8gcb6M42DLoRRLDSvKm	8.00M GOAT	0.80%	$9.16M

Gate Research, Data from: vybenetwork

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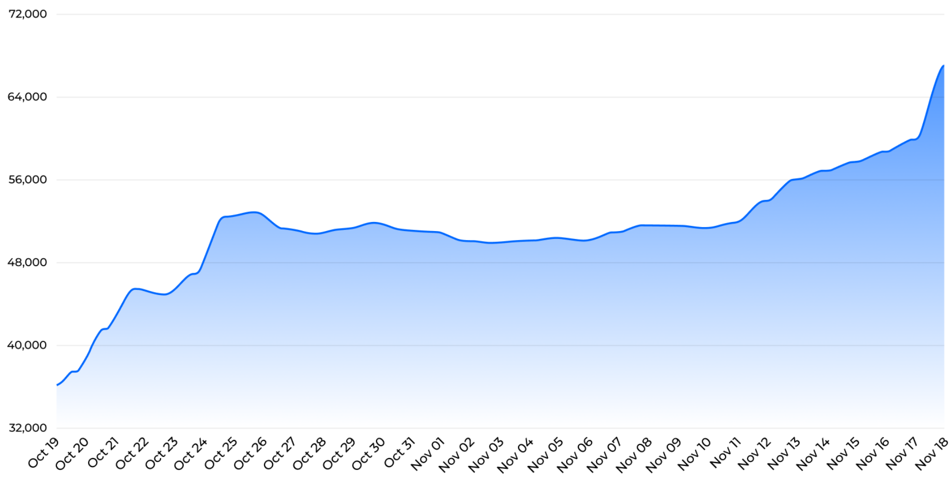
Figure 29: Total Number of Addresses Holding GOAT

Total Number of Addresses Holding GOAT



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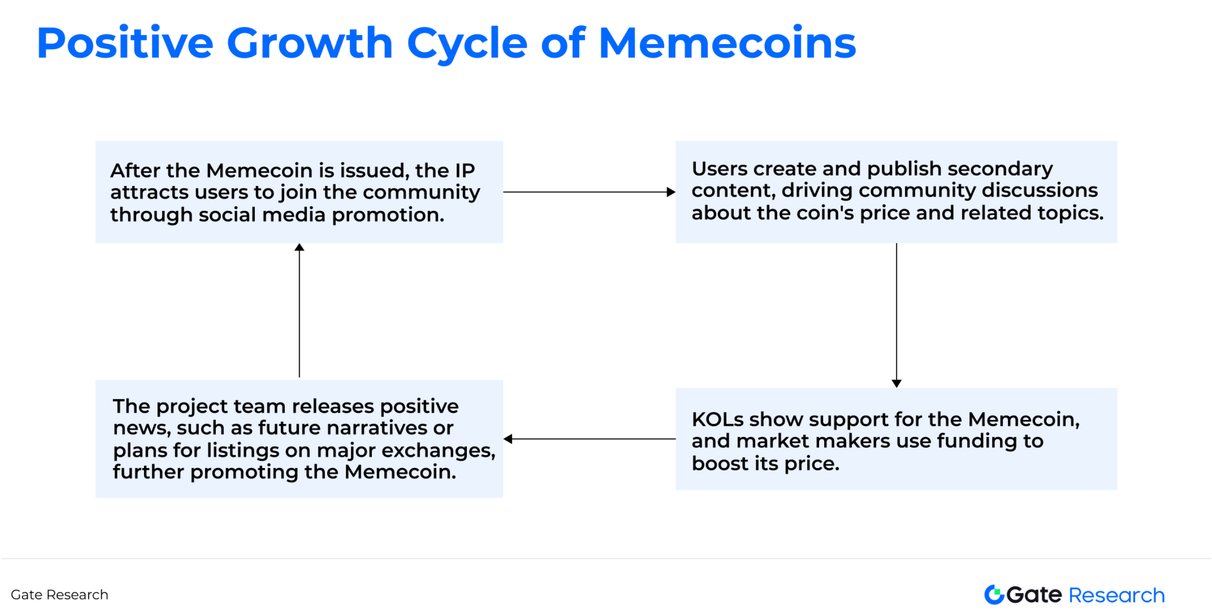
4.4 Other Memecoin Themes

Beyond the zoo, political, and AI themes, the Memecoin landscape is far more diverse. Platforms like Pump.fun issue over 30,000 new Memecoins daily, introducing fresh concepts to the sector. Many of these themes are still in their infancy, such as art-themed Memecoins (e.g., BAN) and science-themed Memecoins (e.g., URO). The future promises even more unexpected themes, highlighting the limitless creativity of the Memecoin space.

5 Conclusion

Evaluating Memecoins doesn't require expertise in programming, algorithms, or cryptography. Investors should focus on three main aspects when choosing Memecoins: IP, community, and capital. First, assess whether the IP has sufficient storytelling potential and sustained appeal. Second, evaluate if the community members believe in the Memecoin's development enough to invest in it. Finally, analyze whether whale addresses on the blockchain are positioning themselves early for a particular Memecoin. A positive growth cycle for Memecoins consists of four events: 1. Attracting new users; 2. Community management and user-generated content increasing discussion; 3. KOLs showing support and market makers pushing price growth; 4. Project team releasing new narratives or announcing listings on major exchanges. Token holders increase their support for a Memecoin with each positive cycle, and after multiple cycles, they become true believers in the Memecoin.

Figure 30: Positive Growth Cycle of Memecoins



Risk Warning

The Memecoin market is fraught with uncertainty. Prices are heavily influenced by community sentiment and market speculation, leading to significant volatility in short periods. Given the lack of regulation and technical support in this space, investors are advised to exercise caution.

Author: Mark

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