

To Meme or Not To Meme

A Twitter Skirmish Gave Rise To A New Meme Coin

Two Giants, Three Memes, & One Mascot

What happens one one of the world's richest entrepreneurs tweets one of the world's largest corporations about cryptocurrency? A meme coin is born. The new meme crypto-coin, GrimaceBSC.com, is up 14% as of this time of writing. It was created just a few days after a twitter skirmish between Elon Musk and fast-food giant McDonalds left crypto twitter having a field day.



Elon has had no qualms in the past about sharing his opinions about cryptocurrencies, especially his favorite, Dogecoin. He took the same stance on January 25th when he playfully invited McDonald's into the cryptocurrency conversation.

McDonald's clapped back with a clever retort, making up a fake cryptocurrency, grimacecoin, in the process.



only if [@tesla](#) accepts grimacecoin



Elon Musk  @elonmusk

I will eat a happy meal on tv if @McDonalds accepts Dogecoin

6:14 PM · Jan 25, 2022



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Days after this Twitter exchange, three Grimace Meme coins popped up with unknown creators.

The original coin came into existence on January 30th. It had a strong opening around \$8, but plunged rapidly to \$1.28 by February 5th. It has rallied back up to a decent \$3.60 as of February 7th. A second coin, GrimacecoinERC.com was created on February the 1st and is down by 3%.

However, an interesting thing has happened with one of the other Grimace meme coins. Grimace.top (also created on January 30th) has risen a whopping 9,942% as of the time of this article. This phenomenon naturally leaves us thinking about several questions when it comes to crypto memes:

- **Just what really are meme coins?**
- **Can they be considered scams?**
- **What utility do they really have in solving everyday problems?**
- **Where will meme coins take us?**

What's a meme coin?

A meme coin is nothing more than a cryptocurrency that is associated with some viral theme, sometimes even a joke rather than a serious product. Most of these coins usually have a huge total supply of coins, usually in the hundreds or tens of trillions. This trend is what allows their price to be so cheap following the [law of supply-and-demand](#).

It becomes very attractive to investors looking to take a chance without much risk on their part. Part of the draw psychologically is that it offers a chance to strike it rich with very little upfront cost. Another draw is the viral nature of the coins. They get a lot of people really excited really quickly and that plays into a mentality that people don't want to miss their shot. However, this can be dangerous because this really favors a gambling mindset, "chasing the money" as it were. Unfortunately, like any risky investment, people sometimes do lose money.

How to tell if a meme coin is a scam

There are quite a few meme projects out there in the crypto space that are no longer active. These are now known as rug pulls.

“A rug pull is a malicious maneuver in the cryptocurrency industry where crypto developers abandon a project and run away with investors’ funds.”¹

However, for every sketchy meme coin that exists, quite a few trusted meme projects exist in the crypto space. So how do you know the difference between a good crypto meme and one that stinks of a scam?

Good meme coins are based on good community. This tends to be the first noticeable difference. If there is a big network of friendly, helpful, and positive people backing the project then that's a huge plus.

In addition to a robust and active community, having a strong development team backing usually means the project is more established. If a dev team is open and public about their involvement

¹ <https://coinmarketcap.com/alexandria/glossary/rug-pull>

in and creation of a project, then it is a very good signal that they have a stake in the game. They want that project to succeed and have too much to risk if they just walk away.

Finally, more trusted projects openly share their roadmap and vision. They lay out the timeline of where the project is expecting to be and where it wants to go. These projects tend to be upfront about their history, lending a sense of credibility because they've maintained transparency throughout their existence.

Part of what makes a meme coin go viral is the community that supports it. Lack of community, lack of project transparency and lack of a supportive dev team all reek of a scammy crypto meme coin. Proceed with caution.

Solving the utility problem

According to Coindesk, utility really isn't a big driving component to the meme coin standard. It is all about creating buzz, high community engagement, and capitalizing on the virality of a particular meme. This really doesn't help answer the utility problem. Though it does offer some encouragement.

“Unlike traditional cryptocurrencies, meme coins are not usually judged based on the utility they provide to users. Instead, more emphasis is placed on the coin’s capability to attract high community engagement.²”

One speculative use case of meme coins has to do with big businesses and brands using them to build bigger, stronger, and more positive communities around their products, services, and brand recognition. It gives consumers more of a stake in the game. It could potentially promote brand loyalty, offer a two-way street of feedback from consumer to a corporate brand and vice versa and strengthen word-of-mouth advertising as community members interact with one another over shared interests in the meme.

To date, few big brands have adopted or even shown major interest in cryptocurrency. But the grimacecoin example shows the possible potential of what can happen when a viral cryptocurrency attaches itself to a major brand or celebrity. The nft ecosystem has taken notice of this strategy and is starting to emulate some of this in the newest of projects.

Where does this all go

Meme coins have a ton of potential. Where they'll go is yet to be seen, but their power to build strong communities with common goals is tremendous. These coins could potentially become a very powerful tool for big commercial brands, companies, and entities to use in promoting growth, brand awareness, and increasing profits. Meme coins could potentially be the vehicle

² <https://www.coindesk.com/learn/investing-in-meme-coins-3-things-every-crypto-trader-should-know/>

that helps speed up the mass adoption of hundreds of millions of people around the globe who so desperately want to enter the crypto space.

Meme coins really have no monetary value unless designated so by the marketplace. This does make them risky as investment tools. But on the flip side, meme coins tend to generate a fanatic environment of supporters that are the reason these coins shoot through the roof in popularity and value.

Still, the fact that there is no federal regulation in the crypto space lends itself to a lot of volatility. For crypto meme coins in particular, it is the wild west of the digital asset realm. You can stake your claim and possibly make a vast fortune. Though as easy as it could be to become an overnight millionaire, it can all be taken away in one fell swoop. The best way to lower the chances of this happening is doing one's due diligence and joining a community with established history, supporters and development plans. Who knows, your favorite fast food mascot as a kid could become the ticket to your financial future.