# **Cryptocurrency Token vs Coin, What's The Difference?**

When a person starts getting into the crypto scene, he or she will most likely come across the term "coin" and "token" in different contexts, where in most cases it's used interchangeably by a lot of people, to soon discover the differences between the two.

There are a lot of tokens and coins within the cryptocurrency space, and we'll share more than one example to differentiate between the two types of crypto assets.

## **What is a cryptocurrency coin?**

A crypto coin is a currency that is the first and main native digital asset of a cryptocurrency network when one is created.

An example of a coin would be a crypto asset like Bitcoin, which is the native asset for the Bitcoin network, one that created the cryptocurrency scene and is considered to be one of the best, if not the best, store of value humanity has managed to create. Other crypto coins would be ones like Ethereum and Litecoin.

## **What are crypto tokens?**

On the other hand, crypto tokens are secondary, non-native assets to a cryptocurrency blockchain network, or phrased differently, are ones that do not have their own blockchain network.

Crypto tokens are created by anyone who desires to do it, most likely for different purposes, and the complexity of a token and the nature of its use might differ from one another, where some can be considered as utility tokens, while others would be considered as security tokens, and some might be created just for fun.

An example of a crypto token would be any currency running under the Ethereum blockchain network as an ERC 20 smart contract token such as USDT or UOS.

## **Token vs coin, which one should you get?**

After knowing the difference between coins and tokens, you'll most likely ask more questions about a cryptocurrency project to get more details from it, and whether you're investing in a crypto coin or a token, to know if you're dealing with ERC 20 tokens on the Ethereum blockchain or other tokens produced from different smart contracts like ones utilizing Tron's TRC 20 smart contract, or if you're dealing with a native coin like Bitcoin and knowing that there's a lot of stake in it, considering that its security and value is connected with its own network.

This question, which is knowing if a certain crypto asset was created as a coin or a token, is just one of many questions you need to ask and know the answer for whenever you want to invest time and money into a cryptocurrency project, like knowing how decentralized a crypto project is for example, or what kind of smart contracts does it have, or whether or not it's running a proof-of-power (POW) or proof-of-stake (POS) system.

Hopefully, this helped clear up any confusion you had about these two terms, coins and tokens, as we also hope that you'll share your knowledge with others when comparing token vs coin, so that they may also invest with more insight.