



The Future of Meme Coins / Attention Economy

Memecoins are here to stay. We all spend more time on the Internet each year, and social media is programmed to hijack our dopamine receptors to come back wanting more. Everything and everyone is vying for our attention.

Memes, the viral spread of information, are how to break through the noise. The broader financial markets, and not just crypto, have increasingly been co-opted by memes. We call it the attention economy. The best leaders embrace this culture and leverage it to their advantage (e.g. Elon Musk, Mark Zuckerberg, Donald Trump, etc).

Roaring Kitty and his GME trade went viral not too long ago. Doge and Shiba Inu made headlines during the last crypto bull market. Financial nihilism is becoming more popular, and the market is now primed to allocate into memes at scale.

The recent popularity of memecoins is also an immune response to the toxic, high valuation and low float problem within crypto. Retail has been burned buying VC coins, so they're looking for other ways to get in a trend early, where there are less insiders. Most of the DeFi and infrastructure tokens have yet to define exactly why investors should hold their tokens. It's unclear if tokens are securities and should pay back cash flows, or if they function as a "work token" which is integral to the protocol, or if there are governance benefits. Most tokens claim they serve a governance utility, but some of these tokens have prioritized equity investor feedback over on-chain governance.

Without widely accepted valuation models, utility tokens are losing mindshare to the purest form of the attention economy - memecoins.