

How to use bitcoins?



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4. 1 How to buy Bitcoins

Wallet

Bitcoin are stored in a wallet, which would be the equivalent of a bank account in the fiat currency world. You can either use a Software Wallet stored on the hard drive of your computer or an online web-based service. The popular Coinbase is a wallet service that will also trade your dollars for bitcoins, and has web and mobile (Android) apps. Blockchain.info is another popular online wallet option that does not exchange fiat, but has the only mobile solution available for both Android and iOS.

Exchanges

Bitcoins can be purchased from Exchanges, or directly from other people. The world leading Exchanges are Mt Gox in Japan, Bitstamp in UK, BTC-e in Bulgaria and Huobi in China. Usually, you pay for them after having performed a deposit on an exchange platformed through a wire transfer. Surprisingly, it is still difficult to purchase directly bitcoins with a credit card, because such transactions can easily be reversed.

Face-to-face

If you live in a city, LocalBitcoins is the main site where these transactions are arranged and prices negotiated. The site also provides an escrow service as an added layer of protection for both parties.

4. 2 How to cash-in Bitcoins

Exchanges/wallets are the best option if you want to engage in regular trading and speculation. You will have to submit administrative setup procedures that usually involve proof of identity and supplying detailed contact information (Anti-money laundering and Know your Customer). The best exchange option also depends where you are residing.

ATM are although a great way to cash-in your Bitcoins, as you can sell it directly for fiat currencies ; if you are lucky enough to live near one.

Fortunately, Lamassu and Robocoin have announced masses of orders and there should be some Bitcoin ATM in most countries soon.

4. 3 How to spend Bitcoins

There are more and more products and services you can buy using bitcoin. There are various sites that sell physical products for bitcoin, although they mostly accept payments over the Internet.

Online merchants

As bitcoin is the currency designed for internet, the digital and entertainment sectors have been prompt to integrate bitcoin. Indeed, Wordpress the world most famous blog editor accepts bitcoin payments since several months, as well as Memory Dealers which sells hardware equipment for bitcoins from the beginning. More recently, Zynga the games apps editor who started accepting it a few weeks ago.

You can also go to BitcoinCodes to buy credits for Steam, Spotify, XboxLive, PlayStation Network and AirVPN. Namecheap accepts bitcoin directly as payment for domain services.

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There are some more general e-commerce sites selling multiple products in a particular category and offering cross-category sales. The platform overstock. com has made a good deal of accepting bitcoins payments, thus after the first day it reported equivalent of \$ 125, 000 of sales in bitcoin.

Force is to note, that there are an increasing numbers of websites which offer large range of products like bitcoinshop. us, all4btc. com, bitcoinstore. com. You can buy almost everything you want, as BtcTrip offers you full services to travel from car renting, flight tickets to hotel rooms.

A proof of the high purchasing power of some bitcoins early adopters is given by the astonishing items proposed on BitPremier, where you can buy luxurious Cars, Yachts, Villas and even an Island. Indeed, there were also Real Estate transactions paid with Bitcoins last year. These last weeks, all kind of businesses finds their equivalent in the bitcoin economy, thus gambling follows the same rule, and betting websites are abundant.

Physical merchants

Foodler, a site enabling you to browse and order delivery and take-out meals from restaurants across the globe, has over 13, 000 restaurants in 3, 150 cities on its books. Interestingly, we are starting to see nascent clusters of bitcoin-friendly establishments. For example, the Bitcoin-Kiez in Berlin is persuading local establishments in small numbers along the Graefekiez there to support bitcoin.