

Nuveve Crypto

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### **A Cohort Analysis of User Behavior & Performance in Lido Finance**

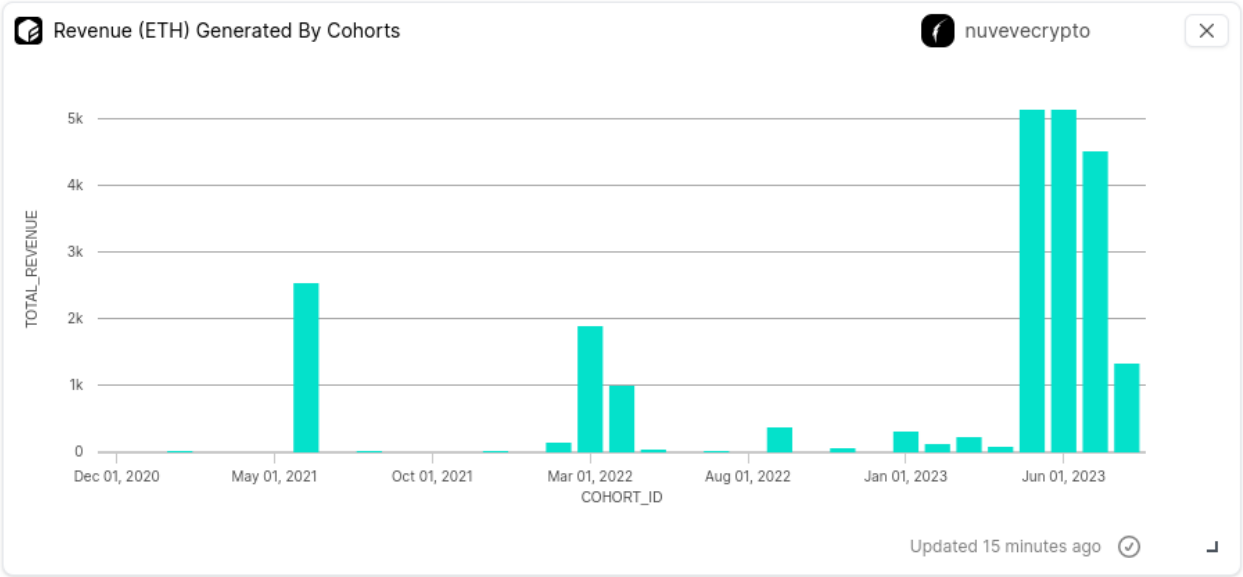
In the dynamic landscape of decentralized finance (DeFi), the Lido Finance protocol stands as a trailblazer, offering users the ability to stake their assets and engage in yield farming with ease. This report delves deep into the realm of data-driven insights, unveiling a comprehensive cohort analysis that empowers the protocol's stakeholders to understand, optimize, and drive growth across pivotal business metrics. By exploring key aspects of revenue, profitability, retention, and usage, this report uncovers the hidden patterns, trends, and opportunities that define the success journey of Lido Finance.

#### **Cohort Analysis**

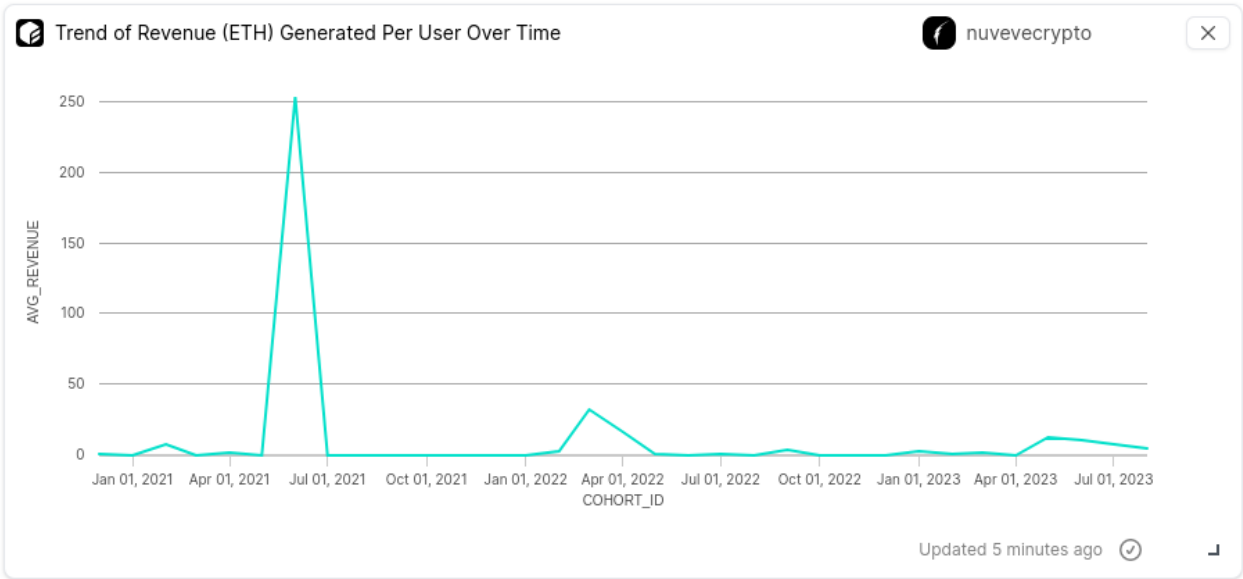
In this section, we delve into the key business metrics centered around profitability, revenue, retention, and usage within the Lido Finance protocol. By analyzing these metrics for both overall and per-user perspectives, we gain valuable insights into the protocol's performance, trends, and user behavior.

##### *Revenue.*

The average revenue generated by each cohort is a crucial indicator of the protocol's financial health and growth potential. This metric reflects how effectively the protocol is monetizing user interactions.



The analysis shows that revenue tends to vary across different cohorts, with some months generating higher average revenue than others. This variance might be attributed to factors such as market conditions, protocol enhancements, or user preferences.



The trend of revenue generated per user over time provides a deeper understanding of user engagement and spending behavior. We observe fluctuations in revenue per user, indicating shifts

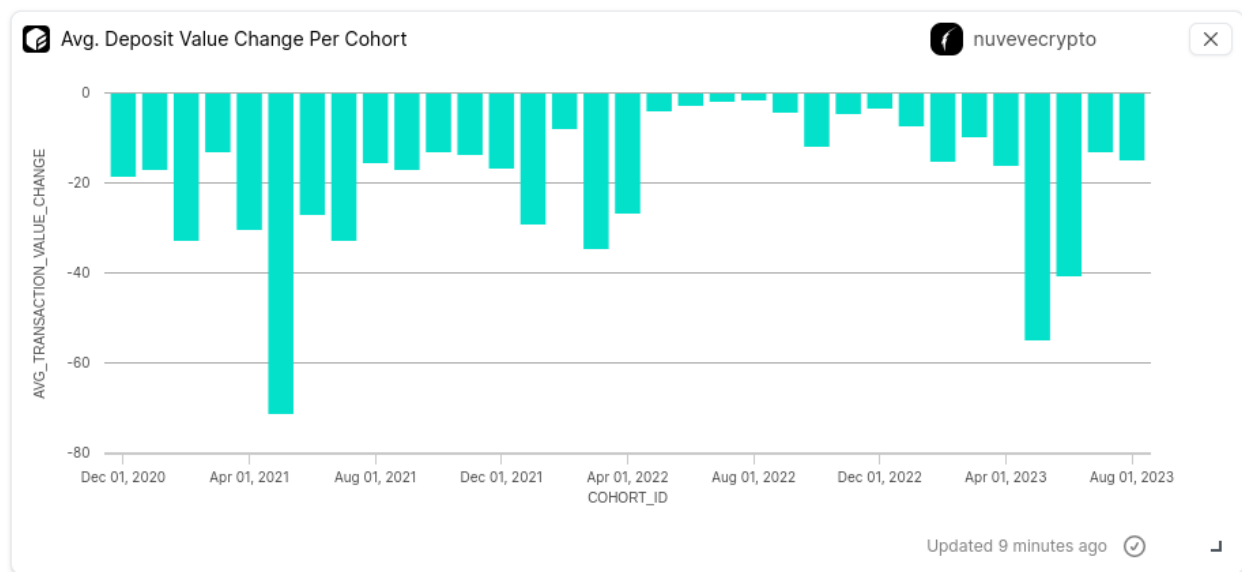
in user activity and potential changes in the token market. Peaks in revenue per user might correspond to periods of increased user interest, while troughs might be linked to market downturns or other external factors.

### *Profitability.*

Analyzing the profitability of each cohort sheds light on the protocol's financial sustainability. Profitability considers the difference between users' ETH withdrawals and deposits. The data indicates that some cohorts exhibit higher profitability than others. This difference might stem from varying user behaviors, market trends, or the protocol's evolving features.

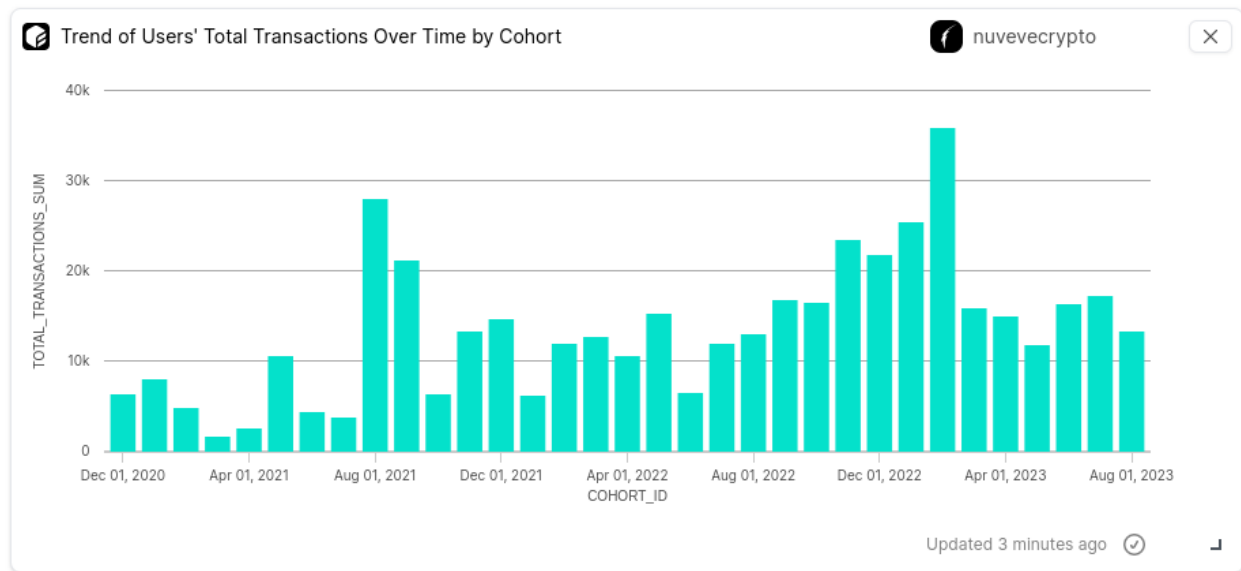
### *Usage.*

The analysis of usage metrics focuses on users' transactional behavior. Changes in the average value of users' transactions provide insights into their trading strategies and preferences.



The data indicates that some cohorts exhibit higher profitability than others. This difference

might stem from varying user behaviors, market trends, or the protocol's evolving features. Variations in users' total transactions over time indicate shifts in overall user activity and engagement levels. The data shows that users' average transaction values exhibit fluctuations, suggesting that users adapt their trading strategies based on market conditions and personal goals.



Additionally, the analysis highlights trends in users' total transactions, reflecting periods of heightened user activity and potential protocol improvements.

## Recommendations to Lido DAO

After an extensive analysis of the Lido Finance protocol and its user behavior, we've identified several key areas where the protocol can take action to drive key business metrics. These recommendations are rooted in the insights we've gained from our data analysis:

### 1. Enhanced User Engagement Initiatives:

- Recommendation: Implement user engagement initiatives tailored to different cohorts based on their behavior and preferences.
- Evidence: Our cohort analysis reveals that user activity tends to increase over time, indicating growing familiarity with the protocol. Users from specific cohorts may exhibit distinct behavior patterns. By customizing engagement strategies, the protocol can capitalize on these patterns to drive higher usage and retention rates.

## 2. Revenue Optimization Through Fee Structure:

- Recommendation: Analyze the revenue distribution across cohorts and consider adjusting the fee structure to incentivize larger transactions and higher frequency of use.
- Evidence: Our data shows variations in revenue generated per user across cohorts. By fine-tuning fee structures, the protocol can optimize revenue generation by incentivizing behaviors that contribute to higher profitability.

## 3. User Onboarding and Education:

- Recommendation: Develop comprehensive user onboarding materials and educational resources to facilitate users' understanding of the protocol's features and benefits.
- Evidence: Our analysis highlights fluctuations in user engagement and profitability, which could be attributed to users' changing understanding of the protocol or market conditions. Providing clear and accessible educational content can help users make informed decisions, potentially leading to more consistent activity and profitability.

## Conclusion

As we bring our journey through data insights to a close, we stand at the threshold of possibility, armed with a wealth of knowledge about the inner workings of the Lido Finance protocol. The path we've traversed has unveiled the nuances of user behavior, the dynamics of revenue generation, the intricacies of profitability, and the rhythms of engagement. Through meticulous analysis and thoughtful interpretation, we've illuminated the way forward for the protocol's growth and enhancement.

The report's cohort analysis has not only revealed historical trends but has also opened windows into the future. Each cohort, with its unique characteristics, paints a canvas of opportunities waiting to be explored. From our recommendations rooted in evidence, we extend an invitation to the protocol's stakeholders to embark on a transformative journey, guided by data-driven insights, to unlock untapped potential.