



1k(x)

The Wallet & UX Stack to Build Mass-Ready Applications

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What accelerates innovation and adoption?

Smart Contract Developer Tooling



Developer Experience

Wallet Infrastructure



User Experience

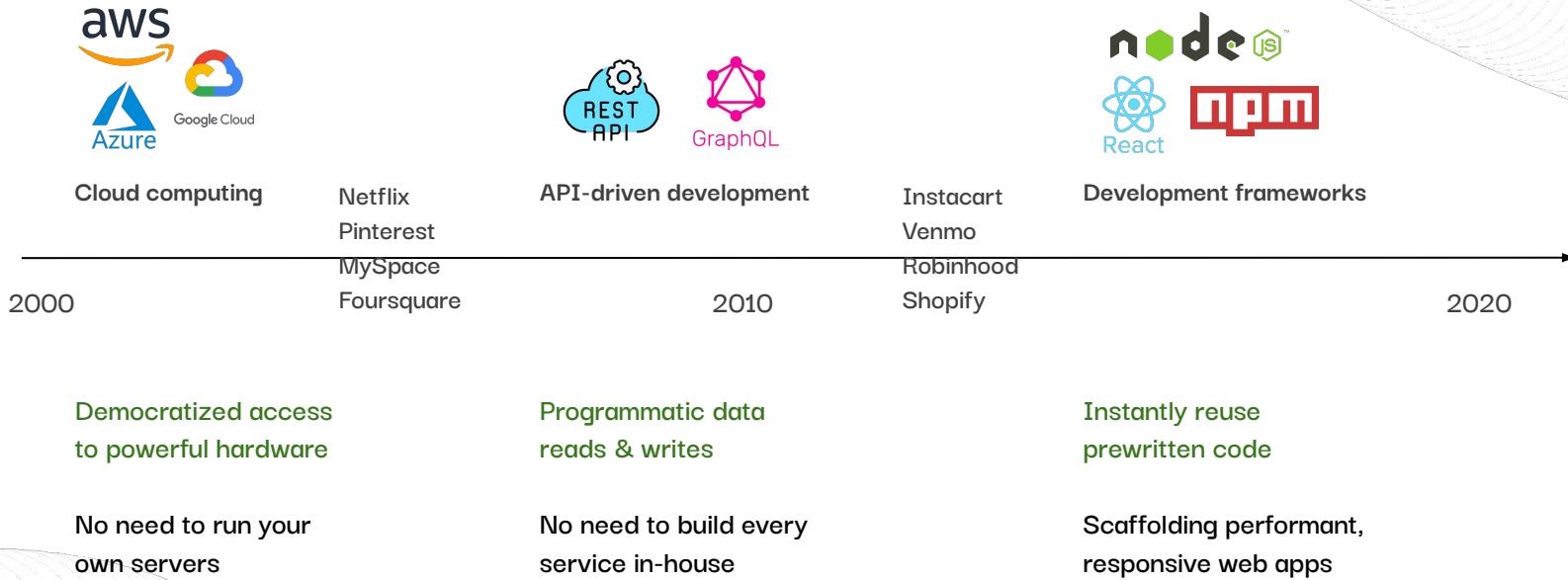
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Smart Contract Developer Tooling

Every layer of the stack reduces developer friction and time-to-market

	2016	NOW			
	Time Taken	Expertise	Time Taken	Expertise	
Run & Maintain own node	Hours/Days	High	 	Minutes	Low
Write own token contract	Hours	Medium		Minutes	Low
Implement own wallet connector	Hours	High		Minutes	Low
Wrangle raw chain data	Hours	High	  	Hours	Low

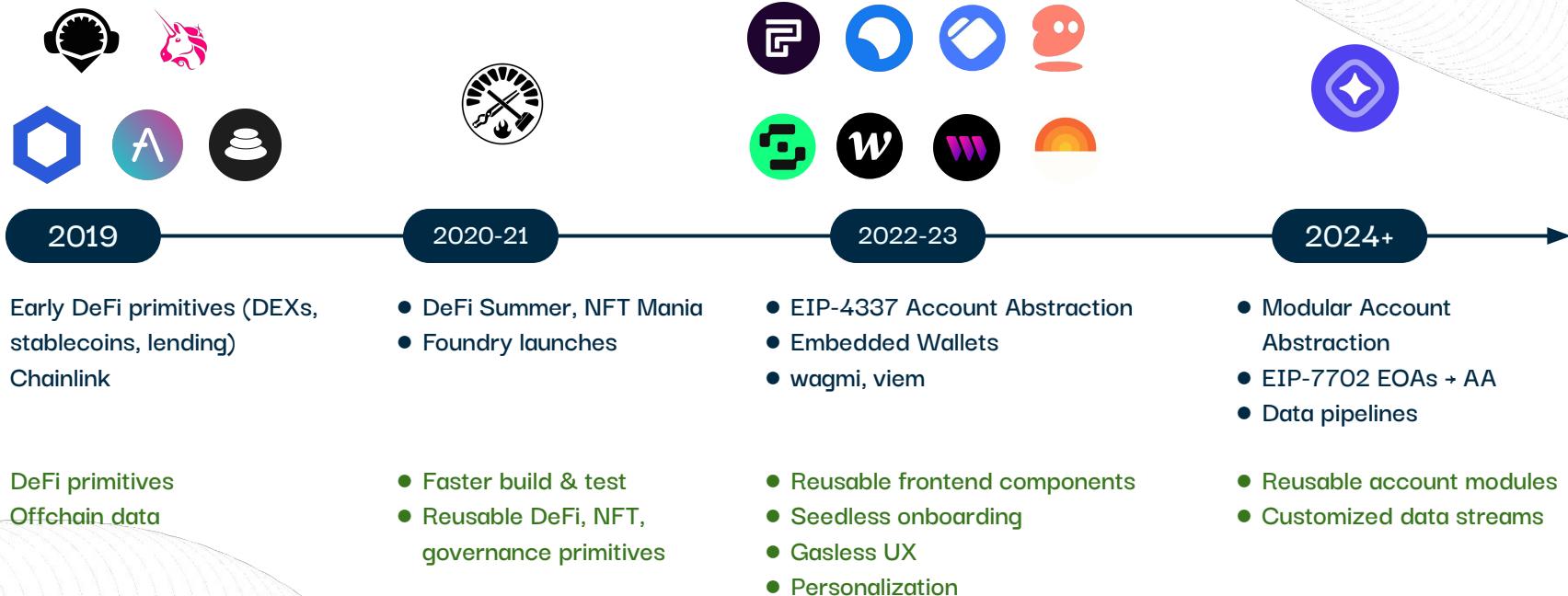
Developer tools remove barriers to innovation



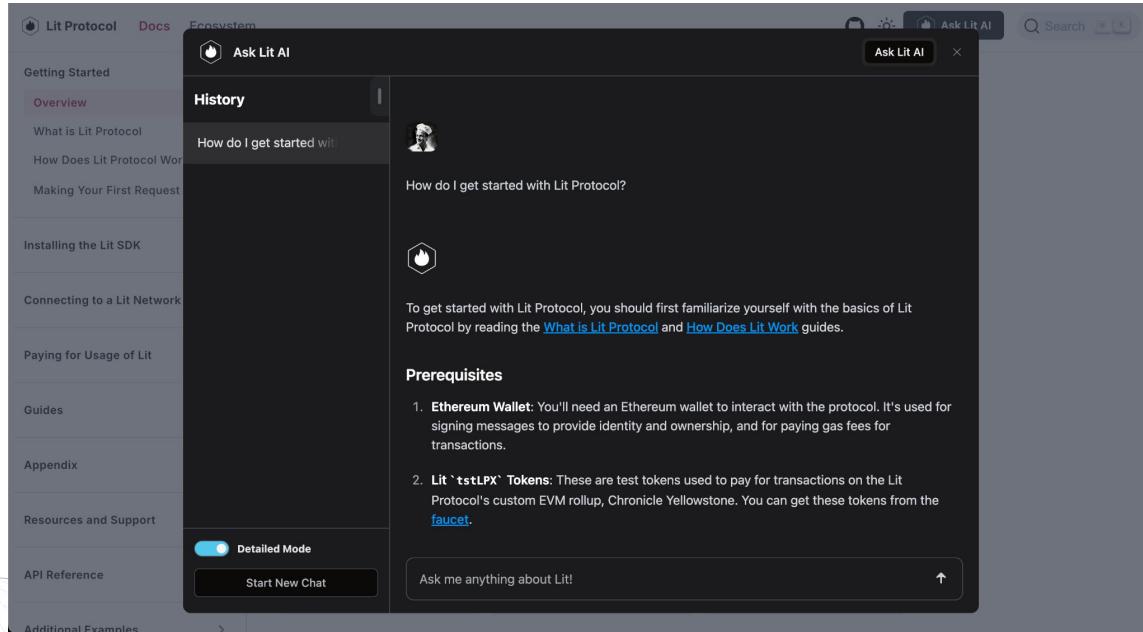
Every year, new abstractions improve the developer experience



Every year, new abstractions improve the developer experience



It's even getting easier to navigate docs...

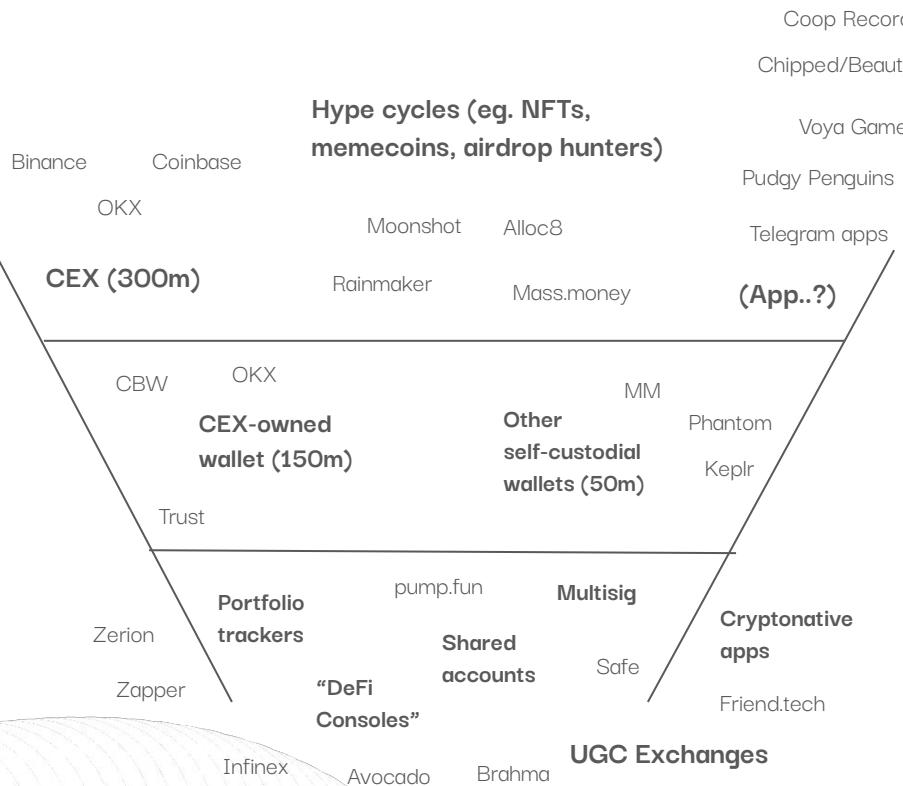


The screenshot shows the Lit Protocol documentation website. On the left, there is a sidebar with links to 'Getting Started' (Overview, What is Lit Protocol, How Does Lit Protocol Work, Making Your First Request), 'Installing the Lit SDK', 'Connecting to a Lit Network', 'Paying for Usage of Lit', 'Guides', 'Appendix', 'Resources and Support', 'API Reference', and 'Additional Examples'. A 'Detailed Mode' toggle is at the bottom of the sidebar. On the right, the main content area has a dark background. A modal window titled 'Ask Lit AI' is open, showing a history of a previous query: 'How do I get started with Lit Protocol?'. Below this, there is a section titled 'Prerequisites' with two numbered items: 1. Ethereum Wallet and 2. Lit `tstLPX` Tokens. At the bottom of the modal, there is a text input field with the placeholder 'Ask me anything about Lit!' and a send button with an upward arrow icon.

Lit Protocol “Ask Lit AI”
Powered by cookbook.dev



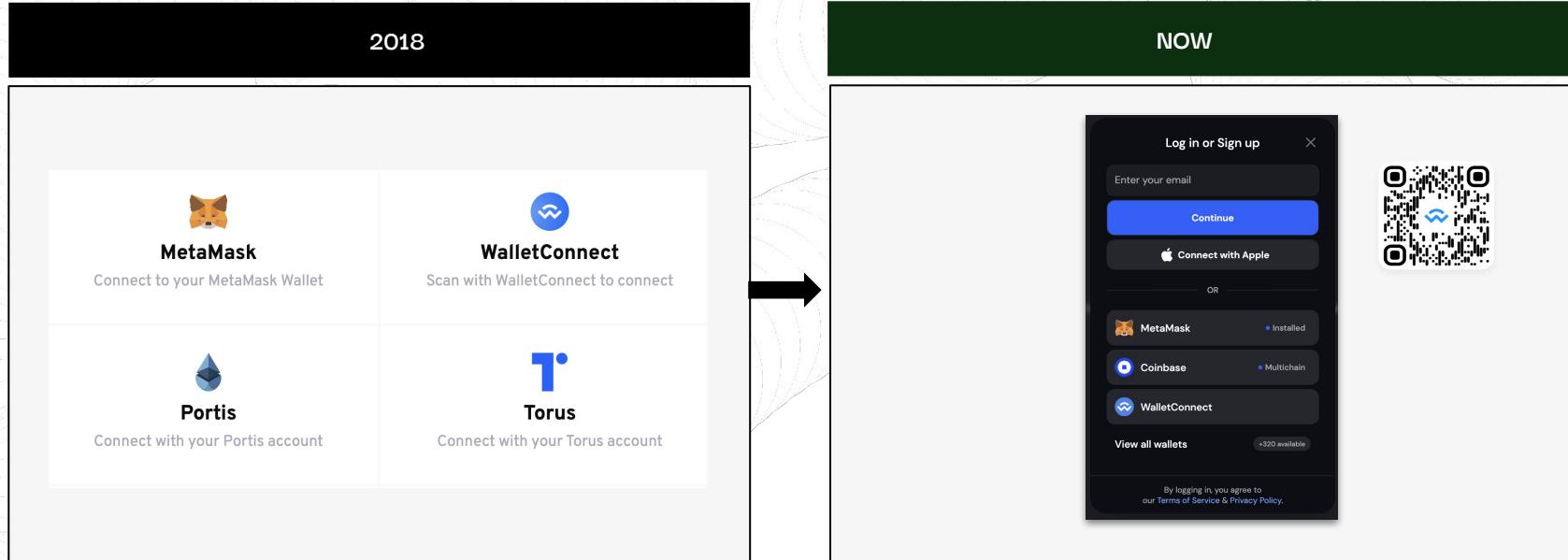
User Funnel



- CEXs have been the best at helping users achieve a very common goal for entering web3: **buy & hold, or trading tokens**
 - Familiar email-based onboarding, seedless, fiat on-ramping
 - Gas-abstracted, chain-abstracted
- Users funnel into a self-custody wallet when they see more **lucrative onchain opportunities that aren't offered by their CEXs**. This has differed for each cycle:
 - DeFi (2020-2021)
 - NFT mints (2021-2022)
 - Ordinals (2023)
 - Memecoins (2023-2024)
 - Points farming/Airdrops (2023-2024)
 - "One stop shop" DeFi

Wallet Infrastructure

Wallet infrastructure removes barriers to entry



18x reduction in time-to-first-transaction

that's an important building block with stablecoins. The second one, I mentioned was smart wallets. **And last quarter, we actually launched support for Smart Wallets.** This really revolutionizes the user interface that people go through, especially with self-custodial wallets to onboard crypto. So they no longer have to remember this recovery phrase or write it down. People were always worried about losing these recovery phrases, and they no longer need to do that.

They can use biometrics or something called pass keys to create the wallet in just a second or 2. There's nothing to remember or write-down or to lose or forget. And it also helps eliminate some of the network fees. We came up with a clever solution around that because there was often a sort of chicken-egg situation where people didn't have the crypto to pay the network fee and now they don't have to have that. So it's still early days, but we're seeing really positive signals there. Not all of our products have integrated this.

But in some of the ones where we have, **we've seen the time-to-first transaction, which is a metric we track go down to about 8 minutes instead of it being 2.5 hours using some of the more traditional wallets.** So smart wallets have made the onboarding simpler. And then lastly, these Layer 2 solutions have been a huge contributor and Base, which is our Layer 2 solution that we helped pioneer and is now decentralizing is -- it's become the #1 Layer 2 solution out there. It's been incredibly successful whether you measure that by the transaction count process or the total value that's on the platform. It's now the #1 Layer 2 solution out there.

Excerpt from \$COIN Q3 Earnings Call

Every layer of the stack removing user friction and points of churn

Layer of the Stack

Connectivity & Communication

Account Modules

Smart Accounts

Key Mgmt / Signers

UX Gains

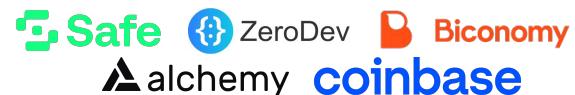
Notifications, Permissioning,
Transaction Batching

Feature extensibility,
automation, sessions

Recovery, multi-factor,
subaccounts

Signature abstraction, chain
abstraction, seedless onboarding

Examples



On the horizon

Personalization

“Onchain for you”

Policy Expression

Transaction prerequisites

Chain Abstraction

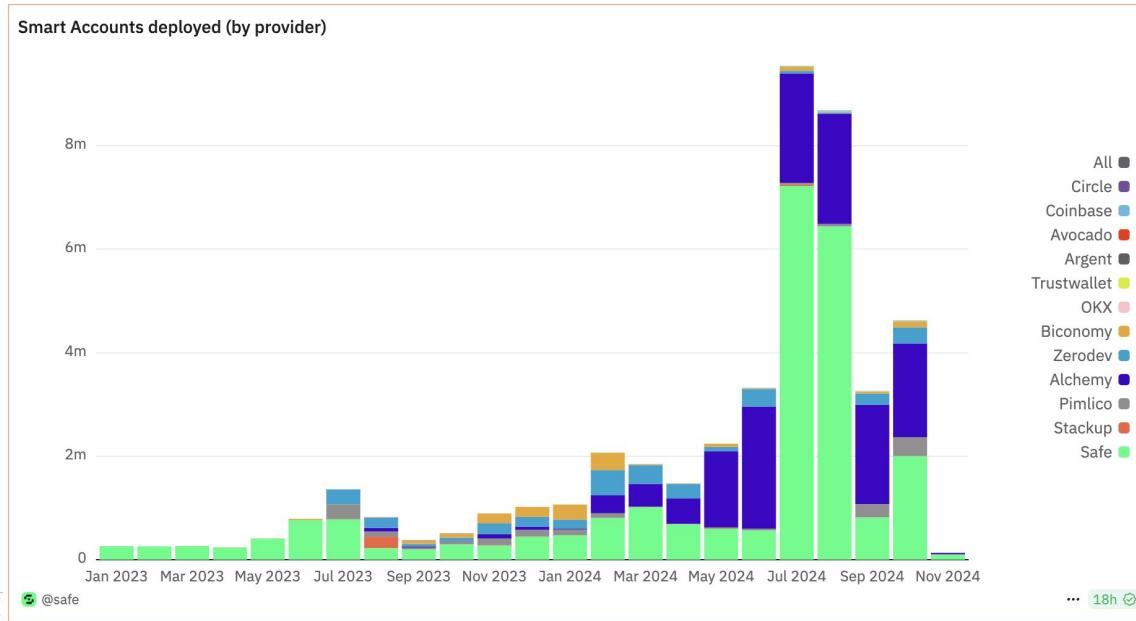
Liquidity aggregation,
resource locks

Data pipeline &
warehousing

Real-time data streaming and
transformation



Smart Accounts Adoption



EIP-7702

- Petra upgrade ~Q1 2025
- Allows EOAs to "upgrade" itself into a smart account, while remaining an EOA and keeping the same address
 - User can then experience most of the benefits of AA e.g. gas sponsorship, transaction batching, passkeys
- **Top wallets will likely implement 7702, but require users to opt in instead of enabling it by default**
 - 7702 doesn't take away PKs/seed phrase risk
 - 7702 introduces smart contract risk
 - ...but can also improve security via session keys

EIP-7702

- **Users will opt-in to 7702 if they want to use a dapp/feature that requires AA features:**
 - Gas sponsorship
 - Transaction batching
 - Transaction automation (via session keys)
 - Chain abstraction
- ...so far this is possible with 4337 but this required a new account model, so dapps were less likely to adopt
- **Embedded wallets will play a key role in driving the adoption of 7702**, by allowing developers to offer AA features without waiting for users to enable 7702 for their standalone wallets

Summary

- Abstractions accelerate the pace of innovation and adoption
- Smart contract developer tooling
 - Better developer experience...
 - ...more developers
 - ...more apps!
- Wallet infrastructure
 - Better user experience
 - ...better apps
 - ...more users!

Thank You!

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