Arbitrum Improvement Proposal (AIP): Build Optimal Onboarding for STIP Teams (BOOST) via Quests

Abstract

This Arbitrum Improvement Proposal (AIP) seeks to enhance user acquisition and engagement efficiency in the Arbitrum ecosystem following the Short Term Incentive Program (STIP). The proposal aims to deploy 95 total quests across 62 unique applications. The goal is to provide a comprehensive onboarding, educational, and interaction model that results in sustained user commitment and thus solidifies Arbitrum's position as a leading Layer 2 Ethereum scaling solution.

Motivation:

We propose an innovative solution to address an opportunity that has surfaced following the execution of the Short Term Incentive Program (STIP) – the need for effectively onboarding, educating, and retaining new users on the Arbitrum platforms that received STIP. The STIP successfully provides incentive to perform onchain actions, but it does not address the user onboarding experience aspect of attracting new users. This proposal is viewed as the missing puzzle piece to STIP. In addition, the STIP had teams qualify, but not receive funding, providing a situation we aim to reconcile by running additional quests for those teams that will improve user retention and increase usage of their protocols.

Rationale:

Our proposal aligns meticulously with Arbitrum's mission to foster an inclusive, vibrant, and engaged community. By ensuring all users - existing and new ones - are carried along inclusively and effectively via well-designed quests, we will be creating an environment that promotes continued learning, interaction, and commitment. This "sticky factor" is critical for a sustainable and thriving ecosystem.

Key Terms:

What are Quests?

Quests are guided learning activities, organized around specific crypto protocols and apps. They are designed to familiarize users with different protocols, their processes, and the potential benefits they offer within ecosystems like DeFi on Arbitrum.

Why are Quests Helpful?

Quests provide a hands-on learning experience which makes the understanding of complex protocols more enjoyable and interactive. They provide delightful step-by-step guidance which motivates users to explore and use these protocols, thereby increasing user adoption and contributing to the broader understanding of apps.

[View Full Size Recording](#)

For instance, consider the above [Quest](#) on Layer3 called "Exploring Radiant". It guides users through learning about onmichain money markets, swapping, and depositing on Radiant, breaking down each step into comprehensible segments.

By engaging with the quest, users not only learn how to use the Radiant platform, but also get practical experience which they can apply in real-world situations. Quests like these play a crucial role in demystifying DeFi protocols, making them more accessible, and bringing users to Arbitrum.

In the case of Exploring Radiant, it managed to attract 31,181 completions. This demonstrates the high engagement rate and efficiency of quests as interactive learning tools in the DeFi space. The large number of participants signifies that the quest was not only successful in providing valuable insights about the protocol but also in garnering interest from a wider community, thereby increasing the adoption rate of the whole Radiant platform.

But it isn't just Radiant.

There is a whole [library of Arbitrum quests](#) available on Layer3. As part of the STIP Enhancement and Inclusion Quest Proposal, a whole new category will be created on Layer3 to display the quests included in the STIP Enhancement and Inclusion Quest Program

Why Layer3?

[Layer3](#) has played a significant role in the growth of Arbitrum.

We've guided over 337,613 users to complete more than 5.9 million on-chain transactions on Arbitrum, all at no cost to the user or Arbitrum DAO. Our initiatives, particularly interactive quests, have already greatly increased user engagement and education on Arbitrum.

By transforming onchain operations into bite-sized, step-by-step quests, we have managed to make Arbitrum accessible to a wider audience. We have made it accessible and comprehensible to users, regardless of their technical proficiency level.

Specifications:

Teams:

Upon approval, we will embark on the design and execution of 95 quests structured strategically for the following protocols and teams in direct support of the STIP.

This includes one quest for each STIP-qualified protocol (29 projects, one quest each) and two quests for each recipient that received a greater than 50% majority in favor of their STIP proposal and more than 71.51 million ARB in support for their proposal (33 projects, two quests each). Each quest is meticulously designed to enhance user comprehension, interaction, and loyalty to the respective protocols.

The list of protocols and teams includes but is not limited to:

Quest Section

Projects

1

Camelot, Jones, Dopex, GMX, LODESTAR, Socket, Timeswap, RADIANT, Pendle Finance, MUX, Frax, Tally, Rysk, Silo Finance, Stella, Good Entry, Gamma, Umami, Abracadabra, KyberSwap, OpenOcean, Angle, Trader Joe, Dolomite, Premia, Vertex, Perennial Finance, Balancer, WINR

2

WOOFi, Gains Netowrk, DefiEdge, Synapse Protocol, PancakeSwap, Notional Finance, Rodeo, Magpie, Stargate, Savvy, Tales of Elleria, Thales, TIDE, Solv Protocol, Furucombo, dForce, Sanko GameCorp, RAMSES, Vela Exchange, Thetanuts, JOJO Exchange, Wormhole, Shell Protocol, REALM, unshETH, StakeDAO, Curve, iZUMi, Beefy Finance, Arrakis Finance, Florence Finance, CVI, Prime Protocol

Payment Terms:

The compensation for this proposal will encompass a real-time, continuous flow of 1 million ARB tokens, streamed via the Superfluid protocol. The stream will commence immediately post-approval and will run continuously up until May 19, 2024.

Should we fall short of fulfilling our obligations at any point within the specified period, a new proposal can be initiated to stop the stream of funds.

In the spirit of transparency, we commit to providing regular progress updates and upon completion of each of the 3 phases and maintaining Dune Analytics impact dashboards for the duration of the initiative, both at the application and ecosystem level. In a scenario where we fail to deliver our commitments, the community possesses the full right to propose halting the stream until the matter is adequately addressed and resolved.

Steps to Implement:

1. Initiate a cooperative process with all STIP-qualified protocols to design a unique quest for each, and create two additional quests for the teams that met the criteria but weren't granted STIP.

2. Implement the quests in month-long phases, during which we will monitor user engagement, quest completion rates, and user feedback, among other indicators.

3. Impact Analysis with Dune Dashboards: Post-sprint, we will analyze and present our impact utilizing detailed Dune dashboards. These dashboards will visually represent key metrics to paint a clear picture of the project's success. Metrics categories include user engagement, unique user rates, and protocol specific metrics, with an example below.

By confronting these steps, we can continuously refine our approach, ensuring that we provide mutually beneficial outcomes for both users and protocols involved in the STIP program.

Example: Hypothetical Trader Joe Arbitrum Quest

1. Objective

: Guide users through the process of performing a token swap and adding liquidity to a Trader Joe pool on Arbitrum.

1. User Flow

:

- Start the quest on Layer3

- Learn about the history and significance of Trader Joe through info cards and quizzes.

- Perform a token swap on Trader Joe

- Add liquidity to a Trader Joe pool

- Complete the quest

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- Complete the quest

- Metrics to Monitor

:

- Protocol-specific KPIs for Trader Joe

- Arbitrum KPIs: Impact Analysis, User engagement, Unique user rates

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KPIs for Trader Joe

Category

KPI

Description

Impact Analysis

Total Value Locked (TVL) Impact

Measures the change in TVL on Trader Joe as a result of quests

Swap Volume Impact

Measures the change in total swap volumes on Trader Joe as a result of quests

User Engagement

Total Quest Participants

The total number of users who participated in the Trader Joe quests

Quest Completion Rate

Percentage of users who completed the Trader Joe quests compared to those who started

Protocol-Specific Metrics

Average Swaps per User

Average number of swaps executed per user during the quest

Transaction Fees

Fees generated by the Trader Joe as a result of quests.

KPIs for Arbitrum

Category

KPI

Description

Impact Analysis

Network Usage

Measures the change in total transactions on Arbitrum before and after the campaign

Transaction Fees

Measures the amount of transaction fees generated by Arbitrum as a result of quests

Gas Costs Saved

Measures the amount of gas saved as a result of Layer2 adoption

User Engagement

User Retention Rate

The percentage of users who returned to Arbitrum platform for subsequent transactions

Unique User Rates

Unique New Starters

Number of new users who started a Trader Joe quest on Arbitrum

Unique Completion Rates

Percentage of quests that were started and completed by completely new users on Arbitrum

Example: Historical GMX Quest

Layer3 ran a [GMX Quest Program](https://...) in June 2022

User Engagement Metrics: 119,433 total unique participants across 6 quests

Unique User Rates: 95% of Layer3 users who completed the quest hadn't used GMX prior to the quest

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Protocol Specific Metrics: For the period covered, Layer3 accounted for 11.6% of the transactions on GMX[

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](https://global.discourse-cdn.com/standard17/uploads/arbitrum1/original/2X/6/64db56a054f792d51229fe61e46901a176e8ddca.png)

Timeline:

The implementation is divided into three distinct stages, each targeting a specific group of protocols:

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Phase 1 - STIP Proposal Quests (November 2023 - January 2024):

Quests specifically designed for all STIP-qualified protocols will be released in six groups, each running for a month. The intention is to boost user engagement with these protocols that have received official STIP funding and guide users on how

to use STIP protocols.

Phase 2 - Non-STIP Proposal Quests 1 (February 2024 - April 2024):

The second phase focuses on those teams that met the STIP criteria but did not receive funding. This stage ensures that these projects also get beneficial visibility and user engagement through their initial quests.

Phase 3 - Non-STIP Proposal Quests 2 (March 2024 - May 2024):

The final phase continues the support for non-STIP funded projects, further providing engagement through a second quest for each team. This step is designed to maintain and enhance user interest and interaction, consolidating the engagement prompted in Phase 2.

Running two quests for non-STIP funded projects (Phase 2 and 3) is particularly beneficial as it contributes to user retention through a deeper experience with the protocol.

- The first quest provides users with initial exposure to the protocol, its functions, and utility. It attracts & onboards new users and raises their curiosity, while also providing a sense of familiarity and comfort with the protocol.

- The second quest aims to solidify this relationship. A user returns to reinforce their understanding and re-engage with the protocol – a follow-up to further strengthen the interaction between the user and protocol.

The aim is to attract users and provide a solid foundation for them to be engaged, active and aligned with the protocol over a longer period. This ultimately contributes to the longevity and sustainability of each protocol.

This phased approach allows us to target attention to each group of protocols, ensuring each has optimized quests and yields the best possible results for all involved.

Overall Cost Estimate:

The total cost to implement this AIP is 1M ARB where:

Recurring costs will entail updates and maintenance, community engagement efforts, partnerships, performance tracking, and reporting.

This proposal lends to Arbitrum's goal to build an engaged and knowledgeable community committed to the platform's longevity. By incorporating all users in a guided and rewarding learning journey, we act as a funnel for new Arbitrum users, rather than current participants dominating rewards. By also acknowledging and rewarding the efforts of teams that did not qualify for STIP, we foster a fairer and more inclusive community spirit, further underlining Arbitrum's commitment to its members.

This dynamic, transparent, and comprehensive approach propels the strength and sustainability of the Arbitrum community.