Introduction: The following report presents an in-depth analysis of the OP (Optimism Pairs) incentive program's effectiveness and impact on the Hop Protocol. The aim of this analysis is to evaluate the changes in various metrics and trends after the initiation of the OP reward program. The analysis focuses on areas such as bridge and user counts, retention metrics, volume bridging to Optimism, and sustainability of the grant.

Metrics Analysis:

- Bridge and User Counts:

- The OP reward program has led to a notable increase in both bridge and user counts across various chains.

- The proportion of bridging to Optimism surged to 56% during the week when OP rewards became claimable.

- Bridge and user counts witnessed a more sustainable trend after the initiation of OP rewards.

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](https://global.discourse-cdn.com/business7/uploads/bc41dd/original/2X/a/a3c641a6ef70841006f9c710038faf16eba890d4.png)

- Retention Metrics:

- Positive retention trends were observed across most chains, particularly on Eth and Polygon.

- A spike in new users was noted during October 2022, coinciding with the availability of claimable OP rewards.

- Daily new user counts exceeded retained user counts, indicating healthy user acquisition.

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- Average Bridge Volume:

- The average bridge volume experienced a reduction following the launch of the OP reward program.

- The decrease in volume can be attributed to a higher number of users bridging smaller amounts.

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Optimism Quest - Hop protocol

The Operation Quest on Hop commenced in mid-October, with a relatively low number of participants compared to the weekly active Hop users. Upon comparing the weekly non-quest users and quest participants, it's evident that the majority of questers were already using Hop prior to March 2022, suggesting that the quest did not significantly impact Hop adoption.

- Sustainability of the Grant:

- The analysis revealed that approximately 10% of the granted 1 million OP tokens have been claimed within a year.

- Based on this pace, the OP grant is projected to sustain for 3-4 years, showcasing a prudent distribution strategy.

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Conclusion: In conclusion, the OP incentive program has significantly impacted the Hop Protocol in a positive manner. It has led to a substantial increase in bridge and user counts, with Optimism becoming an attractive destination for bridging. Retention metrics exhibited promising trends, contributing to healthy user growth. While the average bridge volume decreased, sustained OP token claims suggest a grant sustainability of 3-4 years. Overall, the OP incentive program has been a successful strategy in boosting the growth and adoption of the Hop Protocol within the broader ecosystem.

Recommendation:

1. Rebalance rewards to prioritize the @GnosisChain

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1. Consider increasing fee discounts to 90% due to the sustainable nature of the grant.

Full Dashboard:

https://dune.com/impossiblefinance/op-rewards-hop-protocol-deep-dive-analysis

FUL DETAILS

DOCS

docs.google.com

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](https://docs.google.com/document/d/1Kd-xPgxr8rs-MT8tRViSYXrrHGvSEudnflqao3Vm6Aw/edit?usp=sharing)

OP Incentive Program Impact Analysis for Hop Protocol

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