

Lido started with Eth2.0 staking and has been expanding to other chains. Good to see support more chains' staking but the outcomes(TVL) were disappointing. Except Eth staking, Sol staking has the best stats among others but it still can't take a lead compared with other liquid or non-liquid SOL staking solutions. Lido SOL staking stats is provided below.

- ~9 mths

in service since Sept 8th, 2021

- The total No. of Sol staking is ~380 mil

(73%

of total supply) while Lido only has ~2.2 mil

Sol staking, which takes only 0.5%

market shares. To compare, Marinade holds ~1.6% shares.

Based on the stats, I got several questions and my thoughts.

1. What is Lido's goal of liquid staking?

I think Lido has a multichain staking goal while ETH staking is our highest priority. However, our expansion to other chains seems stuck for a long time. So, Can anyone from DAO confirm if I am right?

1. What Lido has done to expand the market?
2. Introduced high-quality node operators.
3. Established partnerships with many Defi projects on Solana.
4. Provided \$LDO incentives for stSOL liquidity providers and users.
5. Why Lido can't get much more market shares, like 10% and even more 30%?
6. 3-1: ~70% of total supply has been staked while only 30% is circulating. For the 30%, if they did not stake, few of them would stake later. I guess they could get higher APR from other projects or they want the token to be active all the time(like in cex). For the 70%, it is not easy for them to unstake from one node and restake into the other one. Why? First, when one staker chooses a node, he normally does researches in the security, the background and fees, which takes time but people are lazy. Second, the longer the staker stakes to a node, the more trust the node gains. It is hard for the other node to establish the trust. Third, unstaking takes 2 to 3 days, during which stakers can't get rewards. Fourth, LSD definitely could help stakers exit without cooling days but most of long-term stakers don't care about it while I think long-term stakers have a much larger occupation of the 70%. Sixth, LSD stakers could use increase their APR by using stAssets in other defi projects like providing liquidity, lending or borrowing. Yes, they could earn more but I question if the difference in APR can attract them, especially when the reward token price is pretty volatile.
7. What Lido could do later if we would like to be better in the SOL-staking area?

I put my suggestions here.

- Lido has to be very clear who our target users are. I think they are the 70%.
- About the trust, Lido is the top player in the staking sector and co-operate with many professional node operators so we do not worry about the trust problem here.
- Restake compensation and rewards. Lido could compensate the reward loss caused by unstaking deactivation(2 to 3 days) in \$LDO. Also, to encourage restaking, Lido could decrease the protocol fee for a period from starting to stake with Lido. The fee decrease and the period should be discussed and calculated based on stats later.

Here, I only consider SOL staking but I 100% know we could improve a lot in Matic, KSM & DOT staking as well.