Hybrid User Research

Acre - Explorative + Iterative Study

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Agenda

- Study Context & Methodology
- Explorative Insights
- Product Insights

Study Goals

The goals of this study were to test the usability of Acre's staking application and to answer key research questions around:

- Motivations for holding Bitcoin
- Users' Bitcoin investment strategies
- Users' attitudes around using Bitcoin for value extraction
- Device preferences
- Rewards and user behaviour
- Trust & security

Comprehensive goals, research questions and interview script can be found <u>here</u>.

Research Methods and Users

WHAT WE DID

- We interviewed 8 users
- Qualified users were individuals who:
 - o BTC holders who have interacted with DeFi before hand (Solana, Ethereum, etc.)
 - o Interested in earning consistent rewards and money from cryptocurrency.
 - Users who see BTC as store of value or a quick riches tool.
 - Users who don't have much free time. (it's more about the effort/time they want to put into a dApp/staking protocol)
 - Users with an early adopter mindset
 - Users who are constantly searching for ways to diversify their income.
 - estimated on-chain volume for the past 6 months
- 60 minutes video calls
- Figma prototype and testnet site used for the test:
 - Home Page
 - https://dapp.test.acre.fi/

Research Methods and Users

WHAT WE DID

Interview

We spent the first half of the session interviewing users, addressing key research questions.

Usability test

During the second half of the session, we first looked at a Figma design of Acre's landing page. Following this, users tested the deposit and withdrawal flows on testnet.



MOTIVATIONS FOR HOLDING BITCOIN

Common factors motivate users to hold Bitcoin.

Several common themes emerged when exploring what motivates users to hold Bitcoin.

- A store of value that has stood the test of time.
- \(\frac{1}{2} \)
 Expectations around increased adoption across the board from institutions to individuals.
- Past price action and expected upside.
- Scarcity.
- A hedge against fiat currency. (e.g. fiat inflation)
- The culture and ethos surrounding Bitcoin.
- Decentralised, immutable and easy to transact with.

Users commonly expressed the above aspects of Bitcoin as strong motivating factors to holding.

INSIGHT

MOTIVATIONS FOR HOLDING BITCOIN

Quotes

"Bitcoin is just the OG and that's where I would imagine most of the capital is. When we look at the markets, it's always Bitcoin dominance as compared to everything else."

"I'm liking holding Bitcoin to reverse how the Canadian dollar has been performing."

"The culture that's grown up around it also is very exciting. I started poking around with Bitcoin comparatively early, in like 2014 2015 and it was very much a cyberpunk kind of ethos, that was the bedrock for the entire thing."

BITCOIN HOLDERS' INVESTMENT STRATEGIES

Users are conservative when it comes to using their Bitcoin.

The bitcoin users we spoke to all shared a similar conservative approach of primarily storing and accumulating Bitcoin rather than actively deploying it to earn yield or rewards. Users view their Bitcoin as being almost "sacred", thus the appetite for taking on risk by deploying these assets was consistently low across the board.

Most users hold their bitcoin in cold storage or occasionally on a centralised exchange to trade.

They describe monitoring their holdings on Ledger Live or other price tracking applications and don't trade too frequently. Users emphasised avoiding active trading and instead target price appreciation over time.

INSIGHT

BITCOIN HOLDERS' INVESTMENT STRATEGIES

Quotes

"It just gets to sit there in a nice cold storage wallet and looks really pretty and just kind of hangs out on chain. I take the Satoshi ethos where it just hangs out and collects dust, which isn't necessarily the best for monetary velocity, but we're still super duper early with this kind of technology, so it served me well so far."

"I don't do anything with my Bitcoin."

BITCOIN HOLDERS' INVESTMENT STRATEGIES

Users are conservative when it comes to using their Bitcoin.

A few users described basic experiences with ordinals and runes but that's as far as their exploration of the Bitcoin ecosystem usually went.

Although users often talked about the downside of having their Bitcoin funds sitting there doing nothing, they didn't describe themselves as actively seeking opportunities with their assets.

When asked what they would like to do with their Bitcoin in an ideal world, many users expressed an interest in seeing Bitcoin more integrated into day-to-day transactions in real life. At this point in the interview, users generally expressed minimal interest in deploying their Bitcoin for yield - some more than others.

DeFi users tend to primarily think of earning yield and rewards using their assets on Ethereum or Solana.

INSIGHT

STAKING BITCOIN FOR YIELD AND REWARDS

Staking Bitcoin is a novel concept for DeFi users.

Staking Bitcoin to earn yield or rewards was generally a novel idea for users. During their initial reactions, they consistently described a lack of familiarity with opportunities in the Bitcoin ecosystem.

Users also lacked a consistent mental model of the mechanisms that could allow for Bitcoin staking. This idea was challenging to grasp as users associated staking more with proof-of-stake systems such as Ethereum and Solana and found the adaptation to Bitcoin confusing.

INSIGHT

STAKING BITCOIN FOR YIELD AND REWARDS

Quotes

"I start failing to see, like, how [staking] would work for a proof of work system."

STAKING BITCOIN FOR YIELD AND REWARDS

Users are generally still open to the idea of staking their Bitcoin.

Several factors came up that influence users' willingness to use Bitcoin for value extraction:

- One of the most prominent barriers was a lack of awareness of the Bitcoin ecosystem.
 Participants in this study were experienced DeFi users, primarily on Ethereum and Solana and yet they weren't tapped into information sources that expose them to the Bitcoin ecosystem.
- Developing a mental model that Bitcoin can be deployed in novel and safe ways to earn yield.
- Better understanding of the technology behind new Bitcoin applications.
- Attractive yield and rewards.
- Having confidence and trust in the safety of Bitcoin applications.

INSIGHT

BITCOIN EXPECTATIONS

Users expect the Bitcoin network to be clunky but are still open to opportunities.

INSIGHT

Users have a general expectation that DeFi on Bitcoin is going to be a slow, clunky and expensive.

Despite these attitudes, users were still open to the idea of staking their Bitcoin if a given platform offerings met their needs around upside expectations and trust & safety considerations.

MOBILE DEVICES

Users are accustomed to using a desktop to manage their Bitcoin transactions.

All users use a desktop/laptop to manage all their Bitcoin transactions. They feel it's generally safer than mobile and it is also what they've gotten used to over time.

Being able to manage such transactions on mobile wasn't described as a prominent need when using Bitcoin applications at this stage. Users perceive **DeFi on Bitcoin to still be in its** early stages and so with it already being risky enough, there was a consistent preference for sticking with desktop for now.

Some users mentioned that they occasionally trade Bitcoin on CEXs using a mobile device.

INSIGHT

FUND SECURITY CONCERNS

Users described several areas that can help ease their concerns around fund security.

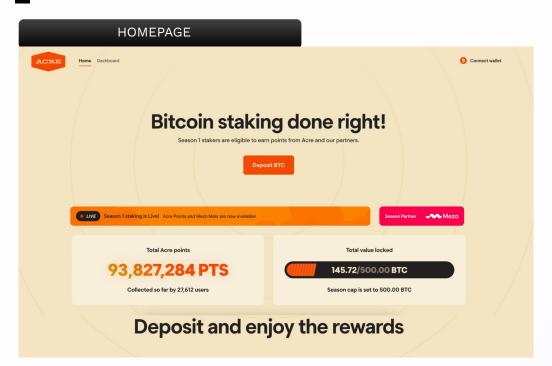
Users develop confidence about the security of their funds relying on a range of information. Although below are common themes, user will classify their individual importance based on their own personal needs, experience and circumstances at the time.

- Understanding of the staking mechanism that allows for yield to happen. This was especially important given that staking Bitcoin was a novel concept for participants.
- Being able to access high-level as well as detailed documentation about the product.
- Carrying out smaller transactions and building confidence over time. (common behaviour spotted in other studies as well)
- The given platform itself being consistent over time.
- Recommendations from trusted sources from friends to individuals with a following
- Being able to access reviews/experiences of other people. They will seek these out on Twitter, in communities they are a part of or the given platform's Discord.

INSIGHT

Screen by Screen Walkthrough

Users liked the look and feel of the home page.



FINDING

Users responded positively to Acre's visual design. They described it as clean and appealing. The overall aesthetic was seen as professional and legitimate.

This created a positive first impression and helped users increase their sense of trust in the product. Although users did note that several other factors will be considered for their overall sense of trust in Acre.

Users liked the look and feel of the home page.

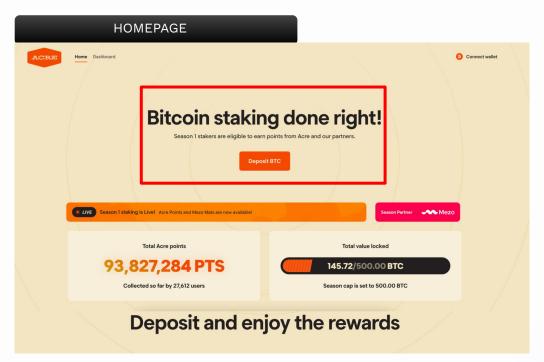
QUOTES

"I like that it's really, really clean. I like the colour scheme."

"I think the design is very nice. Feels good. I like the design."

"It shows you've got a full team. I think it shows you put care in crafting the user experience."

Staking Bitcoin was an unfamiliar concept.



FINDING

There was considerable confusion around the concept of "Bitcoin staking." Users struggled to reconcile this with their understanding of Bitcoin's consensus mechanism, which doesn't involve staking.

Some started assuming that Acre's approach must involve lending or using Bitcoin as collateral somewhere.

RECOMMENDATION

Experienced DeFi users don't necessarily have an existing mental model for Bitcoin staking and some may need a clear high-level explanation of how the platform's staking process works.

Staking Bitcoin was an unfamiliar concept.

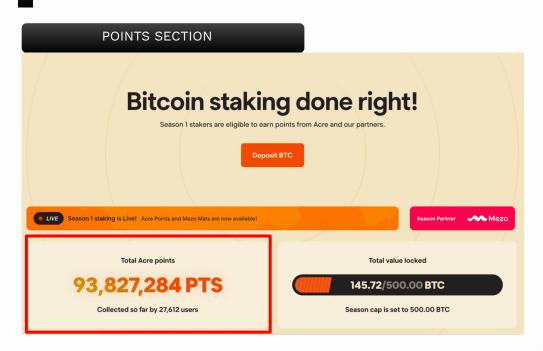
QUOTES

"I'm immediately thinking I'm getting protocol rewards, which would be mining rewards, and so where it kind of diverges from my understanding of what's going on."

"I've mentioned my concern with the term staking before. I highly doubt it has anything to do with consensus. If it does, how's that work? Where's the yield being generated from?"

"I don't understand how I could be farming Bitcoin, because I can't be mining it and earning rewards based on this so, so it's just a matter of, like, you know, I don't even understand."

Users easily recognised the points system.



RECOMMENDATION

→Reconsider the visual hierarchy between points and users once the number of users becomes compelling to share.

FINDING

All users were able to instantly recognise the existence of a points system. After further scrolling, users consistently understood that they would be getting Acre points as well as points from the season partner.

This mechanism was generally appealing to participants as they felt it would allow them to get exposure to airdrops they might otherwise not know of.

Most users felt that the number of users was a more compelling statistic when compared with the amount of points generated. Users couldn't place much value on the points figure but felt an increased sense of trust when seeing the number of users on the platform. (social proof)

There were two key reactions to the points system.

Point driven users

Some users felt incentivised by points, noting that such programmes, although more unpredictable than a stable yield, have the potential for a bigger payoff.

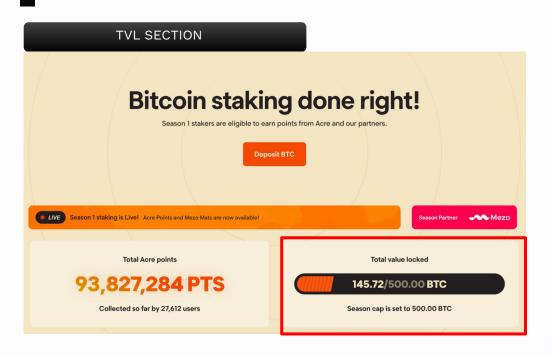
Such users described themselves actively engaging with incentive programs - depositing during bonus windows, checking leaderboards, sharing their points with friends and on Twitter. For these users, Acre's offering was especially appealing.

Core product & yield driven users

Other users have developed a more jaded view of point systems, based primarily on past negative experiences.

These users described several experiences where they were disappointed by their eventual rewards, feeling "farmed" and soured. When evaluating Acre's offering, these users placed much less value on the prospect of points and were looking to get information on the yield they would receive.

Users easily recognised the TVL.



FINDING

Users understood and appreciated the TVL metric as a measure of the platform's adoption. ★ The season cap created a sense of urgency for some users.

The access key confused users.

ACCESS KEY



PRIORITY ACCESS KEY

Free access to all seasons with your access key

Holding an All-Season Access Key gives you free access to all future seasons and automatically transfers funds to the next season.

FINDING

The information about the access key caused confusion among several users.

Several thought that this is an NFT or a different type of asset that they need to purchase to take part in all seasons. This was off-putting and perceived as a potential barrier to entry.

RECOMMENDATION

Provide clear information about what the access key is, its purpose, and how to obtain it. Consider front-loading information that eases potential doubts around having to make a purchase.

The access key confused users.

QUOTES

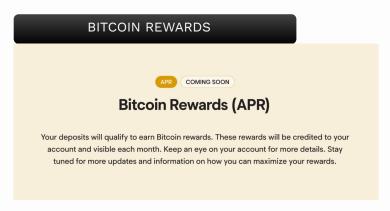
"So now I'm thinking, is this some sort of NFT that I have to buy?"

"Now I gotta buy something. This whole process becomes a little bit more tenuous than I would have wanted, because now I have to pay them."

"What I really don't understand here is this key. I mean, my mind immediately goes to like, is this a fundraising type thing, like an NFT?"

"So then maybe I have to do something, or buy something, which is a little bit of a turn off, because I just want to deposit money and get a return."

Users expressed a need to see APR information.



FINDING

The lack of clear information about the APR or yield was a major pain point for users.

Many emphasised that knowing the rough potential returns is crucial for their decision-making process.

Users expressed a consistent need to see concrete numbers on how much yield they could earn by depositing their Bitcoin.

Users have a consistent mental model around staking.



FINDING

tusers described a consistent mental model when it comes to staking. In general, they expect to receive:

- Base yield for depositing their assets.
- Points which eventually convert to tokens.

Lisers weren't sure if the term "Bitcoin Rewards" referred to the eventual tokens they receive via points or to a base BTC yield.

Several users were uncertain about whether they would be getting just points or also a base BTC yield. The information on the page generally didn't allow them to be sure about this aspect of Acre's offering.

APR is an important figure for less point-driven users.



FINDING

In addition, the general absence of an APR figure was seen as a barrier to engagement with the platform by users who were less point-driven.

RECOMMENDATION

Ensure that Acre's offering is clearly communicated to users - specifically, clarify the distinction between points and Bitcoin yield. Once available, consider making the APR more prominent to meet the consideration needs of those users who are less point-driven.

APR is important.

QUOTES

"If I am depositing my assets into a vault, I'm expecting one of two things, and that's some sort of APR reward that I would be getting, and or points.

"Anything that requires depositing and earning something, I'd like to know what I'm earning, and if it's worth me putting my funds in here."

"I would want to see the rewards against the fees that I'm paying, and then I'll have to do my own due diligence on whether or not it's worth locking up the Bitcoin"

"Here it's saying Bitcoin rewards. I'm not so sure if that's the same as the points, or if the points will convert into Bitcoin at some point?

"I'd really love to see how much I'm yielding. I think that was my biggest qualm with the homepage, I don't know how much I'm going to make out of this."

Trusted by pioneers was generally well received.



FINDING

→ Th

The recognition of partners associated with Acre had generally positive effects on user trust.

While some users recognised a few of the partners, others were less familiar with the projects in the Bitcoin ecosystem. For these users, the content was less compelling. So, while partnerships can enhance credibility, their impact may vary based on the given user's familiarity with the specific partners and the Bitcoin space in general.

Trusted by pioneers was generally well received.

QUOTES

"I'm in the Bitcoin verse, but not as huge as, like a Bitcoin Die Hard. I'm familiar with tBTC, but the other names I'm actually not familiar with period. So while it does kind of inspire, like, okay, they're working with some folks, I need to just hop on and do some quick googling.

"Looks like there's a lot of good pioneers. I know tBTC and xVerse and Mezo. I'm not really sure about the first two."

"I've never heard of any of these. So they're definitely pioneers. Because to me, they're all outlanders. They're strangers in these lands. Never seen them, not from around these parts, this farmer would say."

Users reiterated their intentions to explore Acre.

FINDING

Many users mentioned wanting to \uparrow explore documentation, white papers, or blog posts to better understand the technology, mechanisms, and long-term vision of the project. Some ended up clicking through to the docs from the live site and skimmed through the content. These users noted an increased sense of trust and were happy with the content at a glance.

During this time, users also expressed \uparrow various approaches to gain social proof:

- They would look at Acre's and the team's Twitter presence.
- They would look for reviews from users on Twitter/Discord.
- They would look for third party audits.
- They would ask trusted sources for their opinions, look for recommendations.
- They would join the Acre Discord to learn from existing users about their experience or to get help.

Users showed a range of needs and risk tolerances.

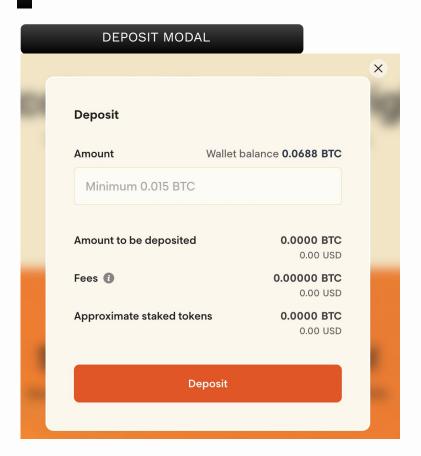
FINDING

After going through the home page, users shared a range of approaches and considerations when evaluating their engagement with Acre.

- Some identified themselves as conservative Bitcoin holders, emphasising the need for thorough confidence before engagement.
- Others expressed a willingness to test the platform with a small amount of funds initially.
- While some were less driven by the gamification elements, focusing more on core product offerings and APY returns, others found these elements appealing.

Catering to these different user needs and risk tolerances will be crucial in engaging a broad range of DeFi users who hold bitcoin.

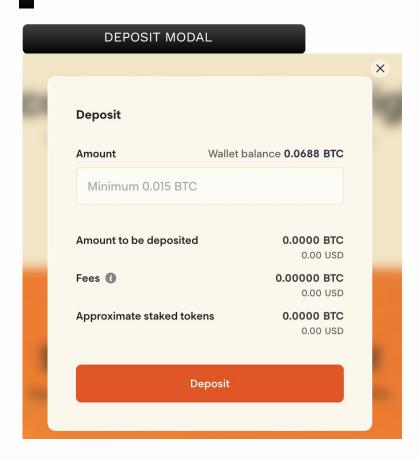
The deposit modal contained a helpful overview.



FINDING

All users were able to successfully make a deposit to Acre. Users appreciated the information displayed in the deposit modal. They highlighted the USD values, fee breakdown and expected staked token amounts as being especially useful.

Users focus their attention on the fees.



FINDING

Users consistently directed their initial attention to the fees - all users interacted with the tooltip to find extra information.

Upon seeing a high fee, users started comparing them to the potential returns gained from depositing their Bitcoin.

This was a difficult task for some as they couldn't find information about the yield and they didn't know what value to assign to the points. Users were trying to figure out how long it would take them to recoup their fee costs.

Users focus their attention on the fees.

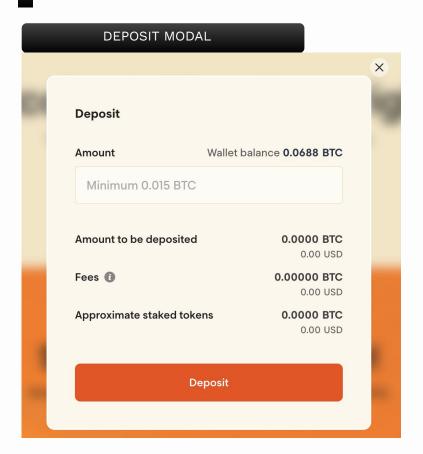
QUOTES

"I don't know, actually what the payout is, right? How long is it going to take me to kind of recoup this or even an estimate? It doesn't even have to be exact for me."

"There's no way the points I'm going to earn for this deposit are going to pay off anytime soon."

"But I would need to know more about the benefits calculated against all of the fees, the expenses, to make a more sound decision of whether I would want to use this product, because the fees are quite high."

Users expected the same fees for withdrawing.



FINDING

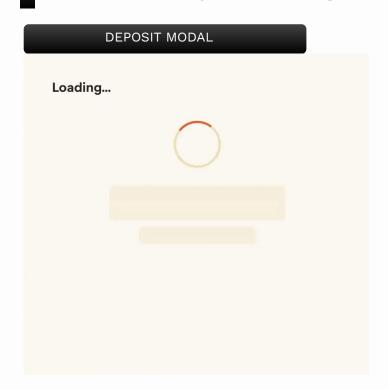
At this point, users also mentally factored in the withdrawal fees at the same rate as the deposit fees.

This essentially doubled their cost calculations, making the end to end deposit and withdrawal process appear almost twice as expensive.

RECOMMENDATION

Consider setting user expectations about lower withdrawal fees so that the perceived cost to use Acre is not misunderstood.

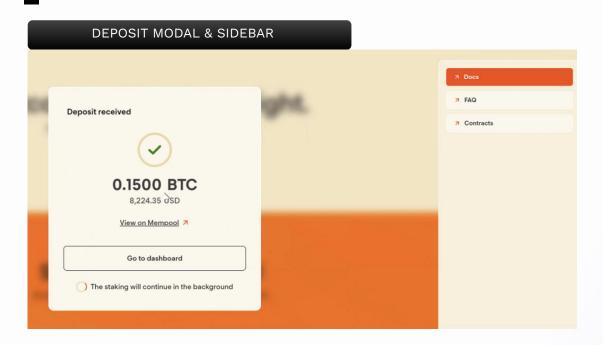
The empty loading screen didn't cause concerns yet.



FINDING

At this point, users expected a slow transaction and the empty modal disappeared before any concern arose for most users. There were however still some users who were initially worried by the lack of text on this loading screen.

Users understood staking was still in progress.



FINDING

Users consistently understood that their deposit has been received and that they can check the progress of staking by navigating to the dashboard.

The sidebar containing Docs, FAQs and Contracts was missed by several users.

RECOMMENDATION

Ensure that the Docs, FAQs and Contracts can be easily accessed from the dashboard, as opposed to the modal sidebar which was often missed.

There was a need for details on the staking progress.



FINDING

Users consistently express a desire for more detailed information about their transaction timing and status.

Many are used to faster transaction times on other blockchains and feel uncertain about when their Bitcoin transactions will complete.

RECOMMENDATION

There's a strong need for an estimated timer or confirmation time, even if it's just an approximation. This would help users ease their worries and to know when to check back on their transaction.

There was a need for details on the staking progress.

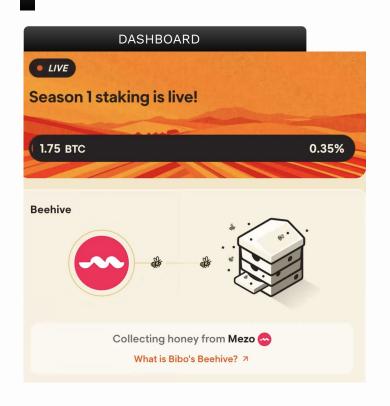
QUOTES

"I'd like to know when this will be staked. I think that's important to me, to know when this will be staked."

"I'd like to know when this is going to stake, how long this is going to be expected to take, because I want to know when to come back here and double check everything"

"I know Bitcoin takes a while, so I'm kind of okay with it, but I definitely could, it'd be nice to have a timer."

There were minor uncertainties around some elements.



FINDING

Most users understood what the 0.4% figure represented, but some were unsure.

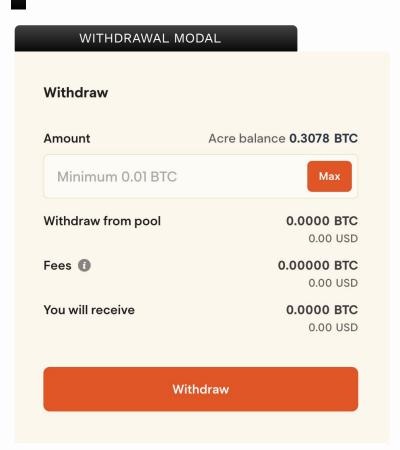
For some users, it wasn't immediately clear if the Mezo MATS figure was their personal allocation or if they would get a share of the total.

RECOMMENDATION

If the BTC cap component stays, consider clarifying what it represents more explicitly.

Consider highlighting the user's share of Mezo MATS.

Users focused on the fees during withdrawal.



FINDING

Users quickly noticed the lower fees when compared with the deposit.

They were expecting to see a much higher figure, which made them feel better about the overall costs of using Acre.

Users were able to initiate a withdrawal with ease.

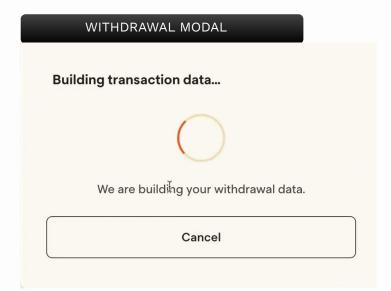
Users focused on the fees during withdrawal.

QUOTES

"I just think it's interesting. I would be happy about it, because [the fees are] a lot lower. That's actually kind of nice that it's lower to get out."

"I'd expect it to be the same, because it's a bridge fee, so I would expect it to be relatively close to the same each direction. The acre protocol fee looks to be about the same, but the bridge fee is like almost...that's not even close to what it was originally."

"With deposit fee at 300 bucks, I'm going to assume that I'm going to be spending \$600 in total for the fees to deposit and withdraw if I was to do it one time, but in this case, the withdraw is only 35 bucks."



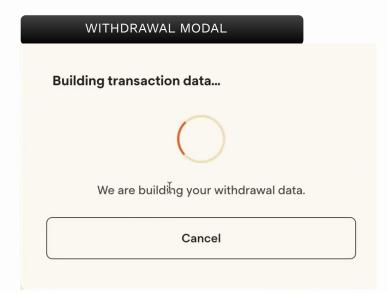
FINDING

After about a minute, users started growing increasingly anxious about the status of their transaction. They consistently expressed a strong need for more information about the progress or expected duration.

Users were not sure if the transaction was simply taking too long or if the application was broken. In the absence of any information about the progress, users started considering if they should try cancelling the transaction or refreshing the page.

this process which was not met.

The terminology of "building your withdrawal data" lacked clarity for some users.



RECOMMENDATIONS

In the event that this step takes a comparable time on mainnet, consider providing users with:

- An estimated time of completion.
- Clearer content about what this step involves.
- Reassurance that nothing is broken.

QUOTES

"I don't know if this is Bitcoin nomenclature, but I don't know what the heck building transaction data means. We're building your withdrawal data. That doesn't mean anything to me."

"If there was a way to estimate how long this is going to take, that would be very useful information. That way I know how long to step away, focus on something else, and then come back here and check if the withdrawal is processed."

"Right now I'll just see a spinning wheel, and I may not know the difference between how long it usually takes and if it's taken longer than expected."

WITHDRAWAL MODAL

Withdrawal initiated



You'll receive your funds once the unstaking process is completed. Follow the progress in your dashboard.

Go to dashboard

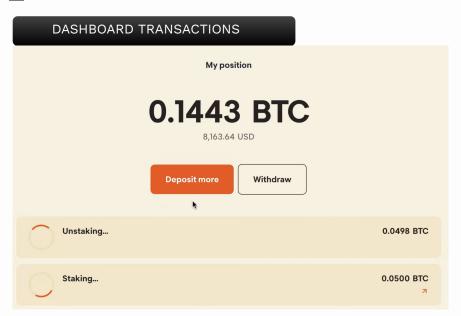
The unstaking will continue in the background

FINDING

At this point, users felt confident that their withdrawal was going to be processed.

All users consistently reflected on the stressful and uncertain withdrawal process and reiterated their need for clear information about the transaction progress.

Users need estimated transaction times.



FINDING

★Once on the dashboard, users were looking to see an estimated completion time of the withdrawal transaction.

Additionally, users wondered why there wasn't a mempool link for their withdrawal transaction. - a link to a block explorer just like on Ethereum.

RECOMMENDATION

Consider providing details about expected transaction times.

If a mempool link is not immediately available, consider informing the user about this. This will ease any concerns that their transaction is broken.

Overall users reflected positively on their experience.

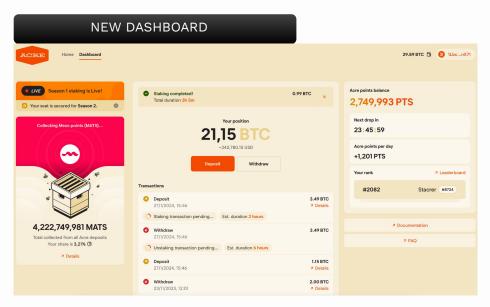
FINDING

Overall, users responded well to the dashboard's design and rated it within a range of 3-4.5 with the average rating being at 3.5 out of 5. The layout is described as solid, sleek, and well-organised. The visual presentation of information and the layout received positive feedback.

All issues noted by participants related to the following missing information:

- Estimated transaction times.
- Easily available Docs/FAQ.
- Lack of progress updates during the initial withdrawal phase.
- Information about yield and the yield mechanism.

The revised dashboard was much preferred.



FINDING

Users often described that the revised dashboard has all of the missing features they highlighted earlier. The information regarding transaction times was especially appreciated.

Users overwhelmingly preferred this version of the dashboard.

FINDING

Users responded very well to the dashboard and felt it was significantly better than the previous design.

The colour scheme and layout were well received with users being satisfied about how their information is presented.

The revised dashboard was much preferred.

QUOTES

"This is all really good. There's nothing, nothing to call out."

"I think this looks 1000 times better. I'm actually much more happy with my information here."

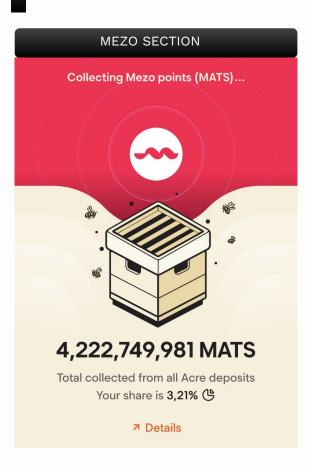
"I like this more with the pending and estimated duration. That's nice"

"See now that's what I'm talking about. This is a much better dashboard. The estimated duration is what I want to see."

"I like this, this is the information I'm looking for."

"I personally like this one more."

Minor observations about the Mezo section.



FINDING

The addition of percentage shares for MATS clarified some confusion for users who were previously unsure.

Some users noted a discrepancy in that the Mezo section is too visually dominating despite not being deemed the most important element.

Reflecting on users' experience.

Users generally described their experience of using Acre to be smooth and familiar. Users liked the look & feel of the design which helped contribute to a sense of safety and professionalism. Users were able to navigate the deposit and withdrawal flows without major issues.

The main significant point of friction was the lengthy withdrawal time process and the lack of information about the status of their transaction.

Users generally appreciated Acre's offering. The prospect of farming Acre points and receiving further points from each season partner was appealing, even more so for point-driven users.

Both point-driven and yield-driven users expressed a need to see APR figures to be able to assess using Acre with more confidence.

Users didn't have a clear idea of the exact returns they'd make by depositing to Acre. Specifically, users weren't sure whether they get only points or if they also get yield in the form of BTC on top of this.

Users described various areas of safety considerations as well as approaches they'd seek out to ease their concerns.

Overall, users left with a positive impression of Acre and an interest in exploring the Bitcoin ecosystem.