***TLADS Step 1: Assess Business Initiative***

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| **Business Initiative:**  Improve user retention and personalised engagement strategies for Centralised Crypto Exchanges (CEXs - user retention, churn prediction and behavioural segmentation) to increase fee revenue. | |
| **KPIs:**  User churn rate (%), Bridge-out to CEX Churn correlation, % of users in high-risk segment, average time between last Defi action and CEX withdrawal (days), CEX Re-activation rate (%), Protocol loyalty index, Behavioural Cluster Correlation rate (%), Bridge usage frequency per user (weekly/monthly), CEX retention by archetype, Bridge exodus score, withdrawal-to-deposit ratio (per period), time since last CEX deposit, reactivation attribution rate, time-to-reactivation, post-reactivation depth score, DeFi engagement score, on-chain activity diversity, NFT exposure index, wallet entropy score, smart contract loop density, gas spike alerts, liquidity retention ratio, top protocol exit paths, chain migration index.  WHEN COMING BACK TO THINK ABOUT THIS – SEE CHATGPT TO UNDERSTAND THESE KPIS/METRICS | |
| **Desired Outcomes:**   * Improve user retention * Improve personalised engagement strategies * Increase user satisfaction * Reduce user churn rates * Increase amount invested per user * Maximise campaign ROI (for reactivation funnels etc) * Personalised product/marketing * Platform integrity, fair pricing (anomaly detection – not properly in line with business initiative). * Retain user assets, match DeFi incentives | |
| **Benefits:**   * Reduced user churn: early detection of users likely to leave for other platforms. * Retention strategy optimisation: better informed when to offer loyalty rewards, fee discounts or similar programs. * Segmentation for personalisation: Improve UX by customising dashboards / offers per archetype (offer more DeFi to people regularly using these protocols). * Gain insight into user migration trends. | **Potential Impediments:**   * The analysis relies solely on on-chain data, whereas some of the value to be gained lies in actual user data (such as login history, trade volume etc). * Even if analysis is accurate, CEX may not have infrastructure / ability to provide incentives and reward programmes (or retention strategies). * Behavioural models may be inaccurate in practice when trained on imperfect proxy features. * Mismatch between on-chain activity and CEX priorities. |
| **Failure Ramification:**   * Reduced fee revenue * Increased churn rate through poorly offered retention strategies. * Non-profitable loyalty offers * Poor UX through providing the wrong users with different dashboards / offers. * Lack of new user engagement due to smaller overall usage. | **Unintended Consequences Ramifications:**   * Offering retention strategies, loyalty rewards etc to users likely to continue using the CEX. * Retention strategies cost more to run than increases in fee revenue. * Lack of infrastructure ability to deal with new users. * Lack of tokens offered to larger user base. * Increased technical difficulties / upkeep time. |