Keep Network

Explorative User Research

Node Operators User Study

June 2021

Design Researcher: **Sasha Tanase**

Agenda

- How we do research
- Node Operation User Study Approach
- Deep Learnings
- What future research looks like
- Appendix
  - Interview Script
  - Raw Data
  - Recordings
  - Low Level Report

Design Research

Design Research helps teams build the right thing, the right way.

Explorative Design
helps building the *right thing.*

Iterative Design
helps building the *thing right.*

Design Research

Design Research helps teams build the right thing, the right way.

Explorative Research

Deep interviews or observations to understand user needs and behaviours

Iterative Research

User testing to determine whether what we've built meets user needs,is understood, and is easy to use

Research Benefits

- Enables better decision-making during production
- Ensures we build something usable and useful
- Reduces onboarding friction for roll-out
- Reduces risk and cost

Design Research Approach

OBJECTIVES

- Get to know our users better/ probe assumptions
- Find new paths we can explore for future studies
- Learn what improvement we can make

Gather Assumptions

Conducted Stakeholder Interviews.

Gathered assumptions and research questions

Design the Study

Scheduled interviews with users

Interview script written

Interview the Users

Interviews facilitated

Notes captured in Miro board

Sessions recorded

Interviews Transcripts

VIdeo Snippets

Low Level Report in dovetail app

Analyze the Data

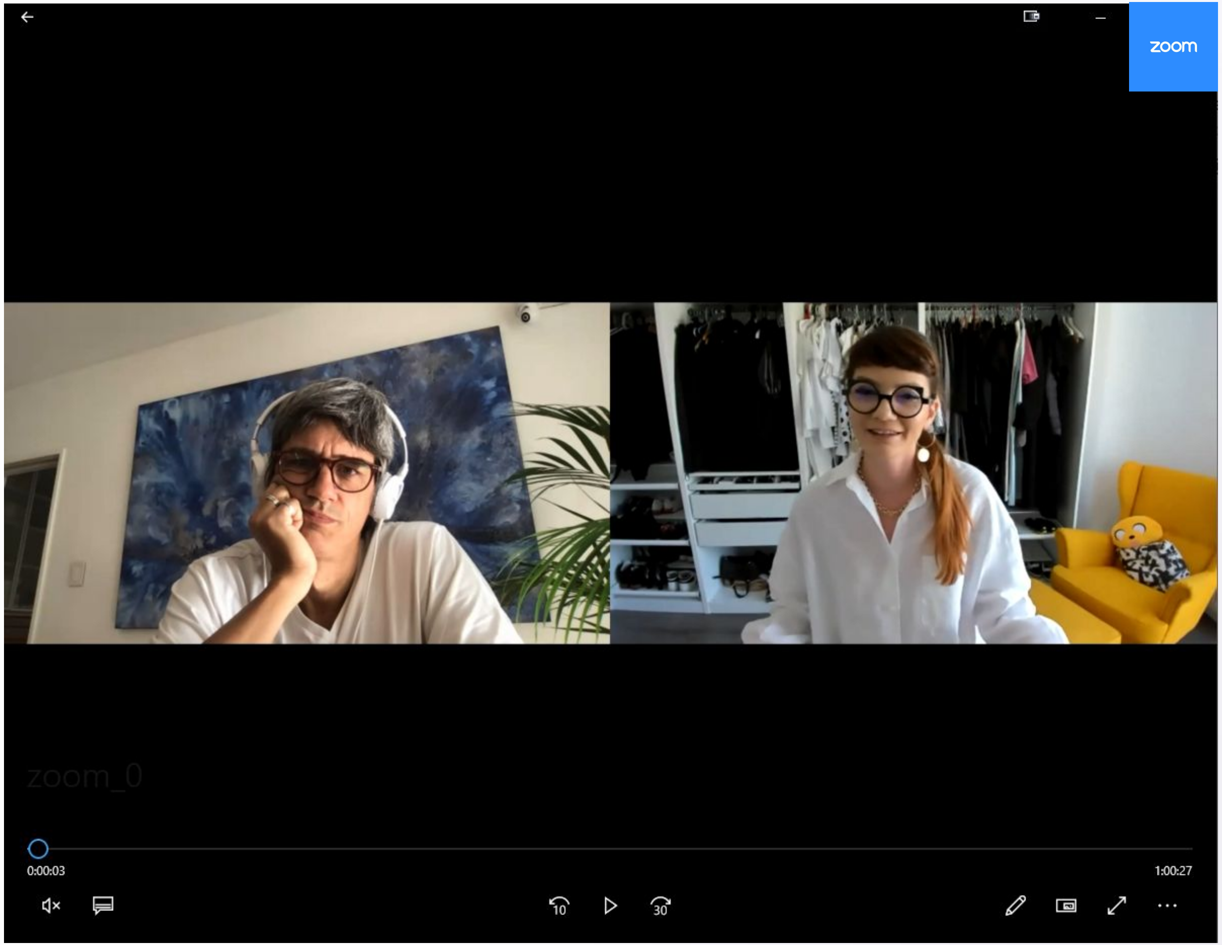
Findings and Learnings will guide us to our next studies

Crunching the data

Reporting back to the team

What we did

TALKED TO REAL PEOPLE



Research Methods and Users

WHAT WE DID

- We interviewed **3 users out of 8 scheduled** (unfortunately there were a lot of drop-outs)
- Qualified users were **Node Operators (Self-operated)**
- **60 minutes** video calls
- Detailed raw notes can be found in miro here
- Interview recordings here
- Detailed User Report here

Research Methods and Users

TOPICS COVERED IN THE INTERVIEW

Demographics

- are not extremely important only the tech background and tech profile

Crypto and blockchain experience

- their crypto discovery, experience with crypto and blockchain, other blockchains that drew their attention

DeFi

- DeFi protocols they may be interested in or interact with, risk profile and feature preference

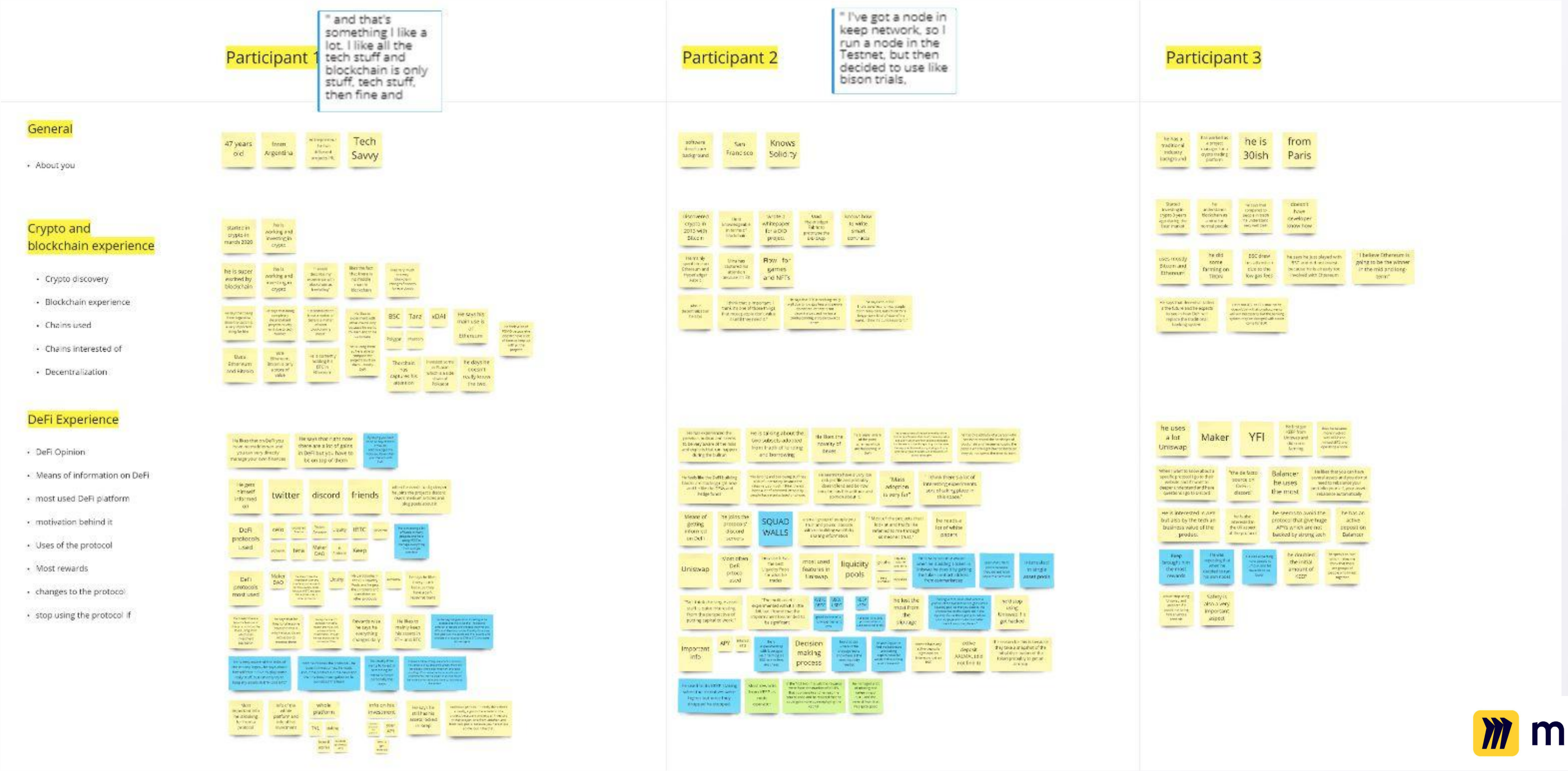
Keep

- Keep discovery and reasons they settled for Keep. Other options considered. Node running process from learning to liquidation events

Nu X Keep hard merger

- opinion and expectations

Data Capture and Analysis



Empathy Map of our Node Operators

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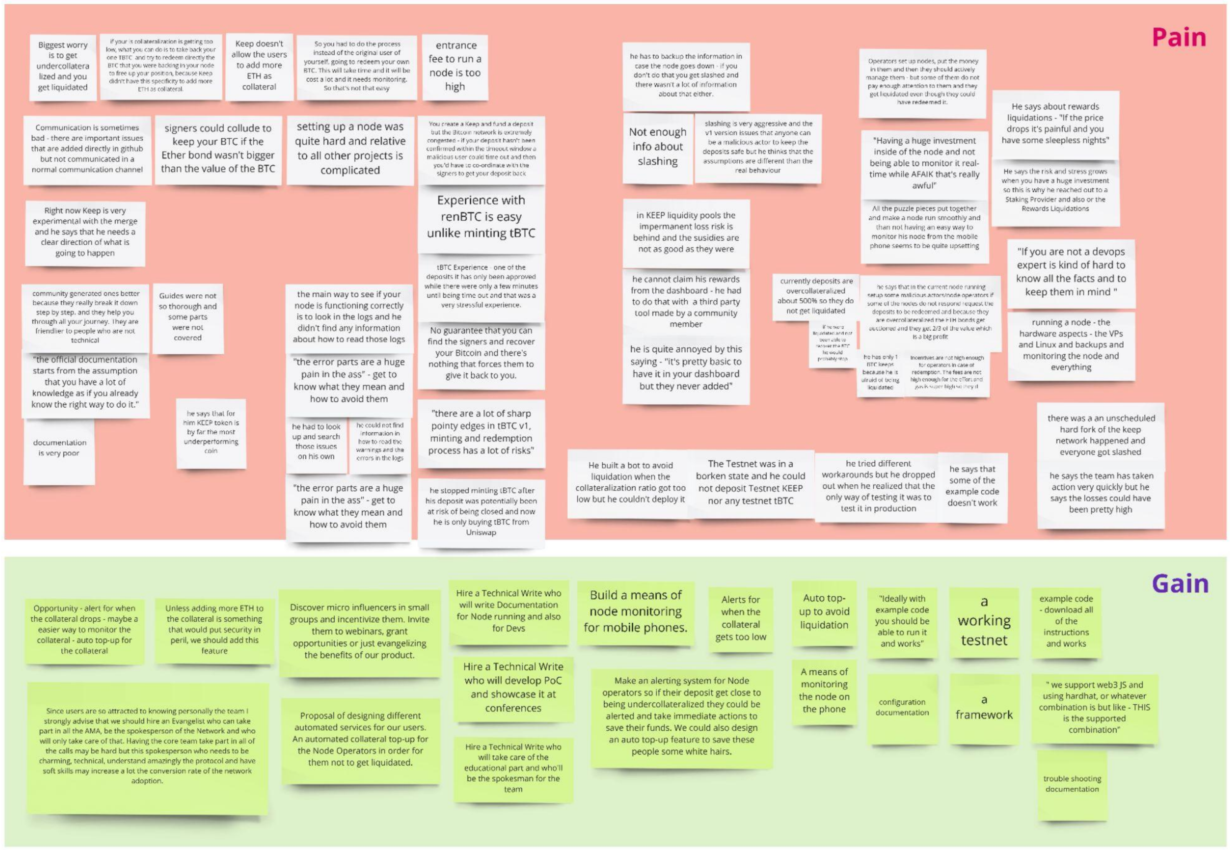

Deep Learnings

Deep Learnings

PARTICIPANT 1

“ It was like a test for myself. Spinning up a node and running it and getting to know all the facts around that. It was like a quiz for me, like a test and I liked that. In the first month, it wasn't about money, It was about this puzzle and putting it together, what it was really interesting “

Participant 1

Deep Learnings

PARTICIPANT 1

Deep Learnings

NODE OPERATOR USER PROFILE

Node Operators tend very sophisticated users. This is due to the very complex job a Keep Node Operator has to do - balance finance and tech. To operate a Keep node you need to have a great deal of knowledge and the cognitive load is very heavy on the user's end.

- Entrepreneurial spirits
- Had a start-up or participated in one
- Curious by nature
- Courageous and inquisitive
- Motivated by gains
- Don't quit if the learning curve is too steep
- Tech savvy with an intellectual capacity to understand abstract concepts

Running a node for Keep is so demanding that even though these users who are highly sophisticated have a hard time being on top of it.

Deep Learnings

BLOCKCHAIN EXPERIENCE, DEFI EXPERIENCE AND OTHER BLOCKCHAINS

They are all excited about blockchain and the lack of having a middle man, and that blockchain is changing finance for everybody. But even though they like the censorship resistance characteristics of the decentralized blockchains they have all played at least with Binance Smart.

Most of the users are utterly excited about decentralization and the censorship resisting systems but even they are stating their affiliation towards decentralized projects most of them mainly use WBTC and renBTC because either ren has an easier minting process (takes only one hour and that seems to be a pain though, has better UX and interface) either WBTC and renBTC are listed on more DeFi protocols and this helps the adoption.

Deep Learnings

BLOCKCHAIN EXPERIENCE, DEFI EXPERIENCE AND OTHER BLOCKCHAINS

“ I like to put my Bitcoin to work “

Participant 1

" I think that is important. I think it's one of those things that most people don't value it until they need it.”

Participant 2 - about decentralization

Findings & Insights

Findings and Insights

FINDING

"Most of the projects that I look at they're like referred to me through someone I trust."

Participant 2

Findings and Insights

FINDING

When deciding on a product

In the Discovery stage, where the users are doing their research to find out which product better meets their needs, It was uncovered that a very important aspect is to have the favorable vouch from their friends. This cohort is very sensitive to social proofing, which isn't tied only to sheer numbers but also to the number of close friends who vouch to the project.

SQUAD WALL

"a small group of people you trust and you collaborate with on building wealth by sharing information"

Shortcut noticed

Some of them are using DeFi aggregators to find the best route and staking opportunities for assets without doing a lot of research.

Findings and Insights

INSIGHT

When users are deciding to invest in a protocol the decision is very calculated and never on a whim.

They seem to be more comfortable to invest, learn and take risks alongside with their inner network. This may be due to the fact that, on a social level, they need to breakdown information and split the effort amongst friends, have someone else who shares their ideas and hardships and have social support. On an economical level they tend to cluster together so the financial effort is lighter and investing becomes achievable. (This applies to users who run nodes or invest in DeFi protocols, not developers)

Findings and Insights

FINDING

"I spend quite a bit of time talking to the team. So like I understand the white paper and like what it actually did. As I got to know Matt, I was like, he's a pretty smart guy. So, you know, balance people that are smarter than yourself and things and to work out pretty well "

Participant 2

Findings and Insights

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Participant 2

Findings and Insights

FINDING

When deciding on a product

Since we are talking about people who will invest a considerable sum of money in a protocol and they see it as a long term investment, some particular desires had been uncovered:

- the team seems to be a make or break decision
- friends being part of the community
- being able to be part of the ICO or initial sell

Findings and Insights

INSIGHT

- Meeting the team in a slight direct way (like talking to them on discord) is playing a crucial role in the decision to choose a project. This is helping them to feel more comfortable and reassured that they are investing in the right thing.

- Sometimes they want to meet the team so they can just directly ask questions about the project that weren't answered in the information available online. Other times is just a System I type of decision. This may be based on Social Desirability bias but also on social instincts that gives the users certainty and security that the team is made of " good people ", " very smart", " who know what they're doing".

- The community also plays a big role in the decision making. If someone known is already in the community, it will be easier for the users to embrace the protocol as well. Also if someone inside the users' community is building a product, it will be easier for users to choose the product because they already know the developer.

Findings and Insights

FINDING

" I like to play some risky stuff, but I mainly try to keep my assets in ETH and BTC"

Participant 1

Findings and Insights

FINDING

Behavior noticed

- All the users indifferent to their DeFi actions want to take their rewards either to reinvest them or to swap them in coins like BTC and ETH.

INSIGHT

- All of these users want to keep their assets in a coin that even if its price fluctuates, the accumulation of it still is something valuable. Most of them do not respect shitcoins and if they need to use them they will swap them back in a trustworthy coin. This means that they need a viable way in which they can take their rewards and decide in which way they will store it. Rewards need to be accessible and available.

Findings and Insights

FINDING

"And then I use a lot of alchemix I like a lot that, that project where you put a DAI inside and, and take out loans and they repay themselves"

Participant 1

"I use mostly Balancer. I like that you can have several assets and you do not need to rebalance your portfolio yourself, your assets rebalance automatically."

Participant 3

Findings and Insights

FINDING

Behavior noticed

- They all appreciate protocols which have different **types of automation** and their workload is lighter - like Alchemix and Balancer.

INSIGHT

- Users aren’t lazy but if they are faced with an option which would lift off s lot of effort from they’re side they will definitely stick with that option. All of them really like product which are doing some jobs for them, even this are micro jobs. It doesn’t matter the size of the job, if a product is giving them aid in their pursuit to accomplish their final goal, they will choose the more helping product.

- Complex products tend to erode the relationship with the user. The more complex the product, the more possibilities to make mistakes.

Findings and Insights

FINDING

”And if you have some service of automated liquidity, avoiding loot liquidation, redeeming an automatic deposit, redeeming service, something like that, a redeeming pool or whatever this would make everything easier for all node operators.”

Participant 1

Findings and Insights

FINDING

In previous Stakeholder Study it was uncovered that users can see all the updates if they look into github.

This study has unearthed that most of our users stay up to date by reading what's happening on discord but they also read medium and blog posts but **none of them are mentioning gihub** - an assumption which proved to be false. Some of the users have been slashed or lost funds due to this “ bad communication” as they call it.

Findings and Insights

INSIGHT

Not all of our users are reading everything posted on discord. This requires a lot of time and a lot of filtering from the user's end.

They all need a place where they can go and check updates, new releases and protocol changes. This place should be dedicated solely to this purpose and will not require a lot of digging, searching and information noise. Users have the need for some single source of truth.

There is no problem if there is redundancy from distributing same information on different channels because different users will be reached by different mediums.

Not all of our users are active on github, especially the ones who do not have a developer background. THe majority of users are not developers.

Findings and Insights

FINDING

All the individuals from this study had hired Staking Providers. They have all setup nodes on testnet, but afterwards on mainnet they decided to appeal to third party services.

Findings and Insights

INSIGHT

Even though they complain about the poor documentation and how hard is to set up a Keep node they actually never talk about uptime, storage redundancy and impeccable software which is in fact why they choose a staking provider.

Slashing on Testnet is doable and not necessarily real, slashing on Main net is real and they feel the repercussions directly.

It seems like actually the painpoints and issues with the documentation are more important to the Staking Providers than to the node operators. The Staking Providers are the ones who are using the documentation directly and really take the hit when it comes to slashing.

Having a third party provider seems to be the go-to choice for all the node operators. They relieve themselves from this part of the process.

Findings and Insights

FINDING

The biggest fear among the Node Operators is to be liquidated. To avoid liquidation they need to monitor the their collateral. Whenever the collateral ratio drops to 125% they need to be on their toes.

They seem to be all needing alerting systems about their collaterals, easier means of monitoring topping-up their collateral. Right now is very hard for them to mint tBTC so they have to have it minted in advance. Some of them say that the protocol doesn’t allow them to put more ETH other say that they would put more ETH in the node if it wasn’t so risky.

They tell mel that some operators would have avoided liquidation if they were paying attention. Some of them are overcollateralizing their deposits to avoid liquidation.

They all feel helpless because eve if they are good actors if the other two operators do not behave well they are slashed.

Findings and Insights

INSIGHT

Our users do not feel at all in control concerning liquidation. Right now they don't have good tools to monitors their nodes and no other alerting tool which means they need to be always watching while being at their desktops, which in effect makes them say that this is an active job.

Right now neither the protocol nor the process of operating the node gives them any reassurance that they can defend themselves and prevent any unfortunate event.

Users need to have a fail safe environment and means to prevent and mitigate bad situations. Even if v2 will have little to no events of liquidation, our users will still need their peace of mind that in case of an incident they will know in advance and have means to address it.

This thing is something every human needs: to be in control and to prevent errors. If we can provide this, their feeling that they put themselves to so much risk will decrease and their confidence in the product will grow.

Findings and Insights

FINDING

The opinion about the merger is quite positive even though some of the users said that the merge was quite unexpected. The transparency of the process is appreciated and it has been revealed that people are very hopeful

There are worries revolving mostly around the fact that the merge will need to tackle :

- two networks merge
- two teams
- two communities
- two subsets of token holders
- the NuCypher node operators who are presently gaining a lot of money and will not be happy to pause their emissions

Findings and Insights

INSIGHT

The study was inconclusive on this topic because two out of the three participants have taken part very close in the merger proposal. Only one participant wasn't involved in the process. THis participant is quite cautious and afraid of how things could turn wrong - he has stopped running a node so none of his assets will be caught in the protocol. Also he seems to be worried about the devaluation of the token so he says that after the snapshot he plans to sell everything.

Future Study

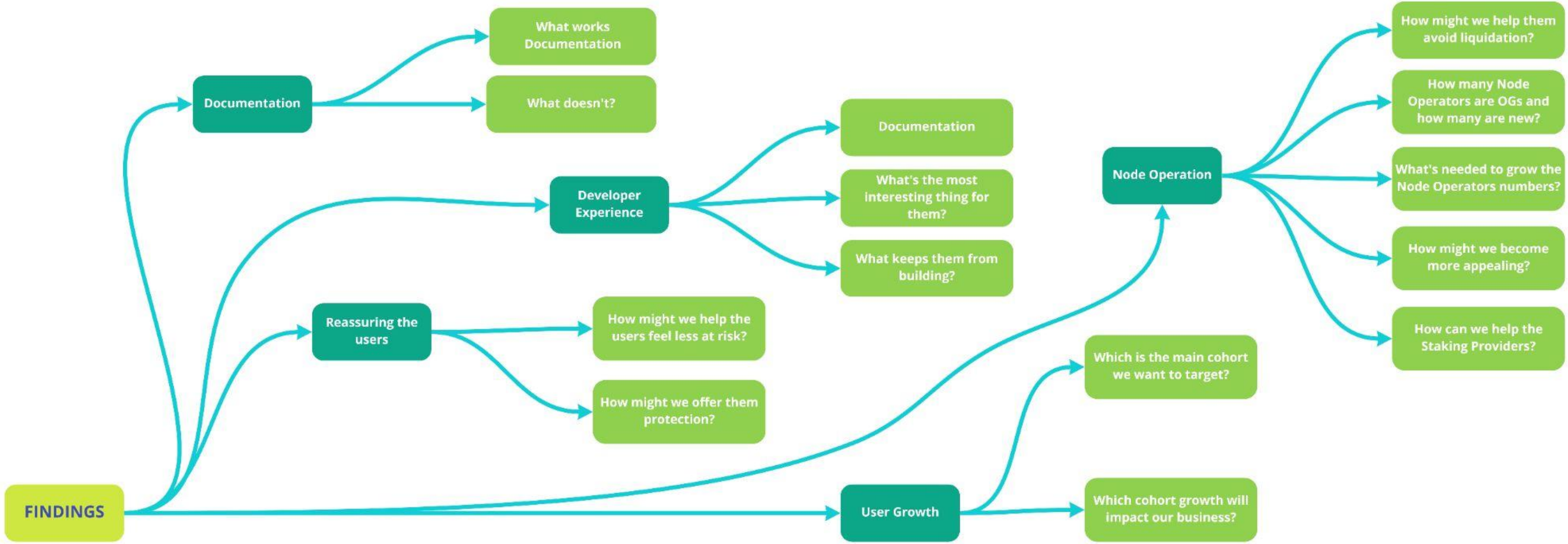
FINDINGS

We have conducted a generative study to unearth what are the main potential directions for our future studies. The future research topics will be decided based on our Business Goals.

- Keep Documentation
- Node Operation Process
- User Growth
- Developer Experience
- Liquidity Pools

Design Study Findings - Potential Journey

JOURNEY RAMIFICATIONS



What’s Next

WORKSHOP

We’ll have a ideation workshop on Friday. The ideas we produce then we’ll be used in a prioritization workshop.

See you at the ideation workshop