EXECUTIVE SUMMARY

Stake pool operator survey results

In January 2021, IOHK sent out a questionnaire about Daedalus wallet. We sent surveys to three user groups (covering users/delegators, SPOs and a sample of internal IOHK team members).

OVERVIEW OF RESULTS

In total, **we had 5,544 responses.** The survey reveals three-quarters of all respondents used Daedalus as their main wallet, **90% used it at least once a month**, and almost 50% have been using Daedalus for over a year. We surveyed:

- **5,427 Daedalus** wallet user results:
  https://input-output.typeform.com/report/FXTY6788/kxOCO8QzSYLDbktt
- **99 SPO** results:
  https://input-output.typeform.com/report/ZrjTG2Oo/apDz5OAnUbdOUts1
- **18 IOHK Team** results:
  https://input-output.typeform.com/report/IFLtmuO8/DJ7di1mQGGTtE34g

This executive summary focuses on the feedback from **stake pool operators**. While overall the summary showed general user satisfaction (average rating of 4.2 out of 5) with the Daedalus experience, a closer look at responses from the SPO community revealed a more nuanced situation requiring deeper analysis.

If you look at the top three priorities for each user group, you see a relatively aligned view. However, when you look at the **number one priority**, a clear disparity between the delegator and SPO, with a disproportionately negative view from SPOs.

WHAT THE SURVEY REVEALED

The survey offers useful granularity into a clear pain point: SPOs have negative sentiment regarding the **ranking system** in Daedalus. This is more pronounced than any other group.

The survey said **62% of the SPOs felt the transparency of the ranking system was low** – they are not clear how the system works or how to improve their position in the ranking. There is a lack of understanding that the ranking is based on the **long-term view and estimation of expected rewards** when the system reaches long-term equilibrium.

They – correctly – see ranking as an **important choice mechanism** for ada holders when choosing a pool. SPOs see Daedalus as the 'stage' where they can be viewed/assessed by delegators. Of course, there are other factors, notably social discovery/recommendation, content creation, etc. However, a suboptimal ranking (or the display of data that may be deemed 'negative' by the delegator) is regarded as a significant barrier to success.

WHAT DELEGATORS WANT

It is important to recognize delegator desires in this context. The survey says the **first choice of delegators (29.4%),** when asked how stake pools should be ranked, was **'maximizing long-term rewards'**, and the only way to get this in the long-term is for the stake pool to take a smaller slice of the cake.

However, when taking all the **top three concerns** into consideration, the survey suggests that **delegators care as much about decentralization and network stability as rewards.** We can infer from this that they desire a ranking system based on several factors or the ability to choose from these factors when making their delegation decision.

It is clear that action is needed to address the concerns of smaller SPOs while still working in the better interest of the long-term health of the network.

WHAT WE DID

As a follow up, we conducted two **ideation workshops** with internal Daedalus stakeholders, developers, designers, members of the community, and stakepool operators.

These sessions were wide-ranging and designed to challenge assumptions and create novel solutions on all scales of a product. They are specifically targeted at the **pain points found in the surveys**.

HOW WE MIGHT IMPROVE THE DAEDALUS EXPERIENCE

We have analyzed the results to create solutions to build into the Daedalus ecosystem. This now needs to be accelerated. Improvements suggested by operators included **better reward-tracking** for tax and accounting and better **exporting** and **visualization** for rewards. Having analyzed the results, the Daedalus team and researchers continue to discuss how to meet the needs of the SPO community.

Improvements proposed (ranked by importance) are:

1. A simpler and easier-to-understand ranking system that is more inclusive and ranks most stake pools, and does not depend on the amount of stake to be delegated as an input.
   a. The **new ranking system** will be **configurable,** allowing users to more easily balance their delegation choices between established, saturated pools (with predictable rewards) alongside less established, smaller pools with their potentially larger (but less reliable) rewards.
   b. **Encourage and promote community-curated SMASH servers** to provide different criteria for selecting pools, e.g., small and promising pools, pools from developing countries, charity or mission-driven pools, green and eco-friendly pools, etc.
   c. Looking at the feasibility of having importable, **community-curated** ranking calculations.
2. **Delegation portfolios / multi-pool delegation** – the ability to delegate a wallet to several pools and the ability to share delegation portfolios.
3. More **information** on delegation, and using Daedalus in general, through improved UX and content.
4. More detail on **earned rewards**, and improved **graphical representation.**
5. A complete **display and export of earned rewards per epoch for tax** and accounting purposes in both Daedalus and exportable CSV files.

Other changes suggested for the future include: enabling communications between SPOs and delegators; improved wallet creation and restoration with wallet fingerprints; more fiat/crypto conversions for displaying wallet balances; a mobile and light version; and better help. In the longer term, improvements being looked into include a multicurrency wallet; a better news feed; and more multilingual versions.

NEXT STEPS
- Share the results of the survey with senior management and ensure concerns are properly flagged and reviewed DONE
- Identify and fast track any 'quick wins' identified IN PROGRESS
- Build out and test example customer journeys that address the main pain points IN PROGRESS
- Test them with our users and stakeholders TBD
- Analyze test results TBD

- Require decisions from top management of new approach and see resource allocated TBD
- Build-in solutions to Daedalus that directly address what our users want TBD
- Release updated Daedalus *Q3-Q4*
- Conduct another survey, and gather feedback from these changes *Q4*
- Repeat to continuously improve Daedalus *Q4 onwards*