

INTERNATIONAL STAKING SURVEY

April 2020

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Executive Summary

What is staking?

This survey is designed to understand the market knowledge and preferences of staking within and outside the blockchain community. This examined respondents' knowledge of, preference for various factors in cryptocurrency staking and why a token holder would not want to stake.

We asked 21 questions including demographics and we received 296 responses from the 50,473 blockchain professionals in Asia, North America and Europe, (survey sent 3/9/2020 to 2/28/2020) with a 48% completion rate. Some questions were skipped by respondents due to survey logic, and this provided a 95% confidence level +/- 5.68% error.

Notably,

- 56% of all respondents knew what staking is, whereas 76% of respondents owning crypto knew.
- 54% of respondents believe staking would be beneficial, while 71% of crypto owners think its beneficial.
- The top 5 most important factors in staking are: 1) security 2) trusted exchange 3) rewards 4) control over staking and 5) token insurance
- Most respondents did not care if their tokens were staked on an exchange pool or independent staking pool
- The top exchange brands are: Binance, Coinbase Custody, Kraken, Gemini, Bittrex, Bitcoin.com, OKEx, Bistamp, Poloniex and Huobi,... and others in that order.
- 14% of respondents worked for a crypto exchange
- Respondents won't stake because they 1) don't trust 2) unfamiliar with staking and 3) staking not in firm/individual's business or portfolio strategy
- If their firm/employer currently does not provide staking services, 27% of respondents wanted to.
- Being knowledgeable about staking meant that they were either more positive or negative about exchange brands and those lacking in knowledge of staking tended to be neutral about exchanges.
- 40% of crypto owners and (40% who know what staking is) want (their employers/firms) to provide staking services for their customers.

Recommendations:

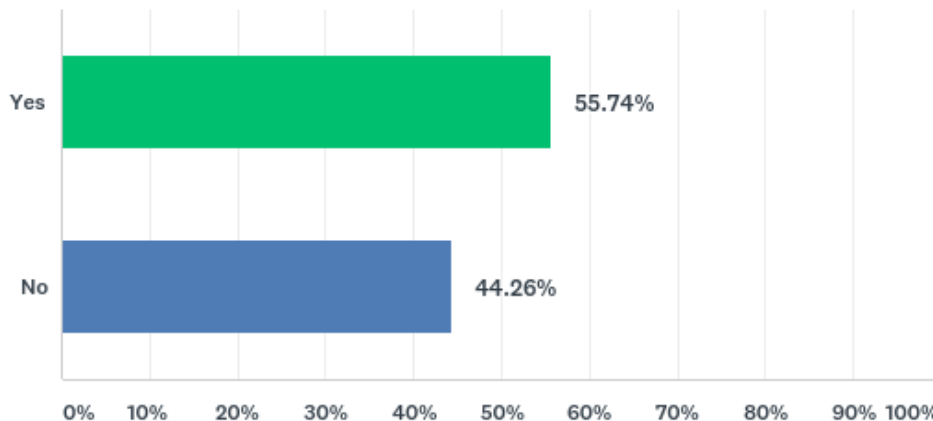
- Educate the public about staking:
 - A staking service provider needs to educate non-crypto owners on the benefits and safety of staking either through website content, articles, news releases or video
- Communicate the key benefits of staking to token holders and non-token holders
- Offer token insurance for theft

We found significant differences in attitudes and preferences toward staking depending on the respondent's knowledge of staking (Question 1). This difference poses managerial and marketing implications on message development between the two groups. Education is a critical factor in staking adoption.

Respondents were primarily in North America, male (90%), 36-55 years old, a CEO or manager, and stake up to USD 50,000 token value in Bitcoin (BTC) or Ethereum (ETH).

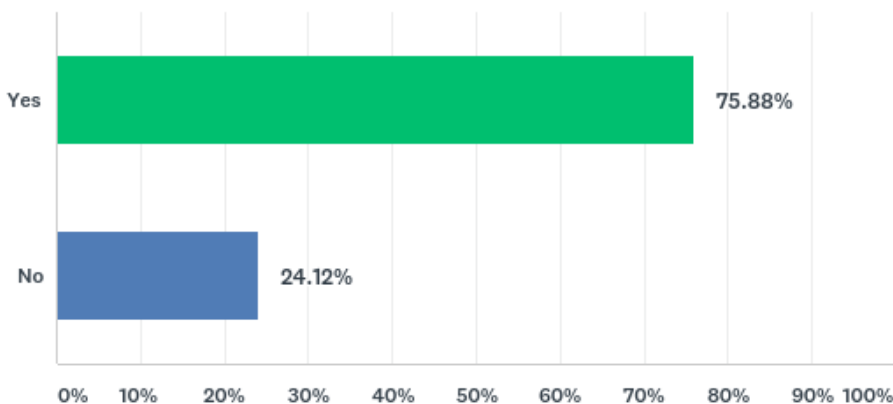


Question 1 – Do you know what "staking" cryptocurrencies is?



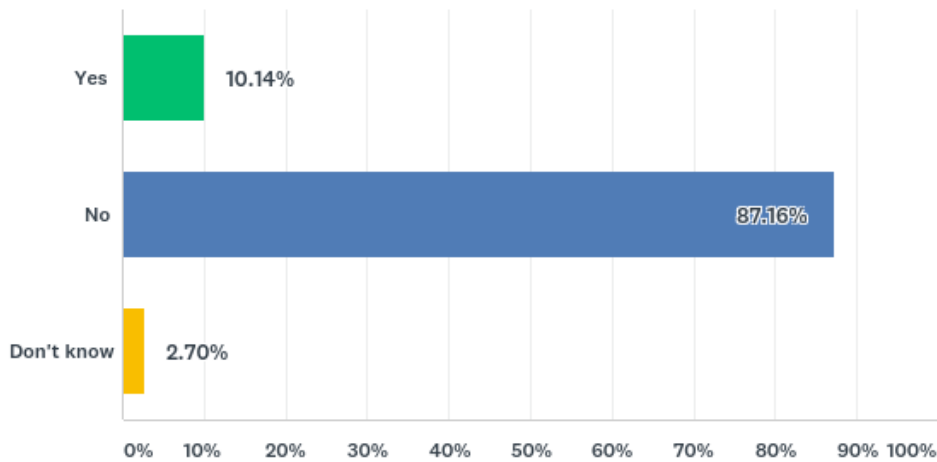
Rough 56% of the surveyed respondents know what staking is while 44% do not. Efforts must, therefore, be made in education cryptocurrency holders about the benefits of staking crypto through web content and video. (Recommendation #1)

When we filter for people who own cryptocurrencies, we see that knowledge of staking significantly increases due to crypto ownership.



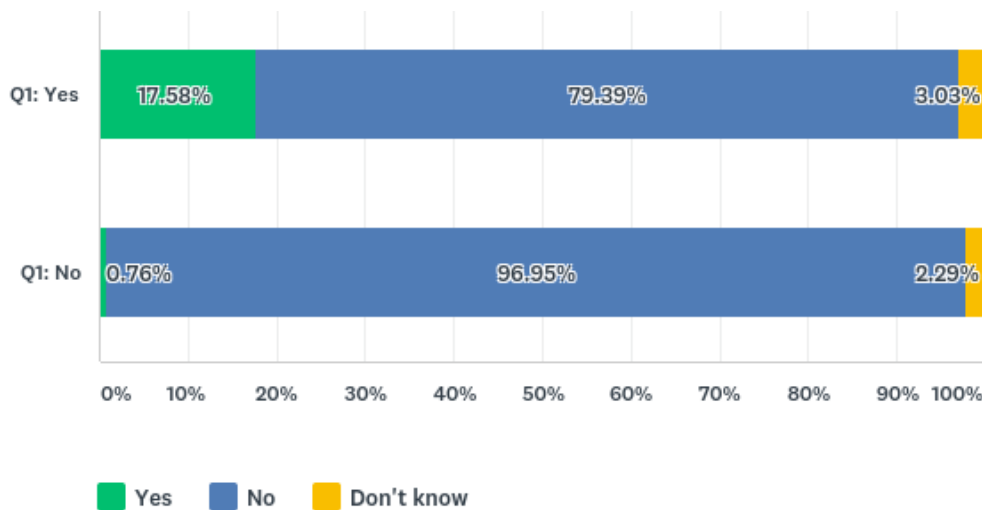
Therefore, any educational campaign should be targeted to those who do not own crypto.

Question 2 – Do you work for a crypto exchange, custodian or firm that stakes tokens?

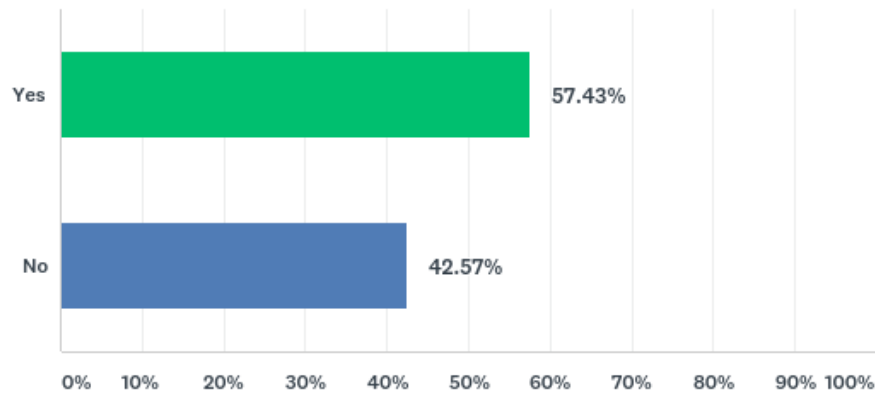


Just 10% of surveyed respondents work for a crypto exchange, custodian or staking firm. 87% do not.

We compared this answer using Question 1's responses to knowing what staking is (Yes/No) and see that working at an exchange/custodian is correlated (increases knowledge of staking by working at exchange) and that the difference between knowing what staking is and working at an exchange is statistically significant.



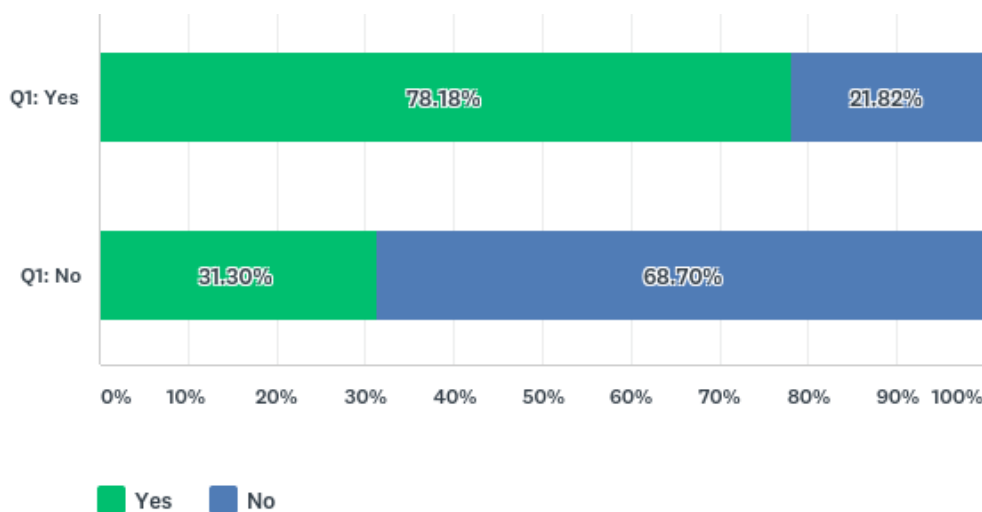
Question 3 – Are you an individual who holds cryptocurrencies?



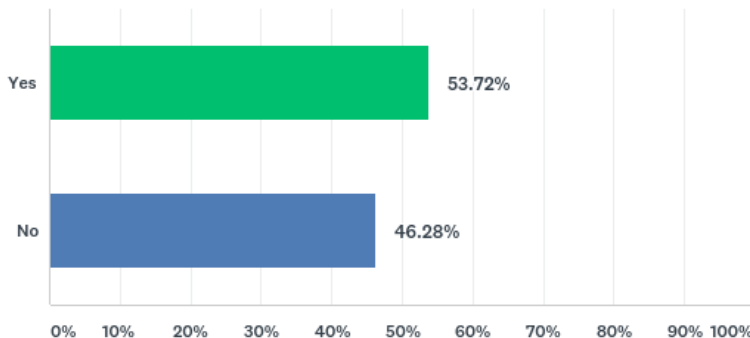
57% of surveyed respondents own cryptocurrencies.

We used this question to filter out and compare against the general survey results to understand any differences between the groups who own and those who do not own crypto.

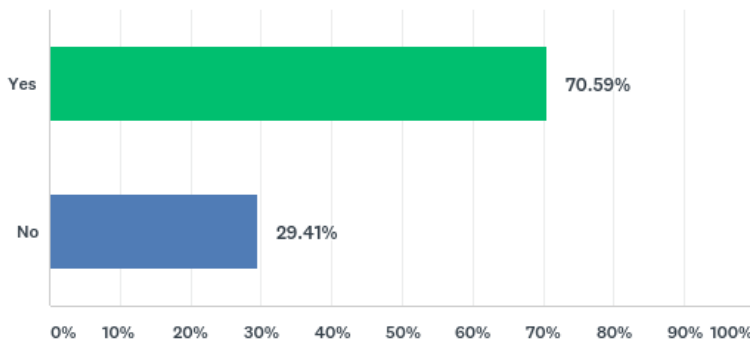
Looking deeper, there is a strong correlation between holding/owning crypto and knowing what staking is. The difference between Q1 (Yes) and Q1 (No) is statistically significant. Respondents who know what staking is Q1 tend to hold crypto.



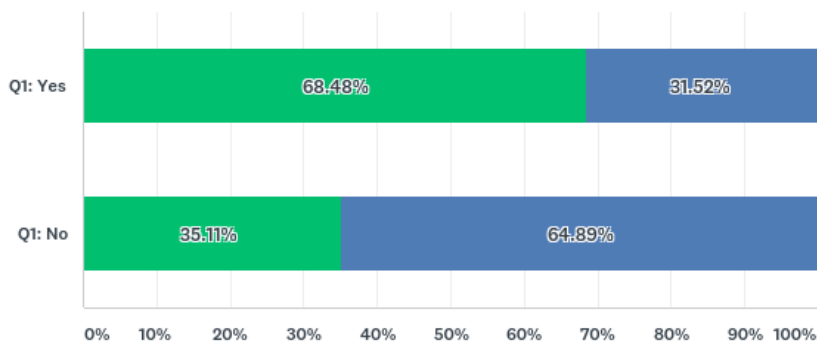
Question 4 – "Staking" is a way to maximize your crypto / token holdings in staking coins that would otherwise be sitting in a wallet or trading account. Once you have staked your coins, you can earn staking rewards on top of your cryptocurrency holdings and grow them further by compounding those future rewards. A "staking pool" is a pool of investors/tokeholders that group together to improve the probability that they will receive rewards. Do you think "staking," or forming or joining a "staking pool" would be beneficial to you or your employer/firm?



54% of the survey respondents believe staking is beneficial. However, this increases to 71% if the respondent actually owns crypto.



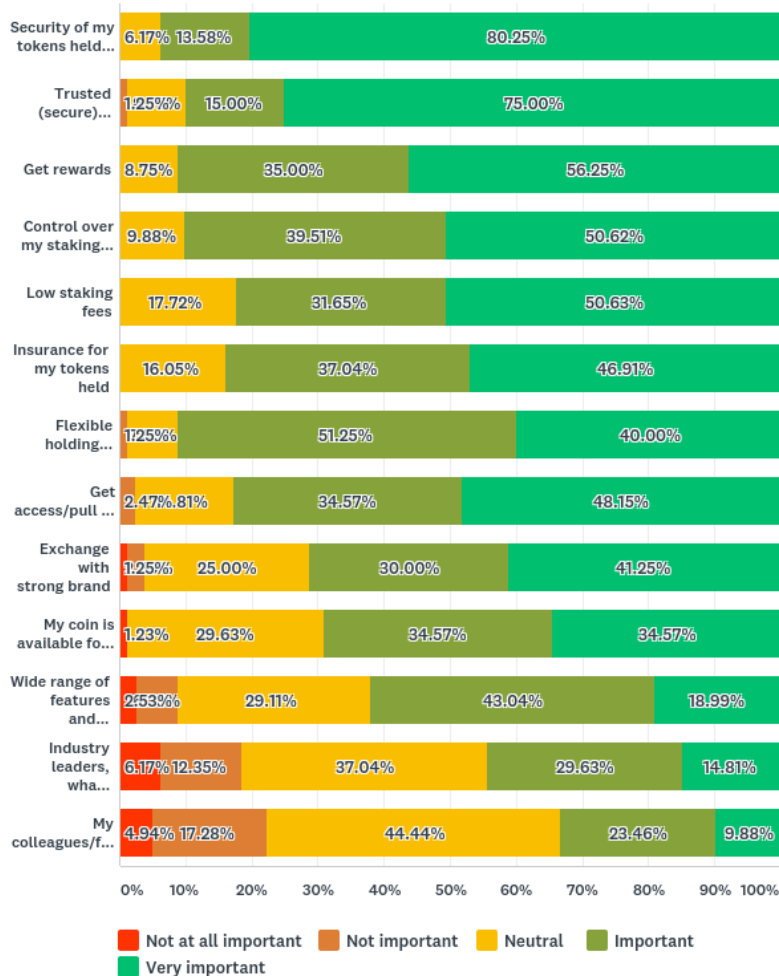
Knowledge about staking flips the responses of whether the respondent believes there are benefits. This is statistically significant.



Question 5 – How important are these key reasons if you were to stake your tokens?

For most respondents, the top 5 reasons for staking are:

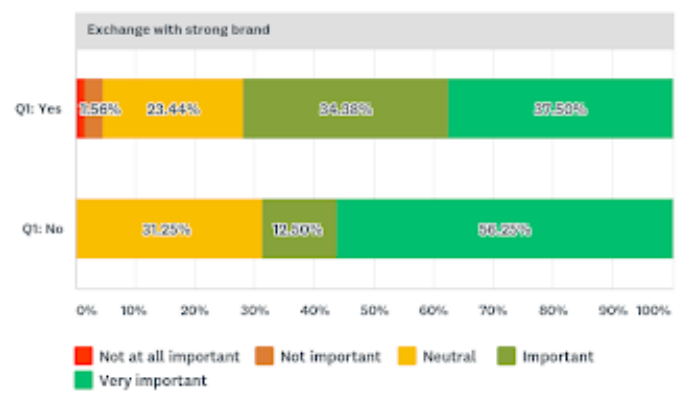
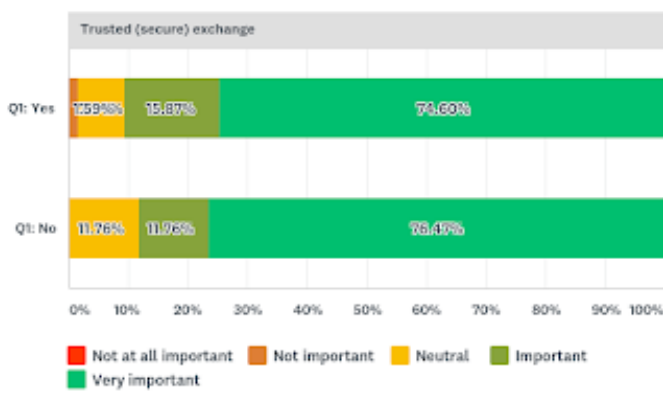
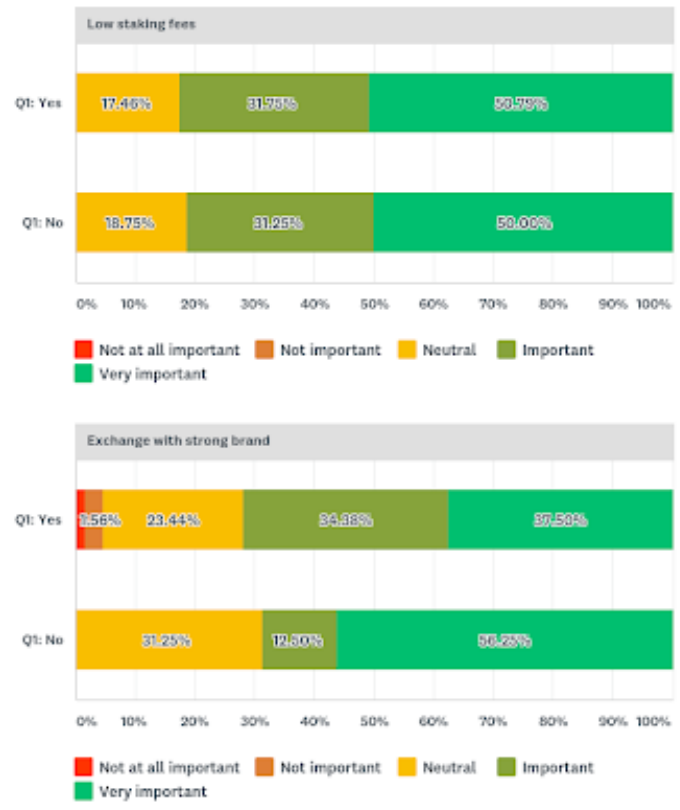
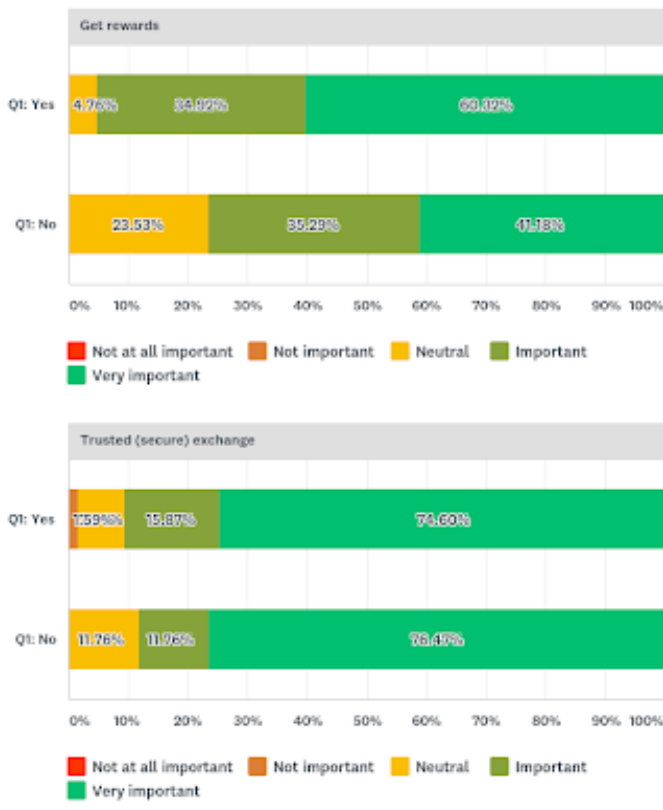
1. Security of tokens held (custody)
2. Trusted brand of crypto exchange (secure)
3. Getting rewards
4. Control over staking
5. Low staking fees



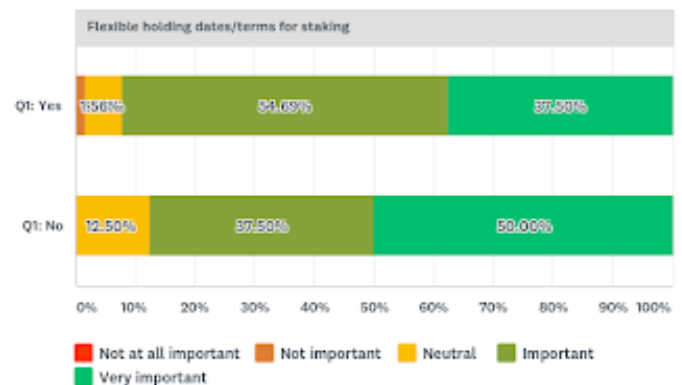
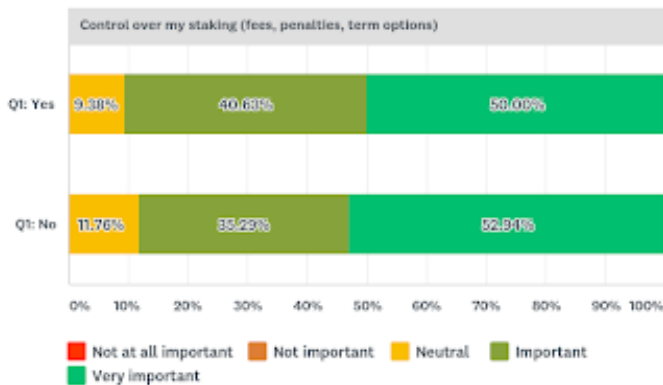
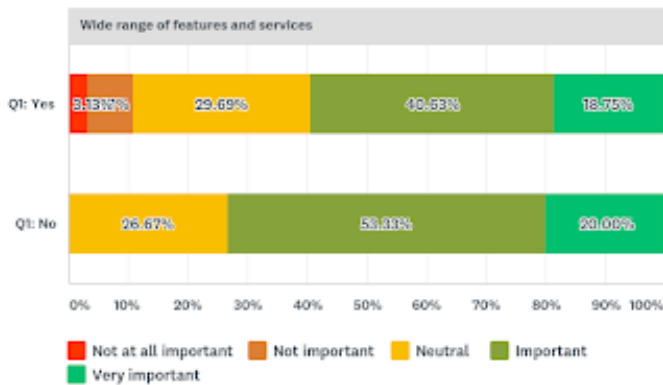
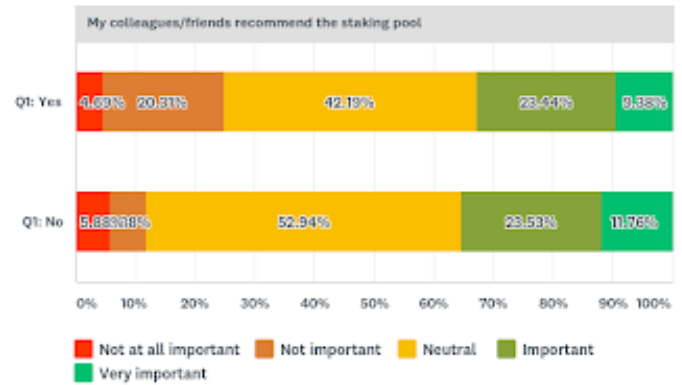
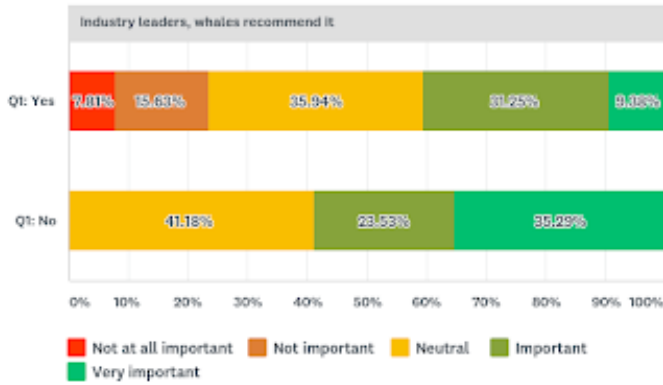
Question 5 – How important are these key reasons if you were to stake your tokens?

And, this ordering does not change when surveying just current cryptocurrency owners. However these answers are different when comparing those who know what staking is and those who do not. Especially:

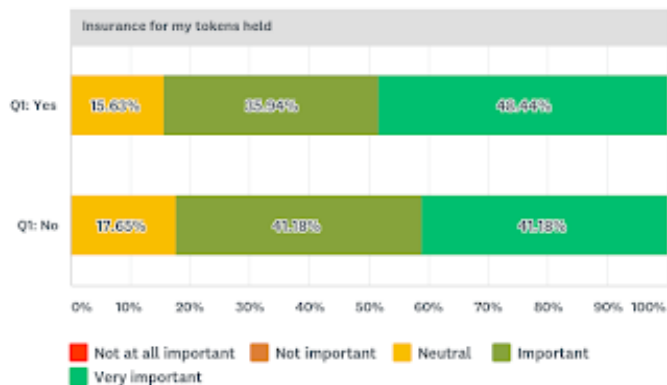
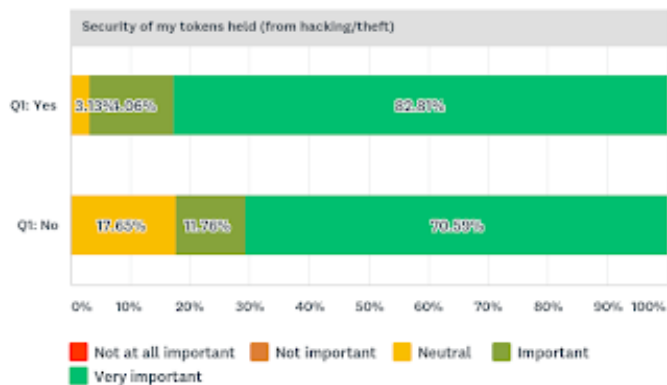
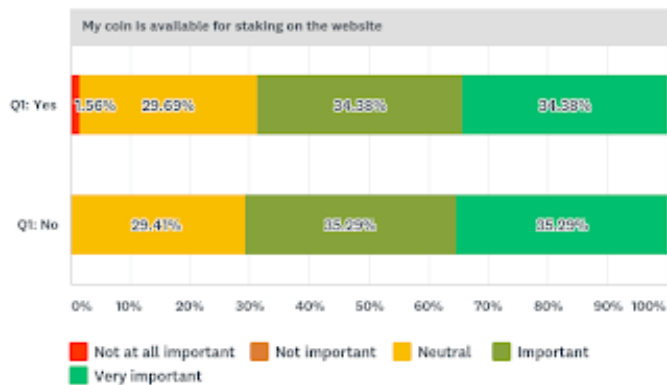
1. Getting Rewards is more important with knowledgeable respondents
2. Exchange with a strong brand is not necessary for knowledgeable respondents
3. Recommendations/testimonials are less important for knowledgeable respondents
4. Recommendations of a staking pool from friends/colleagues are less important for knowledgeable respondents
5. Flexible holding/staking terms is more important for less knowledgeable respondents
6. Security from hacking/theft is more important for more knowledgeable respondents
7. Insurance for tokens is more important for knowledgeable respondents



Question 5 – How important are these key reasons if you were to stake your tokens?

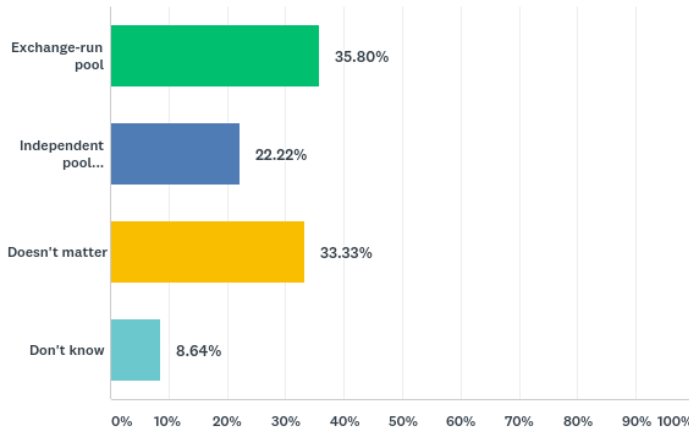


Question 5 – How important are these key reasons if you were to stake your tokens?



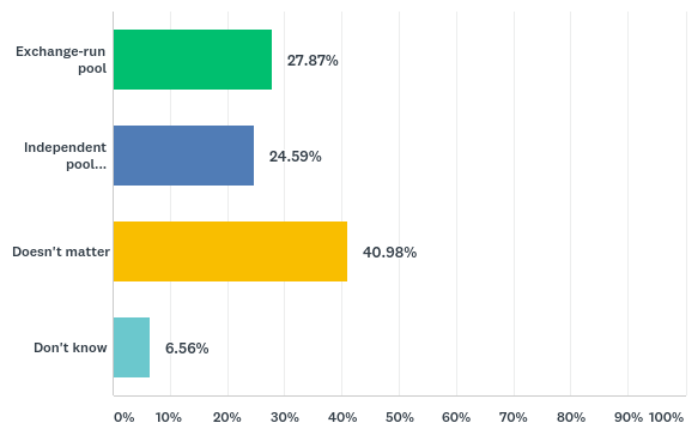
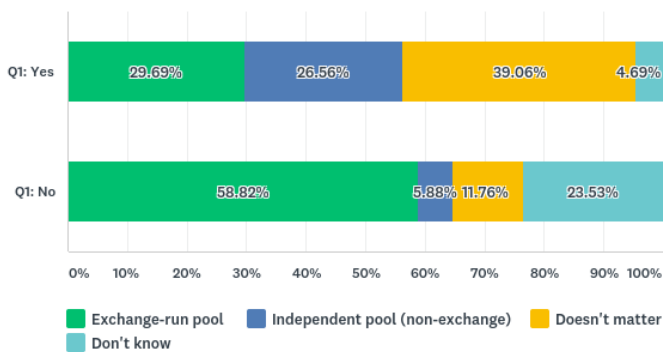
Question 6 – Would you prefer to stake at an exchange staking pool or a staking pool operated not at an exchange?

Roughly 36% of respondents prefer to stake at an exchange-run pool, while 33% are indifferent, and 22% prefer an independent staking pool.

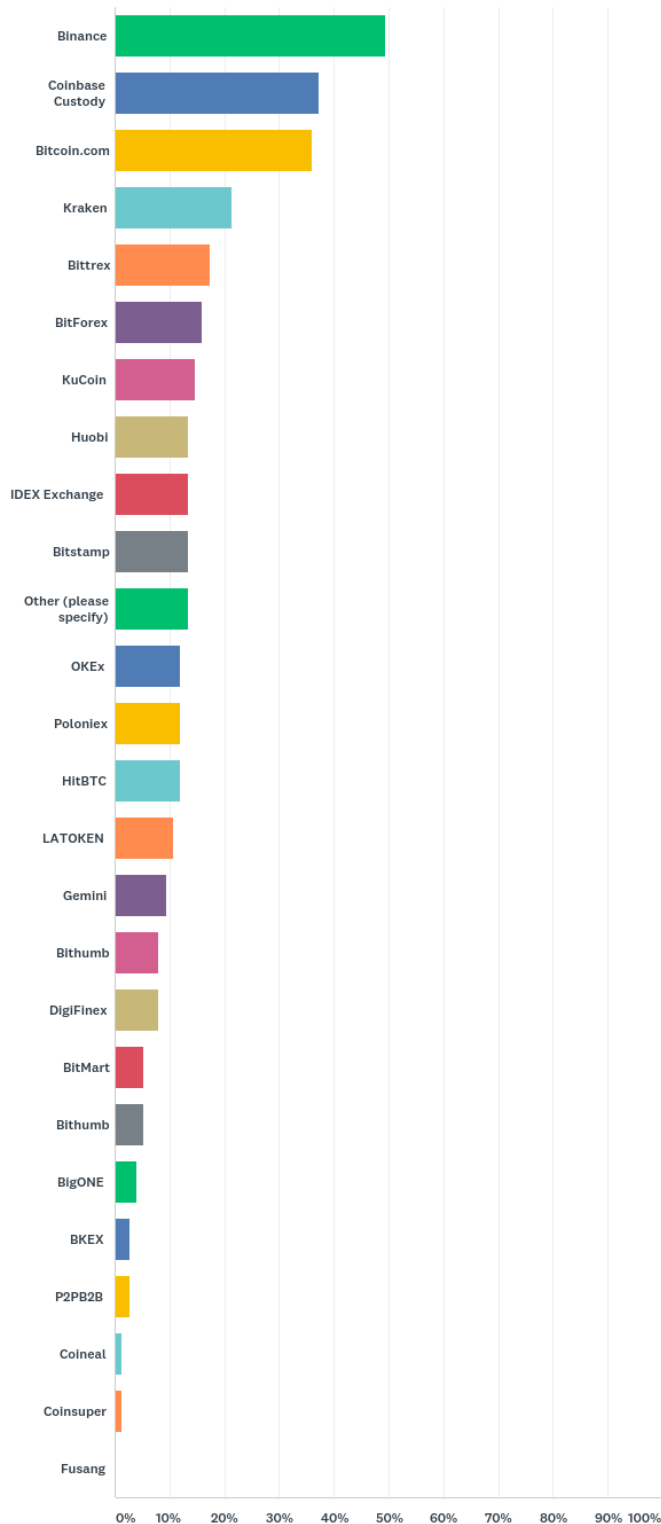


Cryptocurrency holders (arguably with more experience and knowledge than non-crypto owners) said it didn't matter (41%). Arguably, crypto owners' experience shows that branded exchanges do not provide significantly more trust, rewards or control over non-exchange staking pools, or that their knowledge of staking and experimentation with other staking pools makes them more indifferent.

If a respondent knows about staking already, he cares less about whether it is an exchange or not.



Question 7 – Which exchanges do you believe to know to have a staking pool?

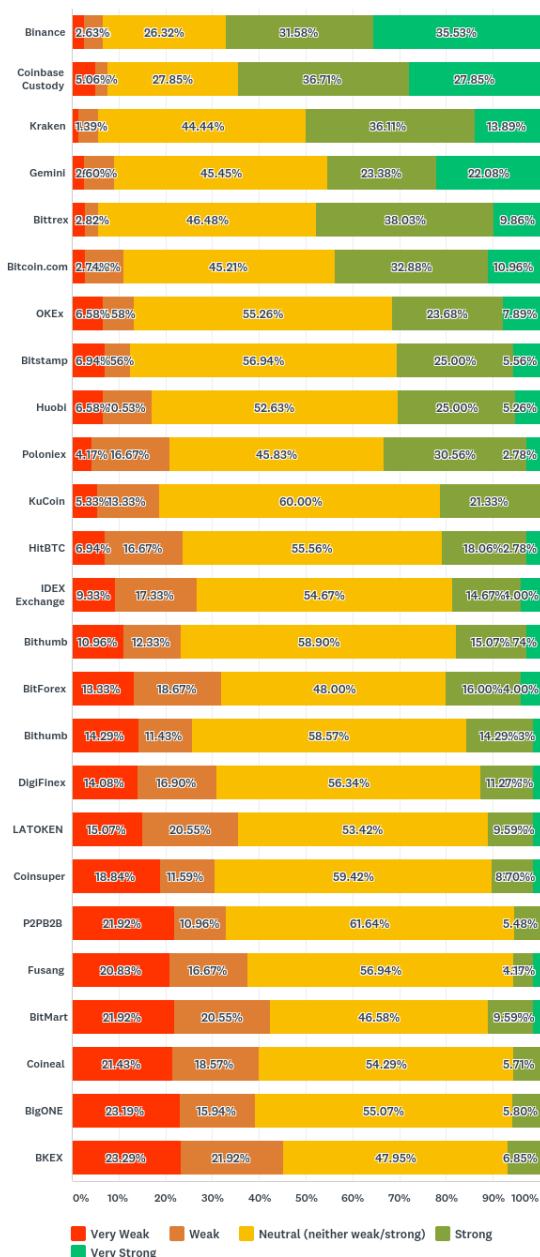


Most survey respondents believed that Binance, Coinbase, Bitcoin.com Kraken and Bittrex, among others, have staking pools and attest to the branding power/name recognition (brand recall) of these exchanges.

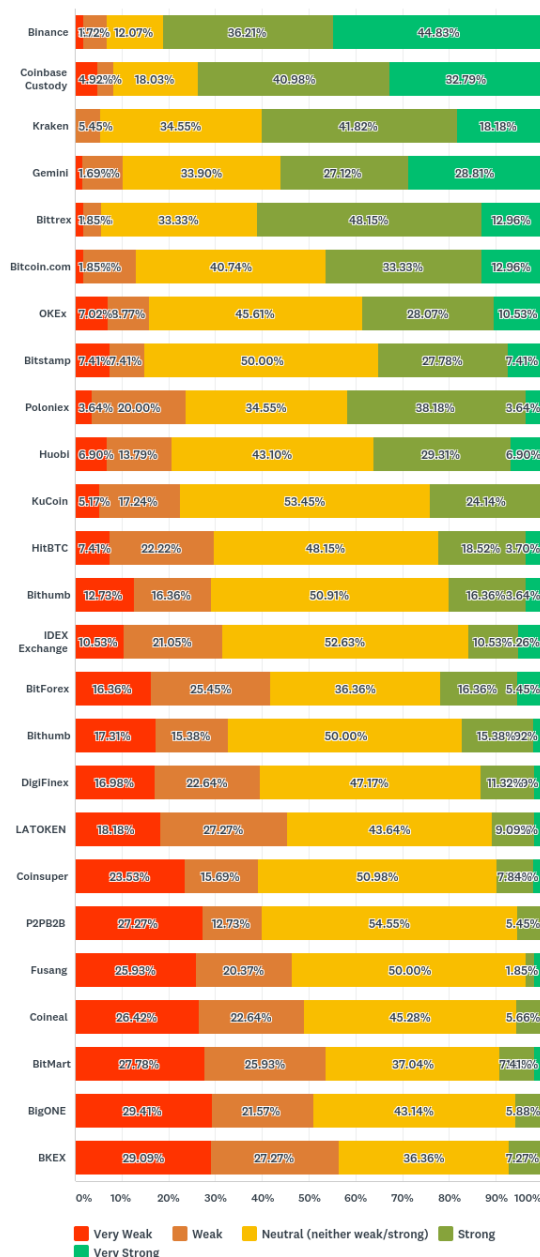
Question 8 – How would you rate the overall brand of these exchanges?

A side by side comparison of the overall brand strength of crypto exchanges (the first column is the entire survey population, while the 2nd column on the right is just of cryptocurrency owners. This says, for the most part, owning crypto and using an exchange strengthens your opinion of the exchange's brand.

Binance, Coinbase, Kraken, Gemini, Bittrex:



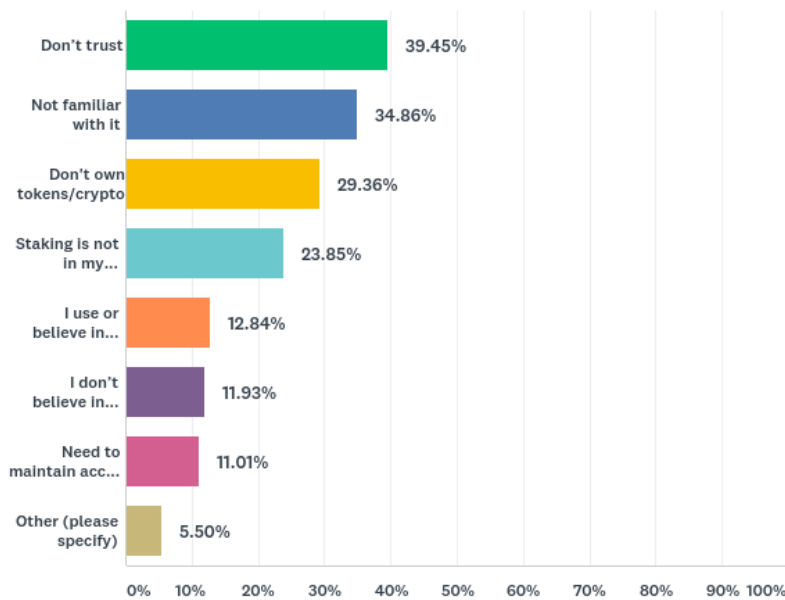
Same order, but crypto-owners feel more strongly about the top exchange brands, except for Bittrex (less favorable)



Question 9 – Why would you (or your firm) * NOT * want to stake tokens?

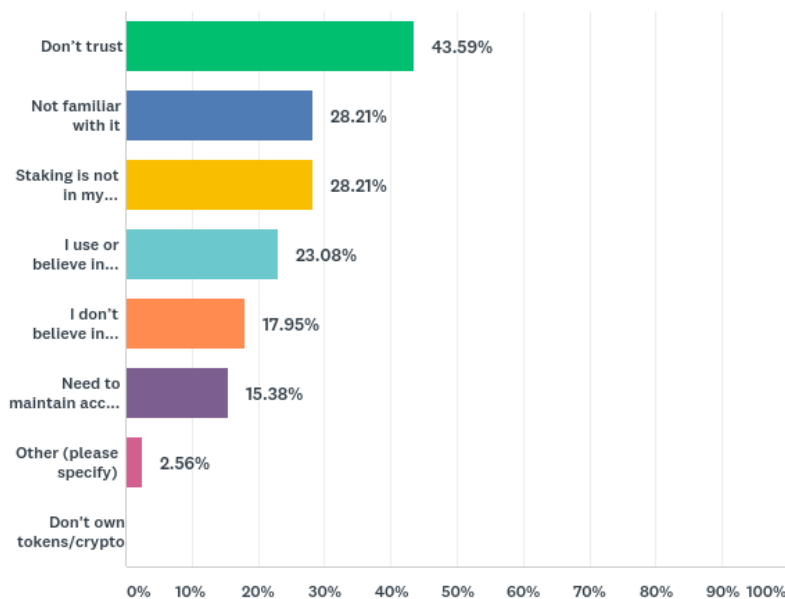
Survey respondents's key reasons for not staking are:

1. Lack of Trust (39%)
2. Lack of familiarity with staking (35%)
3. They don't own crypto (29%)
4. Staking not in my employer's/firm's strategy/capabilities (24%)
5. Believe in Proof of Work (PoW) (13%)
6. Don't believe in Proof of Stake (PoS) (12%)
7. Need to maintain liquidity of tokens (11%)
8. Other reasons (6%)



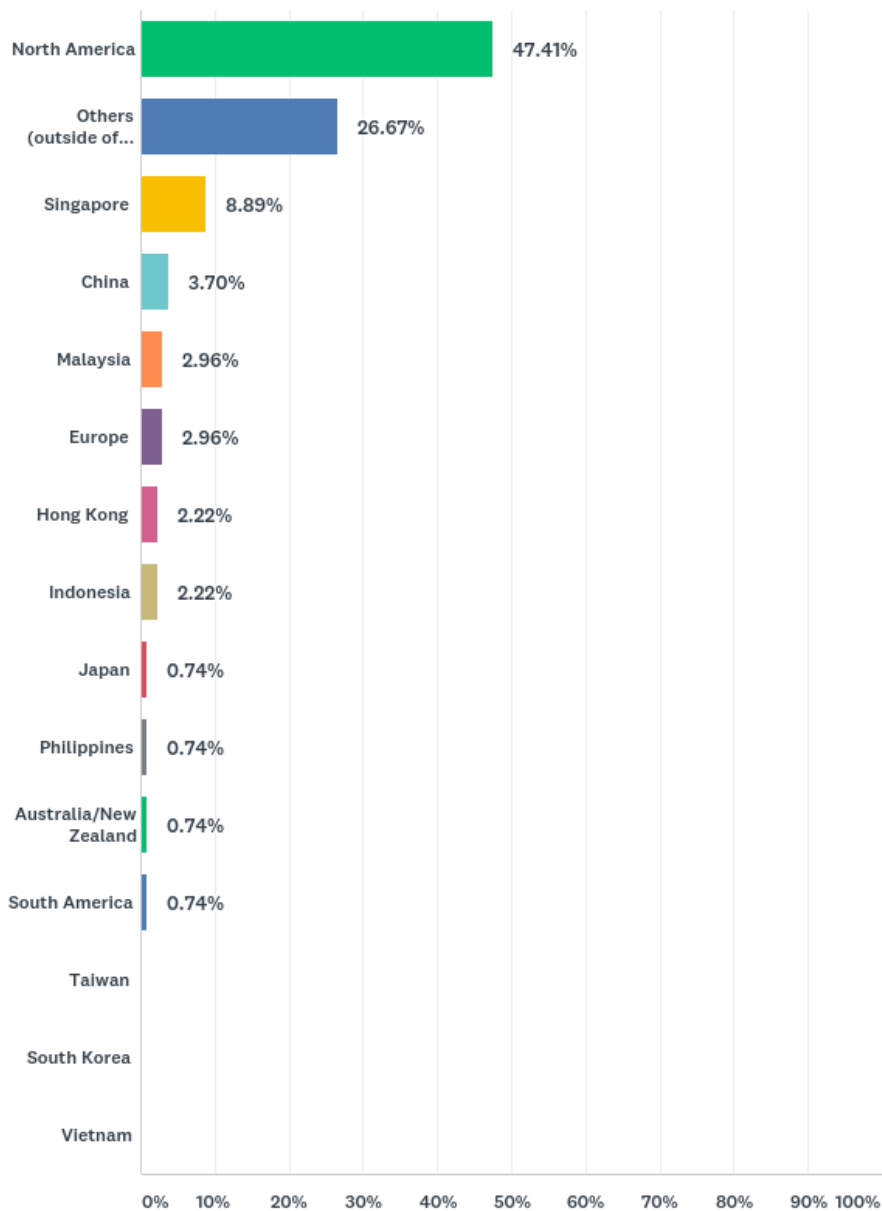
Question 9 – Why would you (or your firm) * NOT * want to stake tokens?

The order does not change, however, crypto-owners have a greater lack of trust (possibly due to experience of loss or theft of exchanges) - (from 39% to 44%); they are, however, more familiar with staking and thus this reason decreases (from 35% to 28%); and don't own crypto is obviously not a reason for crypto owners. The third reason for crypto owners for not staking then becomes "Staking not in my employer's/firm's strategy/capabilities" - at 28% (up from 24%)

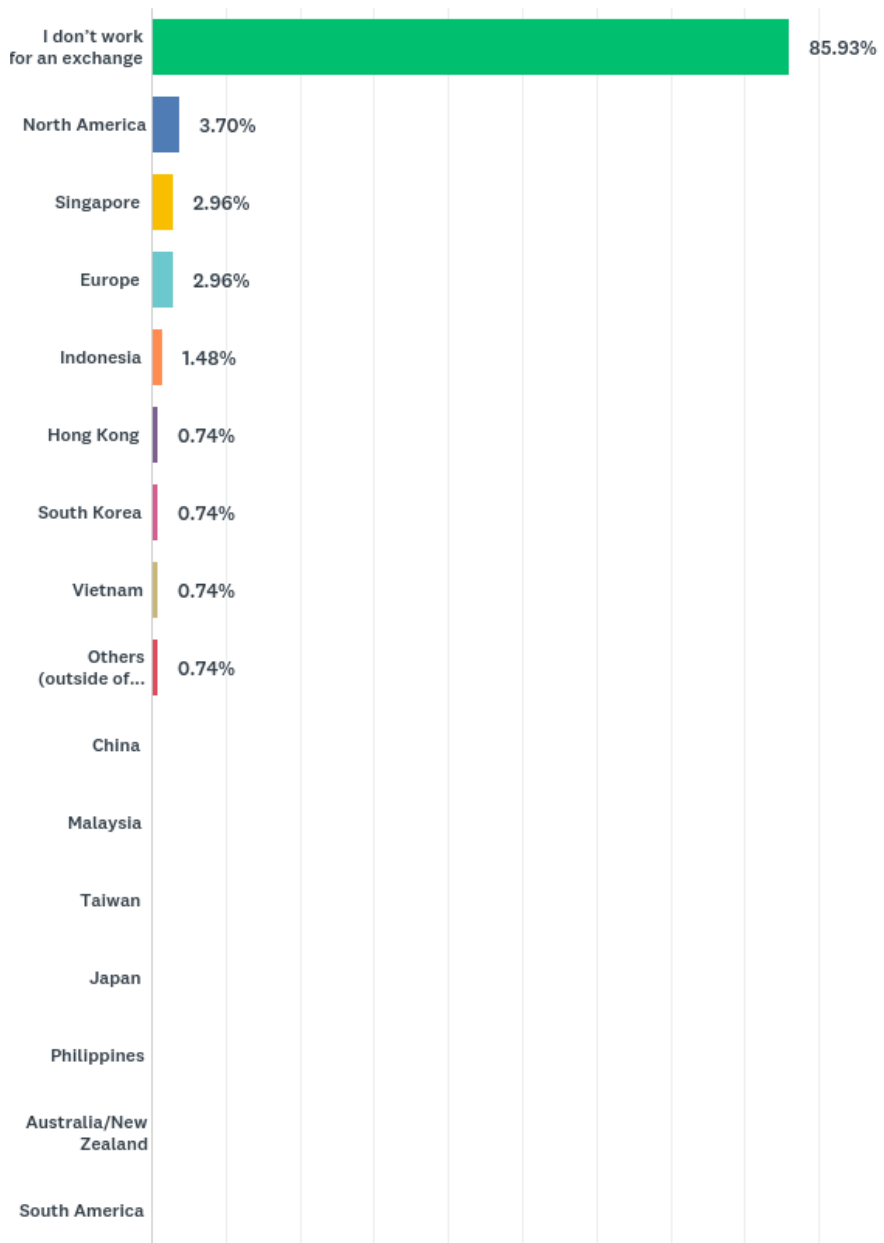


Question 10 – What is your primary work location?

Respondents are from North America (47%), other regions outside of SEA/Asia/China (27%), Singapore (9%), China (4%), Malaysia (3%), Europe (3%), Hong Kong, (2%), Indonesia (2%), Japan (1%), Philippines (1%), Australia/New Zealand (1%), and South America (1%)

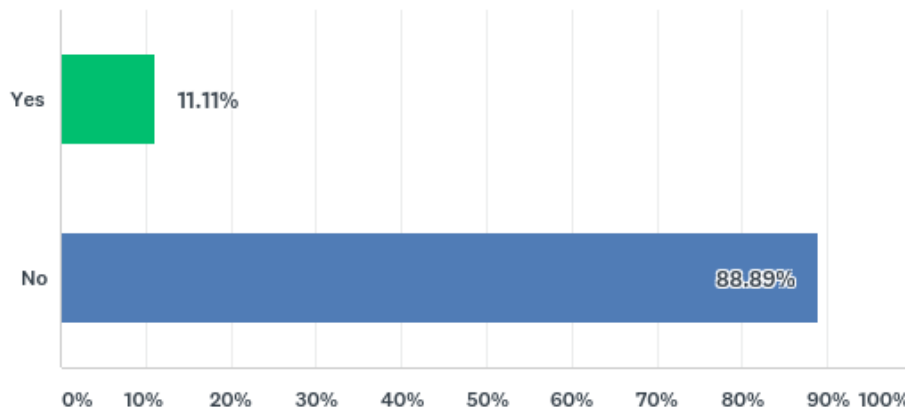


Question 11 – If you work for a crypto exchange, where is employer's HQ located?



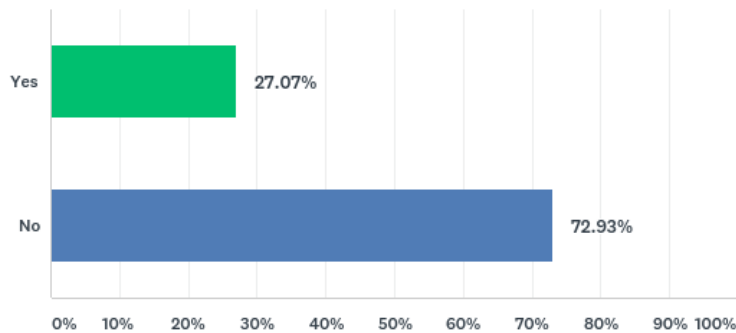
86% of respondents do not work for a crypto exchange. Of those who do, they were headquartered in North America (4%), Singapore (3%), Europe (3%), Indonesia (2%), Hong Kong (1%), South Korea (1%), Vietnam (1%) and Other locations (1%)

Question 12 – Does your employer (whether you work for an exchange or not) provide staking services to cryptocurrency holders?



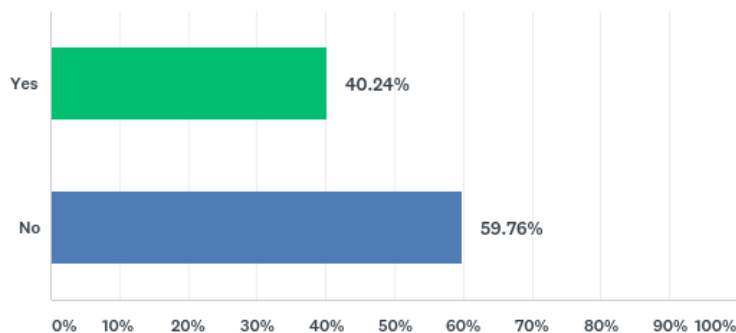
11% of respondents' employers provide staking services to cryptocurrency holders.

Question 13 – If you answered no to the previous question, do you wish to provide staking services for your customers?

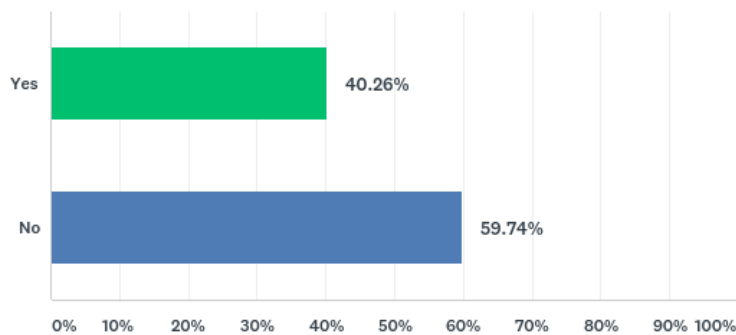


Overall 27% of respondents whose employers do NOT provide staking services, wish to do so.

However, if we look more closely, at those who know what staking is, this answer changes to 40%. Thus education is a critical factor in the importance of staking adoption.

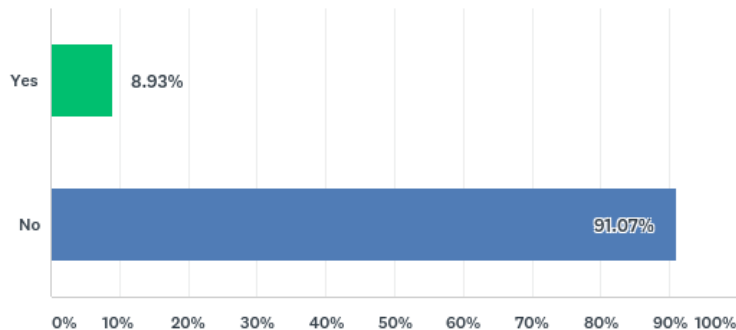


And if we look at respondents who own crypto, we get a similar response ratio (40% want staking)

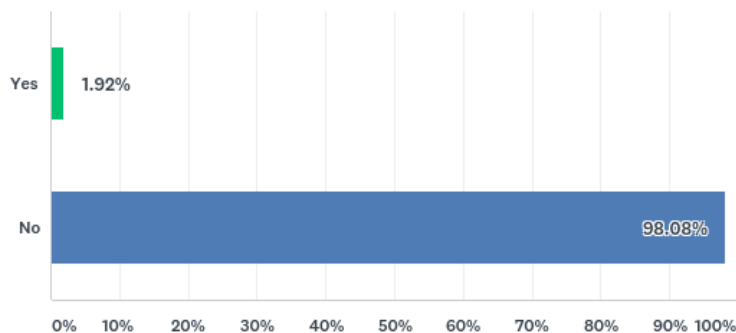


Question 13 – If you answered no to the previous question, do you wish to provide staking services for your customers?

In contrast, if the respondent does not own any crypto, only 9% want staking services.

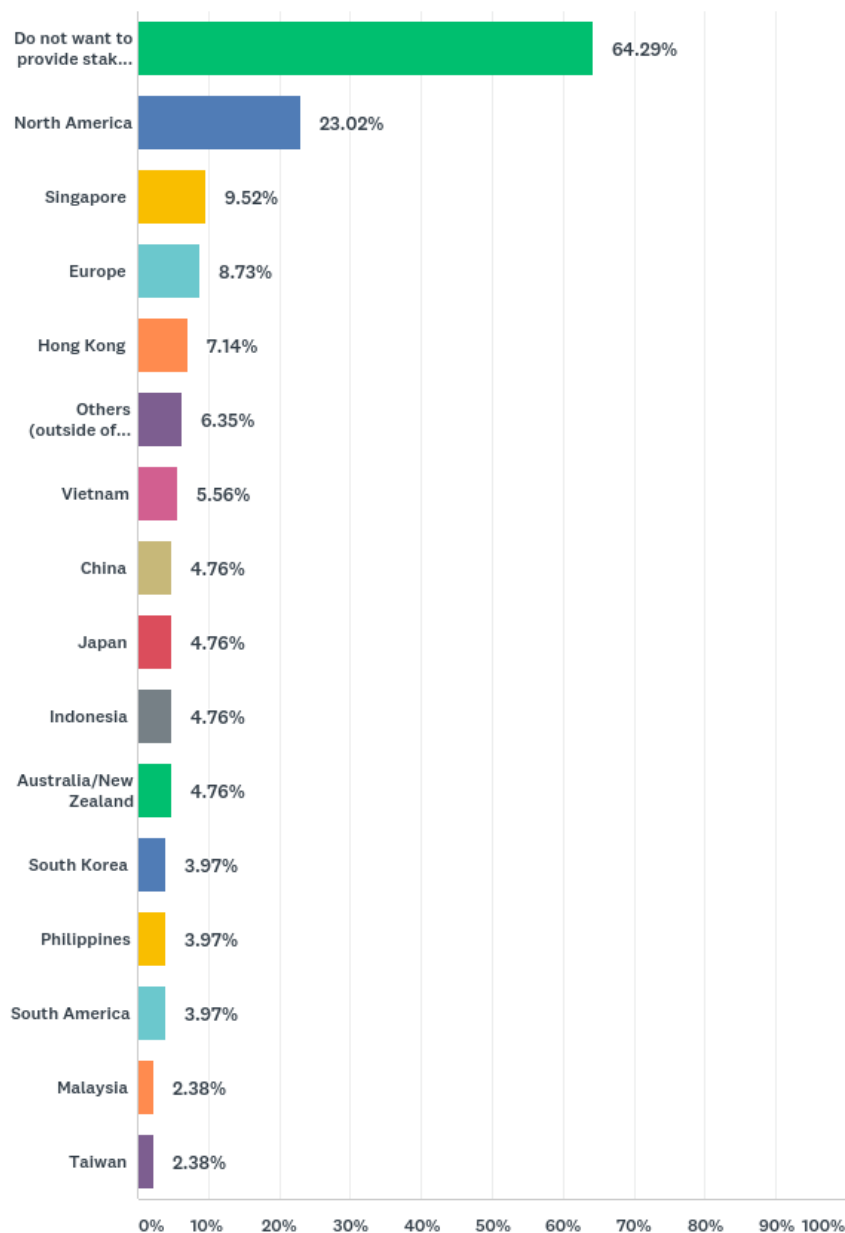


Similarly, if the respondent doesn't know what staking is, 98% do not want staking services.



Therefore, owning crypto and knowledge of staking is paramount in the provisioning and demand for staking services and education of staking to crypto owners is paramount.

Question 14 – If you answered yes to question 12, where do you want to provide your staking services?



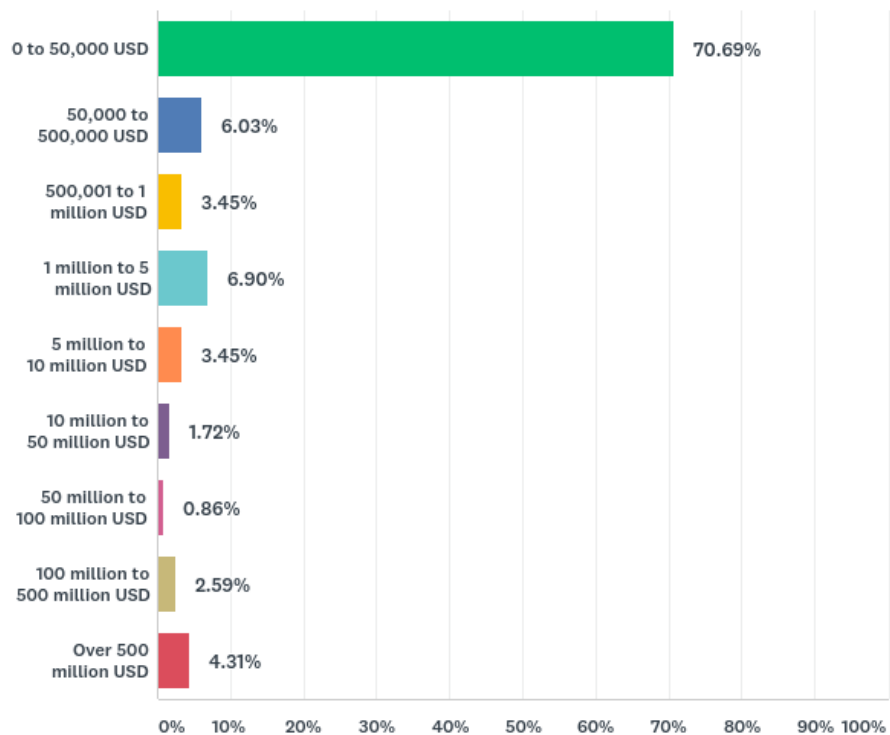
Respondents who wish to provide staking services want to do so in North America (23%), Singapore (10%), Europe (9%), Hong Kong (7%), and other locations.

Question 15

CONFIDENTIAL INFORMATION – Skipped.

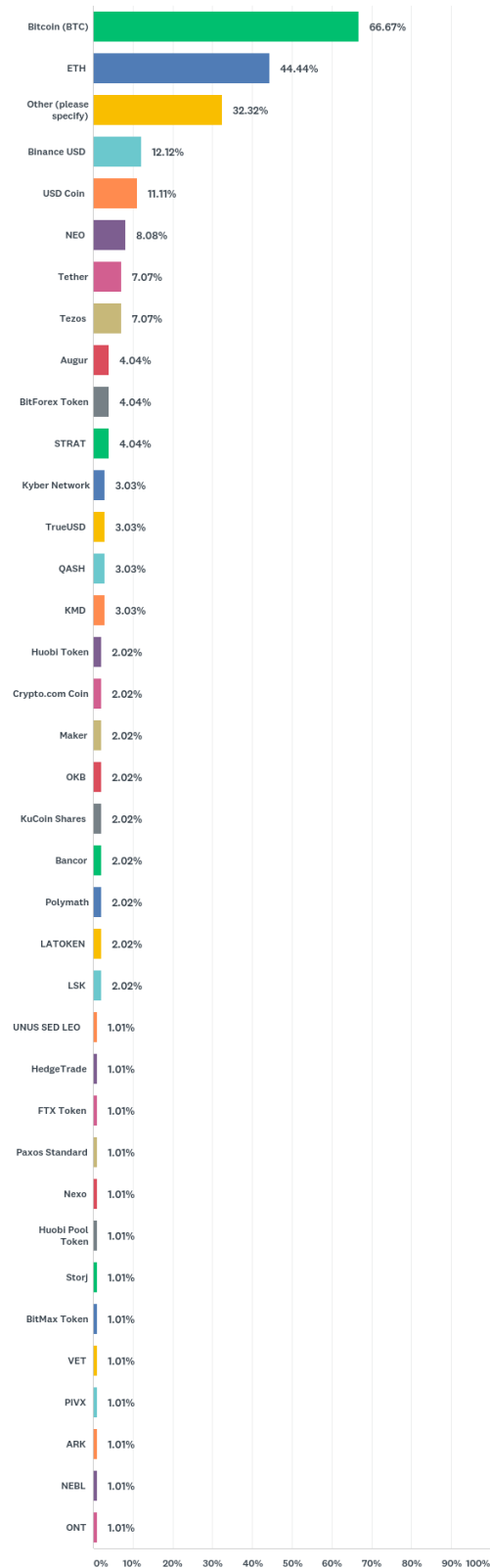
Question 16 – How much cryptocurrency do you (or your company) hold (your best guess, current value in USD?)

Most respondents (71%) owned or controlled less than USD 50,000 in cryptocurrency.



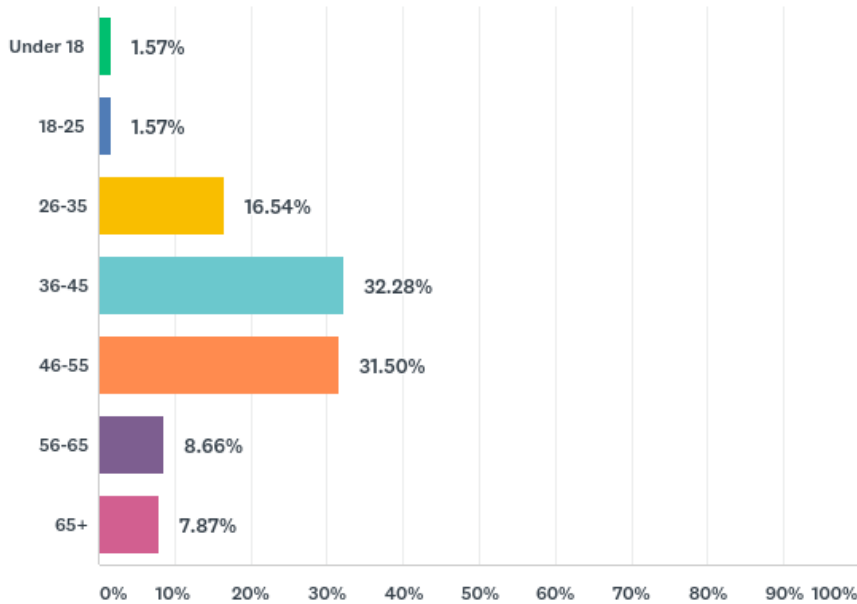
Question 17 – Which tokens do you hold (mostly)?

Most cryptocurrency owners
hold BTC (67%) and ETH (44%)



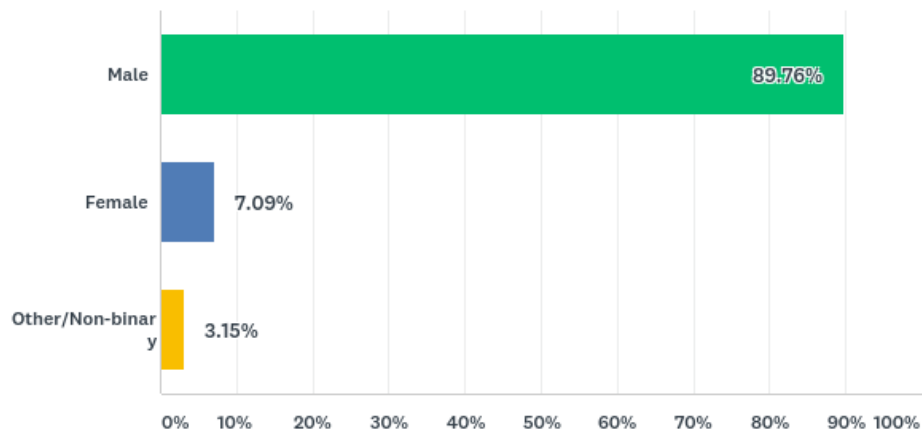
Question 18 – What is your age range?

The age of the survey respondents is described as a normal curve with a median age of 36-45, with a significant group of 46-55-year-olds.



Question 19 – What is your gender?

Respondents are primarily (90%) male.



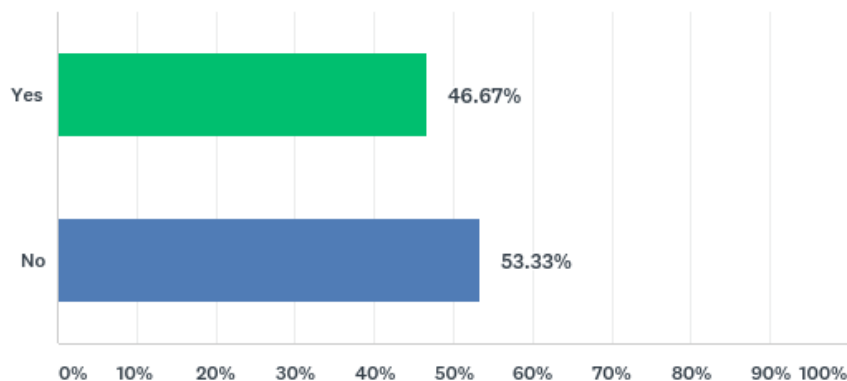
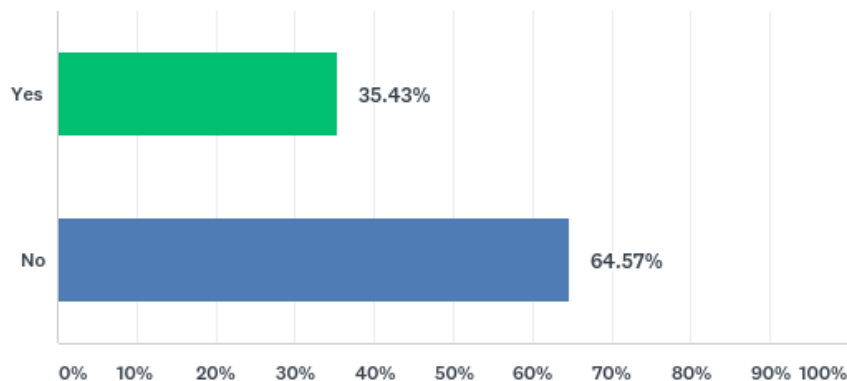
Question 20 – What is your job title?

Respondents are typically self-described as the CEO/Presdident, a Manager or Chief of a department.



Question 21 – Would you like to receive new information on staking pools in the future?

35% of respondents wish to receive information on staking pools, and this figure goes up to 47% for cryptocurrency owners.



We delved into understanding the correlation between cryptocurrency ownership, knowledge of staking and attitudes towards staking.

Authors



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Shogo Ishida

Shogo has an extensive career in both the public and private sectors, including diplomatic missions, legislative works for ministerial officials of the Japanese Government, the Deputy Director General for the majority political party of Japan. Shogo was Deputy Managing Director and CFO for a private company in Dubai. He is the Founder of BPM Ltd. in Hong Kong, a leading comprehensive marketing service supplier for new generation technology, and formerly the Marketing Director of Quanta Group. In his career, Shogo helped raise USD \$300 million for two companies in Singapore. Shogo earned his Master of Arts in Political Science from AGU Graduate School in Tokyo, and BA in Political Science from Cal State San Bernardino.