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ETH 2.0 Survey

Measuring Understanding and Perceptions

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Research and Insights

Survey Report



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1. Executive Summary

We collected 14,626 responses during the course of the survey. The main takeaways from the survey are listed below.

Key Takeaways:

- Majority of the respondents owned ETH (62%).
- Majority of the respondents had heard of ETH 2.0 (72%).
- Among those who have heard of ETH 2.0, two special questions were designed to test their ETH knowledge. The ratio for correct answers were 56% and 41% respectively.
- Overall speaking, the respondents were more in favor of proof-of-stake than proof-of-work (48% vs 10%).
- The price prediction for ETH 2.0 was quite pessimistic. The average predicted price was \$248, which was only 8% higher than the ETH price at the time of survey release (~\$230).
- 61% respondents indicated that they would convert their ETH to ETH 2.0, of which 35% said that they would convert 100% of their holdings.
- Respondents were not sure why they didn't want to convert ETH to ETH 2.0 (31%). It might be because of their lack of full understanding on the issue, so they preferred to play safe.
- For those who might convert their ETH to ETH 2.0, stated that they do so for financial incentives – to earn staking income (44%) and potential price appreciation (44%).
- A majority of the respondents (41%) used ETH to HODL. 23% of the respondents used it to facilitate the use of other ERC-20 tokens, and 21% used it for trading. While DeFi saw a rising popularity in the recent months, only 18% of respondents mentioned that as one of the uses of their ETH holdings.

2. Introduction

Ethereum was created five years ago by Vitalik Buterin as a smart contract blockchain capable of running distributed applications. Since then, it has grown to become the second largest blockchain network after bitcoin, and the market cap of ETH and ERC-20 tokens accounted for over \$50 billion.

This tremendous growth has been driven mainly by two factors, the rapid rise of decentralized finance and ERC-20 stablecoins, such as Tether (USDT) and Circle's USD Coin (USDC). With this rise in popularity of the Ethereum network, however, it has become clear that the throughput of 10-15 transactions per second is insufficient for today's usage.

Ethereum developers are well aware of the limits of Ethereum's scalability, and have been working to develop Ethereum 2.0, which aims to improve the network's throughput significantly by introducing proof-of-work and shard chains. As of 2020, Ethereum 2.0 Phase 0, the implementation of the ETH 2.0 beacon chain, is about to release. In light of this event – how many of our users own ETH or plan to convert to ETH 2.0? What do users prioritize when using ETH?

We therefore conducted this survey in order to study the following:

- The crypto community's awareness, understanding, perception, and potential adoption of Ethereum 2.0
- How different user segments and demographics affect the above

Besides this public survey report, we also issue our proprietary research insights offerings to users. Every month, we center our research around a special topic, with a feature article shared exclusively with Crypto.com Private clients via our newsletter.

We will be focusing on ETH 2.0 this month. Numerous resources were dedicated to the production of the feature article, along with some perspective-changing and in-depth analysis. If you are interested, please upgrade your card to access the exclusive monthly newsletter and full report.

3. Results

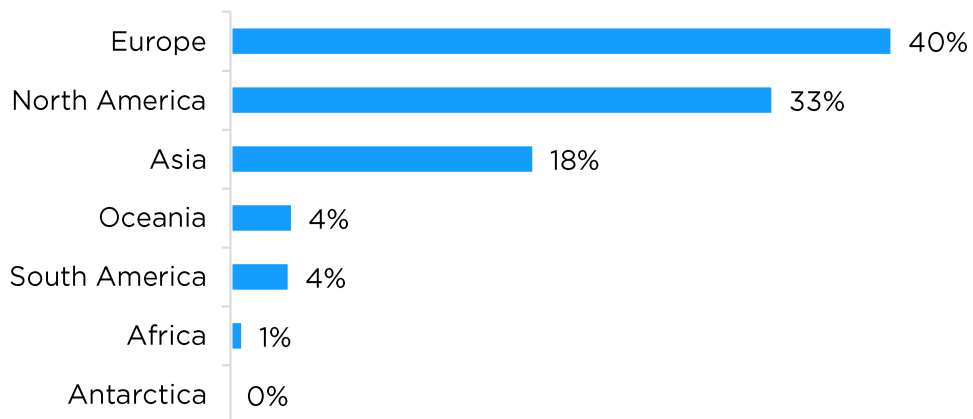
In this section, we analyzed the data collected from 14,626 respondents.

3.1 Demographics

Geographic Location

Geographically, most of the respondents were from Europe (40%), followed by North America (33%) and Asia (18%).

Which country are you currently residing?



Accordingly, 72% of the respondents were from developed economies and 28% were from developing economies. Classification was obtained from [this IMF report](#).



Developed

72%



Developing

28%

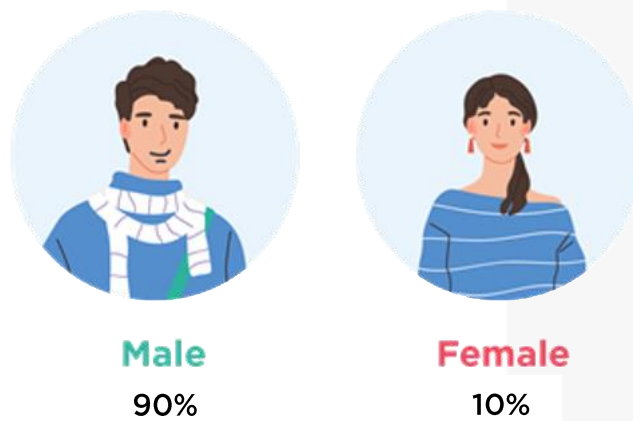
Age

58% of the respondents were millennials or younger (born after 1980), while 42% were GenX or older (born before 1981). Classification for Millennials / GenX was obtained from [this article](#) by the Pew Research Center.



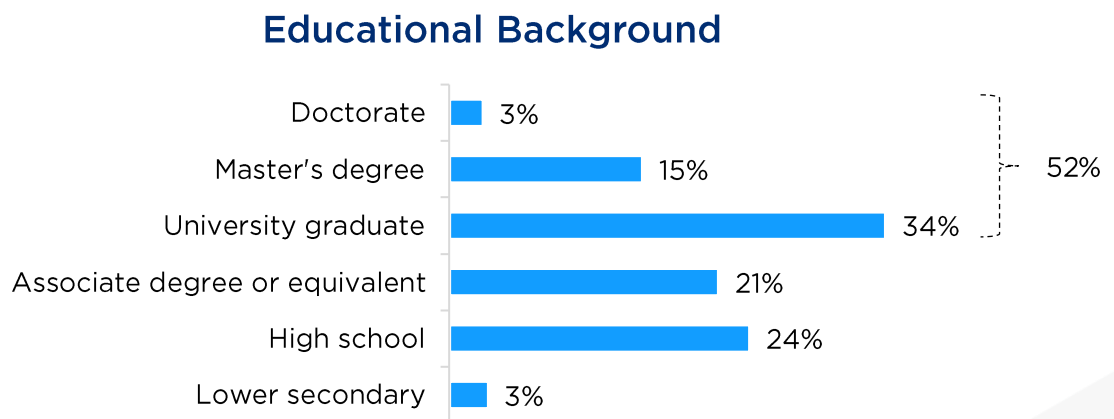
Gender

Data showed that 90% of the respondents were male and 10% were female.



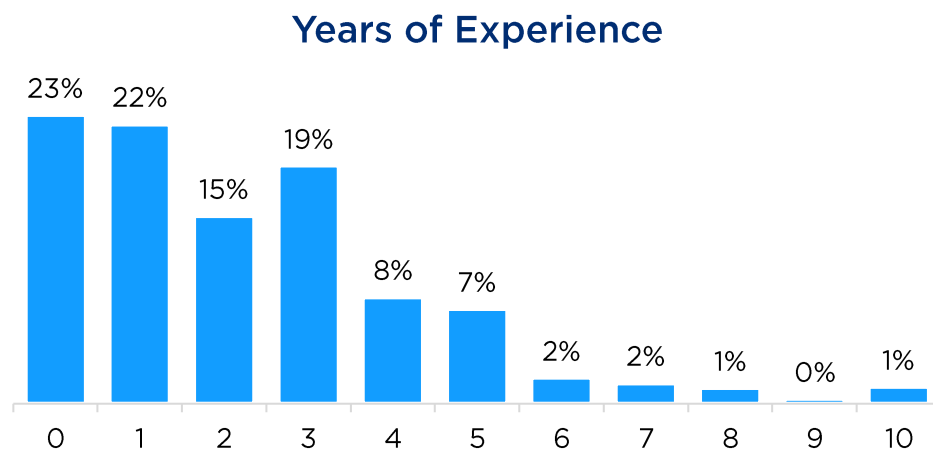
Educational Background

Overall, 52% of the respondents obtained bachelor's degrees or above. The breakdown by specific subtypes is shown below:



I have about ____ year(s) of experience in crypto.

Overall, more than half of the respondents (59%) had less than or equal to 2 years of experiences in crypto. The average was 2.32 years.



I have ____ knowledge / experience in crypto.

45% of the respondents considered that they had basic knowledge in crypto, whereas the ratio for intermediate and advanced were 44% and 10% respectively.

How well do you know crypto

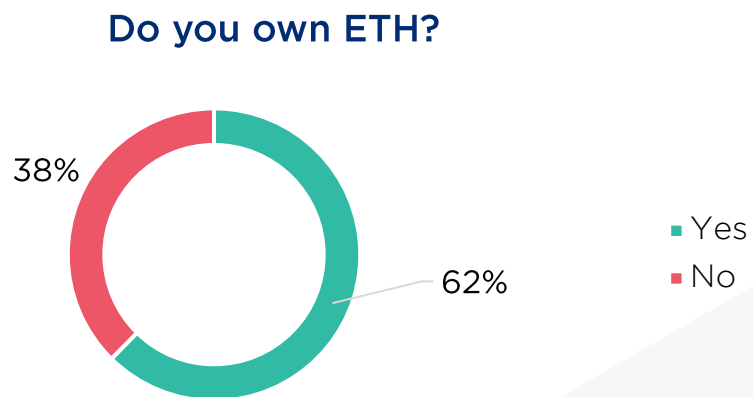


3.2 ETH 2.0

In this section, we gauged users' ownership of ETH and their understanding of ETH 2.0.

Do you own ETH?

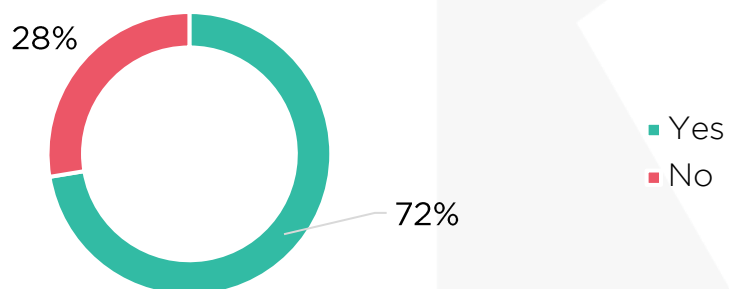
A majority of the respondents (62%) owned ETH, while 38% did not.



Have you heard of ETH 2.0?

A majority of the respondents (72%) had heard of ETH 2.0, while 28% did not.

Have you heard of Ethereum 2.0?



Tabular Format

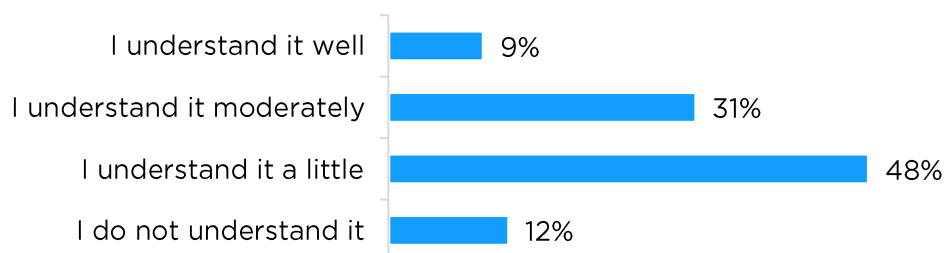
		Have you heard of ETH 2.0?	
		Yes	No
Do you own ETH?	Yes	52%	11%
	No	21%	17%

Presented in a tabular format: 52% of people owned ETH and had heard of ETH 2.0.

How would you describe your understanding of Ethereum 2.0?

Among those who had heard of ETH 2.0, 9% said that they understood ETH 2.0 well, 31% said moderately and 48% said a little. 12% thought that they did not understand it at all.

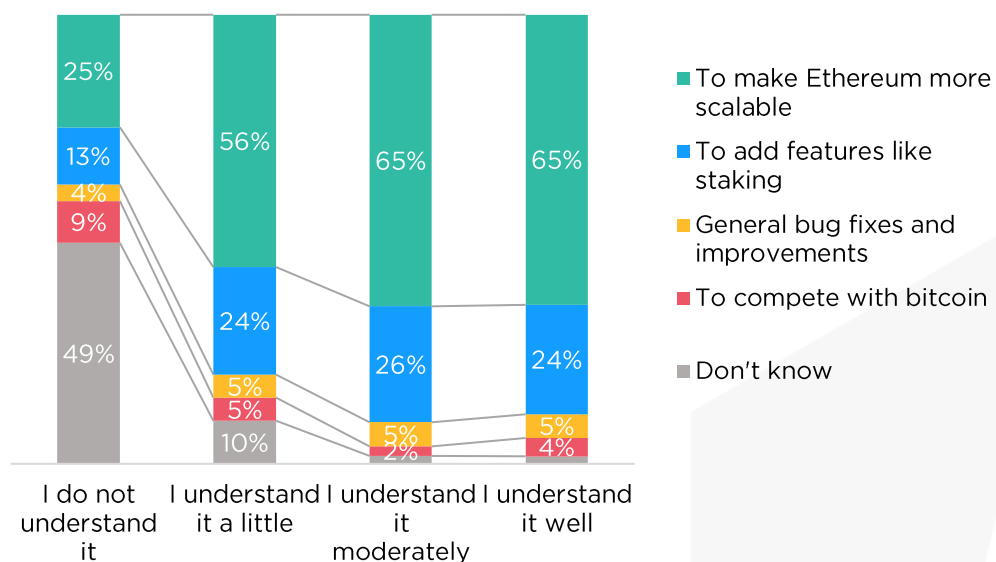
How would you describe your understanding of Ethereum 2.0?



What is the core purpose of Ethereum 2.0?

We dedicated 2 special questions to test if people really understood ETH 2.0 as they claimed. The first question was “What is the core purpose of ETH 2.0?”.

What is the core purpose of Ethereum 2.0?



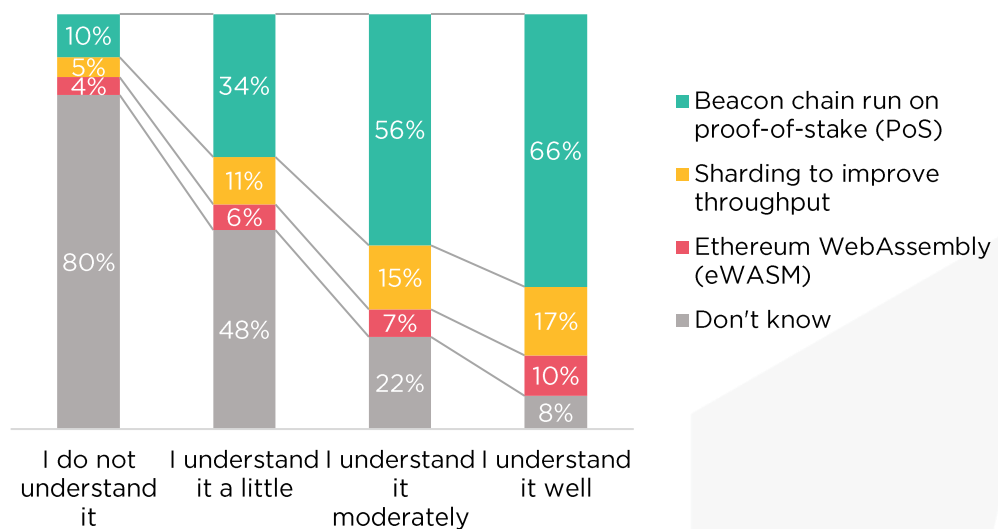
The correct answer is “To make Ethereum more scalable”. In general, the ratio of correct answers was higher for groups that claimed they understand ETH better. But for those who claimed that “they understand it well”, only 65% answered correctly.

The overall correct ratio across all classes was 56%.

What will Ethereum 2.0 *Phase 0* implement?

The second question was more challenging. We asked the respondents what ETH 2.0 Phase 0 will implement.

What will Ethereum 2.0 *Phase 0* implement?



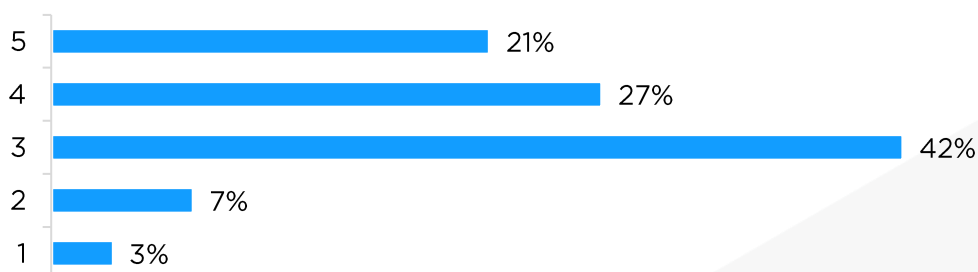
The correct answer is “Beacon chain will run on proof-of-stake (PoS)”. In general, the ratio of correct answers was higher for groups that claimed they understand ETH better. This time, those who claimed “they understand it well” (66%) did outperform the rest of the classes (56%, 34% and 10%).

The overall correct ratio across all classes was 41%.

To what extent do you agree that proof-of-stake (i.e. ETH 2.0) is superior to proof-of-work (i.e. Bitcoin)?

48% of the respondents believed that proof-of-stake is superior (rated 4 or 5) to proof-of-work. 42% were neutral (rated 3) while 10% held reverse opinion. Overall speaking, respondents were more in favor of proof-of-stake than proof-of-work.

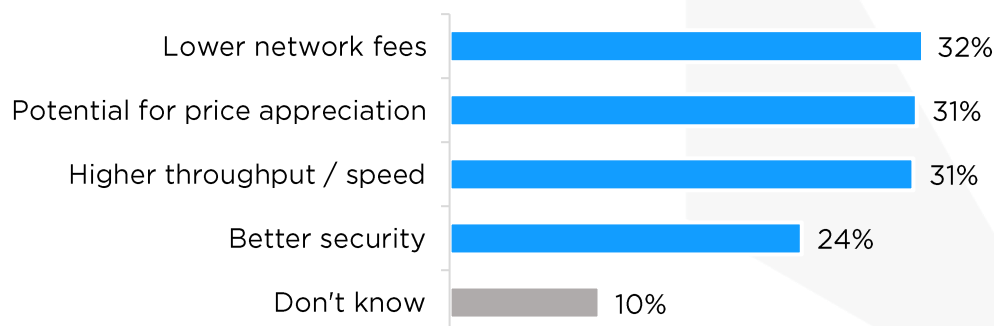
To what extent do you agree that proof-of-stake (i.e. ETH 2.0) is superior to proof-of-work (i.e. Bitcoin)?



Which of the purported features of ETH 2.0 would be the most beneficial for you?

Lower network fees (32%), potential for price appreciation (31%) and higher throughput / speed (31%) were the top three options selected.

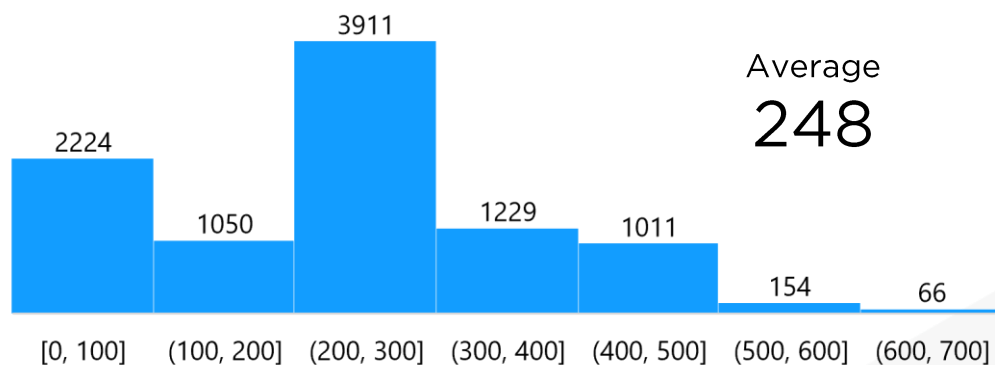
Which of the purported features of ETH 2.0 would be the most beneficial for you?



What is your predicted price of ETH 2.0 when Phase 0 launches?

The price prediction for ETH 2.0 was quite pessimistic. The average predicted price was \$248, which was only 8% higher than the ETH price at the time of survey release (~\$230).

What is your predicted price of ETH 2.0 when Phase 0 launches?



We use *Tukey's fences* to remove the outliers by deducting Q_1 and adding Q_3 by 1.5 times the interquartile range (IQR).

$$\begin{aligned} \text{Lower Bound} &= Q_1 - 1.5 \text{ IQR} \\ &= 200 - 300 \\ &= -100 \end{aligned}$$

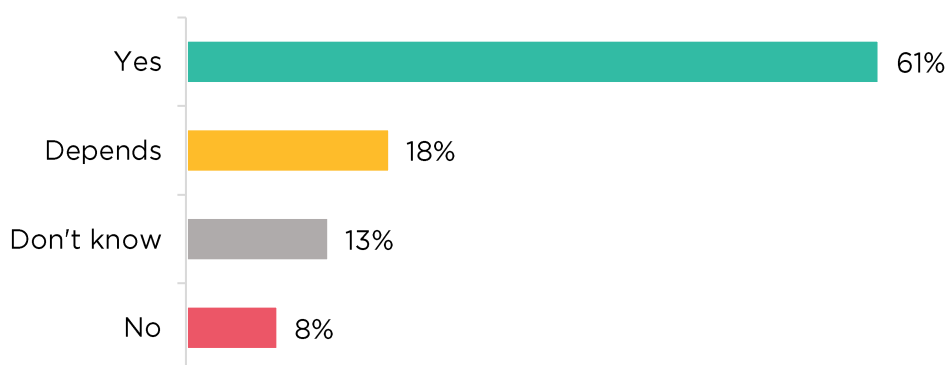
$$\begin{aligned} \text{Upper Bound} &= Q_3 + 1.5 \text{ IQR} \\ &= 400 + 300 \\ &= 700 \end{aligned}$$

Price predictions that fall lower than the lower bound or surpass the upper bound is considered as outliers and is removed from the calculation (Note that price is floored at 0 so lower bound is basically 0). This gives us a sample size of 9,645 and the average value is therefore 248.

How many ETH do you plan to convert into ETH 2.0 upon the Phase 0 launch?

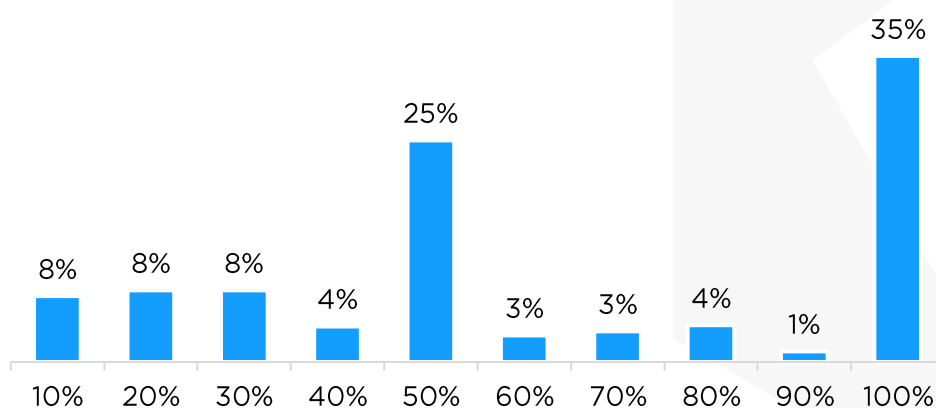
First, we analyzed if the respondents were planning to convert ETH into ETH 2.0. 61% were going to, 18% not sure, 13% didn't know, while 8% said that they won't.

Will you convert ETH into ETH 2.0?



Among those who answered “yes”, 35% of them planned to convert 100% of their ETH holdings to ETH 2.0.

How many ETH do you plan to convert into ETH 2.0 upon the Phase 0 launch?

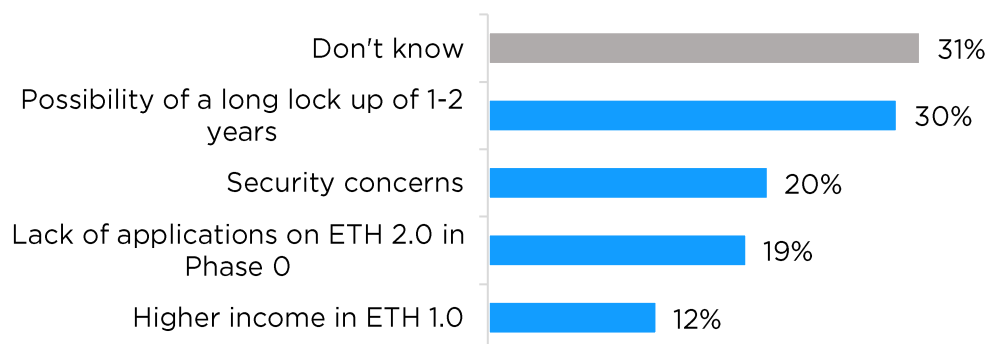


Why you do not wish to convert (even part of) your ETH into ETH 2.0 upon the Phase 0 launch?

Subsequent to the question above, we asked people why they did not wish to convert (even part of) their ETH into ETH 2.0 upon the Phase 0 launch.

Surprisingly, 31% didn't know the reason. This might indicate that the respondents simply did not have a clear understanding on the issue, so they chose to play safe. The second popular option was "possibility of a long lock up of 1-2 years" (30%), which was an understandable reason for not doing so.

Why you do not wish to convert (even part of) your ETH into ETH 2.0 upon the Phase 0 launch?



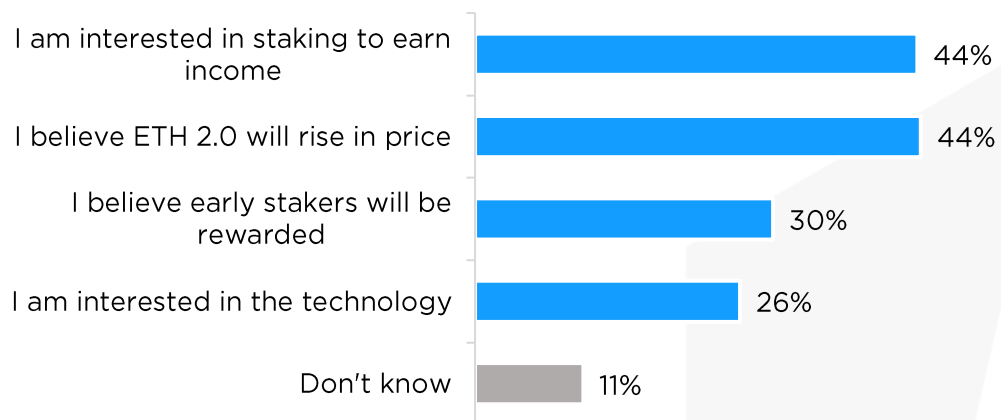
Note: Those who said that they will convert 100% of their holdings are excluded

Why do you wish to convert your ETH into ETH 2.0 upon the Phase 0 launch?

On the other hand, we also asked those who planned to convert their ETH into ETH 2.0 to share their reasons.

As expected, most respondents would convert due to financial incentives – to earn staking income (44%) and the potential price appreciation (44%). Only 26% mentioned that “technology” was the main drive.

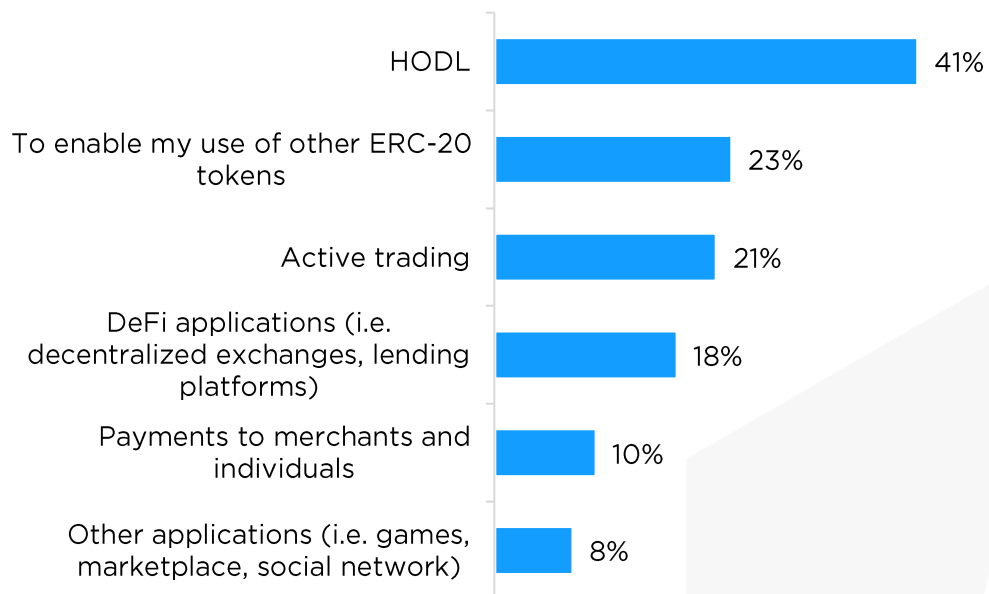
Why do you wish to convert your ETH into ETH 2.0 upon the Phase 0 launch?



What do you currently use Ethereum for?

The majority of respondents (41%) used ETH to HODL. 23% respondents used it to facilitate the use of other ERC-20 tokens, and 21% used it for trading. While DeFi became popular in recent months, only 18% respondents mentioned that as a use for their ETH holdings.

What do you currently use Ethereum for?



4. Summary

Key Takeaways:

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