Dai Desire 1: Patience and Self-Control

As discussed in our introduction post, we acted on our curiosity around one key question, *Why do people use Dai?*

In our research, we found three main patterns. The first of which is that people use Dai for *Patience and Self Control* as part of their financial strategy. This insight helped us understand why a significant number of Dai-holding addresses appear to hold Dai for extended periods of time, despite receiving no interest.

In this post, we share our understanding of what people *desire* to do with Dai, and the *problematic events in their lives* that lead them to seek Dai as a solution along their journey.

We will also provide recommendations so that you can turn insight into action.

**The Desire:**

“Help me have patience and self-control when I’m in an ecosystem with peaks, valleys, and long-term potential.”
In an effort to see the world from this type of Dai holder's perspective, we find it useful to phrase their desire for Dai in the first person and add *when* it happens to keep their situational context in mind.

**What the desire is and is not**

**Dai holders' desire for patience and self-control is:**

<table>
<thead>
<tr>
<th>More about</th>
<th>Less about</th>
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<tbody>
<tr>
<td>• Long-term financial security</td>
<td>• Quick transactions from one person to the next and trades from one asset to another</td>
</tr>
<tr>
<td>• The switch from uncertain outcomes to certain outcomes</td>
<td>• Fast rewards at the expense of certainty or security</td>
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<tr>
<td>• Having complete control over the value and safety of money, no matter what happens in the external world</td>
<td>• Giving in to the temptations of high risk, high reward financial decisions</td>
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**The emotional series of events that lead to Dai adoption**

Because we asked Dai holders to describe their experiences in a manner similar to a *story arc*, we were able to derive a chain of events in their lives that clearly illustrates the problematic events and emotional hurdles that lead them to exchange for Dai.
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**Timeline to Dai Use**

1. First thought about Dai
2. Starts to passively consider Dai
3. Actively considering Dai
4. The final decision to exchange for Dai
5. Exchange for Dai

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1. “I have been following the ETH price for the past two years and I am no stranger to volatility. I knew that BTC was going to drop, that’s when I started to think about stability.”

2. “When I saw Tether destabilize and lose its peg, that just put the nail in the coffin for me. I knew I had to choose a decentralized option like Dai after that.”

3. “It’s impossible to determine the timing. Right now the price is 104, then it’s 106, and yesterday it was 96.”

4. “While I am very bullish on the Ethereum project, the price is a different beast”

5. “If the price continues to drop, I will be okay. It gives me comfort to know that all will not be lost, even in the worst case scenario.”
Problematic Events—The creation of a Dai desire

What problems or events in people's lives motivate their desire for patience and self-control?

<table>
<thead>
<tr>
<th>When...</th>
<th>Problems I have...</th>
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<tbody>
<tr>
<td>&quot;I have no control over the price of my assets, and the unpredictability is overwhelming&quot;</td>
<td>Loss of financial control</td>
</tr>
<tr>
<td>&quot;I lose confidence in the market, and do not know when the price will reflect the potential of what I own.&quot;</td>
<td>Overwhelming amounts of uncertainty</td>
</tr>
<tr>
<td>&quot;I am worried about the near-term value of my assets because of uncertainty and fear spread by speculators&quot;</td>
<td>Indecision about long-term potential</td>
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Outcomes for the Dai holders' desire for patience and self-control
For Dai holders with a desire for patience and self-control, what specific outcomes do they want and why?

<table>
<thead>
<tr>
<th>The outcomes Dai holders want...</th>
<th>So that...</th>
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<tbody>
<tr>
<td>Protection from volatility</td>
<td>&quot;I can be free from short-term price movements, guaranteeing that I don’t lose money&quot;</td>
</tr>
<tr>
<td>Predictable future outcomes</td>
<td>&quot;I feel the comfort of predictable outcomes for my future&quot;</td>
</tr>
<tr>
<td>Confidence that they won’t lose money</td>
<td>&quot;I feel confident that no matter what I will always be able to retain portfolio value&quot;</td>
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**Recommendations: From insight to action**

We consider it imperative to share some knowledge in order to turn this understanding into action, and to help you answer the question, *What should I do?* For Dai holders with a desire for *patience and self-control*, we've come up with recommendations based on three simple questions:

1. How do we help Dai holders feel a sense of certainty and self-control?
2. How do we give Dai holders more control over their money?
3. How do we help users create their own incentives and envision their rewards?
These questions then inspired us to think about **potential solutions** that will get Dai holders closer to their desire for **patience and self-control**.

1. **Make it easy for Dai holders to set achievable goals**
   - Make it easy for Dai holders to have self-control by intervening at the point of onboarding, guiding positive decision-making through default choices and pre-commitment.
   - Enable Dai holders to set different types of goals that are personal to them, so that they identify emotionally with the goals attached to each account. This strategy utilizes our human tendency for **mental accounting**. (Irrational Labs, 2015)
   - Encourage the realization of Dai holders' goals by breaking them down into quantifiable yet emotionally relevant milestones, such that they feel more easily achievable.

2. **Design useful friction that makes Dai holders feel the emotional pain of not achieving a goal**
   - Information is not enough to motivate positive decision-making. Expose the emotional and financial opportunity cost of actions that contradict Dai holders' desire for **patience and self-control**. (Irrational Labs, 2015)

3. **Give Dai holders immediate feedback about how their financial decisions will impact future outcomes**
   - Increase motivation through incentive design, and reinforce behavior through positive feedback. Conversely, display negative feedback.
   - Give Dai holders a sense of emotional progress after they successfully take goal-oriented actions, to create positive reinforcement. Help Dai holders form an identity around these actions to create emotional rewards that map to their financial goals.
   - Use symbols and language that enable Dai holders to frame actions in terms of the **opportunity costs of their actions** (Irrational Labs, 2015). That is to say, show users when their actions are moving them closer to or further away from achieving goals.
Click the following links for parts two and three in this series, which explore the two other patterns that we identified: the desire Dai holders have for control over their money, no matter what, and the freedom to send and receive payment to and from anyone, anywhere.