DormDAO Oregon
Consulting Report

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hook™

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Oregon Blockchain

Executive Summary

Hook Background

Hook is a protocol that enables users to earn yield on previously non-operated Non-Fungible Tokens. While non-fungible tokens often stagnate in traders' portfolios, Hook empowers the trader to earn yield by writing and trading call options.

Clientele Advisory Objectives
- How easy Is Product Use?
- Are Product Functions Clear?
- How Does User Experience Feel?
- Is the In-App Guidance Understandable?
- Does The Application Function efficiently?

Oregon Blockchain Consulting Findings

We found that the product functioned efficiently, and in-app guidance was understandable, yet lacked direction and tactile feedback for the user.

Furthermore, understanding and ease of use were high for writing call options yet slightly diminished when experimenting with trading options and vBids.

Best Regards,
Brian Gilmore and Arya Krishnagiri
Oregon Blockchain Consulting Directors
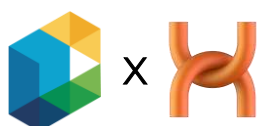
Oregon Blockchain Testing Method:
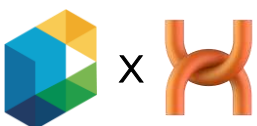
Make | visual observations of protocol.

Take | experiential qualitative observations of protocol.

Observe | emotional responses to interacting with protocol.

Collect | and pool data from participants.

Formulate | ideas and thoughts based on qualitative data.

Create | recommendations for protocol to better provide value to their users and community.

Systematic Observations:

1: **How Easy Is The Product To Use?**

The ease of use for <u>writing call options</u> was very high because the application walks the user through a finite amount of tasks and clouds or depopulates other choices.

The ease of use for <u>trading options and vBids</u> was comparably lower as the initial user experience reported feeling overwhelmed with both.

- The information presented feels overwhelming <u>on both trading screens</u>, as the user's eyes initially don't know where to look, resulting in attention being focused on the options trading dashboard.

- The information <u>on the options screen</u> for strike, breakeven, delta to breakeven, and buy option was adequate for users that are pre-existing options traders.. Opposingly, for novice options traders the pop-up information leaves more to be desired in terms of options basics.

- The information presented <u>on the vBids screen</u> was inadequate, as it did not provide the user with a prompt of what vBids utility was nor how it operated. Additionally, the explanation of volatility in the third sentence is confusing. It could be rewritten to: "The range of prices for active options is based on this implied volatility."
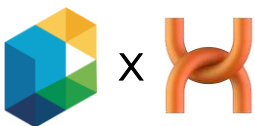
2: Are Product Functions Clear?

Although users felt more was desired on <u>activity and visual features</u>, the user interface was intuitive and received positively.

- From screen recording observations, users appear to be clicking on the option to reveal "hidden" advanced <u>visual features</u> such as greeks (Delta, Gamma, Theta, Vega) and price graphs. We'd consider implementing hidden features that expand once the option contract is clicked.

- Qualitative data from internal reports show widely individuals wished they could sort <u>activity pop up</u> by positions, offers, time, and or price.

- Experienced Options users expressed interest in having the volume displayed.

As pictured below, <u>visual Impairment</u> on some UI was a little jarring:
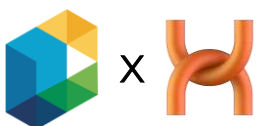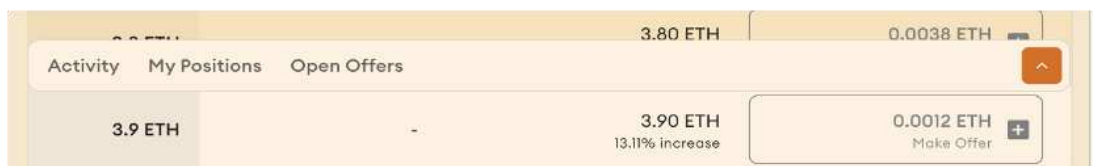
3: How Does User Experience Feel?

User experience was dependent on each product offering:

Writing & Purchasing a call:

We found that contentment with using the purchase window to write a covered call or purchase a call was high, but product stickiness was low as a result of the utilitarian design of Hook.
- The product stickiness was relatively low due to the limited engagement opportunities available after purchasing or writing a call option. Based on users' experience with options platforms, what keeps them on the app and engaged are total account balance performance and individual option performance graphs.

User sentiment shows there was a lack of guidance for initial interaction with the trading screen, and they felt uncertain about whether their order went through or impacted the protocol due to the absence of visual feedback.
- While the Etherscan pop-up is great feedback, we'd consider adding a visual identifier on screen that shows the user either how their order impacted the protocol or indicates that the order executed, like confetti or an animation.

Operating vBids:

Users experienced high frustration when using vBids due to the steep learning curve and confusion regarding its purpose and benefits.
- The frustration stemmed from a lack of general understanding on what vBids was utilized for, and how utilizing vBids could benefit the user.
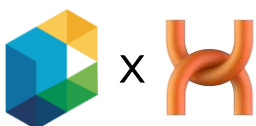
4: Is In-App Guidance Understandable?

Of the in-app guidance provided, it was easily comprehendible. The room for improvement lies in what is not said, like how to operate vBids or what happens when you post a Bid.

5: Does The Application Function Efficiently?

The site performance was overall very responsive! The skeleton page when loading the details of the options and NFT portfolio is wonderful!

Performance issues and bugs we ran into include:
- Bug where after signing a transaction, the popup froze (Windows, Chrome)

- Freezes and errors when switching from vBids to Options (Windows, Chrome)

- Changing collections in the vBids window automatically brings the user back to the options window (Windows, Apple, Chrome)

- In rare circumstances, the UI would bleed off the screen (Apple, Chrome)

Finally, a miscellaneous observation was that the landing page button "Launch App" blends into the background and is difficult to see.
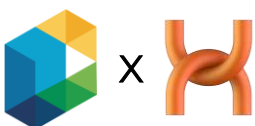
Recommendations Based On Data:

1: **User Experience**

Based on our observations, we recommend moving the activity tab to the footer of the screen to ensure it doesn't interfere and providing the user with more feedback upon order completion.

To enhance visual intuitiveness, we advise implementing a slight color hue decrease between vBids and options trading screens. This will help users quickly identify which page they are currently viewing. Additionally, to distinguish between the OTM/ITM options we find using different colors for each is helpful to the user.

2: **The Treasure Hunt**

Although the Treasure Hunt could attract the next users to Hook, we recommend more reading material be provided on this as the description felt bare. Our thoughts are that users did not understand how the Treasure Hunt would benefit them.

3: **Education Tutorial**

At first across all user groups, individuals needed clarification on what they were supposed to do on each tab. Based on our experiences, to greatly improve the UX we recommend an interactive tutorial for the protocol that takes to the user through a zero to hero step-by-step guide on how to utilize the platform. The walkthrough will direct the user and address confusion issues in observations 1 and 3.
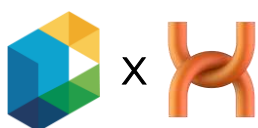
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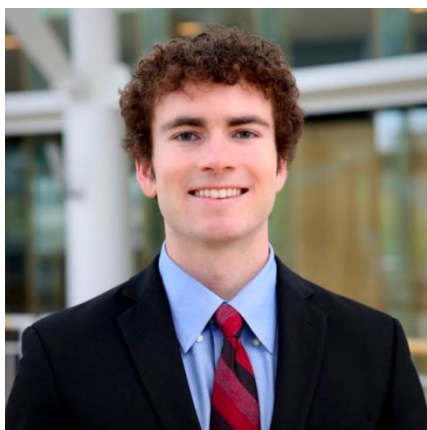
Brian Gilmore

Arya Krishnagiri

Thank you so much for the opportunity to consult Hook. Our team thoroughly enjoyed working with the product. We've internally surfaced many possible go-to-market ideas and user retention strategies, which we'd love to package at a later date. We look forward to working together again soon!

Team: Kazu Umemoto, Fisher Isenburg, Freddie Kehoe, Owen Pickering, Dhru Patel, Robert Burkhart