

# #BitcoinSurvey2016 Report



4<sup>th</sup> August 2016

Presented by Jamie McCormick at Dublin Institute  
of Technology, Aungier Street

# Introduction

- Dublin Ireland based Bitcoin Marketing Team & BitcoinsInIreland.com conducted their second annual survey on bitcoin usage between April and June 2016.
- The survey was made available in 13 languages – English, Albanian, Chinese, Finnish, Romanian, Italian, Turkish, Arabic, Spanish, Polish, Russian, German & French.
- The survey was aimed at bitcoin users across the world, as much of the research conducted to date is very heavily North American focused.
- 1.25 bitcoin in incentives was put up across 21 rewards ranging from 0.05 bitcoin to 0.5 bitcoin for randomly drawn respondents



# Project Background

- Bitcoin Marketing Team is an Irish based specialist bitcoin and blockchain marketing agency.
- Prior to working in the bitcoin space, Jamie conducted and published extensive research on the Irish video games industry
- Due to a lack of reliable primary research, in 2015 the first #BitcoinSurvey was conducted, with positive feedback from the community for this kind of research.
- To attempt to reach as many bitcoin users as possible outside of English speaking countries, localisation was done into 13 international languages
- As many research papers on the industry are behind rather large paywalls that can be prohibitively expensive for normal bitcoin users, students, academics and startups, it was decided that the results would be made available freely for the community and industry.



# Objectives

- We had several objectives we were aiming to achieve
- - Conduct a primary research project, to help guide our own company development, and inform our agency clients and website readers
- - Attempt to get a global, non-US focused view of how people use bitcoin across the world
- - Conduct open research, getting buy in from the community
- - Stimulate debate about the areas we have covered
- - Have some fun 😊



# Data Collection Methods

- #BitcoinSurvey2016 is a re-run (with minor improvements based on feedback) of the 2015 survey.
- The survey was localised by a team of volunteers from the Irish games industry, as well as bitcointalk and reddit, into thirteen languages.
- Once localised, the survey was conducted using Irish developed Polldaddy software.
- The survey had 21 rewards totalling 1.25 bitcoin, distributed across three monthly draws, which were recorded and posted to YouTube.
  - It was clearly flagged that duplicate entries would be excluded from the rewards, and less than 1% of responses were duplicates.
- The survey was promoted through press releases which were picked up by a number of bitcoin media outlets at the start, including in Turkish and Spanish. A number of Irish Media outlets also ran the story.
- The survey was actively promoted over the course of the three months across reddit, bitcointalk, bitcoin.com, youtube (via #BitcoinDachshund), twitter and facebook.
- These activities were supplemented with over €1,000 in advertising across a number of advertising channels, search engines, and bitcoin adnets.

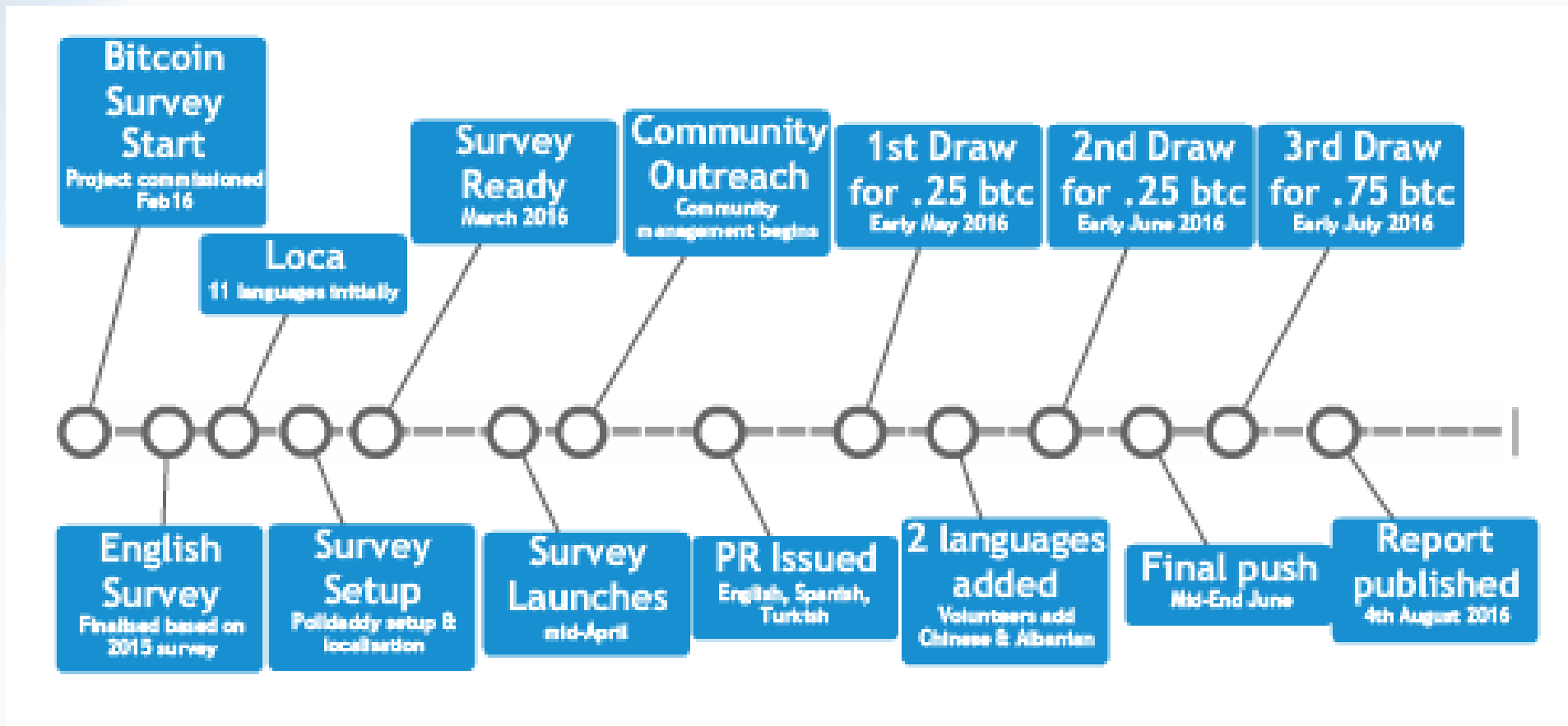


# Research Methodology

- We identified the areas we wanted to get information on across 37 questions
  - Demographics
  - Active use of bitcoin
  - Opinions on
    - Bitcoin Wallets
    - Bitcoin Exchanges
    - Bitcoin Gambling
    - Bitcoin Mining
    - Pro's and Cons of bitcoin
    - Bitcoin losses
- In order to ensure the best data integrity, many of the questions had the order of responses randomised. While most of the 37 questions were choices, a number were open questions to allow respondents to give their opinion on the different topics. There was also the option to elaborate on some of the sections relating to hacks/losses.
- The survey was then localised into 13 international languages, and subsequently proofread to ensure they were as close to the English version as possible
- The survey was launched, and actively promoted across 12 weeks between April and June 2016.
- Upon completion of the survey, the language responses were exported, and translated back into English
- Results were then analysed, and this report was generated. The report will be made available on a pay-what-you-want basis, in accordance with our original promise that the report would be available free to the community.
- During the process, a number of feedbacks were received, which will be factored into next year's survey.



# Timeline



# #BitcoinSurvey2016 Findings

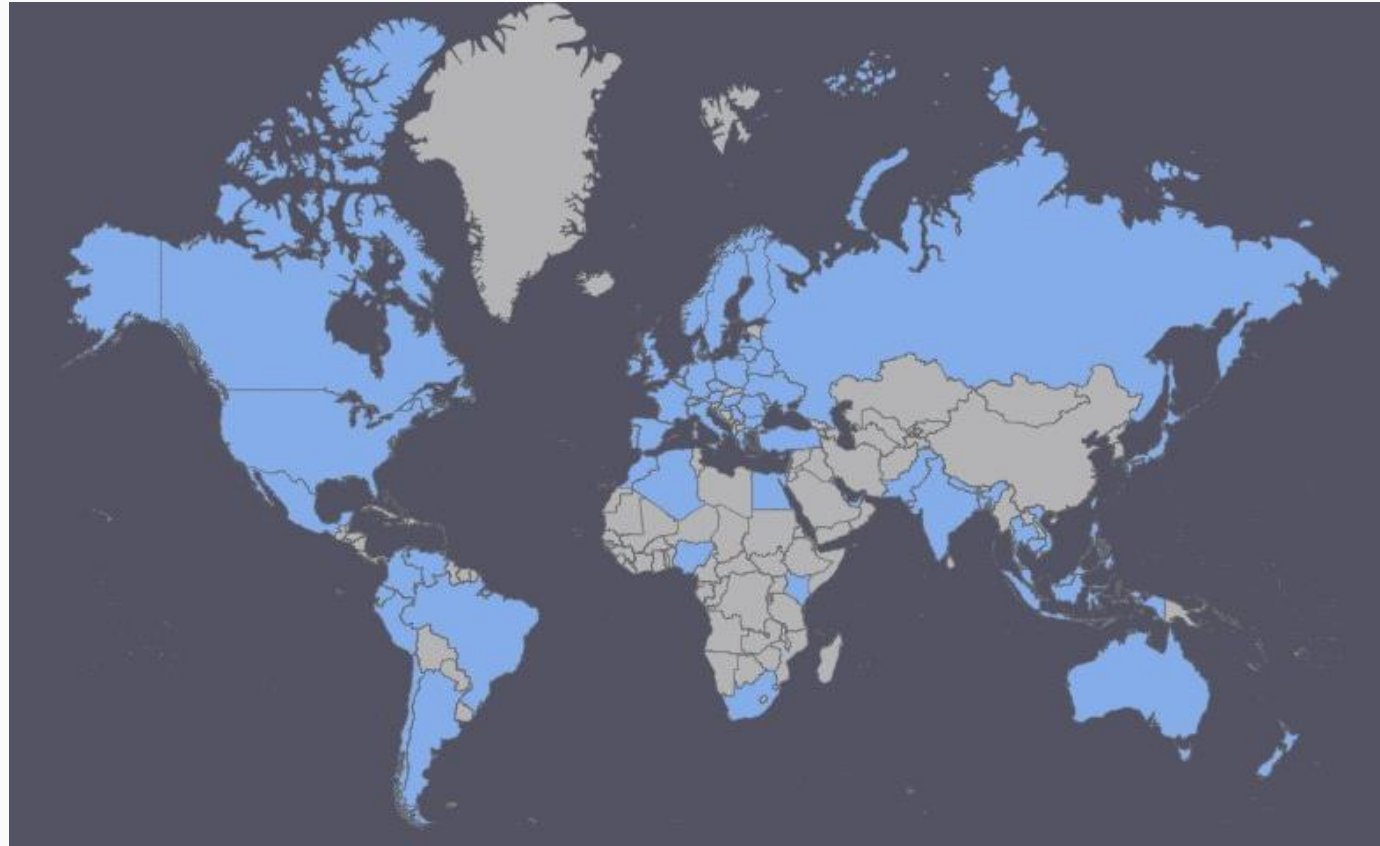
Findings of 771 combined responses across 12 language surveys





# Geographic Distribution of Responses

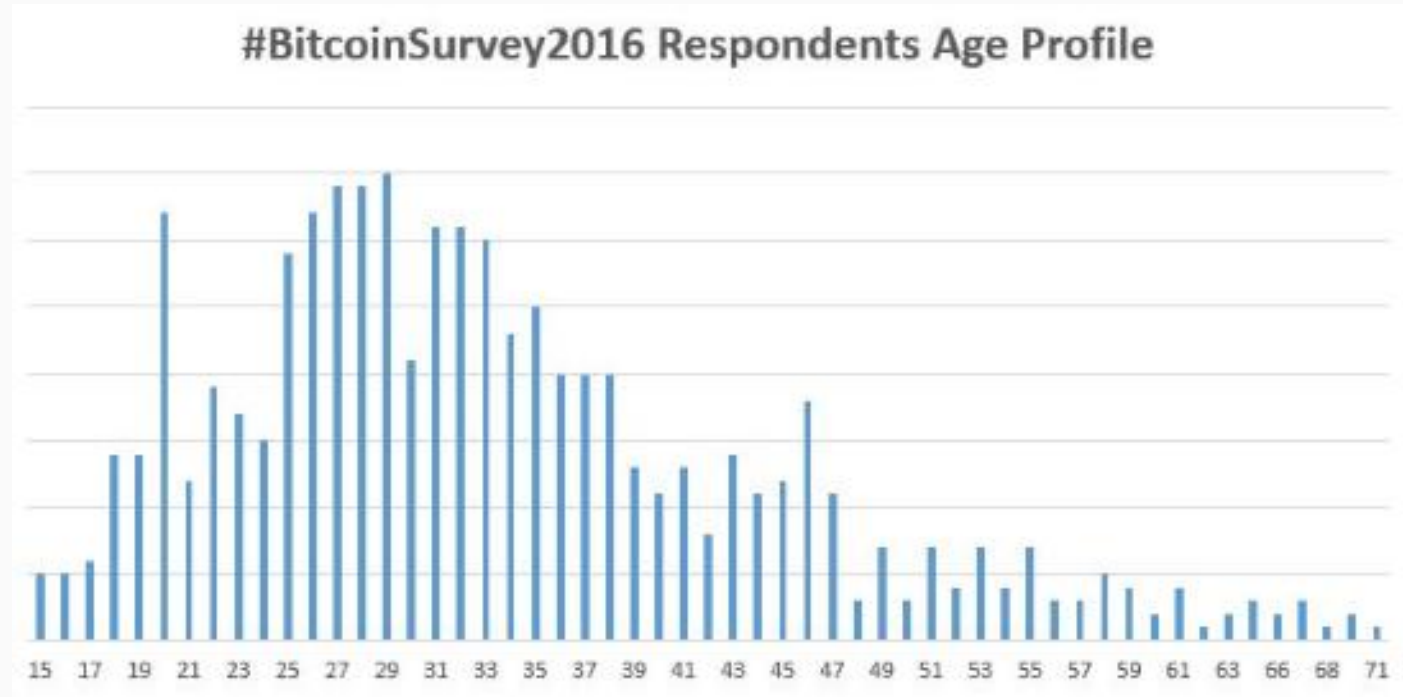
- Across the 12 localised surveys, responses were collected from 68 countries across the world.
- The majority came from Europe, North America, South America and South-East Asia
- We were unable to reach Chinese users through our communication channels, and there were very few Russian responses



# Age Demographics

In the survey, instead of asking for an age or date of birth (which people often lie in), we asked for respondents year of birth.

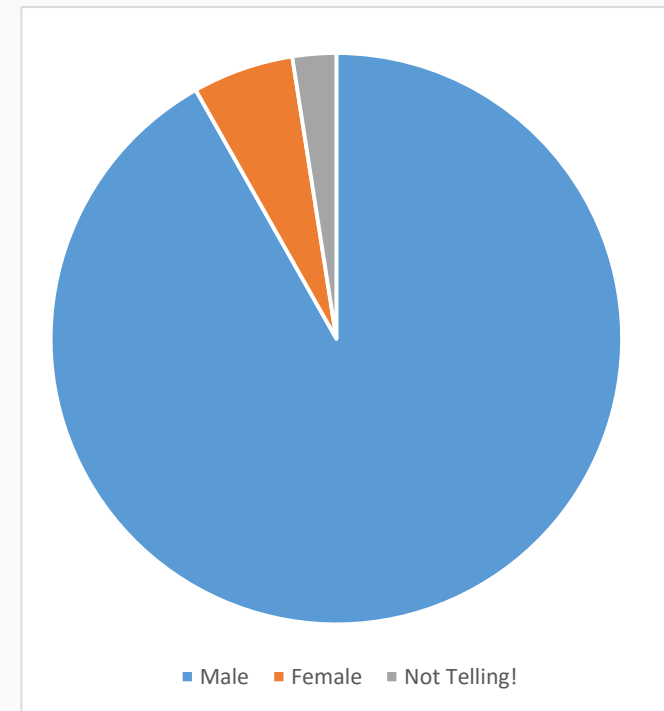
Converting these to the corresponding age, demographics allowed us to work out the ages.



# Gender Demographics

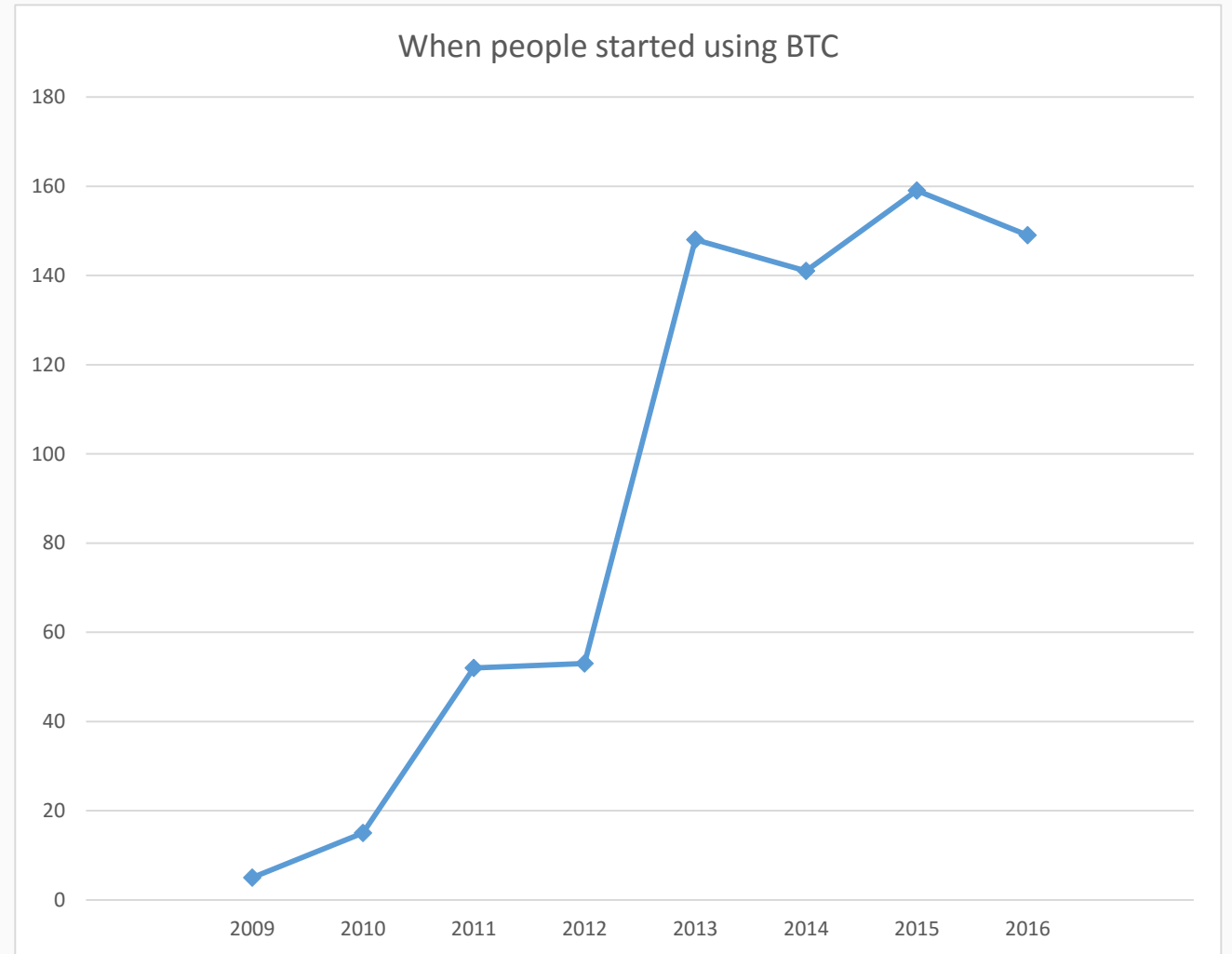
Active efforts were made to target female bitcoin users to attempt and have a balanced number of responses.

Despite sustained efforts and targeting advertising campaigns, only 5.7% of responses came from females. 2.5% chose not to specify, with the remaining 91.8% being male.



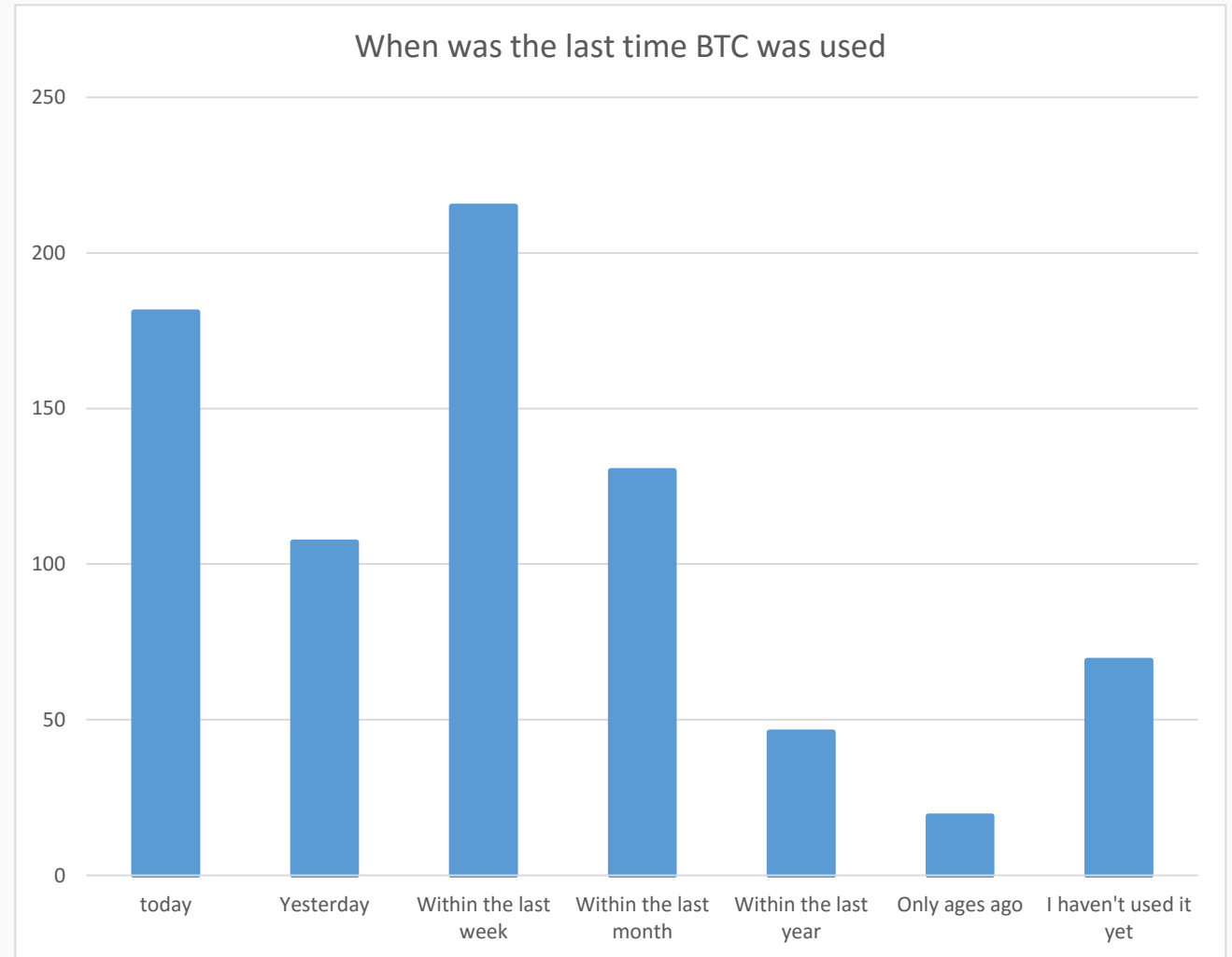
# Involvement in Bitcoin

- The majority of respondents have been using bitcoin since 2013

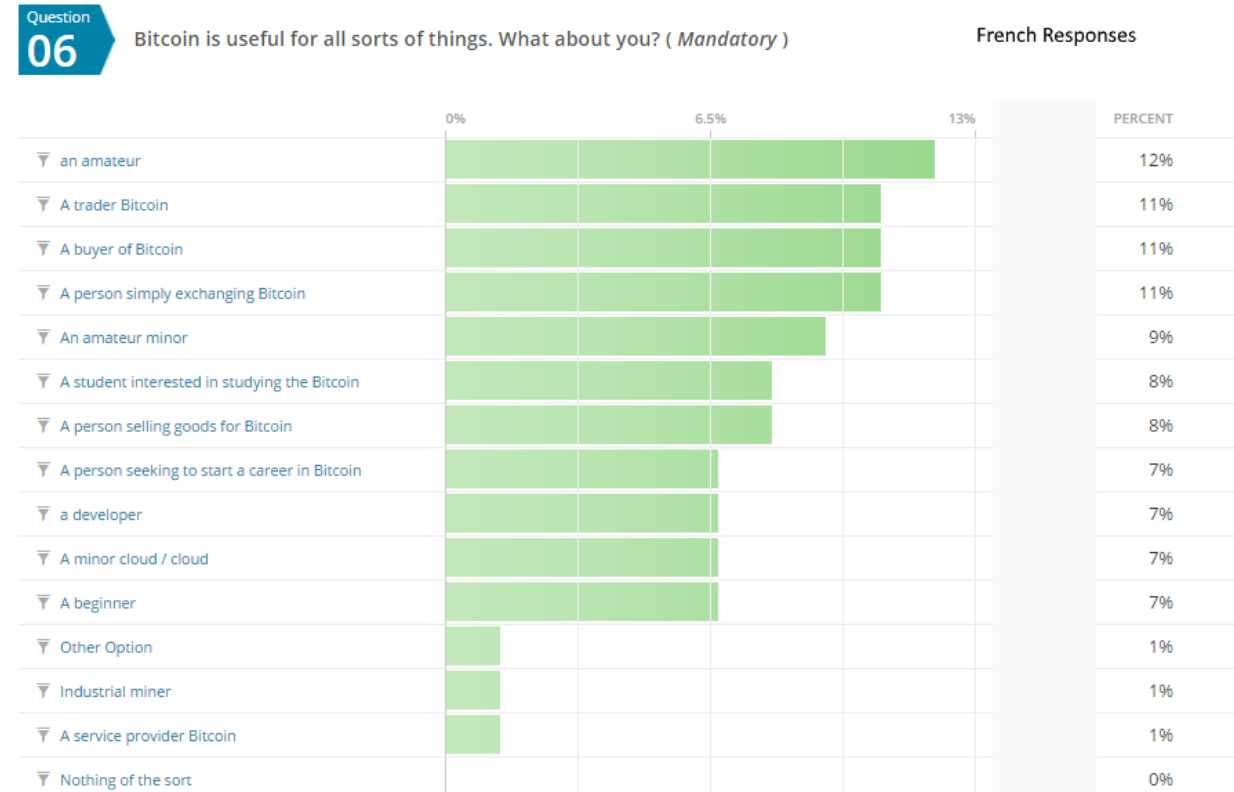
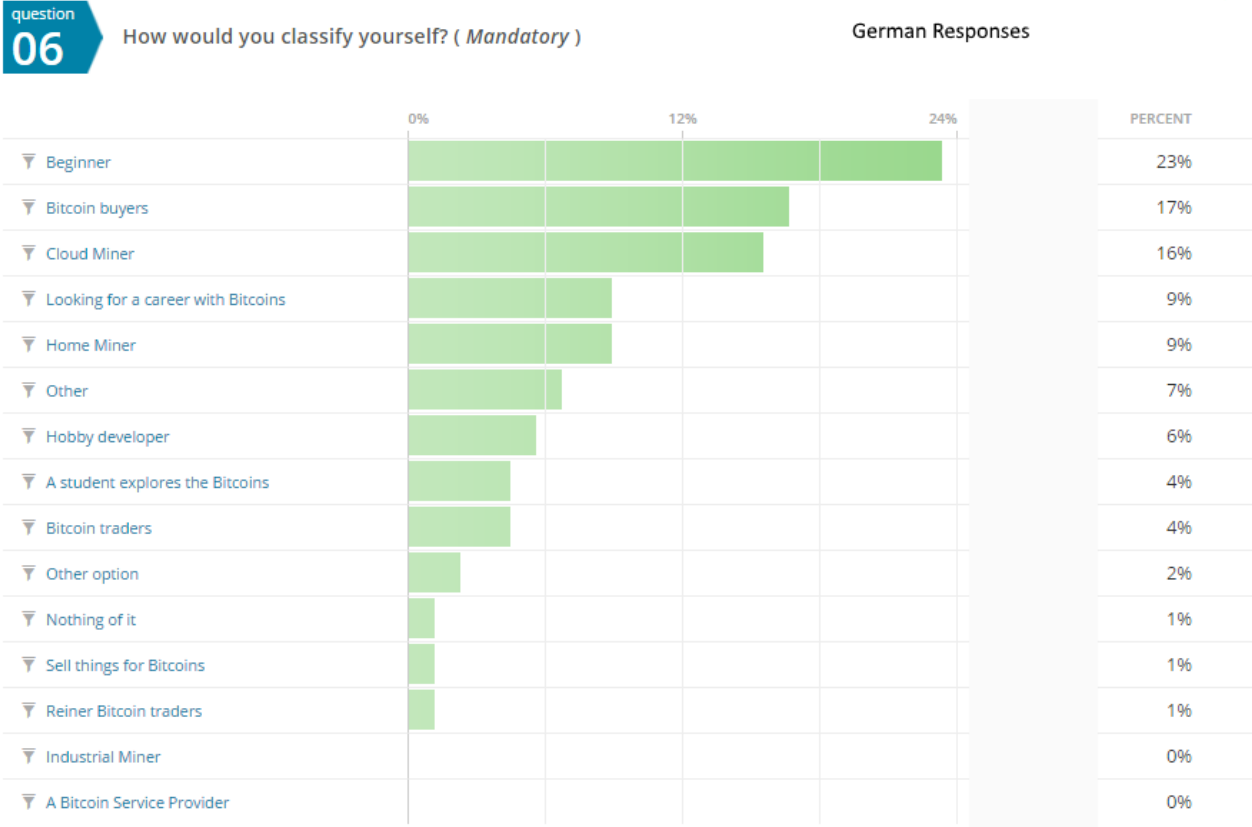


# Active use of bitcoin

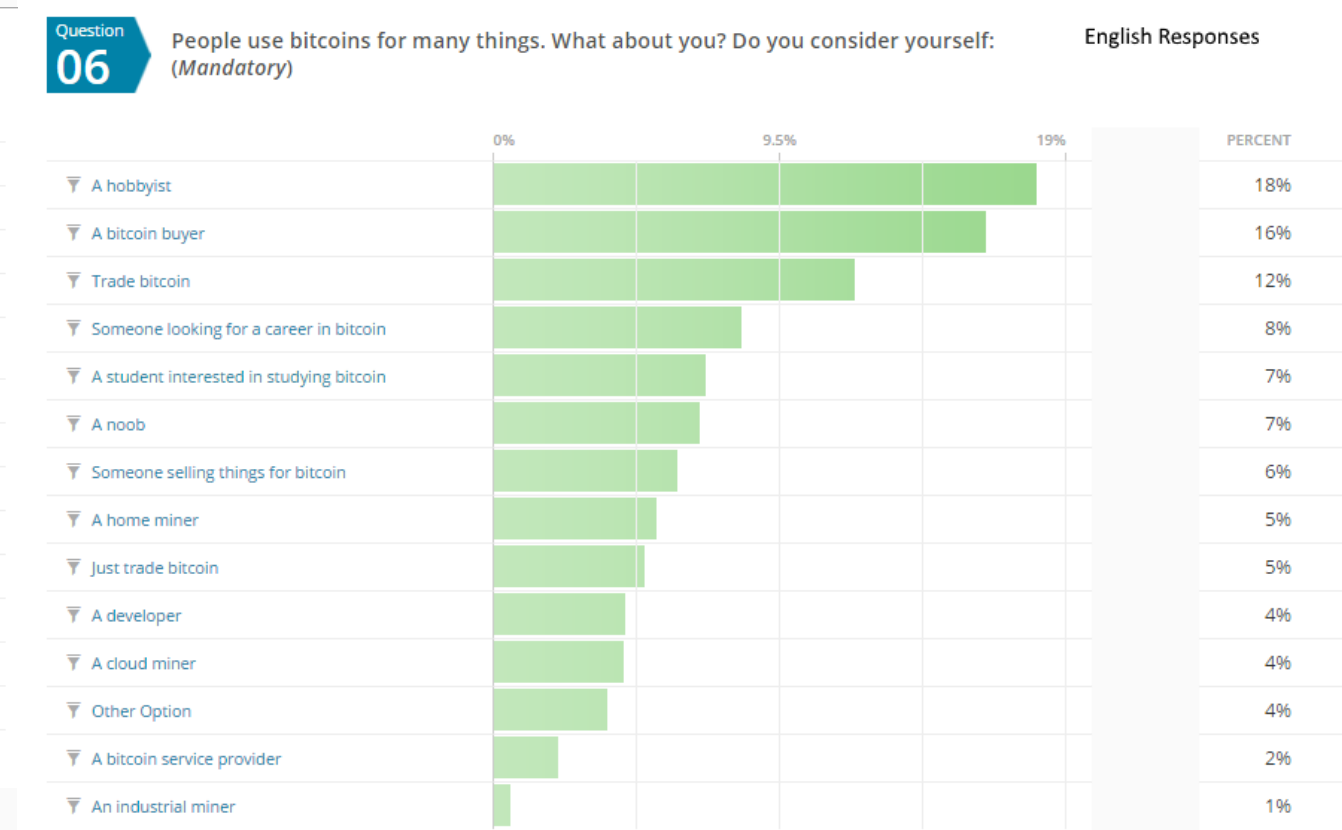
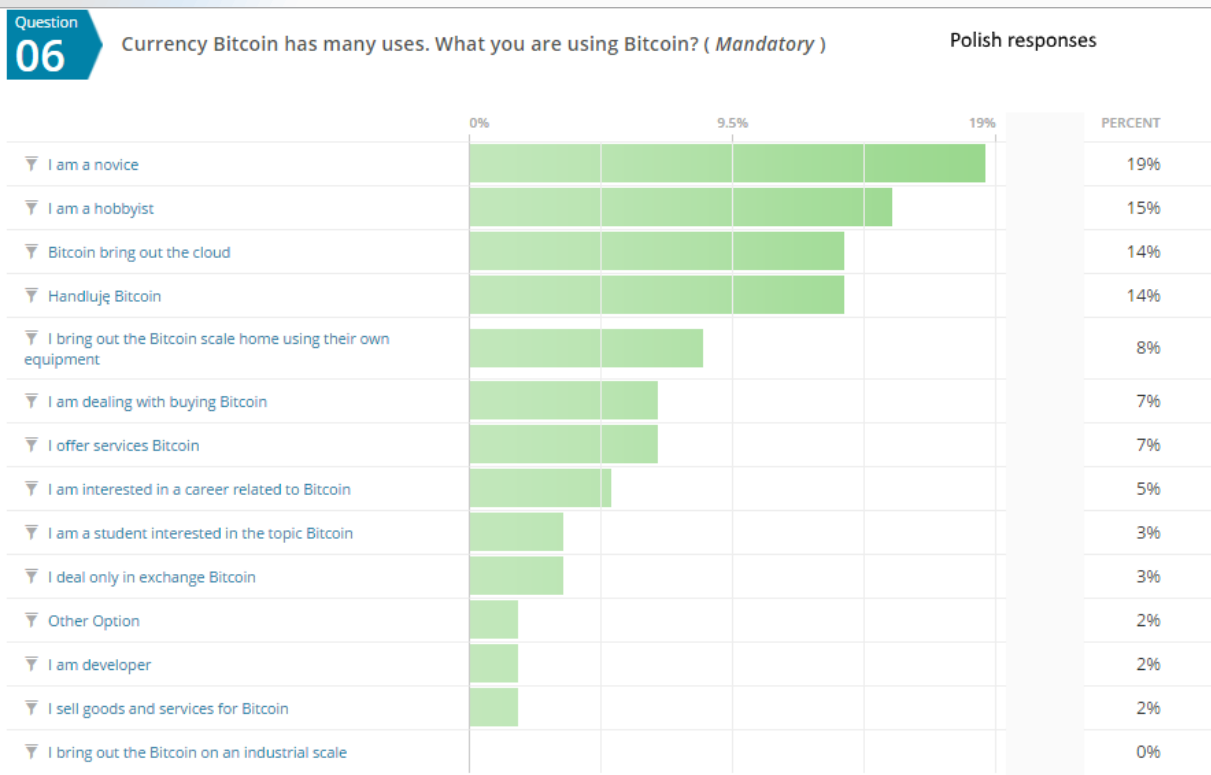
- 65% of respondents have sent or received a bitcoin transaction in the past week
- 9% of respondents had not used bitcoin yet



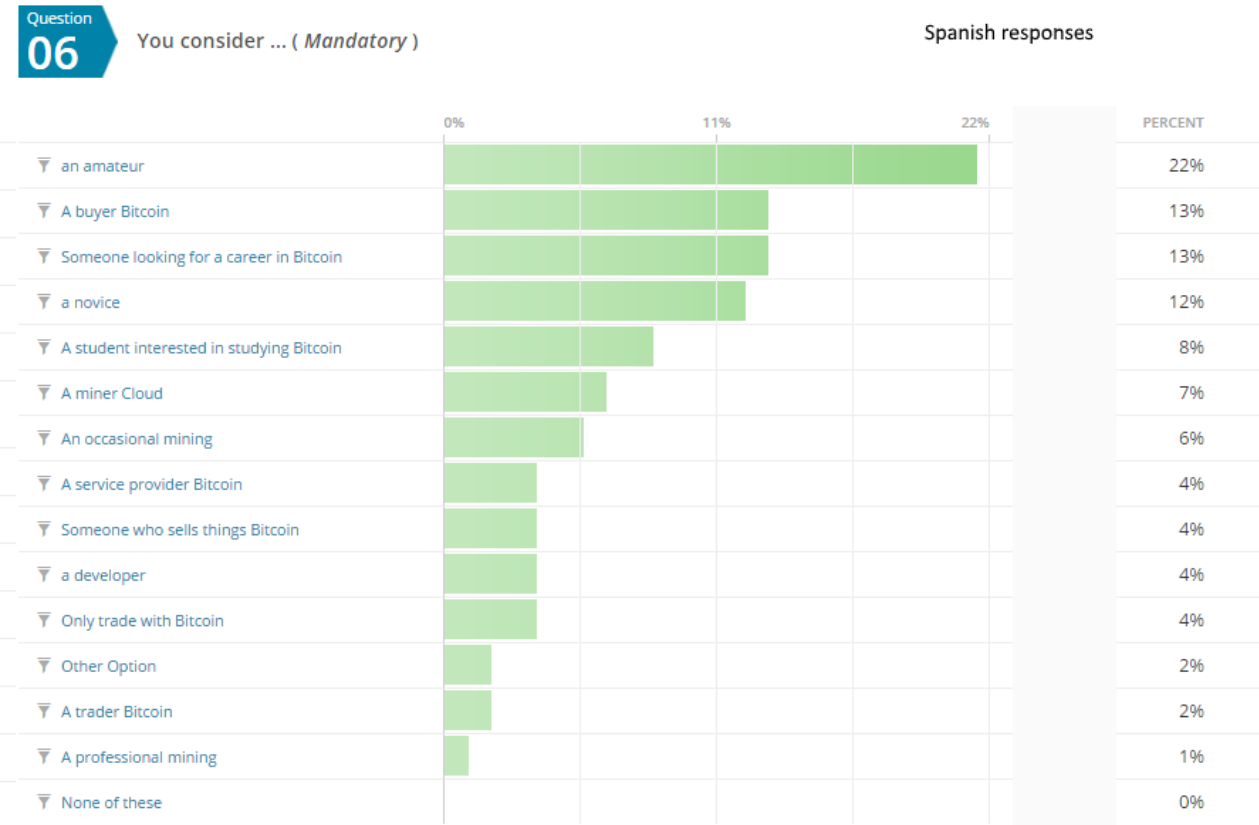
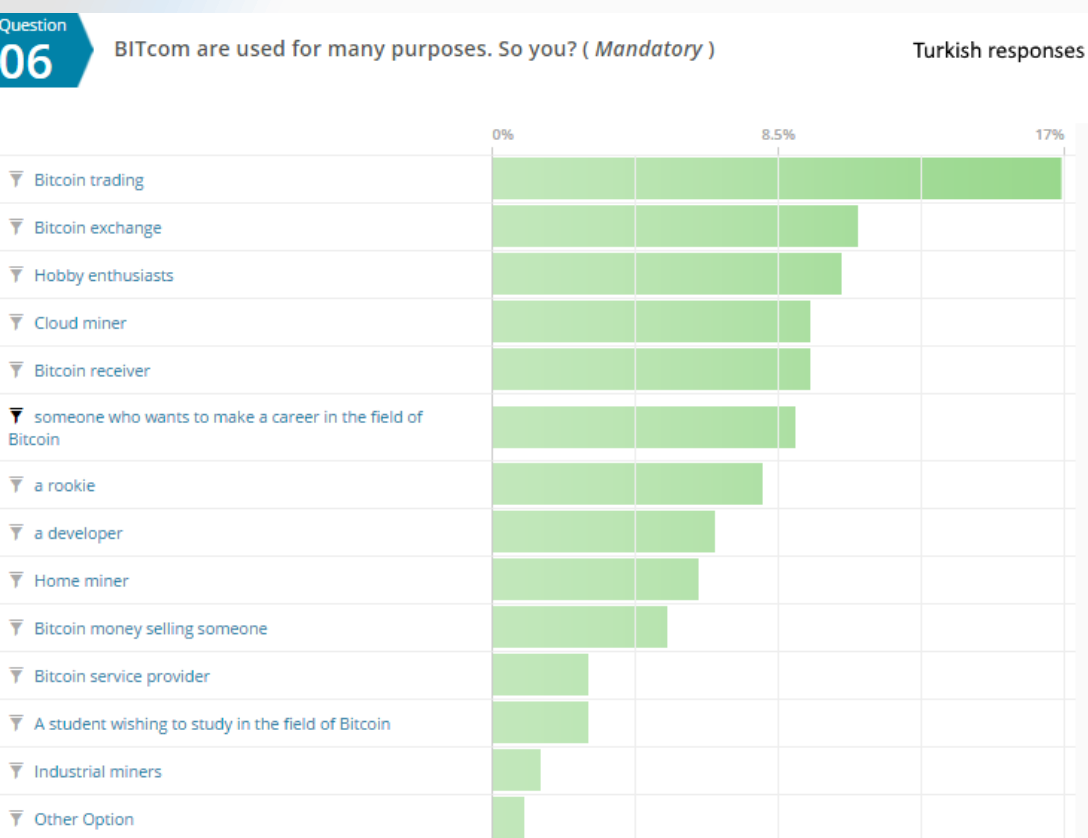
# How bitcoin users see themselves



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# Why do people like bitcoin?

- Common responses from an open question include



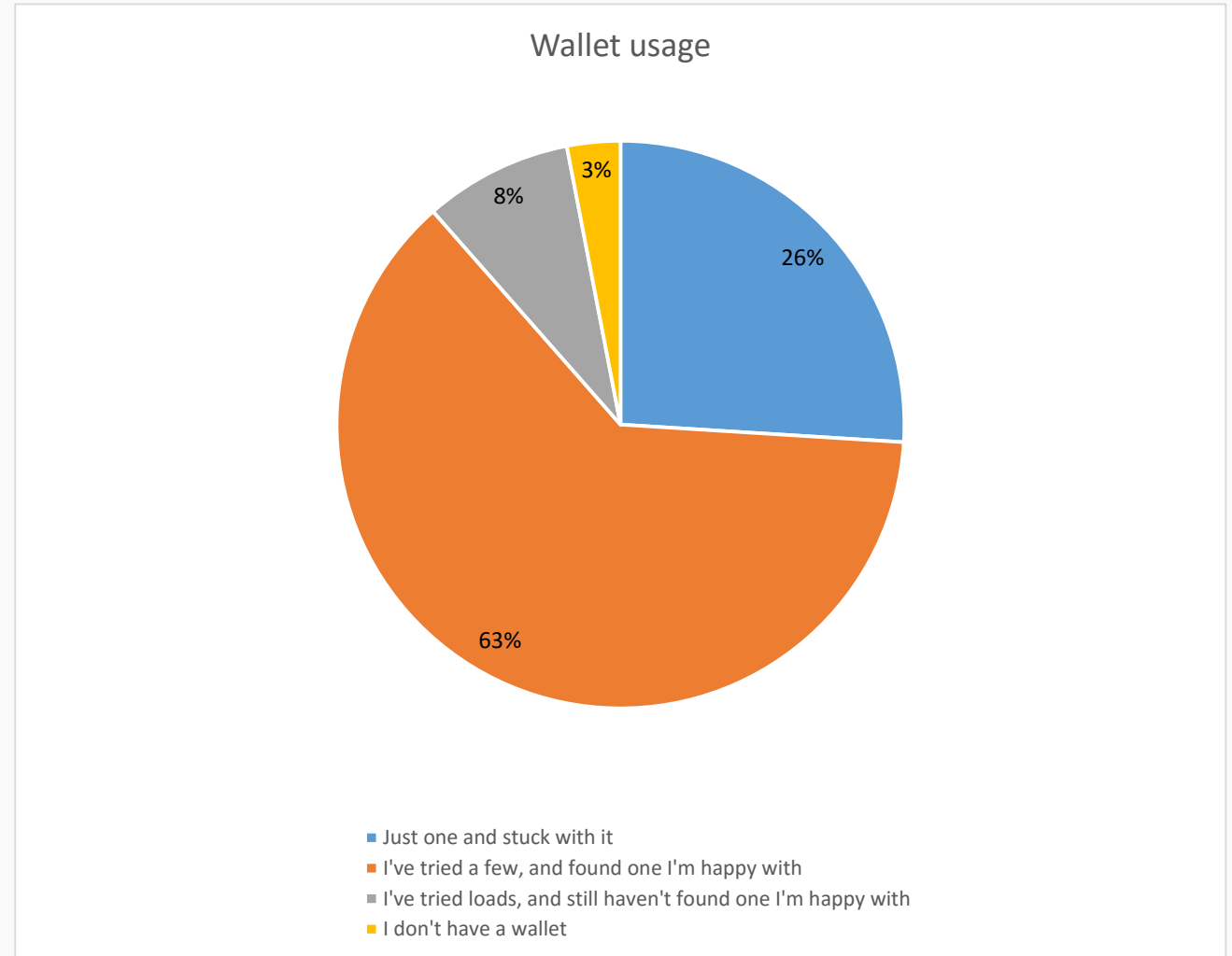
# Why don't people like bitcoin?

- Common responses from an open question include



# Opinion on Bitcoin Wallets

- Bitcoin Wallets are one of the first things people need to get involved in bitcoin.
- When asked about the number of wallets tried, nearly 2/3 have tried a few and settled one, and over a quarter only tried one, and 8% are still looking for one that suits them



# And their opinions on wallets?

Getting better with time

Still not user friendly enough for mass adoption

Confusing

still too geeky/ techy, need to be simplified

To technical to use

Should be as easy as online banking.

There are too many different implementations of a seed/key backup strategy. This should be absolutely standard so that users can expect the same process for any wallet and never fail to secure a backup method

Early days. Needs to be more user friendly.

they all need some work

Most do a good job at what they can do, but there needs to be a better way to handle payments and verify you are sending to who you think you are sending to.

They've come a long way in the past few years in both features and usability

All good ones in terms of user experience are custodial wallets. (That is a bad thing)

Most still feel clunky - kind of like using lotus notes instead of office. Probably because they are young

They're easier to use than qt, but still not ready for most consumer use.

I rather have something that is slow and ugly looking but more secure than a wallet which looks cool and is fast but offers less security. Security is the #1 concern

there are trade offs depending on the wallet you choose none are perfect.

It is difficult to develop a good Bitcoin wallet. There will ultimately be users that will lose coins no matter the amount of idiot-proofing.

I'm skeptical of most wallet providers. Many of them come across as scammers.

Rather complex still for the average user.

They need improvement but they are getting there

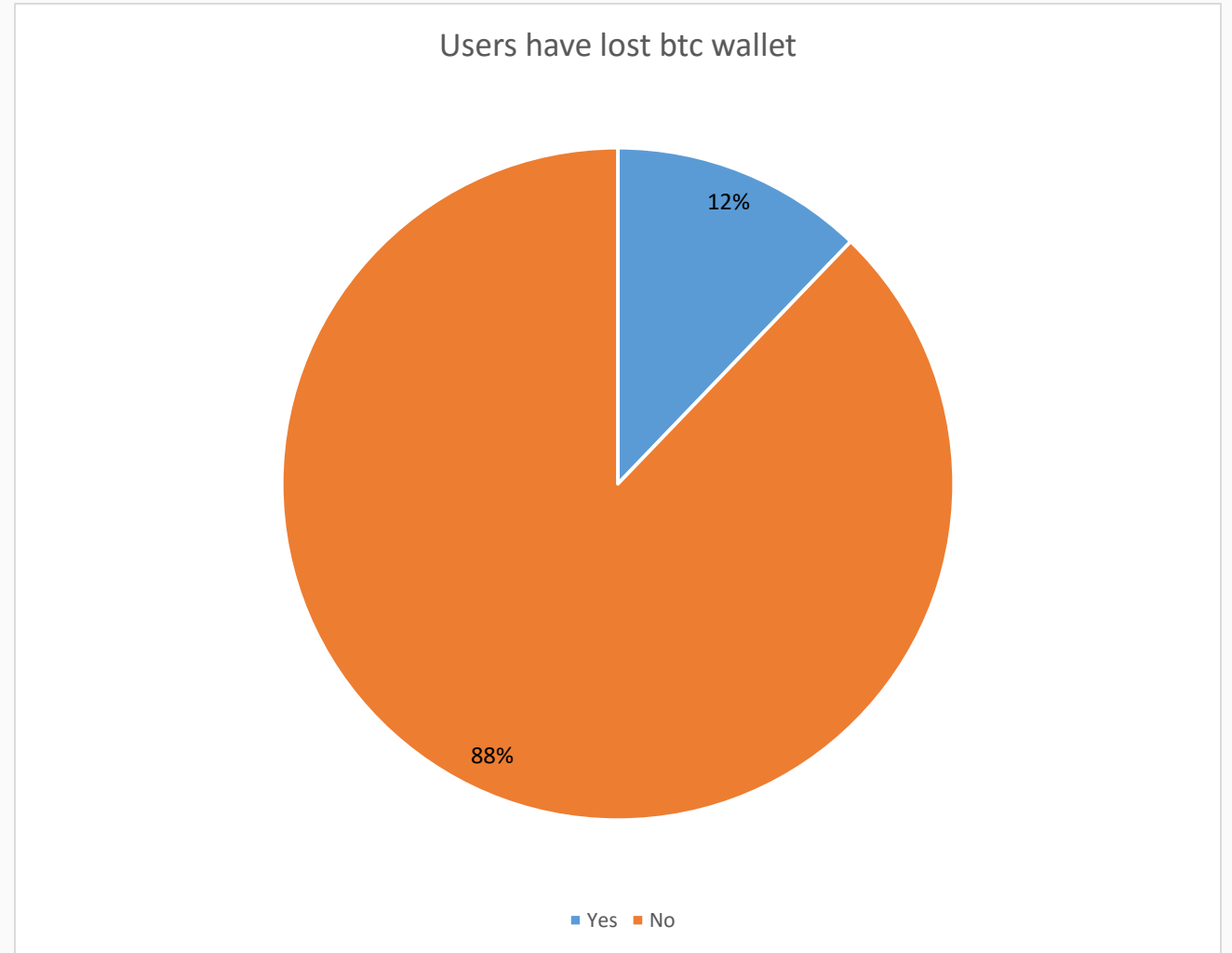
We need hardware wallets that are not tied to any company in a way where if the company was to go bust, the wallet does not become a paper weight.

Its essential that they be multi-platform and easily transferable from device to device



# Losing Bitcoin wallets

- 1 in 8 respondents lost bitcoin by losing access to their wallets



# And their reasons?

This last year amount of 3 whole Btcs. Wallet won't open, I deleted the private/local key = They 100% got lost! I had no one to blame but myself.

Laptop motherboard frying and taking the HDD with it

Sending to the wrong address early on. I haven't lost a catastrophic amount, just enough to make me wary.

I tried putting a wallet onto a nfc tag, then forgot about it and wiped the card.

threw out a old laptop with the wallet and keys on

accidentally sent btc to ltc wallet

I lost a bit on a phone that I lost. I couldn't remember where the backup was, so, they're pretty much gone. Not much though - like 0.05 or so.

they hack my blockchain wallet

My phone was lost and I didnt have a backup...

Lost the password AND the paper backup. Unfortunate.

Tried copay 2/2 multi sig. Backed up.... #2 and #2 instead of #1 and #2. Lost about 0.01 BTC

I deleted cookies and didn't have the email to a Bitcoin wallet and lost a small amount of BTC. Won't be doing that again. This survey has actually made me think of making a backup and learning how to do this.

forget details for my first wallet.

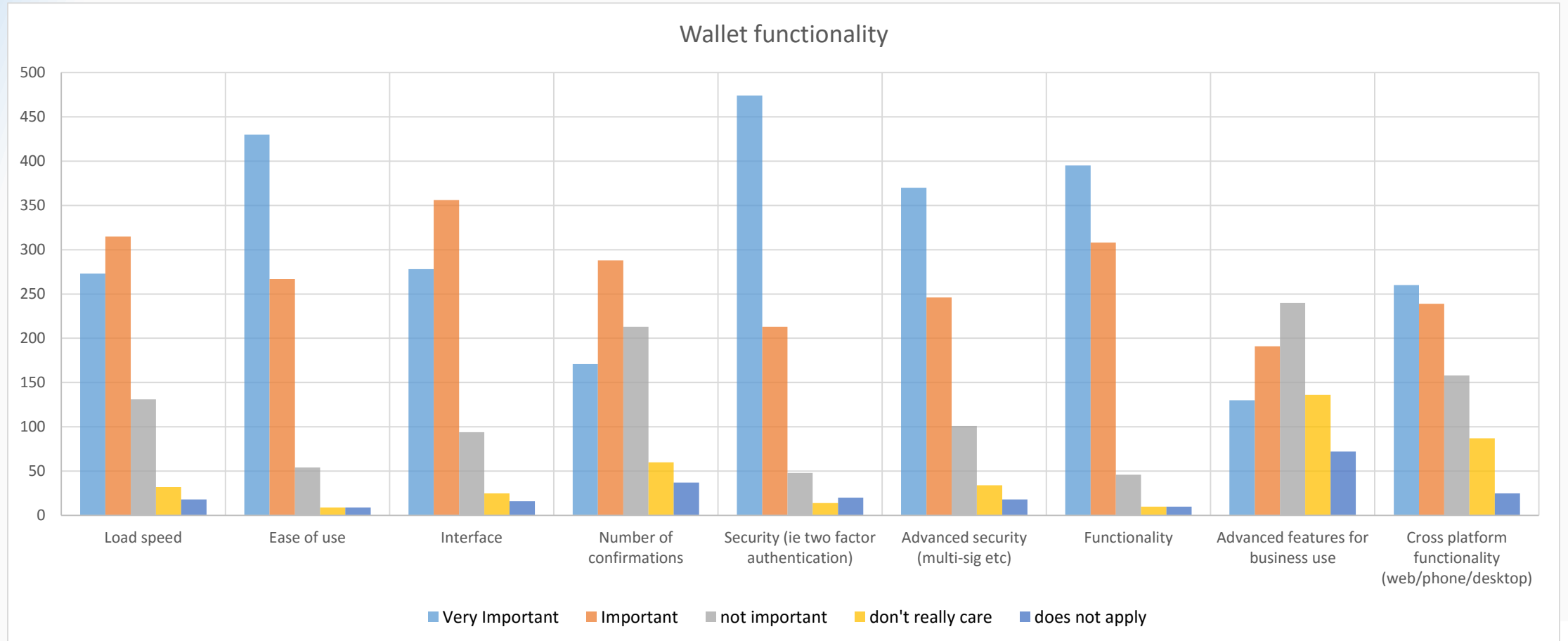
When I was first starting out on Mycelium for Android I performed a backup and did not write down the authentication code before flashing my phone's ROM. So I had the encrypted private key, but no password. Lost ~0.09BTC for that silly mistake.

An older Multibit desktop wallet crashed and I could recover the bitcoins.

I lost 7 bitcoin because my bitcoin wallet was unencrypted and it had used UPnP to make it available outside the NAT and some hacker used rpc to steal my coins. I learned a lesson and disabled UPnP on my router and keep my wallet encrypted and limit myself to very small change on the unencrypted wallet on my phone.

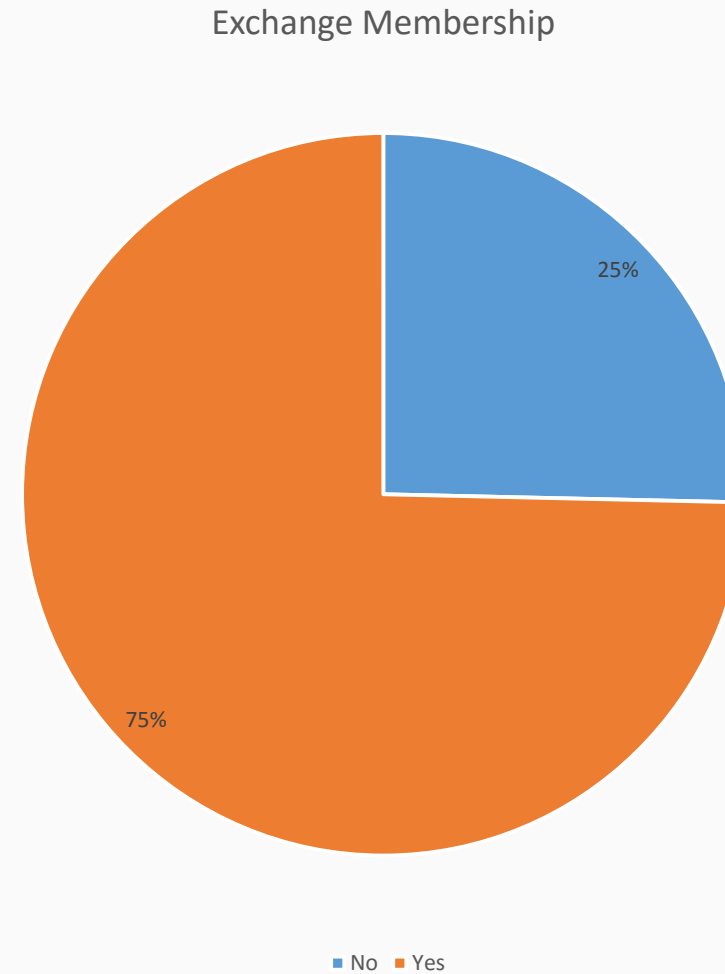


# And what's important in a wallet



# Exchange Usage

$\frac{3}{4}$  of respondents are registered on at least one bitcoin exchange

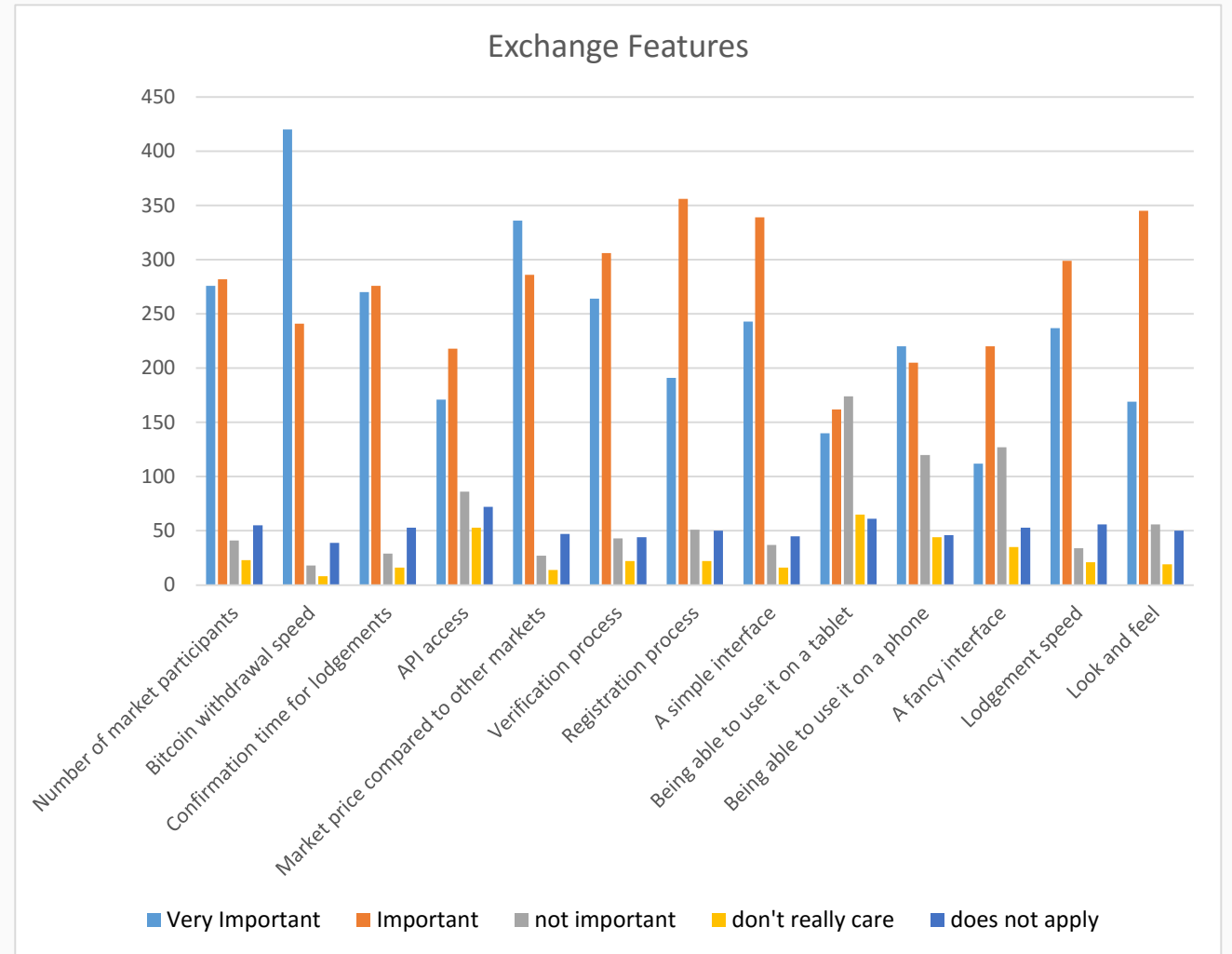




# What features are most important

There are many components of a bitcoin exchange, with bitcoin withdrawal speed being the most important, followed by the price compared to other exchanges.

Other important features include the number of people using the exchange, a simple interface, the speed of deposits, and the registration and verification process.

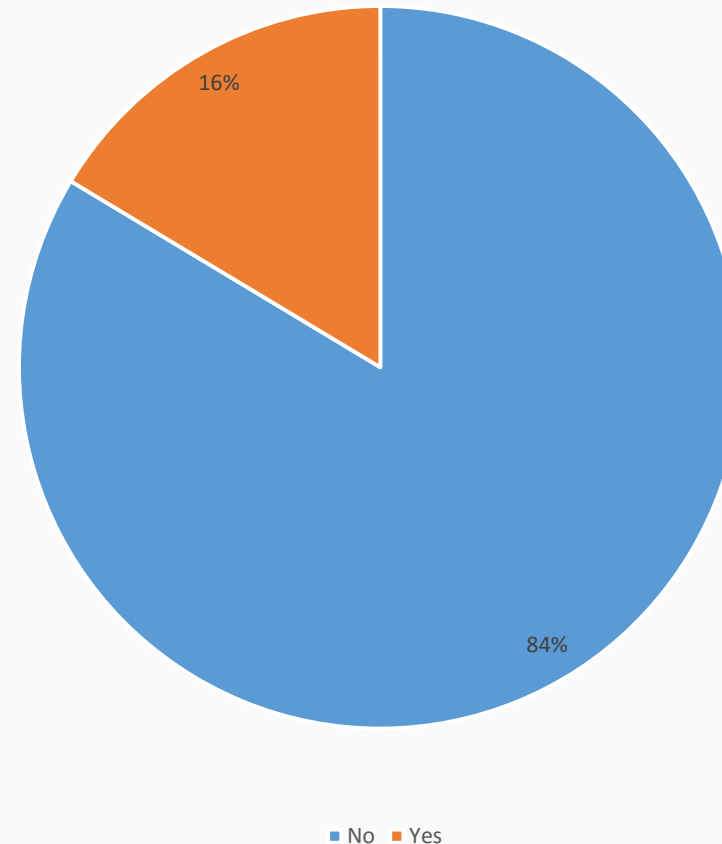


## Bitcoin Exchange Hacks & Shutdowns

Over 1/6 of respondents  
had lost bitcoin due to a  
exchange hack or  
shutdown.

Respondents reported  
losing small fractions, all  
the way up to dozens or  
hundreds of bitcoin.

Lost bitcoins on an exchange



# For various reasons

I lost about 0.5 BTC Poloniex when my account has been hacked (I had not activated the 2FA at the time ...)

Net 6 btc in Bitcoinica

16 BTC in intersango.com UK exchange from 2011-2012

I suppose in my case this is a trick question - I've lost .24 worth of BTC via altcoins lost on cryptsy...I was too lazy to want to bother storing them myself

lost 0.1 BTC due to the cryptsy 'hack'

Hive: that mobile app that went out business. But that wasn't how I lost my bitcoin addresses. It was unfortunate

All my blockchain wallets.2.4bitcoin

Cryptsy went down and took around bitcoin and a half in bitcoin and few other cryptocurrencies

Almost lost some with the big crypsy stuff, but withdraw money few weeks ahead of the rumors (lucky me). Not much however 0.1 BTC at the withdraw time.

Lost \$345.22 in Mt.Gox (but may be getting it back due to their bankruptcy). Lost \$212.7 due to inputs.io hack. Lost \$337.33 when CryptoTrade folded. Lost >\$1000 unrealized gains when BTC-TC closed and one mining stock operator disappeared. Lost \$191.29 when mcxNow closed.

I lost around .567 bitcoin from an exchange. wanted to cash out my bitcoin but that exchange site ran away with my bitcoin :(

Lost bitcoin when various services disappeared, Inc mtgox

I was Goxed and have lost 4.8 bitcoin.

Goxxed. 62.5 BTC. Also lost some in MCXNOW.

MtGox 70 BTC

Lost 0.5btc from Mt.gox

1000+ BTC on mtgox

Mt Gox , triple digits

lost 14btc on mtgox

Mt. Gox <10 and bitcoin24 <20



What is important to people when thinking of exchanges

In an open question, these words were most commonly referred to by respondents



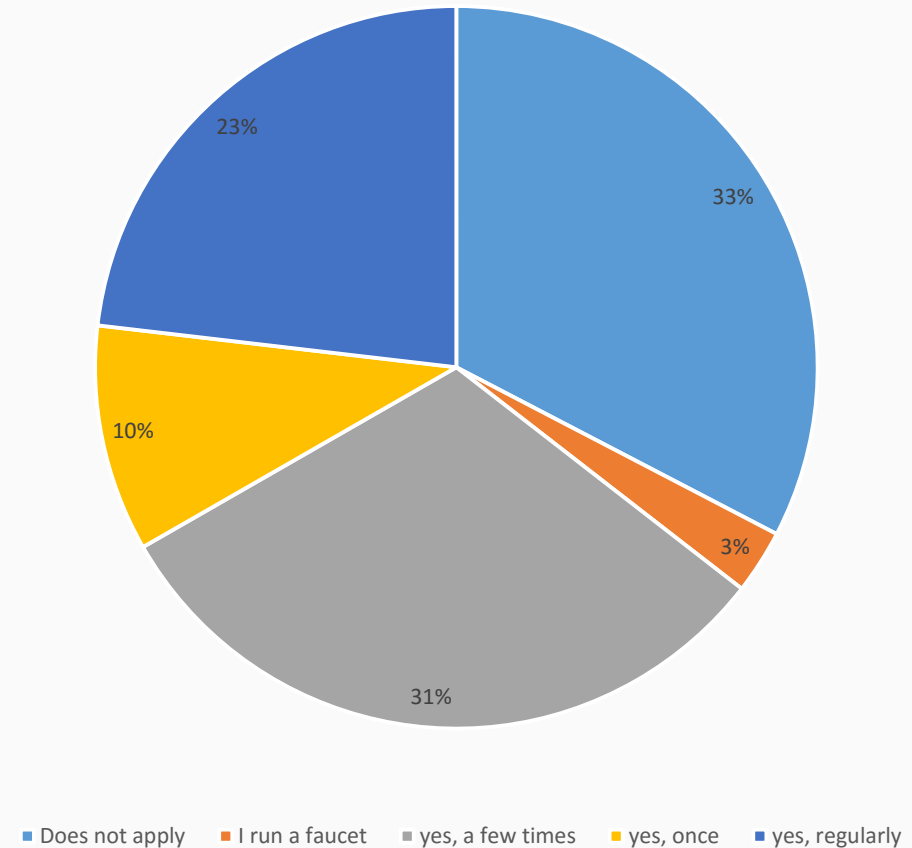
# Usage of Bitcoin Faucets

Bitcoin Faucets are websites which dispense small amounts of bitcoin, generally for looking at ads, and filling in captchas.

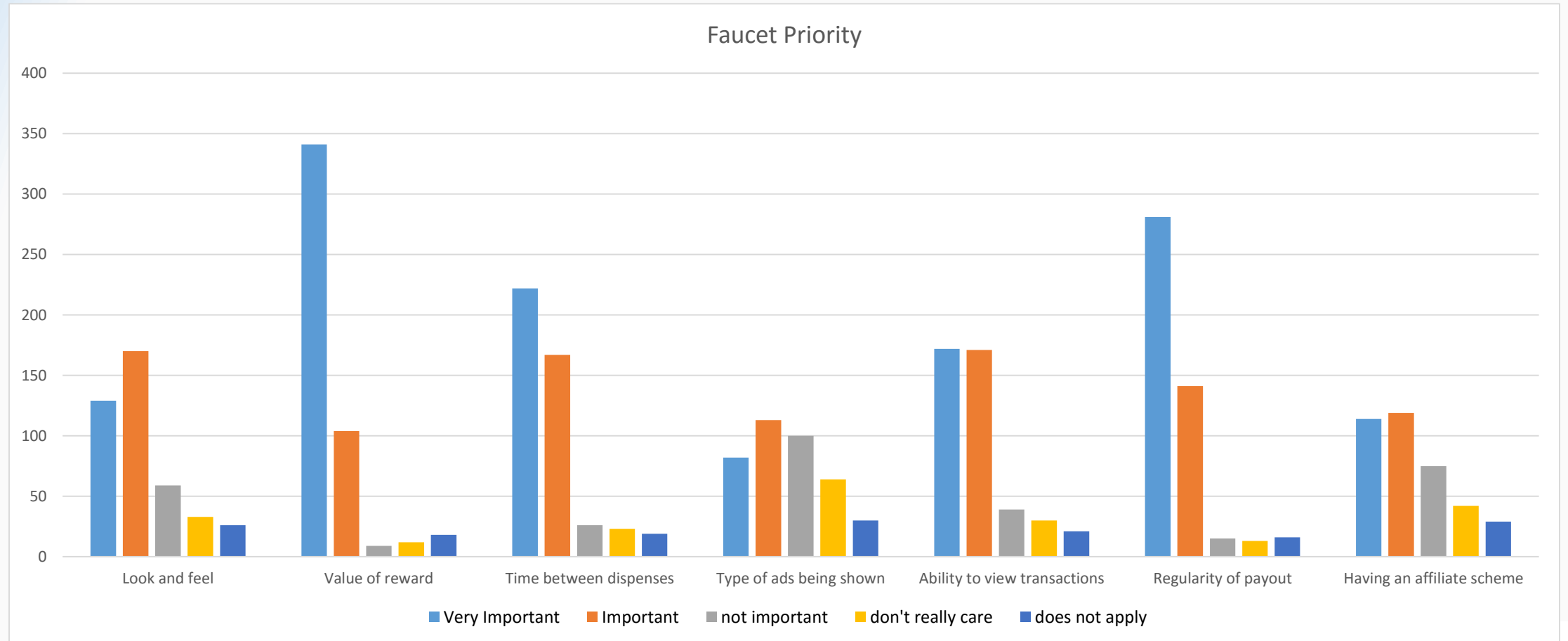
If you search free bitcoin, you will inevitably come across one, and they play somewhat of an important role in bitcoin adoption.

2/3 of respondents were aware of bitcoin faucets and had used them at least once

Usage of Bitcoin Faucets in the past

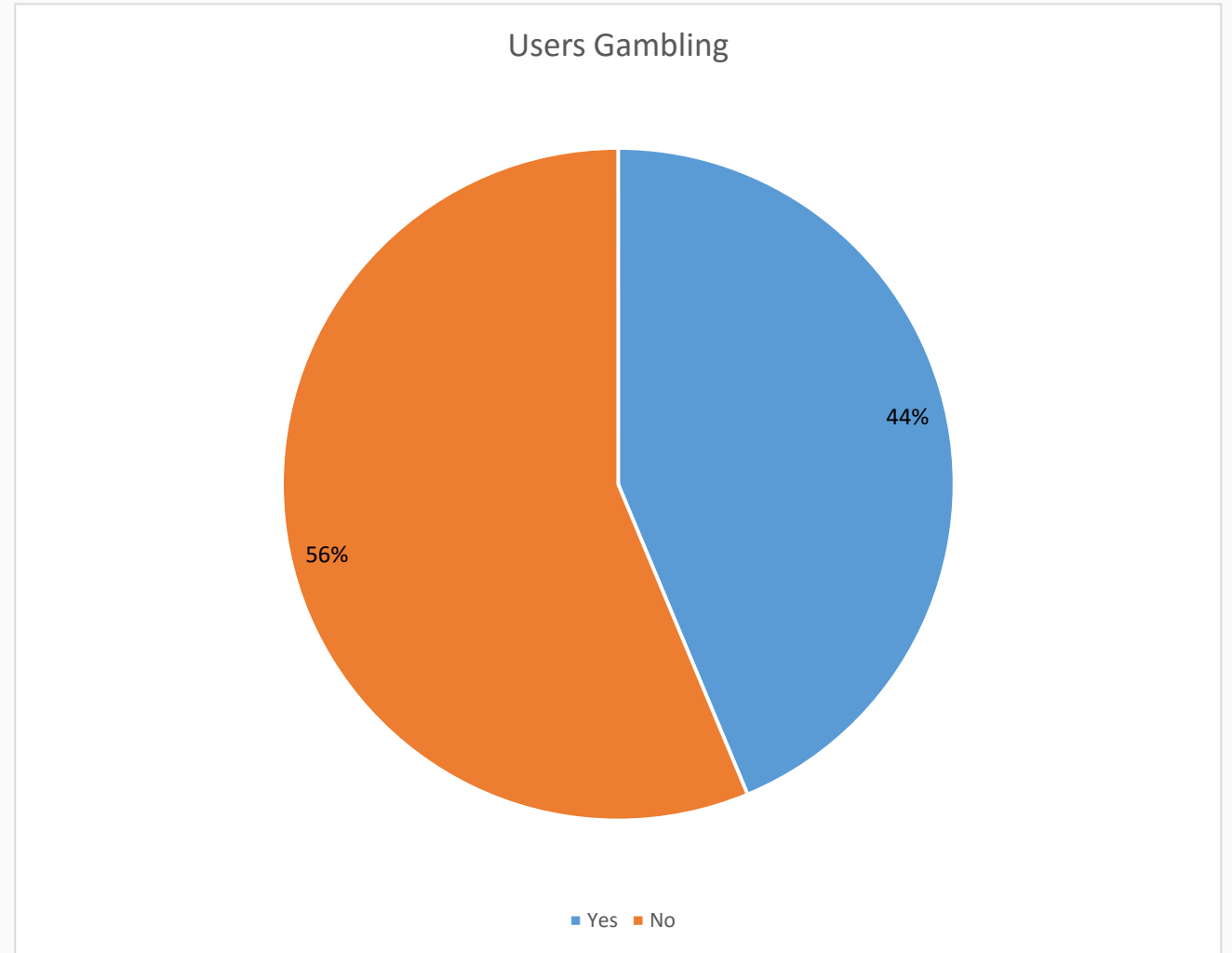


# What matters in a faucet to end users?



## Gambling with Bitcoin

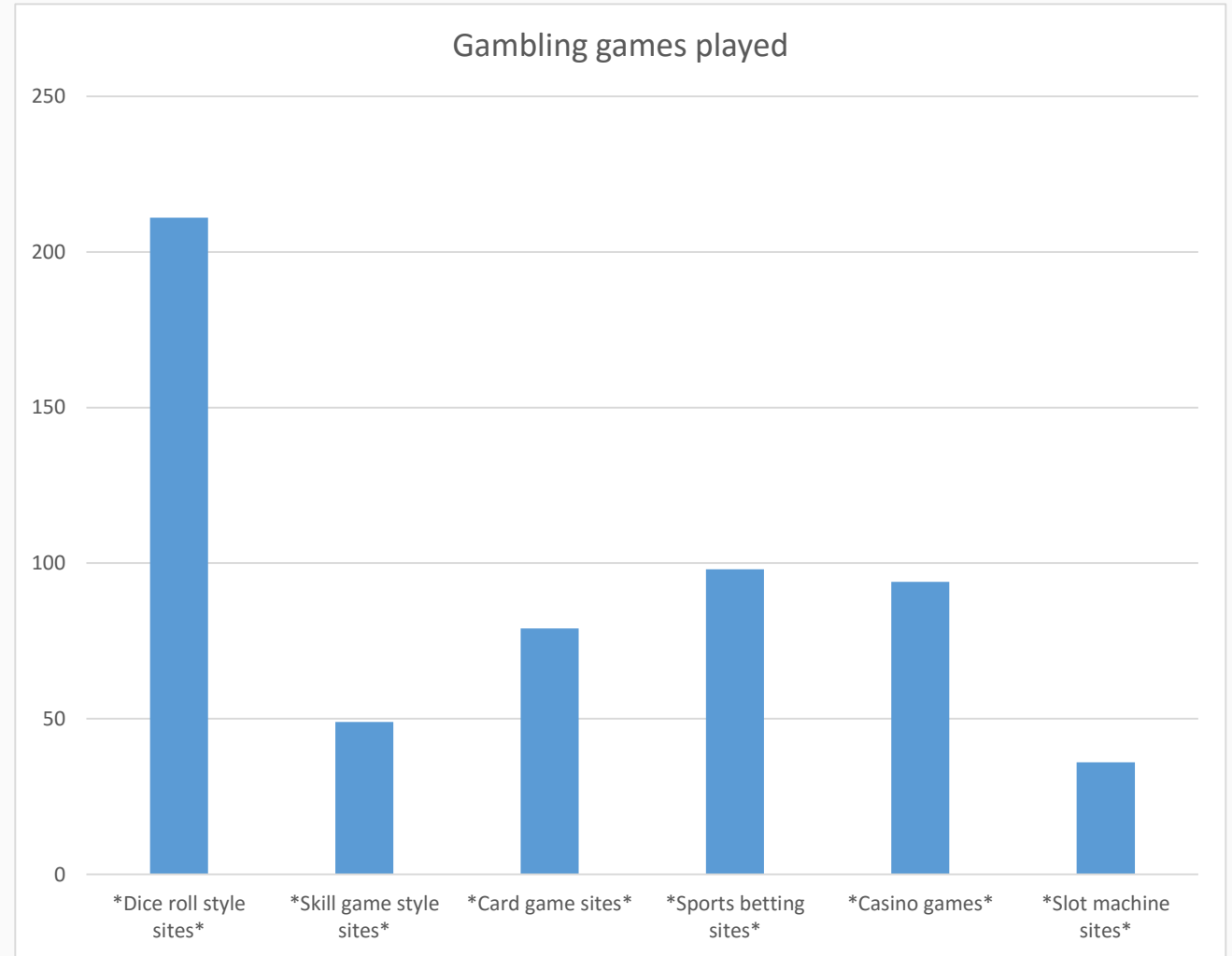
When asked about gambling bitcoin, 44% of respondents said they have gambled with bitcoin



# How are they gambling?

Dice roll sites, followed by sports betting and casino games are the most popular among those gambling bitcoin

Many (but not all) dice roll sites are provably fair, allowing a user to verify if a bet was correct or not.

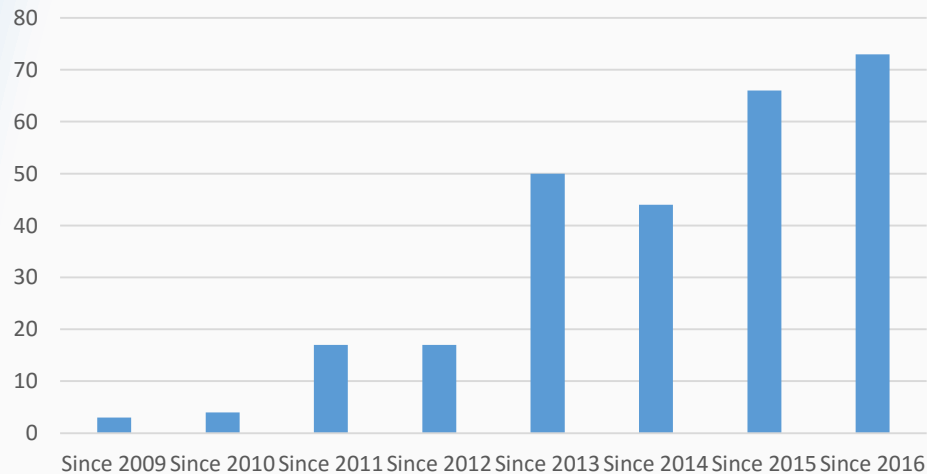




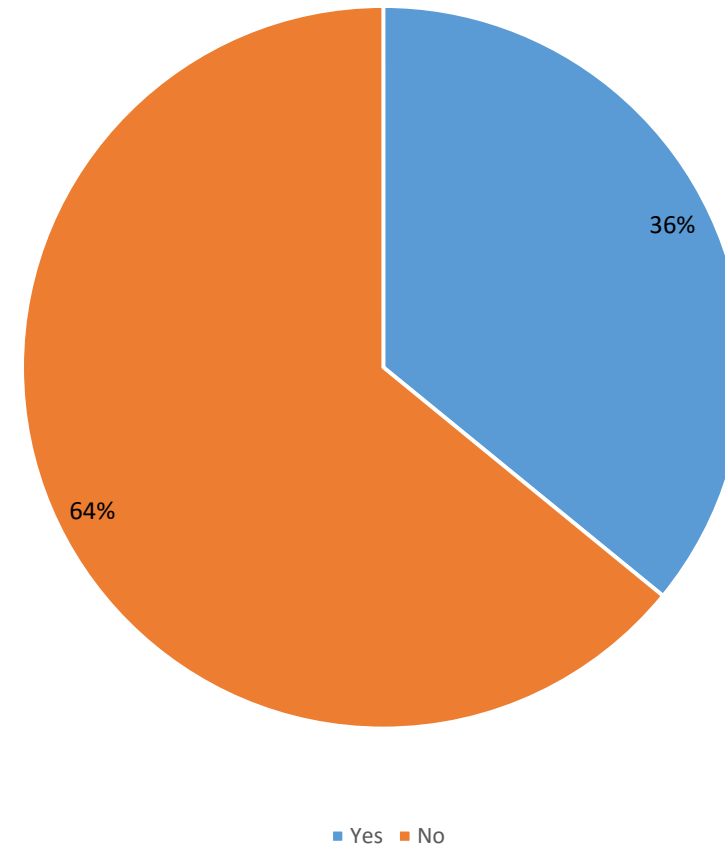
# Mining Bitcoin

Just over 1/3 of respondents said that they mine bitcoin

How long have you been mining?



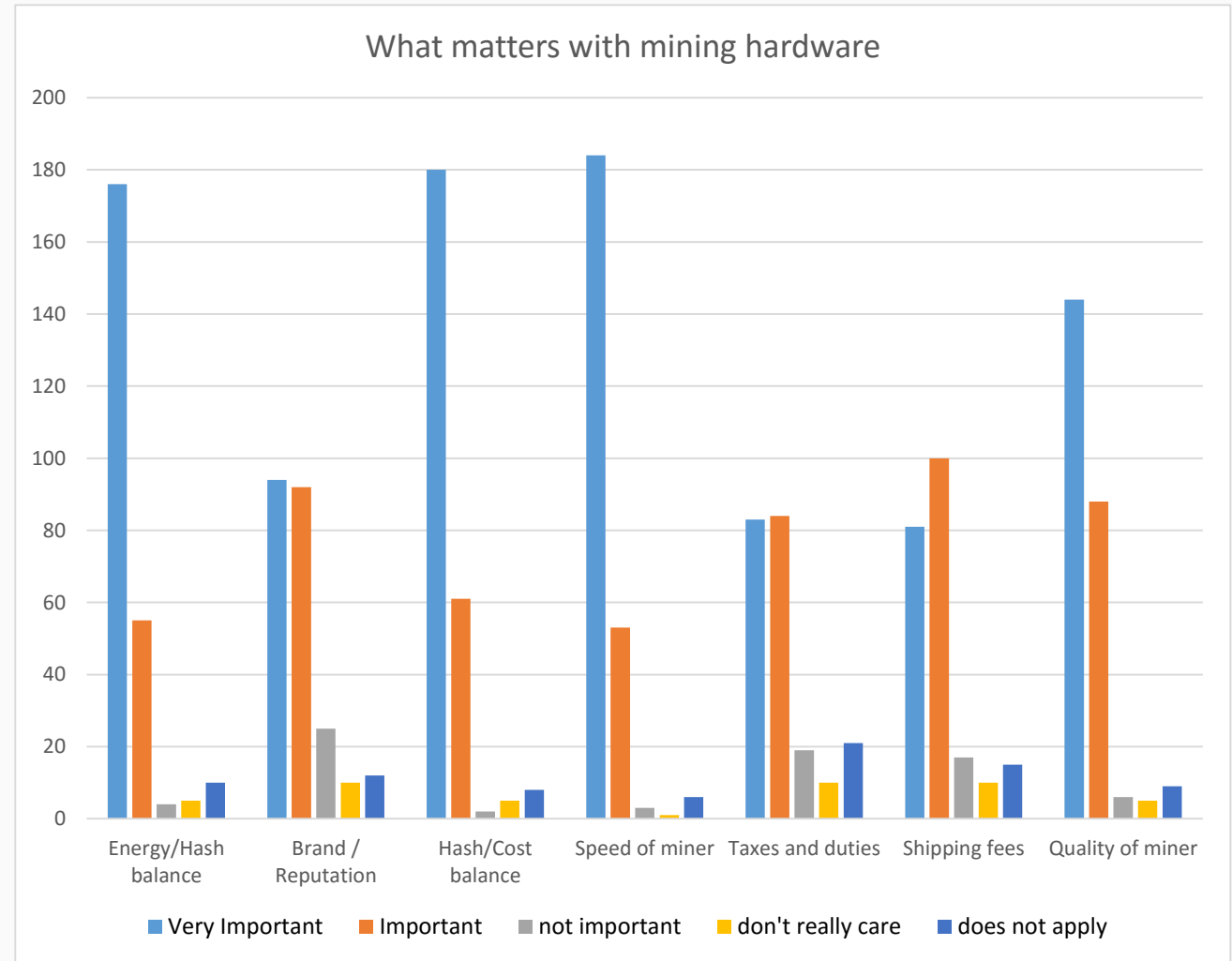
Do you mine bitcoin?



# What matters to hardware owners

Unsurprisingly, the speed, hashing speed against purchase price, and then the hashing speed versus cost of energy to run it are most important.

Surprisingly, the brand of a miner was less important.



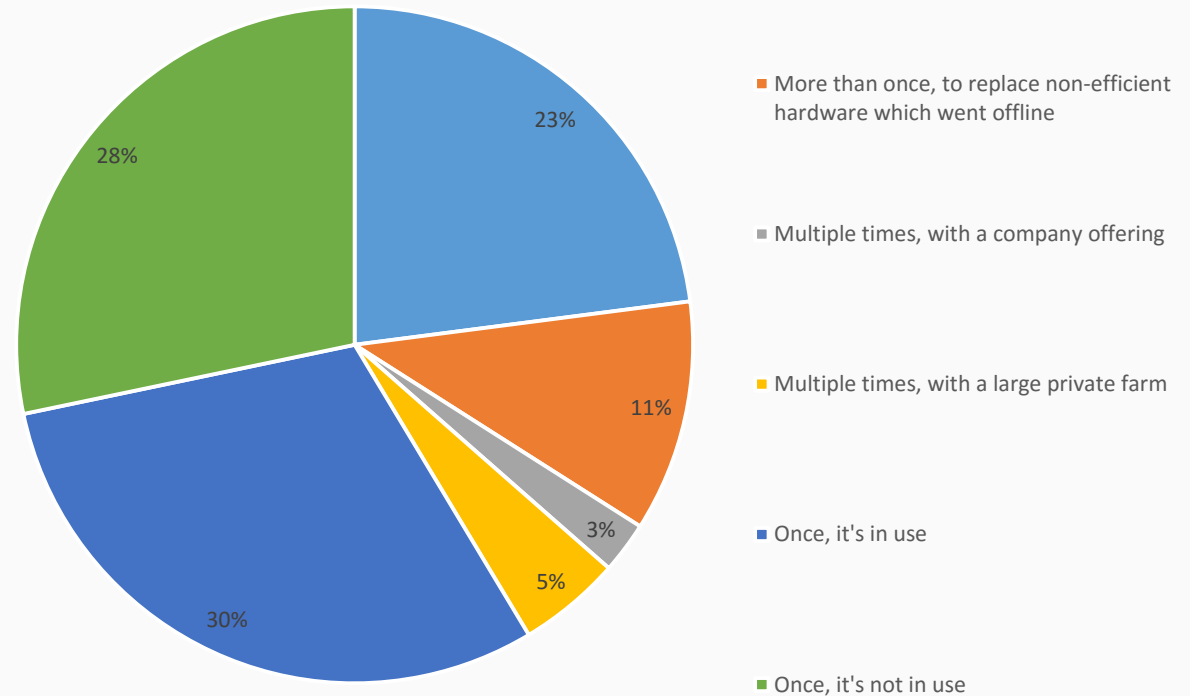
# Mining hardware longevity

When asked about mining hardware purchases, 28% responded buying once, and it being offline.

11% responded that they replaced hardware with new more modern hardware

30% had hardware still in use (note the survey was conducted before the halvening)

How many times buying hardware



# Mining mishaps

- While the vast majority of respondents said they didn't have a problem mining, some responses to the mishaps question include

several fires, all resolved.

Once, power connectors overheated on a miner I was running. It didn't catch fire.

Overheating and power outages

KNC Jupiter - firmware issues. But no big deal. Fixed promptly.

No. The thing was noisy, though.

Destroyed a hardware due to heat once.

minor power overdraw issues which lead to burnt PCIE connectors and cables. neighbor sometimes complains of fan noise.

room got too hot, electricity bill doubled...

My bfl equipment keep breaking but i will say they always fixed at their cost.

Burnt out my old Graphics card back when mining on them was feasible.

One of my GFX cards caught fire,thank god someone was home

Buggy software within the hardware that required a return/replacement.

no. but it got rilly hot

Yes- Overheated and destroyed miner

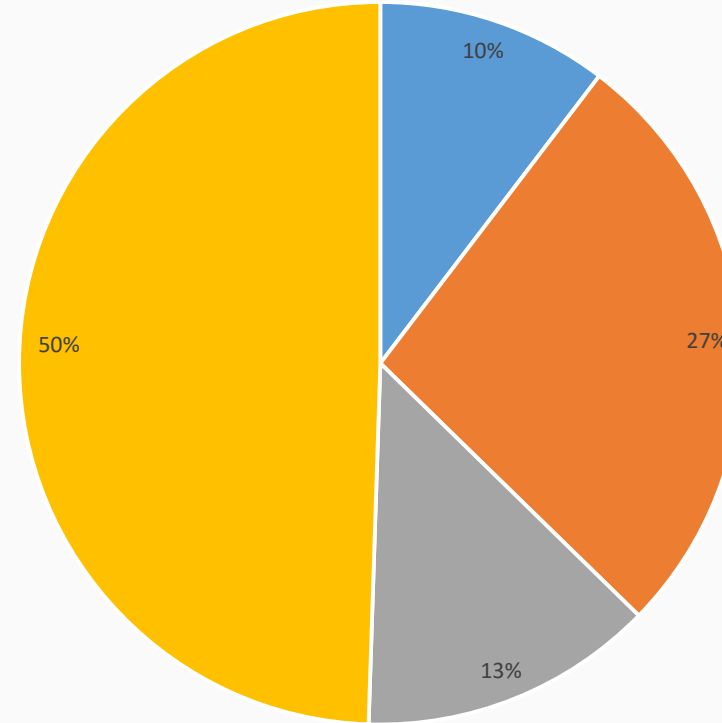
Had a capacitor blow on a faulty GPU in early 2013.

just a rather high electricity bill

# The relationship of bitcoin price and mining

While  $\frac{3}{4}$  of bitcoin miners rated the bitcoin price as important or very important, a quarter didn't.

Importance of bitcoin price to mining



■ I'm going to mine regardless of price ■ important ■ not important ■ very important



# Conclusions

- The age profile of users is heavily male with a tiny proportion of female bitcoin users, and mainly falling within the early 20's to late 40's bracket, and few respondents under the age of 18
- From our survey, large numbers of bitcoin users see themselves as novices, or are looking to study bitcoin or get a career in the industry.
- While respondents like the freedom of bitcoin, there are still many negative feelings around it, as highlighted in mentions of scams, loss of bitcoin due to technical reasons, or hacks.
- Nearly half of bitcoin users gamble their bitcoin, and three quarters are registered with exchanges.
- 1 in 8 users lost some bitcoin due to an issue with their wallet, and 1 in 6 lost bitcoins due to an exchange hack or shutdown.
- Most have tried several bitcoin wallets, and settled on the ones they want to use, although there is a lot of room for improvement.
- Bitcoin faucets have been used by three quarters of respondents at least once.
- Of those mining bitcoin, a large number only invested once, and few had mishaps with the hardware.



# #BitcoinSurvey2017

- The team have the groundwork already laid for next year's #BitcoinSurvey
- We will need to create partnerships with Russian and Chinese language bitcoin media, as we were unable to get responses to the localised surveys through Western media, social media, advertising or search engines in these markets.
- There were also repeated suggestions from members of the community to include Indonesian, Filipino and Indian languages in next year's survey, and we will need volunteers to localise the survey into these languages.



# Additional information

- The incentive draws were recorded and published at [https://www.youtube.com/playlist?list=PLIgpNLzhbkOD56ltR5hUrXK\\_aUn2yHb7A](https://www.youtube.com/playlist?list=PLIgpNLzhbkOD56ltR5hUrXK_aUn2yHb7A)
- April rewards (0.25 bitcoin) were paid at <https://www.blocktrail.com/BTC/tx/09c4e2921c6f11fe08f8d574a0b20c2750c21aab5eca4060d855243157e98d1f>
- May rewards (0.25 bitcoin) were paid at <https://www.blocktrail.com/BTC/tx/096807e1e4ef73c60e89ad9393d553a49a54cf60292708de29506e24aa8693aa>
- June rewards (0.75 bitcoin) were paid at <https://www.blocktrail.com/BTC/tx/30eb56c9240adfee92635780aa4fa106335b4f41cd757a95e138e3c9f77be215>



# Thanks for listening & reading

#BitcoinSurvey2016 was commissioned by Bitcoin Marketing Team and ran through BitcoinsInIreland.com as a public research project. The survey in total took five months and over 500 hours of work by

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A big thank you in relation to localisation coordinated by Stefan Linke & a team of localisers from the Irish video games industry, and volunteers from bitcointalk.org & /r/bitcoin. We'd also like to thank all of those who participated in the survey.

Please credit this work if you're using it in your own research.

BitcoinSurvey2016 Staff  
Beer Fund

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