

Beyond Early Adopters

What It Takes for Crypto to Matter
in Everyday Life

mercuryo

Protocol Theory ■

Foreword



Petr Kozyakov

Co-founder and CEO, Mercuryo

At Mercuryo, we believe the user experience on platforms shaping our financial future should be intuitive and seamless. Crypto wallets, the primary gateway into Web3, should feel as simple and intuitive to use as messaging apps. Only then can they unlock the potential of decentralized finance to give people greater control, portability, and reach in how they engage with money. Yet as this report makes clear, technology on its own is not enough to ensure adoption.

This study focuses on crypto wallets because they sit at the center of Web3's promise. Drawing on extensive research, it identifies the barriers that prevent wallets from becoming part of everyday life: complexity, uncertainty, and lack of visibility. At the same time, the data reveals another critical challenge. Without deliberate effort, the benefits of wallets risk being unevenly distributed. If accessibility and usability are not prioritized, the very communities most in need of better financial options may once again be the last to benefit.

We see this as a call to action for the entire ecosystem: builders, payment partners, exchanges, traditional financial institutions, and policymakers. Together, we must design solutions that meet people where they are, with experiences that feel clear, familiar, and relevant to daily financial needs.

Our mission at Mercuryo is to bridge traditional finance and digital assets in ways that are fast, reliable, and accessible to all. The roadmap outlined in this report reflects that vision. The opportunity is within reach, and the next step is to ensure that the benefits of Web3 extend not only to early adopters but to everyone.



Jonathan Inglis

Founder & CEO, Protocol Theory

The story of crypto wallets is often told through the lens of technology, infrastructure, or regulation. These matter, but they are not the whole picture. Adoption ultimately depends on people: their needs, expectations, preferences and pain points.

This report places that human perspective at the center. By applying Everett Rogers' Diffusion of Innovation model and the Five Factors of Adoption, we move beyond surface explanations of "UX problems" or "education gaps" to uncover the deeper reasons why crypto wallets have yet to become part of daily financial life—and what needs to change for that to happen.

The findings are both sobering and encouraging. On the one hand, crypto wallet adoption in the United States remains limited—far behind traditional digital fiat wallets and payment apps—while also disproportionately concentrated among higher-income groups. Instead of reducing inequality, the evidence suggests that wallets risk reinforcing it. The very people who could benefit most from better access to decentralized financial tools are the least likely to use them, and when they do, they often report worse experiences.

On the other hand, these challenges are far from insurmountable. They reflect unmet needs that can be addressed through user-centric product design, stronger alignment with existing financial habits and behaviors, and more intuitive first-use experiences. At Protocol Theory, we believe the next phase of Web3 growth will be driven not by the latest technological breakthroughs, but by making better use of the technology already in place to create simpler, safer, and more accessible experiences. My hope is that this research serves as a roadmap for making wallets inclusive, relevant, and trusted by everyone.

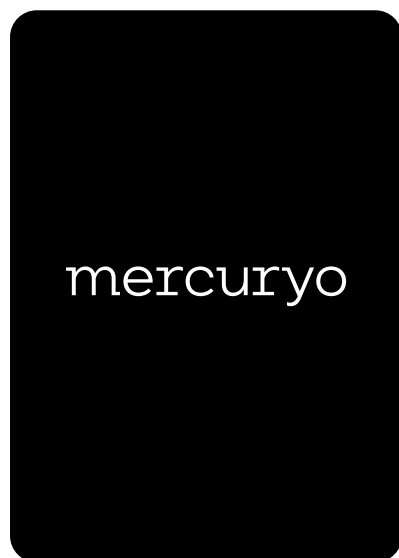
About This Report



This report examines why self-custodial cryptocurrency wallets have yet to achieve mainstream adoption and outlines how the gap can be closed. Based on nationally representative research with 3,428 U.S. adults and expert interviews, it updates the Diffusion of Innovation model and Five Factors of Adoption framework to identify the behavioural and experiential barriers holding cryptocurrency wallets back.

Commissioned by Mercuryo and authored by Protocol Theory, the report benchmarks cryptocurrency wallets against centralized exchanges and digital fiat wallets, diagnoses the key drivers of friction, and presents a five-point roadmap for accelerating adoption. It is intended for wallet providers, payment partners, exchanges, fintech platforms, traditional financial institutions and policymakers seeking to design more intuitive, trusted, and widely-used digital asset tools.

About The Authors



Mercuryo

Mercuryo is a leading payment infrastructure platform in the digital token space. Standing out in the decentralized ecosystem by enhancing payment use case growth and on-chain integration, Mercuryo's intuitive and robust solutions are powering the next generation of Web3 payment services. Mercuryo's innovative payment products such as Spend bridge the gap between TradFi, Web2 and Web3. Mercuryo is the proud partner of leading pillars in the digital token economy such as Ledger, MetaMask, Trust Wallet and Revolut. Driven by an evolving product suite, Mercuryo is expanding further and continuing to innovate with a diversified stack of payment services.

Learn more at <https://mercuryo.io>



Protocol Theory

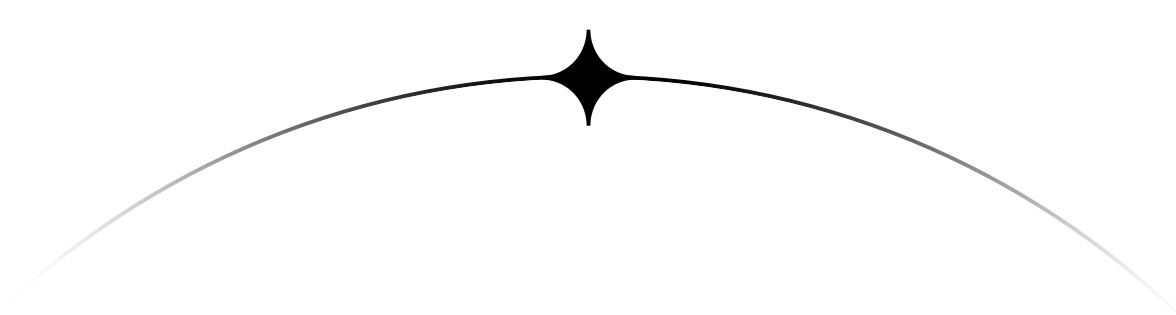
Protocol Theory is the world's leading consumer insight, analytics, and strategic consulting company dedicated to Web3, AI, and emerging technology. Combining deep industry expertise with decades of experience in consumer behaviour and marketing science, Protocol Theory delivers data-driven insights and bold perspectives that help clients understand adoption, build competitive advantage, and uncover new growth opportunities. Trusted by leading global brands, the company's research powers product innovation, optimises user experiences, and shapes market strategies for the onchain era.

Learn more at www.protocoltheory.com

Table of Contents



04	Executive Summary
06	Introduction
08	Chapter 1: Where Wallets Stand Today
13	Chapter 2: The Five Factors of Adoption
17	Chapter 3: Benchmarking crypto wallets
21	Chapter 4: Diagnosing the Drivers of Friction
29	Chapter 5: What the Next Users Want
35	Chapter 6: A Shared Roadmap for Adoption
42	Conclusion
45	Methodology Statement
47	Appendices
	Appendix A: Glossary
	Appendix B: References



Executive Summary



Crypto and Web3 were built on the promise of greater access, autonomy, and inclusion. At the center of that promise are self-custodial crypto wallets, intended to give people more direct control over how they hold and move value. Yet despite their potential, crypto wallets remain far from mainstream. Fewer than one in eight U.S. adults currently use one, and adoption is disproportionately concentrated among higher-income groups. The very communities most underserved by traditional finance are the least likely to use wallets and the most likely to report negative experiences.

This stands in sharp contrast to mainstream digital fiat wallets such as Apple Pay, Venmo, and others, which have become a trusted part of everyday life for millions. Their widespread adoption shows that people readily embrace new ways of managing money when the benefits are clear, visible, and seamlessly integrated into everyday life.

This report explores why crypto wallets have not yet achieved the same level of everyday acceptance. Drawing on a nationally representative survey of 3,428 U.S. adults and in-depth interviews with product leaders and industry experts, it applies and updates Everett Rogers' *Diffusion of Innovation*¹ framework to examine the current state of wallet adoption and identify the behavioral, emotional, and experiential frictions preventing broader use.

Central to this framework are five factors shown to strongly influence whether people adopt new technologies:

- ◆ **Relative Advantage:** Is it clearly better than what I already use?
- ◆ **Compatibility:** Does this fit with the way I already live and work?
- ◆ **Complexity:** Can I understand this easily and feel confident using it?
- ◆ **Trialability:** Can I try this safely without too much effort or risk?
- ◆ **Observability:** Can I see other people using it in ways that feel relevant to me?

Key findings from this study include:

- ◆ **Relative Advantage remains unclear.** Only 22 percent of adults believe crypto wallets offer a meaningful benefit compared to what they already use. Advantages like self-custody, flexibility, and Web3 access remain under-recognized.
- ◆ **Compatibility with existing habits and routine is low.** Just 12 percent feel wallets fit naturally into how they already manage money, with requirements like seed phrases and network switching at odds with familiar practices.
- ◆ **Complexity undermines confidence.** Only 13 percent say wallets are easy to use. People worry not just about setup, but about whether ongoing use will feel safe and predictable.
- ◆ **Trialability is constrained by misconception.** Many believe that to get real benefit, they would need to “fully switch” their financial lives to crypto wallets. In fact, wallets can already deliver value through small, parallel uses.
- ◆ **Observability is limited.** Only 16 percent have seen someone else use a wallet. Without visibility, wallets fail to build the social proof needed for trust.

The chapters that follow map where wallets stand today, benchmark them against mainstream digital fiat wallets, diagnose the drivers of friction, and set out a roadmap for making wallets inclusive, usable, and trusted by everyone – especially those who have the most to gain.

¹ Everett M. Rogers, *Diffusion of Innovations*, 5th Edition, Free Press, 2003.

"The teams that do well are the ones that put their products in the hands of an end user and really listen to them. But this is hard, because you have to simultaneously love what you're building and have the humility to listen to your users."

– Managing Partner, crypto
and deep tech venture studio

Introduction



Financial inequality continues to shape the daily reality of millions of people. Sending money across borders remains expensive, access to credit and savings is uneven, and basic financial services are still out of reach for many communities. These gaps reinforce broader inequities, especially among populations excluded or underserved by traditional banks.

Self-custodial crypto wallets² – the primary interface for accessing decentralized finance – can help close these gaps. By removing intermediaries, they offer the possibility of giving people more direct control over their money, enabling instant transfers and expanding access to global financial services. In principle, these tools could promote greater fairness by extending autonomy and opportunity to those who lack it today.

In practice, however, that promise remains mostly unrealized, and in some respects the data suggests the opposite trend. Among U.S. adults aged 18–64, fewer than one in eight currently use a crypto wallet for any reason, with adoption skewed heavily toward higher-income groups. Just 6% of those earning under \$40,000 are wallet users, compared with 15% of those earning \$40,000–\$99,999 and 19% of those above \$100,000.

Experiences with wallets also diverge. Nearly three-quarters (72%) of higher earners describe their experience as good or excellent, while fewer than half (45%) of lower earners say the same. Among those on the lowest incomes, 13% report poor experiences – more than double the rate among top earners.

Instead of narrowing inequality, these patterns suggest wallets may be reinforcing it. The very groups most excluded from traditional financial systems are also those least likely to use wallets, and when they do, they report more negative experiences. A technology promoted as an on-ramp to greater financial inclusion risks deepening the divide unless it is designed for those who need it most.

This report seeks to understand how that gap can be closed. Using Everett Rogers' *Diffusion of Innovation*³ framework and the Five Factors of Adoption—Relative Advantage, Compatibility, Complexity, Trialability, and Observability—it examines why wallets remain niche in the U.S. and how they can become more accessible, available, and user-friendly for all.⁴

At its core, this report is not about technology, but about people: what they need, what they avoid, and what makes them willing to try something new. Wallet adoption will grow when experiences are intuitive, safe, and undeniably useful, meeting real human needs in ways that feel natural and familiar.

The tools to enable this future already exist. What matters now is applying them in ways that truly resonate with people.

²Key terms used throughout this report are defined in the glossary at the end.

³Everett M. Rogers, *Diffusion of Innovations*, 5th Edition, Free Press, 2003.

⁴Other frameworks include the Technology Acceptance Model (Davis, 1986), Unified Theory of Acceptance and Use of Technology (Venkatesh et al., 2003), Technology Readiness Index (Parasuraman, 2000), and the Bass Diffusion Model (Bass, 1969). Full references are provided in the Appendix.

mercuryo

Chapter 1:

Where Wallets Stand Today

Protocol Theory ■

Where Wallets Stand Today

Most people already interact with digital finance in some way. They send money to friends through mobile apps, pay for groceries with their phones, and manage their accounts digitally. For the most part, these experiences feel seamless. They fit naturally into daily life, with little friction and a clear purpose.

Crypto wallets could serve a similar role, yet their perceived utility remains narrow and most people do not recognize the value they provide. Adoption remains limited because the experience feels unfamiliar and the benefits are not always clear. For most consumers, crypto wallets have not yet found a natural place in their financial routines, with only a small group of early users engaging with them today.

To understand why wallet adoption has stalled, it helps to look through a structured lens. Everett Rogers' Diffusion of Innovation model remains one of the most widely used frameworks for understanding how people adopt new technologies. It shows that adoption unfolds in stages: a few people are quick to experiment, while most wait until they see a clear benefit for themselves or watch someone they trust succeed with it.

The framework segments the population into five groups based on their orientation toward change. The original distributions are shown below, alongside our updated research findings:

Adoption Segments: Rogers vs. Mercury Data

Stakeholder Category	Everett Rogers (Original Model)	Mercuryo Survey (U.S. Adults, n=3,428)
Innovators: First to experiment, motivated by curiosity and willingness to take risks.	2.5%	9%
Early Adopters: Influential users who embrace new ideas early and help establish credibility.	13.5%	33%
Early Majority: Pragmatic adopters who wait for proof of value and ease of use.	34%	41%
Late Majority: More cautious, adopting only once products are common and trusted.	34%	13%
Laggards: Resistant to change, adopting only when traditional options are no longer viable.	16%	5%

Each group approaches new products with different motivations and expectations. Innovators and Early Adopters are more willing to experiment, but they represent only a small share of the population. The majority – nearly seven in ten people – usually needs visible value, strong social proof, and alignment with everyday life before they participate.

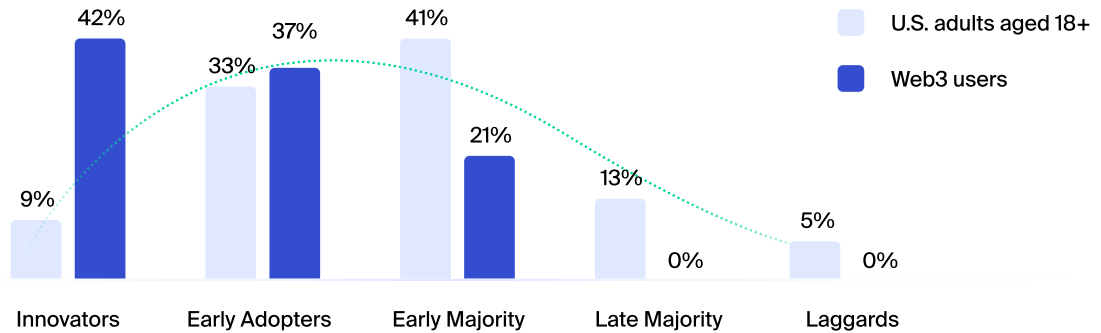
Crypto wallets remain concentrated at the earliest end of this curve. Among U.S. adults who have used a wallet, two-thirds are Innovators or Early Adopters. Fewer than one in three come from the Early or Late Majority. These figures show that wallets have not yet reached the consumers who represent the tipping point for mainstream growth.

Where Wallets Stand Today



Exhibit 1 Web3 users are disproportionately drawn from early adoption segments, underscoring the challenge of mainstream growth

Distribution of innovation adoption segments among U.S. adults and Web3 users, % of each group



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ±1.67 percentage points at the 95% confidence level. Web3 users defined as respondents currently using Web3 or decentralized apps.

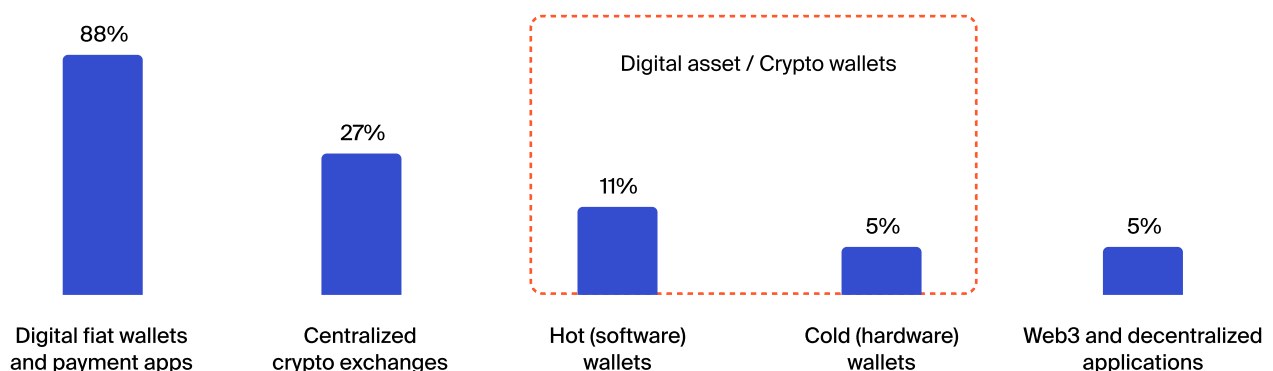
By comparison, other forms of digital finance have advanced much further. Almost nine in ten U.S. adults have used a mobile payment app such as Venmo, Apple Pay, or Cash App. Centralized crypto exchanges like Coinbase and Binance have reached 36 percent penetration. These products have become familiar. People see others using them, and they understand what they do.

Crypto wallets have not yet reached that level of visibility or relevance. Overall, just 12 percent of U.S. adults aged 18-64 say they actively use a crypto wallet today. Even among existing crypto users, only 38 percent report having used one, with most preferring to trade on centralized exchanges and avoiding managing assets directly.

This gap highlights a central challenge: in isolation, self-custody is not a sufficient driver of adoption. People are willing to engage with digital assets when the process feels intuitive and familiar, but they hesitate when the experience introduces new concepts or responsibilities without sufficient guidance or a clear reason to make the switch.

Exhibit 2 Digital fiat wallets have reached mass adoption, while crypto wallets and decentralized applications remain niche among U.S. adults.

Current usage of financial product types, % of U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error +1.67 percentage points at the 95% confidence level.

Where Wallets Stand Today



However, the data suggests that digital asset wallets are not being rejected outright. Rather, people are unsure where they fit into their financial lives. For many, it is not yet clear how a wallet is superior to a CEX, or how it would help them send money, store savings, or access digital services in ways that feel useful or necessary.

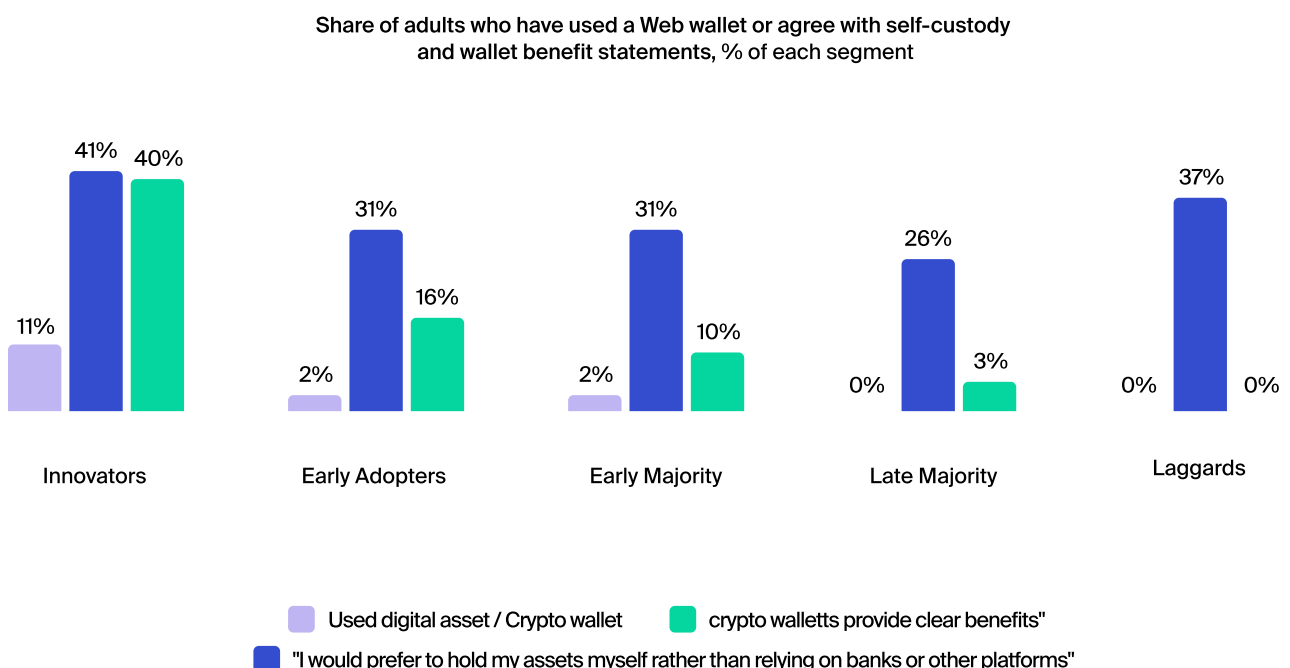
This uncertainty is compounded by low social exposure. Only 16 percent of respondents say they have seen someone use a crypto wallet in a real-world setting. In contrast, 65 percent have seen others use mobile payment apps. Visibility matters. When people observe friends or family using a product with confidence, they are far more likely to trust it themselves.

"The number one issue is always around security: they hear about hacks in crypto. People also don't want to trust themselves to accept that level of risk or liability. That is number one."

— Business development associate, leading crypto wallet provider

Confidence also diverges across adoption segments. Innovators and Early Adopters are often comfortable with abstraction, trial and error, and experimentation. The majority is not. They expect products to be straightforward, predictable, and tied to tangible outcomes. These users want to know: *Will this help me send money faster? Can I pay for something with it? Will I lose my funds if I make a mistake?*

Exhibit 3 **Mainstream users value self-custody principles but have yet to see clear benefits from crypto wallets**



Source: Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error +1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree).

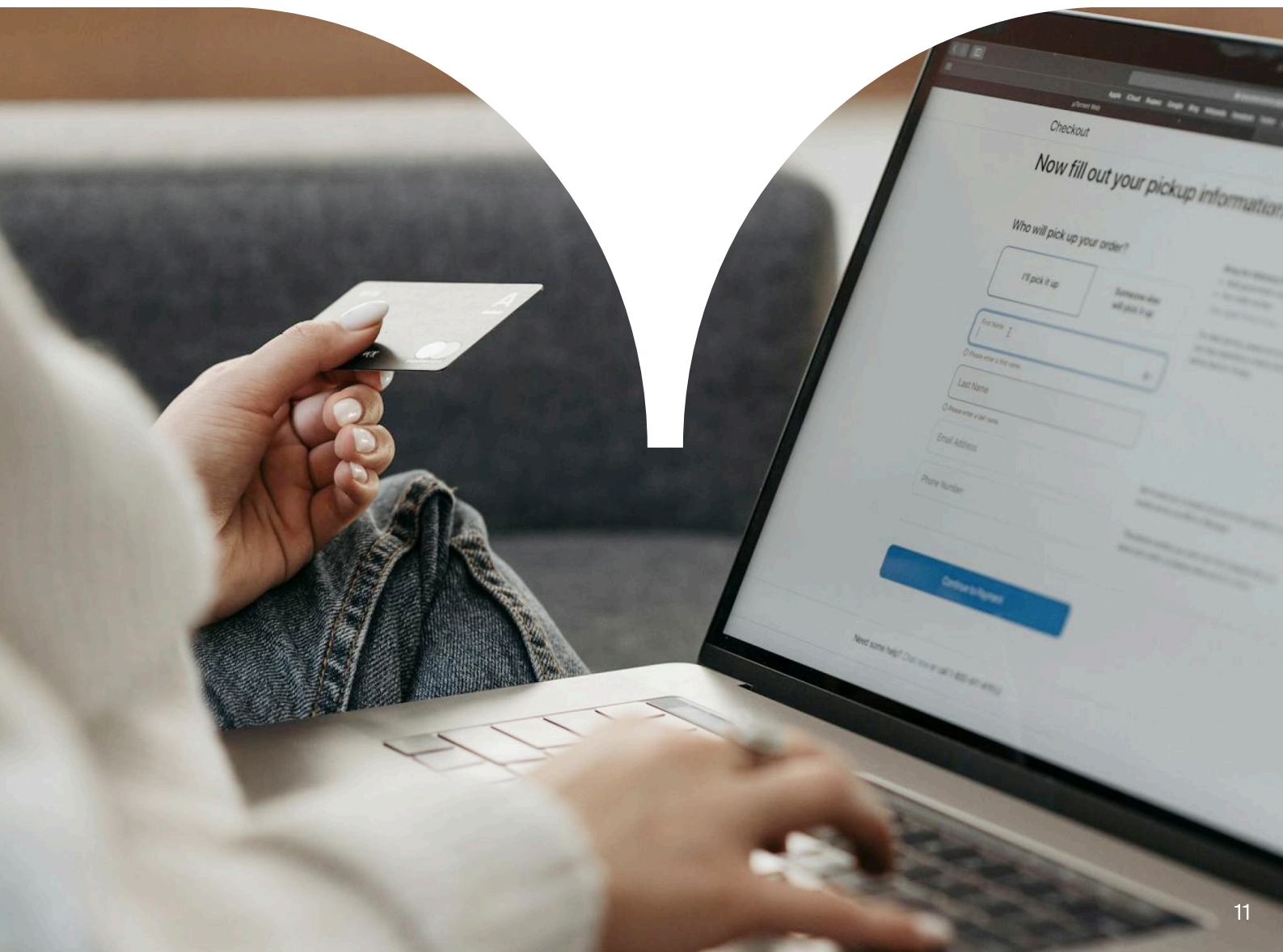
Where Wallets Stand Today

Today's digital asset wallet experience does not fully answer those questions. Interfaces often prioritize flexibility and control but leave new users uncertain. Important choices – such as key management, network switching, or gas fees – are introduced too early in the journey and without sufficient context. These decisions may appeal to expert users, but they create hesitation for everyone else.

This creates a gap between technical readiness and human readiness. The infrastructure exists and the products are available, but utility is limited and the experience is not yet designed for people who expect financial services to work seamlessly, without explanation. As a result, wallets remain concentrated at the earliest end of the adoption curve.

Unlocking broader adoption requires a change in perspective. People do not adopt technologies simply because they are new. They adopt them when those technologies solve real problems in ways that feel usable, safe, and familiar.

The next section introduces the Five Factors of Adoption, a framework for understanding what people need in order to take that step. It highlights where wallets fall short today and what can be done to improve the experience for real users.



mercuryo

Chapter 2:

The Five Factors of Adoption

Protocol Theory ■

The Five Factors of Adoption



If crypto wallets are to move beyond early adopters, it is critical to understand the conditions that shape how people decide whether to embrace something new. Decades of adoption research show that usage depends not only on availability or awareness, but on a consistent set of perceptions that determine whether a product feels worth trying, safe to explore, and relevant to daily life^{5,6}.

Most consumers, particularly those outside the early-adopter segments, filter new products through both practical and emotional judgments. They weigh risk, convenience, and trust, with expectations rising even higher when money, identity, or security are involved.

Everett Rogers' Diffusion of Innovation theory captures these dynamics through the Five Factors of Adoption. Each factor – relative advantage, compatibility, complexity, trialability, and observability – reflects an underlying human concern that shapes whether people feel comfortable adopting something new.

The Five Factors That Shape Adoption

◆ **Relative advantage** is the extent to which an innovation is perceived as superior to existing alternatives. The human concern here is relevance: people ask themselves, Is this clearly better than what I already use? In payments and finance, this might mean faster transfers, lower costs, broader access, or greater control. Unless the benefit feels tangible and immediate, people tend to stay with familiar options.

◆ **Compatibility** reflects the degree to which an innovation aligns with existing habits, values, and practices. The human concern is familiarity: people wonder, Does this fit with the way I already live and manage my money? Products that integrate naturally into current routines feel easier to adopt. Those that introduce entirely new responsibilities – such as managing cryptographic keys – require a bigger leap.

◆ **Complexity** describes how difficult an innovation appears to understand or use. The human concern is ease: people ask, Can I understand this easily and feel confident using it? Simplicity is important in virtually all financial services – but especially in crypto, where mistakes can carry irreversible consequences. If the process feels confusing or risky, adoption slows.

◆ **Trialability** denotes the extent to which an innovation can be tested on a limited basis before full commitment. The human concern here is confidence: people want to know, Can I try this safely without too much effort or risk? Products that allow gradual learning, reversible steps, or small commitments build comfort and encourage exploration. Those that require full commitment upfront discourage it.

◆ **Observability** refers to how visible and demonstrable the benefits of an innovation are to others. The human concern is clarity and trust: people ask, Do I see others using this in ways that feel relevant to me? When friends, family, or peers use a product with confidence, it becomes easier to believe in its value. When use is invisible, the product feels niche or unproven.

⁴ I. M. Al-Jabri and M. S. Sohail, "Mobile banking adoption: Application of diffusion of innovation theory," *Journal of Electronic Commerce Research*, vol. 13, no. 4, pp. 379–391, 2012.

⁵ Protocol Theory. *The Next Billion Users: Dismantling the Barriers to Crypto and Web3 Adoption*. 2024.

The Five Factors of Adoption

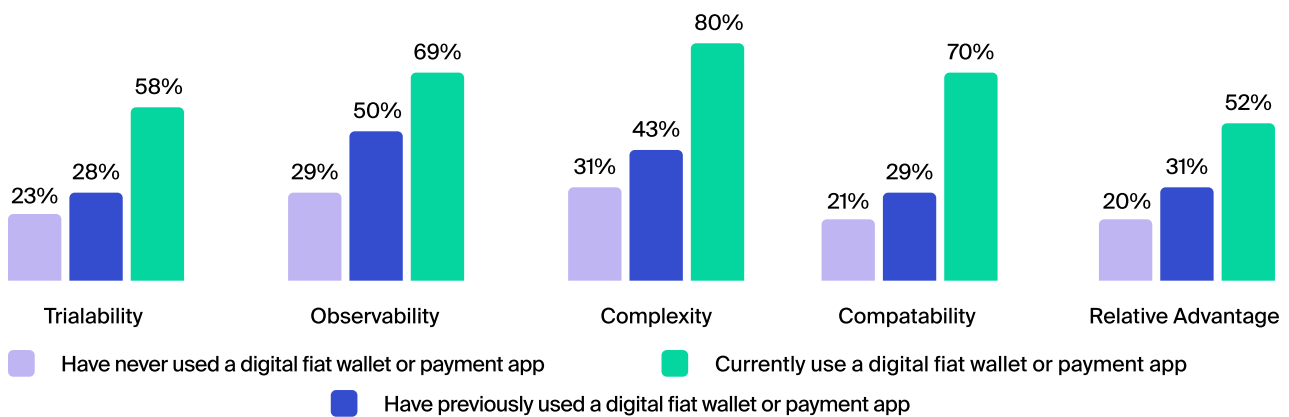


Evidence From Mainstream Wallets

Our survey data illustrates the impact of these factors in practice. It's not just about low complexity: digital fiat wallets such as Apple Pay and Venmo have become widely adopted precisely because people perceive them as useful, intuitive, and visible in their social circles. Eight in ten current users describe them as easy to use, compared with only three in ten non-users. Across every factor, stronger perceptions are directly associated with higher adoption. To achieve mainstream acceptance and usage, crypto wallets must also deliver against these criteria.

Exhibit 4 **People who see mainstream digital fiat wallets as intuitive, useful, and visible are far more likely to use them**

Percentage agreement (T2B) with Five Factors statements by digital fiat wallet usage status,, % of U.S. adult aged 18-64

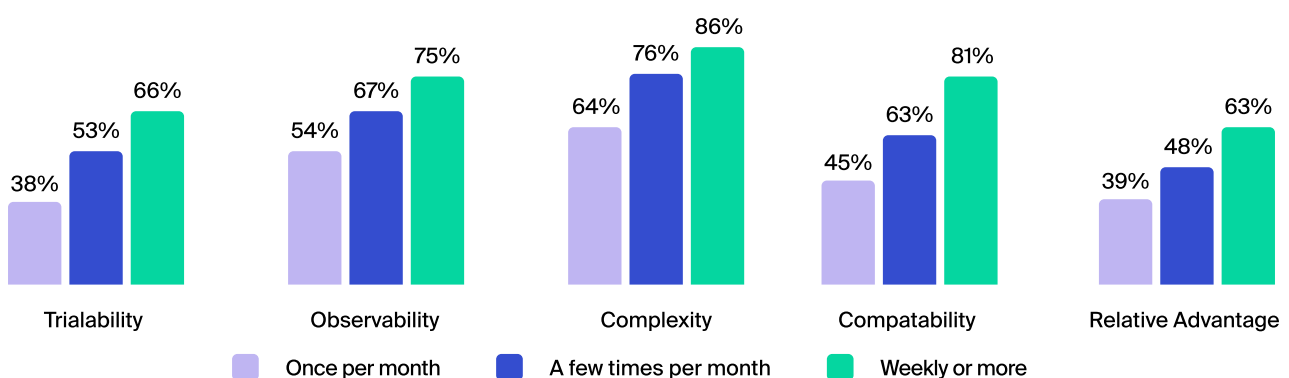


Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with the Five Factor statements.

Frequency of use follows the same pattern. People who see digital fiat wallets as simple, useful, and relevant are more likely to use them regularly. For example, 86 percent of weekly users agree that digital fiat wallets are easy to use, compared with 64 percent of monthly users. The relationship is consistent across all five factors: the stronger the perception, the greater the likelihood of regular use.

Exhibit 5 **People who see digital fiat wallets as simple, useful, and relevant are much more likely to use them frequently**

Percentage agreement (T2B) with Five Factors statements by digital fiat wallet usage frequency, % of U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with the Five Factor statements.

The Five Factors of Adoption



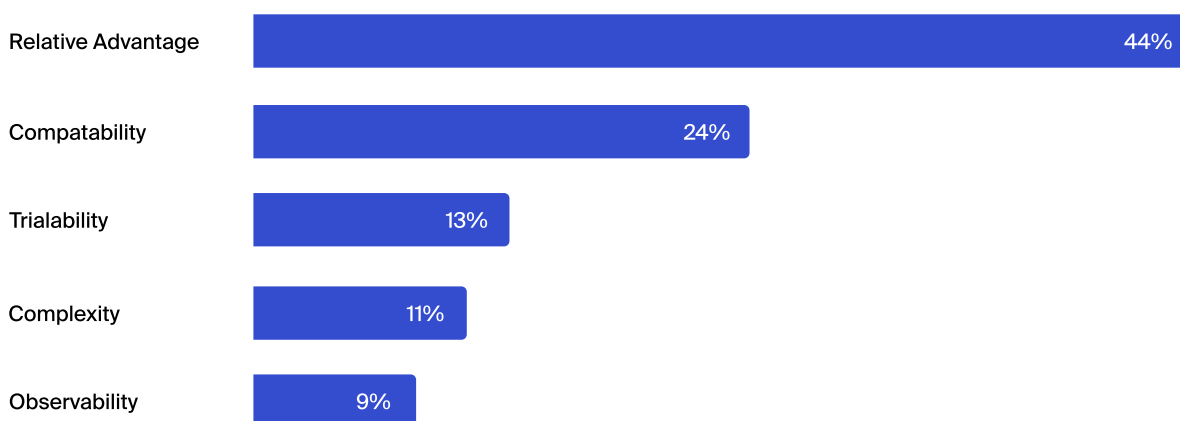
Predicting crypto wallet Uptake

The same framework helps explain crypto wallet adoption. A statistical driver analysis of our survey data confirms that these five factors strongly influence whether someone decides to use a wallet, explaining nearly half of the reasons behind people's decision to adopt or not. In other words, people's choices are not random; they are consistently influenced by a handful of clear perceptions.

The relative weight of each factor is instructive. Relative Advantage – whether a wallet feels better than existing options – has the greatest influence, driving almost half of adoption decisions (44 percent). Compatibility, or whether it fits with people's existing habits, follows at 24 percent. Trialability, Complexity, and Observability also matter, but each contributes less individually.

Exhibit 6 Perceived value and fit are the strongest drivers of digital asset wallet adoption—more than usability or social visibility

Relative importance of each factor to digital asset wallet adoption decision, based on statistical driver analysis



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Chart shows the relative statistical contribution of each factor (Relative Advantage, Compatibility, Trialability, Complexity, Observability) to digital asset wallet adoption, obtained via regression-based importance modelling.

Implications

The evidence highlights a simple truth: adoption is not just about UI and UX. It depends primarily on whether people perceive genuine value and lifestyle fit. Demonstrating advantages such as speed, reliability, or greater control – and ensuring they align with daily routines – are the most powerful levers for growth, with relative advantage and compatibility together explaining two-thirds (68%) of a user's decision to adopt. Trialability, simplicity, and visibility strengthen adoption further, but they work best once the fundamentals of value and fit are firmly in place.

The next chapter benchmarks crypto wallets against mainstream digital fiat wallets and centralized exchanges across these Five Factors, identifying where gaps are widest and where progress is most urgent.

mercuryo

Chapter 3:

Benchmarking crypto wallets

Protocol Theory ■

Benchmarking Web3 Wallets



Understanding adoption requires more than tracking how many people use a product. It also requires understanding how they feel about it: what they find helpful, where they experience friction, and how it compares to the platforms and services they already trust.

The previous chapter introduced the Five Factors of Adoption as a lens for assessing readiness. Each factor reflects a simple, human test: *Is this better than what I use today? Does it make sense to me? Can I try it safely? Do I see others using it in ways that feel relevant?*

This chapter applies that framework to compare crypto wallets with digital fiat wallets such as PayPal, Venmo, or Apple Pay. Both categories allow people to manage money in digital environments, but their perceived usefulness, and their readiness for mainstream adoption, diverge sharply.

A Clear Pattern: Crypto wallets Trail Across Every Dimension

Across all five adoption factors, crypto wallets lag far behind digital fiat wallets. In most cases, the gaps are substantial, and the pattern is consistent across both the general population and crypto-engaged users.

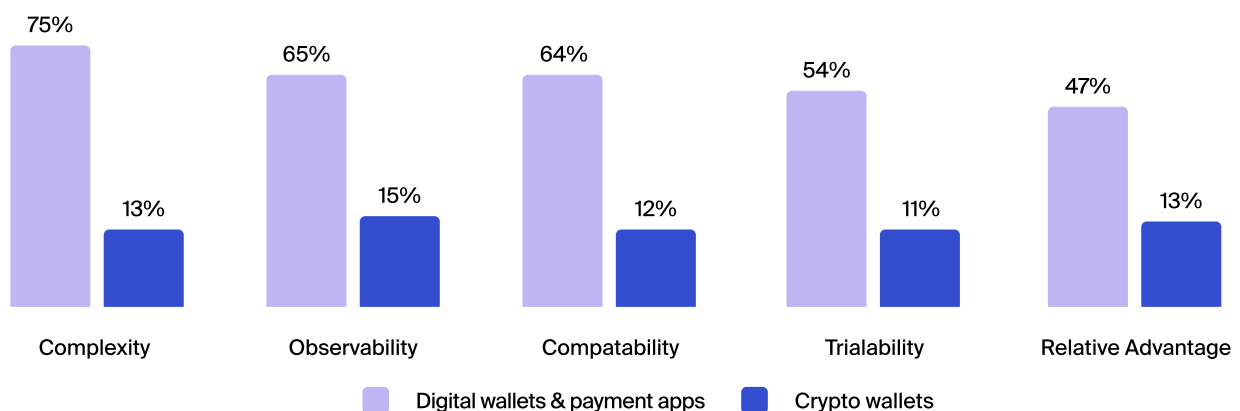
The most pronounced gaps appear in three areas:

- ✦ **Complexity:** 76% say digital fiat wallets are easy to use, compared with only 13% for crypto wallets.
- ✦ **Compatibility:** 64% believe digital fiat wallets fit with their lifestyle, compared with 12% for crypto wallets.
- ✦ **Observability:** 65% have seen digital fiat wallets used by others, compared with only 16% for crypto wallets.

Exhibit 7

Crypto wallets lag significantly in perceived advantage, falling well behind more familiar fiat-based alternatives

Share of adults who agree that each product offers a clear benefit over other available options, % of U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with the statement: "[Digital [fiat] wallets and payment apps / crypto wallets] provide clear benefits compared to other available options."

These results suggest the challenge is not a basic lack of awareness or familiarity, but whether the experience aligns with everyday expectations and where it fails to do so.

Benchmarking Web3 Wallets



Complexity: The Most Immediate Barrier

Of all the adoption factors, complexity is the clearest obstacle. Only 13% of the general population described wallets as easy to use. This implies that even motivated users encounter barriers, and suggests that the difficulty lies not in a lack of intent but in the experience.

"After security, the second thing that people mention in our surveys is the idea of gas, people need to understand what chain or what token they're buying, then what the native gas and slippage, tolerance... all of that stuff is confusing. I think that it needs to just be simplified and abstracted away to where someone can search for a token and just buy it, then swap it without needing to know those other things."

— Business development associate, leading crypto wallet provider

By contrast, services like PayPal or Apple Pay are built around simplicity. They offer a narrow set of core functions with predictable outcomes. Wallets often lead with optionality instead of guidance. Simplifying the first-use experience and reducing uncertainty will be critical to changing perceptions of complexity.

Compatibility: More Than User Experience

Compatibility refers to more than network support or cross-chain interoperability. It captures how well a product fits with people's existing habits, routines, personal values, and mental models of how financial services should work.

Today, wallets often require unfamiliar behaviors such as copying long addresses, storing seed phrases, signing opaque transactions, or switching networks without context. Early adopters may tolerate this, but the majority find it confusing and discouraging.

Only 12% of respondents said wallets felt compatible with how they already manage money. Digital fiat wallets performed far better, thanks to predictable patterns, familiar identifiers, and integrated recovery systems.

"First and foremost, we need to understand that crypto adoption won't come from education — it will come from removing the need to be educated. We need to understand that we won't make it appealing to users by teaching them something. They simply don't care that much."

— Product manager, global payment infrastructure provider

In the end, if crypto is going to be mass adopted, it has to be tied to our lives. Payments is the first step toward mass adoption. That is the direction we're heading with our wallet as well."

— Product lead, emerging crypto wallet provider

Benchmarking Web3 Wallets



Designing for compatibility does not mean reducing control. It means allowing control to emerge gradually, as people are ready for it.

Observability: Trust Built Through Visibility

Observability builds adoption through social proof. People gain confidence when they see others using a product in familiar settings. For wallets, that visibility is limited. Only 16% of U.S. adults reported seeing someone use a crypto wallet. In comparison, 65% had observed use of digital fiat wallets.

Without visibility, wallets feel abstract. Few interviewees had seen friends use them in daily life. Few had encountered them in commerce. This lack of exposure leaves wallets feeling niche rather than necessary.

Increasing observability requires more than marketing. It means making wallets visible in everyday interactions such as paying a friend, receiving rewards, storing value, or logging in securely.

The Experience Matters Most

This chapter makes one thing clear: the gap between wallets and mainstream financial services is not primarily about technology, as is commonly assumed. Instead, the real challenge lies in the experience.

People evaluate products based on how they feel to use and whether they make life easier. At present, crypto wallets fall short of these expectations, across multiple dimensions.

This need not be the case. The challenges identified across complexity, compatibility, and observability highlight that the barriers are rooted in design and usability rather than infrastructure. They represent unmet needs that can be addressed through clearer value, simpler onboarding, and greater visibility in real-world use.

The next chapter examines the drivers behind each of the Five Factors in more detail, showing both the friction that holds wallets back and the opportunities for product, design, and communication choices that can bring them closer to mainstream use.



mercuryo

Chapter 4:

Diagnosing the Drivers of Friction

Protocol Theory ■

Diagnosing the Drivers of Friction



Every drop-off in adoption reflects a point of friction. Sometimes the friction is obvious, such as an unclear button or a forgotten password. More often it runs deeper. People hesitate when they do not understand what something does, or when it behaves in ways they do not expect. They disengage when trying it feels risky, or when they do not see anyone else succeed.

In the last chapter, we benchmarked crypto wallets against two familiar financial tools: digital fiat wallets and centralized exchanges. Wallets fell behind across all five adoption factors. This chapter explores why.

How the Drivers Were Identified

At first glance, the Five Factors of Adoption seem like single measures. In reality, each contains multiple dimensions. Complexity, for example, can mean ease of understanding, clarity of language, or simplicity of use. Compatibility might mean alignment with someone's lifestyle, existing tools they already use, or even their personal values and beliefs.

To capture these dimensions, we asked respondents to evaluate 25 statements in total, with five statements for each Factor. We then used statistical analysis⁷ to map these items back to the Five Factors and identify which sub-drivers most strongly shaped perceptions of trialability, compatibility, complexity, observability, and relative advantage.

This approach helps uncover what really drives adoption. Instead of asking respondents directly which single element mattered most, we let the data reveal the underlying priorities, enabling us to capture the elements that shape confidence and hesitation in a more reliable way than self-reported rankings. By surfacing these sub-drivers behind each of the Five Factors, we can better understand the behaviors, perceptions, and product interactions that create friction.

How to read the charts in this chapter:

Each dot represents a sub-factor of one of the Five Factors of Adoption. The horizontal axis shows its importance (how strongly it influences overall perceptions of that factor), while the vertical axis shows its performance (the share of respondents who agreed the statement applied to wallets).

The quadrants show how each sub-factor performs relative to the others and suggest where action is most needed:

- ◆ **Relative Strengths (top right):** High importance and relatively strong performance (compared to other sub-factors, but not necessarily in absolute terms). These are areas wallets can emphasize in product and messaging. They help build credibility and should be protected.
- ◆ **Priority Gaps (bottom right):** High importance but weaker performance. These represent the biggest opportunities to close the adoption gap. Improvements here will yield the greatest impact.
- ◆ **Nice-to-Haves (top left):** Lower importance but higher performance. They contribute positively but are not decisive. Maintain them, but avoid over-investing.
- ◆ **Lower Leverage (bottom left):** Low importance and low performance. These matter comparatively little to adoption today and can be deprioritized unless importance shifts in the future.

⁷The analysis combined multiple regression with relative importance analysis (Shapley value regression and dominance analysis). These techniques make it possible to decompose each factor into its underlying elements and estimate their unique contribution to overall perceptions, even when those elements overlap conceptually.

Diagnosing the Drivers of Friction



Relative Advantage: Flexibility as the Defining Benefit

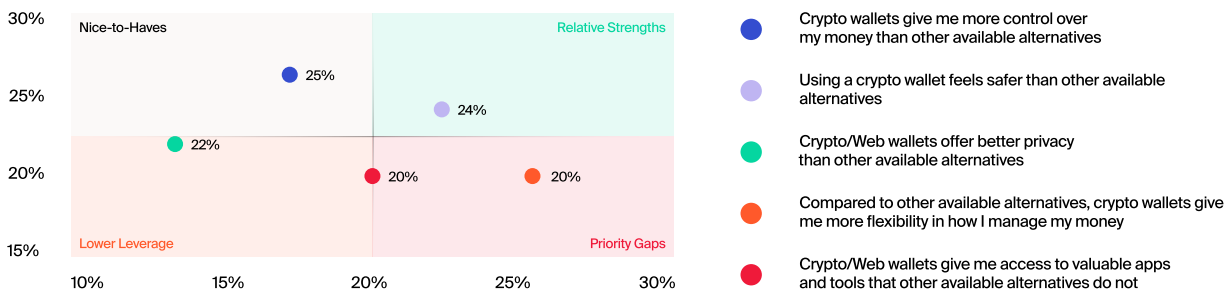
Relative advantage determines whether people see a product as worth switching to. For digital asset wallets, the strongest driver is flexibility in how people manage their money. Fewer than one in four respondents associated wallets with this benefit, which explains why so many still turn to alternatives that feel simpler and more predictable.

Other important drivers include:

- ✦ Feeling safer using a digital asset wallet compared with existing alternatives (i.e., a CEX)
- ✦ Believing that wallets offer stronger privacy protections
- ✦ More control over money than other available alternatives
- ✦ Access to valuable apps and tools unavailable through other options

Exhibit 8 Crypto wallet benefits like control, safety, and flexibility are under-recognized compared to other financial tools

Impact of each sub-factor on perceived relative advantage vs. agreement with Web wallet statements (Top 2 Box), U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with each statement. X-axis shows each factor's statistical impact on perceived relative advantage, based on regression analysis.

Together, these drivers highlight the core perception gap. The benefits that distinguish wallets – flexibility, safety, privacy, and unique access – are under-recognized by most consumers. Until these advantages are surfaced more clearly in everyday experiences, wallets will remain on the margins rather than seen as meaningful upgrades.

Compatibility: Alignment With Existing Routines

Adoption is easier when a product feels like it fits seamlessly with existing routines and aligns with personal values. The strongest influence on compatibility is whether wallets feel like they fit easily into the way people already manage their finances. Only a small minority of adults agreed, underscoring how disconnected wallets still feel from established routines.

Diagnosing the Drivers of Friction

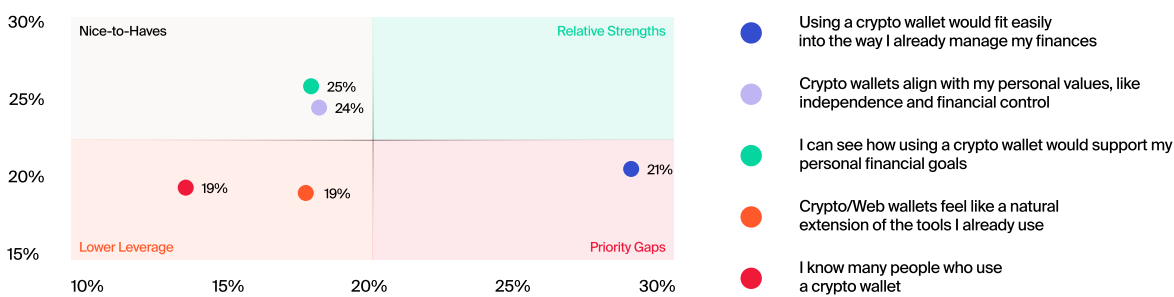


Other contributing perceptions include:

- ◆ Alignment with personal values such as independence and financial control
- ◆ Support for individual financial goals
- ◆ Feeling like a natural extension of tools already in use
- ◆ Knowing many others who also use wallets

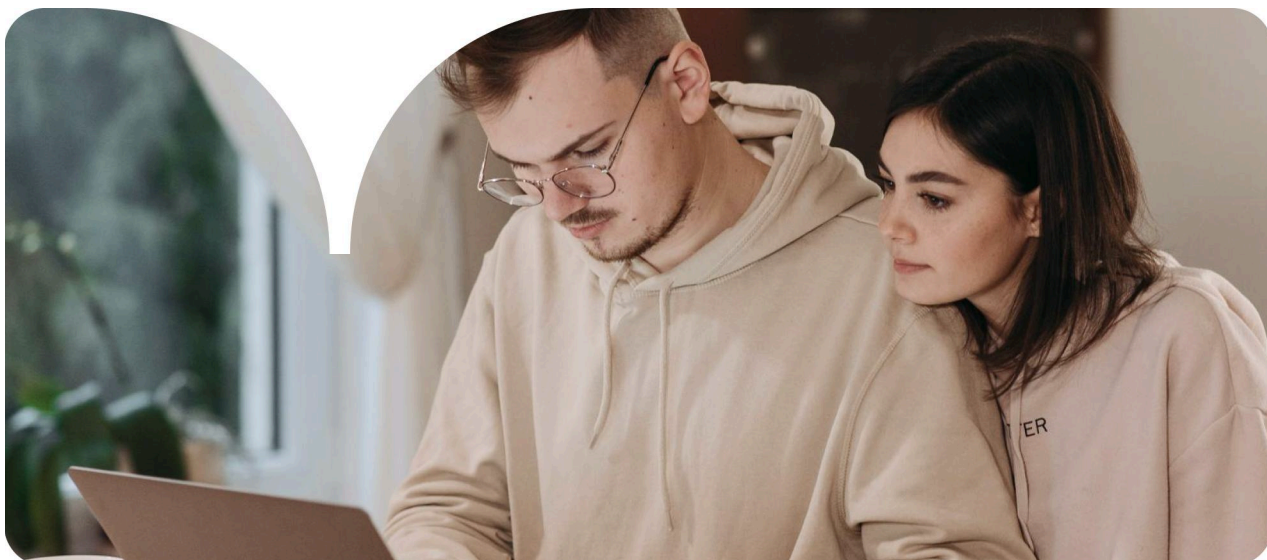
Exhibit 9 Most people don't yet see how wallets fit into their financial lives, values, or everyday routines

Impact of each sub-factor on perceived compatibility vs. agreement with crypto wallet statements (Top 2 Box), U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with each statement. X-axis shows each factor's statistical impact on perceived compatibility, based on regression analysis.

These findings show that compatibility is not only about interface design. It is about whether wallets reflect familiar practices, resonate with values, and integrate into the systems people already trust. Without that alignment, wallets remain on the outside of daily money management.



Diagnosing the Drivers of Friction



Trialability: People Want a Way to Try Before They Commit

The strongest influence on trialability is the perception that “It’s easy to try a wallet without needing to fully switch from my current system.” Fewer than four in ten adults agreed with this statement. This gap is critical because many consumers believe that to gain real benefit from a crypto wallet, they would need to go all in, ostensibly making the wallet their default money management and payment tool.

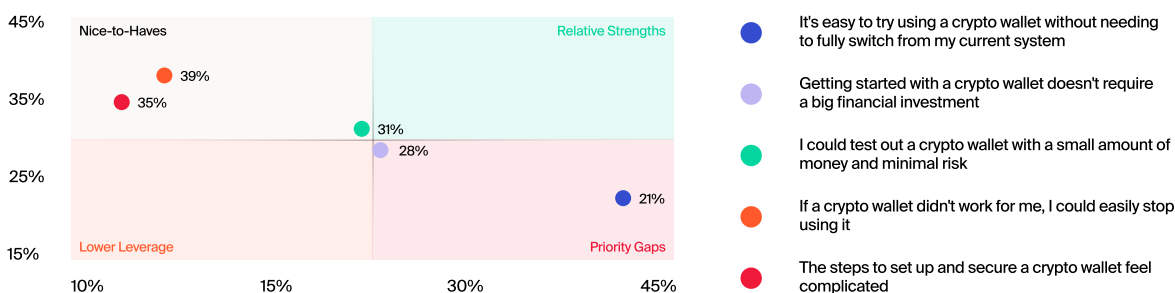
In reality, wallets can deliver benefits in small, parallel ways: sending \$20 to a friend, receiving a cashback reward, claiming a digital ticket, or connecting to a game are all meaningful benefits. Yet without clear signals of this optionality, trial feels like a risky commitment.

While comparatively less important, other sub-drivers reinforce this theme. People value:

- ✦ Not having to make a large financial investment to get started
- ✦ The ability to stop easily if it doesn’t deliver key benefits
- ✦ The ability to test with small amounts and minimal risk
- ✦ Simplicity in setting up and securing the wallet

Exhibit 10 Crypto wallet trialability depends less on optimizing onboarding flows and more on reducing perceived commitment

Impact of each sub-factor on perceived trialability vs. agreement with crypto wallet statements (Top 2 Box), U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with each statement. X-axis shows each factor's statistical impact on perceived trialability, based on regression analysis.

This challenges a widely held industry assumption: that improving onboarding UX is the key to adoption. In reality, people are willing to tolerate some friction when trying new tools; what they resist is the belief that meaningful benefits require going “all in” or disrupting established financial routines.

Diagnosing the Drivers of Friction



Complexity: Confidence After Setup Is Critical

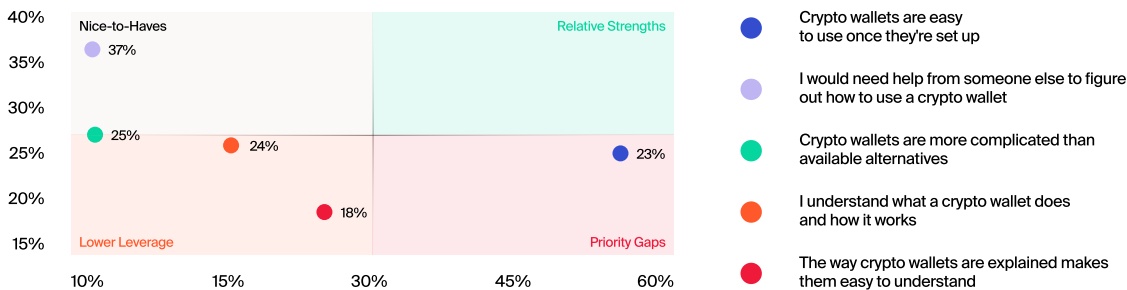
The most important driver of complexity is whether wallets feel easy to use once they are set up. Only around one in four adults agreed, making this the single strongest signal that people lack lasting confidence. Even after onboarding, many expect the experience to remain difficult, which discourages further use.

Other perceptions that influence complexity include:

- ◆ Needing help from someone else to figure out how to use a wallet
- ◆ Understanding what a wallet does and how it works
- ◆ Believing wallets are more complicated than available alternatives
- ◆ Finding explanations of wallets clear and easy to follow

Exhibit 11 **For most people, the perceived complexity of crypto wallets stems primarily from concerns around ongoing use, not initial set up.**

Impact of each sub-factor on perceived complexity vs. agreement with crypto wallet statements (Top 2 Box), U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with each statement. X-axis shows each factor's statistical impact on perceived complexity, based on regression analysis.

Together, these findings show that people judge complexity not only by the number of steps involved, but by how confident they feel once the product is in use. They want to know that once they complete the first steps, the wallet will feel intuitive, safe, and predictable.



Diagnosing the Drivers of Friction



Observability: Social Proof Drives Confidence

People often gain confidence in new financial tools by looking for cues from others around them – friends, family, colleagues, or public figures. The strongest driver of observability is whether people have seen those around them use or talk about wallets.

For crypto wallets, this kind of visibility is rare. Only 16 percent of respondents reported having seen someone else use or talk about a crypto wallet in a real-life context. This perceived absence makes wallets feel niche and disconnected from everyday contexts where trust is built.

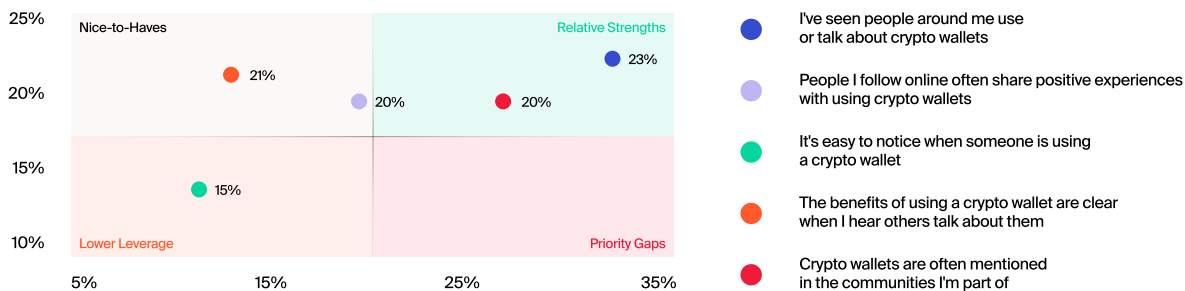
Other cues reinforce this gap:

- ◆ Mentions of wallets in the communities people belong to
- ◆ Hearing others describe the benefits in everyday conversation
- ◆ Positive experiences shared by people they follow online
- ◆ Being able to recognize when someone is actually using a wallet

Exhibit 12

Online communities play an important role, but crypto wallet observability grows most when people see them used in everyday life.

Impact of each sub-factor on perceived observability vs. agreement with crypto wallet statements (Top 2 Box), U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree) with each statement. X-axis shows each factor's statistical impact on perceived observability, based on regression analysis.

Together, these experiences build the familiarity and trust needed for broader adoption. At present, wallets do not feature often enough in people's social or financial environments. Creating more everyday moments – splitting a bill, receiving a reward, making a small transfer – will help wallets move from being an abstract idea to something people see as real and relevant.

Diagnosing the Drivers of Friction



From Barriers to Opportunities

These findings show that the main barriers to wallet adoption are rooted in unmet needs. People want tools that feel flexible, that fit into their routines, that remain easy to use after setup, that can be tried without heavy commitment, and that they see others using with confidence. Each friction point highlights where today's wallet experiences fall short of these expectations.

Importantly, these friction points are solvable. By addressing them directly, product teams and wallet providers can create experiences that feel safer, more relevant, and more aligned with everyday financial life. The next chapter outlines how to do that.



mercuryo

Chapter 5:

What the Next Users Want

Protocol Theory ■

What the Next Users Want



The previous chapter showed where adoption breaks down. People hesitate when wallets feel complex, unfamiliar, or invisible in daily life. These frictions are real, but they are not the whole story. Alongside the barriers, the research also reveals what people say they want next: the features, use cases, and experiences that would make wallets feel worth trying, using, and returning to.

This perspective is critical. Barriers highlight what holds people back; priorities show what can bring them forward. This chapter explores that opportunity, examining how different types of users think about wallets, the improvements they would value most, and the kinds of innovations that could make these tools more useful in daily life.

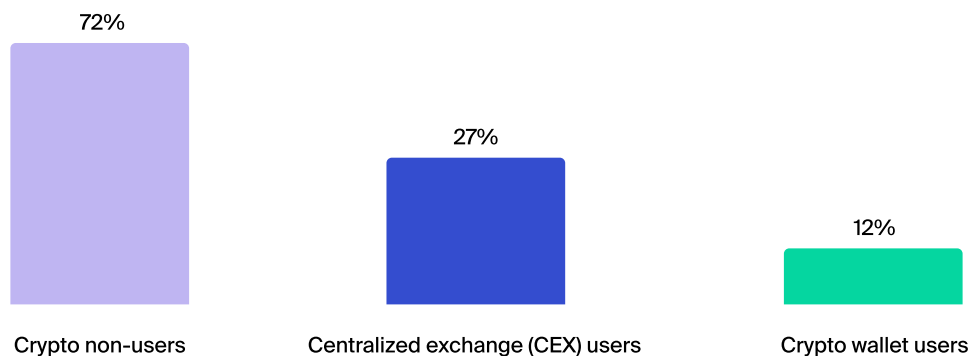
Three Audiences, Three Expectations

U.S. adults fall into three broad groups of digital asset and Web3 engagement. Around one in eight are currently using digital asset wallets, while almost one in three rely on exchange accounts to store, transact, and manage their cryptocurrency and digital asset holdings⁸. A further 72 percent are crypto non-users who have yet to engage with Web3 or digital assets at all.

Exhibit 13

U.S. adults vary widely in their exposure to crypto, shaping how they think about wallets and adoption

Share of U.S. adults in each crypto engagement segment, U.S. adults aged 18-64



Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 6.7 percentage points at the 95% confidence level. Segment definitions based on self-reported usage of crypto wallets and exchanges.

Each group represents a different stage in the adoption curve and brings a unique set of expectations — and sources of friction — to solve. Wallet users want friction removed. Exchange users want tools that feel familiar. Newcomers want confidence and safe entry points. Together, they outline where adoption efforts must focus.

Segment	Definition
Crypto wallet users	People who already use self-custodial wallets. They are familiar with core functions but remain sensitive to friction. Their needs focus on removing pain points, improving usability, and expanding practical, everyday applications.
CEX users	Individuals who hold or trade crypto through exchange accounts but have not adopted self-custody. They are engaged with digital assets but prefer tools that feel familiar and low-effort. Migration depends on wallets offering the same simplicity and reliability they associate with exchange platforms.
Newcomers	The majority of adults who have not yet engaged with crypto at all. Their interest depends on seeing wallets as relevant, safe, and easy to try in low-risk ways. They are motivated most by practical benefits that fit naturally into daily life.

⁸ Wallet and exchange usage are not mutually exclusive. Most crypto wallet users also maintain accounts with centralized exchanges, but the reverse is less common, as many exchange users avoid or delay adopting wallets.

What the Next Users Want



Wallet Users: Reducing Friction and Expanding Everyday Utility

Wallet users are generally more confident and experienced. They are already managing assets, interacting with decentralized applications, or experimenting with multi-chain flows. As a result, their priorities reflect a strong demand for features that remove pain points and expand practical value.

The top requests include:

- ◆ Easier ways to add or withdraw funds (i.e., on/off-ramping)
- ◆ Smoother and more intuitive interfaces
- ◆ The ability to make fiat payments
- ◆ Simpler peer-to-peer transfers

Many also want built-in portfolio tools and loyalty or rewards programs linked to their wallets.

Current wallet users prioritize fixing pain points and adding practical tools that improve everyday use

Importance of potential crypto wallet features, % of crypto wallet users



Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Question: "If the following features or improvements were available in a crypto wallet you control (i.e., a non-custodial wallet), how much would they increase the overall usefulness of the wallet for you personally?" Top 2 Box = % selecting "Much more useful" or "Extremely useful."

These priorities show that wallet users want both friction reduced and utility expanded. Core fixes like easier on/off-ramping and smoother payments matter most, but many also expect new features – from portfolio tools and loyalty programs to identity and tokenized assets – that extend wallets into broader everyday use.

What the Next Users Want



Exchange Users: Adoption Hinges on Familiarity and Simplicity

Exchange users are already comfortable with digital assets, but they have not taken the step into self-custody. Their expectations mirror those of wallet users, but at slightly lower intensity. The priority is familiarity: they want crypto wallets to look and feel like the tools they already know.

Their top preferences include:

- ◆ Smoother and more intuitive interfaces
- ◆ Easier ways to add or withdraw funds (i.e., on/off-ramping)
- ◆ Built-in portfolio management tools

Peer-to-peer transfers and practical payment features, such as fiat transactions and rewards, also carry weight.

Exchange users are open to wallets that match the simplicity and functionality of the tools they already trust

Importance of potential crypto wallet features, % of CEX users



Source: Protocol Theory, 2025. Nationally nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Question: "If the following features or improvements were available in a crypto wallet you control (i.e., a non-custodial wallet), how much would they increase the overall usefulness of the wallet for you personally?" Top 2 Box = % selecting "Much more useful" or "Extremely useful."

The implication is clear: migration from exchanges to wallets will depend on wallets matching the simplicity and functionality people already associate with exchange apps. Without that reassurance, self-custody feels like a step backwards.

What the Next Users Want



Newcomers: Clear Value and Safe First Steps

The largest segment, comprising approximately three in four adults, are newcomers. These non-users are not uniformly skeptical. Many are curious, especially younger consumers or those sending money across borders. But they need a clear reason to try something new, and a way to do it that doesn't feel risky. For this reason, the priority for this segment is not more advanced features, but reassurance and practical usefulness.

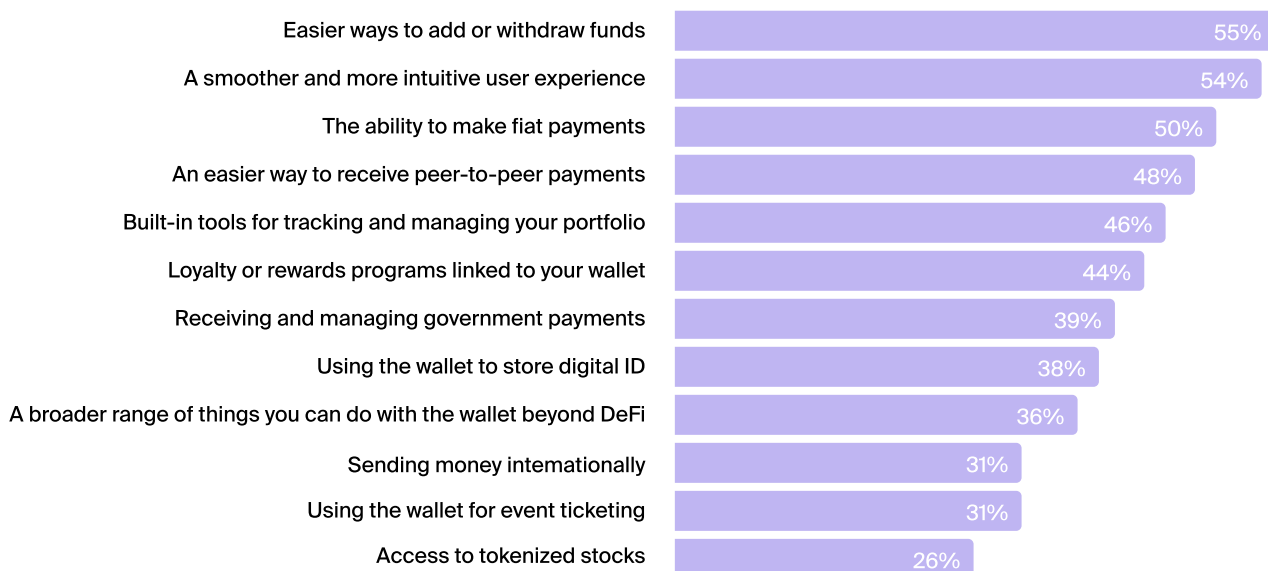
Their top requests are low effort and grounded in everyday needs:

- ✦ Easier ways to add or withdraw funds (i.e., on/off-ramping)
- ✦ Smoother and more intuitive interfaces
- ✦ Ability to make fiat payments
- ✦ Simple peer to peer transfers

More advanced capabilities such as tokenized stocks or DeFi tools are far less appealing at this stage.

For newcomers, clear value and low-effort use cases are key to making wallets worth trying

Importance of potential crypto wallet features, % of crypto non-users



Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Question: "If the following features or improvements were available in a crypto wallet you control (i.e., a non-custodial wallet), how much would they increase the overall usefulness of the wallet for you personally?" Top 2 Box = % selecting "Much more useful" or "Extremely useful."

The opportunity lies in framing wallets around everyday utility – sending money, making payments, and receiving rewards – while keeping first steps simple and reversible.

What the Next Users Want



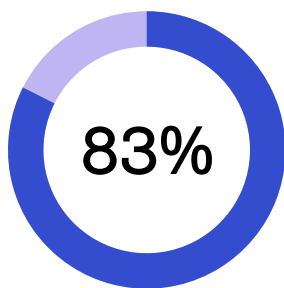
On-Ramping: A Universal Expectation

Across all segments, on-ramping emerged as a central need. Users want to bring money in and out of wallets with the same speed, simplicity, and reliability they expect from other financial apps – and without this, even the best-designed wallets will struggle to retain users.

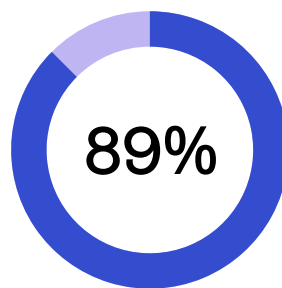
Among wallet users, 83% rated fast and reliable on/off-ramps as “very important.” Among CEX users, the figure was 75%. Among non-users, many said they would consider trying a wallet if they could fund it easily.

Reliable, convenient on-ramping is a near-universal expectation among those engaging with crypto wallets

T2B importance of on-ramp feature statements, % of crypto wallet users



of crypto wallet users rate **fast, easy, and reliable on-ramping** as Very or Extremely Important.



of crypto wallet users rate **variety of convenient on-ramping options** as Very or Extremely Important.

Source: Protocol Theory, 2025. Nationally representative survey of 3,428 U.S. adults aged 18-64, conducted in July 2025. Data weighted to U.S. Census Bureau population benchmarks. Maximum margin of error ± 1.67 percentage points at the 95% confidence level. Percentage agreement shown is Top 2 Box (Agree/Strongly Agree).

Notably, an even larger share of crypto users (89%) emphasized the importance of having multiple on-ramping options. This expectation cuts across segments, but is especially important at moments of first use. On-ramping is not just infrastructure – it is the bridge between curiosity and confidence.

The Opportunity Is Practical

When people say they want “better wallets,” they are usually asking for fewer hurdles, more clarity, and features that solve specific problems. The feedback is consistent:

- ✦ Wallet users want fewer pain points in tasks they already do, and new sources of utility
- ✦ CEX users want continuity, and a wallet experience that can match the simplicity of familiar tools while offering more control
- ✦ Newcomers want a clear reason to start and a safe, low-commitment way to try with minimal disruption to existing habits and routines

Designing for these groups does not require radical reinvention. It requires focus.

The next chapter sets out a roadmap for delivering on these expectations. It highlights the five strategic priorities that will make wallets feel intuitive, trusted, and relevant for more people, and it outlines the roles that different stakeholders can play in making this progress real.

mercuryo

Chapter 6:

A Shared Roadmap for Adoption

Protocol Theory ■

A Shared Roadmap for Adoption



The research presented in this report highlights where wallets fall short, and what users say they need in order to engage with them. This chapter presents a roadmap to help product teams, developers, and ecosystem partners address that need. It sets out five strategic priorities for improving the user journey, each grounded in the Five Factors framework, along with the distinct roles that different stakeholders must play to make adoption possible.

These are not hypothetical. They are direct responses to friction points that real people encounter today. And while each stakeholder approaches adoption from a different vantage point, progress depends on their collective alignment.

1. Reframe Relative Advantage

The strongest driver of adoption is whether a wallet feels clearly better than existing options. People adopt new tools when they see direct, practical benefits that improve their current routines. Many wallets continue to emphasize technical values, while most consumers are motivated by outcomes such as faster transfers, lower costs, and greater control. As one interviewee explained:

We still haven't done a great job as an industry of getting people to move past their first app into the wider crypto ecosystem. Memecoins — the most recent example — is indicative: the hope would be that a bunch of people come in to meme coins and now they are long-term web3 users doing things beyond memecoins. Has that happened? I'm not sure it has! I think the same thing happened with NFTs. Lots of people got an NFT — how many of them used a second web3 app? How many started using their NFTs as collateral? Or using it for a game, or as an identity market? Those are the types of things that we're all hoping will happen... but we haven't seen too many things yet that provide a real utility to users."

— Design lead, cross-chain wallet infrastructure provider

What users want

- ◆ Features that save time or reduce costs
- ◆ Tools that solve real problems in money management
- ◆ A reason to switch that feels tangible

Key actions

- ◆ Lead with outcomes such as instant transfers or lower fees
- ◆ Highlight unique capabilities such as stablecoin savings or cross-border use
- ◆ Provide context when introducing unfamiliar terminology
- ◆ Let benefits emerge through direct experience

2. Improve Compatibility

Compatibility is the second most influential driver. People are more likely to adopt wallets when the product looks and behaves like tools they already use. When experiences introduce unfamiliar concepts such as seed phrases or network switching too early, users disengage. Compatibility grows when wallets adopt familiar patterns first, then introduce new responsibilities as people are ready.

A Shared Roadmap for Adoption



"In the end, having blockchain integrated into more services without people even knowing that they're using blockchain is important — it all comes down to making it simpler, abstracting a lot of the technology, and letting people just benefit from the advantages of it."

— Product lead, emerging crypto wallet provider

What users want

- ◆ Interfaces that resemble trusted apps
- ◆ Login methods that feel familiar
- ◆ Clear roles for mobile, desktop, and browser use

Key actions

- ◆ Enable online and in-store payment options
- ◆ Use biometric, email, or social logins where appropriate
- ◆ Incorporate robust portfolio tracking and show balances in both fiat and crypto terms
- ◆ Integrate wallets with apps and services people already rely on
- ◆ Offer gradual custody options, allowing control to increase over time

3. Increase Trialability

Trialability enables people to explore without risk. Many wallets require funding or key management before users understand what the product does, which discourages first use.

Improving trialability is less about reducing setup friction and more about correcting a misunderstanding. Wallets should be positioned and designed as add-ons rather than replacements, with messaging and features that emphasize optionality, small-scale use, and easy exits.

When people feel safe to explore, they are more likely to continue.

- ◆ A way to try without committing funds
- ◆ A first experience that builds confidence, not anxiety
- ◆ The ability to undo or opt out without consequence

- ◆ Offer demo modes or pre-funded test wallets
- ◆ Delay funding until after feature discovery
- ◆ Enable reversible settings for new users
- ◆ Provide safe defaults for those unfamiliar with crypto terminology

"So we're seeing the shift toward intent-centric architecture. There is no longer this competition in the industry to see who can make the most complicated, technologically advanced technology."

— Product manager, global payment infrastructure provider

A Shared Roadmap for Adoption



4. Reduce Complexity

Complexity is not the leading barrier, but it remains a meaningful one. Even motivated users often struggle with key management, transaction signing, or terminology that assumes fluency. The challenge is less about technical capability and more about whether the experience feels manageable.

Reducing complexity means supporting users as they learn, while avoiding overwhelm.

What users want	Key actions
<ul style="list-style-type: none">◆ Interfaces that use language they understand◆ Clear next steps without decision fatigue◆ Help when they feel uncertain	<ul style="list-style-type: none">◆ Simplify onboarding with guided, interactive flows◆ Use plain language with contextual hints◆ Delay technical choices until they are necessary◆ Default to safe options and allow customization later◆ Provide feedback loops that reassure users after each action

"We know that blockchain is going to grow and more people will be involved in the industry. But for mass adoption to really happen, it has to be easy, simple to use, and the technology needs to be abstracted so anyone can onboard and start getting the benefits."

— Product lead, emerging crypto wallet provider

5. Surface Observability

Visibility shapes trust, even if it is the least influential factor statistically. Most consumers have never seen a crypto wallet used in daily life, which makes the product feel niche rather than relevant.

Observability matters because when people see others using a tool in familiar settings, they are more likely to believe in its value.

<ul style="list-style-type: none">◆ To see trusted peers using wallets in meaningful ways◆ To understand how wallets solve real problems◆ To be invited in through familiar experiences rather than marketing alone	<ul style="list-style-type: none">◆ Embed wallet-based actions into everyday use cases such as tipping, gifting, and saving◆ Build sharing into core flows, including referrals and peer-to-peer prompts◆ Partner with platforms to showcase wallets in contexts where people already spend time◆ Create copyable, social actions that demonstrate utility
---	---

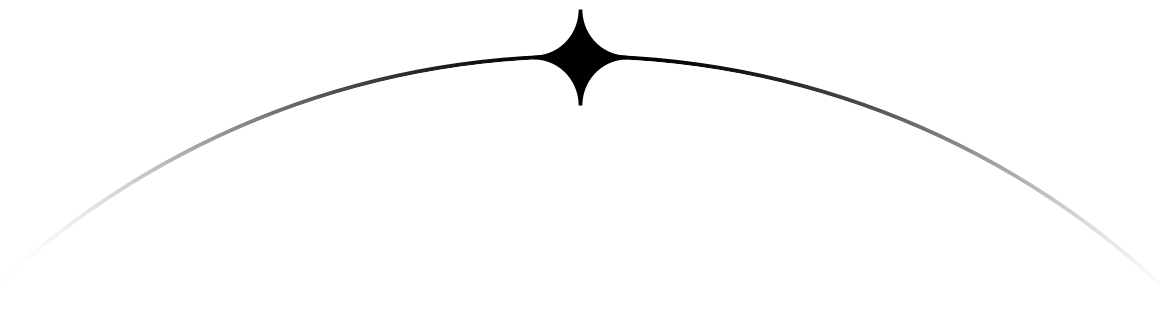
A Shared Roadmap for Adoption



Roles Across the Ecosystem

No single group can address these priorities in isolation. Wallet adoption will grow only when the ecosystem aligns around shared goals. Each stakeholder has a distinct role to play:

Stakeholder Category	Key Message	Key actions
<p>Wallet providers</p>	<p>Wallets are often built for what they enable. But they are adopted based on how they feel. The opportunity for wallet teams is to revisit the first-use experience through the lens of confidence, clarity, and familiarity.</p>	<ul style="list-style-type: none"> ✦ Simplify onboarding with guided, interactive flows ✦ Use familiar language, default to safe choices, and reduce technical decision points ✦ Offer trial modes or pre-funded test experiences ✦ Build tiered control options (e.g. start with email, opt into full key custody later) ✦ Emphasize financial outcomes in messaging (e.g. “save,” “send,” “receive”)
<p>On-Ramp and Off-Ramp Providers</p>	<p>Funding a wallet remains one of the most fragile moments in the user journey. Long delays, unclear fees, and inconsistent success rates drive abandonment and erode trust. The role of on-ramp partners is foundational. They are the bridge that converts curiosity into usage.</p>	<ul style="list-style-type: none"> ✦ Improve success rate visibility and error handling ✦ Provide estimated time-to-funds and live transaction status ✦ Offer local currency and payment method options beyond credit/debit ✦ Reduce minimum thresholds to enable small-scale exploration ✦ Make refund and dispute flows user-friendly and transparent



A Shared Roadmap for Adoption



Stakeholder Category	Key Message	Key actions
<p>Platforms and apps</p>	<p>Platforms (marketplaces, creator tools, games, or fintech apps) play a crucial role in making wallets feel real. But users don't need to know they're using a wallet – they need to know it helped them do something useful.</p>	<ul style="list-style-type: none"> ◆ Embed wallet-based flows into everyday actions (e.g. tipping, gifting, saving) ◆ Offer wallet logins as an alternative to traditional authentication ◆ Build social loops that demonstrate wallet usage (e.g. peer-to-peer payment prompts) ◆ Show balances and transactions in fiat terms where helpful ◆ Integrate loyalty or rewards that depend on wallets but feel native to the app
<p>Exchanges and Custodial Platforms</p>	<p>Wallet usage does not need to compete with exchanges. In many cases, it complements them, especially when paired with the right guidance.</p>	<ul style="list-style-type: none"> ◆ Allow users to export assets into a wallet with one click ◆ Provide wallet-linked access to portfolio management or yield tools ◆ Embed wallet guidance into existing user education journeys ◆ Offer recovery assurances or co-signature options to build trust ◆ Help users understand when and why self-custody is beneficial
<p> Policymakers and regulators</p>	<p>Well-designed policy can make adoption easier, not harder – especially when it is developed in collaboration with users and builders.</p>	<ul style="list-style-type: none"> ◆ Encourage modular licensing frameworks for wallet and ramp providers ◆ Promote transparent disclosure standards for custody risk, fees, and permissions ◆ Support innovation sandboxes for new wallet-based payment use cases ◆ Ensure privacy protections are preserved across wallet flows ◆ Work with industry to design consumer protections that fit new models of ownership and recovery

A Shared Roadmap for Adoption



Adoption Is a Shared Responsibility

The path forward is not about adding more features. It is about making wallets easier, safer, and more useful in ways that reflect real human behavior.

- ◆ Relative advantage provides clear motivation
- ◆ Trialability enables safe exploration
- ◆ Observability builds social trust
- ◆ Compatibility ensures wallets fit into daily life
- ◆ Complexity reduction lowers hesitation

When these priorities are executed in concert by providers, partners, platforms, and policymakers, wallets can progress from a tool for early adopters to a trusted part of everyday financial life.



mercuryo

Conclusion

Protocol Theory ■

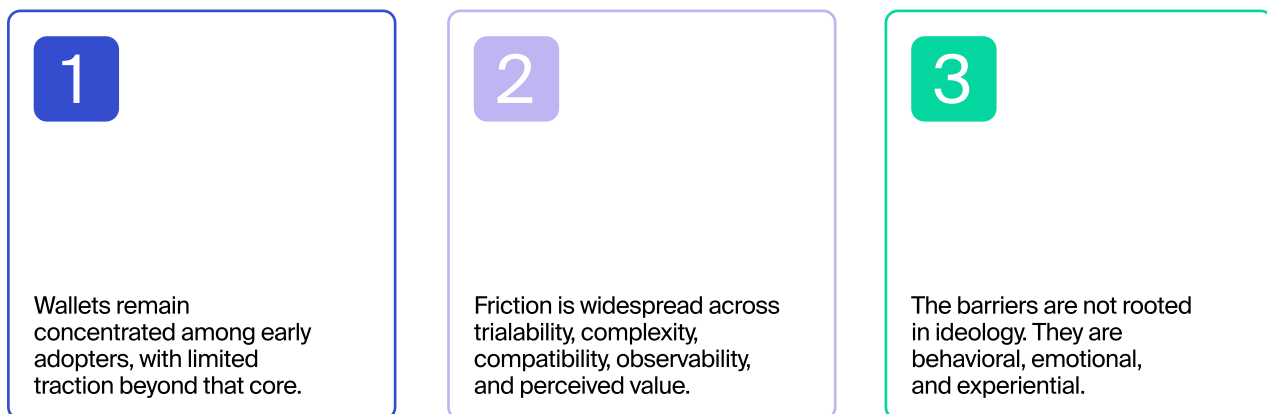
Conclusion



Most people are not asking for self-custody. They are asking for financial tools that feel dependable, intuitive, and useful. They want to send money, save, earn, and participate without complexity, confusion, or fear. crypto wallets can meet those needs, but only when the experience is designed around them.

This report began with a straightforward question: why have wallets struggled to achieve broader adoption? The answer is not a lack of infrastructure or interest. It is misalignment between what wallets currently offer and what people expect from financial tools.

Our analysis, using the Diffusion of Innovation model and the Five Factors of Adoption, revealed a consistent pattern:



What people want is equally consistent. They want:

- ◆ A simple, safe way to try something new
- ◆ Familiar features that build confidence
- ◆ Clear benefits tied to outcomes they already care about
- ◆ Interfaces that support them when things go wrong
- ◆ Visible use cases that help them understand where wallets fit in their lives

These expectations are not unreasonable. They reflect the same principles that have shaped the adoption of every financial tool before them. For wallets to move beyond the early stages of adoption, they must feel less like a new category and more like a better version of something people already use.

That journey has already begun. The product foundations are strong, and the surrounding ecosystem is expanding. The challenge now is alignment. Adoption will grow when wallet providers, partners, platforms, and policymakers move in the same direction, guided by user-centered design.

Conclusion



This report has outlined five priorities that represent a practical development roadmap for digital asset wallet adoption:

01

Reduce complexity by starting from the user's perspective and adapting experiences to their level of familiarity

02

Increase trialability by giving people a low-risk way to explore

03

Surface observability by embedding wallets in familiar places and flows

04

Reframe value around what people can save, gain, or avoid during use, rather than what they need to learn

05

Improve compatibility by aligning wallet behavior with existing digital habits

These priorities do not require complete consensus, but they do benefit from shared direction. When stakeholders coordinate around the needs of real users, the result is a more usable, trusted, and accessible product that earns its place in daily financial life and better serves the needs of everyday people.

There is no singular path forward. But there is a clearer one.

It leads to wallets that support everyday needs and address practical use cases.

It leads to experiences that people trust and continue to use.

It leads to real utility, for real users, every day.

mercuryo

Methodology Statement

Protocol Theory ■

Methodology Statement



This report is based on a large-scale, nationally representative survey of 3,428 U.S. adults aged 18–64, conducted by Protocol Theory in partnership with Mercuryo. The study was supplemented by in-depth qualitative interviews with product leaders and industry experts from across the digital asset and fintech sectors. Together, these sources provide a robust, multi-method view of consumer awareness, attitudes, and behaviours relating to crypto wallets.

Sampling and Design

Survey respondents were recruited through ISO 20252–certified, human-verified research panels using interlocking quotas for age, gender, and region to reflect U.S. Census Bureau benchmarks. Post-fieldwork weighting was applied to ensure representativeness across key demographic variables.

Data Collection and Verification

The survey was self-completed on desktop and mobile devices, and combined validated scale items with custom-designed measures built in line with industry best practice. Fieldwork complied with the ESOMAR International Code on Market and Social Research. Attention checks, behavioural quality flags, and logic-based validation rules were employed to identify and remove low-quality responses. All participants gave informed consent and were assured of confidentiality.

Survey Focus Areas

The questionnaire explored:

- ◆ Product awareness, adoption, and usage across crypto wallets, centralized exchanges, and digital fiat wallets
- ◆ Perceptions across the Five Factors of Adoption (relative advantage, compatibility, complexity, trialability, observability)
- ◆ Use cases, motivations, and perceived risks of crypto wallets
- ◆ Barriers to adoption, drivers of trust, and desired features
- ◆ Demographic and psychographic correlates of adoption readiness

Analysis

Protocol Theory led all analysis and interpretation, using weighted descriptive statistics, subgroup comparisons, and driver analysis to identify the factors most strongly associated with adoption intent. Qualitative data from expert interviews was synthesised thematically to contextualise survey findings and illustrate user perspectives. While self-reported data has natural limitations, rigorous pre-testing, pattern detection, and exclusion of inattentive responses were applied to ensure reliability and integrity.

mercuryo

Appendices

Protocol Theory ■

Appendix A: Glossary



Adoption Curve:

A model that segments consumers into five groups – Innovators, Early Adopters, Early Majority, Late Majority, and Laggards – based on their willingness and timing to adopt new technologies.

Centralized Exchange (CEX):

Centralized Exchange (CEX): A digital asset trading platform run by an intermediary, where users deposit funds to buy, sell, and trade cryptocurrencies. They resemble fintech platforms in structure and usability but operate within crypto markets. Examples include Coinbase and Binance.

Cold Wallet (Hardware Wallet):

A digital asset wallet that is kept offline, typically on dedicated hardware devices. Because it does not connect directly to the internet, it provides strong security against hacking attempts and other online threats, making it well-suited to long-term storage of digital assets that do not require frequent access. Examples include Ledger, Trezor, and Coldcard.

Compatibility (Five Factors of Adoption):

The extent to which a product or service is perceived as difficult to understand, confusing to use, or requiring significant effort to manage effectively.

Diffusion of Innovations:

Everett Rogers' framework explaining how innovations spread through populations, influenced by adopter categories and five key factors: relative advantage, compatibility, complexity, trialability, and observability.

Digital Asset Wallet (Crypto Wallet):

A software or hardware tool used for storing, trading, and transacting cryptocurrencies, tokens, NFTs, and other types of blockchain-based digital assets. May be custodial (assets managed by a third-party provider) or self-custodial (users retain full control over their assets). Examples include Ledger, MetaMask, and Coinbase Wallet.

Digital Fiat Wallet:

A mobile app or platform used for storing and sending government-issued money (fiat) digitally. Examples include PayPal, Venmo, Apple Pay, Cash App, and Zelle.

Hot Wallet (Software Wallet):

A digital asset wallet that stays connected to the internet, often as a mobile app or browser extension. Because it is kept online, it is well-suited for quick and convenient access to funds and frequent transactions. Examples include MetaMask, Trust Wallet, and Coinbase Wallet.

Observability (Five Factors of Adoption):

The extent to which the use and benefits of a product or service are visible to others in ways that provide social proof and reinforce its relevance.

On/Off-Ramps:

Mechanisms that allow users to move between traditional currencies (fiat) and cryptocurrencies, such as buying digital assets with a credit card or cashing out to a bank account.

Appendix A: Glossary



Relative Advantage (Five Factors of Adoption):

The extent to which a product or service is seen as offering clear improvements over existing options, such as greater efficiency, lower cost, enhanced performance, or unique benefits.

Self-custodial Wallet (Non-custodial Wallet):

A digital asset wallet where the user has sole control over access and use of their assets without relying on a provider or intermediary. Examples include Ledger, MetaMask, and Trust Wallet.

Trialability (Five Factors of Adoption):

The extent to which users feel they can safely test or experiment with a product or service at low cost and with minimal commitment before full adoption.

Web3:

A decentralized version of the internet built on blockchain technology, where users can own digital assets, interact directly with applications, and participate in online communities without relying on centralized intermediaries. It underpins decentralized finance (DeFi), NFTs, and other blockchain-based services.

Crypto wallet:

A self-custodial digital asset wallet that enables users to connect to blockchain-based applications. Functions as a login and payment tool for decentralised finance (DeFi) platforms, NFT marketplaces, blockchain games, digital communities, and other decentralized services. Examples include MetaMask, Trust Wallet, and Rainbow Wallet.

Appendix B: References



1. Rogers, E. M. (1962). *Diffusion of Innovations*. Free Press.
2. Davis, F. D. (1986). *A Technology Acceptance Model for Empirically Testing New End-User Information Systems: Theory and Results*. Doctoral dissertation, MIT Sloan School of Management.
3. Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). *User Acceptance of Information Technology: Toward a Unified View*. *MIS Quarterly*, 27(3), 425–478.
4. Parasuraman, A. (2000). *Technology Readiness Index (TRI): A Multiple-Item Scale to Measure Readiness to Embrace New Technologies*. *Journal of Service Research*, 2(4), 307–320.
5. Bass, F. M. (1969). *A New Product Growth Model for Consumer Durables*. *Management Science*, 15(5), 215–227.
6. Al-Jabri, I. M., & Sohail, M. S. (2012). *Mobile banking adoption: Application of diffusion of innovation theory*. *Journal of Electronic Commerce Research*, 13(4), 379–391.
7. Shaw, N., Kesharwani, A., & Singh, R. (2022). *Mobile wallet adoption: An empirical study of security, privacy, and diffusion of innovation attributes*. *Information Systems Frontiers*, 24(2), 393–410.
8. Protocol Theory. (2024). *The Next Billion Users: Dismantling the Barriers to Crypto and Web3 Adoption*. Protocol Theory. Available at: www.protocoltheory.com

Beyond Early Adopters: What It Takes for Crypto to Matter in Everyday Life

mercuryo

Protocol Theory ■

© MRCR HOLDINGS LTD (“Mercuryo”) 2025. All rights reserved.

This report was authored by Protocol Theory for Mercuryo. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means without prior written permission from MRCR Holdings Ltd.

This report has been prepared for informational purposes only and does not constitute financial, investment, legal, or other professional advice. While every effort has been made to ensure the accuracy and completeness of the information contained herein, MRCR Holdings Ltd and Protocol Theory make no representations or warranties, express or implied, regarding its accuracy, completeness, or fitness for any particular purpose. Any reliance placed on this report is at the reader’s own risk. MRCR Holdings Ltd and Protocol Theory accept no liability for any loss or damage arising from the use of, or reliance on, the contents of this report.

How to Cite This Report

When referencing this publication, please use the following format:
Mercuryo and Protocol Theory. (2025). Beyond Early Adopters: What It Takes for Crypto to Matter in Everyday Life. MRCR Holdings Ltd.

Learn about Mercuryo and explore its full range of payment solutions and digital asset infrastructure at www.mercuryo.io.

For media enquiries or permission to reproduce content from this report, please contact Mercuryo at mediarelations@mercuryo.io.