



Intro 00:00

Welcome to pod of Jake, a podcast hosted by Jake. You can go to zero F, jake.com to learn more about Jake and everything that he does, and feel free to email him anytime at jake@blogofjake.com or message him at zero F, Jake on Twitter, or at Jake on warpcast. Anyway, we thank you for listening, and we hope you enjoy this episode. If you do, please consider giving pot of Jake a five star review on Apple Spotify or wherever you listen to podcasts, we appreciate your support.

Jake 00:48

Thank you, Mike, for coming on the show. It's great to have you. You are the founder and CEO of rainbow, one of the most popular wallets in crypto. I personally use rainbow wallet and love it. It's really user friendly, and if I had one word to describe it probably be fun. It's just like a nice wallet to use. It's good to be in there, and it's fun to play around. It's not like clunky and all that, that sort of older generations of crypto wallets became, I guess, infamous for but for those who don't know you and don't know rainbow, would be great to kind of hear your story, and if you know you're willing from as early as you're willing to start to where you are today and talk through some of the decisions you made along the way.

Mike Demarais 01:25

Of course, man, Jake, thanks for having me honored to be here. Yeah, I guess I'm willing to go all the way back. I guess. Let me think I'm Mike rainbow. I grew up in suburban Massachusetts, you know, I went to public schools. I have had a job. You know, I was working since the age of, like, I think 13. I think I was working illegally, like, a year younger than I was meant to. What were you doing? I was where I was a dishwasher at my uncle's restaurant. Nice. Yeah, so let me think. I guess I've always been a computer kid, I could distinctly remember sort of the moment that I got into computers, which was, like, I had to call Customer Support once for some silly child, like, children's video game I was playing. And I felt so stupid when I called customer support, because, like, the solution was so easy that I made a promise to myself that, like, hey, you know what? I'm never going to do that again. I'm just going to figure it out. So that kind of got me into computers. I, you know, like, am self taught programmer. I got into, like, making websites. You know, my parents



would never buy me a computer. So I would sort of like, solicit, like, old computers from people we knew. And I would kind of Frankenstein, build computers out of all of those parts. And, you know, those computers sucked, so I had to run the Linux on them for, really, for them to be usable, right? Just because they had such bad, like, you know, hardware, that they were so slow that I had to use Linux, and that, I think, definitely helped me further, kind of, like, up my computer skills, and kind of go deeper in the rabbit hole. I think that, yes, I've always been a computer kid. I very much grew up on the internet was very like, early to Twitter. Like, I don't know, I was probably like 15 or something, when I got on Twitter and became really sucked in to Twitter in particular. And I think that, yeah, like, I've always sort of found my own path. And, you know, really, just by kind of being on the internet all the time. Let me think, I guess, yeah, so I went to public high school. I was, like, a weird student where, you know, like, you know, I like to think I'm a smart kid, but I just, you know, wasn't interested in school, like, and sort of the game that school is, right? So I really only applied to one college when I was in high school, and it was in Canada, and I didn't submit my passport with the application, so I didn't get into that college. But yeah, basically I never really was planning on going to college. I ended up going for like six months to a sort of like local state school that still had rolling admissions open, um, but I didn't last there very long. I kind of had like an identity crisis. And was like, What the hell am I doing here? Um, but yeah, I guess, like so I've always been into tech. I sort of have followed, like, startups and products the way that, you know, like my little brothers would follow sports, right? So I sort of had this, like, encyclopedic knowledge of, like, apps and, like, you know, startups and sort of business models and things like this. Um, so I've always been attracted towards that stuff. But, you know, again, I grew up in suburban mass and had no connections to the tech world. So no one I knew was involved in tech. My parents, sort of for a very long time, did not realize that the stuff I was doing on my computer was, like, productive and cool and sort of beneficial to me. So it was not really, really fostered or like encouraged. It was eventually but I guess, so I really had to find my own way into tech. And I guess the way I did that was, well, so first it's like, I dropped out of college, and then I started like, a computer repair shop in my hometown, where we would fix people's



computers, or, like, make websites for local businesses, that kind of stuff. That was an amazing learning experience. Just like, I think the real thing I learned then was almost like salesmanship and, like, you know, customer service and sort of like interacting with people, kind of like in a real professional capacity, you know. So I started that computer, I don't know, I was probably like, 18 or something 19. Before that, I had worked at like, restaurants and, you know, food service or retail. But those sort of, those don't teach you all that much, because you're not representing yourself, right? There's no like, your reputation is not really on the line. You don't have any skin in the game. So that computer

Jake 06:23

was a computer repair, like a one man show. Or did you were you working with other guys or, you know, getting interns, or anything like that?

Mike Demarais 06:31

Good question. Yeah. So I started it with a buddy of mine who was in college, so he wasn't really around that much, but really so the thing was run with me and another friend of mine from my hometown who was really the only other kid, like in the whole high school, who was good at computers. So he and I sort of were like the two primary people working, but we also did hire a couple of other high school kids as well from from our town to help, like, make runs, like, deliveries, right? Or to kind of perform kind of simple, automated depth involved in, like, the repair process of the people's computers and stuff. But yeah, so that was super cool. You know, became really good friends with that kid who was working with me. His name is Derek, and after, you know, doing the computer repair shop for a bit, it was, you know, that's not really tech, right? That's not really entering tech, like I was doing computer stuff, but I was in the suburbs. It was sort of not glamorous, sort of not a real startup, per se, versus like a micro business. So at some point, I decided, you know, I want to get you know experience working at real tech companies. So I started just cold calling, cold emailing startups in Boston that seemed cool to me, right? So I just went to, I don't know even remember websites I went to, right? But I just sort of tried to aggregate, like, all of the startups in Boston, you know, went down the list, I found the ones



that seemed most interesting to me, and I wrote, like, tailored, you know, cold emails to the founders of those startups, and ended up just let you know pretty, pretty quickly, almost instantaneously, landing, like, a generalist intern role at this company in Boston called privy. And it was awesome. So I was like, I don't even remember how long I was, like, you know, interning there, but I did everything from like, you know, photograph. I was like, taking photos and like, you know, for their marketing materials and sort of updating their website, and sort of going to, like, they would have, like, you know, seminars and things like this as part of their go to market strategy. And I would like go and help out and stuff. And that was an amazing experience. It really kind of introduced me to, I don't know, everything from different types of roles at startups, but also to so that startup was in an accelerator in Boston, and I got to meet a bunch of other companies there. It was just really kind of my first hands on experience, like in the techs world at all, right, so that was awesome. I was doing that for a bit, and then my friend Derek and I, the kid who was really, you know, the main guy with me at the at the computer repair shop, he and I started working on, like a project for fun, like a side project that ended up becoming, you know, a startup where, so we he was in college at the time, he went to, like, Boston University. So after work, after my day of, you know, hard interning at privy, I would go over to his dorm and we just chill in the lobby. And basically work on the side project of ours. We were trying to build, like a web app that let kids customize printable toys. We were like, it was sort of really early days of 3d printing, and it sort of seemed to us like, wow. Like, every six months, the 3d printing tech is going to get better and better. And, like, everyone's going to have a 3d printer, like, in their house within a couple years. You know what? I mean, it was like. So we were like,

Jake 10:31

well, and you're, you're in this, like, Boston tech scene too, where it's, like, probably more like, hardware focused, like, you're just sort of stepping foot into this tech scene. And it's the Boston tech scene. People are talking about 3d printers, so it kind of makes sense.

Mike Demarais 10:43



Yeah, yeah, absolutely, you're right. It is. Boston sort of does have, like, a lot of hard tech companies, right, like robotics and shit like that, because of MIT. But that's sort of another aspect of it, right? It's like actually growing up in Massachusetts, being so close to Boston, I think that Boston is a particularly hard city to break into tech in because of Harvard and MIT, right? So it's like, if you know, if you go to Harvard or MIT, like, maybe this is just a false assumption of mine, right? But it sort of seems like, if you don't have those credentials or like that, you know, it's just like the people with those credentials, it's like, have a lot easier time, like networking and navigating the city, sort of being in that scene and not being associated with, you know, those those institutions. It felt like I was a real outsider at a disadvantage. But yeah, so like, my boy and I, we were started working on this app, and eventually I kind of just made, like a YOLO life decision to move to Kansas City and sort of focus on building this side project full time. So I ended up moving to Kansas City to live in what's called a hacker house, because I had seen it on Hacker News. So there was, like, this guy who bought a house in Kansas City and was just going to let people live in it for free. So I was like, hell yeah, let's go. I was always obsessed with kind of America's, like, secondary and tertiary cities, places like Detroit, places like, you know, just like the Midwest and sort of Rust Belt, right to me, I've always found those places, like, really inspiring, from a perspective of, like, being almost like a blank canvas in a lot of ways, or just having just admit, I just see places like Detroit, and all I see is opportunity. So when a you know, Kansas City felt close enough to Detroit thematically that, you know, I decided to just get on a plane and fly there and live there. So I stayed at the hacker house for six months, and then ended up convincing my boy, Derek, and two other friends of ours to move out to Kansas City and try to do this as a company. What sort of made that make sense was they have this thing in Kansas City called The Kauffman Foundation, which, you know, it's like a nonprofit NGO type thing that's all about entrepreneurship, like, that's their mandate. And what that really meant, though, was like, you know, when I moved to Kansas City, there's literally a guy, you know, Cameron Cushman. Shout out. Cameron Cushman, who worked for the Kauffman Foundation, who's, it seemed to me like his job for like two weeks was to literally do nothing but introduce me to everybody in the city of Kansas City. So



it was like, like, you know, they care so much about entrepreneurship there in Kansas City that, like, if you show up at their doorstep and you're like, Hey, I'm an entrepreneur, they're like, trying to, they're trying to, like, you know, lock you in. They want you to stay there. They want you to be part of it, right? So basically, I got super networked in Kansas City. I met everybody there, you know, would like, know the mayor, like the mayor knew my name and all this cool shit, and that was a big reason why we ended up moving there. Just kind of felt like an awesome sort of set of resources. And I guess it also in stark contrast to Boston, it felt like really inclusive, right? Where basically like they, you know, they didn't give it, they didn't care at all about my credentials. They just wanted to basically help, right? So we went there, because it just seemed like we could learn a lot here from these people. And also that, yeah, just basically, like we could kind of be bigger fishes in this small pond over here in Kansas City and set up in Boston. So, you know, I was there for a while. We lived there for two years. Startup ended up kind of just like failing 3d printing was not on the you. Sort of exponential growth curve that we had expected. But fundamentally, it was amazing learning experience. It only further, sort of bolstered my kind of, like, you know, speaking skills, my salesmanship, sort of like, you know, business skills, etc, you know, it's the first time I ever, like, raised money for something. At the time, we raised like \$150,000 it felt like the biggest thing of all time. But yeah, I guess, ever since then, and sort of up until rainbow, I had been working for various like, like B to B SAS companies, essentially. So after my startup in Kansas City died, right like, I moved back to Boston and I was looking for a job again, sort of like, didn't really know how to do that, but just figured it out. Just kind of like, took interviews, kind of faked it till I made it. I definitely did not have, like as well rounded of a sort of like, I did not have my programming skills in a super professional, well rounded place. I was really good at what I was good at, but I sort of like faked my way through the process and ended up becoming amazing at all of the things like, but just sort of needed to get my foot in the door. And from that point up until rainbow, is really sort of focused on learning and trying to work with people who I thought were significantly better than me at things, and to basically, like, learn from them. So I really didn't care what the company I was working at, like was doing,



or like, you know, the product, or like, you know, the vertical, as much as I cared about who I was working with and whether or not I felt like I was like, learning a lot from them. So I ended up sort of Yeah, jumping around a few companies there for a number of years, and at some point, just became too obsessed with crypto to to really be a productive member of of some of these companies, right? So I basically quit and went full time into crypto, into in 2018,

Jake 17:24

awesome. Well, I appreciate the story, and definitely want to dig into a couple pieces there. But yeah, first, you know, it's interesting you talk about this, like, sort of bullishness on, on secondary and tertiary cities, the Detroit and, you know, Rust Belt and, and ultimately, Kansas City for you, I didn't really have that, like, alright, at least I didn't have that for a long time. And then when covid hit, and I sort of started to appreciate the all the impacts of that, I became, like, super bullish on, like, all of these secondary, tertiary cities, like, you know, Charleston, or all the ones we talked about. And, you know, there's, the thing is, there's a long list of them. It because it's, it's the tier. Yeah, they're not

Mike Demarais 18:04

all the same. Some of them are a lot, you know, like, Bozeman, Montana, like, beautiful, lovely. Like, let's go. You're not. There's no struggle, right? But it's a very different thing than Detroit, definitely, for

Jake 18:15

sure, yeah. So I'm curious, like, did covid And all of that change? Like, did your bullishness even accelerate through all that with just the concept of like, you know, you don't need to live in San Francisco to work for a company based in San Francisco anymore, or something

Mike Demarais 18:30

like that. Yeah, it definitely did. I almost even think it like, it further radically. Like covid made me almost even want to, like, live in a really rural place, more so than even a tertiary city like covid got me, you know, thirsting for, like, wide open spaces of like,



Wyoming and stuff like that, right? Just like I was, you know, for covid, I was trapped in New York.

Jake 18:58

What's the team like with the rainbow. Sorry to interrupt, but are you guys remote? Are you all a lot of you guys are in New York, or what's like the structure?

Mike Demarais 19:07

Yeah, so it's, we're a remote first company. We used to have an office here in New York, ended up getting rid of it, like, I don't know, maybe a year ago or so, just because it really wasn't being utilized. And just like, why, you know, just cut unnecessary expenses, right? But, yeah, I mean, we have a bunch of people here in New York. Also have a couple of people on the West Coast. You know, team is, is always, you know, evolving and changing at this point, though, I think we have maybe one person in Europe, and then let me think, I guess three or four people in South America.

Jake 19:44

Nice. So, yeah, I mean, basically, you can work at Rainbow and live anywhere you want. If you want to go live in Wyoming, you can go live in Wyoming,

Mike Demarais 19:51

yep, yep, yep. And it's something that I think, you know, I get tempted by literally every day. I'm like shit. Why am I still paying this much? Live in New York, like, I should move to Wyoming already.

Jake 20:02

Yeah. I mean, I'm a big fan of this sort of seasonal living concept that I've called it, which is, yeah, you know, you can go to Wyoming for maybe, like a month or two out of the year and then kind of see how that goes, like, try it on. And the challenging part is, like, you know, subletting your unless you want to eat the double rent, you have to sublet your place in New York, which can be, like, a little tough, but it's kind of doable. And I just think, like, basically, people realized with covid that, you know, you don't have to live in New York to work in finance anymore. You don't have to live in San Francisco to



work in tech anymore. You basically, you don't have to live in this one place where your office is. But I think people haven't quite, I think there's, like, the second impact that people haven't really figured out yet, that you actually don't have to live in one place at all. Like, that's the way that mortgages are set up. And that's the what, you know, obviously, if you buy a house, you're incentivized to live there all the time. But I don't think there's any, like, I think there's this middle ground between, you know, living in one place, renting in one place, and, you know, doing, like, the full on digital nomad thing, which is, like, appealing to some people, but it's like, kind of like, you know, it's appealing for a stretch of time. I think for most people, it kind of gets old. But like, there's this middle ground of, like, maybe you spend three months here, six months here and and three months maybe doing more of a nomadic thing. And that can be, like, sort of a regular, annual schedule where, like, you have multiple places that actually feel like home, like you might have a community in Brooklyn, and you also have a community in Wyoming, something like that.

Mike Demarais 21:24

That's the dream. I guess I just knowing myself and my brain chemistry. I am not compatible with the digital nomad lifestyle, even though I find it attractive and like, like, I wish I could do it. I just am a very like, you know, super add like, I'm very momentum driven, so sort of, like, changing my environment, it has a huge impact on my like, sort of productivity, or the sort of consistent output, or consistency of my output. That said, Though I do think I could, like, do something like, what you're describing, like, you know, the dream for me is something like, you know, yeah, like, have a freaking compound, you know, a bunker, or something out there in Wyoming, and then kind of dip every few months, like, back to New York kind of thing. And just kind of split my time. That's, that's the dream. I feel

Jake 22:23

like, you're like, one step beyond me on the spectrum where, like, covid brought me from, like, you know, wanting to live in New York to, like, wanting to live in, like, more of these secondary cities, and



maybe, like, a Wyoming. And you're like, I want to be in Wyoming, and I want to have a bunker. I'd like, that's one of a bunker. It's

Mike Demarais 22:38

got to be, I want, like, yeah, like, I want to be able to, like, shoot guns in the air and not bother anybody. Like, I just, kind of like, I just am so, yeah, like, thirsty for wide open spaces, like complete freedom. Just kind of like big skies, you know, just hang out with my dog, you know, just kind of, like, really, just like, Zen, yeah. I think I still love cities and stuff, but yeah,

Jake 23:07

yeah. And I think that's a common thing. I think that's, like, the digital nomad not really working with your brain chemistry, like you said, like, I think that's most people. Like, it's just, it's hard to you need to sort of, like, settle in and have your routines and, like, be able to not think about things in order to actually think about and work on thing that you want to work on. So you need to spend at least, like, in my view, probably two or three months somewhere for like, a given stretch in order to, like, for it to make sense for, like, the setup costs and like the close down costs to sort of amortize over that stretch to where, like, yeah, it cost you a couple weeks of, like, being productive to maybe get into your routines in Wyoming, but then, like, you have three months to work hard there with probably, like, way less distraction than New York or whatever. And maybe it turns into, like, well worthwhile. But anyway, talking about 2018 was really like when you got into crypto. How did that happen? Like, at the time you were working with these companies, and then you just kind of got too distracted by crypto to basically do your day job. Yeah? So, like, what? What

Mike Demarais 24:05

was the story? Yeah? Like, yeah, I guess you know, I'd always been watching crypto, um, like, I was, I don't know, man, like, I'm not gonna, like, I, I'm not even gonna pretend like I remember exactly when I sort of discovered Bitcoin and first started paying attention to it. It definitely was because of Hacker News back in the day. But for a long time, I sort of assumed that this crypto stuff is like, like, it's just not going to work, or that there's like some



fundamental flaw, or that, like, one day you're going to wake up and like, it's all broke, there was like, some critical flaw or something, right? So I didn't really pay a ton of attention to it. I also, when Ethereum came out, I didn't understand it. I was like, it felt like, so complex that it could, like, never work or something like that. Like, I just sort of was like, there's too much going. On, this seems like insanely ambitious and just therefore not possible. But when 2018 was happening, a couple of things happened that really, I think, shifted my perspective. So one was the seeing like the retail mania of the 2017 run up, it made me realize that crypto is never going to go away. It simply had gotten way too big for this to just stop existing, right? Like, from a government regulation perspective, it just felt clear that, like the stuff is not going to get ever go away, and there's nothing you know anyone can do about that, and that sort of conviction about the sort of, like long term future of crypto and its continued existence was, I think, the major driving factor in me jumping in, I also though real to me. Okay, so there have been a couple of times in my life where I had where there was, like, a clear paradigm shift happening. And you know, I had kind of fumbled those a couple of times where it's like I had the chance right to, like, get into iOS development when the iPhone came out, but I was like, Nah, like, whatever I'm going to do this other thing. And every time that I missed one of those opportunities, I really regretted it. I was like, damn, I, you know, I was early, I was there, I was looking at the thing, and I just decided not to pursue it. And I realized, sort of, yeah, like, what I was missing out on, right? So I identified crypto as being, like, a nascent industry that is here to stay and also doesn't have, like, a ton of experts yet. And it dawned on me that, hey, I can jump into this, and, you know, I can be an expert in this in a couple of years. And so, yeah, I didn't want to let another opportunity slip by. So, yeah, I just jumped in.

Jake 27:00

And how did you arrive at, like, I'm gonna go and build rainbow? Was it from day one? It was, I'm gonna go build, like, more of a fun, user friendly wallet? Or did you think of other things, of ways that you could plug into crypto? Maybe actually did experiment with some other things before? Well,



Mike Demarais 27:13

yeah, I guess so. Um, you know, even though I was before, I was saying, you know, I'd worked at all these B to B SaaS companies. And it's true, I didn't really care about what the product was, but I did care a lot about, like, making whatever the product was, like, awesome, right? So, like, I cared a lot about the design, and I cared a lot about sort of the product thinking itself. And so when I made the jump to crypto, those were the two things that I really prioritize, right? I wanted to find people to work with who valued product thinking and design outcomes as much as I did, and so I definitely did not set out to found a company. What I did, you know, so my journey to crypto started with trying to find projects that had those values of product and design. And the one I ended up joining was this company called balance, which really was sort of the predecessor to Rainbow. So in 2018 I joined this company called balance, and we started building what has become rainbow, essentially. So at balance, we started building a mobile wallet. And the mobile wallet was GPL open source, which is the most permissive open source license. And after, I don't know, maybe, like, 10 months or a year or so, there were some problems at balance in the like, the leadership, basically, the company had, like, run out of funding. And, like, we just there were some like, you know, personal, like, conflicts and things happening. And, you know, basically the company ran out of money. And, you know, Christian, Jen and myself, you who were basically three of the four people working at balance. We didn't want to stop like. We felt like we were really onto something. We really enjoyed building this mobile wallet. We felt like it was really obvious to us how large of an opportunity there was, and being sort of the consumer facing interface for this whole world of crypto. So it was like a huge opportunity. And also the products in the market at that time were just like, really bad, right? Like, it felt really clear to us that, wow, this crypto thing is real. It's going to be a thing. But damn, like the wallet products in the market today look like developer tools. They look like VLC player does, right? Like it's sort of these products are never going to end up on my little brother's home screen, for example. So we really want it to be that product. And so when balance essentially died, we, uh. Uh, you know, we basically created a new entity rainbow, and continued building the product that we had been building previously. And, you know, we were very lucky to be able



to do that, because the, you know, all of the source code we had written was GPL, open source. So basically, we were, you know, able to do that very seamlessly. So that's kind of the origin story of rainbow. You know, Christian Jen and I founded rainbow, yeah, in 2019 Yeah. And it's sort of been having fun ever since the

Jake 30:33

Great story. And what were like, the first inflection points where you started to, like, really get users, like, what was there, something that you did with the product, or, like, a marketing effort, or something like that?

Mike Demarais 30:48

I don't even remember. I'm gonna say, like, Man, I don't know. Maybe. So I think that one thing was, you know, so we had, we were one of the first, actually the first wallet product that sort of treated nfts as first class citizens in the product. And what we mean by that is like we had nfts, sort of like in your wallet view, not hidden behind any taps, right? And the goal was to, sort of like, make your nfts look good, right? Like, that was our, you know, people pay money for these, for these items, they, you know, cherish them, but all of the wallet products made those nfts Just look real bad, right? And I think that rainbows, yeah, was

Jake 31:38

this before, like, you know, when most people got into nfts, or you guys were building this around the time, yeah, it was like, before, like, apes and stuff like that.

Mike Demarais 31:49

With the only NFT that had literally any relevancy when we were building nfts into rainbow was cryptokitties. And even then, it was like, already over. Like, no one cared about them. And at the time, right, like, you know, VCs, who we'd be pitching, would be telling us that we're like, super dumb for putting any time into supporting nfts at all. But it was super clear to us that, like, hey, actually no. Like, this is fundamentally one of the core, you know, token standards. Like, of course, people are going to do things with these that are not predictable right now, right so I think a core insight we



always had at Rainbow was that, you know, Ethereum token standards are themselves, the developer platform, and that as long as you support the relevant token standards, you can build a product that sort of has emergent properties, right? Like, as people do new things or unexpected things with those token standards, you're already positioned to sort of have you know for your product to be useful to that new use case, right, without even knowing the use case ahead of time. So I would say that the NFT boom brought in a lot of users to Rainbow because of just our kind of at the time, like, you know, we were really, like, stood out like, we really stood out as being, I think, the clear best experience for NFT collectors at the Time. And since then, obviously, wallet companies have realized the importance of nfts and sort of integrated them into their products as deeply as as we initially had. And

Jake 33:28

then there's also, you know, Rainbow kit, which probably put you on the map for a lot of developers as well. Was that like, sort of coming at the market from like, a different angle?

Mike Demarais 33:38

Yeah, absolutely. So I think, you know, yeah, I mean, so rainbow kit has been a huge success. It's still the most widely adopted and popular developer, SDK, in the market for adding a connect wallet experience to your app. And we initially created rainbow kit, really to just solve our own users' problems, right? So, you know, again, I'm a long time, lifetime Twitter addict. And you know, we sort of, there was a point in time, in the the last bull market where, you know, every day you would open Twitter and you would see whether it's an artist, a creator, whoever, posting a link to some random NFT mint that they had just made. And these were, like, popping off, right? Like, this wasn't random, so it's like people really wanted to interact with this stuff. What we noticed was happening, though, is that the vast majority of these, like mint pages that people would be posting on Twitter if you loaded them, the only way to connect your wallet would it was often Metamask, right? And that felt that sorry. So that created real problems for Rainbow users, right? Because if you're on your phone, you click one of these mint pages that you found on twitter, if the only way to connect was Metamask, right, that.



Literally prevented rainbow users from interacting with all of these Dapps that people were kind of making all the time. And what we realized was it wasn't that these people making these mid pages, like loved Metamask or anything or like, wanted to sort of exclusively support Metamask. We realized that it's just like, hey, these people are artists. They're good at making art. They're not good at setting up wallet connect, or sort of all of the like, associated kind of boilerplate behind creating one of these good mint websites. So it was clear to us that, hey, like, Listen, if we just build, like, the dumbest, simplest possible sort of package where we can just completely remove the whole, like, learning curve, or technical, you know, challenge that that typically goes into building one of these mint pages, that it would just dramatically increase, or, you know, improve the experience for Rainbow users. So we set out to build rainbow kit, yeah, and I guess so, yeah. I mean, it started with trying to solve user problems, again, just making most of these websites, like, more accessible to Rainbow users on mobile. But then we also, you know, quickly realized how strategically advantageous rainbow kit is, right? So it fundamentally like, by default, puts rainbow at the top of the list of wallets, which is really awesome for us. And fundamentally, being a wallet company, you know, a big you know, it's important that that users who are interacting with Dapps are able to connect your, you know, your brand's wallet to that doubt and before rainbow kit. Typically, the kind of way that wallets would do that is, like, direct outreach, right? Or sort of like reaching out to daps and asking them nicely to, like, add, you know, your wallet to their list of 12 already existing wallet buttons or whatever, right? And with rainbow kit, we kind of flipped that whole process, you know, upside down, where, instead of, you know, reaching out and begging people to add a rainbow button, we instead just dramatically, you know, improved the developer experience around that court like that, that widget itself, and essentially, you know, like, instead of ask, you know, reaching out and asking everyone, we kind of permissionlessly and like, you know, almost like, in a gorilla sense, got rainbow added to all these websites just by kind of building this awesome open source tool. So, yeah, that was definitely a big source of Rainbow's growth. Without a doubt. Let me think, I guess, other than that, I think that there have been, you know, like, there have been a couple of, you know, when we first shipped our uniswap



integration, I think that that was another big moment that brought in a lot of users back in the day,

Jake 37:55

to be able to swap direct in the wallet.

Mike Demarais 37:58

Yeah, like, Rainbow's the first wallet to integrate, like, a direct uniswap integration. Back in the day, we had integrated uniswap the v1 and by the time we perfected our integration, uniswap v2 had come out already, and it had a completely different API. So it's like, like, by the time we perfected our v1 integration, it's like it was basically already obsolete, and we have to start over.

Jake 38:25

Yeah, well, it sounds like you guys were early on, like a few different pretty core things. Like, first of all, you came at it with a different philosophy of like, let's make this fun, let's make this user friendly. And then you were early on mobile first, or really, the first on mobile first, very early on, nfts really the first to present nfts in a good way. And then took a very different and then the swaps we just talked about, but then took a very different strategy for getting your wallet featured, which was just building the best wallet connect, like sort of developer tool, and getting that out there. So you're actually giving something to the companies, rather than asking for something. And then you can obviously, not only ensure that rainbow connects to that, but you can make it the number one option. So like all of these decisions seem really strong, and it's no surprise that you guys have been able to, you know, build the momentum that you have. One of the more recent things you guys did was you launched this well, for a while you've had this point system, right, and, yeah, recently you sort of flipped it so that now people are actually earning eth on a weekly basis based on stuff that they're doing anyway. Basically anything they do with that rainbow wallet is just earning them this amount of eth that at the end of every week, or whatever they can go and they can claim it. And I've heard you talk about like this claim button as, like, the highest dopamine button, and maybe in the internet in total. And I totally agree it's basically, I think it might be, it's just get some money, you know,



click this button and get money. So what was like, sort of the thought behind the design? Because, like a lot of other projects are doing like, you know, airdrops, of like, their own tokens or something like this. Like you guys said, Let's just give them eth. Let's do it on a weekly basis. Just be. Be pretty upfront about it. How did you like did you draw on different projects? Inspiration from crypto projects to credit cards or whatever like, How'd you come up with the final design there?

Mike Demarais 40:11

Yeah. I mean, definitely drew inspiration from existing, sort of, like, almost like web two type playbooks, right? Like credit card points, airline miles, things like this, but also took more direct inspiration from crypto projects like blur and friend tech and even like mid dot fun had a points program that was, like, sort of influential in ours. So, yeah, I think that, listen, I mean fundamentally, you know, from the beginning we've wanted to like rainbow has been about like fun. Like fun is a very high priority for us, like in our products, and, um, we've always felt like crypto is fundamentally fun, and that sort of playing with crypto is the best way to learn as well. So from the beginning, we've always envisioned, kind of like layering in aspects of gamification into the rainbow product. And points was sort of us kicking that off. And so, you know, yes, we launched rainbow eth rewards, which is really phase one out of the three phases here, in our in our end game vision, and with eth rewards, our goal here, or I guess, the core intent, was to try to get to A place where, where, essentially, yeah, like, users, simply by using the product could, like, make some money. Um, I think that that was truly one of the big breakthrough things for me about friend tech initially, was how friend tech fundamentally like, as a user of friend tech, by default, you make money, like, even if you're talking about, like, it only being five cents, it's like, when you create a friend tech account, some bot is, like, gonna snipe your key immediately, and you, then you make, like, the five cents, or whatever it was in the fee. And I doubt, to me, was like, this really powerful thought, right? Like, by default, can users, like, just make money by using being a user of your product? And that was kind of the driving intention here with eth rewards. Now the ether words that exist today is really just the beginning. And we, we do plan on making tweaks to



eth rewards. And also, you know, really, our goal is to broaden the program. Right now it's basically the top 1000 most active users per week, split, sort of a chunk of eth across them. Our goal is to really get that number up right? So as rainbow continues to grow, continues to be, you know, ever more successful, we want to really brought like, our goal is to as rapidly as possible expand that audience, like, ideally, right? Like, we want really, every rainbow user to be part of this program. It's just, at the time being, it's hard to sort of make that exciting for everybody. Because, you know, if you're at the theory, if you were, you know, number 250,000 in the list, right? Like getting a 1,000th of a penny is, like, not actually exciting for people. So we needed to restrict it to kind of keep the program viable in the beginning, um, but we definitely plan on expanding it, um, and, yeah, I think the other sort of intention behind eth rewards was, like, really, just like trying to help people stack eth, frankly, right? We're big believers in Ethereum. We're big believers in eth, the asset as being like an extremely compelling form of money, like hard money. So we think it's, like, really important that people stack eth. And you know, something that Bitcoiners actually do really well is promote this kind of like DCA or just like stack SATs mentality, right? And I think that often that's actually something that the Ethereum scene doesn't really have, where there's people are chasing nfts And like meme coins, etc, and forgetting to secure their bag, right? So that was, that was a big part of this, as well as, like, we just want to help people get more eth, even if, sort of the ways that they earn that eth is by, you know, aping all of their money around in meme coins, right? So even if you're sort of fully denominated in meme coins, we want to make sure that you at the end of the day still. Have some eth. So that was a big factor as well. Yeah, it's

Jake 45:03

interesting. You guys are like, obviously, you can do a ton of super high risk stuff with the rainbow wallet. You can swap into as many meme coins and buy as many nfts as you want. But as you're doing that, you're actually earning like, the least risky asset on Ethereum, which is eth itself. So I mean, with Bitcoin accents, like you're stacking Bitcoin because, like, you can't, you're not really spending Bitcoin a lot, so it's kind of just like a one way hose that, like, if you add little by little, the the balance is adding. But with eth, to your



point, it's like, much more dynamic, and I think it's gonna be interesting. Like, Bitcoin was always far easier for me to understand. Like you said, with your initial impression of Ethereum. You know, it's like, just so complex. It's really hard to, like, wrap your head around. And even if you're not tactical and you're just thinking about it at like, a high level, like Bitcoin, so easy to explain, it's just like, Okay, this is digital gold Ethereum, to the extent that it's going to be like, quote, unquote money, it's a money that looks very different from past money. It's not as easily analogous to gold or something like that. And so it's just, it's just difficult, you know, you can't see the future. It's just difficult to sort of understand. But I'm very sympathetic to the idea that, like, it can be money just as much as Bitcoin could be money. Maybe there's no, you know, there's not any longer one form of money, and currently, you know, there's 100 whatever fiat currencies. Maybe there will be, you know, a dozen cryptocurrencies or whatever, and they're all considered money or whatever. And maybe the fiat currencies, like, sort of conform to one or two, like Fiat denominated stable coins or something like that, and that sort of like the transition of money that we see, or something like that. Who knows. But at the very least, I think stacking Ethereum is a pretty good idea, and you guys enabling that certainly a good thing. I know we're coming up on time, and I want to, you know, wrap things up without going over. But last words, I want to ask you about farcaster. You've been a die hard Twitter guy for a very long time. We on farcaster arranged this podcast to the DMS on farcaster. What's your thoughts on, like, where Twitter is and where it's going, versus farcaster and the phone that you're having over there? Yeah,

Mike Demarais 47:07

I guess it's hard, man. So yeah. I mean, there was a point in time where I seriously could imagine, like, I was so obsessed with Twitter that I was like, man, even if my life goes to shit like I would be happy just being a missionary, threading the word about Twitter, right? And just like the impact it can make on your life just sort of being active on Twitter. So I've truly been a huge, huge, like, believer and addict of Twitter for a very long time. Now, there have been yet a lot of changes at Twitter. I think that the vibe has fundamentally shifted, and there's tends to be a lot more noise and spam there. Now the algorithmic changes tend to, like mess with type



of content that sort of I used to value most there, I think, and as well, like, the, I don't know Twitter as a platform, just like, okay, there was, I don't know if this is too inside baseball, but like, so a lot of startups rainbow, one of them, you know, in order to power your customer support teams, you'll use different apps. Very popular. One is called front front app. It lets people on your customer support team, kind of, so say you have like five people on your support team, like and there's one Twitter account that's getting DMS, right? It sort of lets multiple people kind of manage that, that flow, and at some point within the last, like, I don't know, one or two years, Twitter, like, nuked their algorithm. I'm sorry. Twitter nuked their API, and sort of the rules of how the API works and the pricing for it, and that that literally, like, completely broke rainbows, customer support workflow, and we, like, had to scramble to kind of create workarounds and, like, really Band Aid over that problem. And that, to me, is, like, the most acutely, like, shitty thing that's happened to like that fundamentally made me lose a lot of, like, I don't know Goodwill or sort of like benefit of the doubt to Twitter to a degree, and I very much like so in relative so compared to that, right? Farcaster is like the freaking Holy Grail, right? So it's like the ultimate developer platform where, you know, developers have complete agency and autonomy to sort of build clients, infrastructure, pooling as they see fit. And to me, I guess sort of I am good at pattern matching, and you know, so it's like before we were kind of. Walking like, oh, Rainbow was like, early to this and that. Like to me, I when I see what's like a developer platform like farcaster, I see the like engagement that developers have with it, and sort of the things building on it, and sort of the ecosystem evolving there. I just have, like, to me, it's like such an obvious signal of future success and adoption. So it's like, I feel like that's happened in the past with things like EMS and even with like wallet connect, or things like even nfts and like as a token standard, right? That sort of, if you like, the developer Centricity of forecaster gives me a lot of confidence in its future existence, right? And confidence that, like you know, you can build on top of this foundation without having to worry about getting rugged the way that, like, you know, front essentially got rugged by Twitter, right? So farcaster is the most exciting thing in my mind happening in the sort of industry in the last two years. I would say it's just endlessly interesting to me. I'm so excited about



the ways that we're going to be integrating farcaster into rainbow sort of like both on sort of the data side of things, but also in sort of building out more social elements into rainbow itself. But yeah, man, like forecast has been great having a lot of fun there as a brand, Rainbow's trying to become much more farcaster first. So it's like, I've given the mandate to our growth team. It's like all of our sort of public comms need to go out on farcaster first. Like, even if it's only like by a minute, like we should be putting it on on forecaster first. So yeah, just super excited about all of the energy over there on farcaster. And, yeah, just honestly, like, truly think that it is the kind of breakthrough paradigm of this cycle in my mind, awesome, similar to, like, how uniswap was in the last

Jake 52:20

Yeah, yeah, no, I agree. I've been on farcaster Now for at least a couple of years, and it's been a ton of fun. And I just, I started by just kind of like cross posting from Twitter, and then started becoming kind of the reverse, where I was, like posting on farcaster and trying to cross post that on Twitter, and then now I'm just kind of like doing a bunch of stuff on farcaster That, and Twitter's just kind of like a second priority thing. So it's been a lot of fun. But anyway, I know you got to run. It's been an awesome conversation. Thank you again, Mike, for coming on. Thanks for

Mike Demarais 52:47

having me, Jake. I appreciated the vibe of this and sort of the Yeah, man, I like this. Thanks for having me Awesome. Well, I like talking. We can get on again. We can sort of book round two, no

Jake 53:00

doubt. All right, man, well, thank you again, and go for those listening. Go to rainbow.me. Follow mike on Rainbow. Dot Twitter. But more importantly, go follow him

Mike Demarais 53:09

on yeah and follow at Rainbow on forecaster. Too perfect

Jake 53:12

peace. All right, thanks, Mike. Talk about it.

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