Four Ways the Blockchain Will Disrupt Digital Media

December 07, 2017, 08:43:25 AM EDT By Bitcoin Magazine

Shutterstock photo

By Alex Lielacher

Digital media is one of the fastest-growing industries in the world. The integration of technology with content creation and mass communication has resulted in a new form of media that is global, social and easily accessible.

However, there are challenges plaguing digital media, with concerns ranging from data security, infringement of privacy and massive financial losses due to increasing advertising fraud, among others.

Blockchain technology is being recognized as a revolutionary technology that will impact a wide range of industries by increasing operational efficiencies, decreasing costs and enhancing transparency and security. Digital media is one of these industries that the blockchain will impact.

1. New Monetization Avenues for Social Media Platforms

Social media platforms have enabled businesses and individuals to create, publish and distribute content for anyone in the world to see. However, more often than not, digital content creators find themselves at the short end of the stick when it comes to being financially compensated for their work.

The integration of blockchain technology and cryptocurrency micropayments into social media platforms can create new monetization models for content creators who are often not fairly compensated for the publishing of their intellectual property, as demonstrated by YouTube's recent ad revenue structure change.

The leading blockchain-powered social media platform Steemit shows how the combination of blockchain technology and cryptocurrency can benefit content creators. Steemit is a platform that combines social media and intellectual property protection. The blockchain-based platform allows people to publish content for which they can be rewarded in cryptocurrency if other users like and upvote their content. This ensures that content creators posting articles, videos and images receive an adequate reward in relation to how popular their content becomes.

2.Enhanced Data Safety, Privacy and Control

With the general public becoming more and more wary about their privacy, concerns over the data collected through search engines and smart devices are at an all-time high.

It is no longer a secret that large technology companies such as Google and Facebook are making a fortune selling user data to companies that require customer insights, while users are not entitled to any of the profits made from these sales. In addition, a large number of people are dissatisfied with the methods that are being used to collect the data and would like to have control over which data, if any, is shared with third parties.

Due to the ease of use and free nature of large search engines, social media platforms and email service providers, massive amounts of data are collected and shared, and users have no control whatsoever with what is being shared.

To enhance data safety and to allow digital media users to regain control of their data, blockchain technology can be deployed.

The blockchain can introduce a level of transparency into the data space that is currently not available. Because the blockchain is a decentralized ledger that is immutable, transparent and easily auditable, it can enable users to have control over their data, including what data is being shared and who it is being sold to. Enabling users to regain control over their data also creates a new revenue-generating model that allows users to be directly compensated for the personal data that they choose to share.

An example of this is the blockchain startup BitClave. The project is a decentralized search engine that aims to allow individuals to access the internet on their own terms.

“BitClave is the next generation of search data privacy,” the company states on its website. “You should have control over who can use it — and how. Our decentralized search engine helps you truly find what you’re looking for and get compensated for your data, making third-party advertising networks unnecessary. Powered by blockchain, you can rest assured your data is protected.”

3. Easier Cross-Promotional Engagements

We find ourselves living in the age of the digital influencer. Influencers are individuals who have a large social media following and are paid by brands in an effort to direct some of their traffic to said brands. Though it is a common practice, it has its challenges since the terms of the contracts vary from brand to brand and influencer to influencer.

Blockchain-based smart contracts can be written to reduce potential conflicts arising during cross-promotional engagements. These self-executing smart contracts can automatically pay the influencer once he or she has published the agreed-upon promotional content. This would alleviate any potential issues between the advertiser and the influencer as the terms of the contract and the payment obligation would be coded into the smart contract.

4. Decreased Ad Fraud

Companies pay substantial amounts of money to run digital ads, but the advertising space is fraught with fraud. It has been estimated that for every three dollars spent on digital advertising, one dollar is lost to fraud, with total losses estimated to reach $16.4 billion by the end of 2017.

Companies are largely unable to quantify if the ads they place and pay for convert into sales for their products. In addition to this, it is unclear how many views and clicks of the digital ads are generated by bots.

Blockchain technology can be introduced to enhance accountability and transparency. The ads that are placed can be recorded on the blockchain, thus ensuring that the metrics of the ad are verifiable. The blockchain can record how many times the ad was viewed as well as the nature of the traffic. Implementing this technology is likely to reduce the rate of ad fraud and lead to advertisers getting value for their money.

Los Angeles–based tech startup MetaX is among one of the first to introduce the blockchain into the battle against ad fraud. MetaX has developed the first protocol for the advertising supply chain, called AdChain, which utilizes blockchain technology to record and store ad impressions in real-time to ensure advertisers that they are only paying for ads that are being viewed by real people.

Through the implementation of blockchain technology into digital media, content creators, publishers and advertisers can all benefit, which is why it is hard to imagine that the digital media landscape will not be disrupted by this innovative new technology in the near future.

The views and opinions expressed herein are the views and opinions of the author and do not necessarily reflect those of Nasdaq, Inc.

This article appears in: News Headlines , Blockchain , Social Media , Technology

More from Bitcoin Magazine

Subscribe

- Bitcoin Magazine
- yBitcoin
- Distributed

Related Blockchain Articles

Subscribe

- **Analysis: What Blockchain Technology Means for Artificial Intelligence**
  12/07/2017 02:11 PM
- **Could Decentralized Data Have The Potential To Power Smart Cities?**
  12/07/2017 01:35 PM
- **Quant Network Launches Overledger for Cross-Blockchain Data Interoperability**
  12/07/2017 01:11 PM