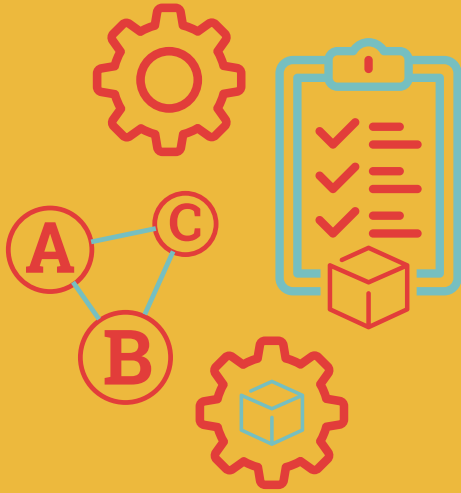


# THE BLOCKCHAIN REVOLUTION



How It Will Transform Digital Marketing And Advertising



## **What is Blockchain and why should digital marketers be invested in this new technology?**

The Internet radically changed the way we share information. Blockchain acts as a transparent, immutable, peer-reviewed ledger; removing the need for any centralised mediator.

In short, the Blockchain is about trust. With Blockchain, there is no need for a third party to verify our actions, they are recorded reliably and safely on a decentralised ledger for all users to access.

## History of Blockchain

The first Blockchain was developed in 2009 by Satoshi Nakamoto to produce a decentralised digital currency known as Bitcoin.

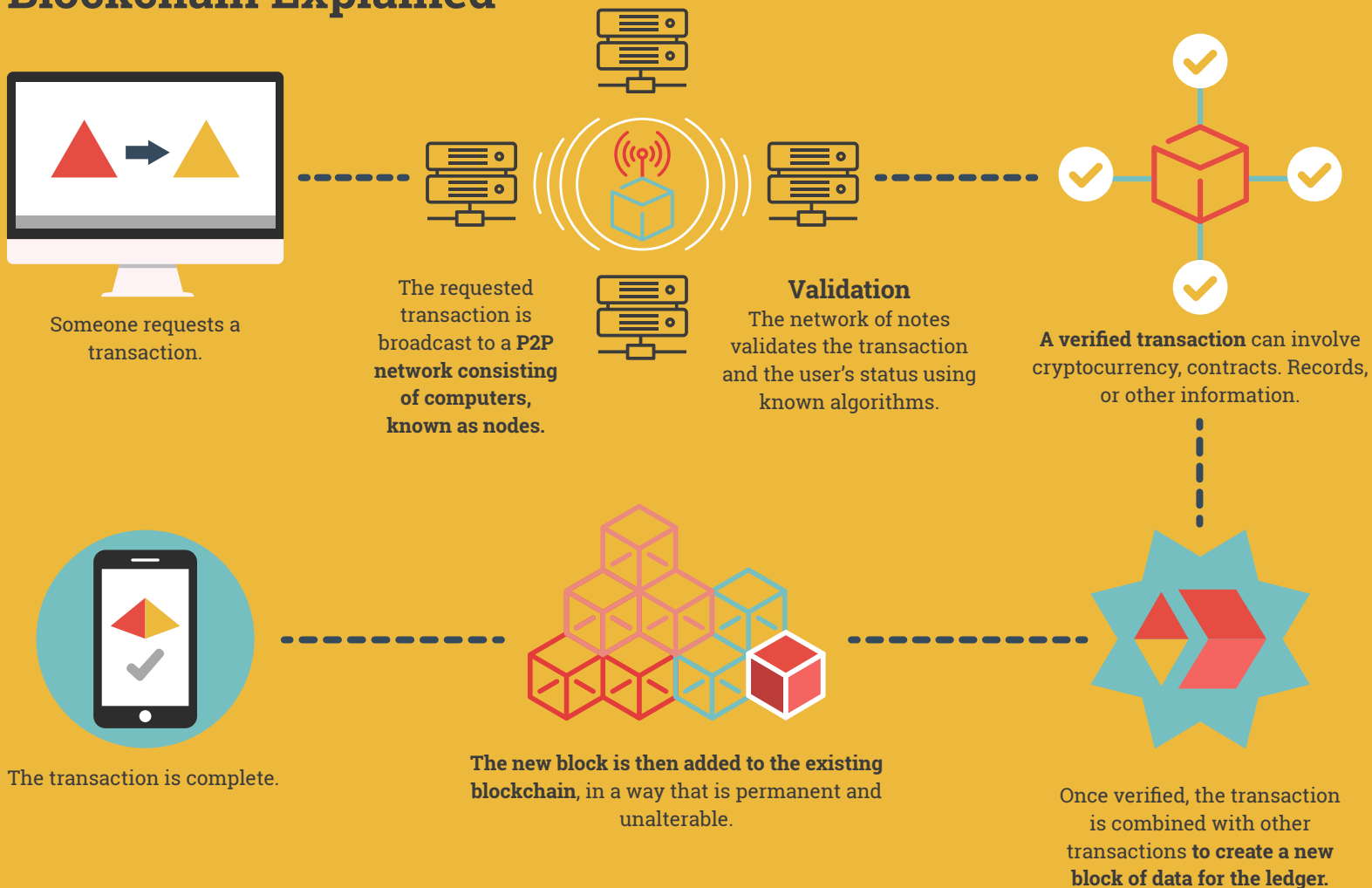
As interest in Bitcoin grew, investors and researchers around the world began to pay attention to the underlying value of the Blockchain technology itself. The application of Blockchain, it seemed, was not limited to digital currency, but could be used to do everything from decentralised cloud storage to identifying users online.

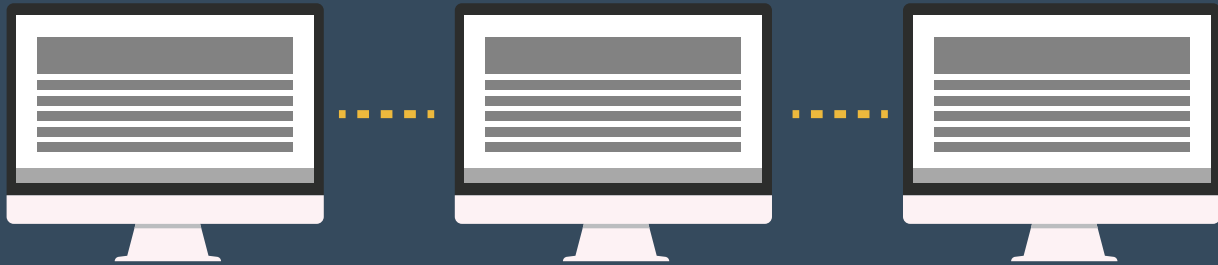




One of the most radical applications of this technology was the development of 'smart contracts' through the currency now known as Ethereum. Whereas each block on the chain was initially envisioned to represent simple tokens, this platform allowed miniature computer programs to be coded into the Blockchain, representing financial instruments such as loans and bonds.

# Blockchain Explained





Imagine the Blockchain as a shared spreadsheet that exists simultaneously on multiple computers. Everytime a new item is added to this digital ledger, each computer runs a cryptographic algorithm that agrees (or disagrees) the new item is a legitimate transaction.

Not only is the process decentralised, it is also completely transparent and immutable. Meaning that each addition to the blockchain cannot be reversed and the chain's entire history can be viewed by anyone.



Before this system there was no efficient way to verify the ownership of a digital asset, especially if there were identical copies. Digital money was impractical, as anybody could simply copy a coin a thousand times and earn a thousand dollars. Digital files could be pirated endlessly with no way of telling which was the original and which was the fake.

Blockchain provides a solution to this problem. It is now possible to stamp our digital assets. The implications of this are far-reaching beyond finance, and have the potential to change the very fabric of our digital world.

**4**

**DISRUPTIVE  
ATTRIBUTES  
OF BLOCKCHAIN  
TECHNOLOGY**





# 1. Trustworthiness

Blockchain provides an unparalleled level of trust. Given the scale of existing peer-to-peer networks, it is near impossible to hack or alter an existing block of information on the chain. The Internet has a fraudulent and shady history, Blockchain promises to help ensure trust in a digital world.



## 2. Decentralisation

Without any third parties moderating our transactions, reviewing contracts or verifying information, there is less of a chance of corruption or human error. Blockchain may also potentially disrupt existing institutions that make money distributing and verifying online transactions.





### **3. Efficiency**

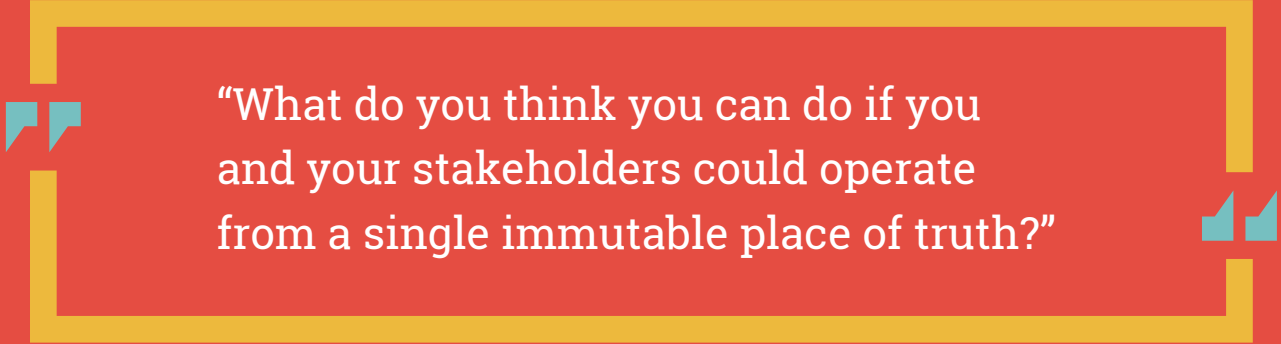
As the process is automated, Blockchain may significantly reduce administration costs. The reliability of the blockchain process also better protects users from falling victim to fraudulent transactions.

### **4. Transparency**

Transparency is a crucial component in building trust. Blockchain allows consumers open access to review transactions. For example, this technology is being used by food manufacturers and distributors to allow customers to review the complete supply chain; where their product was bought, shipped, and even grown or caught.



**WHY  
MARKETERS  
SHOULD PAY  
ATTENTION  
TODAY**



“What do you think you can do if you  
and your stakeholders could operate  
from a single immutable place of truth?”

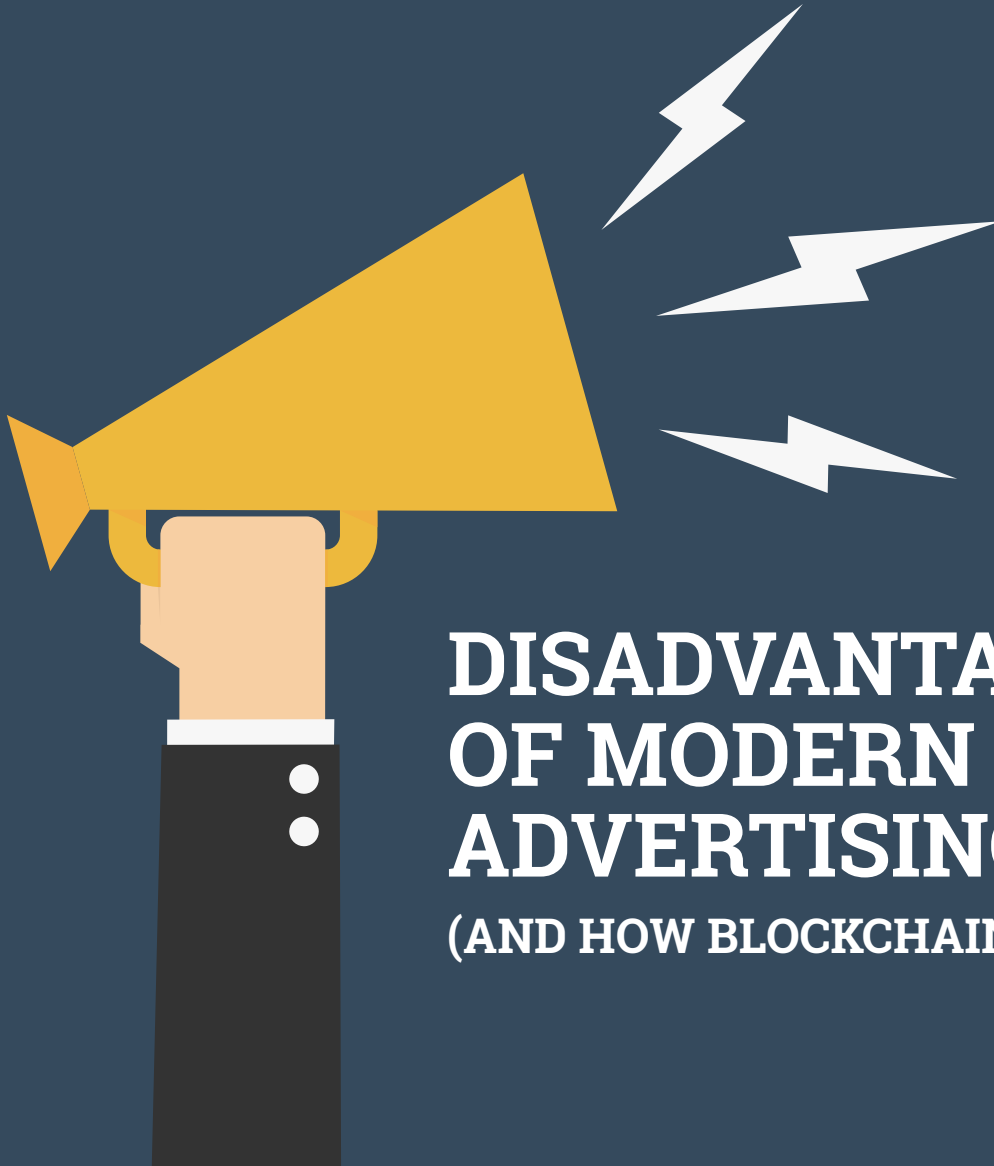
– Phil Gomes, Senior Vice President of Digital at Edelman



Blockchain can be used as a tool by marketers to strengthen the relationships between brands and their stakeholders. It can also help improve the quality of targeted advertising by securely sharing non-personally identifiable information with advertisers.

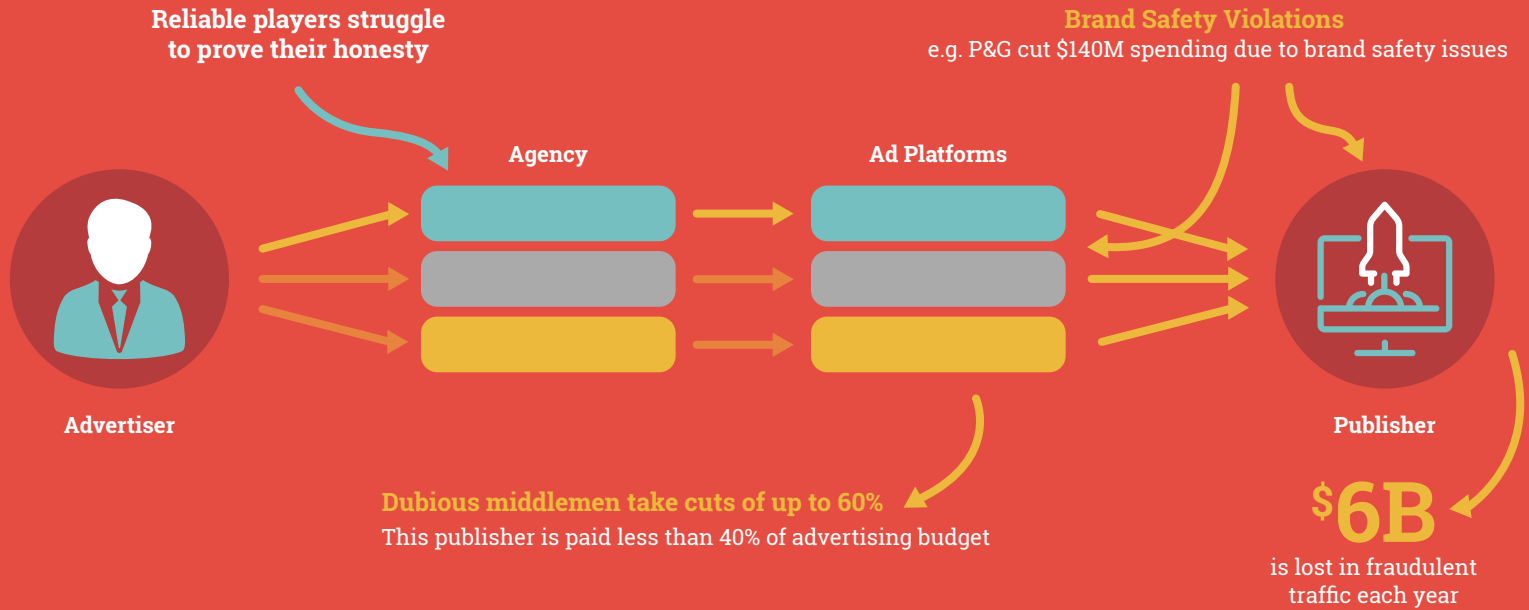
For better or worse, Blockchain also promises to disrupt the existing digital advertising landscape.

Finally, Blockchain reduces the risk of fraud, and will vastly improve the accuracy of the measurement and verification of ad delivery. Better quality data, informs marketing decisions and leads to better marketing results.



# DISADVANTAGES OF MODERN DIGITAL ADVERTISING

(AND HOW BLOCKCHAIN MIGHT HELP)





## 1. Poor User Experience

Digital advertisements rarely hit the mark. Despite a wealth of data, many targeted advertisements are hit or miss. Blockchain may potentially help improve the quality of targeted advertising by improving the accuracy of the tools we use to measure and identify users online.

## 2. Lack of Privacy

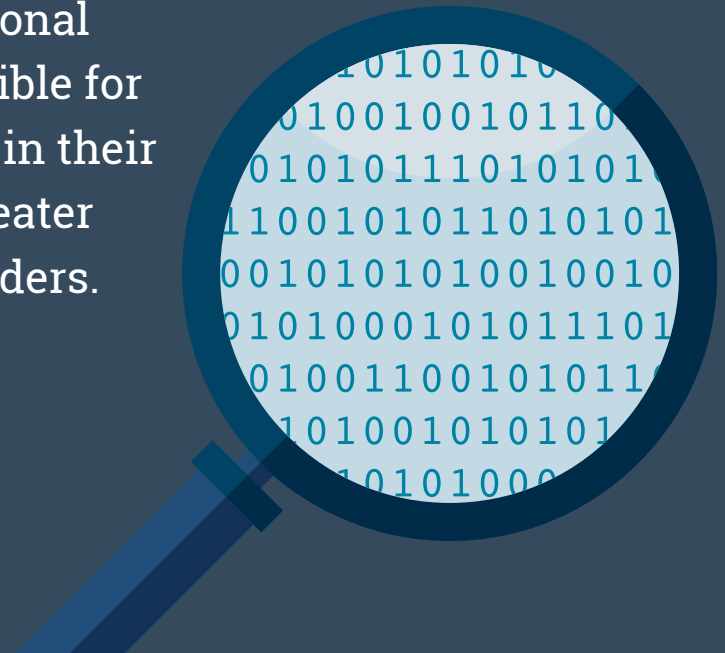
Privacy is a difficult subject to tackle in the digital world. Many consumers do not trust their privacy is being respected.



### 3. No Transparency

Users have little control or understanding how their information is being used.

Blockchain may be able to give users greater control over their own personal information, and also make it possible for companies to be more transparent in their operations, hopefully leading to greater trust between brands and stakeholders.





## 4. High Administrative Costs

The cost of verifying, distributing and operating advertising networks such as the Google Display Ad Network and paid social media advertising like Facebook Ads can be expensive.

Advertisers are able to use tokens to purchase advertising space which is equitably distributed amongst the creators of creative content and the users themselves. This is only one of many ideas surfacing to improve the administration and efficiency of ad delivery online.

## 5. Fraudulent Traffic

Fake accounts, followers and views are far too common in digital advertising. As powerful as our digital measuring tools like Analytics are, the data can often be inaccurate due to fraudulent behaviour.

Blockchain powered technology may potentially make it incredibly difficult, if not impossible, to get away with this kind of fraudulent behaviour. The result is more accurate data, a level playing field and an all round better user experience for consumers.



# THE IMPACT ON DIGITAL MARKETING AND ADVERTISING

Thanks to Blockchain the future of digital marketing is looking to be more efficient, transparent and trustworthy.



## **Paid Advertising**



Last year online paid advertising finally overtook television advertising in terms of annual spend.

Most marketers act on faith that their advertising is actually getting in front of the right people. The auditing of metrics by companies such as Deloitte Digital is expensive and not 100% reliable.

Blockchain startups like Adchain and ConsenSys have teamed together to experiment with a Blockchain powered auditing services for ad delivery verification.



## Email Marketing

Email marketing is still one of the most effective channels for brands to generate leads and reach out to existing customers. Instead of advertisers paying distributors to pay publishers to promote their content, users and publishers may be paid directly for viewing advertising content.

## Public Relations

Good public relations is all about building trust. Winning the trust of consumers is more difficult. Luckily, innovators in various industries are using a blockchain to document every aspect of their supply chain. This level of transparency is helping companies shift their company image.





## Personalised Marketing

One of the greatest things Blockchain offers is security. Blockchain can be used to securely anonymise vast amounts of personal data, meaning companies can personalise their marketing without compromising individual privacy.



## Market Research

In the same way that Blockchain is protecting our privacy in regards to consumer data, it is also allowing market researchers better tools in developing market research.



## **Fundraising**

The key issue for most not-for-profit marketers is targeting the audiences that willing to donate to their charity's cause.



## Outsourcing Marketing

Businesses have typically been centrally and hierarchically structured. However decentralised business models are increasing popular. And now, with Blockchain technology, we may see a shift in the future of business operations and the way that agencies work.

One example of this is the Sydney-based ICO Krios that have developed a platform for businesses to source their own marketing teams. Much like Upwork or Fiverr, this platform allows you to hire whoever you want for any project for any period of time.

# POTENTIAL ROADBLOCKS



This article has been optimistic about the potential of Blockchain to improve the condition of modern digital advertising. Unfortunately, the reality is that a lot of these changes are only just on the horizon and there are plenty of roadblocks still before this type of technology becomes universally adopted.

Mass adoption of a Blockchain based advertising platform, for example, would be very hard to realise. However, many large institutions and startups are all eagerly embracing the power of Blockchain. How this technology will manifest is still uncertain.



## SUMMARY

We hope this article has been helpful in translating Blockchain from a buzzword into something a bit more tangible. As you can see, Blockchain is a powerful tool with the potential to make our online experience safer and more efficient; as well as strengthen the relationships between brands and stakeholders.