

COMMENTARY

# Who's Afraid of The Big Bad Blockchain?

- by Justin Fromm ,

Advertisers are tiptoeing around the most important technology advancement to hit the media industry in decades — Blockchain. According to some research, while half of advertisers say they've met with a Blockchain provider, only one in 10 has used the technology for media buying.

The chief reason: They associate Blockchain with the volatile bitcoin and cryptocurrency marketplaces. They're wrong.

Blockchain is *not* cryptocurrency, it's *not* just the next shiny object in the room, and it's *not* as complicated as everyone thinks.

Today, advertisers spend far too much time and money on digital administration and proof of delivery and effectiveness, when they should be focusing on brand strategy and creative messaging.

Blockchain has the potential to help advertisers allocate their resources back where they need to be and provide a sense of overall transparency and security that is sorely lacking.

Nearly all advertisers tell us they encounter discrepancies between their own and publishers' delivery reports, with 40% experiencing these errors frequently. Blockchain can eliminate this "fuzzy math" and provide a solid accounting of transactions. Blockchain can also end the tech tax waterfall by making the entire digital advertising supply chain visible to anyone buying or selling media.

Perhaps most importantly, Blockchain can end the debate over the impact and return of advertising efforts with clear, definable, and trusted transactions, measurement and reporting.

To alleviate their apprehension, advertisers must understand what blockchain is, and more importantly, what it isn't. Nearly three-quarters of advertisers are skeptical of Blockchain media solutions because they connect it to cryptocurrencies which they view as unstable and unreliable.

While Blockchain powers cryptocurrencies, the technology itself is neutral.

## Here's how it works:

The advertiser specifies reach and audience targets, flight dates and maximum daily spend, then extends a Ricardian contract to hundreds of potential publishers. Whoever accepts the terms executes it as a smart contract (capable of digitally facilitating, verifying and enforcing the terms) within the blockchain.

Every ad served is registered, measured by a third-party provider, verified as billable/not billable, and factored into a rating of the publisher, based on degree of meeting the contract terms. Payment is authorized automatically, according to what is truly owed per the contract.

At every stage, all ad serving and ratings are viewable to the buyer, and each publisher can see its own performance.

## What does this mean for advertisers?

Blockchain will put media buyers and sellers on the same page, so to speak, so they can work out standards and fees together in a secure environment that obviates the need for intermediaries. It will also clean up verification and billing, by letting the people who place and deliver ads record each transaction in a secure, incorruptible online ledger.

Publishers won't get away with back-filling orders by removing targeting parameters to generate tons of sub-standard impressions.

To make it all work, about three-quarters of media professionals believe that any Blockchain solution needs to include all the players involved in the transaction today — from placement through optimization and reconciliation. That's an ideal, but not a necessity. It's possible, practical and urgent that advertisers start with an informed and well-connected organization that can guide them through the process, providing a sense of security.

No one needs to be afraid of Blockchain. It can be the antidote to so many challenges that advertisers and publishers face — lack of transparency, accuracy of measurement, problematic reconciliation, and more.

By taking the first step and finding someone who can comfortably guide you through the education and implementation process — today, not tomorrow — the benefits of Blockchain will outweigh our worst fears.

For the original posting, go to

[:https://www.mediapost.com/publications/article/327150/whos-afraid-of-the-big-bad-blockchain.html](https://www.mediapost.com/publications/article/327150/whos-afraid-of-the-big-bad-blockchain.html)



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