



BLOCKCHAIN IN CONTENT AND ADVERTISEMENT SECTOR

A Quick Summary

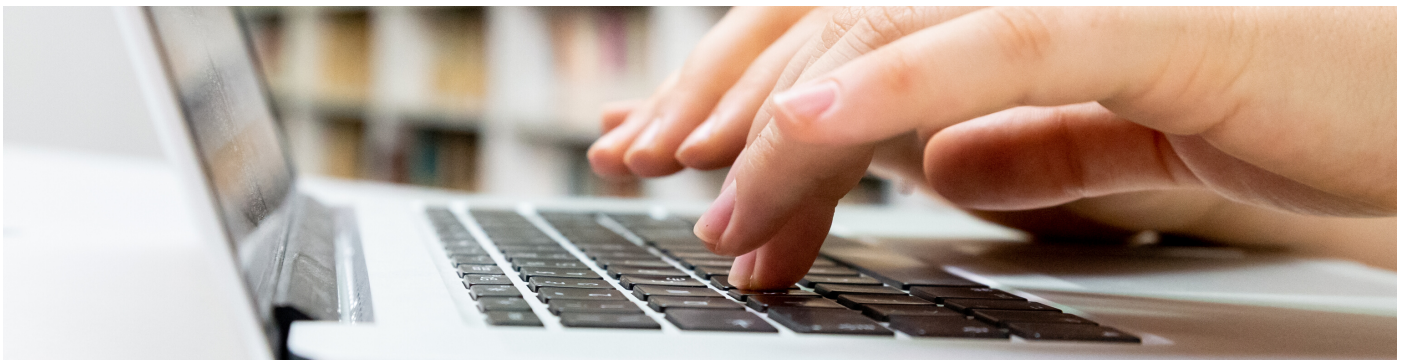
CONTENT AND ADVERTISEMENT

In recent years, there has been an increase in the number of fake ads, reviews and news stories which had a negative impact on consumer trust and brand reputation of many companies. (Mukundan, 2020)

Global digital ad spending is estimated to reach \$427 billion by 2022 and still remains to be an area affected by fraud due to opacity of the systems (Guzenko, 2020). Ad fraud cost to advertisers is roughly over \$50 billion per year (Blockgeeks, 2020). This happens in the form of spending advertiser's money on expensive middlemen and on bot-viewers rather than the real human viewers.

Another issue with regards to ads is the ad specificity, i.e., how relevant the ads are to the audience they are shown. If the ads do not target the right customer profile, the statistics may show big numbers, yet the action would neither provide consumer value nor affect the ROI positively (Santarskiy, 2020).

In addition to ads and fake review, fake content or changed content is a challenge for most digital media industries as they lose a share of their revenue because of content piracy and unauthorized file sharing. Unauthorised individuals hack into media companies' systems to access online content and perform illegal activities including web content tampering, deep linking, cache stealing, link sharing (Muvi, 2020).



In recent years, there have been developments in Blockchain Technology which offers advanced solutions to some of the challenges discussed above. In 2017, some of the first blockchain-based advertising projects were announced. In 2018, a global car company stated to increase its site visits by 21% with the support of a Blockchain analytics company (Lucidity, 2018). Beer companies followed the suite by launching blockchain-enabled ad campaigns almost at the same time as Google Trends showed a peak in searches for "blockchain advertising" (Santarskiy, 2020). This was also visible in terms of the number of blockchain marketing companies as the figures increased from a mere 22 in 2017 to 290 in 2019 (Epstein & Dvorin, 2019).

Specific areas of interest in Content and Advertisement Sector and how Blockchain Technology will address these areas are summarised below:

- **Timestamping:** Blockchain solutions digitally timestamp each transaction which is extremely useful for media companies in the prevention of unauthorized utilisation of creative work and content theft. (Muvi, 2020)
- **Awarding:** There are blockchain solutions with embedded award mechanisms where the audience is awarded for their attention (Brave Software, 2018) and the content creators are awarded for the creative content. In some solutions, the publishers also receive a cut of the advertiser's ad spend (Blockgeeks, 2020). The technology, in fact, allows any actor, big or small, to be able contribute. Another example is micro-influencers where businesses utilising blockchain technology can reward these smaller influencers with digital assets (possibly redeemable) for sharing their content with their audience (Mukundan, 2020).
- **Accountability:** Media companies can better manage their internal processes by using Blockchain solutions. For instance, event-level data and cryptographic transaction verification can be used as a new safety layer and to secure automatic information processing when unexpected incidents occur (Guzenko, 2020). Similarly, blockchain solutions can also be utilised to track customer activity and handle their data in a more secure manner,

- **Transparency:** As an immutable distributed ledger, Blockchain can serve as a trustless source for ad impression for both demand and supply parties. All actions, transactions and information can be recorded on the ledger and can be verified by the authorised parties. With this inherent transparency, the solutions offer detection and mitigation of ad fraud and stop funds wasted in bot traffic which leads to a more efficiently communicating ecosystem between fans and artists and an increased level of customer relationship (Muvi, 2020).
- **Fast payment:** Digital content distributors can utilise a blockchain solution and allow their customers to pay for their services in crypto currency rather than fiat money. The customers demand for a quick access to their digital content is increasing and they are more ready to pay for a transparent digital media sharing platform than ever before as long as the quality of the content meets their expectations. All these advancements pave the way for blockchain adoption in Content and Advertisement sector.

Subsectors

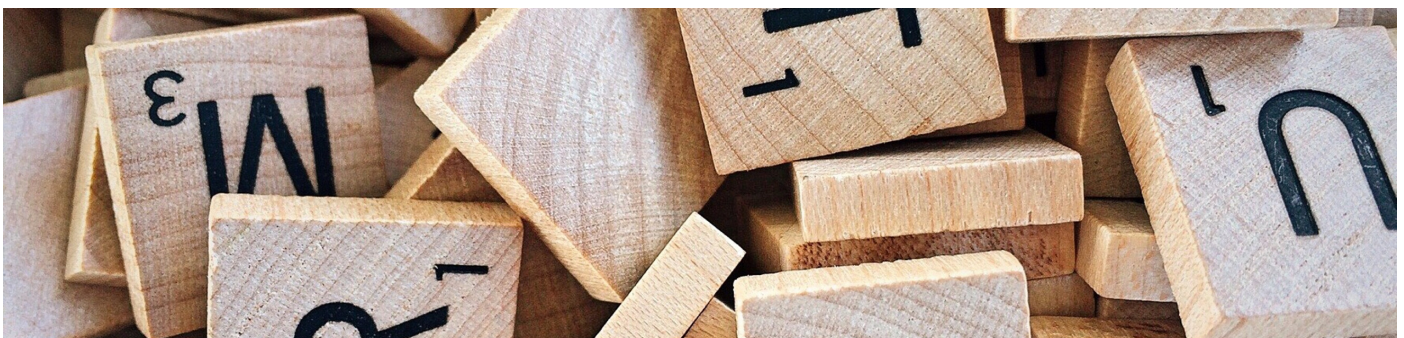
Content Distribution, Advertisement, Content Creation

Stakeholders

Digital Media Producers, digital media distributors, content creators, advertisement firms, influencers, end users

Asset Type

Blockchain content and advertisement solutions usually work with utility tokens. There may be exceptions.



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