

The Use of Blockchain In Digital Marketing

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While the industry is divided on the use of blockchain in general, thanks to cryptocurrency, there's no question that it has plenty of promise in digital marketing.

Though blockchain got most of its attention from Bitcoin, there's much more to this technology than cryptocurrency. Blockchain provides a method of digital record-keeping that keeps a ledger of transactions that is transparent and can't be altered, providing more security than other technologies.

The many advantages of blockchain have already led to its implementation in several industries, notably in finance and healthcare, but it holds a lot of potential for digital marketing.

Find out how blockchain could affect digital marketing and what benefits it holds.

What is Blockchain?

Blockchain is an electronic public ledger that can be openly shared among separate users, creating an unchangeable record of transactions. Each transaction has a time-stamp and a link to the previous transaction, so it's impossible to alter.

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Each digital record or transaction is called a block, and it allows either an open or controlled group of users to participate and alter the electronic ledger. It can also only be altered or updated with agreement among all participants, and once new information is entered, it can't be erased. As a result, a blockchain has a true and verifiable record of every transaction that ever existed within the system.

Blockchain is also without an administrator, since the blockchain users are the administrator. Blockchain ledgers can be managed autonomously to exchange information between parties, much like collaborative software or a peer-to-peer network.

Though blockchain is often called a technology, it's more accurate to refer to it as an architecture creating an unchangeable ledger of transactions.

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This is where blockchain comes in. With a network built on blockchain-verified signatures, your data stays with you. This is in stark contrast to it floating around servers which are owned by the application you're using, such as Facebook. With this network, visiting a website would allow you to keep your own personal information, without contributing to a running log of the people who also visited the website. As a result, all your personal information will be encrypted and protected.

While this is a great thing for individuals, it can be scary for marketers. Without access to user data, marketers would need to gather data directly from prospects and customers to get a full picture of the audience.

User experience could change too. Though you should already be putting a lot of effort into user experience now, blockchain could offer the opportunity for users to voluntarily decide which content and advertisements they want to view.

Digital Display Marketing

Online display ads are riddled with flaws and problems, regardless of whether some businesses see results. For a marketer, online display ads can be expensive, complex and difficult to manage, and the inventory is controlled by Google and Facebook almost exclusively.

The problems that arise from digital advertising in terms of user experience are well known. Display ads are disruptive, intrusive, irritating and waste your battery and [bandwidth](#).

However, a blockchain browser with a Basic Attention Token (BAT) can fix all the issues with ads. By trading on the value of online attention, blockchain can incentivize users to view content and break up the monopoly on digital ads.

It works like this: marketers buy ads with BAT, which are found in private tabs or landing pages. Users who choose to view ads are compensated with BAT, so they're only seeing the ads they want to see.

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As a result, marketers get more accurate consumer information, and users get to learn about only the brands they choose. Users also receive a portion of the marketer's BAT in exchange for their attention.

Publishers are also compensated by both users and marketers through the revenue-sharing program. Publishers receive a higher portion of the ad spend than the users, however, and may choose to charge BAT for premium subscriptions and content.

This is really a win for everyone involved. Marketers get more accurate, targeted data to tailor future campaigns, publishers earn revenue and control over the message, and users get only the most relevant ads they actually want to see. Users can also do so without risking their personal information.

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Just like buying a subscription to a print publication you wanted to read in the past, BAT shows the value of a user's attention and puts them back in control.

Privacy and Trust

Privacy and brand trust are two overarching issues in the digital world, which leads many users to become skeptical and discerning about who they give their information to.

Giving users control over the amount of personal information they reveal lowers privacy concerns from the user perspective, as well as promoting social responsibility from the marketer's side.

Caring for your user's data and privacy are important anyway, so putting effort into improving any shortcomings should already be on your to-do list. With blockchain, however, the businesses that prioritize user privacy will become more apparent and earn more trust from users, building your brand relationships.

On top of that, studies show that users are more willing to voluntarily provide personal information, with permission, if there's a reward for their trust. If you're paying users directly to view your ads and content, you're more likely to get their information and continued support in the future.

Ownership and Security of Assets

Piracy was a problem in the past, which led to sites like Pandora and Amazon Music. Unfortunately, artists are only compensated pennies per stream, and the complexities of the music industry meant that streaming service payments don't always go to the appropriate person.

With blockchain, artists, filmmakers, musicians, photographers and other creative professionals have the opportunity to provide their pieces to the huge audience without the use of an intermediary. They can gain value for their tokens as they become more popular as well, earning more for their work.

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The downside for the marketer is that this would give artists the tools necessary to market themselves directly to their audience, without sacrificing their revenue. This would give artists a chance to be valued for their work, however, and not because they know how to become a corporate product.

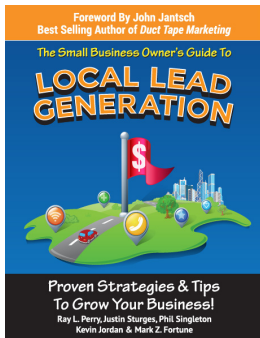
Looking to the Future

Though these possibilities are very real, they're likely far off in the future. For now, we're seeing blockchain in its infancy and learning more about how it could have positive benefits for user experience and marketing. With that in mind, it's important to consider the implications for the future.

One thing is for sure, however: right now, some of the best minds in the industry are working on blockchain and cryptocurrency to adapt it to different business models and industries, so there's likely to be a lot of development in the near future.

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