

How the blockchain can restore trust in the ad supply chain

 By [David Butt](#)

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Many of us can identify with this well-known lament from John Wanamaker, a pioneer of marketing. He said it almost 100 years ago, but it's still painfully applicable today.



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“Half the money I spend on advertising is wasted; the trouble is I don't know which half.”

Advertising has become unimaginably complex over the years. There are now so many intermediaries in the supply chain – including programmatic advertisers and ad tech companies – that fraud is increasingly difficult to keep at bay. The problem is that there is very little visibility and transparency when it comes to reporting on things like when and where an ad was shown, how many views it received, and how many of those views were from actual human beings from the advertiser's target audience.

Advertisers just can't be sure how much of their spend is translating into actual results (clicks, subscribes, sales) and how much is going to fraudulent activity (bot traffic, click farms, domain spoofing, inflated prices and pixel stuffing).

Did you know

- [Juniper Research](#) expects wasted ad spend to reach **\$51m per day** this year – or \$19 billion for the whole of 2018.
- [Forrester](#) calculated that \$7.4bn was wasted on display ads alone in 2016 and that **56% of all display ad dollars were lost** to fraudulent or non-viewable inventory in 2016.

These numbers are frightening. It's no wonder that more and more businesses are bringing their media function in-house so that they have greater control over their budgets.

Blockchain: Simple and transparent

What is blockchain?

A blockchain is essentially a digital ledger in which transactions made in bitcoin or another cryptocurrency are publicly, permanently and securely recorded. It is transparent by design and cannot be 'owned' by any single person. Rather, the ledger is distributed among all parties, including ad tech vendors, buyers and publishers, who have complete visibility into every transaction and must collectively approve any changes to the data.



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Blockchain would enforce a level of accountability and transparency that is badly needed in the ad supply chain. As a result, advertisers would be able to see exactly who bought their ad, when and where it was displayed, and who saw it. And publishers would be able to regain control of their ad space, boosting revenue.

It's still early days

The adoption of blockchain in the ad industry is still in its infancy because as many people are wary of adopting something so new. There are a number of start-ups, however, that are experimenting with the blockchain and seeing promising results. Once they can prove the value of the blockchain to advertisers and publishers, and once we have solid standards and protocols in place, I believe we will see bigger vendors start to show an interest.



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With blockchain, we will be able to re-establish trust, visibility and transparency into the ad ecosystem. I believe that this will lead to the next evolution in advertising: where advertisers again feel comfortable handing over control of their budgets to trusted consultants and agencies.

Getting future ready

The underlying technology of blockchain has vast potential in many aspects of business, not only to combat ad fraud. Blockchain can support new trust models around regulatory compliance, data integrity, device integrity and distributed operations to name but a few.

It's important to understand that blockchain, like any technology, requires an ecosystem to support it. This includes technical solutions, operating models and, most importantly, people.

The best way to prepare is to ensure you understand blockchain. Then you can begin to identify relevant use cases, map-governing principles, and test use cases against the most appropriate technology.

If you want to future-proof your business, now is the time to start understanding blockchain and proving the case for its use.

ABOUT DAVID BUTT

David is responsible for the discovery, design and deployment of global analytics and customer-centric data solutions in multiple verticals. He joined Acceleration's London office in 2007, and has over 15 years' experience in digital marketing technology. David has a broad understanding of technology with specialisation in multi-channel analytics and data solutions. David is certified and trained in several data management and visualisation tools and recently became a certified Google Cloud Platform expert.

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