



## The Advertising Quandary Could Blockchain Be The Answer?

**We Have Detected Potentially Invalid Click Activity On Some Of Your Campaigns.  
We Will Be Refunding \$xx.xx To Your Advertising Account.**

If you are a seasoned digital marketer, this message isn't new. Just a few years ago, companies spending \$10,000 a month lost approximately \$15,000 a year to click fraud. According to a Statista report<sup>1</sup>, costs related to digital advertising fraud worldwide would grow exponentially to reach USD 100 billion by 2023.

Additionally, heightened privacy norms and the phasing out of website cookies will make tracking ad transactions even harder.

**But that's not stopping anyone.**

Today's digital advertising landscape costs more than it did a few years ago, with consumers finding themselves bombarded with even more messaging, resulting in a poorer attention span.

In this ginormous market (Facebook alone generated nearly USD115 billion<sup>2</sup> in advertising revenue), the use of blockchain technology in advertising could be the solution to many of its woes.

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1. <https://www.statista.com/statistics/677466/digital-ad-fraud-cost/>

2. <https://www.statista.com/statistics/544001/facebooks-advertising-revenue-worldwide-usa/>

A blue-tinted graphic showing a chain of translucent, glowing spheres connected by lines, representing a blockchain. The spheres have binary code (0s and 1s) and some text like 'BLOCKCHAIN' and 'DIGITAL' on them.

## Chip Off The Ol' Blockchain

Blockchain enables the creation of a distributed, yet secure digital ledger. The technology promotes information decentralization while increasing security and transparency in digital transactions.

When linked to advertising platforms, blockchain technology allows for the secure tracking of media transactions in real-time (think views, clicks, and purchases), allowing everyone involved in the advertising ecosystem to benefit from increased transparency.

Let's look at some specific ways in which blockchain technology can overcome today's advertising concerns.



### Enhanced Attribution

Since a blockchain stores information and records transactions in real-time, media buyers can use it to track ad spending. Advertisers will be able to track ad attribution and key metrics more accurately than ever before.

One such example is Toyota's collaboration<sup>3</sup> with Lucidity to deploy a blockchain-based ad solution, which gave them better visibility and the ability to track consumer activities that led to sales. As a result, Toyota's ad spend was optimized, resulting in a 21% increase in performance.

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3. <https://www.prnewswire.com/news-releases/luciditys-blockchain-pilot-with-toyota-results-in-21-lift-in-campaign-performance-300731983.html>



## Precision Targeting

Companies using a blockchain advertising platform can choose to specifically target those who have expressed interest in their category rather than expensive ad bombardment.

Comcast and NBC Universal, Disney, and Channel 4 launched the Blockchain Insights Platform<sup>4</sup> in 2018 to match audience datasets - without sharing data - to better target and execute advertising. Advertisers will be able to access relevant data that has already been vetted and proven with the chain as more consortiums like this continue to grow, making ad targeting much more accurate and less expensive.



## Improved Privacy and Data Security

Data will be encrypted using blockchain technology, allowing only machines to access information. At the same time, buyers and sellers will only be able to see the data that they are permitted to view. Sensitive information, such as IP addresses, can also be masked, allowing advertising partners to access performance results without violating consumer privacy or media companies to worry about losing customer identities.

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4. <https://digitalcontentnext.org/blog/2018/03/29/comcast-investing-blockchain-maybe/>

## Decentralization of Media Networks

In 2021, Google and Facebook accounted for nearly 73% of the United States digital advertising market. Yet while these platforms offer the ability to target users on a variety of devices, they have non-transparent media supply chains and closed measurement systems.

Blockchain decentralizes the advertising ecosystem, allowing brands to connect with their customers directly, without intermediaries. AdLedger is a consortium of publishers, advertisers, and other industry stakeholders that uses blockchain technology. By facilitating a transparent, programmatic ad market, this network enables participants to compete for ad dollars and reduce waste in the supply chain.

## Immutable, Transparent Advertising Metrics

All media transactions, from the issuance of the purchase order to the execution of media and payment, can be recorded using blockchain technology in a secure, immutable, and transparent manner.

This means that anyone with access to the transactions can only view them and cannot modify them. The immutability of ad-linked metrics increases the dependability of clicks and impressions while eliminating the possibility of manipulation.

Additionally, record reconciliation happens in near real-time, with invoicing happening in hours instead of months.



## User-Data Incentivization

Today, advertisers use information collected through cookies to target and retarget advertisements. However, users are also concerned about the lack of control over who has access to their browsing information. In a blockchain-based advertising ecosystem, consumers must grant permission to use their data. The distributed ledger technology (Blockchain) can reveal to consumers how large corporations use their data for marketing purposes.

Additionally, storing information on a blockchain system also allows the owner of the data to monetize the same by voluntarily giving access to specific organizations.

## Reduction in Ad Fraud

Blockchain technology can be used to accurately and immutably record user metrics, preventing click-frauds. 'Ad farms' will no longer be able to forge impressions or engagements, as any user metrics on the blockchain will have been confirmed.

Unilever is using blockchain technology<sup>5</sup> to reduce click fraud in its ad performance. The company initiated a pilot program which has already helped identify discrepancies along the media supply chain while a campaign is in action.



5. <https://www.unilever.com/news/news-search/2019/explainer-what-is-blockchain-whose-using-it-and-why/>

## Welcoming the Future with Blockchain

Blockchain could be the key to unlocking better results in a digital world that is struggling to capture consumer attention while keeping advertising costs within budget.

First, USD19 billion<sup>6</sup> worth of revenue can be saved by eliminating online ad fraud. Second, the disintermediation of middlemen could result in a substantial cost reduction of approximately 30% - 35% in total ad spend.

And finally, while blockchain helps businesses preserve their hard-earned revenue, it will also increase transparency and trust amongst consumers.

In a post-pandemic world, as advertisers and consumers become more reliant on digital commerce than ever before, blockchain technology is gaining popularity as a potential solution.

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6. <https://www.clickcease.com/blog/list-of-click-fraud-statistics/>