


Chapter 5

Decentralized Truth: Blockchain's Role in Promoting Transparency and Trust in Digital Marketing

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ABSTRACT

Digital marketing is maturing into a precision-targeted, data-driven engine. However, this maturation has brought about a slew of ethical and operational challenges: ad fraud, opaque data practices, unverifiable performance metrics, and concentrated control of major platforms. In this chapter, we consider the potential of blockchain technology to provide enhanced transparency, trust, and accountability in the ecosystem of digital marketing. Through a multi-method design of research combining literature review, case studies, and interviews with key stakeholders, we put forth an ethical framework for digital marketing grounded in blockchain. The chapter discusses how decentralized, transparent, and immutable blockchains, coordinated with smart contracts and decentralized identity, could be one mechanism in the mitigation of some challenges that have been explored already, and simultaneously ensuring user empowerment and support for ethical advertising practice.

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INTRODUCTION

The digital economy's evolution is primarily pulling digital marketing as the main engine for visibility, customer engagement, and brand influence for the companies. Now, marketers are endowed with an incredible opportunity to reach and affect consumers with a very high degree of accuracy made possible through real-time analytics, algorithmic targeting, and enormous data storage. This very act of technological prowess has re-engineered marketing strategies and changed the whole dynamic of business-audience interaction. Campaigns can, in a nutshell, be optimised in real time with respect to individual behaviour while adorning the profiles of the end-user on an array of platforms and devices. However, the good and the bad co-existence of the digital ad ecosystem brought about by the newest technological advancements in scalability and efficiency has shown the industry the dark side of progress, with the challenges of ethics, infrastructure, and operations threatening the digital advertising sector's sustainability and clean future.

A small number of tech giants such as Google, Meta, Amazon, etc., dominate the vast digital market and thus have complete control over user data, ad revenues, and content distribution. By being the intermediaries, these companies determine, to some extent, the visibility, timing, and conditions of the content to be seen by the audience. Their algorithms determine whether certain content will be shown, how much advertisement actually costs, and where data flows with minimal transparency or any external accountability. Hence, the marketers exist inside a system wherein they depend on some intermediaries, quite often without having any visibility into how those performance metrics are calculated or how their audiences are actually reached.

There are several ethical and operational deficiencies surrounding this power concentration. The first one goes to advertising fraud. Advertisers have become fed up: from bots producing false impressions and clicks to domain spoofing and pixel stuffing, ad fraud has proliferated to the point where it has become accepted as a normal occurrence. The impact of digital advertising fraud on return on investments has been staggering in recent years, with annual global losses reported to be in the tens of billions of dollars. This has a knock-on effect on marketing performance data, with trust in it plummeting. Secondly, the metrics used in advertising that cannot be verified are an ongoing problem. In addition, a conflict of interest is created when most of the campaign data is provided by the advertising platforms, especially since it is nearly impossible to conduct an independent audit or verification. Despite increasing doubts about data integrity and uniformity, marketers are compelled to depend on the offered data.

Third, and perhaps most importantly, there is an accelerating consumer trust crisis. Today's digital marketing is dependent on user data, which is grabbed through

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