



# BLOCKCHAIN & THE FUTURE OF MARTECH

*The MarTech Stack: An assessment of the possible impact of  
Blockchain technology on MarTech and Marketing*



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## Introduction

Bitcoin and its crypto-currency siblings are at the top of the news cycle with massive fluctuations in value and the associated churn of commentary. But underlying crypto-currencies is a critical technology called Blockchain which has the potential to significantly disrupt a number of industries – including Marketing.

The decentralized and “trustless” exchange of value that Blockchain technology affords is ultimately poised to influence the trajectory of any industry where significant value is captured between transacting parties. This outlook addresses that influence on Marketing – and more specifically the marketing technology (MarTech) ecosystem which has seen dramatic year-over-year expansion as impactfully visualized by Scott Brinker’s ever-growing Marketing Technology Landscape.

The thoughts and predictions herein represent an effort to reconcile this exponential growth of players and complexity in the MarTech space with the seemingly conflicting paths that Blockchain disruption introduces.

# BLOCKCHAIN TECH – A BRIEF PRIMER

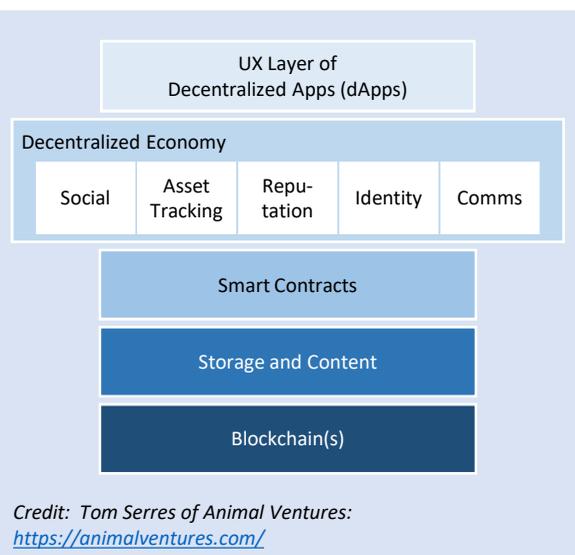
## Background

Blockchains are a distributed ledger technology that enable an immutable, accountable and highly secure method of transacting value without the need for central intermediaries. Such disintermediation affords a reallocation of the portion of value traditionally captured by these central authorities (as an ecosystem tax) back to the transacting parties, enabling fundamentally new peer-to-peer, decentralized ecosystems across a variety of industries and applications.

## The Blockchain Tech Stack

The Blockchain tech stack at first glance looks quite similar to a traditional tech stack – from database through middleware and apps. However, upon closer inspection, the replacement of centralized databases with decentralized Blockchains at the stack’s foundation creates a cascading effect of departures from the traditional stack. When applied to Marketing, the Blockchain tech stack will have profound implications for the MarTech landscape.

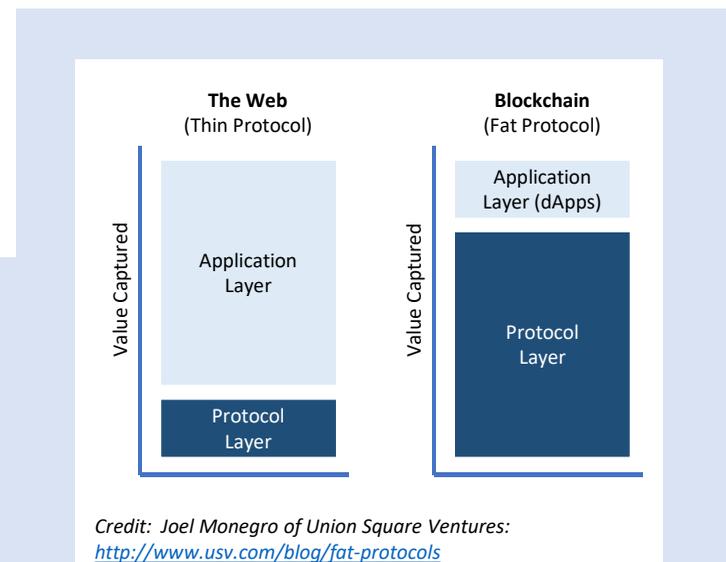
Starting from the bottom, the foundation of the stack is based on **Blockchain protocols** – the distributed transaction ledger coupled with governing procedures. All transactions are time-stamped, cryptographically secured, and available for all to inspect. Next, the **storage of data and content** benefits from Blockchain’s technological improvements in resilience (due to distributed architecture), authenticity (verifiable via digital signatures) and security (via cryptographically secured transactions). This modern data layer sets the stage for the introduction of **smart contracts** – programmable agreements that operate on the Blockchain. These smart contracts supplant the role of intermediaries, arbitrating peer-to-peer relationships through transparent and verifiable code. The **decentralized economy** layer represents a new collection of open-source, capability-specific protocols, empowered by smart contracts and Blockchain-based storage solutions. Within this decentralized economy, new rules for business-to-customer engagement and data management will be established across the critical categories of the modern marketing economy. Finally, as the MarTech landscape is re-imaged through the lens of these application-specific, open protocols, the current application layer as we know it will become increasingly thinner and more commoditized, morphing to a collection of **decentralized apps (dApps)** that compete on user experience and customizability.



Credit: Tom Serres of Animal Ventures:  
<https://animalventures.com/>

## Web vs. Blockchain: Protocols & Applications

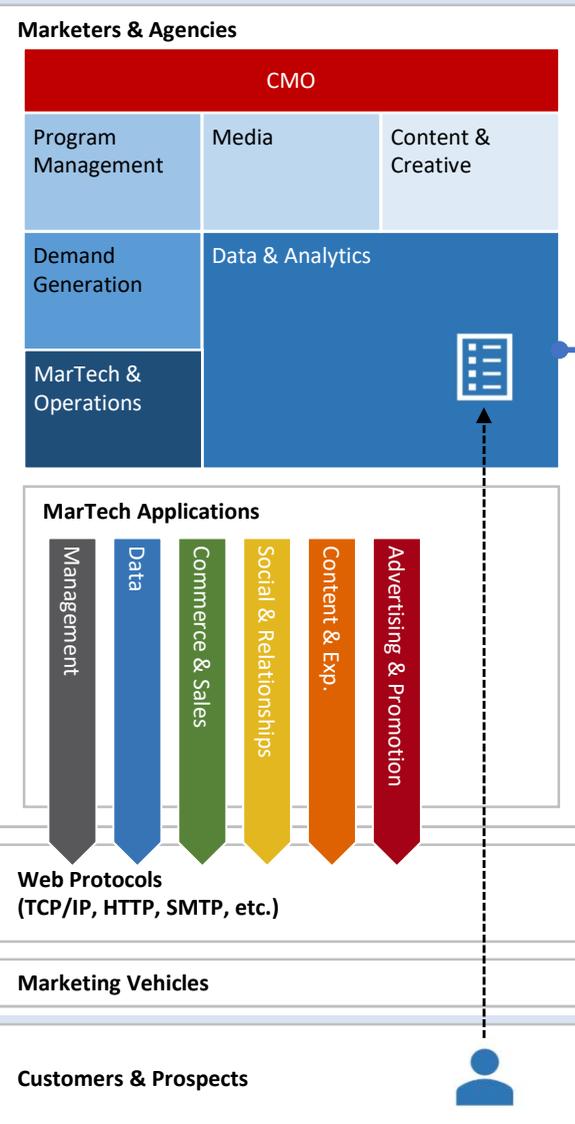
In the traditional Web model, protocols (e.g. TCP/IP, HTTP, SMTP, etc.) are “thin” – allowing and enabling developers to create unique and significant value on top of protocols in the application layer - e.g., Uber, Expedia etc. The Blockchain model inverts the value capture between protocols and applications. In Blockchain’s “fat” protocols, a developer can include the same rulesets and software blocks that Uber or Expedia leverage on a proprietary basis as essentially available open source. Again, it is these robust protocols that will commoditize the business models and software applications across the MarTech landscape, and empower marketers to seamlessly migrate away from siloed vertical apps to interoperable apps with lower switching costs.



Credit: Joel Monegro of Union Square Ventures:  
<http://www.usv.com/blog/fat-protocols>

# TRADITIONAL vs. BLOCKCHAIN STACKS

## Traditional Tech Stack



The following is an assessment of the possible impact of Blockchain technology on MarTech and Marketing. Blockchain will fundamentally alter the balance of control between marketer and consumer.

### Marketers and Agencies

In traditional marketing, **marketers and agencies** allocate focus and skillsets across the spectrum of program management, media, content & creative, data & analytics, operations, and demand generation. The Blockchain will require a dramatic **polarization** toward **content & creative** on one side and **operations** focused on optimal leverage of protocols on the other. Hyper-attention will be required on the creative and personalization of every interaction across prospects and customers due to the customers' ownership and control of their own data, and their ability to rescind access to it. Marketers risk losing access to this data if they do not demonstrate an adequate value proposition.

### MarTech Applications & Protocols

**MarTech** capabilities will experience a fundamental paradigm shift from traditional functional categories of siloed, vertically-optimized (closed) systems (UX + IP + Data) to **thin, scenario-optimized UI/UX solutions** built on commoditized, open systems (logic + data) leveraging the core app and bridge protocols based on Blockchain technology. While current MarTech solutions compete based on how well the entirety of their stack (UX + IP + Data) delivers value on its own and/or via interoperability with other siloed, vertical solutions (e.g. Eloqua + Salesforce), Blockchain MarTech solutions will compete based on their **interoperability** across a variety of open algorithms (app protocols).

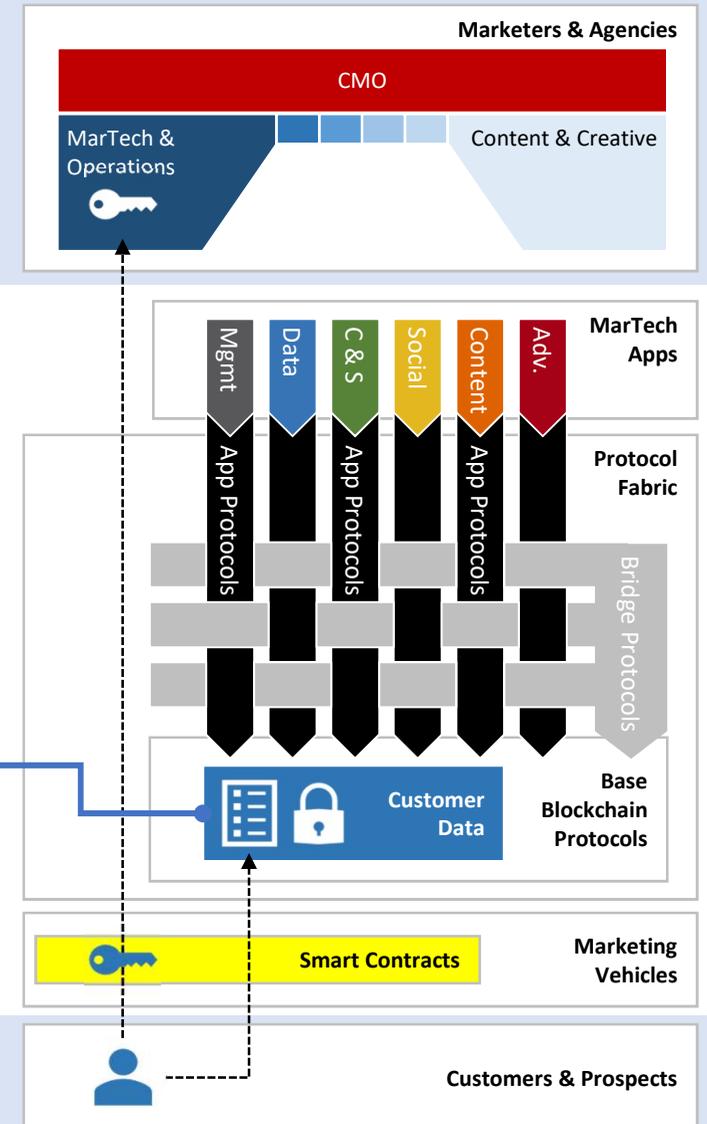
### CMO and Customer/Prospect Data and Analytics

The **CMO** will evolve from **customer/prospect data** owner to **"relationship trustee"**. Current marketers focus on data capture, verification, and enrichment. Blockchain technology will store and intermediate access to customer/prospect data, and app protocols will standardize and commoditize the "logic" layers of how to optimize execution. **Analytic models** focused on targeting, segmentation, etc and calculation methodologies for ROI will exist in protocols off-the-shelf. Marketers will have much higher confidence in the veracity and comprehensiveness of customer/prospect data through the Blockchain – and skillsets will shift to interpreting data and creating direct trust relationships with customers via creative and personalized messaging.

### Customers and Prospects

The **customer** will be empowered to dictate the how, what and when of personalized communications with a corollary increase in trust in the **tracking** and **accountability** of the use of their personal data, especially given increasing customer desire for and regulations concerning **Privacy** such as the General Data Protection Regulation (GDPR).

## Blockchain Tech Stack



## WHAT'S NEXT...

Blockchain technology has a myriad of potential impacts and implications to MarTech and Marketing. In this outlook, we have only truly scratched the surface of a number of these topics, and will thus be incrementing the discussion with subsequent, deeper explorations on key topics, including:

### The CMO and Marketing Skillsets

In this paper, we will focus on the potential phasing and timing of the Blockchain transformation and what the CMO needs to do to prepare for these changes – as well as the inherent risks and possible benefits. In particular, we will discuss the forthcoming changes to the role of Marketing and the re-balancing of control with the consumer, as well as the necessary polarization of skillsets. In addition, we will address the implications of tokenization (coins) to the marketing process and the opportunities for marketers. Other topics will include the subsequent downstream impact of Blockchain on traditional marketing vehicles including TV, radio, outdoor, etc.

### MarTech Applications

While the timing of the impact of Blockchain technology on MarTech applications is certainly to be determined, we will discuss the possible progression of marketers to frictionless transitions between MarTech suppliers, and the contravening impact of proprietary systems. As a corollary, we will also discuss the challenges of the entrenched MarTech suppliers in their decision to migrate to Blockchain technology. Particular focus will be paid to the criticality of protocols (bridge and app fabric) that enable the open sourcing, componentization, and codification of the core capabilities within this transformation. In addition, we will discuss the interplay, or lack of, other current disruptive technologies on this paradigm shift – from big data and machine learning, to artificial intelligence, to virtual and augmented reality, and quantum computing.

### Customer Data, Permissions & Privacy

In this paper, we will discuss the central disruptive rationales to the Blockchain transformation in Marketing – notably, the factors on the respective sides of the consumer and marketer that will drive this change. In particular, we will focus on the value exchange of data between the marketer and consumer and how this will directly affect several example marketing scenarios across industries. We will also review the potential benefit to marketers in the inversion of their current burden of data quality management to an advantageous environment of leveraging certified data from the Blockchain. Increasing customer desire for Privacy – exemplified by regulations such as GDPR – will continue to fuel this change and will potentially be enabled by Blockchain. Of note, we will also discuss the potential for Blockchain to enable some customers to entirely opt-out of direct marketing.

We look forward to your feedback, support and partnership as we all progress on the Blockchain journey. If you are interested in contributing or participating please connect with us on LinkedIn:



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