Blockchain: The Technology of Trust

Trust is the foundation for customer consideration and loyalty. In 2018, however, we are seeing a crisis of consumer trust. Almost universally, consumers are less trusting of the government, the media, and many businesses. In fact, just 3% of global respondents in a recent HubSpot survey say they trust salespeople or marketers.

Despite these grave statistics, there is reason for hope. In a recent survey by Deloitte, 79% of surveyed consumers say they would be willing to share their data if there is a clear benefit. How can brands take advantage of this willingness to share information? Blockchain technology may be the key to unlocking consumer trust for business.

The Missing Link for Building Trust

Blockchain may be best known as the technology behind cryptocurrencies like Bitcoin, but it’s much more than that. At its most basic level, blockchain is an encrypted database of agreements, or a shared ledger that enforces transparency and holds all parties accountable. Because data is decentralized, disrupting the ledger is extremely difficult.

In a world where consumers’ online identities are increasingly valuable—and vulnerable—blockchain technology has the potential to improve trust between consumers and businesses. With blockchain, transactions can be traced throughout the chain. Consumers and businesses can view a complete record of transactions, ensuring that information is shared safely and efficiently. Blockchain allows for a secure, transparent, and immutable record, designed to be resistant to outages, manipulations, and unnecessary complexity.

Jeremy Epstein, CEO of Never Stop Marketing, uses a great analogy to explain why blockchain is so secure. He says to compare “robbing one house (a data center) to robbing 5,000 houses (the blockchain).”

Transforming Consumer Experiences

While there is a general lack of education about blockchain technology—only 15% of marketers feel sufficiently capable to speak to an audience about blockchain—there is strong interest, with most marketers believing blockchain has the potential to disrupt the marketing industry, impacting both brands and consumers.

Consider, for example, the many choices consumers have when buying eggs, like locally sourced, organic, and free-range. Each of these claims is a promise that brands make to consumers, yet businesses may have difficulty proving these claims are true. Blockchain introduces a level of traceability to the distribution of goods from source to sale. Stores now have the potential to identify who transported the eggs, what feed the chickens ate, where they were raised, and more—building consumer confidence and trust.

What’s more, food safety itself can also be significantly improved through blockchain. Walmart and IBM are pioneering a system that dramatically improves traceability in the event of contamination, making it possible to quickly remove at-risk items from shelves. For the first time, shoppers will be protected by pinpoint precise food safety actions, something not possible prior to blockchain adoption.

These same principles can be applied across various types of supply chains. By knowing the source and journey of the products they manufacture or sell, brands are better able to make bold claims and back them up with confidence.

Blockchain and AI: Partners in Trust

The potential for collaboration between blockchain and artificial intelligence (AI) is greater than one might expect. One of the biggest challenges AI engines face is data integrity. While AI systems do an incredible job processing and making sense of data, if the data is flawed, so too are the outcomes.

As a result, AI engines generally require massive volumes of data to offset anomalies, and produce results with confidence. Blockchain can provide trustworthy data upon which AI analyses are based, increasing the trust factor considerably, and reducing the burden on data volume.

For example, take Inbot Ambassador, a business referral network that rewards referrals with tokens which are based on the Ethereum blockchain, that can be exchanged with other network members. In Inbot Ambassador’s back end, AI is used to weed out spammers, and reward members who build trust within the network. In this application blockchain and AI perfectly complement each other.

In a world where trust is not given, but earned, Blockchain and AI may offer brands the opportunity to provide greater transparency into their business operations, and build increasing consumer trust—an enticing future full of potential. **Who will trust you next?**