

Is Blockchain Overhyped?

Adoption appears tepid so far

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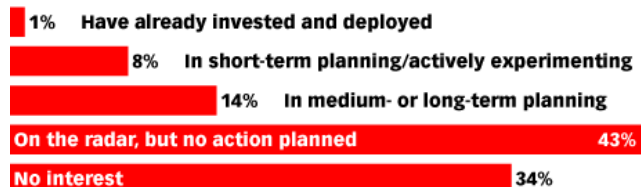
Ross Benes

Tech evangelists claim blockchain's distributed ledger will revolutionize a multitude of industries, including healthcare, finance and advertising. That could still happen, but for blockchain to set the world on fire, it needs to be adopted first. And that's happening at a slow pace, [according to a Gartner study](#).

Gartner surveyed 3,160 chief information officers worldwide between April and June 2017 and found that just 1% of respondents had adopted any type of blockchain technology, and only 8% planned to do so in the short term. About a third have no interest in blockchain. In the Gartner hype cycle, blockchain sits just past "peak of inflated expectations" and is on the downward slope toward "trough of disillusionment."

Adoption of Blockchain According to CIOs Worldwide, June 2017

% of respondents



Note: n=3,138; excludes "don't know" responses
Source: Gartner, "Blockchain Status 2018: Market Adoption Reality" as cited in press release, May 3, 2018

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Gartner researchers cited the lack of standards around blockchain as a factor that has slowed its adoption. They also noted that there's a lot of misunderstanding among chief information officers as to how the different components of blockchain—encryption, distribution, immutability, decentralization and tokenization—function and differ from one another.

At the moment, the promise of blockchain centers more around what it may do in the future for companies rather than what it is doing right now. In a February survey of 679 senior-level decision-makers in the US by PointSource, 72% of respondents were either in the discovery phase or considering possible vendors for blockchain.

In this way, blockchain is similar to other emerging technologies in that its uptake is incremental despite the glut of coverage it receives. Across blockchain, artificial intelligence (AI) and facial recognition or voice-activated technologies, only about a third of respondents in PointSource's study said they had selected or replaced a vendor in these categories.

Since blockchain could potentially reduce digital ad fraud and alter financial transactions, there's a lot of interest in the technology. It was the top searched term on Gartner's research portal in 2017 and early 2018. According to Gartner researchers, underlying these inquiries is an assumption that blockchain is already being widely deployed, although that is not the case yet.

"Enterprise use of blockchain technology for advertising and media is in its earliest stages, with startups and consortia focused on research and proofs of concept rather than large-scale implementations," said eMarketer senior analyst Nicole Perrin, who recently wrote a report about how blockchain could increase transparency, reduce friction and solve audience identity challenges. "And those proofs of concept tend to apply just some of what blockchain makes possible to currently existing ways of doing business, when blockchain's real promise lies in the ability to remake the economic relations and structures that underlie today's supply chains."