**HOW WILL BLOCK CHAIN IMPACT THE ENTERTAINMENT INDUSTRY?**

**INTRODUCTION**

It is very well known to all of us, Blockchain was the biggest buzzword of 2017 and subsequently, it gained traction. The question here arises what exactly does it mean and in what terms does it affect networks, studios and new media companies?

It is to be noted that blockchain technology has the potential to entirely transform the media industry exactly the same way how internet did 20 years ago. The most well-known type of blockchain is bitcoin which takes into consideration the proper use of “cryptocurrency” to initiate financial transactions, whereas “ethereum” uses quite a few exchange methods, which also includes bitcoin, but at the same point in time it also offers smart contracts which allows one to expand the horizon of blockchain beyond monetary dealings.

It’s worth noting that only with the help of rapid digitalization, transforming the entire way as how content is written and delivered, moreover, one thing to note here, is that M&E businesses should safely manage their intellectual property. One of the most exquisite things about this technology is that it offers a unique approach when it comes to storing contents and establishing trust as well.

The television and media industry is said to be the major stakeholders, which ought to get benefitted by utilising blockchain technology in various ways, such as - advertising, distribution, content creation and verification. It hardly matters whether the ultimate objective is better security and customer privacy or more flexibility, it is the end result which ought to be same - eradicating and if not eradicating at least diminishing the impact of the middleman.

Looking at few of the ways mentioned below, in which, blockchain technology has significantly contributed in impacting content rights management with respect to media and entertainment industry: -

1. **Distribution**

In blockchain technology, prerequisite condition for an extensive distribution system has been eliminated. One of the most advantageous things to note here is that content creators have the discretion to release their work directly to consumers without actually dealing with a large corporation or media house which would ultimately take a major part of their earnings.

1. **Cybersecurity**

Starting from Sony to HBO, Hollywood has more or less witnessed the threat of data hacking and data leak in the recent times. Many of them who work in this particular industry will end up not paying requisite attention to internet security. The fact, blockchain includes sequential hashing, cryptography and decentralized structure end up turning the transactions highly secured and virtually impenetrable for the hackers.

1. **Monetization**

Well, coming down to the entertainment industry, getting paid might turn out to be a little tiresome and time taking the task. One very important thing to note is here is that blockchain technology permits the creator to let him allocate the content and also get paid automatically as well. Moreover, the infrastructure is totally based on smart contracts which later on end up utilizing blockchain-based cryptocurrencies such as Bitcoin and Ethereum. Something worth noting here is that self-executing smart contracts can end up leading one to automated royalty payments that too at a near-zero cost.

1. **Battling Piracy**

Coming down to distribution, few priests were predicting that blockchain technology might be considered as the end of ultimate middleman, popularly known as pay-tv (cable and satellite) industries. This ought to take place or not is a question of debate but as far as immediate future is concerned, it has been observed that media companies are willing to look for some kind of protocol which would ultimately end up helping fight the problem of never-ending piracy that comes along with digital distribution. Phil Gomes (Blockchain leader at Edelman) said, he personally believed that most of the piracy comes from friction in the legal distribution mechanisms. Blockchain technology enables more frictionless monetization of content to better compete with piracy.

It has been widely observed, throughout the world that these days media companies are looking forward to the blockchain technology as a way of enabling more secure rights payments. An apt example of this would have been Open Music Initiative, which includes, Sony Music, Warner, with an objective of improving royalty payment transactions. OMI recently ended up disclosing that it is considering the utilization of blockchain in order to fundamentally simplify the way music rights owners are identified and compensated.

1. **Digital Right**

Digital rights management also known as the cousin of micropayments, blockchain holds a great share in it. In the event of unravelling the past takes place, it is to be noted that producing and selling contents had always been a long and tedious task with respect to who owns the rights to these contents. Straightaway starting from Britain, which enacted the world’s first copyright law in 1709 to Napster and then coming down to BitTorrent in the recent past.

It is creditworthy noting that Blockchain comes up with a solution, with its undisputable record-keeping and decentralized nature. Big players might have noticed and analysed Spotify, which ultimately had to pop up with a decision of settling a lawsuit over unpaid royalties last year and recently acquired Mediachain, a digital rights management startup. Now, Mediachain combines all the blockchain infrastructure with content ID tech similar to that of which is found in a Google image search bar. The ultimate objective behind this was to create a universal media library in which one can identify the author and story behind a piece of content.

So, there is absolutely no doubt that blockchain technology offers innumerable exciting applications which aid in solving problems that have plagued the entertainment industry for decades. Keep in mind, in the case to reap all the benefits of blockchain one need to make sure that the technology is well developed within the regulatory framework. Ultimately, an effective utilization of Blockchain technology could make the entertainment industry fairer and more equitable. These days, the immediate and sudden effect of blockchain technology can be felt at the big & high-level corporate media houses.