

IBM Study: Blockchain Brings Trust to How Companies, Consumers and Cars Connect

New research finds finance, supply chain and mobility services as key functional applications for blockchain in automotive

ARMONK, N.Y., Dec. 12, 2018 /[PRNewswire](#)/ -- A new IBM (NYSE: [IBM](#)) study estimates that 62 percent of automotive executives believe blockchain will be a disruptive force in the auto industry by 2021.

However, the research also finds that only a small percentage of OEMs and suppliers are currently ready for blockchain or have a greater perception that blockchain solutions that are ready for commercial use.

The new study, "[*Daring to be first, How auto pioneers are taking the plunge into blockchain.*](#)" developed by the [IBM Institute for Business Value](#) (IBV) in collaboration with Oxford Economics, is the result of a survey with 1,314 automotive executives (OEMs and suppliers) across 10 business areas and 10 countries including China, Germany, India and the United States.

The global data revealed finance, supply chain and mobility services as top areas where blockchain could be beneficial. However, aftersales, the secondary market of the auto industry, concerned with the manufacturing, distribution, retailing, and installation of all vehicle parts, also rated high for OEMs in China, Germany and Mexico. Currently part traceability throughout the lifecycle of a vehicle is very limited, which means counterfeit parts could be used by service centers in some markets. Implementing blockchain-based solutions in the automotive supply chain could solve some of the issues around recalls, fake products and consumer safety.

The report also highlights how blockchain will introduce improvements and operational efficiencies in areas such as financial transactions between ecosystem participants, authenticating access to cars and customer experience and loyalty. It also finds that:

- 54 percent of executives expect new business models to influence investments in blockchain.
- At least 50 percent of the OEM executives in each country believe that blockchain solutions will have a high impact on fleet management services.
- 55 percent of OEMs and 47 percent of suppliers say implementing blockchain will improve imperfect information in their business networks.

"We are in the very early stages for blockchain in auto, but there lies huge potential," said Ben Stanley, Automotive Research for IBM's Institute of Business Value. "In 2019 we expect to see blockchain start to really take off, particularly with secure data sharing, car and ride share transactions and in-vehicle

marketplaces."

IBM's research reveals a group of auto pioneers -- 15 percent of all those surveyed -- that are already forging ahead with blockchain, and many plan to implement their first commercial networks at scale within the next three years.

Organizations like the [Mobility Open Blockchain Initiative \(MOBI\)](#) are already exploring the use of blockchain to help make mobility safer, more affordable and more widely accepted. Some of MOBI's initial projects are focusing on secure mobility commerce; usage-based mobility pricing and payments; and vehicle identity, history and usage.

"The auto industry is in a position that it needs to gain efficiencies right now," said Chris Ballinger, CEO and Founder at MOBI. "With its promise of making mobility safer, greener, and more accessible, blockchain has the potential to strengthen trust and collaboration among businesses, consumers and even vehicles."

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