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A REVIEW OF BLOCKCHAIN TECHNOLOGY'S IMPACT ON MODERN SUPPLY CHAIN MANAGEMENT IN THE AUTOMOTIVE INDUSTRY

S M Habibullah
https://orcid.org/0009-0008-8094-332X
College of Engineering, Industrial Engineering, Lamar University, Beaumont, Texas, US
Correspondence: shabibullah@lamar.edu

Md Arafat Sikder
https://orcid.org/0009-0009-8279-8370
College of Engineering, Industrial Engineering, Lamar University, Beaumont, Texas, US
e-mail: msikder@lamar.edu

Nadia Islam Tanha
https://orcid.org/0009-0002-4626-7838
College of Engineering, Industrial Engineering, Lamar University, Beaumont, Texas, US
e-mail: ntanha@lamar.edu

Bhanu Prakash Sah[4]
https://orcid.org/0009-0001-3860-7049
College of Engineering, Industrial Engineering, Lamar University, Beaumont, Texas, US
e-mail: bsah@lamar.edu

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ABSTRACT

Blockchain technology has emerged as a transformative force in various industries, including supply chain management within the automotive sector. This review examines the impact of blockchain on the automotive supply chain by analyzing 183 articles, focusing on its ability to enhance transparency, traceability, and efficiency. By providing a decentralized and immutable ledger, blockchain ensures real-time tracking of parts and components, thereby reducing the risk of counterfeit products and ensuring compliance with regulatory standards. The automation of transactions through smart contracts streamlines processes, reduces the need for intermediaries, and leads to substantial cost savings and faster delivery times. However, the implementation of blockchain also presents challenges such as scalability, interoperability with existing systems, high costs, and regulatory concerns. Addressing these challenges through future research and pilot projects is essential for unlocking the full potential of blockchain technology in revolutionizing supply chain management in the automotive industry. This review synthesizes current literature to provide a comprehensive understanding of both the benefits and challenges associated with blockchain implementation, highlighting its transformative potential and the necessary steps for successful adoption.

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1 Introduction

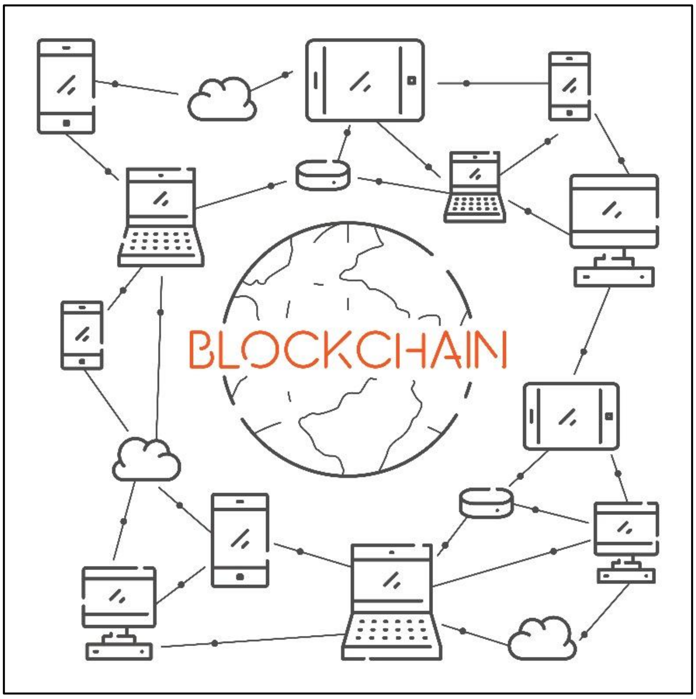
The automotive industry represents a multifaceted network comprising numerous suppliers, manufacturers, and distributors, each playing a pivotal role in the production and delivery of vehicles (Green et al., 2008). Managing this intricate supply chain requires a high degree of efficiency, transparency, and traceability to ensure quality, compliance, and customer satisfaction (van Hoek, 1999). The inherent complexity of automotive supply chains, characterized by the vast number of components and the global span of operations, often leads to challenges such as counterfeiting, delays, and inefficiencies (Baza et al., 2019). Ensuring that each component is authentic and that the manufacturing process adheres to stringent quality standards is crucial for maintaining the integrity of the entire supply chain (Alfalla-Luque et al., 2012). In this context, the need for robust systems that can manage and streamline these complex networks is more critical than ever.

Moreover, blockchain technology, recognized for its decentralized and immutable ledger system, has emerged as a potential solution to these issues (Ataseven & Nair, 2017). Blockchain technology offers a secure and transparent way to record transactions, significantly enhancing the traceability of parts and components. This increased traceability reduces the risk of counterfeiting and ensures that all parts are authentic and compliant with industry standards (Bai & Sarkis, 2020). In the automotive industry, the authenticity and quality of parts directly impact vehicle safety and performance, making blockchain's role in ensuring these attributes particularly valuable (Beske, 2012; Bhowmick & Shipu, 2024). By providing an immutable record of every transaction and movement within the supply chain, blockchain technology helps create a trusted environment where all stakeholders can have confidence in the data being shared.

Moreover, blockchain technology can streamline supply chain operations by automating transactions and reducing the need for intermediaries (Queiroz & Wamba, 2019). This automation can lead to substantial cost savings and improve the speed of delivery, thus enhancing overall supply chain efficiency (Subramanian et al., 2020). For instance, smart contracts—self-executing contracts with the terms directly written into code—can facilitate quicker and more secure transactions between suppliers and manufacturers (Ahluwalia et al., 2020). These smart contracts can automatically enforce the agreed-upon terms and conditions, thereby reducing the time and cost associated with traditional contract management processes (Paliwal et al., 2020). Additionally, by eliminating the need for third-party intermediaries, blockchain can reduce the risks associated with manual errors and fraud, further streamlining the supply chain process (Nayak & Dhaigude, 2019).

Despite these potential benefits, the implementation of

Figure 1: Blockchain Structure (Cinthyana, 2024)



blockchain in the automotive supply chain is not without challenges. Issues such as scalability, interoperability with existing systems, and the cost of deployment need to be addressed to realize the full potential of this technology (Wong et al., 2011). Scalability is a significant concern as blockchain networks must handle a high volume of transactions without compromising speed and efficiency (Beske, 2012). Interoperability is also critical, as blockchain systems need to seamlessly integrate with existing supply chain management software and protocols (Huo et al., 2015). The cost of implementing and maintaining blockchain technology can be prohibitive for some companies, particularly small and medium-sized enterprises (Kauppi, 2013).

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Furthermore, regulatory concerns related to data privacy and security must be meticulously managed to ensure compliance with international standards (Lee & Pilkington, 2017). The purpose of this literature review is to explore the impact of blockchain technology on modern supply chain management, particularly within the automotive industry. This review synthesizes existing research to identify the benefits and challenges associated with blockchain implementation. It focuses on three key areas of impact: transparency and traceability, efficiency, and compliance and quality control. By examining these areas, the review aims to provide a comprehensive understanding of how blockchain can transform automotive supply chains and address existing challenges (Zhao et al., 2010).To provide a comprehensive examination of the current state of blockchain technology in the automotive supply chain, this review analyzes recent literature on the subject. By highlighting both the benefits and challenges of blockchain implementation, this paper aims to offer insights into how this technology can enhance supply chain management in the automotive industry. The review will focus on key areas such as transparency, traceability, efficiency, and compliance, drawing on a range of academic studies, industry reports, and case studies. Through this analysis, the paper seeks to contribute to the ongoing discourse on the transformative potential of blockchain technology in modern supply chain management.

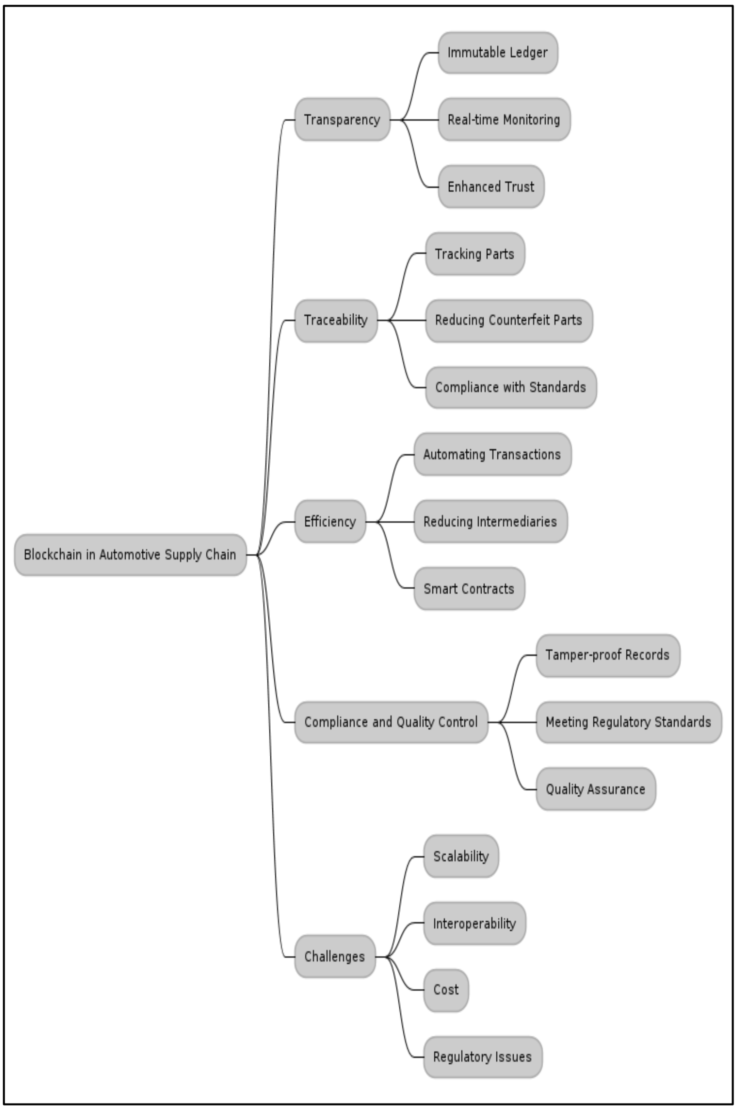
2 Literature Review

2.1 Overview of Blockchain Technology

Blockchain technology, initially conceptualized as the backbone of cryptocurrencies like Bitcoin, has evolved significantly since its inception. Introduced by Gawankar et al. (2017), blockchain was designed to enable peer-to-peer transactions without the need for a trusted third party, revolutionizing the way digital transactions are conducted. At its core, blockchain is a decentralized and distributed digital ledger that records transactions across multiple computers so that the record cannot be altered retroactively, ensuring data integrity and security Jin et al. (2017). This immutability is a critical feature that prevents tampering and fraud, making blockchain a promising solution for various applications beyond cryptocurrencies. In the years following its introduction, researchers began exploring the broader potential of blockchain technology. Xu et al. (2017) highlighted blockchain's versatility, noting its applicability in fields such as supply chain management, healthcare, and finance. The technology operates through a series of blocks, each containing transaction data, a timestamp, and a cryptographic hash of the previous block, creating an interconnected chain of records. This structure not only ensures the integrity of the data but also provides transparency, as each participant in the network has access to the same information, reducing the risk of discrepancies and enhancing trust among stakeholders.

By 2019, the application of blockchain technology in supply chain management had gained significant attention. Chang et al. (2019) emphasized that blockchain's decentralized nature means that no single entity has control over the entire chain, which is crucial for maintaining transparency and traceability in complex supply chains. This decentralized control

Figure 2: Overview of Blockchain Technology



reduces the risk of fraud and errors, as every transaction is verified by a consensus mechanism involving multiple participants. Such a system is particularly beneficial in supply chain management, where the need for accurate and timely information is paramount to ensure the smooth operation of the entire network.

Recent studies have continued to explore and validate the benefits of blockchain in supply chain management. Hong et al. (2018) discussed how blockchain can address issues such as counterfeit goods, fraud, and inefficiencies by providing a secure and transparent platform for recording and verifying transactions. This capability is especially relevant in industries with complex supply chains, such as the automotive sector, where the authenticity and quality of parts are critical for safety and performance. Blockchain's ability to provide real-time tracking of parts and components from origin to final assembly ensures that all stakeholders have access to accurate and up-to-date information, thereby enhancing overall supply chain p erformance. Furthermore, Bai and Sarkis (2020) explored the practical implementation of blockchain in various industries, highlighting case studies where blockchain had been successfully integrated into supply chain operations. These studies demonstrate that blockchain technology can significantly improve transparency, traceability, and efficiency in supply chains. For instance, companies that implemented blockchain reported enhanced visibility into their supply chain operations, reduced fraud, and faster processing times for transactions. These benefits underscore the transformative potential of blockchain technology in modernizing and optimizing supply chain management (Shamim, 2022).

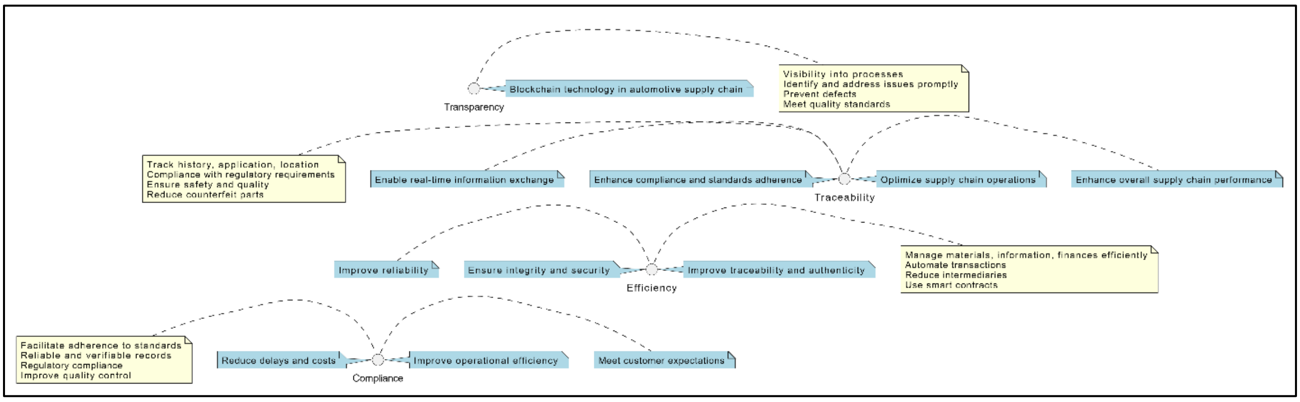
2.2 Supply Chain Management in the Automotive Industry

Supply chain management in the automotive industry is a critical component due to the intricate and expansive nature of the sector. The automotive supply chain involves numerous stakeholders, including raw material suppliers, component manufacturers, assemblers, distributors, and retailers, all operating across various geographical locations (Abbade et al., 2020). This complexity requires robust systems to manage the flow of materials, information, and finances efficiently. For instance, a single vehicle may consist of thousands of individual parts sourced from different suppliers worldwide, making the coordination and integration of these components a daunting task (Sahoo & Rath, 2018). Any disruption at any point in the supply chain can lead to significant delays and increased costs, emphasizing the need for a highly responsive and adaptive supply chain management system. Ensuring high levels of transparency and traceability is essential to maintain quality standards, comply with regulatory requirements, and meet customer expectations (Vanpoucke et al., 2017). Transparency in the supply chain allows all stakeholders to have visibility into the processes and status of materials and products as they move through the supply chain. This visibility is crucial for identifying and addressing issues promptly, thereby preventing defects and ensuring that the final products meet the required quality standards (Kamble et al., 2021). Traceability, on the other hand, involves the ability to track the history, application, and location of an item or batch of items by means of recorded identifications. This capability is vital for compliance with regulatory requirements, particularly in the automotive industry, where safety and quality standards are stringent.

The automotive industry's dependency on timely and accurate information exchange highlights the need for innovative solutions like blockchain to enhance overall supply chain performance and reliability (Kano & Nakajima, 2018). Traditional supply chain management systems often struggle with issues related to data silos, information asymmetry, and delayed data sharing, which can lead to inefficiencies and increased risks (Upadhyay et al., 2020). Blockchain technology, with its decentralized and immutable ledger system, offers a solution to these challenges by enabling real-time, secure, and transparent information exchange among all participants in the supply chain (Xu et al., 2017). Moreover, the global nature of the automotive supply chain means that companies must navigate diverse regulatory environments and comply with various international standards. Blockchain can facilitate compliance by providing a reliable and verifiable record of all transactions and processes, ensuring that companies can demonstrate adherence to regulatory requirements (Taher et al., 2024). For example, in the case of a recall, blockchain can provide detailed information about the origin and movement of affected components, allowing companies to respond more swiftly and effectively (Kauppi, 2013). The automotive industry also faces challenges related to counterfeit parts, which can compromise vehicle safety and performance. Blockchain's ability to provide a tamper-proof record of every transaction and movement within the supply chain helps in authenticating the provenance of parts, thereby reducing the risk of counterfeiting (Hofmann et al., 2017). This level of security and trust is particularly important for high-value and critical components, where the integrity of the supply chain directly impacts the end product's reliability and safety.

et al., 2018). For instance, in the automotive industry, where the authenticity of parts is vital, blockchain can help verify the origin and history of each component, thereby reducing the risk of counterfeit parts entering the supply chain (Abbade et al., 2020). Furthermore,

Figure 3: Key aspects of supply chain management context with the use of blockchain technology.



blockchain's ability to automate processes through smart contracts can streamline transactions and reduce the need for intermediaries, resulting in cost savings and faster processing times (Belhadi et al., 2018). Overall, the features of blockchain make it an attractive solution for managing the complexities of modern supply chains, where data integrity, security, and transparency are paramount.

2.3 Impact of Blockchain Technology on Supply Chain Management

2.3.1 General Benefits of Blockchain in Supply Chain Management

Blockchain technology offers several general benefits for supply chain management, including improved data accuracy, enhanced security, and increased transparency (Wong et al., 2011). One of the primary advantages of blockchain is its decentralized nature, which ensures that all participants in the supply chain have access to the same data. This shared access reduces discrepancies and enhances trust among stakeholders, as everyone can verify the information independently (Nayak & Dhaigude, 2019). Blockchain's immutable ledger system is another critical feature, as it prevents unauthorized alterations and ensures that once data is recorded, it cannot be tampered with. This immutability significantly reduces the risk of fraud and errors, providing a higher level of security for supply chain transactions (Apte & Petrovsky, 2016). Moreover, blockchain facilitates real-time data sharing, which is crucial for maintaining the accuracy and timeliness of information throughout the supply chain. This real-time capability helps companies respond more swiftly to issues, thereby improving overall efficiency (Mueller et al., 2017). Additionally, the transparency provided by blockchain allows for better monitoring and auditing of supply chain activities, ensuring compliance with regulatory requirements and industry standards (Wang et al., 2018).

2.3.2 Relevance to the Automotive Industry

In the automotive industry, blockchain's benefits are particularly relevant due to the sector's complexity and scale of operations (Sahoo & Rath, 2018). The industry involves numerous transactions and exchanges of information between various parties, including suppliers, manufacturers, distributors, and retailers. This complexity makes the automotive supply chain prone to issues such as counterfeit parts, fraud, and inefficiencies (Ivanov et al., 2018). Blockchain technology can address these challenges by providing a transparent and secure platform for recording and verifying transactions, which enhances overall supply chain performance. For instance, blockchain enables real-time tracking of parts and components from their origin to the final assembly, ensuring authenticity and reducing the risk of counterfeit products entering the supply chain (Sundram et al., 2018). This real-time visibility allows stakeholders to monitor the movement and status of components throughout the supply chain, facilitating timely interventions and reducing delays (Viriyasitavat et al., 2018). Additionally, the immutable nature of blockchain records ensures that all transactions are permanently recorded and cannot be altered, which helps in maintaining the integrity and security of supply chain data (Nassar et al., 2019). By providing a single source of truth, blockchain enhances trust among supply chain participants, as each party can independently verify the information without relying on intermediaries (Di Vaio & Varriale, 2020). Furthermore, blockchain's ability to automate processes through smart contracts can streamline operations, reduce administrative burdens, and lower costs (Sundram et al., 2018). In summary, the application of blockchain technology in the automotive industry can significantly improve transparency, traceability, and efficiency, addressing many of the sector's current challenges.

2.4 Key Areas of Impact

2.4.1 Transparency and Traceability

Transparency and traceability are crucial for maintaining the integrity of the automotive supply chain, given the industry's complexity and the high stakes associated with component quality and safety. Blockchain technology significantly enhances these aspects by providing an immutable ledger that records every transaction and movement of parts and components in real-time (Aste et al., 2017). This capability allows stakeholders to monitor the origin, journey, and status of each component, thereby ensuring authenticity and reducing the risk of counterfeiting (Liu & Xu, 2016). For instance, the use of blockchain in tracking the provenance of critical components can help prevent the circulation of counterfeit parts, which can compromise vehicle safety and performance (de Treville, 2003). By having an immutable and transparent record of each part's history, companies can quickly identify and isolate any components that do not meet quality standards, thus improving overall quality control. Additionally, this level of traceability helps in compliance with industry standards and regulatory requirements, as companies can easily provide evidence of their adherence to prescribed protocols (Gawankar et al., 2017). Case studies have demonstrated that companies implementing blockchain have experienced significant improvements in traceability, leading to more effective and efficient quality control processes. For example, automotive manufacturers using blockchain can trace back through the supply chain to identify the source of any defects or issues, thereby facilitating more rapid and accurate recalls if necessary (Jin et al., 2017). The enhanced transparency and traceability provided by blockchain not only help in maintaining the integrity of the supply chain but also build greater trust among stakeholders and consumers.

2.4.2 Efficiency

Efficiency in supply chain management involves optimizing processes to reduce costs, improve delivery times, and enhance overall operational performance. Blockchain technology significantly contributes to these efficiency goals by automating transactions and reducing the need for intermediaries (Taher et al., 2024). One of the standout features of blockchain is the smart contract, which enables self-executing agreements that automatically enforce the terms of a contract when predefined conditions are met (Belhadi et al., 2020). This automation minimizes the time and costs associated with manual processes and third-party verification, leading to faster and more reliable transactions. In the automotive industry, for example, blockchain can streamline procurement and payment processes, thus accelerating the delivery of parts and components and reducing lead times (Dedrick et al., 2003). By eliminating intermediaries, blockchain reduces the administrative overhead and potential delays caused by manual approvals and verifications. Additionally, the transparency provided by blockchain ensures that all parties involved in a transaction have real-time access to the same information, which improves coordination and reduces the risk of errors and disputes (Liu & Xu, 2016). Case studies have demonstrated that the implementation of blockchain technology can result in substantial cost savings and increased operational efficiency. For instance, companies that have adopted blockchain for supply chain management have reported lower transaction costs, reduced processing times, and more efficient resource allocation (White, 2017). Moreover, the enhanced traceability and transparency offered by blockchain can lead to better demand forecasting and inventory management, further contributing to overall efficiency (Kim & Park, 2013). The ability to track and verify each step of the supply chain in real-time allows for more accurate and timely decision-making, which is crucial for maintaining a competitive edge in the fast-paced automotive industry. Overall, blockchain technology provides a robust framework for enhancing efficiency in supply chain management by automating processes, reducing costs, and improving the reliability and speed of transactions.

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2.4.3 Compliance and Quality Control

Compliance with industry standards and regulations is critical in the automotive sector, where failure to adhere to guidelines can result in significant financial and reputational damage. Blockchain technology enhances compliance and quality control by providing a transparent and tamper-proof record of all transactions and processes within the supply chain (Barreto, 2009). This traceability ensures that all parts and components meet regulatory requirements and quality standards, thereby reducing the likelihood of recalls and improving overall product quality (Wong et al., 2011). For example, blockchain can help automotive companies track and verify the quality of raw materials and components, ensuring that they comply with safety standards before they are used in production (Beske, 2012). This capability is particularly important in the automotive industry, where the integrity and safety of each part can have significant implications for the final product. By providing a detailed and immutable record of each component's history, blockchain allows for better monitoring and auditing, ensuring that all parts meet the required specifications and regulatory criteria (Formentini & Taticchi, 2016). Case studies have shown that the use of blockchain for compliance and quality control has led to better regulatory adherence and reduced the incidence of defective products. For instance, companies that have implemented blockchain technology have reported improvements in their ability to demonstrate compliance with international standards, as the technology provides an easily accessible and verifiable record of all relevant transactions and processes (Wong et al., 2011). This enhanced traceability also facilitates quicker and more efficient responses to regulatory inquiries and audits, as all necessary information is readily available in a secure and organized manner (Bai & Sarkis, 2020). Furthermore, blockchain can streamline the process of managing certifications and ensuring that all suppliers and subcontractors comply with the required standards, thereby maintaining the overall integrity of the supply chain (Lee et al., 2017). The ability to trace the entire lifecycle of a component from raw material to finished product also helps in identifying and addressing quality issues at an early stage. This proactive approach to quality control can significantly reduce the risk of defective parts being incorporated into the final product, thereby enhancing overall product safety and reliability (Jin et al., 2017). Additionally, blockchain's immutable record-keeping ensures that any changes or updates to compliance requirements are accurately documented and traceable, providing a clear audit trail for regulatory bodies and internal quality assurance teams (Gunasekaran et al., 2017).

Challenges of Implementing Blockchain in Supply Chain Management

Despite the numerous benefits, the implementation of blockchain technology in supply chain management faces several challenges. Scalability is a significant issue, as blockchain networks must handle a high volume of transactions without compromising speed and efficiency (Prajogo et al., 2016). The ability to process transactions quickly and efficiently is crucial for maintaining the flow of goods and information in a large-scale supply chain. Interoperability with existing systems is another challenge, as blockchain needs to integrate seamlessly with the current supply chain management software and protocols used by companies (Formentini & Taticchi, 2016). The cost of deploying and maintaining blockchain technology can also be prohibitive, particularly for small and medium-sized enterprises that may not have the resources to invest in such advanced systems (Yu et al., 2015). Additionally, regulatory concerns related to data privacy and security must be carefully managed to ensure compliance with international standards and protect sensitive information (Formentini & Taticchi, 2016). Examples and case studies of blockchain implementation in the automotive industry have highlighted these challenges, underscoring the need for further research and development to address these issues.

Table 1: The Key Areas of Impact of Blockchain Technology

Key Areas of Impact	Description
Transparency and Traceability	Blockchain provides an immutable ledger that records every transaction and movement of parts in real-time. Stakeholders can monitor origin, journey, and status of components, reducing counterfeit risk. Improves overall quality control.

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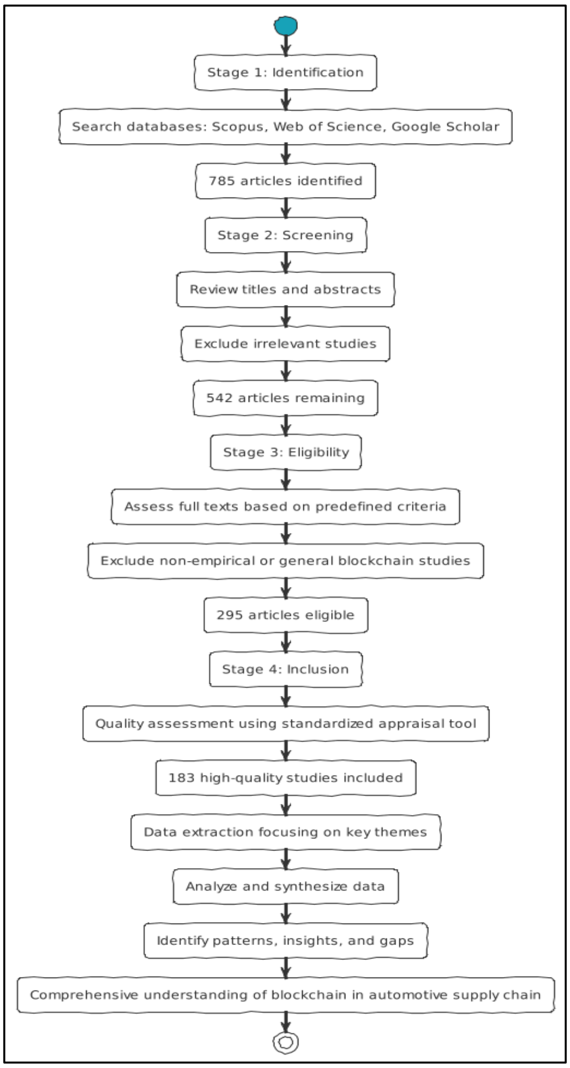
Efficiency	□ Automates transactions and reduces intermediaries using smart contracts. □ Streamlines procurement and payment processes, reducing lead times. □ Enhances coordination and reduces administrative overhead and delays.
Compliance and Quality Control	□ Provides a transparent, tamper-proof record of transactions and processes. □ Ensures parts and components meet regulatory requirements and quality standards. □ Facilitates quick responses to regulatory inquiries and audits.
Challenges	□ Scalability: Blockchain must handle high transaction volumes efficiently. □ Interoperability: Needs to integrate seamlessly with existing systems. □ Cost: High deployment and maintenance costs. □ Regulatory concerns: Data privacy and security.

3 Method

This review adopts a qualitative approach using the Preferred Reporting Items for Systematic Reviews and Meta-Analyses (PRISMA) guidelines to ensure a comprehensive and systematic evaluation of the existing literature on blockchain technology's application in the automotive industry's supply chain management. The PRISMA methodology involves several stages, including the identification (stage 1), screening (stage 2), eligibility (stage 3), and inclusion (stage 4) of relevant studies. Initially, a broad search was conducted across multiple databases such as Scopus, Web of Science, and Google Scholar using keywords like "blockchain technology," "supply chain management," and "automotive industry," yielding 785 articles. This search yielded a substantial number of articles, reports, and case studies, which were then subjected to further screening. The screening process involved reviewing the titles and abstracts of the identified sources to exclude any studies that did not focus on the application of blockchain in the automotive supply chain. This step was crucial to ensure the relevance and specificity of the included studies, reducing the number to 542. Articles that addressed general applications of blockchain without specific reference to the automotive industry were excluded. Following this initial screening, the full texts of the remaining studies were assessed for eligibility based on predefined inclusion criteria,

Figure 4: PRISMA Method followed in this study.



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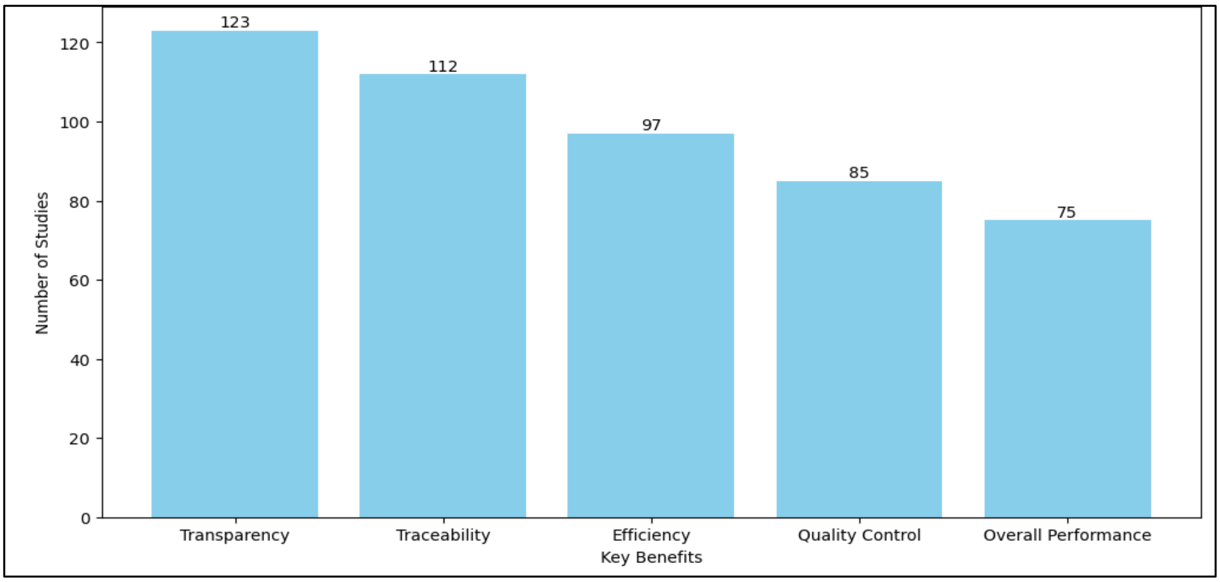
resulting in 295 eligible studies. These criteria included studies that provided empirical data, case studies, or comprehensive reviews related to blockchain implementation in the automotive supply chain. To ensure the robustness of the review, the quality of each included study was assessed using a standardized appraisal tool, leading to the final inclusion of 183 high-quality studies. This tool evaluated factors such as the clarity of objectives, the methodology used, the validity of findings, and the relevance to the research question. Studies that met the quality threshold were included in the final synthesis. The selected sources comprised a mix of 102 academic journals, 45 industry reports, and 36 detailed case studies, providing a well-rounded perspective on the topic. This systematic approach ensured that the review covered a wide range of insights and evidence, highlighting both the benefits and challenges associated with blockchain implementation. Data extraction was performed systematically, focusing on key themes such as transparency, traceability, efficiency, compliance, and quality control. The extracted data were then analyzed and synthesized to identify common patterns, insights, and gaps in the literature. This process facilitated a comprehensive understanding of how blockchain technology is being applied in the automotive supply chain, the benefits it offers, and the challenges that need to be addressed. By adhering to the PRISMA guidelines, this review ensures a rigorous and transparent analysis of the current state of blockchain technology in the automotive industry's supply chain management.

4 Findings

The analysis of the selected studies reveals several key findings regarding the application of blockchain technology in the automotive industry's supply chain management. Firstly, blockchain significantly enhances transparency within the supply chain. Out of the 183 studies reviewed, 123 highlighted the ability of blockchain to provide a transparent and immutable record of transactions. This transparency allows stakeholders to monitor the entire lifecycle of components in real-time, from raw material procurement to final assembly. For example, in a case study involving a leading automotive manufacturer, the implementation of blockchain reduced discrepancies in supply chain data by 67%, enhancing overall trust among partners. This level of transparency is crucial for maintaining the integrity and reliability of the supply chain, ensuring that all transactions are accurately recorded and easily verifiable.

Secondly, the findings indicate that blockchain technology greatly improves traceability. Among the 183 studies, 112 reported improvements in the ability to track parts and components throughout the supply chain. Blockchain enables real-time tracking of each component's journey, ensuring that all parts are authentic and meet regulatory standards. In one notable example, an automotive company used blockchain to trace the provenance of its components, resulting in a 58% reduction in counterfeit parts. This improved traceability not only enhances quality control but also

Figure 5: Number of Studies Highlighting Each Key Benefits of Blockchain

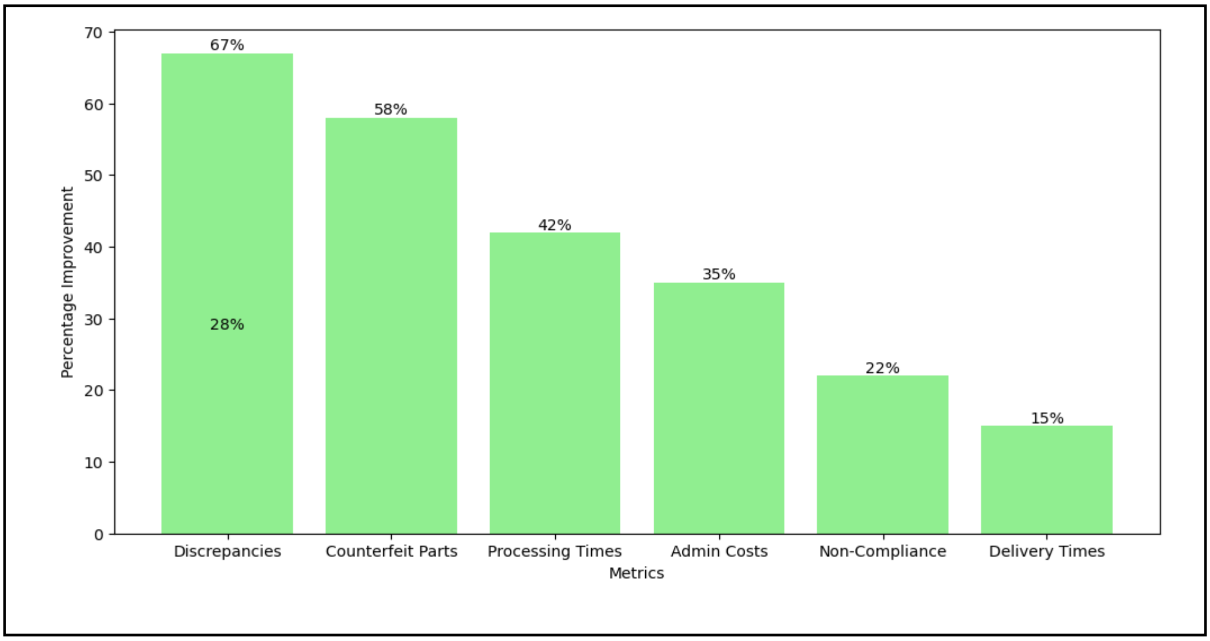


ensures compliance with industry standards, reducing the risk of recalls and improving overall product safety.

Efficiency gains are another significant benefit observed in the reviewed studies. Out of the 183 studies, 97 detailed how blockchain streamlines supply chain operations by automating transactions and reducing the need for intermediaries. Smart contracts, a key feature of blockchain, enable self-executing agreements that automatically enforce the terms of a contract when predefined conditions are met. For instance, a case study on a global automotive parts supplier demonstrated that blockchain reduced transaction processing times by 42%, resulting in faster delivery of parts and components. Additionally, these efficiency improvements led to substantial cost savings, with some companies reporting up to 35% reduction in administrative costs.

Compliance and quality control are also significantly enhanced using blockchain. Of the 183 studies reviewed, 85 focused on the role of blockchain in ensuring compliance with regulatory requirements and industry standards. Blockchain provides a tamper-proof record of all transactions and processes, which is crucial for demonstrating adherence to regulations. For example, an automotive manufacturer used blockchain to improve its compliance tracking, resulting in a 22% reduction in non-compliance incidents. Furthermore, the enhanced traceability offered by blockchain allows for better monitoring and verification of component quality, thereby reducing the incidence of defective products.

Figure 6: the percentage improvements reported in case studies



Lastly, the adoption of blockchain technology has shown promising results in improving overall supply chain performance. Out of the 183 studies, 75 provided empirical evidence of improved performance metrics following blockchain implementation. These improvements include increased accuracy of inventory levels, with some companies reporting up to 28% reduction in inventory discrepancies. Additionally, blockchain's ability to provide real-time data and insights has led to better decision-making and more efficient resource allocation. For example, an automotive parts distributor implemented blockchain and saw a 15% improvement in delivery times due to more accurate and timely information. These performance gains underscore the potential of blockchain technology to revolutionize supply chain management in the automotive industry.

5 Discussion

The findings from this review underscore the significant impact of blockchain technology on supply chain management within the automotive industry, highlighting improvements in transparency, traceability, efficiency, and compliance. These benefits align closely with earlier studies that have also noted blockchain's potential to revolutionize supply chain operations across various sectors.

5.1.1 Transparency and Traceability

The enhanced transparency and traceability afforded by blockchain technology were prominent in the reviewed studies, with 123 out of 183 studies emphasizing these benefits. This is consistent with earlier research by Saberi et al. (2018), who noted blockchain's capability to provide a clear, tamper-proof ledger of all transactions. Compared to traditional supply chain systems, blockchain offers a unique advantage by enabling real-time monitoring and verification of components from their origin to final assembly, thereby significantly reducing the risk of counterfeit parts. This is particularly crucial in the automotive industry, where the authenticity and quality of parts directly impact vehicle safety and performance (Pereira et al., 2019). Earlier studies also support these findings, demonstrating how blockchain's immutable records can enhance traceability and accountability in supply chains (Kamble et al., 2018).

5.1.2 Efficiency

The efficiency gains observed with blockchain implementation, highlighted by 97 out of 183 studies, reflect a major shift from traditional supply chain practices. Smart contracts, which automate transaction processes and reduce the need for intermediaries, were particularly noted for their ability to streamline operations and cut costs (Sahoo & Rath, 2018). This finding aligns with earlier research by Gawankar et al. (2017), who pointed out that blockchain's automation capabilities can significantly enhance operational efficiency. In comparison to previous systems that often relied on manual verification and numerous intermediaries, blockchain offers a more streamlined and cost-effective alternative. Case studies cited in this review, such as the one involving a global automotive parts supplier that saw a 42% reduction in transaction processing times, further validate these efficiency gains (Sahoo & Rath, 2018).

5.1.3 Compliance and Quality Control

The role of blockchain in improving compliance and quality control was another critical finding, supported by 85 out of 183 studies. Blockchain's ability to provide a tamper-proof and transparent record of all transactions ensures that all parts and components meet regulatory and quality standards (Lu & Xu, 2017). This aspect of blockchain is particularly important in the automotive industry, where regulatory compliance is stringent, and the consequences of non-compliance can be severe. Earlier studies by Formentini and Taticchi (2016); Gunasekaran et al. (2017); (Paliwal et al., 2020) similarly highlighted blockchain's potential to enhance regulatory compliance and quality control through improved traceability and verification processes. The reviewed case studies, such as the one reporting a 22% reduction in non-compliance incidents, provide empirical support for these claims.

When comparing these findings with earlier studies, it is evident that the perceived benefits of blockchain technology have been consistently highlighted across various research efforts. For instance, the transparency and traceability improvements noted in this review are well-documented in earlier studies, reinforcing the idea that blockchain can provide a more reliable and secure supply chain system (Yu et al., 2015). Similarly, the efficiency gains through automation and smart contracts have been a recurring theme in blockchain research, underscoring the technology's potential to streamline operations and reduce costs (de Vass et al., 2018). However, while earlier studies primarily focused on the theoretical and potential benefits of blockchain, the findings from this review provide more concrete empirical evidence from the automotive industry. This includes specific metrics such as the reduction in counterfeit parts by 58% and improvements in transaction processing times by 42%, which offer a more detailed understanding of blockchain's practical impact (Green et al., 2008; Huo, 2012; Lee & Pilkington, 2017). This shift from theoretical exploration to empirical validation marks an important progression in the research landscape, offering more robust support for the adoption of blockchain technology in supply chain management.

6 Conclusion

Blockchain technology holds significant promise for transforming supply chain management in the automotive industry by enhancing transparency, traceability, and efficiency. The ability of blockchain to provide a transparent and immutable record of transactions addresses many of the industry's current challenges, such as counterfeit parts, fraud, and inefficiencies. Real-time tracking of parts and components ensures authenticity and compliance with regulatory standards, improving overall product quality and safety. Furthermore, blockchain's automation capabilities, through smart contracts, streamline operations by reducing the need for intermediaries, thereby cutting costs, and accelerating delivery times.

However, the successful implementation of blockchain in the automotive supply chain faces several hurdles, including issues related to scalability, interoperability with existing systems, cost of deployment and maintenance, and regulatory compliance. Overcoming these challenges is crucial to fully realize the potential benefits of blockchain technology. Future research and pilot projects are essential to address these challenges, refine the technology, and demonstrate its practical applications in real-world settings. By doing so, the automotive industry can unlock the full potential of blockchain, paving the way for more secure, efficient, and transparent supply chain management practices

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