UNIT4
In business for people

2022 Global eAuction Index

ANNUAL EAUCTION STATISTICS REPORT

2022 global eAuction index

eAuctions are real-time negotiations conducted online between buyers and sellers. Suppliers compete against each other in a structured process, removing the need for time consuming one-on-one discussions. The increased supplier competition drives down prices, resulting in procurement departments increasing savings for the entire organization.

Scanmarket customers conduct thousands of e-auctions globally that save companies millions every year. We release quarterly insights in eAuction Savings Reports, and our annual Global eAuction Index (GEI) consolidates data on e-auction usage patterns, volume, savings, geographic distribution, categories, spend performance, and more.

Procurement professionals who wish to achieve higher savings and efficiencies use this report to better understand e-auction strategies and execution.

eAuctions are essential to reduce costs and build efficiencies, and suppliers are realizing the benefits from real-time market feedback from e-auction results.

Businesses define requirements, establish expectations, and identify potential risks with detailed specifications, timelines, and quality standards. Timelines for deliveries are also important to overall T&Cs, with suppliers ahead of auctions, so comparable bids are received.

It is essential to provide clear guidelines and expectations to the suppliers and train them in the usage of the system and the intended outcome. This allows suppliers to prepare their bids effectively and ensures the e-auction attracts competitive pricing for high-quality proposals.

Frederik Harder
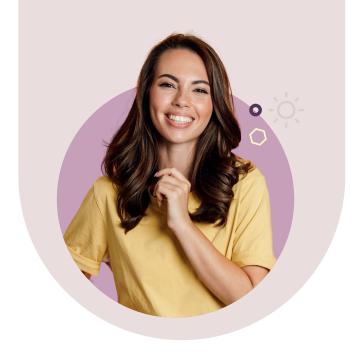VP, Global Indirect Procurement, PANDORA A/S

PANDÖRA

2022 key highlights

2022 was a challenging year for most procurement professionals. Geopolitical events changed the foundation of sourcing efficiencies. As suppliers were under pressure and costs increased, sourcing strategies in the entire supply chain had to be examined. From raw materials to finished goods, negotiations changed significantly.

Procurement professionals achieved an average of **4.83%** in savings in 2022 (compared with the current price) using Scanmarket eAuctions. This figure is slightly up from 2021, where the average savings was **4.62%**. Despite the slight increase, overall savings are modest compared to previous years when savings averaged approximately **10%** annually.

In 2022, Scanmarket observed a "shock effect" after the Russian invasion of Ukraine. Q1 and Q2 savings were quite low, whereas Q3 and Q4 recovered some of the lost ground with a relatively good performance of **6.88%** in Q4.

From a volume perspective, **Services** continue to outperform other categories, conducting the highest number of eAuctions executed on the Scanmarket platform in all four quarters of 2022.

Sections

01
Global economy

Consumer prices and production output are macroeconomic indications of the external pressures on businesses over time. At Scanmarket, we have taken the OECD's Gross Domestic Product (GDP) and Consumer Price Index (CPI) for inflation as the basis to illustrate the global economic climate over time.

Global economic climate

Global economic climate by country GDP

Global economic climate by country inflation

As the world began to slowly emerge from the pandemic, energy prices surged to their highest levels in many years. When Russia invaded Ukraine in February of 2022, gas prices surged. The pandemic era became the new normal, and uncertainty dominated all industries.

Geopolitical tensions affected the Russian trade embargo with restrictions and blockages of important routes and supply chains. Energy prices, inflation, and interest rates kept increasing, and the Baltic gas pipeline was sabotaged, leading to even more uncontrollable energy conditions in Europe.

On a macroeconomic scale, global GDP and inflation were hit hard. With the reduction in production output, supply and demand equilibrium shifted, posing a significant challenge to procurement professionals. Existing contracts had to be negotiated down to ensure supply chain resiliency.

Consumers began having problems paying basic utilities and had to reduce their spend in other areas to make room for necessities. At the same time, almost all businesses across all industries were bracing for impact and started to focus internally in order to protect themselves from outside forces.
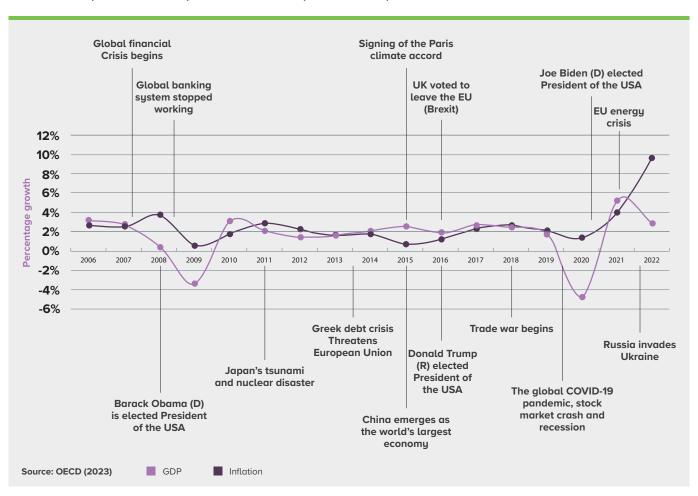
This economic climate led to an avalanche in supply and demand, affecting the way buyers and sellers cooperate.

Global economic climate

The GDP and CPI as reported by the OECD with the indication of major world events. This data is based on measurements of the economic climate in OECD countries. Gross Domestic Product (GDP) is the standard measure of the value created through the production of goods and services in a country during a certain period. Inflation is measured by Consumer Price Index (CPI).

In most years the GDP and CPI follow a stable path but during most crisis the GDP and CPI have a negative correlation. In 2022 we saw a significant increase in inflation and a steep drop in GDP globally.

Real GDP (OECD Total) and Inflation (OECD CPI)

Global financial
Crisis begins

Global banking
system stopped
working

Signing of the Paris
climate accord

UK voted to
leave the EU
(Brexit)

Joe Biden (D) elected
President of the USA

EU energy
crisis

Percentage growth

12%
10%
8%
6%
4%
2%
0%
-2%
-4%
-6%

2006 2007 2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022

Greek debt crisis
Threatens
European Union

Trade war begins

Russia invades
Ukraine

Japan's tsunami
and nuclear disaster

Donald Trump
(R) elected
President of
the USA

The global COVID-19
pandemic, stock
market crash and
recession

Barack Obama (D)
is elected President
of the USA

China emerges as
the world's largest
economy

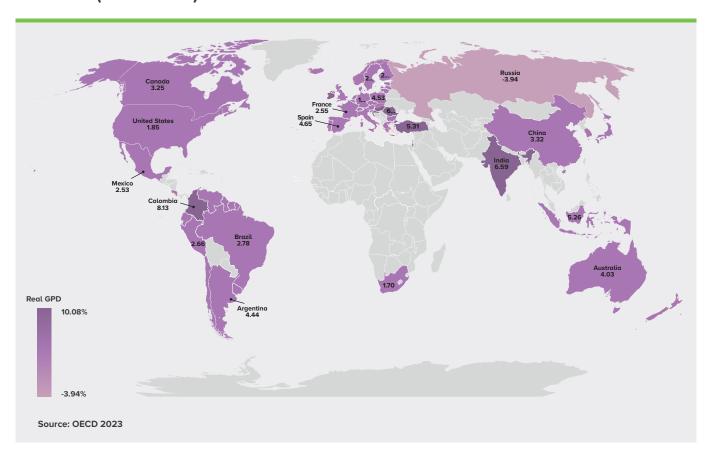**Source: OECD (2023)**   GDP   Inflation

Global economic climate by country GDP

GDP is indicated by country. The lighter the color, the lower GDP growth year-over-year. Gross domestic product (GDP) is the standard measure of the value created through the production of goods and services in a country during a certain period.

> For 2022, the data shows that Russia had a negative (-3.94%) development in GDP while India and Columbia both tracked high growth with 6.59% and 8.13% respectively.

Real GDP (OECD Total)

Canada
3.25

United States
1.85

Mexico
2.53

Colombia
8.13

2.66

Brazil
2.78

Argentina
4.44

France
2.55

Spain
4.65

2...

2...

1...

4.53

6...

5.31

Russia
-3.94

China
3.32

India
6.59

5.26

Australia
4.03

1.70

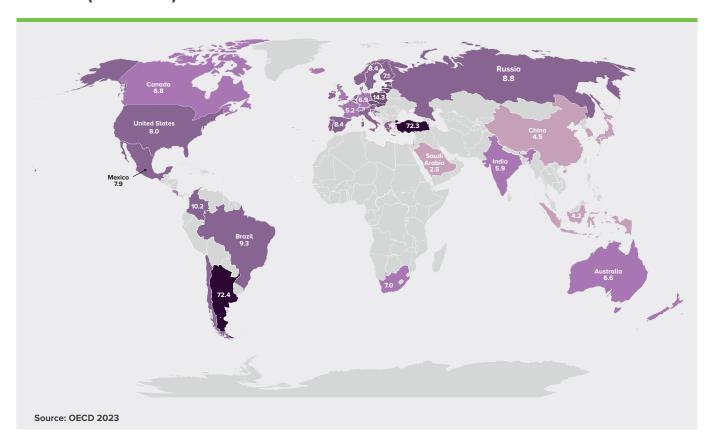Real GPD

10.08%

-3.94%

Source: OECD 2023

Global economic climate by country inflation

The inflation (CPI) as reported by the OECD is indicated by country. The darker the color, the lower GDP growth year-over-year. Inflation measured by consumer price index (CPI) is defined as the change in the prices of a basket of goods and services that are typically purchased by specific groups of households.

2022 shows that Turkey and Argentina saw massive inflation of around 72%. Saudi Arabia experienced a modest inflation of 2.5% in 2022.

Note, that the number for Russia is based on Q1-2022 data only as there is no more 2022 data available from the OECD data source.

Inflation (OECD CPI)

Source: OECD 2023

02
Annual savings

In this section, we measure annual eAuction savings year-over-year (YoY) in comparison to quarterly reporting insights.

2022 Full year

Historical full year savings

Global GDP & inflation vs. annual savings

Savings by region

Quarterly savings by region

Quarterly savings

Quarterly savings trends

Quarterly savings variations

2022 full year

The general trend over the past 16 years has been one of dramatically increased savings in a given year followed by a gradual reduction of savings for the following two to three years.

In a year dominated by seismic macroeconomic activity, it is unusual to observe average savings that are against the prevailing trend and far below the annual average savings of only 4.83%.

The events leading up to this impact are felt far and wide as global economies grapple with inflation rates not seen in over 40 years. In the following sections, we'll explore this pattern shift in greater detail.
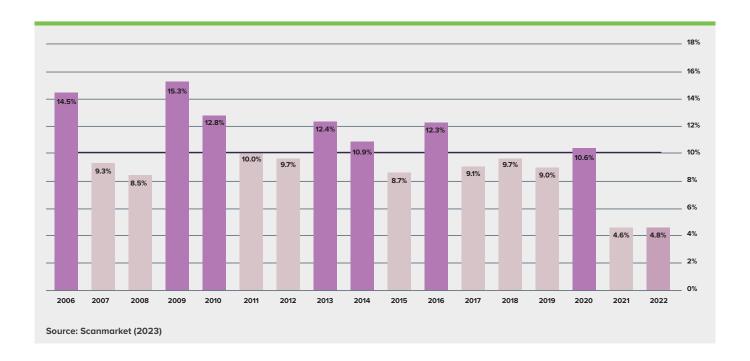
2022 full year

4.83%

Historical full year savings

The following chart shows the average annual savings in percentages compared to the current price from 2006 to 2022. The bolded dark purple line represents the avearge savings achieved over the same period. Light purple bars are years with less than the average savings and darker purple bars are years with higher than average savings. The medium purple bar is the current year's savings.

The average savings from 2006 to 2022 is 10.11%, with 2009 representing an all-time high savings of 15.26%, and 2021 with an all-time low of 4.62%.

This year, 2022, ended at a modest 4.83% and thereby joins 2021 of years with a difficult market performance.

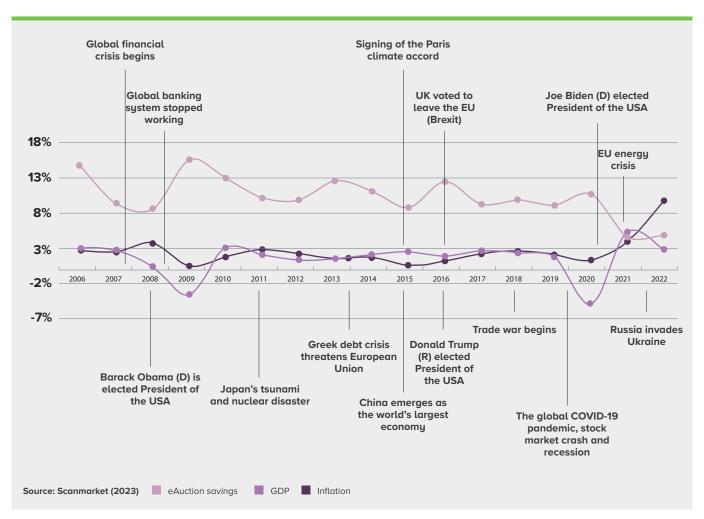| Year	Savings
2006	14.5%
2007	9.3%
2008	8.5%
2009	15.3%
2010	12.8%
2011	10.0%
2012	9.7%
2013	12.4%
2014	10.9%
2015	8.7%
2016	12.3%
2017	9.1%
2018	9.7%
2019	9.0%
2020	10.6%
2021	4.6%
2022	4.8%

Source: Scanmarket (2023)

Global GDP & inflation vs. annual savings

The following chart shows the Real GDP (OECD total) (purple) and the Consumer Price Index (CPI) (dark purple) since 2006 with overlaying the eAuction average annual savings in percentages for the same period (light pink).

Some interesting patterns emerge as the world experiences events that have impacted macroeconomics both financially and politically. During the global financial crisis in 2008, eAuction savings had a negative correlation to GDP and inflation. In fact, savings increased during that period, and 2020 followed the same pattern as the world economy emerged from the global pandemic. Energy prices surged following the Russian invasion of Ukraine in 2022, and we now see inflation hiking and GDP falling while e-auction savings remain at moderate levels.

Average annual savings vs. real GDP (OECD total) & inflation

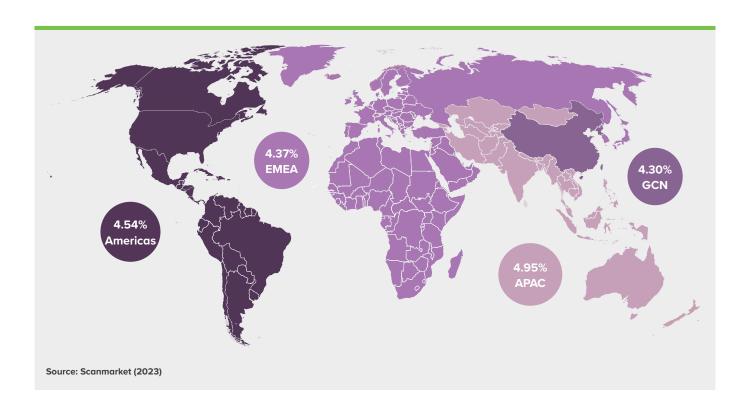Source: Scanmarket (2023)   ● eAuction savings   ● GDP   ● Inflation

Savings by region

The map below illustrates the average eAuction savings achieved in 2022 by four regions.

The size of the bubble indicates the relative eAuction savings of the respective region.

In 2022, the highest savings on eAuctions at 4.95% came from the APAC region while we saw a signicant drop for GCN region to a level of 4.30% versus 7.80% in 2021.

The APAC and GCN regions have been slower to emerge from the pandemic lockdowns, which APAC has now lifted. Conversely, the consecutive lockdowns in GCN have impacted 2022 significantly and have resulted in the lowest annual savings of 4.30% by region.

4.37% EMEA

4.30% GCN

4.54% Americas

4.95% APAC

Source: Scanmarket (2023)
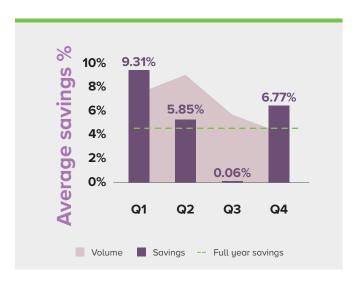
Quarterly savings by region

Regional performance can vary significantly over the course of a year. The relative volume indicators are illustrated in the shaded background areas of the charts below. Quarterly savings performance is illustrated with the addition of the average full year of savings for the region in the green dotted line.

2022 saw significant fluctuations quarter-overquarter. In EMEA the year started off with negative savings of -2.84% but had a strong come back. AMERICAS were relatively stable across the year except for a substancial drop in Q3 of almost no savings at all. APAC experienced huge variations ranging from -3.10% to 17.14% and GCN remained stable over and ended really strong with 10.18% in average savings.
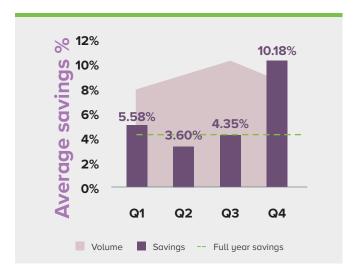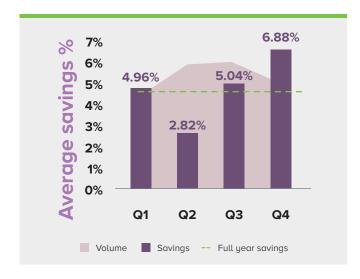
EMEA

Americas

APAC

GCN

Source: Scanmarket (2023)

Global

Quarterly savings

The savings performance of the individual quarters of 2022 are shown below.

The inflationary impact of supply chain shortages and overheated fiscal policies are reflected in the 2022 quarterly data set. The first quarter climbed from an exceptionally low level coming out of Q4/2021. The Russian/Ukrainian war emerged in the middle of Q1 and was followed by a "shock-effect" that tanked the second quarter, the lowest performing quarter of 2022. The procurement world seemed to recover in Q3 and Q4, and e-auction savings continued to grow throughout the remainder of 2022 as Q4 ended on 6.88% in average savings. It will be interesting to see if this trend continues into Q1 of 2023.

2022 quarterly savings

Source: Scanmarket (2023)
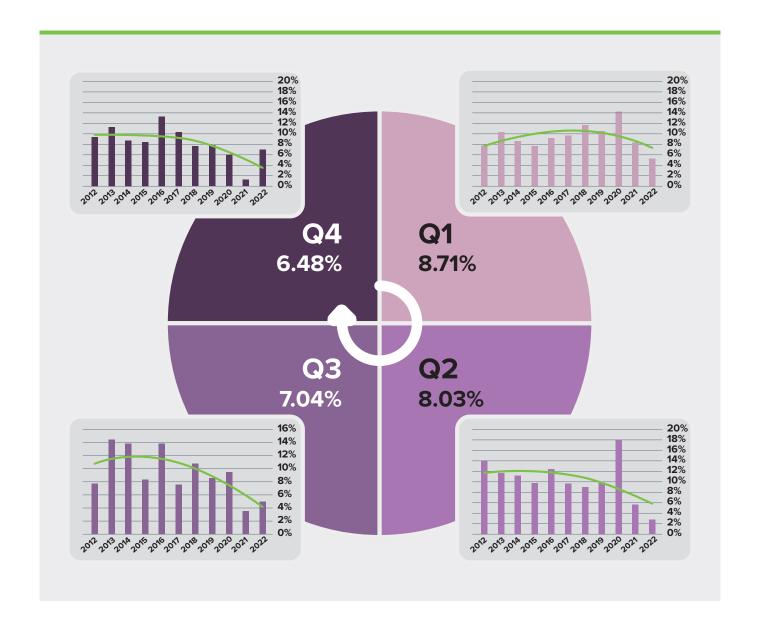
Quarterly savings trends

The below is a 10+1 years view on the quarterly savings achieved. It is interesting to understand if the trend is stable or follow a concave (trending downwards) or convex (trending upwards) paths. The percentage number on pie chart slices indicate the weighted average savings over the last 11 years.

There are some indications that Q1 is a better quarter to execute eAuctions. The saving percentages reach double digit in many Q1 quarters and generally outperforms the other quarters. Q2 and Q3 to declining and have lately been underperforming and lately had a tough couple of years. Q4 is typically a tough quarter to achieve significant savings as recent years have only generated **6.48%** in average.

Generally the quarterly trends follow the yearly trends of modest eAuction saving over the recent years. Around 2015/2016 the savings peaked for most quarters, after which the decline in savings continued to drop up until the current year, 2022.

Some of the reason why Q1 often is better performing than Q4 could be:

- That many companies have many of their large and length contract renewals in Q4, where you have already done extensive negotiations in earlier years
- Most suppliers have a pipeline which could be quite full entering Q4 meaning they might not be as willing to give competitive prices as in e.g. Q1?
- Q1, is for many, a new fiscal year, everybody wants a good start on budget, i.e. sales teams are willing to close many deals even if discounts are made

Q4
6.48%

Q1
8.71%

Q3
7.04%

Q2
8.03%

Quarterly savings variations

During the last 10+1 years, quarterly savings also disclose how the different quarters' variance increase or decrease. We look at current full year as well as quarterly savings for the past 11 years.
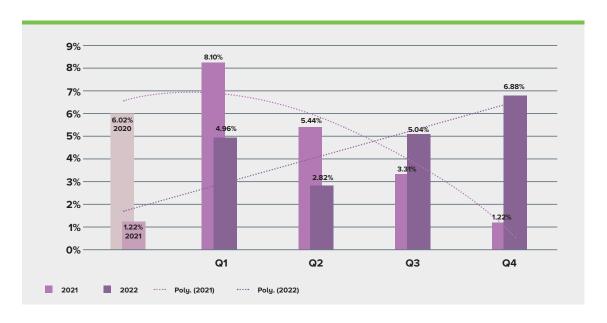
The variation of quarterly savings changes year by year, and the variation in trends since 2012 reveals a lot about how we see quarters outperforming each another. The variance is generally stable except for one outlier in 2020 which had high savings in Q1 and Q2.

By observing year-over-year comparisons from 2021 to 2022, we see that the 5-quarters bar chart almost produced opposite patterns. As 2021 was trending down, 2022 was trending up.

This trend suggests that Q1 of 2023 will be another strong quarter and will be interesting to watch the actual savings for Q1/23, which will be published in our Q1 eAuction Saving Report.

Quarterly savings variance by year

Source: Scanmarket (2023)   ■ Q1   ■ Q2   ■ Q3   ■ Q4   -- Full year

Chart legend: 2021, 2022, Poly. (2021), Poly. (2022)

	Q1	Q2	Q3	Q4
2020	6.02%			
2021	1.22%			
2021	8.10%	5.44%	3.31%	1.22%
2022	4.96%	2.82%	5.04%	6.88%

03
Annual volume

In the following section, we take a deeper dive into the volume of eAuction events as seen from the buyer's perspective who is responsible for executing the auction.

Volume by region

Country heatmap on volume

Quarterly volume growth

Top 10 categories volume share
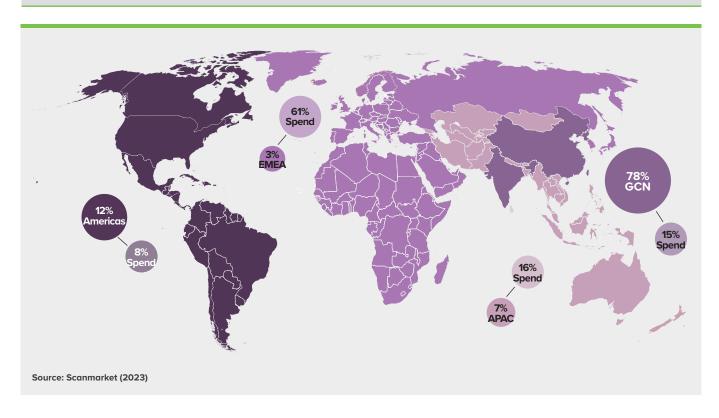
Relative volume by quarter

Quarterly relative volume by region

Volume by region

The map below illustrates the relative eAuction volume in 2022 by region.

The size of the bubbles is the relative volume. The call-outs represents the relative monetary spend across the regions.

A large share of eAuction events can be attributed to GCN (785) which can skew the overall statistics if not properly offset. EMEA and APAC had minimal shares (3% and 7% respectively), while the Americas came back from last year's low and accounted for 12% of all events executed in 2022. Furthermore, the monetary spend is largely coming from EMEA attributing 61% of the overall spend.

61%
Spend

3%
EMEA

78%
GCN

15%
Spend

12%
Americas

8%
Spend

16%
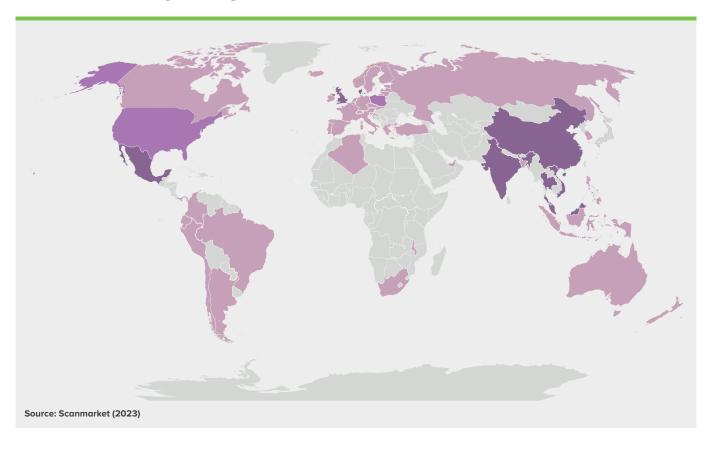Spend

7%
APAC

Source: Scanmarket (2023)

Country heatmap on volume

The map below indicates eAuction volume by country in 2022.

China represents a significant share of eAuction activity due to its large manufacturing and outsourcing activity. However, the UK, India and Mexico all posted strong volumes of eAuction usage in 2022.

eAuction volume by country
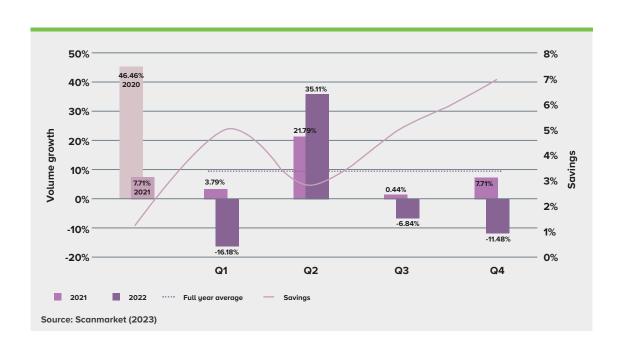
Source: Scanmarket (2023)

Quarterly volume growth

This chart illustrates the four quarters of average auction growth across all categories in 2022 compared to the previous year. In addtion, we have added Q4 data of the prior year for comparison.

The dotted line indicates the average growth achieved across the four quarters of 2022 and the purple line represents the average savings by quarter.

eAuction volume fluctuated significantly over the course of 2022. Q1 started the year off with a decline of -16.18% over the previous quarter, followed by a significant increase in Q2 of 35.11%. However, eAuction volume declined again in Q3 and Q4, resulting in staggering differences between annual growth year-over-year, coming from almost 75% in 2021 to 9.62% in 2022.

Global volume growth from 2021->2022
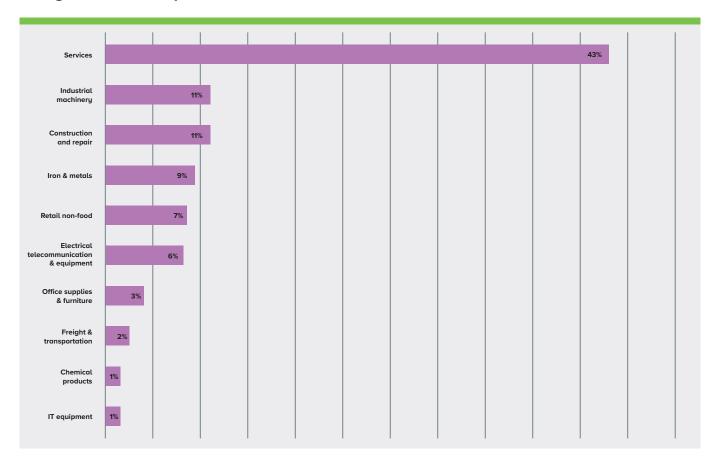
9.62%

Source: Scanmarket (2023)

Top 10 categories volume share

The chart below shows the top-10 categories by share of total volume in 2022.

The Services category, once again, took the lead with 43% of all eAuctions conducted while Machinery and Construction and repair categories each accounted for 11% of total volume. Interestingly, the IT Equipment category only accounts for 1% of overall eAuction volume but tops the spend ranking.

Full year volume top 10

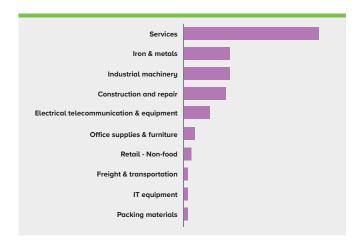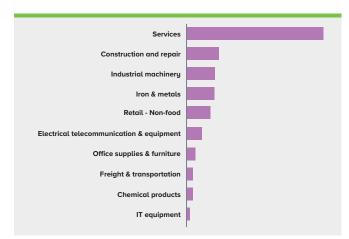| Category	Share
Services	43%
Industrial machinery	11%
Construction and repair	11%
Iron & metals	9%
Retail non-food	7%
Electrical telecommunication & equipment	6%
Office supplies & furniture	3%
Freight & transportation	2%
Chemical products	1%
IT equipment	1%

Relative volume by quarter

The categories are ranked relatively by quarter in terms of volume..

Looking at the quarterly top-10 categories across 2022, top-3s are almost identical with Services, Construction and repair being consistent categories while Industrial Machinery takes three quarters with only Q1 having Iron and Metals on the second place.
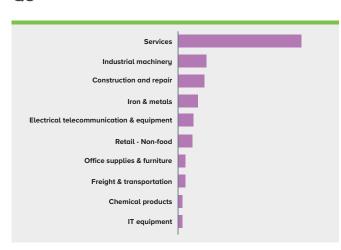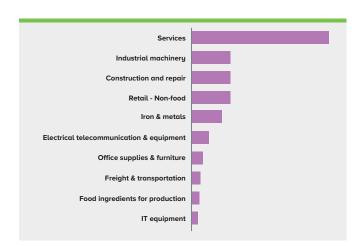
Q1

Category	
Services	
Iron & metals	
Industrial machinery	
Construction and repair	
Electrical telecommunication & equipment	
Office supplies & furniture	
Retail - Non-food	
Freight & transportation	
IT equipment	
Packing materials	

Q2

Category	
Services	
Construction and repair	
Industrial machinery	
Iron & metals	
Retail - Non-food	
Electrical telecommunication & equipment	
Office supplies & furniture	
Freight & transportation	
Chemical products	
IT equipment	

Q3

Category	
Services	
Industrial machinery	
Construction and repair	
Iron & metals	
Electrical telecommunication & equipment	
Retail - Non-food	
Office supplies & furniture	
Freight & transportation	
Chemical products	
IT equipment	

Q4

Category	
Services	
Industrial machinery	
Construction and repair	
Retail - Non-food	
Iron & metals	
Electrical telecommunication & equipment	
Office supplies & furniture	
Freight & transportation	
Food ingredients for production	
IT equipment	

Source: Scanmarket (2023)

Quarterly relative volume by region

Regional eAuction volume can vary significantly over the course of a year.

The relative volume indicators are illustrated in the chart below by region to better understand the variation between quarters during 2022.
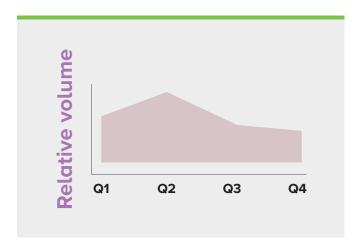
Over the course of 2022, we observed variations in eAuction volume across all four regions.

2022 started off strong with eAuction growth. However, EMEA is the only region that ended the year strong with positive growth in Q4.
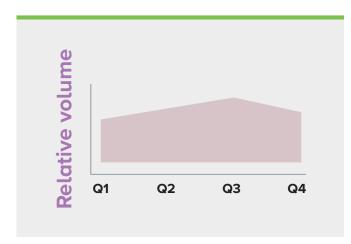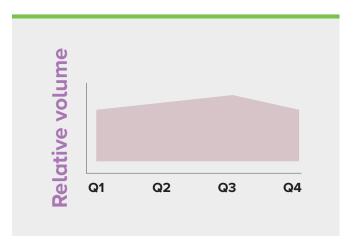
EMEA

Americas

APAC

GCN

Source: Scanmarket (2023)

04
eAuction mix

Experienced procurement professional applies various types of auction approaches when negotiating and selecting suppliers. The most appropriate auction type depends on the specific situation. This section reports the mix of auction types applied in 2022 where we both look at volume and spend passing through the various types of eAuctions.

eAuction type by volume

eAuction usage

eAuction usage by region

Monetary spend

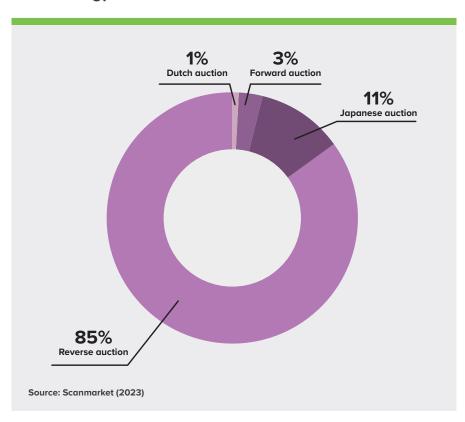**Monetary spend by region**

eAuction type by volume

The donut chart chart below shows the volume mix of eAuction types during 2022.

We report on four types of eAuctions, i.e. Reverse, Japanese, Dutch and Forward eAuctions.

To learn more about the different types of auctions, see the **definitions page.**

As in previous years, the Reverse auction dominated usage in 2022. The use of Reverse auctions grew slightly from 84% in 2021 to 85% in 2022, and Forward auctions grew slightly from 2% in 2021 to 3% in 2022. Japanese auctions dropped once again from 22% in 2020 to 13% in 2021 to 11% in 2022. Japanese auctions are typically used in low competition/high risk circumstances.

eAuction type distribution

1%
Dutch auction

3%
Forward auction

11%
Japanese auction

85%
Reverse auction

Source: Scanmarket (2023)

eAuction type distribution 2021

1%
Dutch auction

2%
Forward auction

13%
Japanese auction

84%
Reverse auction

Source: Scanmarket (2021)

eAuction usage

Below, we look at how the use of the different eAuction types vary across the various quarters versus the full year of 2022. In specific situations, the use of a certain type of auction and the timely use hereof may suggest a better outcome.

There is no dominating trend of eAuction usage in 2022. However, in Q2 the Japanese auctions type grew in Q2 while Dutch auction seems to be more popular at the end of the year. The Reverse auction remains the overall dominating auction type with an 85% share.

Use of eAuction types by quarter

	Full year 2022	Q1	Q2	Q3	Q4
Reverse auction	85.06%	84.71%	84.85%	85.06%	85.59%
Japanese auction	11.44%	11.79%	12.02%	11.59%	10.32%
Forward auction	2.61%	2.57%	2.38%	2.65%	2.87%
Dutch auction	0.89%	0.93%	0.75%	0.70%	1.22%

Source: Scanmarket (2023)
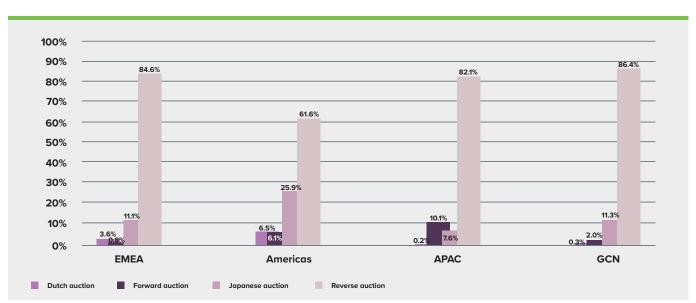
eAuction usage by region

The volume and use of eAuctions across regions is interesting to monitor since it may indicate local or cultural preferences.

> As Reverse auctions is the most used auction type across all regions, GCN is the overall leader by volume in all types except for Dutch which is lead by th EMEA region. We also see that Americas apply Japanese auctions as a significant part of their auction mix.
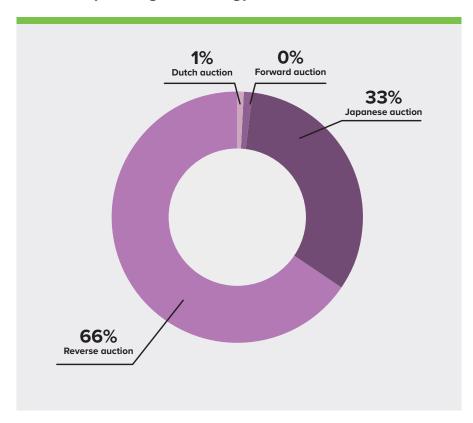
Global distribution by type

	GCN	APAC	Americas	EMEA
Reverse auction	78.3%	7.6%	2.3%	11.8%
Japanese auction	76.1%	5.2%	7.1%	11.6%
Forward auction	58.9%	30.3%	7.3%	3.5%
Dutch auction	27.1%	2.1%	22.9%	47.9%

Regional distribution by type

	Dutch auction	Forward auction	Japanese auction	Reverse auction
EMEA	3.6%	0.8%	11.1%	84.6%
Americas	6.5%	6.1%	25.9%	61.6%
APAC	0.2%	10.1%	7.6%	82.1%
GCN	0.3%	2.0%	11.3%	86.4%

Monetary spend

Below we take a look at the total monetary spend passing through the various types of eAuctions during the course of the year. Addtional also charting how the average spend is accounted for in the various types of auctions.
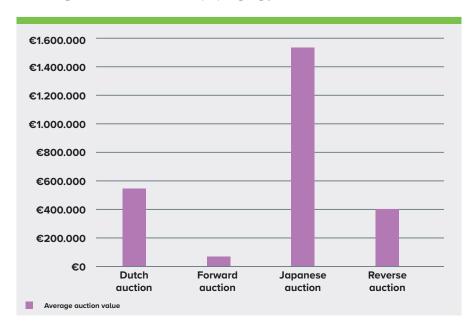
Relative spend by auction type

1%
Dutch auction

0%
Forward auction

33%
Japanese auction

66%
Reverse auction

The spend versus volume shares are distributed the same from a big picture perspective. However, the only 66% of the spend belongs to the Reverse auction type but amounted for 85% of the volume. Opposite, Japanese auction consumed 33% of the spend but only accounted for 11% of the volume.

This shows that Japanese auctions carry a higher average spend than the Reverse auctions. This is because Japanese auctions typically are used for strategic product/ services.

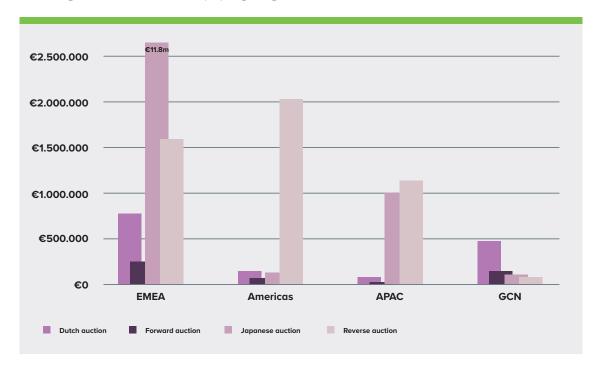## Average auction value (€) by type

Legend: Average auction value

Monetary spend by region

Here we take a look at the average spend of the different types of eAuctions and how the average spend spreads across the four regions.

> We know that most of auctions are carried out in GCN. EMEA stands out with a stunning average spend on Japanese auction of €11.8M which may indicate special conditions. Otherwise, Reverse auctions typically have the highest average spend across all regions except for GCN where Dutch auction carry the highest avarage value. Note, Dutch auctions are only 0.3% of all auctions in GCN.

Average auction value (€) by region

05

eAuction execution

Leading procurement professionals know how to run eAuctions effectively. Strategically understanding the complexities of selecting suppliers and negotiating prices can go a long way to maximizing eAuction outcomes.

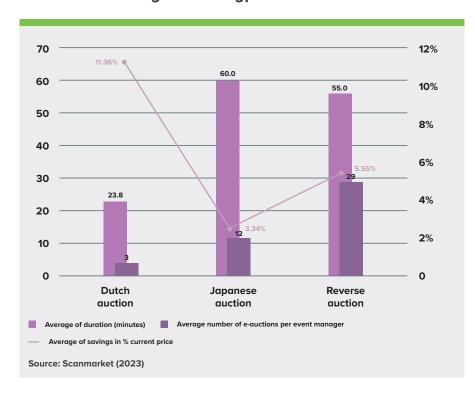In this chapter, we look at where the best results come from globally.

Key performance indicators

Supplier volume

Key performance indicators

The various types of eAuctions have different attributes of KPIs which dictates the execution success. Below, average run time and average number of eAuction per event manager are mixed in with the overall savings by type of (buying) eAuction.

Execution KPIs by auction type

Source: Scanmarket (2023)

The largest savings has in 2022 been achieved through Dutch auctions with 11.34%. These savings were accomplished by running the auction for 23.8 minutes (Dutch auctions should end as soon as possible) and had 3 auctions per event manager.

The largest volume group (Reverse auction) ran on average 55 minutes (should run as long as possible) and each event manager ran 29 auctions, achieveing 5.55% in savings.

Execution KPIs
- Average of Duration (minutes)
- Average of Savings in % current price
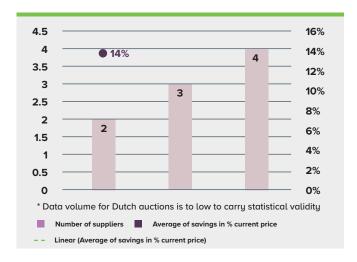- Average number of eAuctions per Event manager

Supplier volume

In the following, the number of suppliers invited in on the various types of eAuction is correlated with the achived savings to better understand how the number of supplies affect the overall savings.
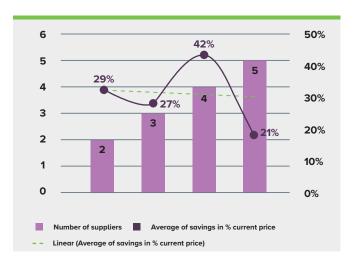
> Savings peaked with Forward auctions that included 4 suppliers, and Japanese auctions reached their peak savings with 2 suppliers, whereas inviting more suppliers led to negative savings.
>
> The largest type, Reverse auctions, had its highest savings of 31% when 12 suppliers were invited. Note, invited suppliers may choose not to participate.
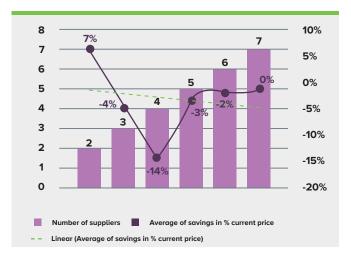
Dutch auction*

* Data volume for Dutch auctions is to low to carry statistical validity

- Number of suppliers
- Average of savings in % current price
- -- Linear (Average of savings in % current price)

Forward auction

- Number of suppliers
- Average of savings in % current price
- -- Linear (Average of savings in % current price)

Japanese auction

- Number of suppliers
- Average of savings in % current price
- -- Linear (Average of savings in % current price)

Reverse auction

- Number of suppliers
- Average of savings in % current price
- -- Linear (Average of savings in % current price)

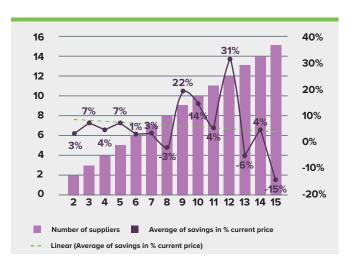**Source: Scanmarket (2023)**

06
Spend

The spend across categories is a good indicator for how procurement professionals apply eAuctions. Understanding where and when to apply eAuctions, and to which categories can greatly impact outcomes.

In this chapter we look at where the best results come from globally.
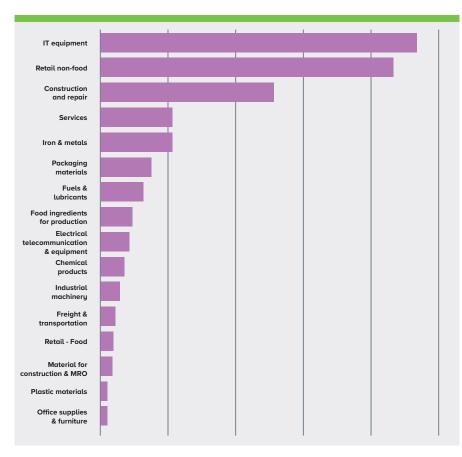
Relative spend

Relative spend by quarters

Relative spend variance by quarter

Relative spend

The chart below shows where the relative monetary spend against categories occured in during 2022,   not be confused with categories by volume, which is another measure.

Full year relative spend

In 2022, categories carrying the most spend were IT Equipment, Retail (Non-food) and Construction & Building. These three categories together outperformed the rest.

IT Equipment came in first but only accounts for 1% of total eAuction volume.
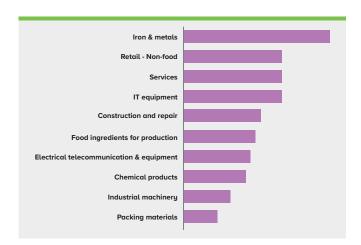
The Services categories come in fourth on spend but is a clear winner on volume (see previous).
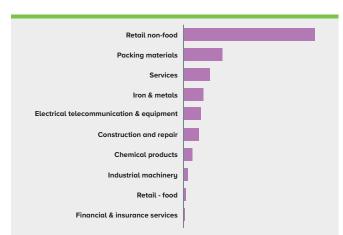
Relative spend by quarters

The categories are ranked relatively by quarter in terms of monetary spend.

There are a lot of shifts in rank between quarters in 2022, but each quarter carries "the usual suspects" of categories, and only very few categories enter or exit during the course of the year. Q1 was more balanced in terms of spend across categories, while Q3 had heavy spend in IT Equipment. In Q2 and Q4 Retail - non food was the highest performer.
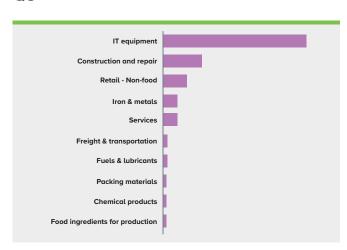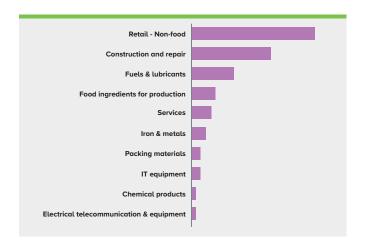
Q1

Category	
Iron & metals	
Retail - Non-food	
Services	
IT equipment	
Construction and repair	
Food ingredients for production	
Electrical telecommunication & equipment	
Chemical products	
Industrial machinery	
Packing materials	

Q2

Category	
Retail non-food	
Packing materials	
Services	
Iron & metals	
Electrical telecommunication & equipment	
Construction and repair	
Chemical products	
Industrial machinery	
Retail - food	
Financial & insurance services	

Q3

Category	
IT equipment	
Construction and repair	
Retail - Non-food	
Iron & metals	
Services	
Freight & transportation	
Fuels & lubricants	
Packing materials	
Chemical products	
Food ingredients for production	

Q4

Category	
Retail - Non-food	
Construction and repair	
Fuels & lubricants	
Food ingredients for production	
Services	
Iron & metals	
Packing materials	
IT equipment	
Chemical products	
Electrical telecommunication & equipment	

Source: Scanmarket (2023)

Relative spend variance by quarter

These charts show the relative quarterly variance for each category over the full year of 2022.

Note that categories with low data sets are excluded from this view.

Services
Q1 Q2 Q3 Q4

Industrial machinery
Q1 Q2 Q3 Q4

Construction and repair
Q1 Q2 Q3 Q4

Iron & metals
Q1 Q2 Q3 Q4

Retail - Non-food
Q1 Q2 Q3 Q4

Electrical and telecommunications equipment
Q1 Q2 Q3 Q4

Office supplies and furniture
Q1 Q2 Q3 Q4

Freight & transportation
Q1 Q2 Q3 Q4

Chemical products
Q1 Q2 Q3 Q4

IT equipment
Q1 Q2 Q3 Q4

Packing materials
Q1 Q2 Q3 Q4

Food ingredients for production
Q1 Q2 Q3 Q4

Marketing materials, services & advertising
Q1 Q2 Q3 Q4

Vehicles
Q1 Q2 Q3 Q4

Fuels & lubricants
Q1 Q2 Q3 Q4

Healthcare
Q1 Q2 Q3 Q4

Clothing
Q1 Q2 Q3 Q4

Material for construction & MRO
Q1 Q2 Q3 Q4

Retail - Food
Q1 Q2 Q3 Q4

Scrap
Q1 Q2 Q3 Q4

Finnancial & insurance services
Q1 Q2 Q3 Q4

Plastic materials
Q1 Q2 Q3 Q4

Automotive industry
Q1 Q2 Q3 Q4

Surveys
Q1 Q2 Q3 Q4

Sanitary appliances
Q1 Q2 Q3 Q4

07
Categories

Exploring the details of each category becomes interesting as many clients only conduct eAuctions in a few categories in which they excel. In the following section, it is possible to measure global category performance with internal category performance.

Also, this chapter reveals how the different categories perform in comparison to other key categories which can serve as a reference for clients entering new categories.

Top 10 categories rank by volume 2022

Top 10 categories shifts year-over-year

Top 10 categories rank by volume 2022

The following table shows the top 10 highest performing categories in terms of auction volume and their respective aggregated savings during 2022.

Average savings for all categories

4.83%

Rank	Chg.	Prev.	Category area	% Savings
1	-	1	Services (temporary labour, cleaning, IT & security services, etc.)	5.28%
2	▲	4	Industrial machinery (assembly lines, injection moulding machines, etc.)	-0.76%
3	-	3	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)	1.73%
4	▼	2	Iron and metals (tools, spare parts, cables, screws, etc.)	20.67%
5	New	-	Retail - Non food (bags, cleaning, textiles, appliances, lamp oil, etc.)	5.73%
6	▼	5	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)	9.71%
7	▲	8	Office supplies and furniture (paper, prints, toner, USB sticks, etc.)	5.03%
8	▼	6	Freight & transportation (sea, land & air)	20.20%
9	New	-	Chemical products (Chemicals, prints, toner, USB sticks, etc.)	-4.59%
10	▼	9	IT equipment (stationary, laptops, printers, flat screens, projectors , etc.)	10.73%
Left top-10 since last year				
		7	Packing materials (cardboard, foils, tape, pallets, labels, etc.)	
		10	Ingredients for food production (additives, flour, sugar, vegetables, etc.)	

Source: Scanmarket (2023)

Top 10 categories by volume year-over-year

This tables shows the top 10 categories in terms of auction volume during 2021 and 2022 and how the categories have changed rank in volume from 2021 to 2022.

2021

Rank	Category area
1	Services (temporary labour, cleaning, IT & security services, etc.)
2	Iron and metals (tools, spare parts, cables, screws, etc.)
3	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)
4	Industrial machinery (assembly lines, injection moulding machines, etc.)
5	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)
6	Freight & transportation (sea, land & air)
7	Packing materials (cardboard, foils, tape, pallets, labels, etc.)
8	Office supplies and furniture (paper, prints, toner, USB sticks, etc.)
9	IT equipment (stationary, laptops, printers, flat screens, projectors, etc.)
10	Ingredients for food production (additives, flour, sugar, vegetables, etc.)

2022

Rank	Category area
1	Services (temporary labour, cleaning, IT & security services, etc.)
2	Industrial machinery (assembly lines, injection moulding machines, etc.)
3	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)
4	Iron and metals (tools, spare parts, cables, screws, etc.)
5	Retail - Non food (bags, cleaning, textiles, appliances, lamp oil, etc.)
6	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)
7	Office supplies and furniture (paper, prints, toner, USB sticks, etc.)
8	Freight & transportation (sea, land & air)
9	Chemical products (Chemicals, prints, toner, USB sticks, etc.)
10	IT equipment (stationary, laptops, printers, flat screens, projectors, etc.)

Source: Scanmarket (2023)

08
Appendix

Top 10 categories by volume (2021)

This table shows the top 10 highest performing categories in terms of auction volume during 2021 with their associated average savings.

Rank	Category area	% Savings
1	Services (temporary labour, cleaning, IT & security services, etc.)	9.01%
2	Iron and metals (tools, spare parts, cables, screws, etc.)	16.92%
3	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)	3.99%
4	Industrial machinery (assembly lines, injection moulding machines, etc.)	2.77%
5	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)	7.26%
6	Freight & transportation (sea, land & air)	4.76%
7	Packing materials (cardboard, foils, tape, pallets, labels, etc.)	11.61%
8	Office supplies and furniture (paper, prints, toner, USB sticks, etc.)	7.10%
9	IT equipment (stationary, laptops, printers, flat screens, projectors, etc.)	11.99%
10	Ingredients for food production (additives, flour, sugar, vegetables, etc.)	-7.17%

Source: Scanmarket (2023)

Average savings for all categories in 2021

4.62%

Top 10 categories by volume (2020)

This table shows the top 10 highest performing categories in terms of auction volume during 2020 with their associated average savings.

Rank	Category area	% Savings
1	Services (temporary labour, cleaning, IT & security services, etc.)	11.62%
2	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)	6.38%
3	Iron and metals (tools, spare parts, cables, screws, etc.)	32.74%
4	Industrial machinery (assembly lines, injection moulding machines, etc.)	6.73%
5	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)	16.49%
6	Freight & transportation (sea, land & air)	21.62%
7	Clothing (safety equipment, working clothes & shoes, bags, gloves, etc.)	3.24%
8	Retail - Non food (bags, cleaning, textiles, appliances, lamp oil, etc.)	6.01%
9	Retail - Food (oil, dressings, cereals, bread, rice, pasta, etc.)	6.25%
10	Packing materials (cardboard, foils, tape, pallets, labels, etc.)	22.35%

Source: Scanmarket (2023)

Average savings for all categories in 2020

10.57%

Definition of auction types

The following describes the various types of auctions measured on the Scanmarket platform.

Reverse eAuctions

List Auctions

List Auctions are useful if you want one supplier for all products and you have a competitive environment on the total price. If a supplier wants to participate in the Reverse List Auction, they must bid on all lines.

CherryLotTM

Cherry Lot Auctions are useful if you have several lots (subtotals) and you want one supplier per lot. If a supplier wants to participate on a lot, they must bid on all lines within the lot.

Cherry Picking

Cherry Picking Auctions are useful to acquire the best price per product and strong competition exists on the individual product lines. This way, suppliers can participate on individual lines. Cherry Picking Auctions are useful if you are not sure how to group the products and/or if the grouping depends on the final winner for each product.

Step eAuctions

Japanese Auctions

A Japanese Auction is a type of Step Auction with price decreases in intervals during the auction.

Dutch Auctions

Dutch Auctions put maximum pressure on suppliers because there are no second chances. A Dutch Auction is a type of Step Auctions in which the price increases during the event. The format is first come, first served, so the first supplier to accept the price wins.

Forward eAuctions

Forward Auctions

Most people are familiar with Forward eAuctions (like we know them from eBay and auction houses), in which multiple buyers bid on a product or service by offering increasingly higher prices.

How we measure

Scanmarket has published e-auction statistics since 2006. For the statistics to be comparable year-over-year, we apply the same rules of measurement to all data sets to achieve the highest reliability.

The key rules of measurement are:

- eAuction savings achieved must be more than -100%.
- eAuction savings achieved must be less than 99%.
- eAuction events must last less than 360 minutes (6 hours).
- All savings reported are always in relation to the current price.
- Forward eAuctions are excluded from the statistics.
- eAuction categories with very low volume are excluded from the statistics.
- Volume is always measured in number of auctions.
- Spend is always measured in € (EUR).

Scanmarket

Scanmarket is a source-to-contract software provider that develops advanced functionalities in an effortless design. Originating from the needs of the end user, Scanmarket's S2C solution is attuned to meet the needs of the procurement professional. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your upstream procurement functions with technology that is built to be used.

For more information go to:
unit4.com

UNIT4
In business for people