UNIT4
In business for people

eAuction savings report

Q2 2023

eAuction savings report

Every quarter, Scanmarket reports on statistics covering insights into the savings performed by eAuctions executed globally.

The statistics are provided for procurement professionals who wish to better understand and optimize their businesses to achieve higher savings and efficiency.

Scanmarket has been reporting these statistics each quarter since 2006, and they continue to be a highly valuable data asset to gain insights into categories and strategic sourcing trends.

Q2 2023 commentary

Echoing the impressive savings figure of the previous quarter, Q2 2023 presented a staggering 11.32% in average savings, moving just slightly higher than that of Q1's 11.31%. The year 2023 has thus far proven positive for average savings by quarter, and a hopeful sign of what lies to come.

Despite ongoing geopolitical uncertainty, procurement professionals have displayed resilience in maintaining their supply chains and conducting successful negotiations with suppliers.

Q2 proved to be another outstanding quarter, showcasing substantial growth compared to Q2 of 2022 with a notable increase from 11.32% from the previous year's modest 2.82%.

Furthermore, the number of executed eAuction events in Q2 increased to a significant 39.18% when compared to Q1. This rise suggests eAuction adoption is trending favorably as a recognized reliable and effective means to save across various categories.

11.32%

2nd quarter 2023

The average savings realized in Q2 was 11.32%, which is especially impressive when compared to the modest 2.82% savings in Q2 of 2022.

At the category level, Q2 witnessed notable shifts within the top 10 categories. Nearly all categories fluctuated in position, though the majority remained within the top 10. Two new categories, Ingredients for **Food Production** and **Chemical Products**, entered the top ranks, while **Office Supplies** and **Furniture**, as well as **Retail Food**, dropped from the top 10 this quarter.

Services once again claimed the lead as the mostauctioned category, albeit with a negative average savings rate of -1.74%. Conversely, **Electrical and Telecommunication Equipment** and **Retail - Non-food** emerged from Q2 with impressive savings rates of 18.23% and 17.47% respectively.

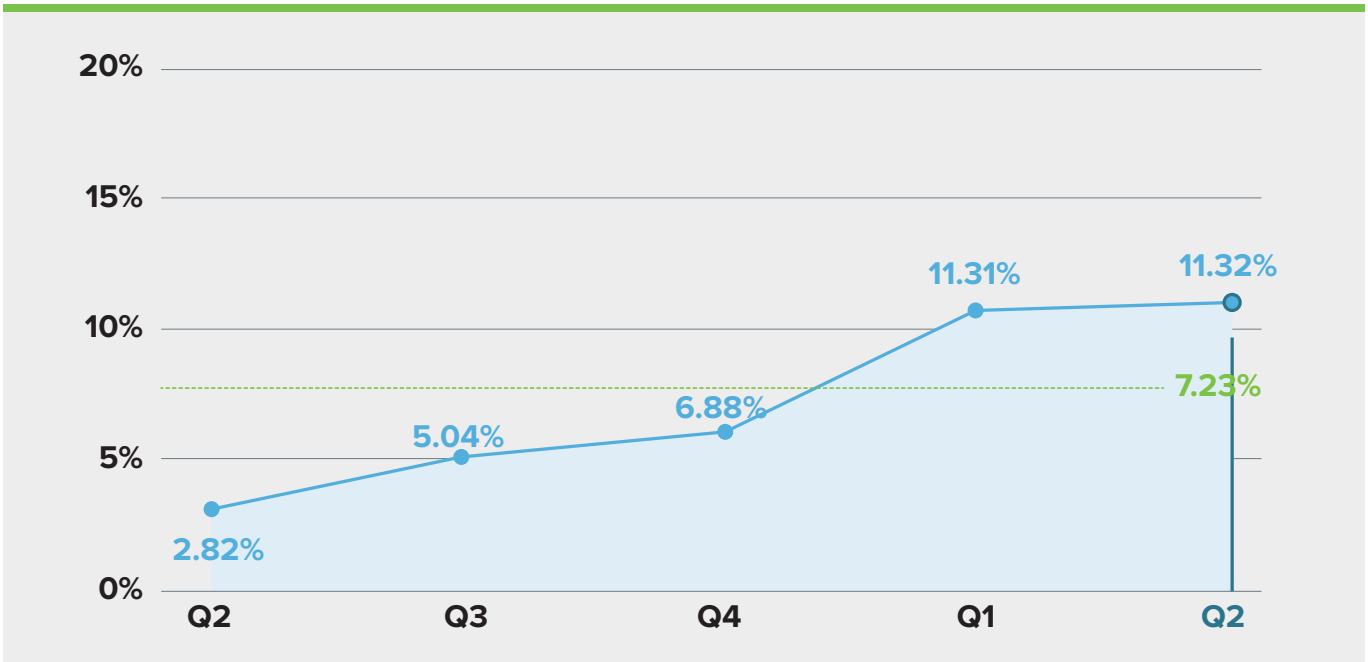
Among the more challenging categories in Q2 was **Industrial Machinery**. Despite ranking as the second most-auctioned category in Q2, it yielded a savings rate of -2.83%. Interestingly, **Services** and **Industrial Machinery** were both the most frequently auctioned categories and the only two to record negative savings.

In total, Scanmarket reported a savings rate of 11.32% compared to current prices in Q2, reaffirming how buyers are turning to eAuctions to counter inflationary pressures.

The upcoming Q3 will determine whether the impressive trends of 2023 will persist, potentially becoming a record-breaking year. Only time will tell.

Rolling five quarters of auction savings

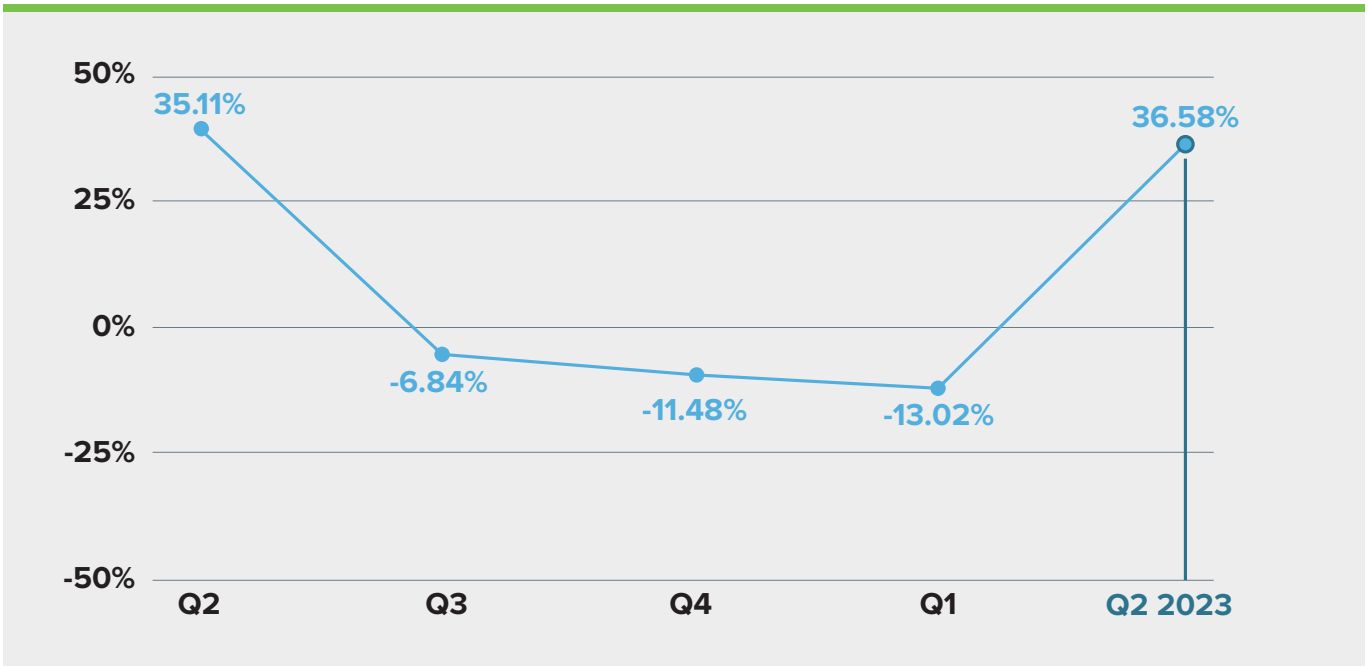
The following chart illustrates the past five quarters of average savings across all categories ranging from Q2 of 2022 to Q2 of 2023. The dotted line indicates the weighted average savings achieved over the five quarters.



Source: Scanmarket (2023)

Rolling five quarters of auction growth

This chart illustrates the past five quarters of average auction growth from quarter to quarter across all categories ranging from Q2 of 2022 to Q2 of 2023 (both included).

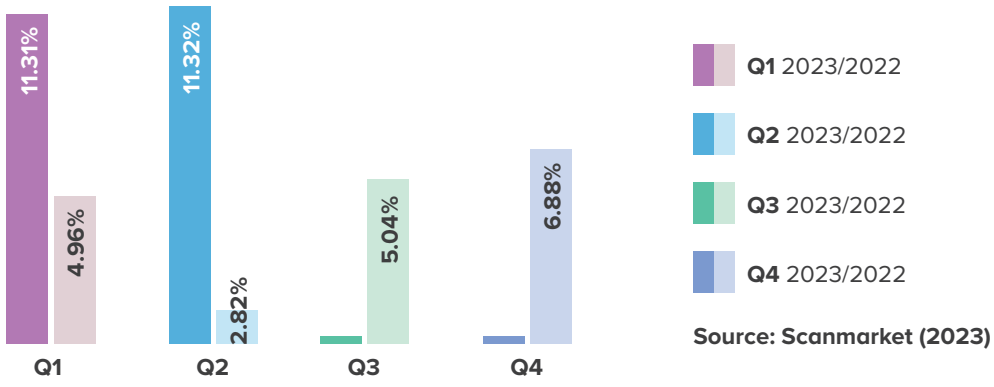


Source: Scanmarket (2023)

Quarter over quarter

The following chart shows 2023 quarters compared to 2022 quarters in terms of average savings for all categories in each quarter.

Q2 of 2023 achieved 11.32% savings on average across all categories vs. 2.82% in Q2 of 2022.



Source: Scanmarket (2023)

Categories

The ten best performing categories are reported every quarter, and we rank these categories by volume (number of auctions in the quarter) and by the savings achieved in the various categories.

11.32%

Average savings for all categories

Top 10 categories by volume

This table shows the top 10 highest performing categories in terms of auction volume during the second quarter of 2023.

Rank	Chg.	Prev.	Category area	% savings
1		1	Services (Temporary lavour, cleaning, IT & security services, etc.)	-1.74%
2	▲	4	Industrial machinery (assembly lines, injection moulding machines, etc.)	-2.83%
3	▼	2	Iron and metals (tools, spare parts, cables, screws, etc.)	14.16%
4	▼	3	Construction and repair (flooring, damage control, engineering, rebuilding etc.)	8.62%
5	▲	8	Retail - non food (bags, cleaning, textiles, appliances, lamp oil etc.)	17.47%
6	▼	5	Electrical and telecommunication equipment (mobile phones, batteries, scanners, electrical wires, etc.)	18.23%
7	▼	6	Freight & transportation (sea, land & air)	11.54%
8	New	-	Ingredients for food production (additives, flour, sugar, vegetables etc.)	2.48%
9	New	-	Chemical products (chemicals, paint, cleaning appliances, etc.)	11.24%
10	▼	7	Packaging materials (cardboard, foils, tape, pallets, labels, etc.)	11.46%

Left top-10 since last quarter	
9	Office supplies and furniture (paper, prints, toner, USB stocks, etc.)
10	Retail - Food (oil, dressings, cereals, bread, rice, pasta, etc.)

Source: Scanmarket (2023)

Scanmarket

Scanmarket is an industry leading Source-to-Contract software provider that delivers superior results in savings, transparency and efficiency to hundreds of organizations globally. Known for its ease of use and expert support, Scanmarket increases user adoption by more than 300% on average. Whether it is Spend Analytics, eRFx, eAuction, Contract Management, Project Management, Supply Base Management, or Consultancy Services, we can help your organization get the results you need.

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