

eAuction savings report

Q3 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.

Q3 2023 commentary

Yet another strong quarter of eAuction savings has been delivered in Q3. The average savings across all categories reached 10.42%, coming from 11.32% in Q2. As 2023 comes to a close with only one quarter left, savings thus far are trending toward another record year. We are curious to see what Q4 brings, but hopeful the year will conclude with another strong savings quarter.

The geopolitical crisis in the Middle East unfortunately emerged on the heels of Q3's closing, and the ramifications on the supply chain remain to be seen. While the impact on Q4 and early 2024 may be in question, procurement professionals have historically been resilient in fortifying their supply chains and conducting successful negotiations amid global unrest.

Q3 proved to be another outstanding quarter, showcasing substantial growth compared to Q3 of 2022, with a notable increase to 10.42% from the previous year's 5.04%. Furthermore, the 10% increase in executed eAuctions in Q3, as compared to Q2, suggests eAuction adoption is favorably viewed as a reliable source of savings across various categories.

10.42%

3rd quarter 2023

The average savings realized in Q3 is slightly down from Q2 ending at 10.42% compared with a modest Q3 in 2022 of only 5.04%.



At the category level, Q3 presented very little movement between categories with only one new entrant in the top 10.

Many of the steadfast categories fluctuated positions but remained in the top 10 again in Q3, with one interesting addition to the lineup. **Marketing Materials, Service & Advertising** made a surprising appearance in the list of most auctioned categories, pushing the commonly seen **Packaging Materials** from its long-time ranking in the top 10.

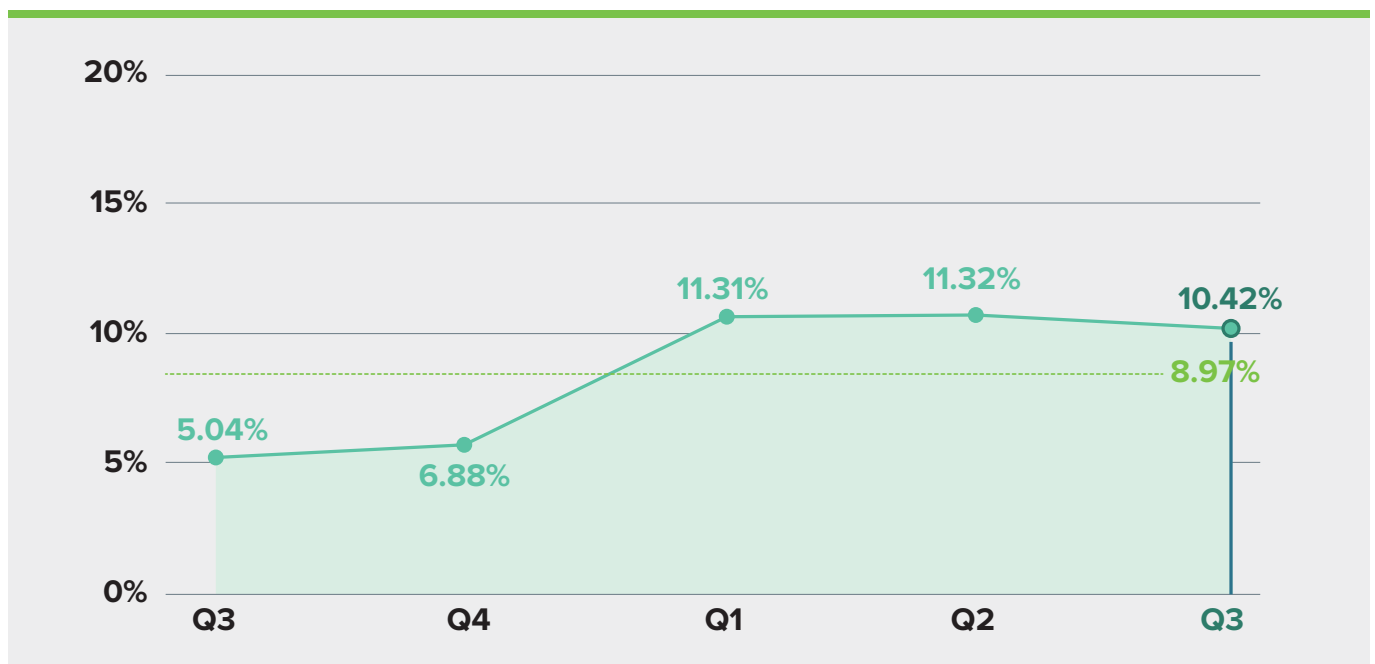
Services once again claimed the lead as the most-auctioned category and came back strongly with a savings of 11.69% (from a negative savings rate of -1.74% in Q2). The standout savings performers for Q3 were **Electrical & Telecommunication Equipment** and **Iron & Metals** with impressive savings rates of 22.56% and 20.94% respectively.

Among the more challenging categories in Q3 was **Freight & Transportation**. Ranking as the seventh most-auctioned category in Q3, it yielded a modest savings rate of only 1.47%. Opposite Q2, Q3's top 10 did not include any category with a negative savings. In total, Scanmarket reported a savings rate of 10.42% compared to current prices in Q3, reaffirming buyers' embrace of eAuctions to counter inflationary pressures and secure better category prices.

We await the results of Q4, eager to see if the impressive trends of 2023 will continue and set a new record for annual savings.

Rolling five quarters of auction savings

The following chart illustrates the past five quarters of average savings across all categories ranging from Q3 of 2022 to Q3 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 Q3 of 2022 to Q3 of 2023 (both included).

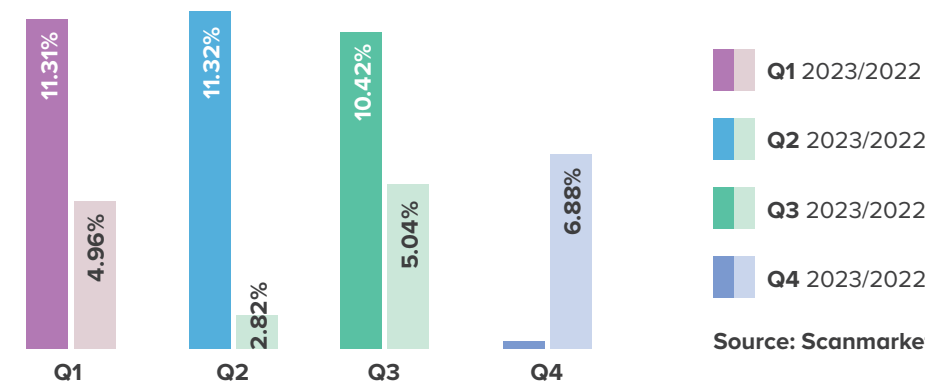


Source: Scanmarket (2023)

Quarter over quarter

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

Q3 of 2023 achieved 10.42% savings on average across all categories vs. 5.04% in Q3 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.

10.42%

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 third quarter of 2023.

Rank	Chg.	Prev.	Category area	% savings
1	-	1	Services (Temporary labour, cleaning, IT & security services, etc.)	11.69%
2	▲	4	Construction & repair (flooring, damage control, engineering, rebuilding etc.)	12.10%
3	-	3	Iron & metals (tools, spare parts, cables, screws, etc.)	20.94%
4	▼	2	Industrial machinery (assembly lines, injection moulding machines, etc.)	16.43%
5	▲	6	Electrical & telecommunication equipment (mobile phones, batteries, scanners, electrical wires, etc.)	22.56%
6	▼	5	Retail - non food (bags, cleaning, textiles, appliances, lamp oil etc.)	13.69%
7	-	7	Freight & transportation (sea, land & air)	1.47%
8	New	-	Marketing materials, services & advertising (assorted materials, assorted services)	6.28%
9	▼	8	Ingredients for food production (additives, flour, sugar, vegetables etc.)	7.37%
10	▼	9	Chemical products (chemicals, paint, cleaning appliances, etc.)	16.86%

Left top-10 since last quarter

10	Packaging materials (cardboard, foils, tape, pallets, labels, etc.)
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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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