UNIT4
In business for people

eAuction savings report

Q1 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.

Q1 2023 commentary

As 2023 started, we saw a regained trust in market conditions as inflation rates started to show signs of improvement. The interest rates are, however, still relatively high and the war in Ukraine is still on, so geo-politically the world is still faced with managing multiple events at the same time.

Despite the many unknowns that had to be incorporated into negotiations, eAuctions by Scanmarket in Q1 of 2023 reported a significant increase in average savings of 11.31%, up from 6.88% in Q4 of 2022, and a substantial improvement from 4.96% in savings in Q1 of 2022.

At a category level, Q1 reported little top 10 category movement in terms of most e-auctioned categories.

Services once again took first place as the most-auctioned category with an average saving of 7.35%. We also saw some strong performance from categories like Retail - Non-food and Freight & Transportation which achieved savings of 20.09% and 25.39% respectively.

At the other end of the spectrum, with food being a difficult category to achieve savings in, Retail – Food saw a -1.26% in average savings while Office Supplies and Furniture only achieved -2.46% in savings.

Food prices appear to remain static and have not decreased alongside declining inflation rates like e.g. energy has.

Overall, Scanmarket reported 11.31% savings vs. the current price in Q1, highlighting once again how buyers are turning to e-auctions to mitigate inflationary forces.

It will be interesting to see if Q2 can maintain the high savings we saw in Q1. So, stay tuned for the Q2 savings report arriving in July.

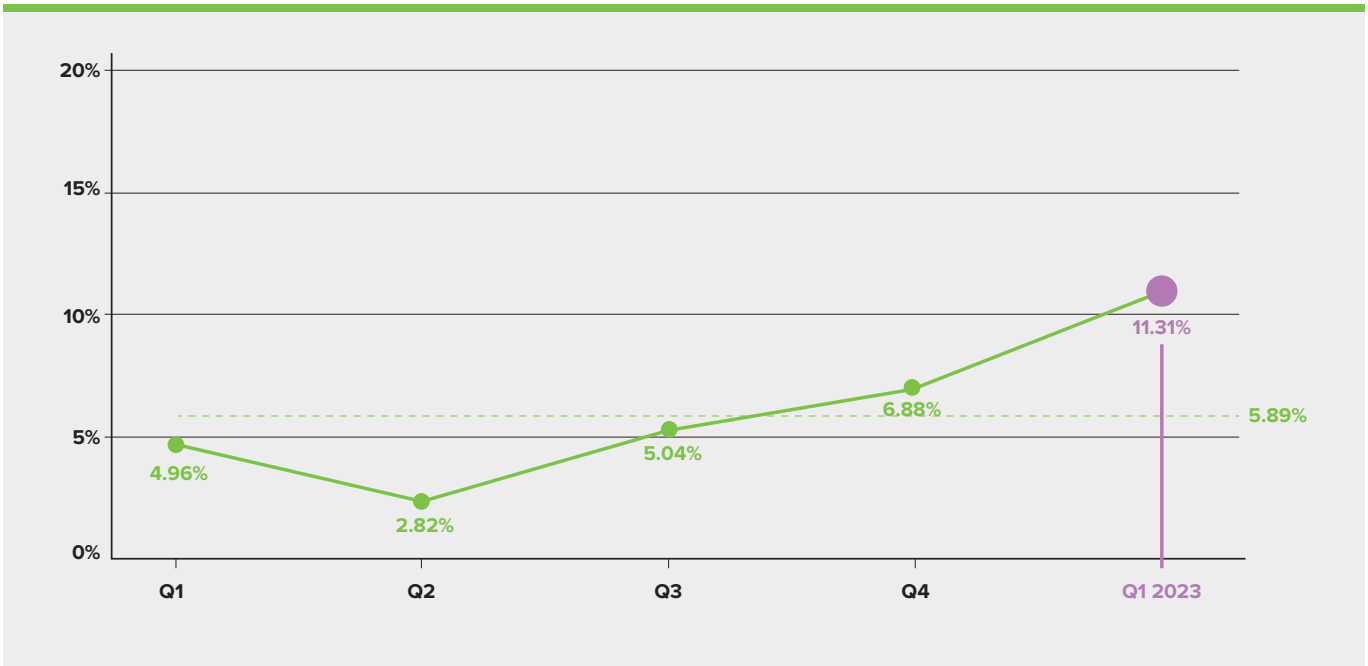
11.31%

1st quarter 2023

The average savings realized in Q1 increased to 11.31% from 6.88% in Q4 2022. Compared to Q1 of 2022, we saw an increase from 4.96%.

Rolling five quarters of auction savings

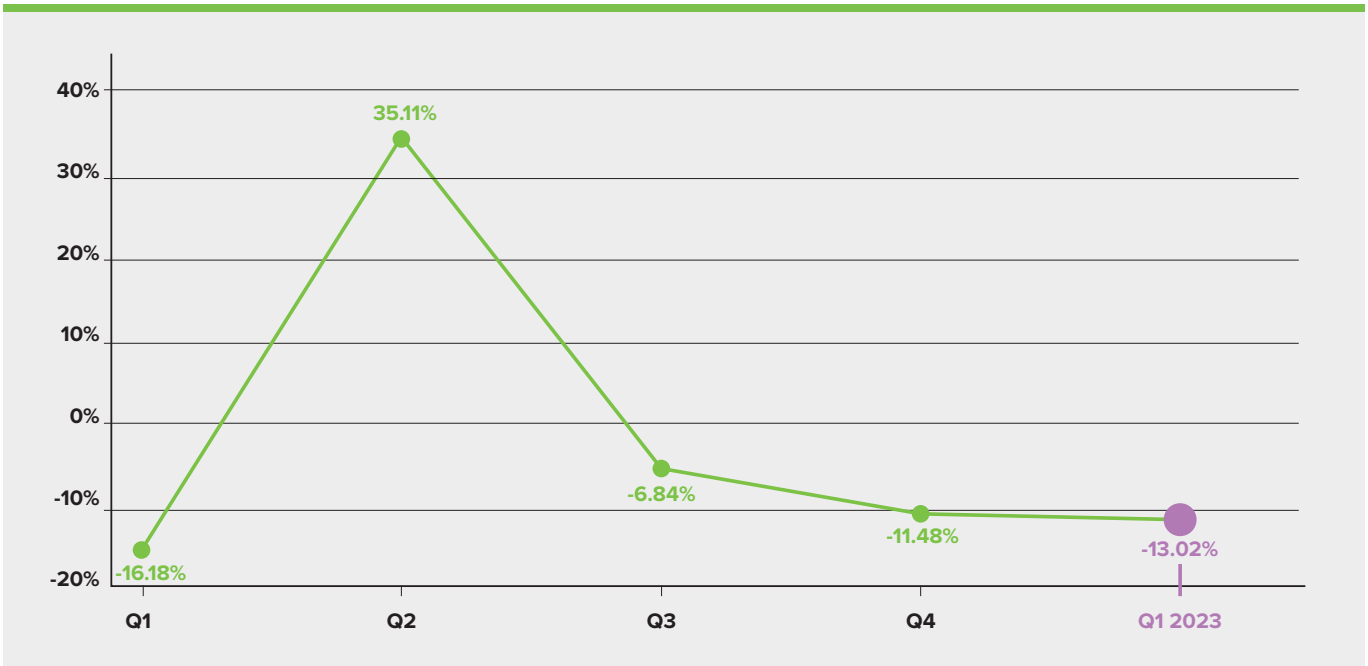
The following chart illustrates the **past five quarters of average savings across all categories** ranging from Q1 of 2022 to Q1 of 2023. The dotted line indicates the weighted average savings achieved over the five quarters.



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 Q1 of 2022 to Q1 of 2023 (both included).

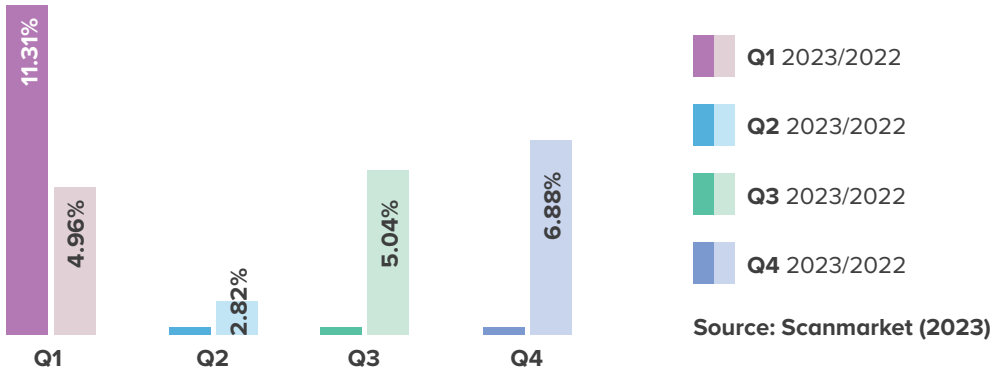


Source: Scanmarket (2023)

Quarter over quarter

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

Q1 of 2023 achieved 11.31% savings on average across all categories vs. 4.96% in Q1 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.

11.31%

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 first quarter of 2023.

Rank	Chg.	Prev.	Category area	% savings
1	-	1	Services (Temporary lavour, cleaning, IT & security services, etc.)	7.35%
2	▲	5	Iron and metals (tools, spare parts, cables, screws, etc.)	0.91%
3	-	2	Construction and repair (flooring, damage control, engineering, rebuilding etc.)	12.13%
4	▼	2	Industrial machinery (assembly lines, injection moulding machines, etc.)	8.45%
5	▲	6	Electrical and telecommunication equipment (mobile phones, batteries, scanners, electrical wires, etc.)	12.81%
6	▲	8	Freight & transportation (sea, land & air)	25.39%
7	New	-	Packaging materials (cardboard, foils, tape, pallets, labels etc.)	16.52%
8	▼	4	Retail - non food (bags, cleaning, textiles, appliances, lamp oil etc.)	20.09%
9	▼	7	Office supplies and furniture (paper, prints, toner, usb stocks etc.)	-2.46%
10	New	-	Retail - food (oil, dressings, cereals, bread, rice, pasta etc.)	-1.26%

Left top-10 since last quarter	
9	Ingredients for food production (additives, flour, sugar, vegetables etc.)
10	It equipment (stationary, laptops, printers, flat screens, projectors etc.)

Source: Scanmarket (2023)

Scanmarket

Scanmarket is a source-to-contract software provider that develops advanced functionalities in an effortless design. Our S2C solution is attuned to meet the needs of procurement , legal and finance professionals. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your business with technology that is built to be used.

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