UNIT4
In business for people

eAuction savings report

Q3 2022

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.

3rd quarter 2022

The average savings realized in Q3 increased to 5.04% from 2.82% in Q2. Compared to Q3 of 2021, we saw an increase from 3.31%.

5.04%

Q3 2022 commentary

Q2 followed a recent trend of immense pressure on key global commodities and thus impact on savings, we recorded just 2.82% savings vs. current price across all auctions within the quarter.

The third quarter of 2022 has seen a grinding continuation of global macroeconomic challenges. War rages on in Ukraine, global commodities continue to be in short supply, and surging inflation has spread across the world.

However, the latest data from Scanmarket's 2022 eAuction events points to a real recovery in eAuction savings despite the ongoing headwinds. Q3 savings were 5.04%, representing a significant upswing in savings performance.

At a category level, there were standout performances in **Irons & Metals**, **Freight & Transportation**, and **Electrical & Telecommunications Equipment**. As in previous quarters, **Services** was the most auctioned category with over 5% savings.

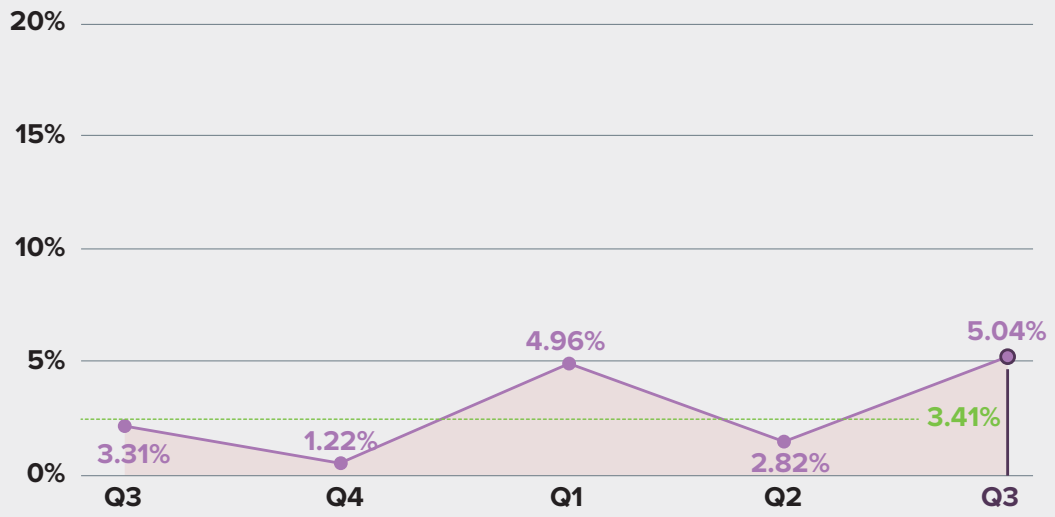
Despite the positive trends building up to this quarter's data set, the overall figure remains low compared to the usual figure closer to 10%. The cost of goods inflation is contributing to the continued pressure with familiar categories such as Retail Food & Food Ingredients omitted from the current top 10 data set.

Undoubtedly, **Food** is one of the toughest areas today, with the IMF reporting global food inflation of over 5% per month throughout Q3 alone. This is also very evident in our dataset with eAuctions on **Food Ingredients** showing negative savings of 18.24% compared to current prices. This is some of the highest price increases that we have ever recorded. In a similar report, Deloitte touched on post-COVID inflationary impacts, the war in Ukraine, and energy cost increases being major factors behind the current price increases.

Overall, Scanmarket reported a 5.04% savings vs. the current price in Q3, highlighting once again how buyers are turning to eAuctions to mitigate some of the powerful inflationary forces currently at play.

Rolling five quarters of auction savings

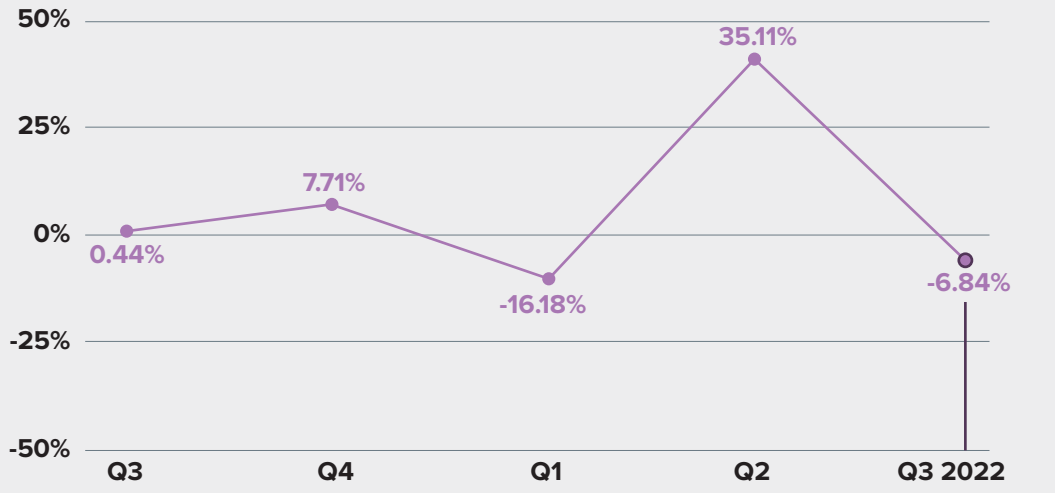
The following chart illustrates the past five quarters of average savings across all categories ranging from Q3 of 2021 to Q3 of 2022. The dotted line indicates the weighted average savings achieved over the five quarters.



Source: Scanmarket (2022)

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 2021 to Q3 of 2022 (both included).

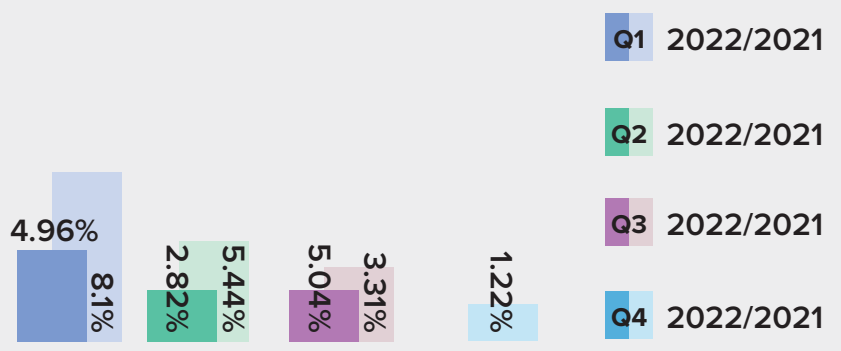


Source: Scanmarket (2022)

Quarter over quarter

The following chart shows 2022 quarters compared to 2021 quarters. 2022 is compared to 2021 in terms of average savings for all categories in each quarter.

Q3 of 2022 achieved 5.04% savings on average across all categories vs. 3.31% in Q3 of 2021.



Source: Scanmarket (2022)

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.

Top 10 categories by volume

This table shows the top 10 highest performing categories in terms of auction volume during the third quarter of 2022.

Rank	Chg.	Prev.	Category area	% Savings
1	-	1	Services (temporary labour, cleaning, IT & security services, etc.)	5.66%
2	-	2	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)	5.12%
3	-	3	Industrial machinery (assembly lines, injection moulding machines, etc.)	-6.28%
4	-	4	Iron and metals (tools, spare parts, cables, screws, etc.)	12.76%
5	▲	6	Electrical and telecommuniaction equipment (mobile phones, batteries, scanners, electrical wires, etc.)	11.42%
6	▼	5	Retail – non food (bags, cleaning, textiles, appliances, lamp oil etc.)	8.23%
7	-	7	Office supplies and furniture (paper, prints, toner, usb stocks etc.)	9.02%
8	-	8	Freight & transportation (sea, land & air)	18.42%
9	-	9	Chemical products (chemicals, paint, cleaning appliances, etc.)	-15.94%
10	-	10	Packing materials (cardboard, foils, tape, pallets, labels, etc.)	16.22%

Source: Scanmarket (2022)

5.04%

Average savings for all catergories

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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