

# eAuction savings report

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Q3 2021



# 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 2021 commentary

The ongoing impact of the COVID-19 crisis on global supply chains dominated the purchasing environment in Q3 of 2021 as savings varied considerably from category to category, and quarter to quarter. This impact appears to be enhanced in Q3 with savings across all e-auctions averaging 3.31% vs. current price.

Downward pressure on overall numbers is highly reflective of the environment in which many of our clients and Scanmarket users find themselves. As the global economy begins to emerge from its imposed hibernation, shortages and price increases were challenging, especially for large systems in the recovery process.

Scanmarket's experienced source-to-contract consultants have long been promoting the benefits of e-auctions in all contexts to gain leverage during times of supply shortages. The extent to which e-auctions are currently being deployed on the Scanmarket platform is extraordinary. The third quarter of 2021 realized another almost 100% increase in the number of e-auctions conducted compared to Q3 of 2020, which was record-breaking compared to 2019, and the numbers further increased in Q3 2021.

These staggering numbers pay tribute to the best-in-class sourcing behavior of Scanmarket's global client community and should inspire others to maximize the usage of e-auctions whenever possible.

## 3<sup>rd</sup> quarter 2021

The average savings realized in Q3 dropped to 3.31%, coming from a savings of 5.44% in Q2. Compared to Q3 of 2020, we also see a dramatic drop from 9.34%.

# 3.31%



## Other interesting highlights

**Freight** auctions have fallen significantly as one of the most auctioned categories, but the latest quarter saw an improvement to 6<sup>th</sup> on global rankings, alongside a total savings vs. current price of 1.53%.

The price of oil was 25% higher than the previous quarter against a backdrop of surging prices as the global economy continued its recovery. eAuctions play a critical role in mitigating price increases as savings are still being realized vs. current price.

Beyond the world of logistics, we observed very strong savings in **Packaging, Iron & Metals** and **Industrial Machinery**. These categories heavily populate the top 10 most auctioned categories, and should provide inspiration to buyers and CPO's who are not fully leveraging their spend.

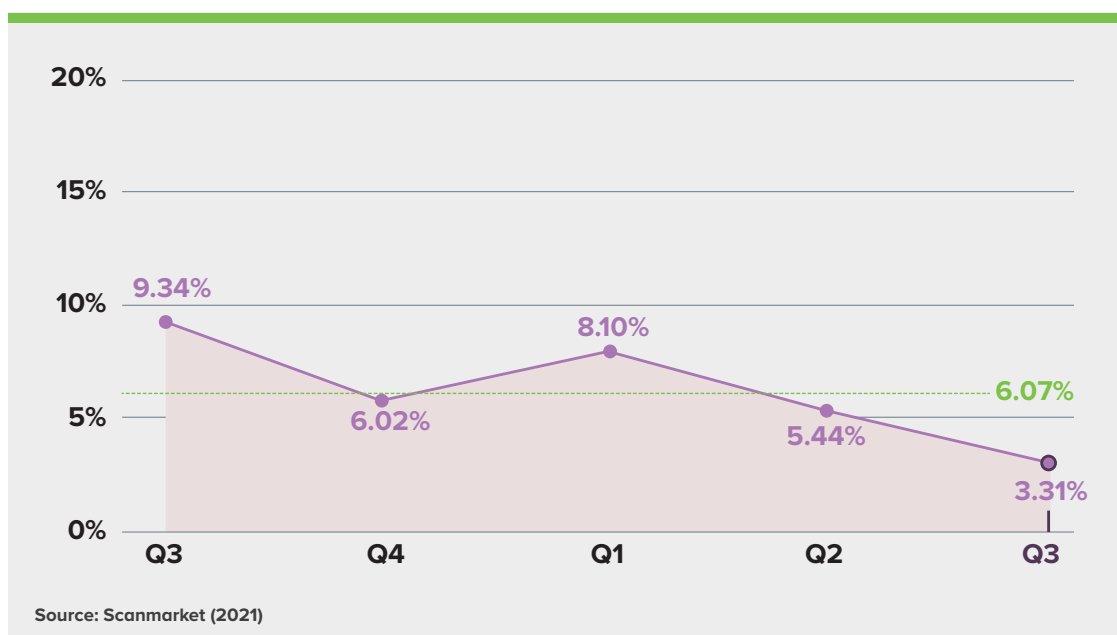
eAuctions are not limited to use on commoditized goods. The **Services** category is sustaining its dominance at the top of the most auctioned categories in 1<sup>st</sup> place. We keep seeing this trend of unlikely categories place at the top of our global leaderboard. These insights should drive your team to penetrate historically resistant pockets of your organization to use e-auctions to uncover true market value and savings.

With large parts of the world returning to a more normal working environment, will we see e-auction usage slow? Or, given the long-term impacts of the pandemic on working patterns, will the upward trend continue?

**Stay tuned to Scanmarket's Q4 eAuction Savings Report and annual 2021 Global eAuction Index early next year.**

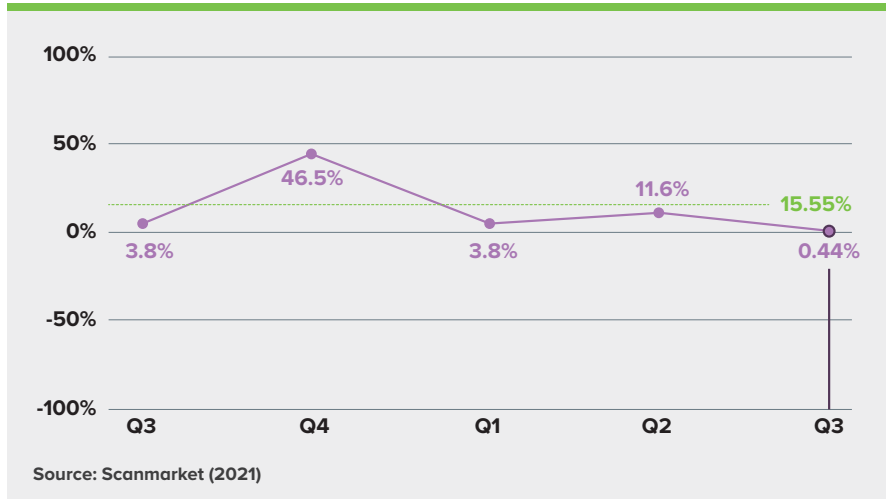
## Rolling five quarters of auction savings

This chart illustrates the past five quarters of average savings across all categories ranging from Q3 of 2020 to Q3 of 2021. The dotted line indicates the weighted average savings achieved over the five quarters.



## Rolling five quarters of auction growth

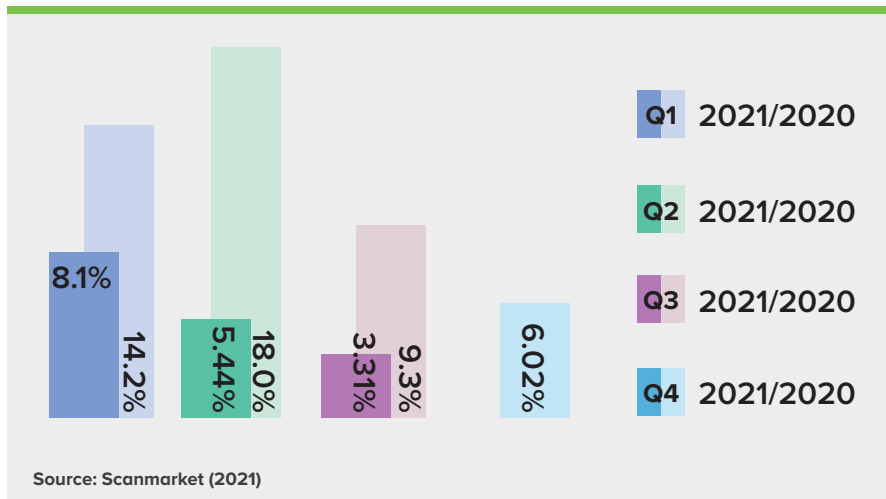
This chart illustrates the past five quarters of average auction growth from quarter to quarter across all categories ranging from Q3 of 2020 to Q3 of 2021 (both included). The dotted line indicates the moving weighted average growth achieved over the five quarters.



## Quarter over quarter

This chart shows this year’s quarters compared to the previous year’s quarters. Here, 2021 is compared to 2020 in terms of average savings for all categories in each quarter.

Q3 2021 achieved 3.31% savings on average across all categories versus 9.34% in Q3 of 2020.



## 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 2021.

Rank	Chg.	Prev.	Category area	% Savings
1	-	1	Services (temporary labour, cleaning, IT & security services, etc.)	6.33%
2	-	2	Iron and metals (tools, spare parts, cables, screws, etc.)	17.33%
3	-	3	Construction & repair (flooring, damage control, engineering, rebuilding, etc.)	3.41%
4	-	4	Electrical and telecommunication equipment (mobile phones, batteries, scanners, electrical wires, etc.)	3.95%
5	-	5	Industrial machinery (assembly lines, injection moulding machines, etc.)	17.43%
6	▲	7	Freight & transportation (sea, land & air)	1.53%
7	New	-	Office supplies and furniture (paper, prints, toner, usb stocks etc.)	5.09%
8	-	8	Packing materials (cardboard, foils, tape, pallets, labels, etc.)	17.96%
9	-	9	IT equipment (stationary, laptops, printers, flat screens, projectors etc.)	6.50%
10	New	-	Chemical products (chemicals, paint, cleaning appliances, etc.)	-11.46%
<b>Left top-10 since last quarter</b>				
		6	Retail – non food (bags, cleaning, textiles, appliances, lamp oil etc.)	
		10	Ingredients for food production (additives, flour, sugar, vegetables, etc.)	

Source: Scanmarket (2021)

# 3.31

## Average savings for all categories

### 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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