

Q1 2022 eAuction Savings Report



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 2022

Commentary

Despite the scale of global challenges, we're happy to report good news overall for Q1 of 2022. Savings for the quarter across all categories came in at just under 5% vs current price with key standout in areas such as *Irons & Metals*, *IT Equipment* and *Packaging* performing well.

In 2021, buyers increasingly looked for effective tools to mitigate costs in increasingly virtual environments due to the pandemic, and there was a surge in e-auction growth. eAuction usage continued in this upward direction in Q1 of 2022 with growth of 10% vs Q1 of 2021 with a staggering 37% being conducted in the Services category which is often cited as one of the more challenging areas to e-auction.

Q1 2022

Commentary

The quarter had some outstanding performers as well with the most interesting being *IT Equipment*. One of the first product areas to sound the scarcity alarm during the COVID era was microchips. Global forecasts vastly underestimated demand for these components in 2020, and the supply shortage was exacerbated by mass purchases of other technology during the global lockdowns that followed. Microchips are a key component of the *IT Equipment* category which drove significant cost inflation. Scanmarket's global community of clients are not only taking advantage of e-auctions in this area with the number of them being conducted, but savings are being achieved at very impressive levels.

As we look forward to the summer months, we will be keeping a close eye on how savings recovery continues and whether the current trajectory can be maintained. In the meantime, we are here to support all newcomers to the world of e-auctions as popularity continues to grow.

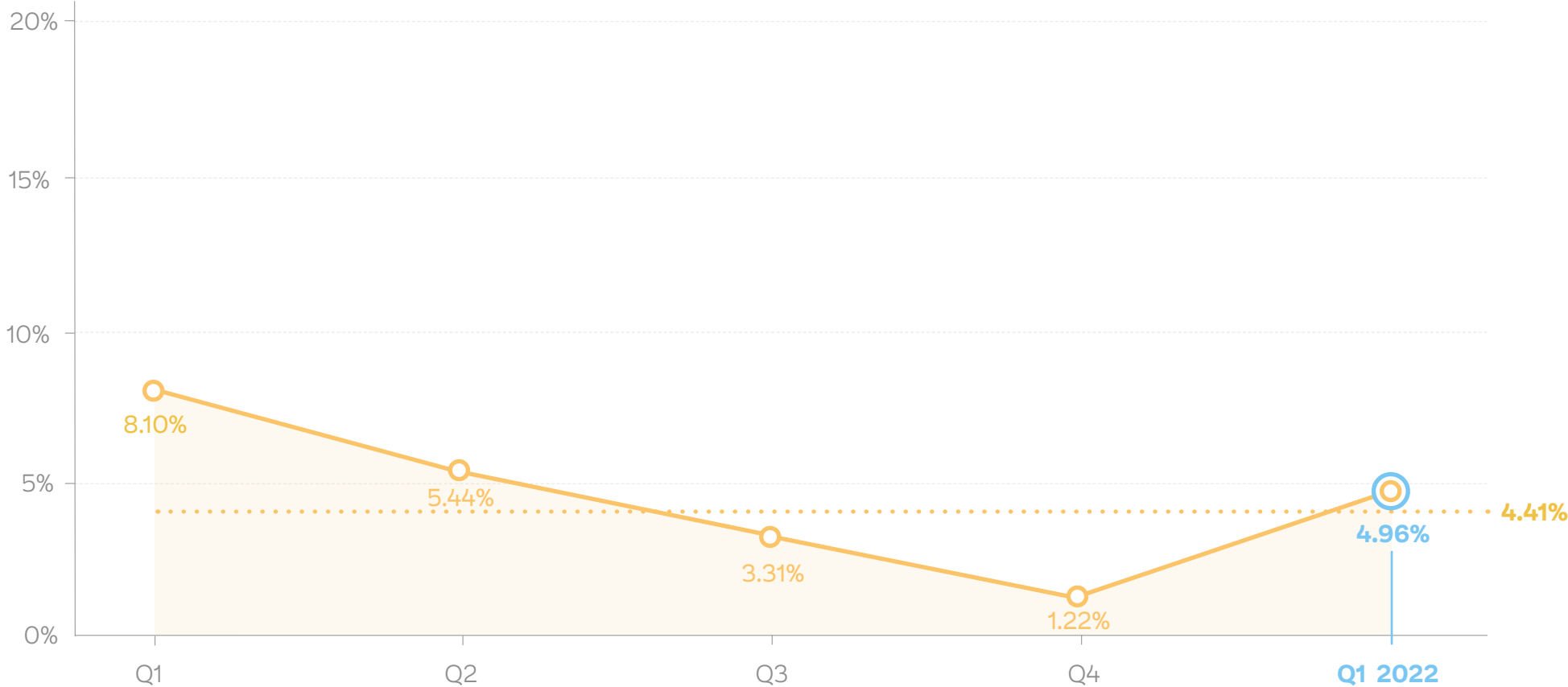
1ST QUARTER 2022

The average savings realized in Q1 increased to 4.96% from 1.22% in Q4. Compared to Q1 of 2021, we saw a drop from 8.10%.

4.96%

ROLLING FIVE QUARTERS OF AUCTION SAVINGS

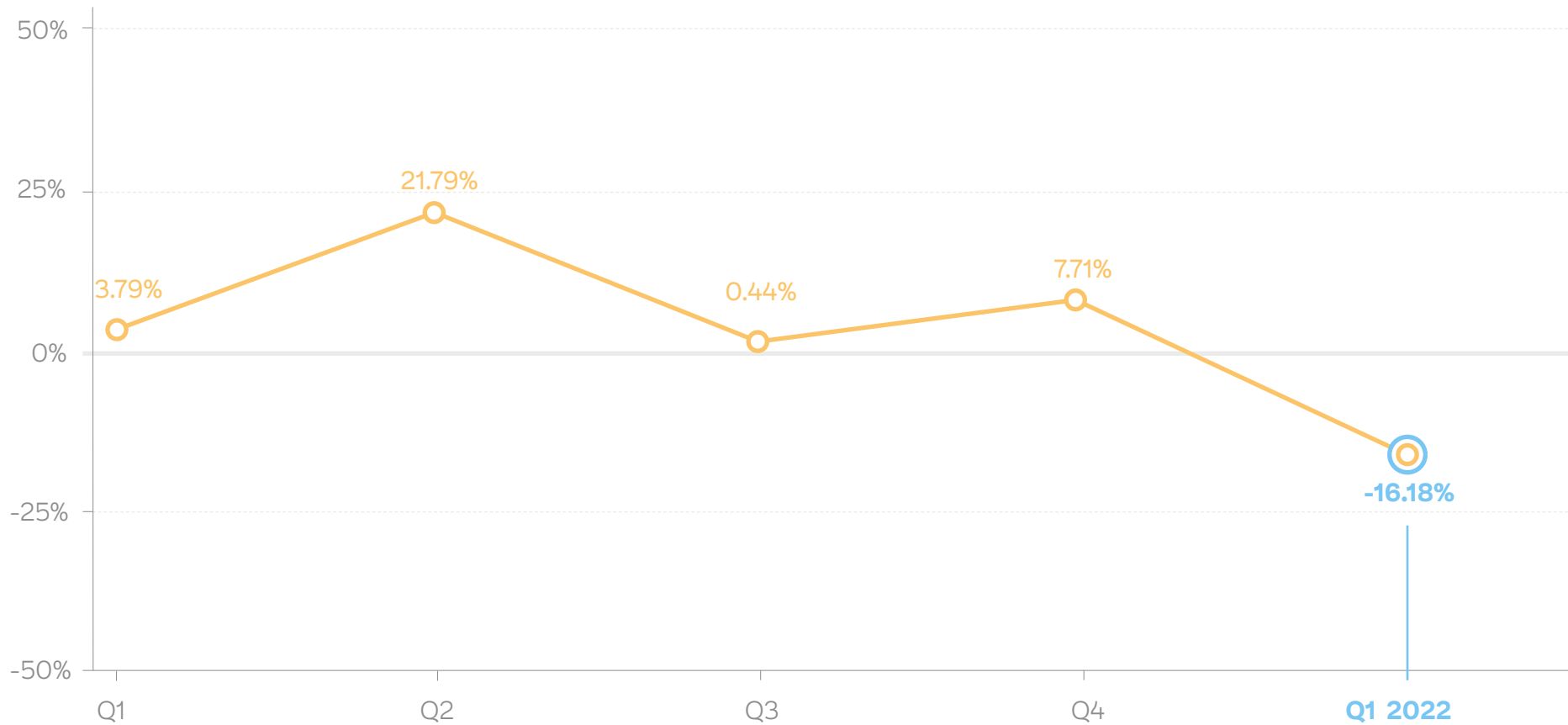
The following chart illustrates the past five quarters of average savings across all categories ranging from Q1 of 2021 to Q1 of 2022. The dotted line indicates the weighted average savings achieved over the five quarters.



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 Q1 of 2021 to Q1 of 2022 (both included). The dotted line indicates the moving weighted average growth achieved over the five quarters.

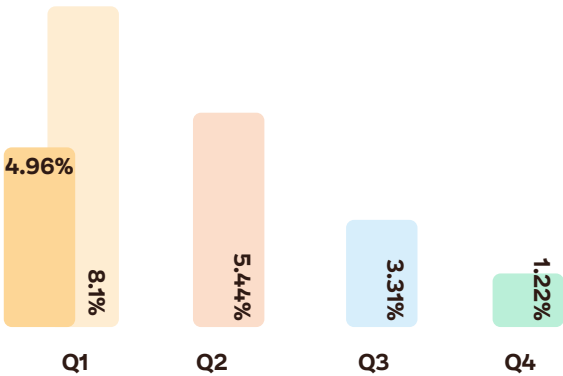


Source: Scanmarket (2022)

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. Q1 of 2022 achieved 4.96% savings on average across all categories vs 8.10% in Q1 of 2021.

- Q1 2022/2021
- Q2 2022/2021
- Q3 2022/2021
- Q4 2022/2021



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 first quarter of 2022.

Rank	Chg.	Prev.	Category area	% Savings
1	-	1	Services (Temporary Labour, Cleaning, IT & Security Services etc.)	0.64%
2	-	2	Iron and Metals (Tools, Spare Parts, Cables, Screws, etc.)	26.99%
3	-	3	Industrial Machinery (Assembly lines, Injection moulding machines, etc.)	-3.23%
4	-	4	Construction and Repair (Flooring, Damage Control, Engineering, Rebuilding etc.)	8.74%
5	-	5	Electrical and Telecommunication Equipment (Mobile Phones, Batteries, Scanners, Electrical Wires, etc.)	6.48%
6	-	6	Office Supplies and Furniture (Paper, Prints, toner, USB Stocks etc.)	5.27%
7	New	-	Retail - Non Food (Bags, Cleaning, Textiles, appliances, Lamp Oil etc.)	0.75%
8	-	8	Freight & Transportation (Sea, Land & Air)	-2.17%
9	-	9	IT Equipment (Stationary, Laptops, Printers, Flat Screens, Projectors etc.)	8.00%
10	▼	7	Packaging Materials (Cardboard, Foils, Tape, Pallets, Labels etc.)	-8.74%

4.96%

Average savings for all categories

Left top-10 since last quarter

10 Ingredients for food production (Additives, Flour, Sugar, Vegetables etc.)



Scanmarket

Scanmarket is a source-to-contract software provider that develops advanced functionalities in an effortless design. Originating from the needs of the end user, Scanmarket's S2C solution is attuned to meet the needs of the procurement professional. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your upstream procurement functions with technology that is built to be used.