

Q3 2021 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.

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 3rd 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.

Other Interesting Highlights

Freight auctions have fallen significantly as one of the most auctioned categories, but the latest quarter saw an improvement to 6th 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 for use on commoditized goods. The Services category is sustaining its dominance at the top of the most auctioned categories in 1st place. We keep seeing this trend of unlikely categories place at the top of our global leaderboard. These insights should drive your organization 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.

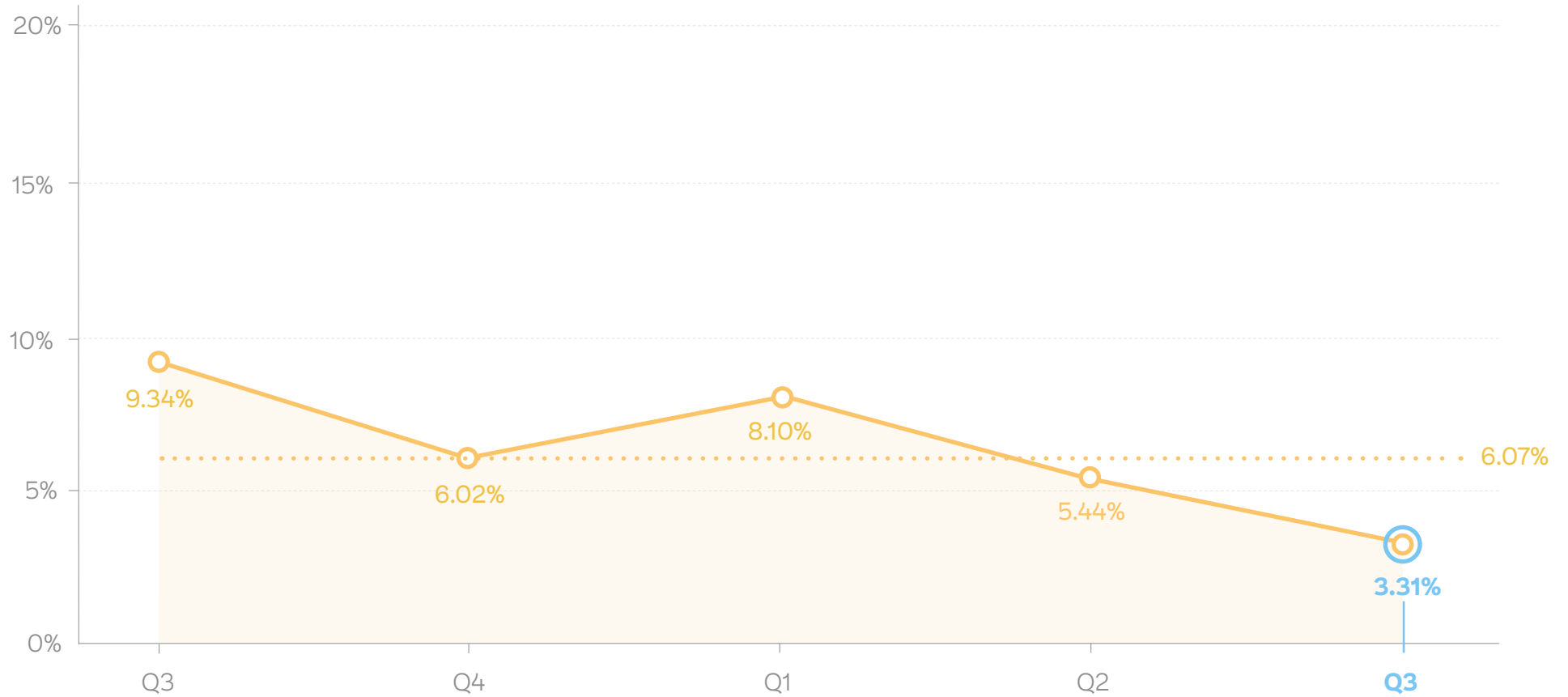
3RD QUARTER 2021

The average savings realized in Q3 dropped to a level of 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%

ROLLING FIVE QUARTERS OF AUCTION SAVINGS

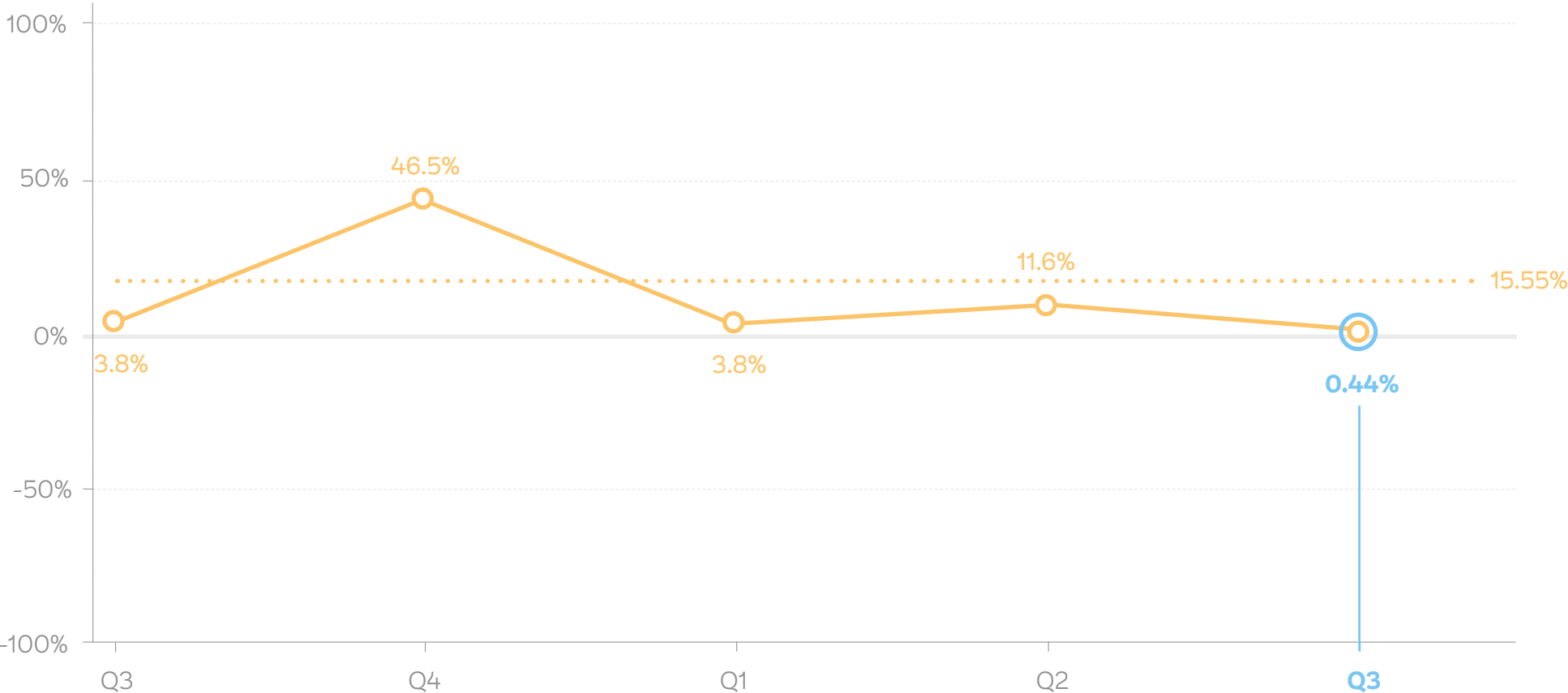
This chart illustrates the past five quarters of average savings across all categories ranging from Q3 of 2020 to Q3 of 2021. The dotted line indicates the weighted average savings achieved over the five quarters.



Source: Scanmarket (2021)

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.



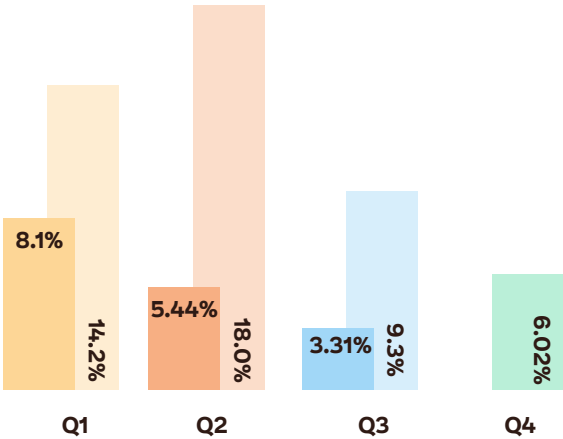
Source: Scanmarket (2021)

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.

- Q1 2021/2020
- Q2 2021/2020
- Q3 2021/2020
- Q4 2021/2020



Source: Scanmarket (2021)

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 and 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	Packaging 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%

Left top-10 since last quarter

6	Retail – Non Food (Bags, Cleaning, Textiles, Appliances, Lamp Oil etc.)
10	Ingredients for food production (Additives, Flour, Sugar, Vegetables etc.)

3.31%

Average savings for all categories



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.