

A group of business professionals in a meeting. A woman with long dark hair, wearing a white blazer over a dark top, is smiling and looking towards the camera. She is standing and pointing at a document on a table. An older man with white hair and a beard, wearing a light blue shirt, is sitting at the table and smiling. Other people are partially visible in the background, also smiling. The setting appears to be a modern office or conference room.

Q4 2020 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.

All savings reported are compared to the current price.

Q4 2020 commentary

2020 has been incredibly interesting to follow with regard to eAuction savings. After record-breaking savings of 14.17% in Q1 and 17.99% in Q2, Q3 results returned to levels much closer to the trend with average savings of 9.34%. The big question then remained, what would follow in Q4? Yet again, 2020 did not fail to deliver a highly intriguing data set.

Looking back on previous years, Q4 is typically the lowest quarter of the year for average eAuction savings. The average savings reported in Q4 dropped to 6.02%, the lowest average Q4 savings result since 2010. This number is then contrasted further by the significant difference seen in the first half of the year.

Significant differences in savings were reported in categories such as Iron & Metals (MRO), Freight & Transportation, and IT Equipment. These categories yielded average savings north of 20% versus the current price. This contrasts heavily with categories such as Ingredients for food production, Clothing and Construction & Repair, which yielded an average savings just above 0% or just below.

Q4 2020 commentary

Other Interesting Highlights

Q4 was also a record-breaking quarter with the highest number of auctions recorded on the Scanmarket platform, an increase of 81% on Q4's numbers in 2019 and 46% versus Q3 in 2020.

Savings in categories such as Freight & Transportation were incredibly impressive as air network capacity was significantly reduced. These results are a testament to the quality of processes being conducted by our clients through the eAuction module.

Services tops the list as the most negotiated category via eAuction in 2020. Services has often been a category excluded from eAuction processes, but it is a category in which the Scanmarket client base continues to show the procurement community what can be achieved.

The increases in savings and eAuction usage in 2020 indicate that eAuctions are proven to be a very effective method of negotiation, especially during the COVID-19 crisis.

The 2020 eAuction Savings Report will also be released soon where we will address the more year over year trends.

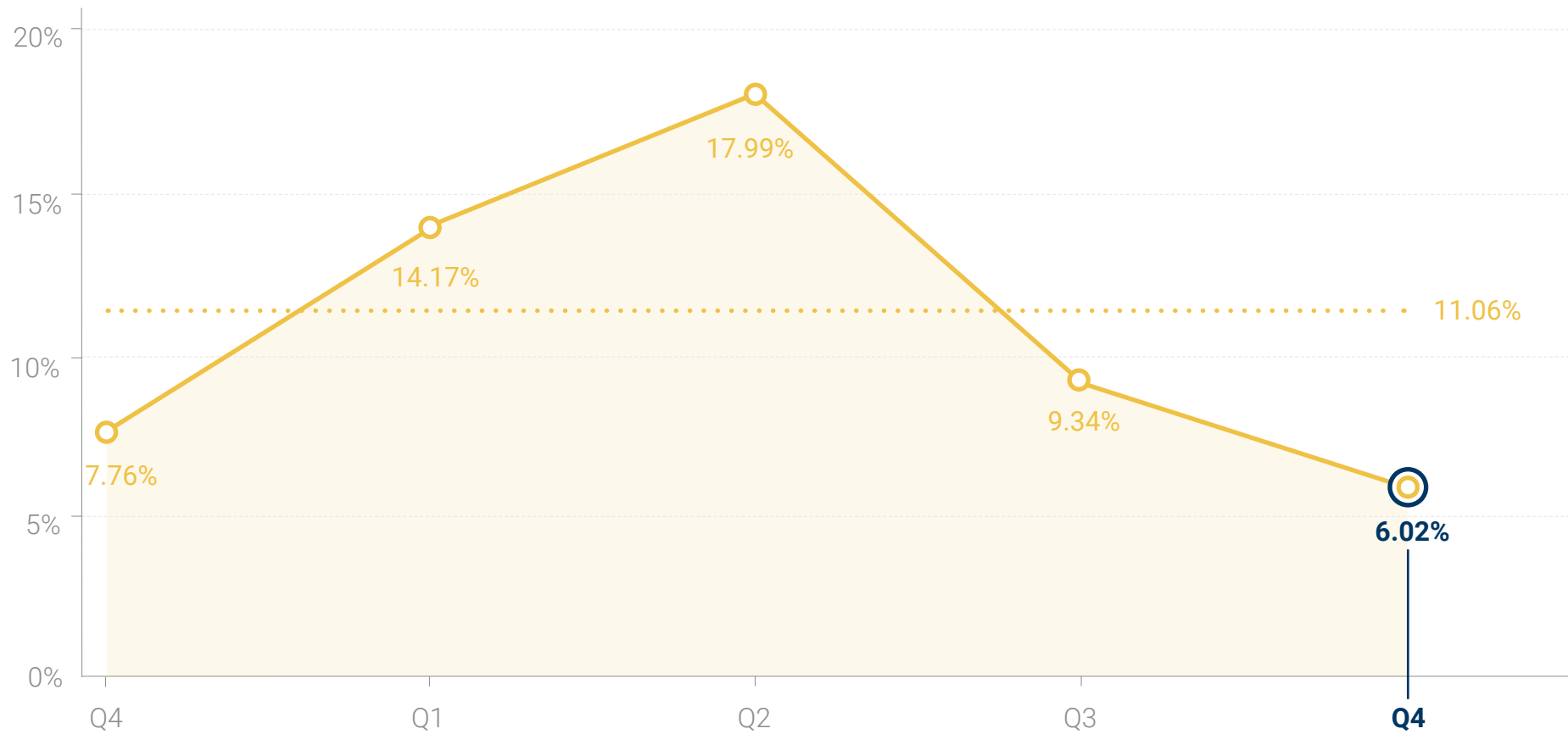
4TH QUARTER 2020

Average savings realized in Q4 of 2020 dropped to 6.02%, the lowest average 4th quarter savings since 2010. These results are down from 9.34% from the previous quarter (Q3 2020) and contrasted further by the significant differences reported in the first half of the year.

6.02%

ROLLING FIVE QUARTERS OF AUCTION SAVINGS

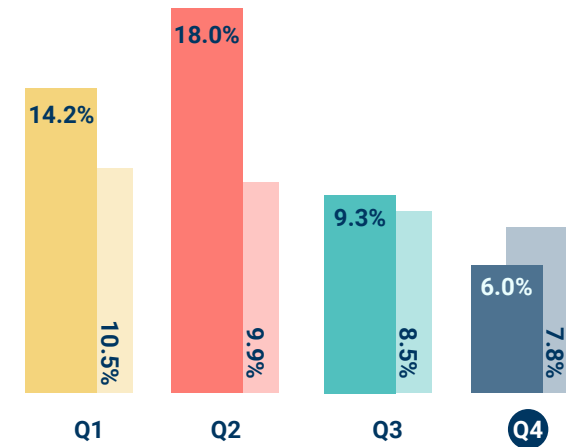
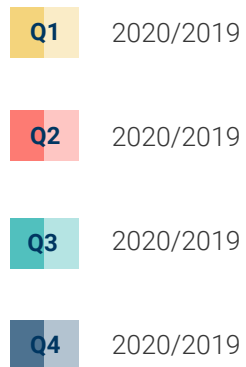
This chart illustrates the past five quarters of average savings across all categories ranging from Q4 of 2019 to Q4 of 2020. The dotted line indicates the average savings achieved over the five quarters.



Source: Scanmarket (2021)

QUARTER OVER QUARTER

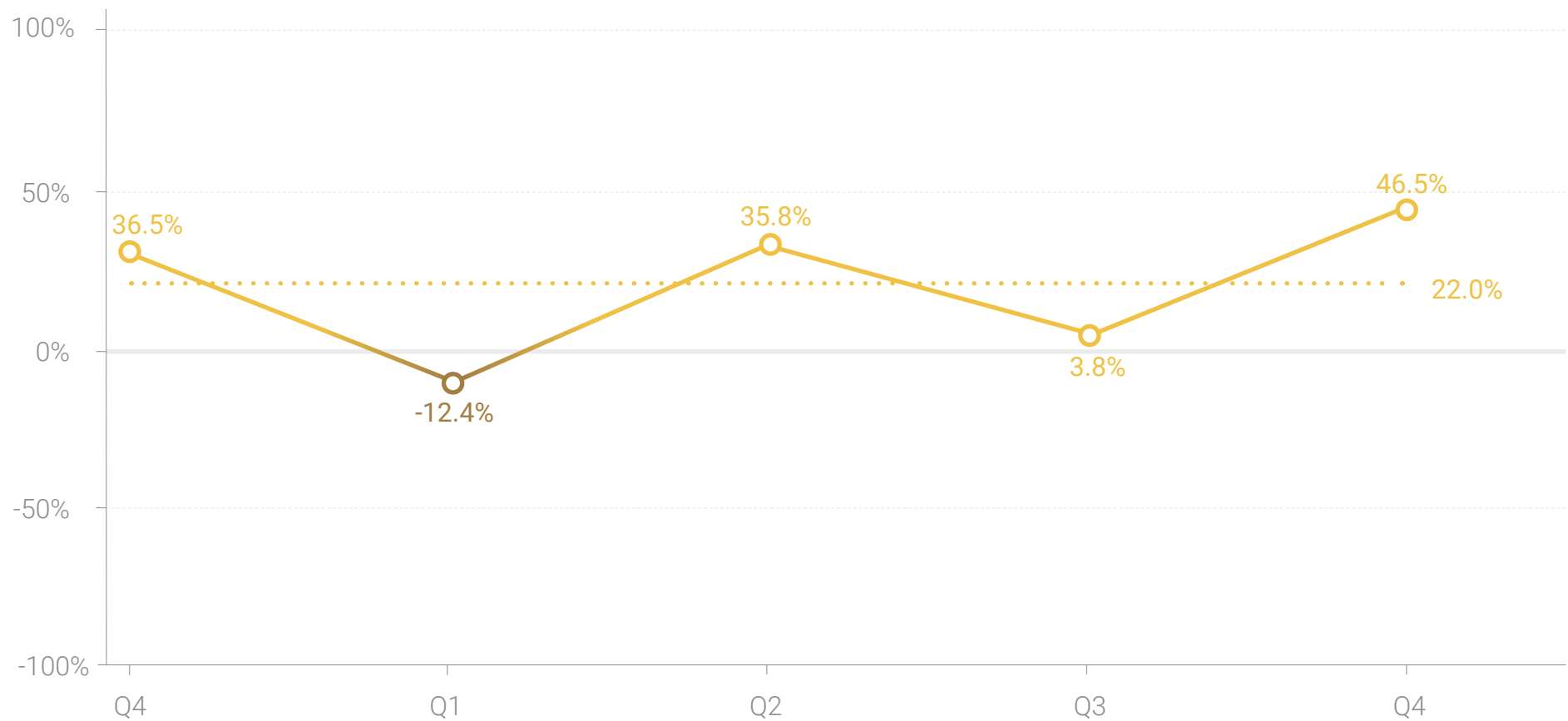
This chart shows each quarter of 2020 compared to each quarter of 2019. Here, 2020 is compared to 2019 in terms of average savings for all categories. Q4 2020 achieved 6.0% savings on average across all categories versus 7.8% in Q4 of 2019.



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 Q4 of 2019 to Q4 of 2020 (both included). The dotted line indicates the average achieved growth quarter over quarter.



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 fourth quarter of 2020.

Rank	Chg. Prev.	Category area	% Savings
1	-	1 Services (Temporary Labour, Cleaning, IT & Security Services etc.)	7.71%
2	▲	4 Construction & Repair (Flooring, Damage Control, Engineering, Rebuilding etc.)	2.21%
3	▲	5 Industrial Machinery (Assembly lines, Injection moulding machines, etc.)	15.52%
4	▼	2 Iron and Metals (Tools, Spare Parts, Cables, Screws, etc.)	28.35%
5	▲	8 Clothing (Safety Equipment, Working clothes & shoes, bags, gloves etc.)	2.01%
6	▼	3 Electrical and Telecommunication Equipment (Mobile Phones, Batteries, Scanners, Electrical Wires, etc.)	10.83%
7	▼	6 Freight & Transportation (Sea, Land & Air)	26.09%
8	New	- Ingredients for food production (Additives, Flour, Sugar, Vegetables etc.)	-2.10%
9	New	- Retail – Non Food (Bags, Cleaning, Textiles, Appliances, Lamp Oil etc.)	4.73%
10	New	- IT Equipment (Stationary, Laptops, Printers, Flat Screens, Projectors etc.)	26.47%

6.02%

Average savings for all categories

Left top-10 since last quarter

- 7 Retail – Food (Oil, Dressings, Cereals, Bread, Rice, Pasta etc.)
- 9 Packaging Materials (Cardboard, Foils, Tape, Pallets, Labels etc.)
- 10 Chemical Products (Chemicals, Paint, Cleaning appliances etc.)

Source: Scanmarket (2021)



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.