

eAuction savings report

Q4 2023



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Every quarter, Unit4 reports on statistics covering insights into the savings performed by Scanmarket by Unit4 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.

Unit4 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.

Q4 2023 commentary

As 2023 came to a close, we observed another robust quarter wrapping up. Q4 concluded with a savings rate of 10.02%, marking the fourth consecutive quarter in 2023 with over 10% average savings through the use of eAuctions across all categories.

Although Q4 saw a slight decline from Q3 (from 10.42% to 10.02%), the overall performance in 2023 was impressive. It remains interesting to monitor whether this positive trend will extend into Q1 of 2024. In comparison to Q4 2022, this year's Q4 also showed substantial growth, rising from 6.88%.

The Israel-Hamas conflict persisted through Q4 into 2024, expanding into the Gulf of Aden. Commercial ship traffic faced attacks when approaching the Red Sea and the critical path of the Suez route. This escalation forced longer sailing routes around the south of Africa, which raised costs for electronics and other consumer goods. The impact of these additional expenses is being felt from Southeast Asia into Europe.

Despite a modest 4% decrease in the volume of eAuctions executed in Q4 compared to Q3, there was a notable 23% increase from Q4 2022. eAuction adoption is seen favorably as a reliable source for savings and price optimization across various categories.

10.02%

4th quarter 2023

The average savings realized in Q4 decreased slightly to 10.02% from 10.42% in Q3 2023. Compared to Q4 of 2022, we saw a significant increase up from 6.88%.



Examining individual category volumes, there were only a few shifts in the top 10, with one new entrant and one leaving. The top three categories (*Services*, *Construction*, and *Iron & Metals*) remained unchanged. *Services* reclaimed the lead as the most-auctioned category, delivering outstanding savings of 20.94%.

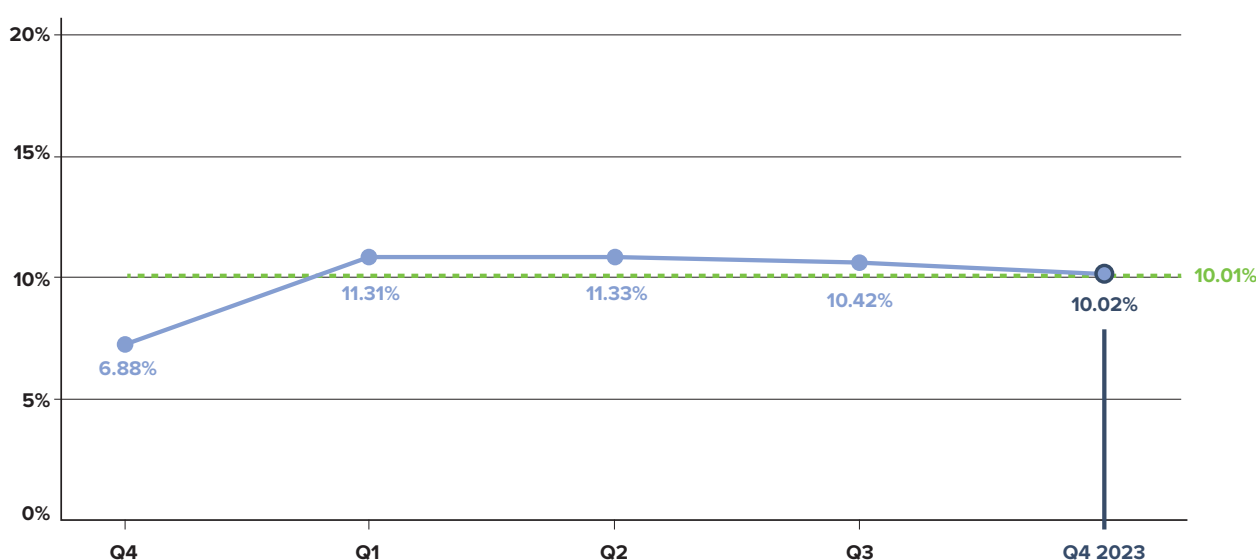
Noteworthy savings performers for Q4 were *Iron and Metals* with a remarkable 27.29% savings rate and *Machinery* with a striking 31.10%. *Freight & Transportation*, a recurring category in the top 10, faced price pressure, concluding Q4 in eighth place with a modest savings rate of 1.52%.

In total, Scanmarket by Unit4 reported a savings rate of 10.02% in Q4, reaffirming the embrace of eAuctions by buyers to counter inflationary pressures and secure better category prices. The results of Q1 are eagerly awaited to see if the positive trends from 2023 will persist and set new records.

Stay tuned for the upcoming quarterly savings report in April as well as the annual analysis, Global eAuction Index for 2023, will be published in Q1, incorporating data from the entire year to assess if 2023 ranks high across all contributing parameters.

Rolling five quarters of auction savings

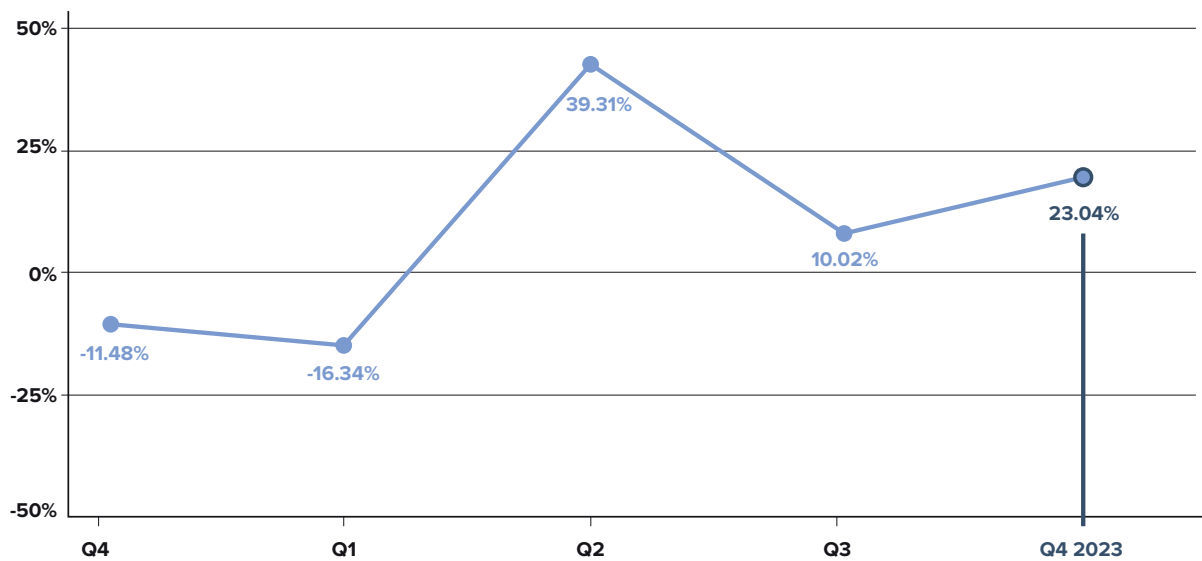
The following chart illustrates the **past five quarters of average savings across all categories** ranging from Q4 of 2022 to Q4 of 2023. The dotted line indicates the weighted average savings achieved over the five quarters.



Source: Unit4 (2024)

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 2022 to Q4 of 2023 (both included).

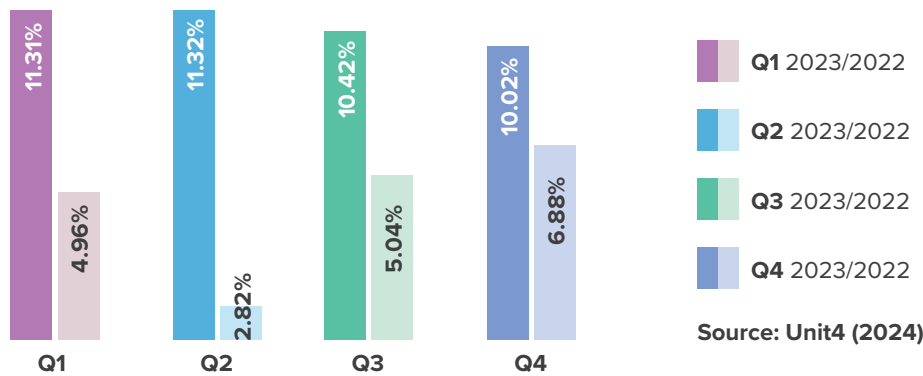


Source: Unit4 (2024)

Quarter over quarter

The following chart shows 2023 quarters compared to 2022 quarters in terms of average savings for all categories in each quarter.

Q4 of 2023 achieved 10.02% savings on average across all categories vs. 6.88% in Q4 of 2022.



Source: Unit4 (2024)

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 2023.

Rank	Chg.	Prev.	Category area	% savings
1	-	1	Services (temporary labour, cleaning, IT & security services, etc.)	20.94%
2	-	2	Construction & repair (flooring, damage control, engineering, rebuilding etc.)	13.68%
3	-	3	Iron & metals (tools, spare parts, cables, screws, etc.)	27.29%
4	▲	6	Retail - non food (bags, cleaning, textiles, appliances, lamp oil etc.)	10.46%
5	▼	4	Industrial machinery (assembly lines, injection moulding machines, etc.)	31.10%
6	▼	5	Electrical & telecommunication equipment (mobile phones, batteries, scanners, electrical wires, etc.)	6.57%
7	▲	9	Ingredients for food production (additives, flour, sugar, vegetables etc.)	10.37%
8	▼	7	Freight & transportation (sea, land & air)	1.52%
9	▼	8	Marketing materials, services & advertising (assorted materials, assorted services)	10.19%
10	New	-	Packaging materials (cardboard, foils, tape, pallets, labels etc.)	14.49%

Left top-10 since last quarter

10	Chemical products (chemicals, paint, cleaning appliances etc.)
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Source: Unit4 (2024)

Scanmarket by Unit4

Scanmarket by Unit4 is a source-to-contract software provider that develops advanced functionalities in an effortless design. Our S2C solution is attuned to meet the needs of procurement, legal and finance professionals. We take ownership of customer success with experts at your fingertips to drive user adoption. Digitalize your business with technology that is built to be used.



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scanmarket.unit4.com

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