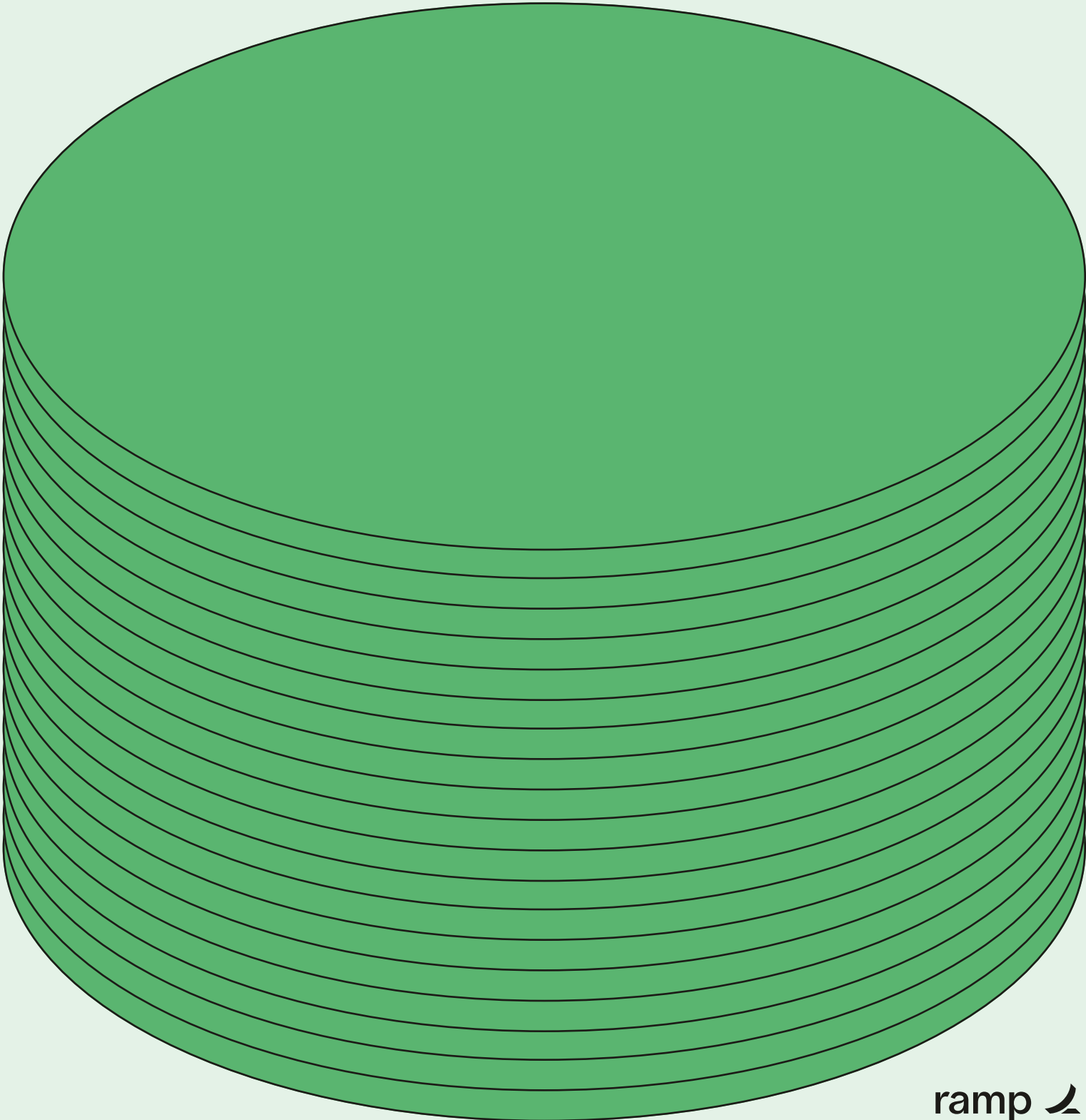


# 2024 Business Spending Benchmarks

Q1



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# Introduction

Here at Ramp, we have a unique vantage point of corporate finance trends, with our platform powering tens of billions in spend each year for tens of thousands of businesses. In Q1, our customers' spending grew despite sticky inflation and dropping small business optimism, mirroring market trends of solid consumer spending.

Overall, year-over-year spending increased in nearly all top categories, giving 2024 a robust start. Recurring spend with advertising, cloud computing, and software vendors increased for six consecutive months, suggesting that businesses continue to be growth-oriented. Time will tell if the elusive priced-in rate cuts from the Federal Reserve will turn the tides in corporate spend.

This report reveals the latest tools and vendors that companies are using to stay competitive, with a special deep dive into the fast-changing AI landscape. For more insights, see the analysis from our Head of Data Science Ian Macomber on the Ramp blog.

# Key findings

01

## **Businesses leveraging AI are increasing their usage.**

Over a third of Ramp customers now pay for at least one AI tool compared to 21% one year ago. The average business spent \$1.5k on AI tools in Q1, an increase of 138% year over year—indicating that companies using AI are seeing clear benefits and doubling down.

02

## **AI is gaining steam outside of tech.**

While tech companies were the quickest to adopt AI tools, companies in other industries are catching up. The healthcare and biotech sector saw the largest year-over-year increase in the number of companies transacting with AI vendors (131%).

03

## **The usage of narrow AI tools is increasing.**

General development AI tools like OpenAI continue to be category leaders, but AI tools with a specialized focus like Fireflies.ai are growing their share of wallet.

04

## **Companies are optimizing their finance stack.**

Finance tools like TaxBandits, Aatrix Software, Tax1099, and Stripe are some of the fastest-growing vendors on Ramp this quarter by customer count. Part of the traction is seasonal, but the rapid growth of these tools suggests companies are looking for ways to automate compliance.

05

## **Businesses are watching their travel spend.**

Mean card spend with airlines rose dramatically in Q1 despite overall travel budgets staying steady. While much of the increase can be attributed to inflationary prices, a growth in international business travel also contributed to the rise.

# About this report

Ramp Business Spending Benchmarks is a quarterly report on corporate spending trends based on thousands of aggregated, anonymized transactions on Ramp cards and invoices paid through Ramp Bill Pay.

For year-over-year comparisons, our sample size comprises customers who have been active with Ramp over that entire 12-month period. Quarter-over-quarter comparisons comprise customers who have been active with Ramp over the two quarters analyzed. Small SMBs represent companies with 1-24 employees. Large SMBs represent companies with 25-99 employees. Mid-market companies range from 100-999 employees. Expense categories for their transactions are based on merchant category codes provided by Visa. These and other report definitions are subject to change.

Analysis is based solely on card and transaction data observable by Ramp, and should not be taken as an indication of a company's or Ramp's business performance. Some data points were excluded to protect customer privacy.

[See prior reports](#)

# Q1 business spending



Chart 01

### Median card spend

Mid-market companies saw the highest spending increases for the fourth consecutive quarter—driven mainly by higher airline and lodging costs.

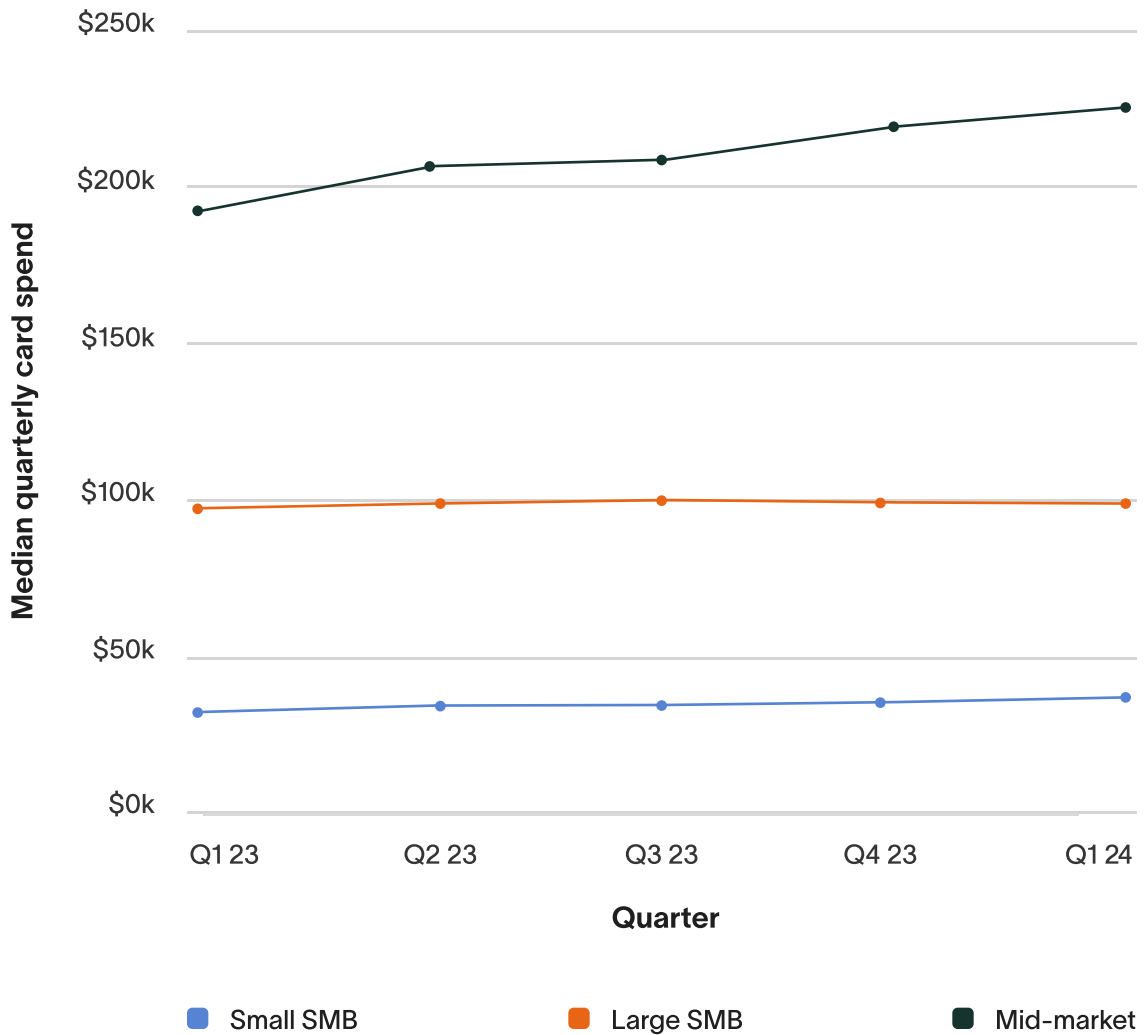


Chart 02

### Median AP spend

Increased spend on Google Ads and Amazon Web Services drove the spike in median AP spend for mid-market companies. It's not unusual for AP spend to increase as dollar amounts spent with vendors increase, but the steep increases over the past two quarters suggest that companies may also be looking for ways to extend their cash flow.

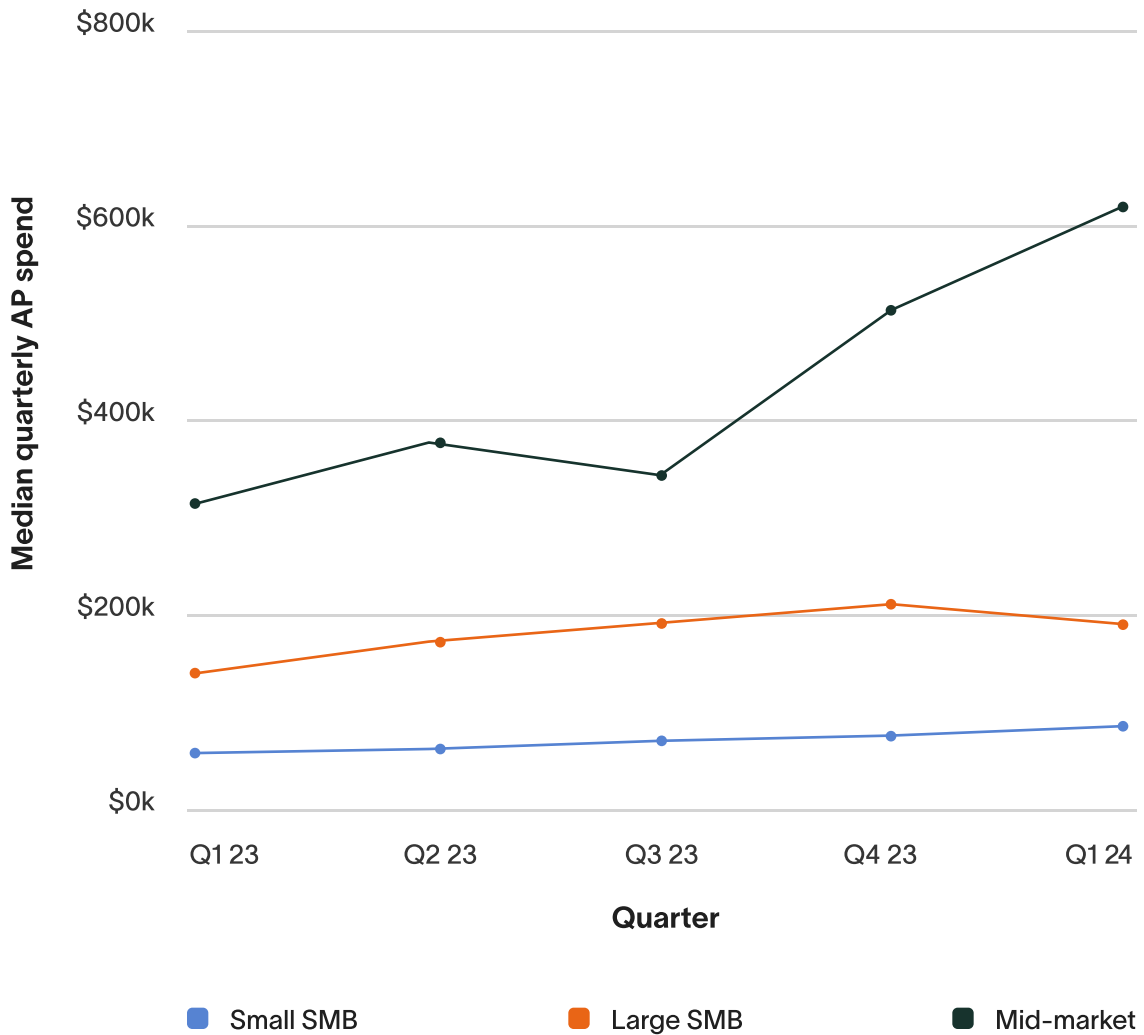


Chart 03

### Change in mean card spend

Spending in most expense categories went up—especially in travel, as airline price increases outpace inflation. Shipping fell out of favor this quarter, with mid-market companies spending significantly less on FedEx.

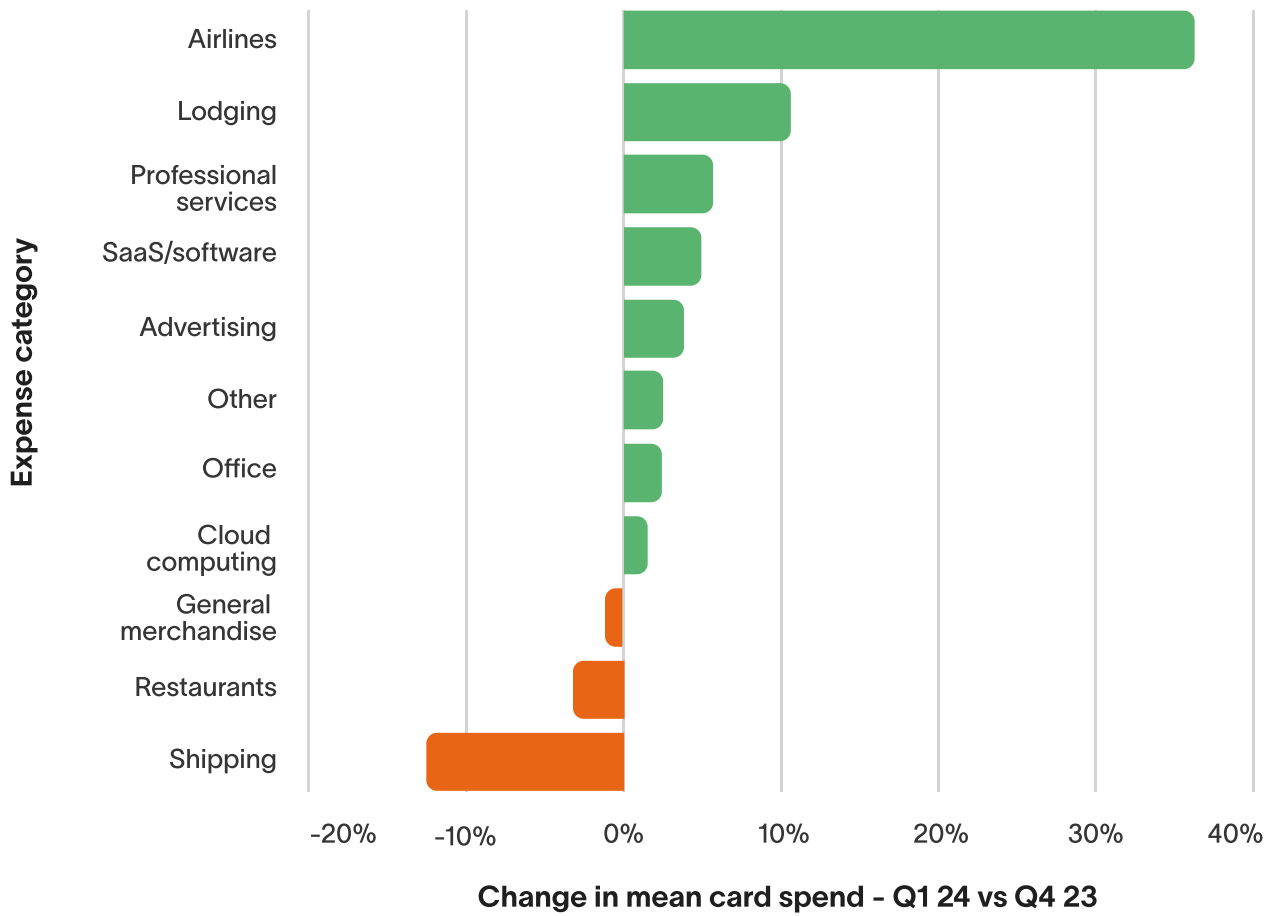


Chart 04

**Recurring spend by category**

Recurring spend consists of transactions between a set pool of Ramp customers and vendors who have transacted together monthly for the past six months or longer. Companies continued to spend on advertising, cloud computing, and SaaS/software, increasing their expenditures with vendors in these categories for six consecutive months. The trend suggests companies are positioning themselves and their budgets for growth.

■ ↑ in 3-mo spend total     
 ■ ↓ in 3-mo spend total

Expense category	Oct 23	Nov	Dec	Jan 24	Feb	Mar
Advertising	■	■	■	■	■	■
Airlines	■	■	■	■	■	■
Alcohol / bars	■	■	■	■	■	■
Books / newspapers	■	■	■	■	■	■
Car rental	■	■	■	■	■	■
Car services	■	■	■	■	■	■
Charitable donations	■	■	■	■	■	■
Clothing	■	■	■	■	■	■
Cloud computing	■	■	■	■	■	■
Clubs / memberships	■	■	■	■	■	■
Education	■	■	■	■	■	■
Electronics	■	■	■	■	■	■
Entertainment	■	■	■	■	■	■
Fees / financial institutions	■	■	■	■	■	■
Fines	■	■	■	■	■	■

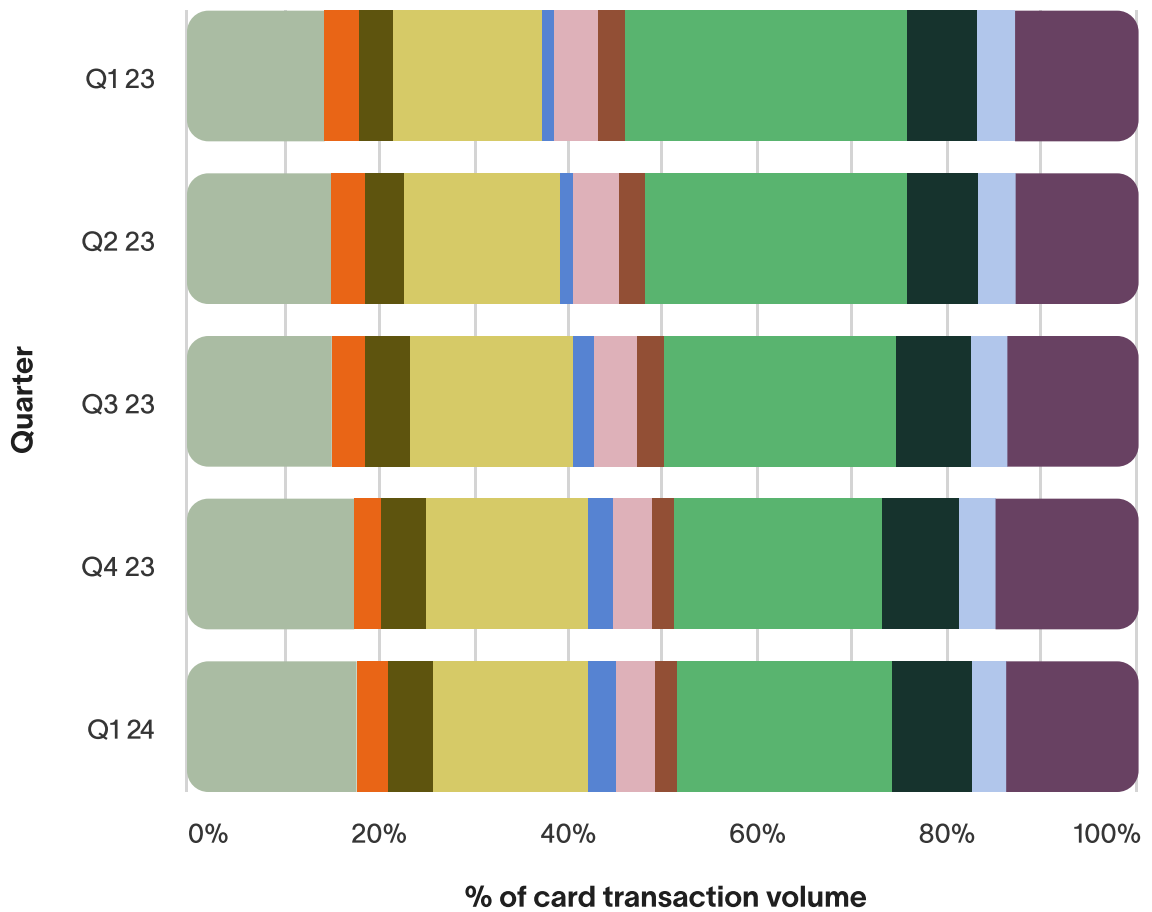
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Expense category	Oct 23	Nov	Dec	Jan 24	Feb	Mar
Freight / moving / delivery services	■	■	■	■	■	■
Fuel / gas	■	■	■	■	■	■
General merchandise	■	■	■	■	■	■
Government services	■	■	■	■	■	■
Insurance	■	■	■	■	■	■
Internet / phone	■	■	■	■	■	■
Intra-company purchases	■	■	■	■	■	■
Legal	■	■	■	■	■	■
Lodging	■	■	■	■	■	■
Medical	■	■	■	■	■	■
Office	■	■	■	■	■	■
Office supplies / cleaning	■	■	■	■	■	■
Parking	■	■	■	■	■	■
Political organizations	■	■	■	■	■	■
Professional services	■	■	■	■	■	■
Religious organizations	■	■	■	■	■	■
Restaurants	■	■	■	■	■	■
SaaS / software	■	■	■	■	■	■
Shipping	■	■	■	■	■	■
Streaming services	■	■	■	■	■	■
Supermarkets / grocery stores	■	■	■	■	■	■
Taxes / tax preparation	■	■	■	■	■	■
Taxi / rideshare	■	■	■	■	■	■
Travel misc.	■	■	■	■	■	■
Utilities	■	■	■	■	■	■

Chart 05

**Small SMB spend**

As a percentage of card transaction volume, small SMBs continued to sustain their increased spending on advertising. We found entertainment spending (grouped under "Other") dropped after the holidays, while insurance emerged as a top expense category this quarter.

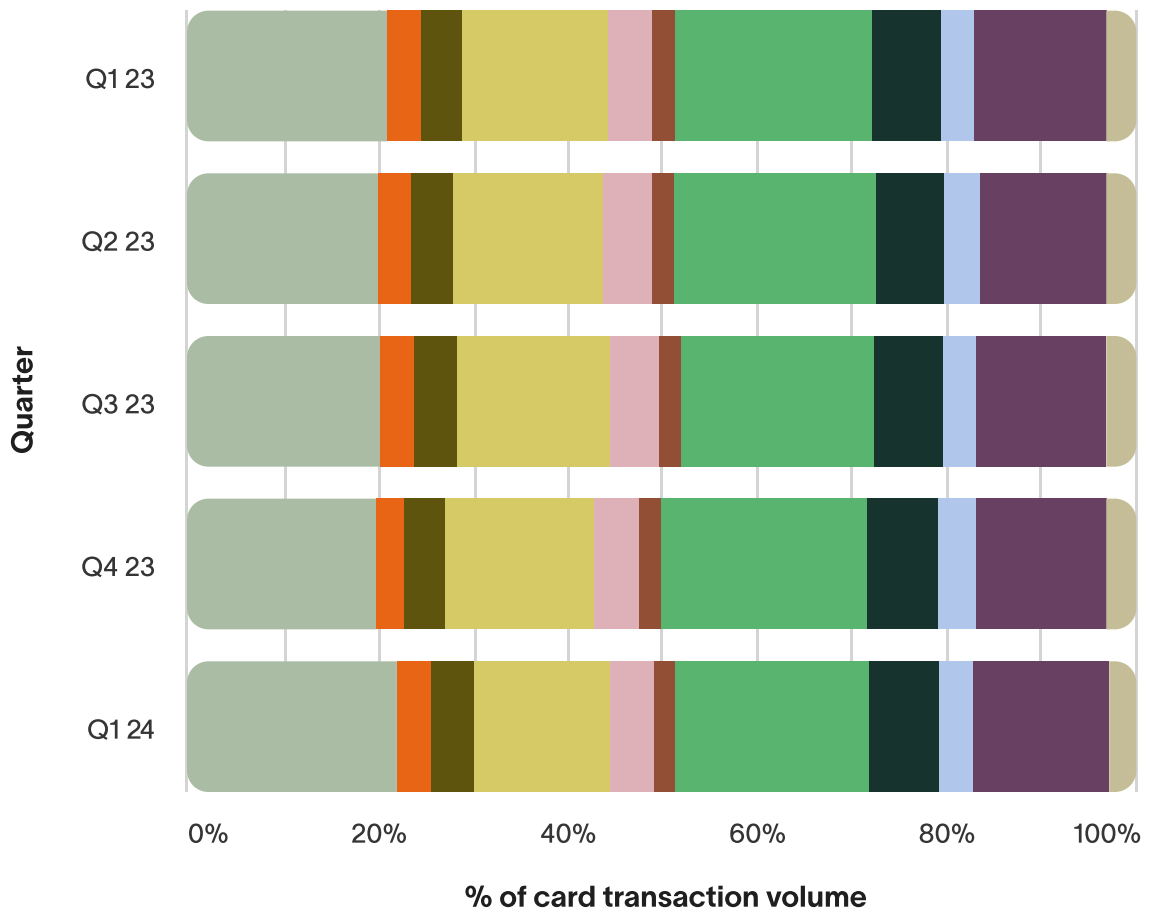


- Advertising
- Office
- Airlines
- Other
- Cloud computing
- Professional services
- General merchandise
- Restaurants
- Insurance
- SaaS/software
- Lodging

Chart 06

**Large SMB spend**

Following their small SMB and mid-market peers who already began boosting advertising spend last quarter, large SMBs were late to the party but finally jumped on the trend of increasing ad spend as a percentage of card transaction volume.

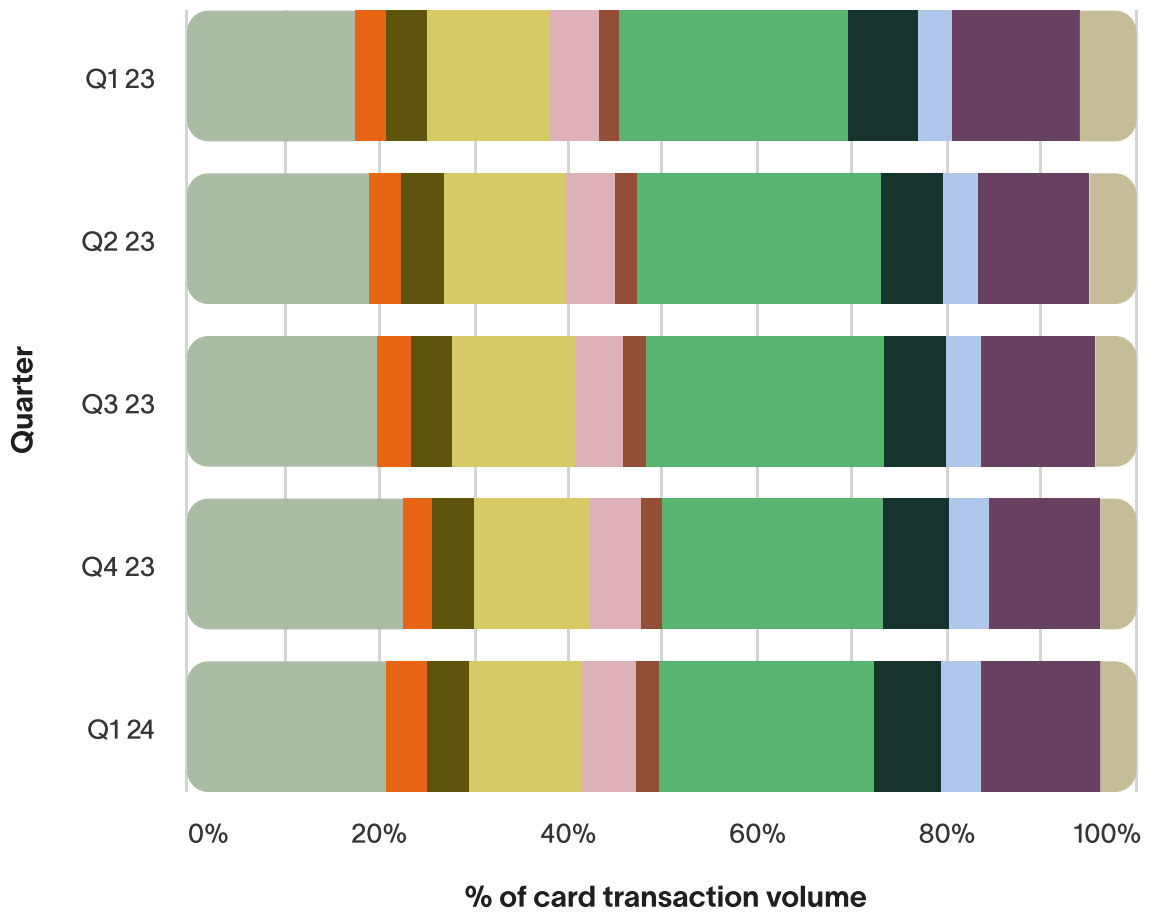


- Advertising
- Other
- Airlines
- Professional services
- Cloud computing
- Restaurants
- General merchandise
- SaaS/software
- Lodging
- Shipping
- Office

Chart 07

**Mid-market spend**

Advertising as a share of mid-market card transaction volume dropped, with many consumer goods companies winding down their advertising spend after the holidays.



- Advertising
- Other
- Airlines
- Professional services
- Cloud computing
- Restaurants
- General merchandise
- SaaS/software
- Lodging
- Shipping
- Office



Chart 08

**Biggest expenses for small SMBs**

United Airlines emerged as a top vendor by mean card spend this quarter, as airline prices rise and teams stay remote. The airline knocked Apple off the list, suggesting that businesses may be pulling back on spend on new tech equipment, but continuing to travel.

Vendor	Q1 24 mean card spend	QoQ change	YoY change
1. Facebook Ads	\$41,461	6.3%	28.9%
2. Google Ads	\$36,660	9.8%	55.3%
3. Amazon Web Services	\$13,236	1.6%	56.6%
4. Google Cloud	\$7,357	-10.7%	42.4%
5. Upwork	\$4,878	-7.0%	-4.2%
6. Amazon	\$3,565	-3.9%	-11.8%
7. The Home Depot	\$3,419	-44.9%	26.6%
8. United Airlines	\$3,242	7.1%	19.9%
9. Delta Air Lines	\$3,217	27.8%	14.4%
10. HubSpot	\$3,172	8.1%	23.3%

Chart 09

### Biggest expenses for large SMBs

The vendors that made up the biggest expenses for large SMBs were unchanged from last quarter, showing consistency in major expenditures.

Vendor	Q1 24 mean card spend	QoQ change	YoY change
1. Google Ads	\$81,393	14.5%	39.7%
2. Facebook Ads	\$68,431	8.2%	-9.7%
3. Amazon Web Services	\$29,790	2.5%	11.6%
4. FedEx	\$9,681	1.3%	16.7%
6. LinkedIn Ads	\$9,609	0.1%	37.4%
7. Google Cloud	\$7,755	5.8%	-0.6%
7. Twilio	\$7,420	16.7%	65.3%
8. Amazon	\$6,731	1.6%	-13.0%
9. HubSpot	\$6,466	4.2%	11.0%
10. Upwork	\$6,412	-5.5%	31.6%

Chart 10

### Biggest expenses for mid-market companies

Mid-market companies lowered mean card spend with many top vendors this quarter. Some of the spend may have moved to AP for high-value vendors like Google Ads and Facebook Ads.

Vendor	Q1 24 mean card spend	QoQ change	YoY change
1. Google Ads	\$151,459	-7.0%	34.0%
2. Facebook Ads	\$70,911	-12.0%	0.2%
3. Amazon Web Services	\$51,162	0.5%	0.2%
4. LinkedIn Ads	\$14,260	-8.3%	7.8%
5. Amazon	\$13,232	-11.3%	-12.9%
6. UPS	\$13,571	-10.1%	-21.3%
7. Google Cloud	\$10,901	2.4%	-9.3%
9. FedEx	\$9,824	-36.3%	-71.7%
9. HubSpot	\$9,337	2.3%	-23.9%
10. Upwork	\$9,136	-5.9%	-1.3%

Chart 11

**Fastest-growing software vendors by customer count**

Hello, tax season! In Q1, companies were eager to sign onto new tax tools, especially ones that incorporate AI features like Tax1099.

<b>Vendor</b>	<b>Change in the number of customers with card transactions from Q4 23</b>	<b>Q1 24 mean card spend</b>
1. TaxBandits	New	\$280
2. Aatrix Software	New	\$618
3. Cvent	New	\$1,078
4. Tax1099	1293.4%	\$389
5. Anthropic	284.5%	\$389
6. Perplexity AI	164.3%	\$88
7. Stripe	98.2%	\$1,879
8. Capcut	58.7%	\$35
9. Instill AI	57.4%	\$116
10. Renewed Vision	55.4%	\$424

# Deep dive: AI spending

Businesses across all industries continue to tap into the transformative potential of AI tools, with over a third of Ramp customers now paying for at least one AI tool compared to just 21% one year ago. Given the fast-changing landscape, here's a closer look at the latest tools that companies are using—and just how much they're spending. For our analysis, we included tools on the [2024 Forbes AI 50 list](#) and an additional 339 Ramp vendors that we consider part of the AI landscape.

Chart 12

### AI usage by industry

While tech-focused companies were the quickest to adopt AI tools, companies in other industries are catching up. The healthcare and biotech sector saw the largest year-over-year increase in the number of companies transacting with AI vendors (131%), while tech saw the slowest growth (45%).

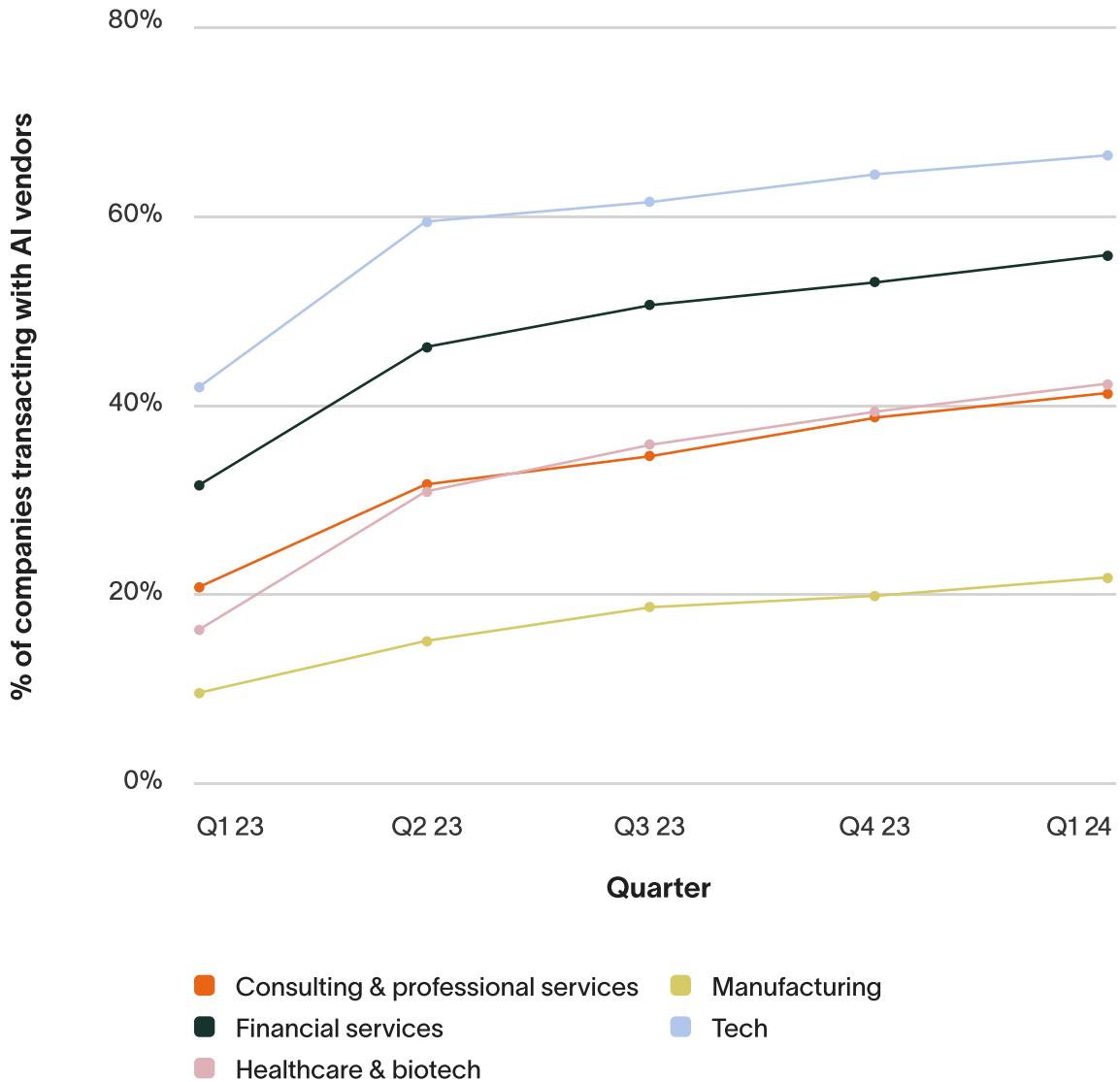


Chart 13

### Top AI vendors by customer count

OpenAI remains the category leader, but Anthropic and Perplexity grew the fastest quarter over quarter. General AI development tools continue to dominate the list, suggesting companies are focused on building their own AI-powered capabilities.

Vendor	Change in the number of businesses transacting on Ramp cards from Q4 23	Change in the number of businesses transacting on Ramp cards from Q1 23
1. OpenAI	7.6%	90.8%
2. Midjourney	-2.3%	116.2%
3. Anthropic	284.5%	na
4. Fireflies.ai	7.8%	111.2%
5. ElevenLabs	19.1%	431.0%
6. Perplexity AI	164.3%	na
7. Instill AI	57.4%	3100.0%
8. Instantly.ai	23.7%	123.1%
9. Beautiful.ai	-3.2%	22.0%
10. Pinecone	8.6%	266.7%

Chart 14

### AI spend by company size

Companies are increasing their AI spend, especially large SMBs and mid-market companies. Card transaction volume for AI software services jumped 293% year over year, compared to an increase of just 6% in overall software transaction volume during the same period.

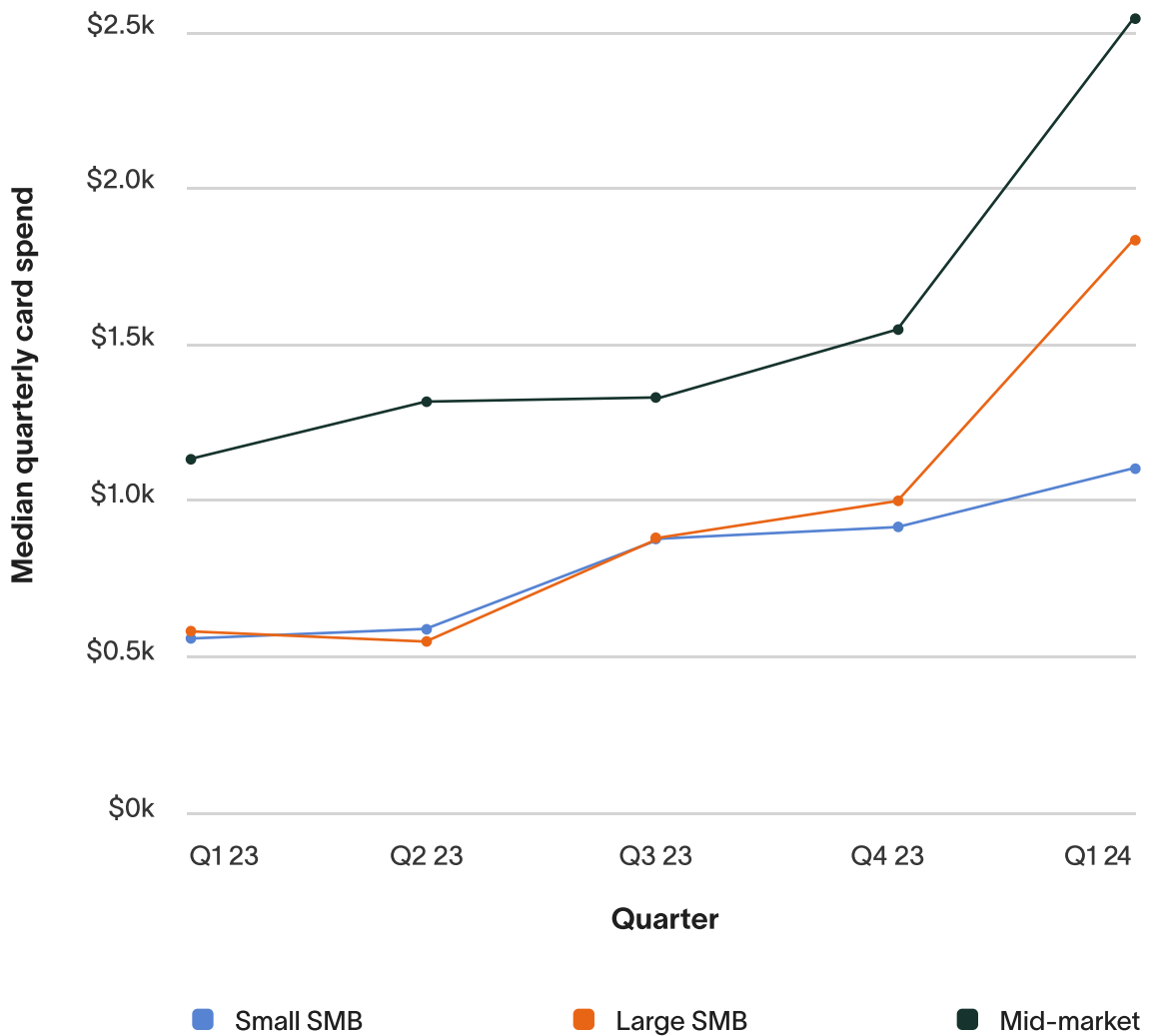




Chart 15

### Biggest AI expenses

Top AI expenses are general AI development tools like Databricks and AssemblyAI, but customers are also increasingly spending on narrow AI tools like Seamless.AI, accessiBe, Fireflies.ai, and Instantly.ai. Note, once usage exceeds a certain scale, companies tend to shift payments from cards to AP.

Vendor	Q1 24 mean card spend	QoQ change	YoY change
1. Databricks	\$11,173	313.8%	231.9%
2. AssemblyAI	\$3,122	na	183.9%
3. Seamless.AI	\$2,823	29.4%	18.0%
4. accessiBe	\$2,740	67.3%	12.3%
5. Mistral AI	\$2,154	na	na
6. Pinecone	\$1,211	-12.5%	-65.7%
7. OpenAI	\$902	44.8%	322.4%
8. Fireflies.ai	\$408	8.6%	40.4%
9. Instantly.ai	\$360	20.0%	17.0%
10. Anthropic	\$360	-43.2%	na

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# About Ramp

Ramp is the ultimate platform for modern finance teams. Combining corporate cards with expense management, bill payments, vendor management, accounting automation, and more, Ramp is the all-in-one solution designed to save businesses time and money, and free finance teams to do the best work of their lives. Our mission is to help build healthier businesses, and it's working: over 20,000 businesses on Ramp save an average of 5% more and close their books 8x faster. Founded in 2019, Ramp powers the fastest-growing corporate card and bill payment platform in America, and enables tens of billions of dollars in purchases each year.

[ramp.com](https://ramp.com)

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