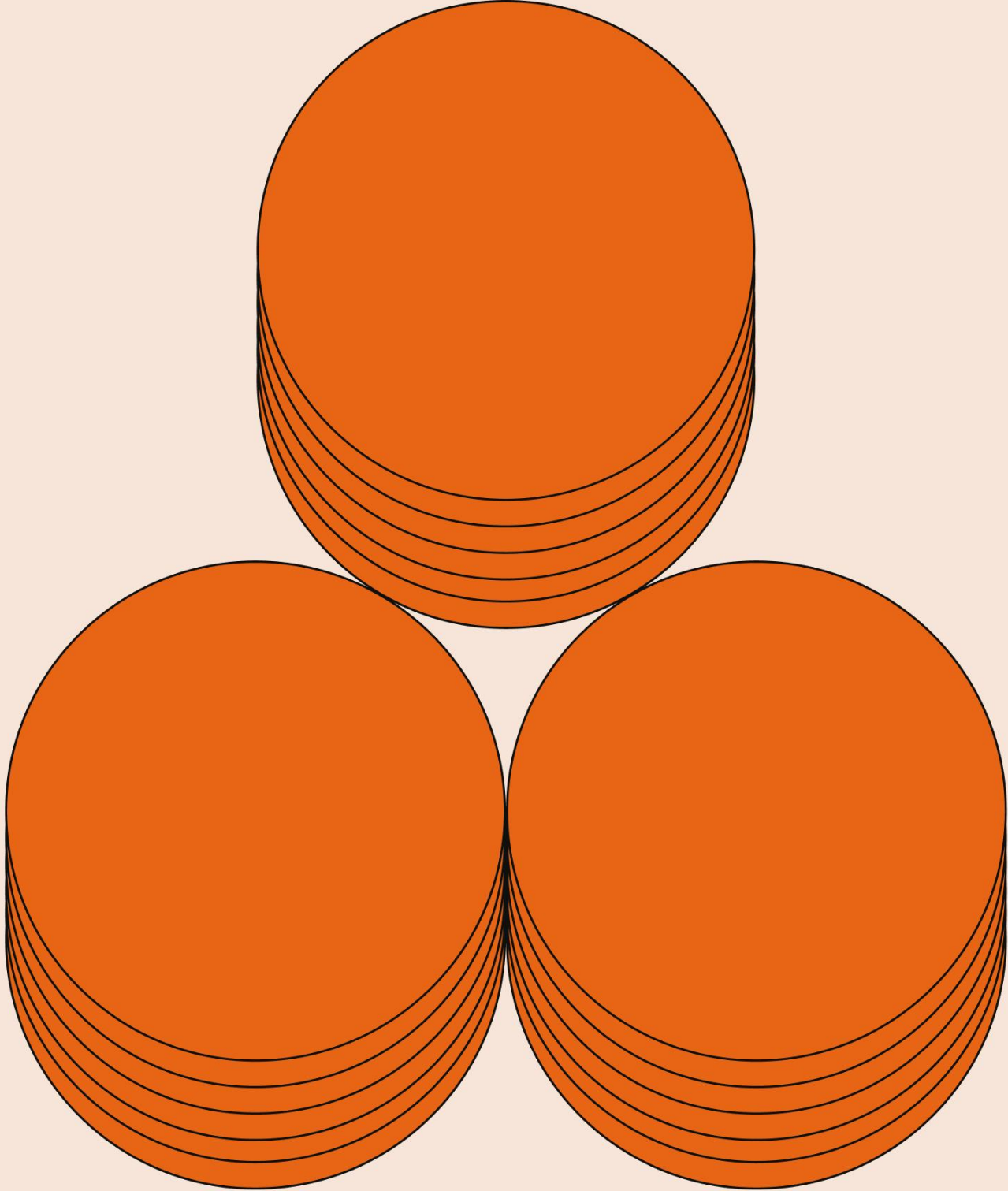


# 2024 Business Spending Benchmarks



**Fall**

ramp 

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# Introduction

Q3 2024 was action-packed, to say the least. Businesses weathered sharp market swings, navigated simmering inflation, and finally saw the long-awaited Fed rate cut.

Along the way, billions of dollars processed on Ramp's platform in Q3 show how companies handled the ups-and-downs of the American economy. Cautious optimism seems to be prevailing: a normalized subset of customers kept overall card expenses flat to up while purchases via AP increased. Businesses doubled down on software investments in particular, with card expenses for the category rising 24% year over year.

Within software, AI is undeniably in a class of its own. In Q3, over half of the fastest-growing software vendors by customer count were AI companies. A new analysis of spending by department shows where usage is increasing.

As employees hit the road again for conference season and holiday get-togethers, the report also shares the latest policies finance teams have created on Ramp to keep travel costs in check.

See additional insights from our Data team on the [Ramp blog](#) and [microsite](#).

# Key findings

01

**Foundation models are becoming a commodity.**

The percentage of OpenAI customers also using Anthropic has risen from 3% to 22% this year. With new models like Anthropic's Claude 3.5 Sonnet in market, companies are setting up infrastructure to easily swap models from different vendors and optimize performance for specific use cases.

02

**Over half of the fastest-growing software companies are AI.**

Engineering teams are driving their growth. AI-assisted coding tools like Cursor, Supermaven, and Replit saw their customer count soar. Other AI developer tools, like Parallels and LangChain, also grew fast. Our data support Stripe's recent finding that AI startups scale 5x faster than past SaaS companies.

03

**Increased travel spending marked the arrival of conference season.**

Airlines, lodging, and restaurants saw mean card spend slide during the early summer months—but each of these categories picked up again in August and September for a normalized customer cohort as summer vacations end and conference season kicks off.

04

**Retailers are ramping up social media spending to reach consumers.**

Ahead of the holiday season, retail companies are diversifying their advertising mix with social platforms that are especially adept at helping users discover new products from their peers. Past the perennial behemoths of Google and Facebook, TikTok was the third-largest advertising channel in Q3, while X, Reddit, and Pinterest were the fastest-growing by customer count.

# About this report

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

For year-over-year comparisons, our sample comprises customers who have been active with Ramp throughout that entire 12-month period. Quarter-over-quarter comparisons comprise customers who have been active with Ramp over the two quarters analyzed. Very small businesses represent companies with 1-24 employees. Small-to-medium businesses (SMBs) represent companies with 25-99 employees. Mid-market companies range from 100 to 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.

This report analyzes card and transaction data observable by Ramp or data available from trusted third-party sources. Any conclusions should not be taken as an indication of a company's or Ramp's business performance. Some data points are excluded to protect customer privacy.

[See prior reports](#)

# Q3 business spending



Chart 01

### Median card spend

Across segments, year-over-year spending rose the most in mid-market (20%), driven by lodging. Spending rose 6% for SMBs and 16% for very small businesses. However, quarter-over-quarter spending held steady across the board. Companies may be tightening discretionary spending given the economy and upcoming election.

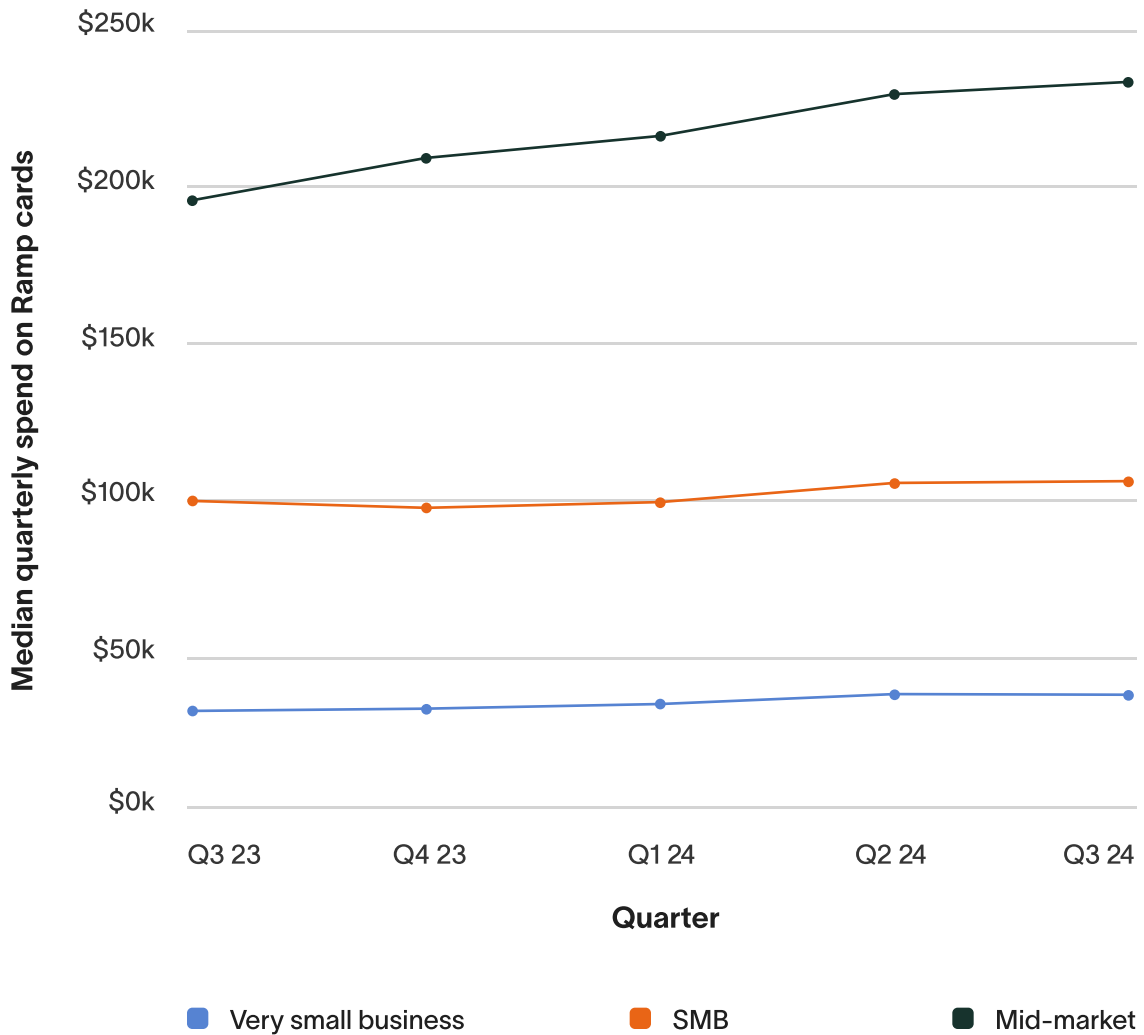


Chart 02

### Median AP spend

Companies of all sizes had year-over-year increases in AP spend, with recent mid-market increases largely attributable to Salesforce and SMB increases largely attributable to Amazon Web Services.

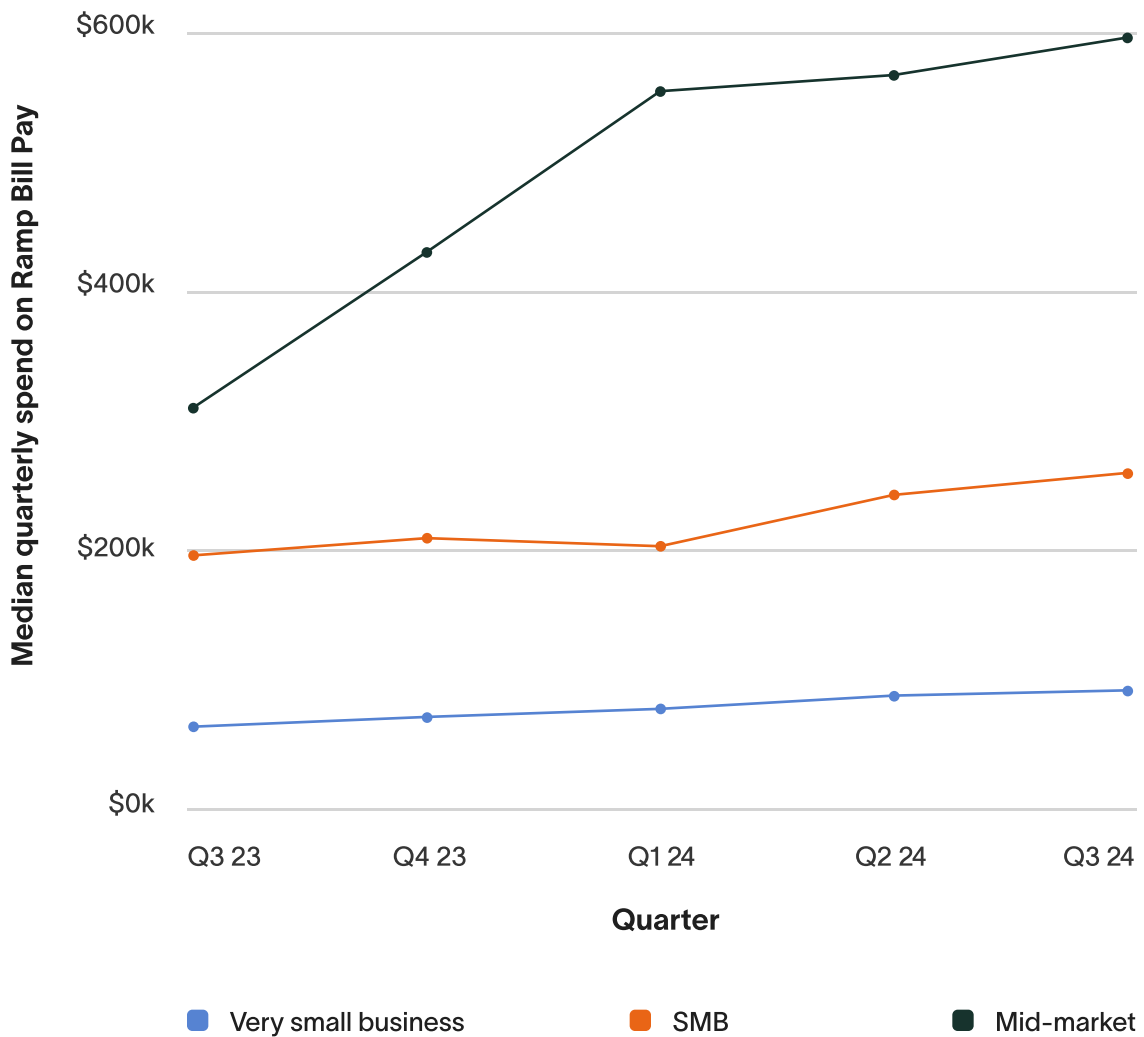


Chart 03

### Change in mean card spend YoY

All 10 categories that we track saw year-over-year increases of over 10%. While inflation is one contributing factor, the strong underlying business environment helped sustain high levels of investment. Deepening AI usage likely bolstered the 24% year-over-year increase in software spending, as seen in Chart 11.

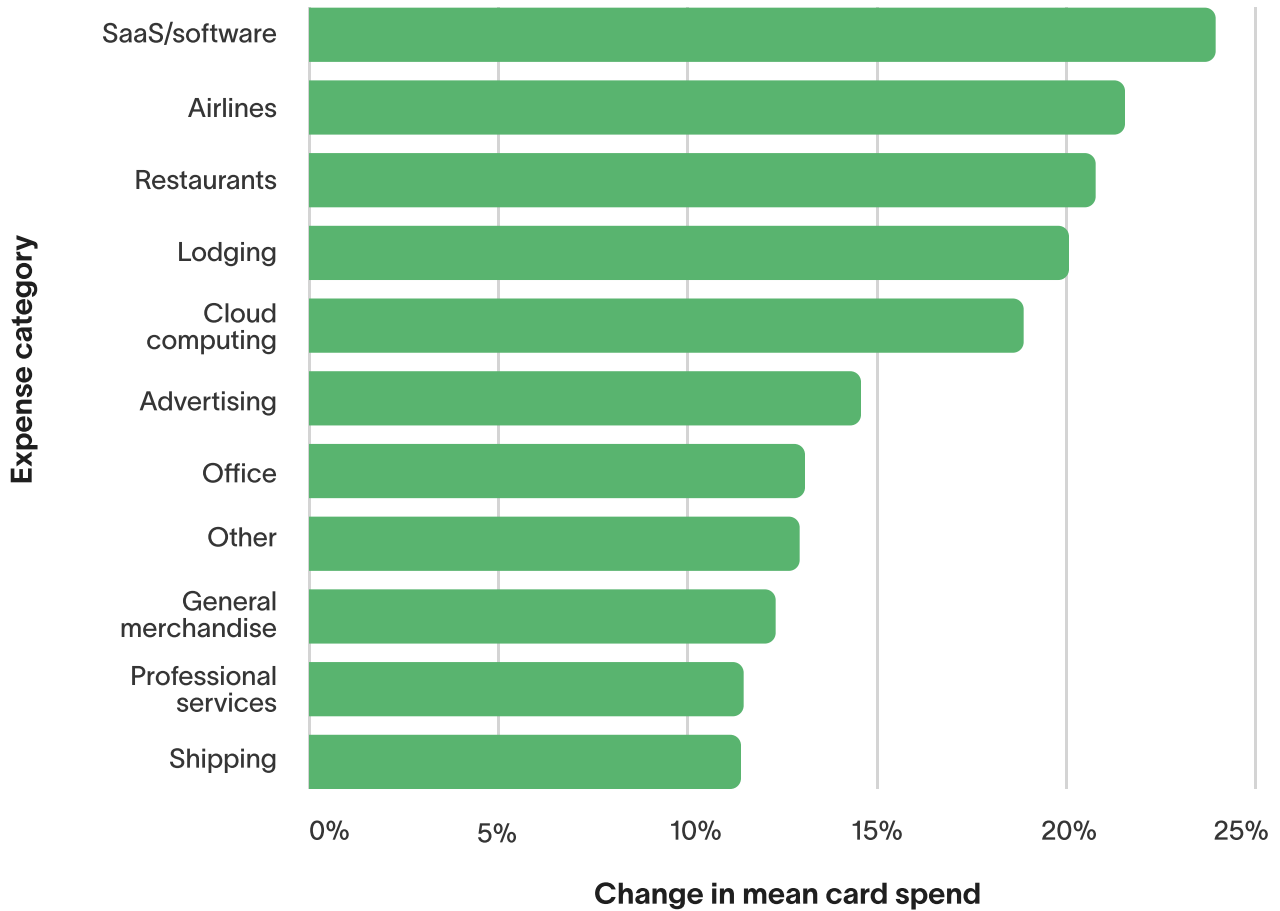


Chart 04

### Change in mean card spend QoQ

Quarter-over-quarter data for top categories show slight spending decreases for lodging and airlines, largely explained by seasonality and slow summers. Advertising spend dipped as more customers shifted to paying via AP after recent changes to Google's payment policies.

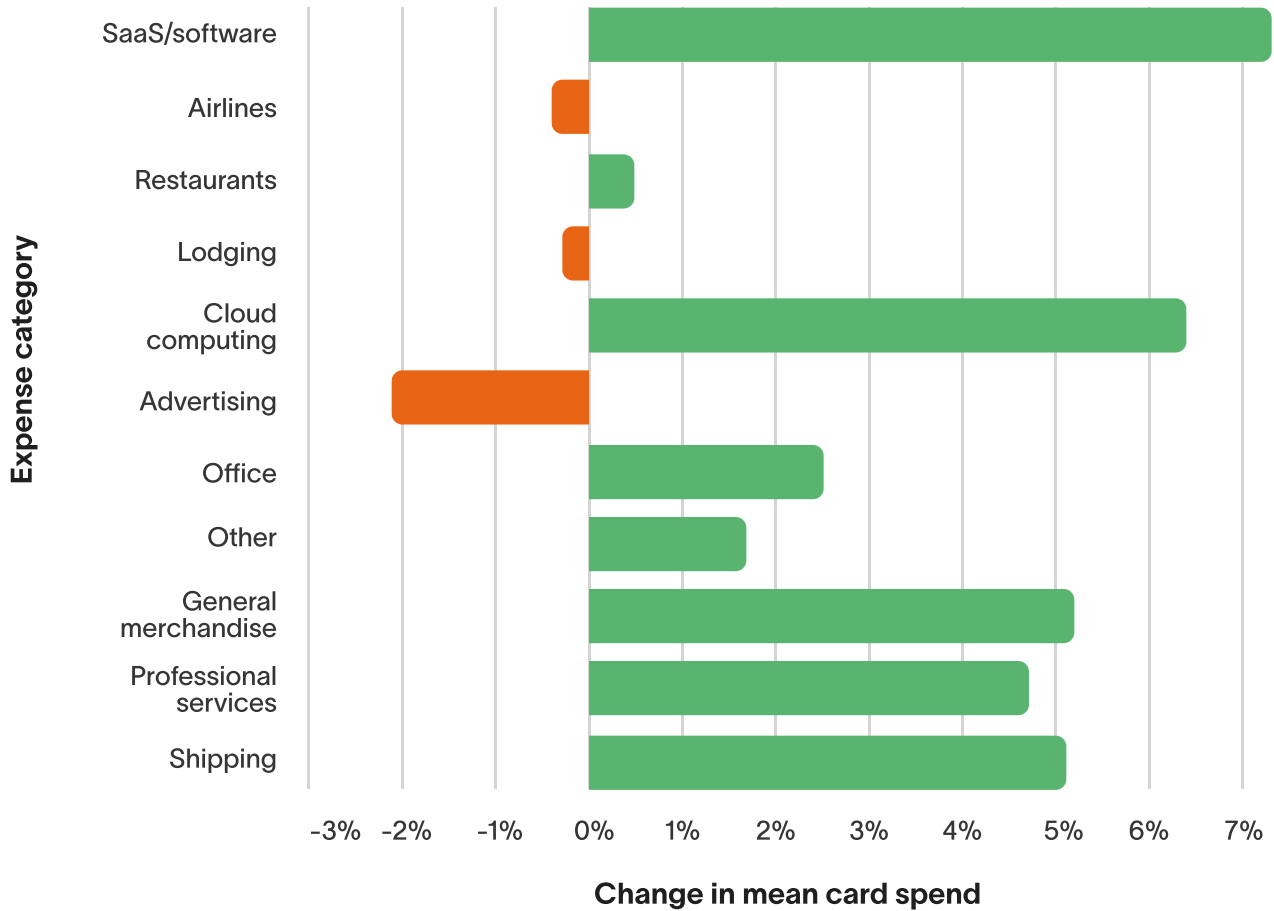
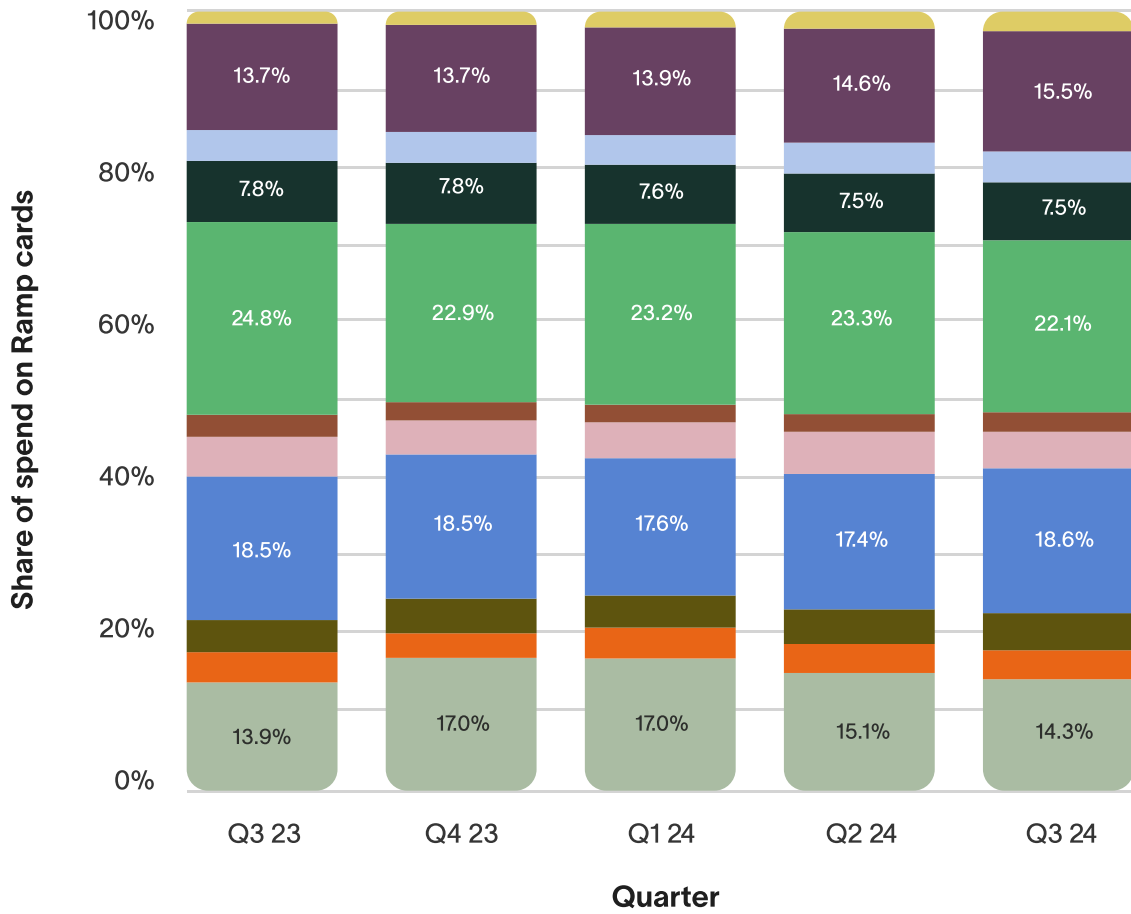


Chart 05

**Card spend by category for very small businesses**

Spending patterns remained highly consistent across categories over the course of the year. Unlike SMBs and mid-markets, very small businesses allocated more of their spend toward general merchandise rather than advertising.

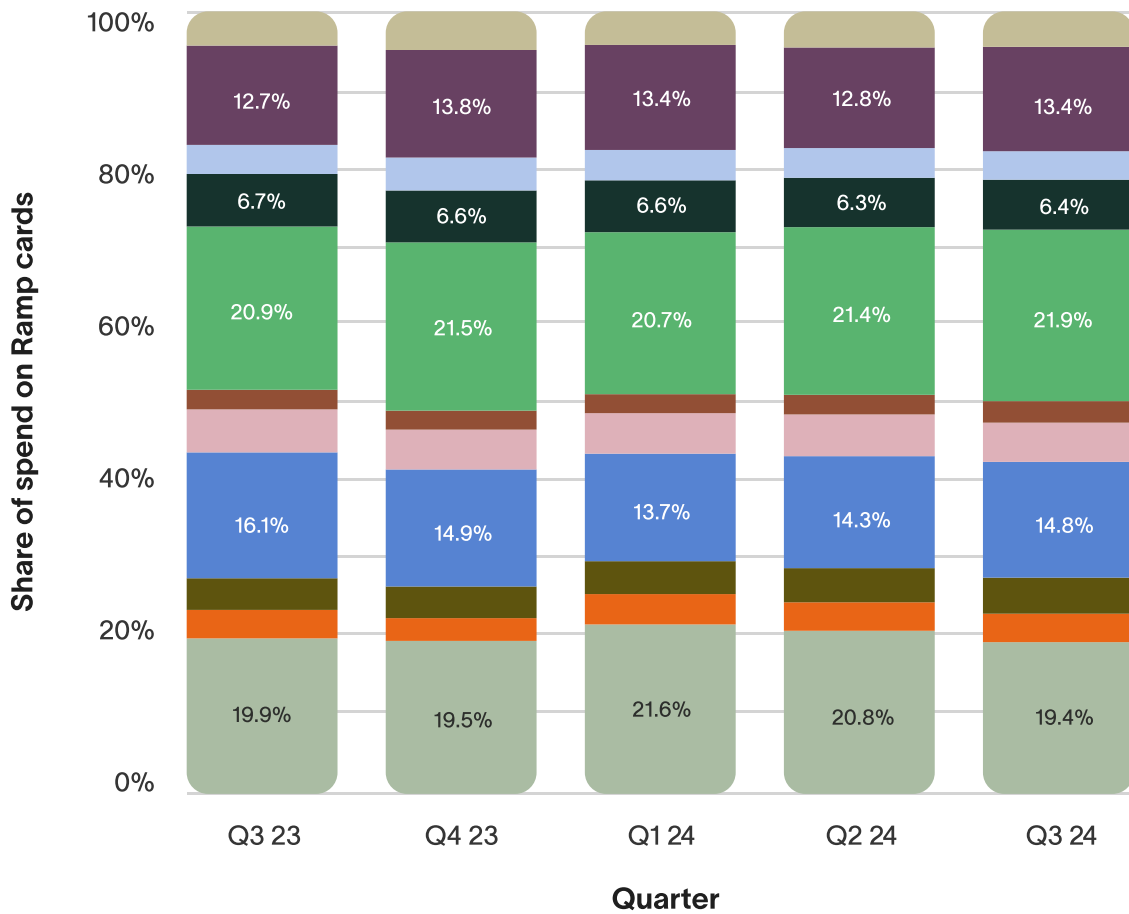


- Advertising
- Other
- Airlines
- Professional services
- Cloud computing
- Restaurants
- General merchandise
- SaaS/software
- Lodging
- Supermarkets/grocery stores
- Office

Chart 06

**Card spend by category for SMBs**

SMBs also kept spending patterns largely consistent across categories throughout the past 12 months. Advertising accounted for the largest portion of SMB card spend.

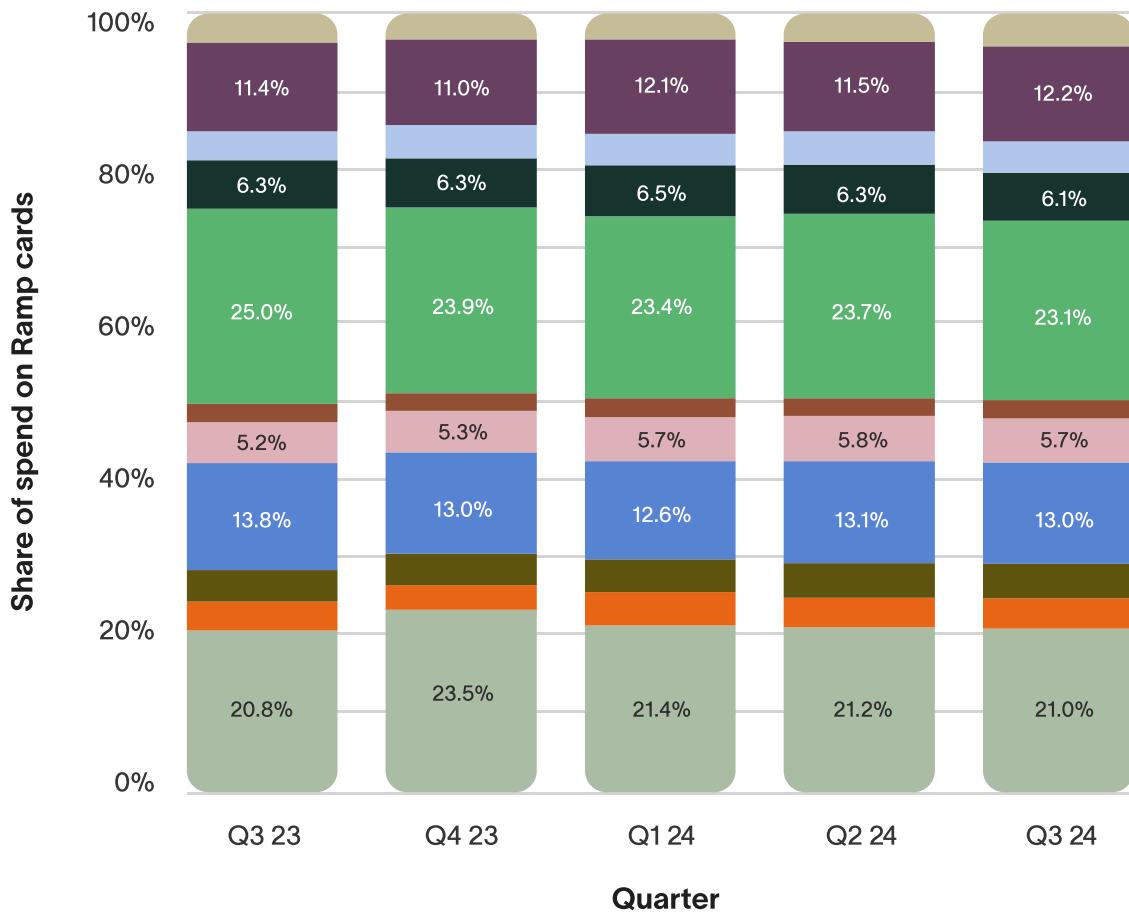


- Advertising
- Other
- Airlines
- Professional services
- Cloud computing
- Restaurants
- General merchandise
- SaaS/software
- Lodging
- Shipping
- Office

Chart 07

### Card spend by category for mid-market companies

Like their smaller peers, the distribution of mean card spend for mid-market companies remained stable across categories throughout the year. Advertising accounted for the largest portion of expenses, followed by nearly equal shares of general merchandising and software.



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

Chart 08

**Top expenses for very small businesses**

Google Cloud represented the highest quarter-over-quarter increase in mean card spend. Together with increasing expenditures on Amazon Web Services, these patterns demonstrate that smaller companies are expanding their adoption of cloud computing services.

<b>Vendor</b>	<b>Q3 24 mean card spend</b>	<b>QoQ change</b>	<b>YoY change</b>
1. Facebook Ads	\$41,843	7.2%	28.0%
2. Google Ads	\$29,950	-10.3%	15.3%
3. Amazon Web Services	\$14,125	10.0%	27.1%
4. Google Cloud	\$9,188	18.6%	14.1%
5. Apple	\$4,336	10.8%	39.5%
6. Amazon	\$3,932	0.5%	-0.2%
7. The Home Depot	\$3,569	-2.6%	12.6%
8. United Airlines	\$3,290	6.7%	18.4%
9. Airbnb	\$3,220	-0.7%	17.4%
10. Delta Air Lines	\$3,115	0.2%	16.5%



Chart 09

**Top expenses for SMBs**

SMBs made noteworthy spending increases this quarter on Facebook Ads (14.0%) as well as HubSpot (14.0%)—investments in advertising and customer engagement that can help position them for the holiday season.

Vendor	Q3 24 mean card spend	QoQ change	YoY change
1. Facebook Ads	\$76,200	14.0%	15.3%
2. Google Ads	\$64,413	-19.2%	-11.8%
3. Amazon Web Services	\$29,503	3.5%	14.2%
4. FedEx	\$11,283	-10.0%	-5.5%
5. LinkedIn Ads	\$9,542	4.2%	13.7%
6. Google Cloud	\$8,350	6.6%	10.5%
7. Twilio	\$7,951	-6.9%	-7.8%
8. Amazon	\$7,841	6.3%	-24.4%
9. HubSpot	\$7,534	14.0%	11.8%
10. Upwork	\$7,007	-35.5%	-52.5%

Chart 10

**Top expenses for mid-market companies**

Similar to SMBs, mid-market companies also increased their spending on HubSpot and Facebook Ads in Q3. FedEx expenses rose ahead of the holiday season as well.

Vendor	Q3 24 mean card spend	QoQ change	YoY change
1. Google Ads	\$119,130	-26.0%	-9.8%
2. Facebook Ads	\$94,987	23.1%	21.5%
3. Amazon Web Services	\$54,007	3.8%	12.0%
4. Amazon	\$15,130	2.3%	-22.5%
5. LinkedIn Ads	\$14,705	-2.1%	-4.9%
6. Upwork	\$12,319	0.6%	31.7%
7. HubSpot	\$10,974	32.7%	1.4%
8. FedEx	\$10,826	21.3%	-30.4%
9. Google Cloud	\$10,456	-5.5%	-11.3%
10. Delta Air Lines	\$9,079	7.1%	21.8%

Chart 11

### Fastest-growing software vendors by customer count

Parallels tops the list after releasing a new version of its virtualization tool that helps companies test 10+ AI toolsets. AI startups dominate the rest of the list. Teams are gravitating to them for AI-assisted coding, video generation, and application development.

Vendor	QoQ change in card customer count	Q3 24 mean card spend
1. Parallels	715.0%	\$177
2. Redis	481.0%	\$802
3. Cursor	204.2%	\$180
4. Luma AI	154.5%	\$210
5. Retention.com	144.7%	\$833
6. LangChain	130.8%	\$274
7. Supermaven	125.5%	\$52
8. Runway	113.3%	\$329
9. FreshBooks	112.2%	\$143
10. Replit	84.8%	\$142

Chart 12

### Top software vendors by first-time customer count

Anthropic is grabbing AI market share as companies move to a multihoming approach for foundation models. The successful launch of Claude 3.5 Sonnet helped it bring in the highest number of first-time customers out of all software vendors last quarter.

Vendor	Mean first-month card spend
1. Anthropic	\$66
2. OpenAI	\$107
3. Canva	\$107
4. Squarespace	\$122
5. Cursor	\$93
6. Adobe	\$543
7. LinkedIn	\$621
8. GoDaddy	\$350
9. Microsoft Office/Azure	\$577
10. DocuSign	\$1,305

Chart 13

### Top AI vendors

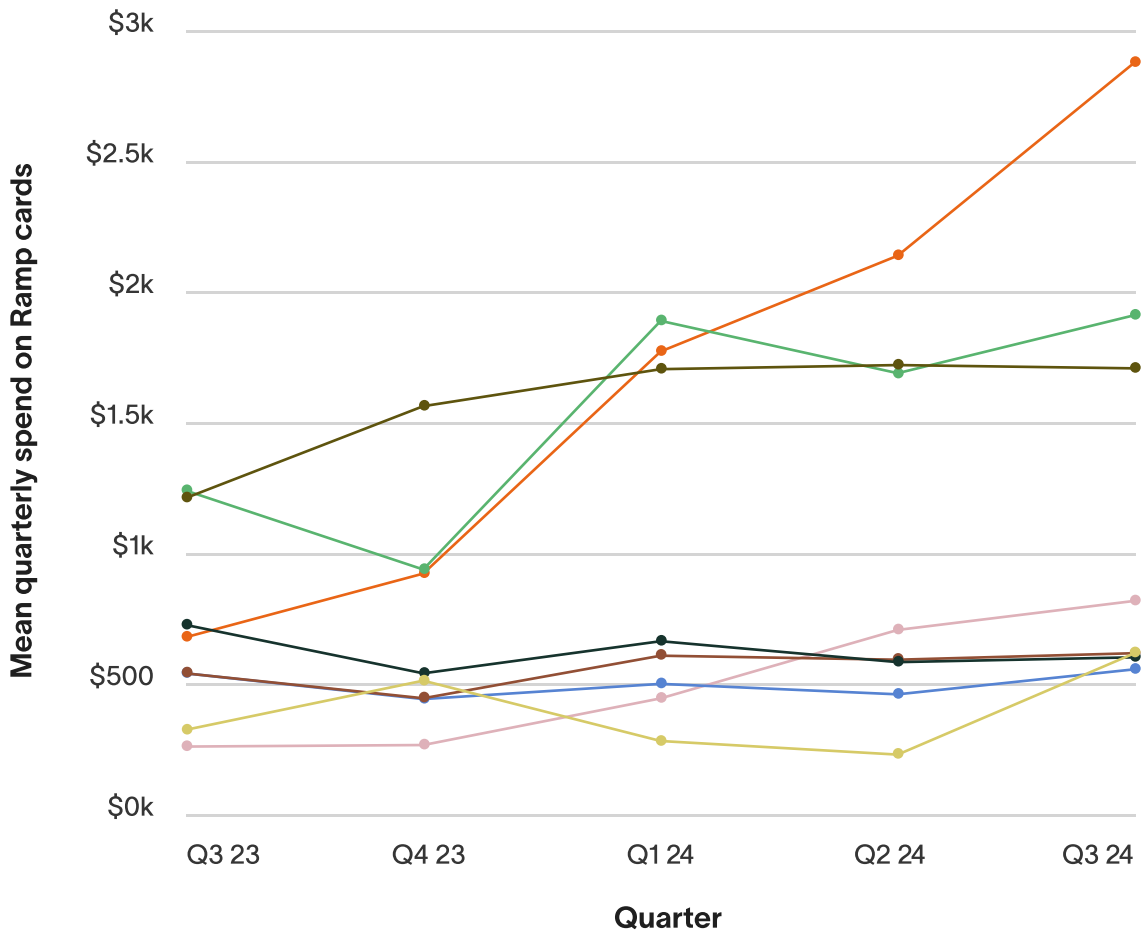
In Q3, Ramp customers spent over \$20M with AI vendors, a 38% growth in card expenses year over year. OpenAI continues to lead by customer count, followed by Anthropic. Chatbot service Flow.ai (part of Khoros) saw the most growth, increasing customer count by 18x.

Rank	Most card customers in Q3 24	Fastest-growing based on QoQ change in card customer count
1.	OpenAI	Flow.ai
2.	Anthropic	Supermaven
3.	Grammarly	Runway
4.	Midjourney	Anthropic
5.	Apollo	Perplexity
6.	Fireflies.ai	Read
7.	Otter	Instantly
8.	ElevenLabs	ElevenLabs
9.	Dialpad	Pinecone
10.	Descript	Descript

Chart 14

### AI spend by department

A new cut of Ramp card spend by department confirms engineering teams spend the most on AI, at \$2.8k. Engineering AI spend is also growing the fastest, at 326% year over year, followed by human resources at 219%.



- Engineering
- Finance
- Human resources
- Information technology
- Marketing
- Research & development
- Sales
- Support

Chart 15

### OpenAI customers' adoption of Anthropic

Line item data show OpenAI and Anthropic models lead by customer count and spend. But increasingly, customers are multihoming as models advance. The number of OpenAI businesses also transacting with Anthropic jumped from 3% in January to 22% in September.

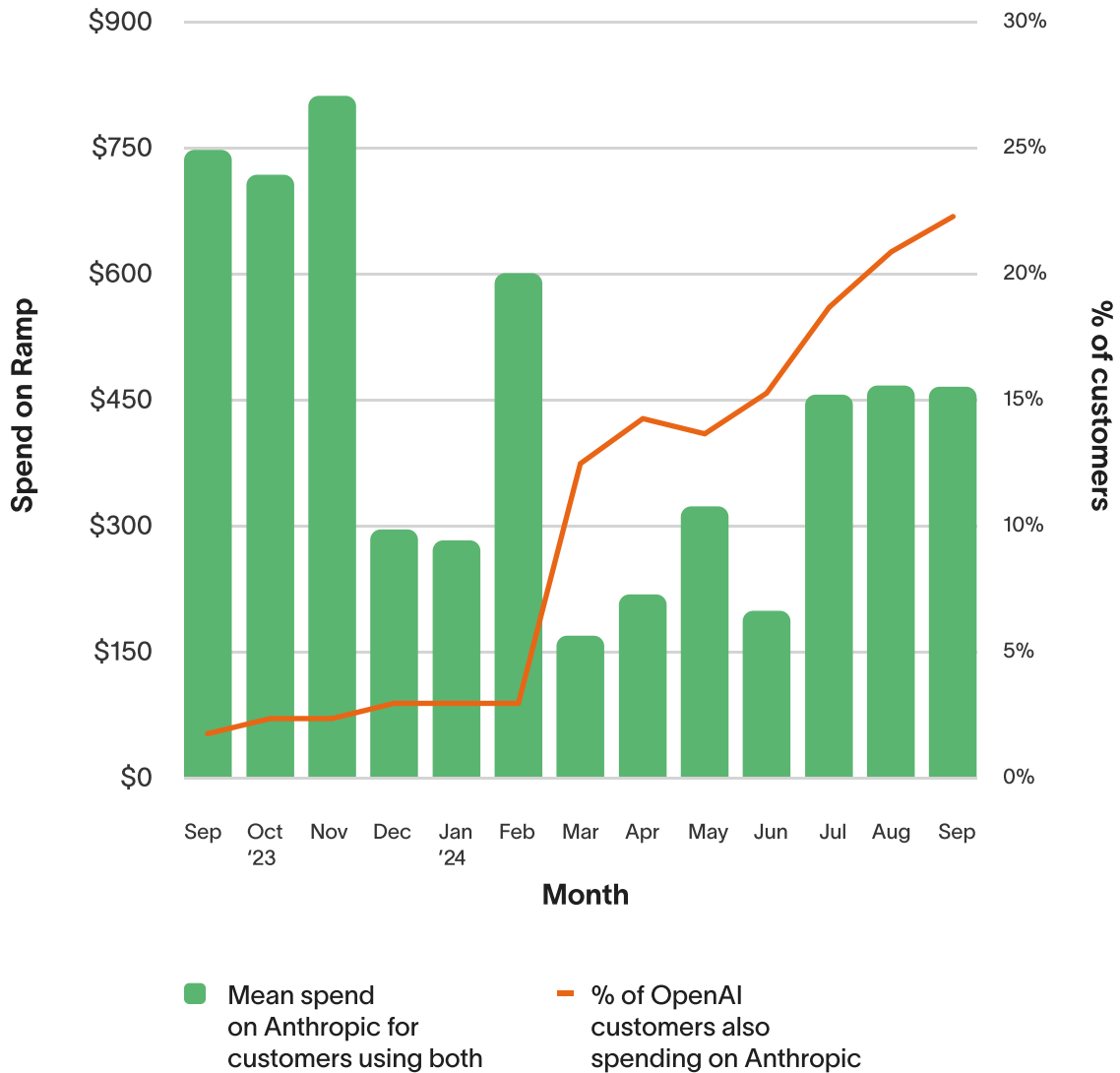
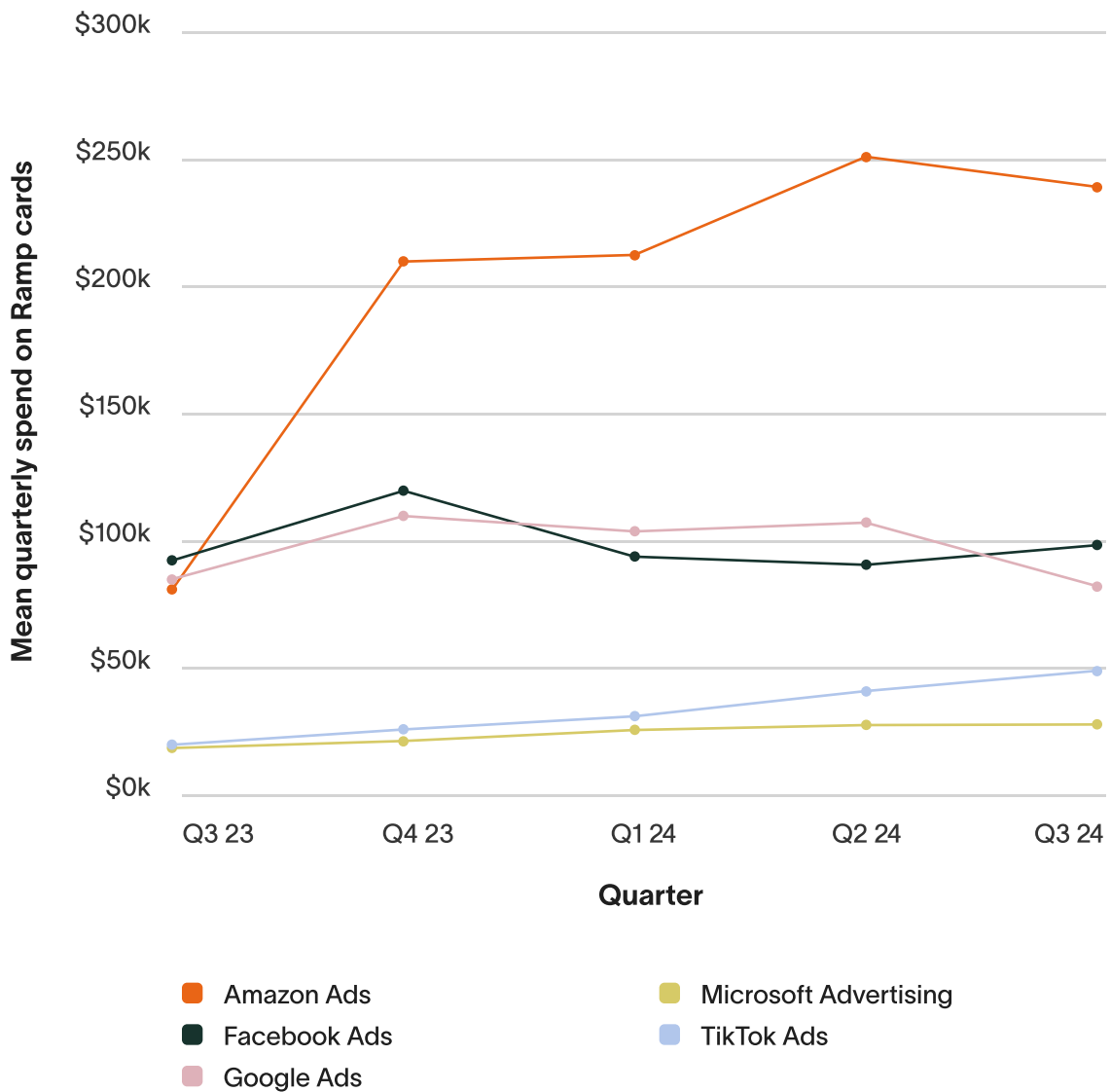


Chart 16

### Top advertising platforms for retailers

Social media, Amazon, and AI are changing how consumers discover products—and retailers are shifting their advertising budgets accordingly. Year on year, retail businesses on Ramp have more than doubled their mean card spend on Amazon Ads (192%) and TikTok Ads (135%).





# Spotlight: Business travel spending

Conference season is in full swing, with thousands of companies sending employees to mega events like Dreamforce, Money 20/20, and AWS re: Invent.

In Q3, businesses charged millions of travel transactions on Ramp cards, offering insights into how road warrior expenses are trending. Travel transactions made up 20% of businesses' card expenses, with SMBs spending close to \$50k and mid-market companies \$110k on average. With airline price increases outpacing inflation, this figure is expected to grow even further in the coming months—making it important for companies to monitor T&E.

This section shows how costs are trending by major metropolitan areas and travel categories. We also share the travel policies businesses use on Ramp to control costs. See how your own policy compares.

Chart 17

### Travel spend by category

Since July, mean card spending on lodging has increased the most, rising 24% as employees hit the road for conferences and team visits. Restaurant costs are also on the uptick, at 20%, followed by airline spending at 13%.

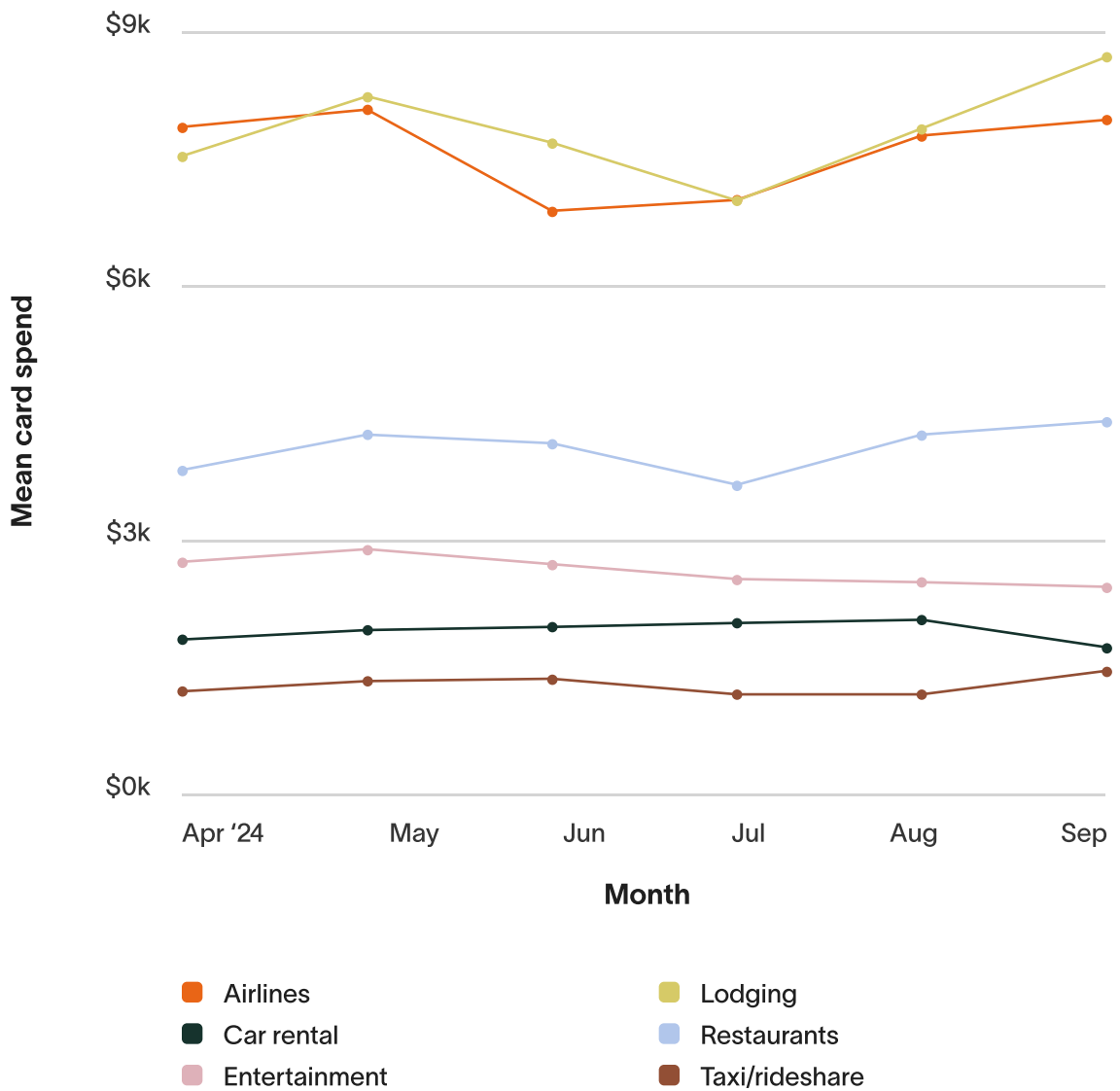


Chart 18

**Hotel nightly rates in top cities**

Lodging costs increased this year with median nightly rates rising 20% year over year in top cities. At \$322 per night, New York had the highest nightly rate while Houston had the most economical at \$155. But many cities saw rate fluctuations throughout the year, making it wise for businesses to use a market-rate approach when setting hotel limits.

	Q3 23	Q4 23	Q1 24	Q2 24	Q3 24
Atlanta	\$154	\$178	\$203	\$202	\$198
Austin	\$155	\$189	\$206	\$216	\$191
Chicago	\$230	\$245	\$205	\$310	\$298
Houston	\$144	\$148	\$163	\$159	\$163
Las Vegas	\$146	\$182	\$164	\$147	\$168
Nashville	\$123	\$199	\$213	\$250	\$221
New York	\$346	\$381	\$220	\$334	\$330
Orlando	\$149	\$167	\$207	\$201	\$173
San Francisco	\$260	\$271	\$297	\$317	\$279
Seattle	\$190	\$181	\$174	\$190	\$182

Median nightly rate



Chart 19

### Moving airfare averages

Ramp customers saw the biggest airfare fluctuations with JetBlue and Alaska Airlines this year, based on average transaction amounts. In contrast, American Airlines prices saw the most improvement. United Airlines and Delta Air Lines fares stayed mostly steady.

	Alaska Airlines	American Airlines	Delta Air Lines	JetBlue	Southwest Airlines	United Airlines
Jan 24	3%	1%	1%	2%	2%	2%
Feb	7%	4%	6%	6%	5%	5%
Mar	7%	4%	4%	10%	3%	4%
Apr	4%	0%	0%	4%	2%	2%
May	5%	-1%	0%	3%	3%	0%
Jun	4%	-4%	1%	2%	2%	0%
Jul	2%	-3%	1%	0%	6%	0%
Aug	-8%	-6%	-1%	-4%	-1%	-1%
Sep	-3%	-2%	1%	1%	3%	1%



Chart 20

**Median transaction amounts by travel category and city**

Cities with high cost of living don't always have the highest travel costs. This year, travelers to Chicago paid the most for car rentals than in any other city. Washington D.C. visitors spent significantly more on entertainment, more than double that of New York.

	Alcohol/bars	Car rental	Entertainment	Parking	Restaurants	Taxi/ rideshare
Atlanta	■ \$38	■ \$206	■ \$62	■ \$40	■ \$22	■ \$34
Austin	■ \$36	■ \$242	■ \$55	■ \$45	■ \$23	■ \$25
Boston	■ \$43	■ \$220	■ \$58	■ \$46	■ \$23	■ \$30
Chicago	■ \$42	■ \$278	■ \$71	■ \$46	■ \$24	■ \$35
Las Vegas	■ \$52	■ \$221	■ \$49	■ \$60	■ \$26	■ \$26
Los Angeles	■ \$46	■ \$226	■ \$50	■ \$34	■ \$25	■ \$34
New York	■ \$51	■ \$233	■ \$116	■ \$51	■ \$22	■ \$44
San Francisco	■ \$46	■ \$239	■ \$89	■ \$45	■ \$24	■ \$32
Seattle	■ \$52	■ \$242	■ \$40	■ \$40	■ \$23	■ \$47
Washington	■ \$39	■ \$204	■ \$266	■ \$36	■ \$23	■ \$26



Chart 21

### Travel policies in Ramp

Many Ramp customers use travel policies to control airfares and hotel costs. On average, businesses with policies spend 21% less on airfares and 6% less on hotels than those without. One in four use dynamic market rates to take seasonality and location into account when determining limits. These rates give wider margin to employees traveling to more expensive areas.

#### Flight

Average maximum for a roundtrip flight	\$1,100
Average minimum booking lead time required	11 days
% of businesses allowing Economy Plus bookings	64%
% of businesses allowing Premium Economy bookings	54%
% of businesses allow Business Class	23%
Average minimum flight length for Economy Plus bookings	3 hours
Average minimum flight length for Premium Economy bookings	4 hours
Average minimum flight length for Business Class bookings	5 hours
% using dynamic market rates	26%
Average market rate ratio used	1.15

#### Hotel

Average maximum nightly rate	\$405
Average minimum booking lead time required	9 days
% using dynamic market rates	25%
Average market rate ratio used	1.15

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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: more than 25,000 companies, from family-owned farms to e-commerce giants to space startups, have saved \$1B and 10M of hours with the Ramp platform.

Learn more at [ramp.com](https://ramp.com).

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