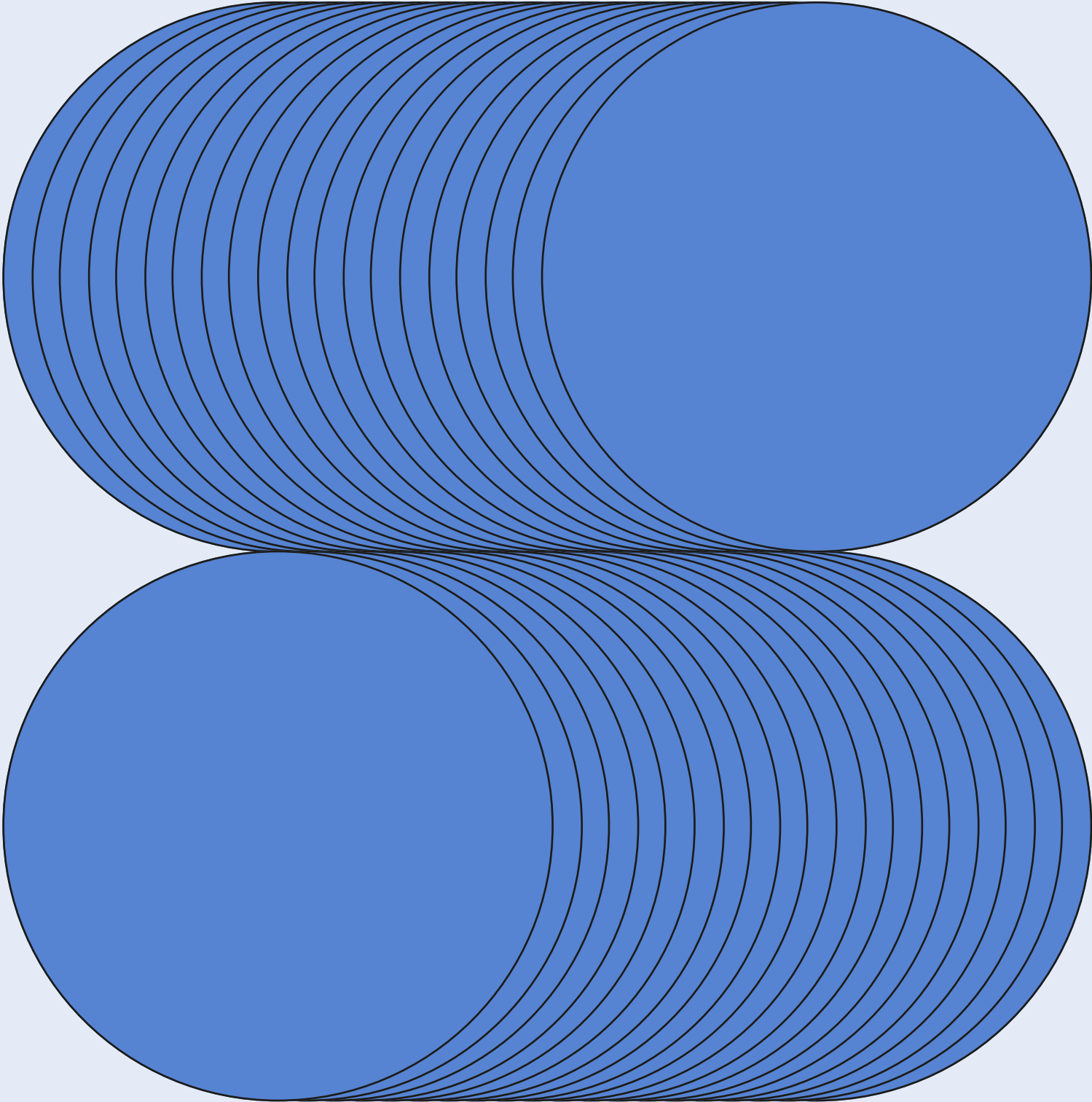


2024 Business Spending Benchmarks



Summer

ramp 

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Introduction

Every quarter, billions of dollars in business purchases get processed through Ramp's platform, providing a clear look at emerging market trends.

In Q2, fully-onboarded Ramp customers continued to increase their spend, amid strong market growth powered by a decreasing headline Consumer Price Index (CPI) in June and the smallest increase in core CPI in three years. Small SMBs increased their median quarter-over-quarter spending the most (9.4%), followed by large SMBs (7.4%) and mid-market companies (5.5%).

However, we did see some hints of uncertainty about the future toward the end of the quarter. Namely, trailing 3-month recurring spend decreased across many categories in June—a sign that budgets may be starting to tighten. Additionally finance chiefs kept a tight lid on hiring. Spending on recruiting platforms stayed flat, even as the job market strengthened for employers.

Our report provides a deep look into where companies are spending and pulling back. This time, we've included new data on the top vendors that customers purchased for the first time this year. We've also created a new [microsite](#) sharing industry-specific data cuts for tech, healthcare, financial services, and more. See more analysis from our Head of Data Science, Ian Macomber, on the [Ramp blog](#).

Key findings

01

Companies are making bigger and longer-term AI investments.

Longer-duration and prepaid services tend to go on AP—and in Q2, mean AP spend for AI vendors rose 375% year over year. Customers are staying with top AI vendors: 70.4% of customers who started spending with these vendors in 2023 continued to spend after 12 months.

02

Foundation AI models top the list of first-time software purchases.

OpenAI leads the list of software vendors that companies purchased from for the first time in H1 2024, followed closely by Anthropic, suggesting companies are actively tailoring models for internal operations and customer-facing capabilities.

03

Companies are purchasing software to scale creative functions.

Tools for generating images, audio, text, and video are gaining traction: Grammarly, Midjourney, and ElevenLabs all rank high on the list of top AI vendors. Design tools like Canva, Squarespace, and Adobe are also frequent first-time purchases.

04

Businesses are supplementing their workforce with independent contractors.

Despite a job market favoring employers, businesses of all sizes boosted spending on flexible labor solutions like Upwork, a top 10 expense this quarter. Combining these purchases with AI spending, companies are taking advantage of options to boost productivity without hiring new staff.

05

After several quarters of increasing advertising spend, businesses are reining in ad budgets.

As the largest spending category for companies of all sizes, ad spend is a prime target for cost-conscious companies looking to trim budgets. Average spending on advertising dropped 5.2% this quarter, perhaps indicating that businesses are anticipating choppy waters ahead.

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 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 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](#)

Q2 business spending

Chart 01

Median card spend

Across-the-board spending increases led to the highest nominal rise quarter over quarter for mid-market companies, but the highest percentage rise for small SMBs.

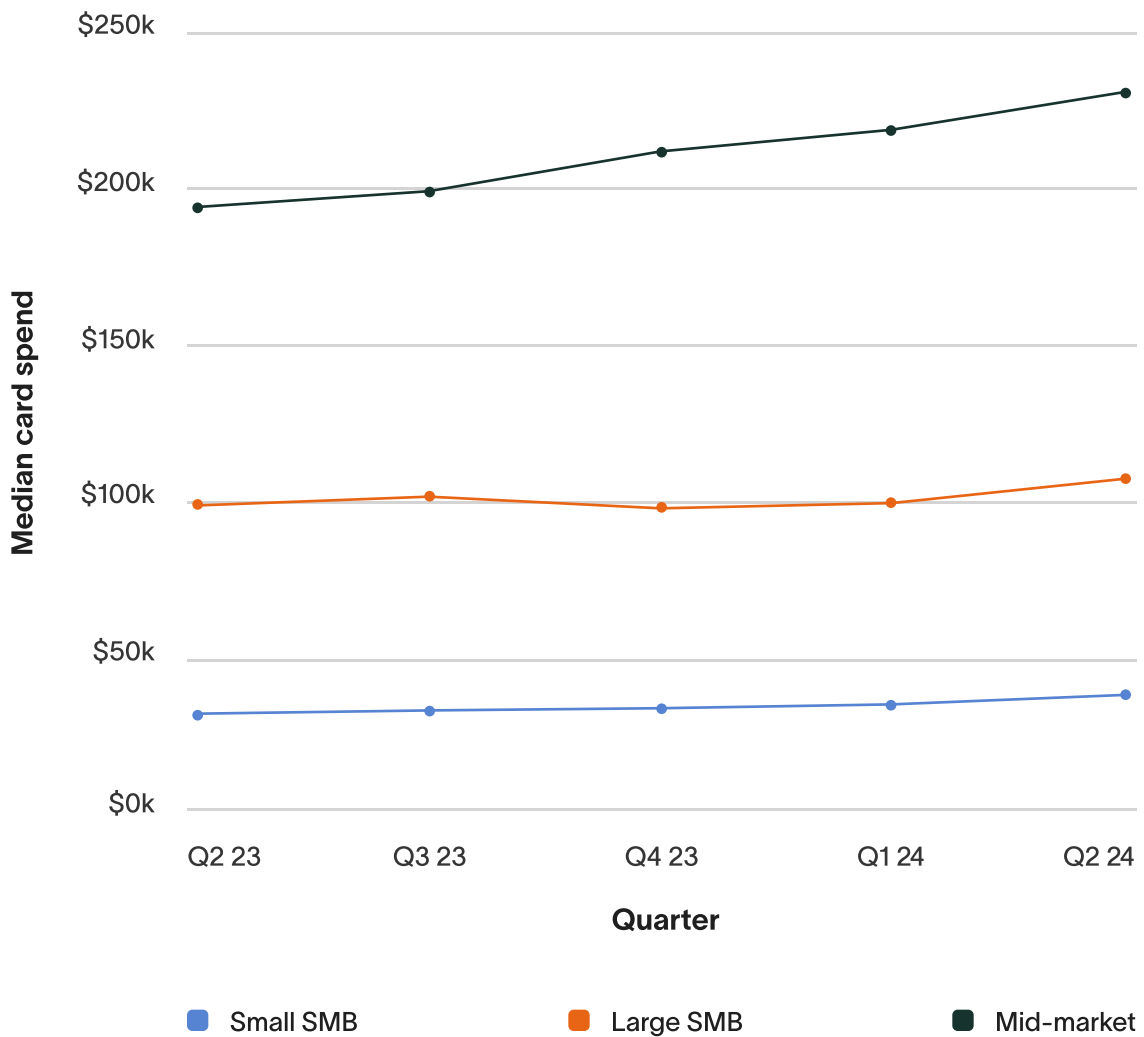


Chart 02

Median AP spend

While AP spend rose for small and large SMBs, it decreased for midmarket companies. A look at our vendor-level data shows a drop in spending with Salesforce in particular, supporting the company's recent observations about increased budget scrutiny.

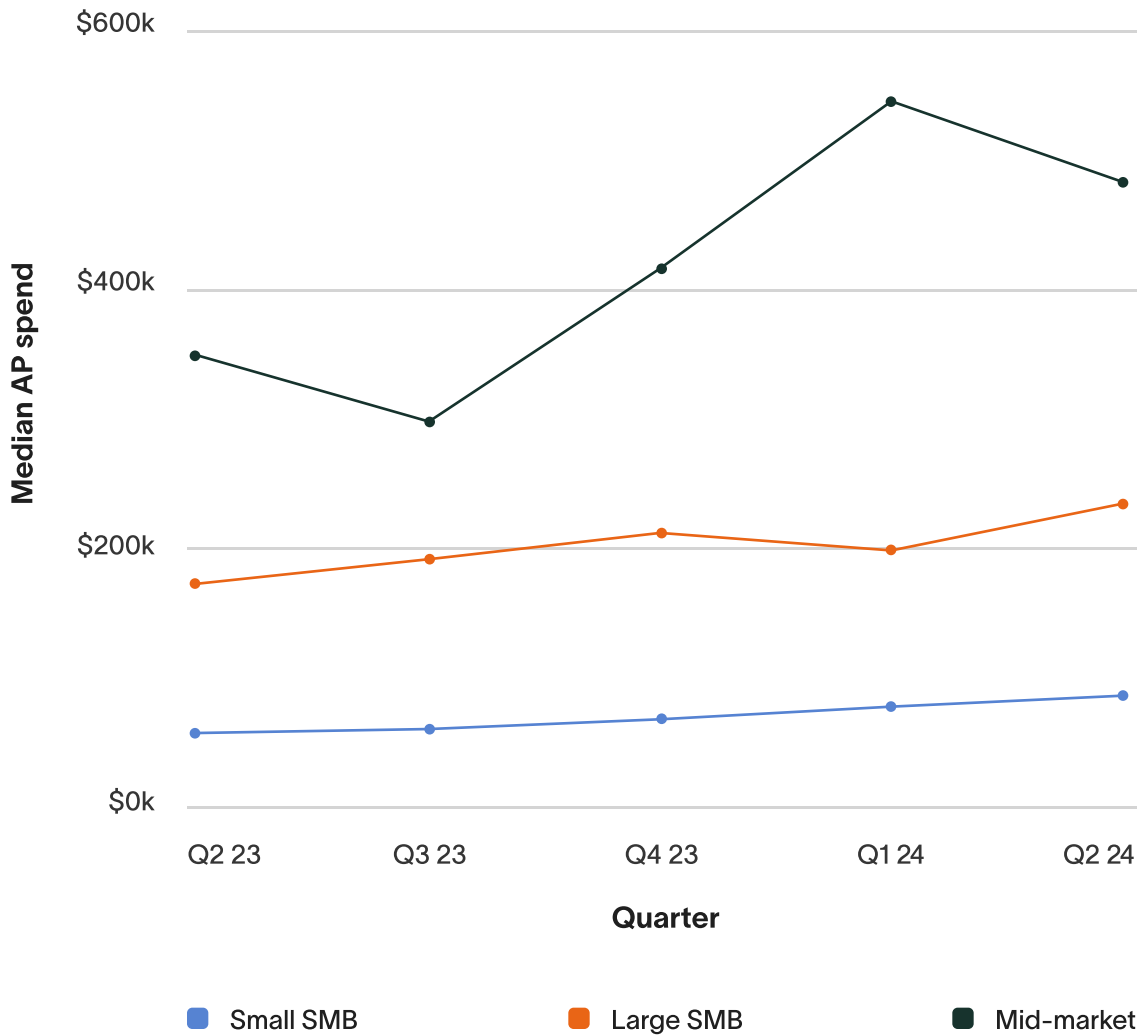


Chart 03

Change in mean card spend YoY

Mean card spend rose in all top categories. Some increases—like airlines—can be explained largely by inflation, with year-over-year data showing transaction amounts increasing faster than transaction counts. Others, like SaaS/software, represent both an increase in recurring expenditures and experimentation with new vendors (see chart 13).

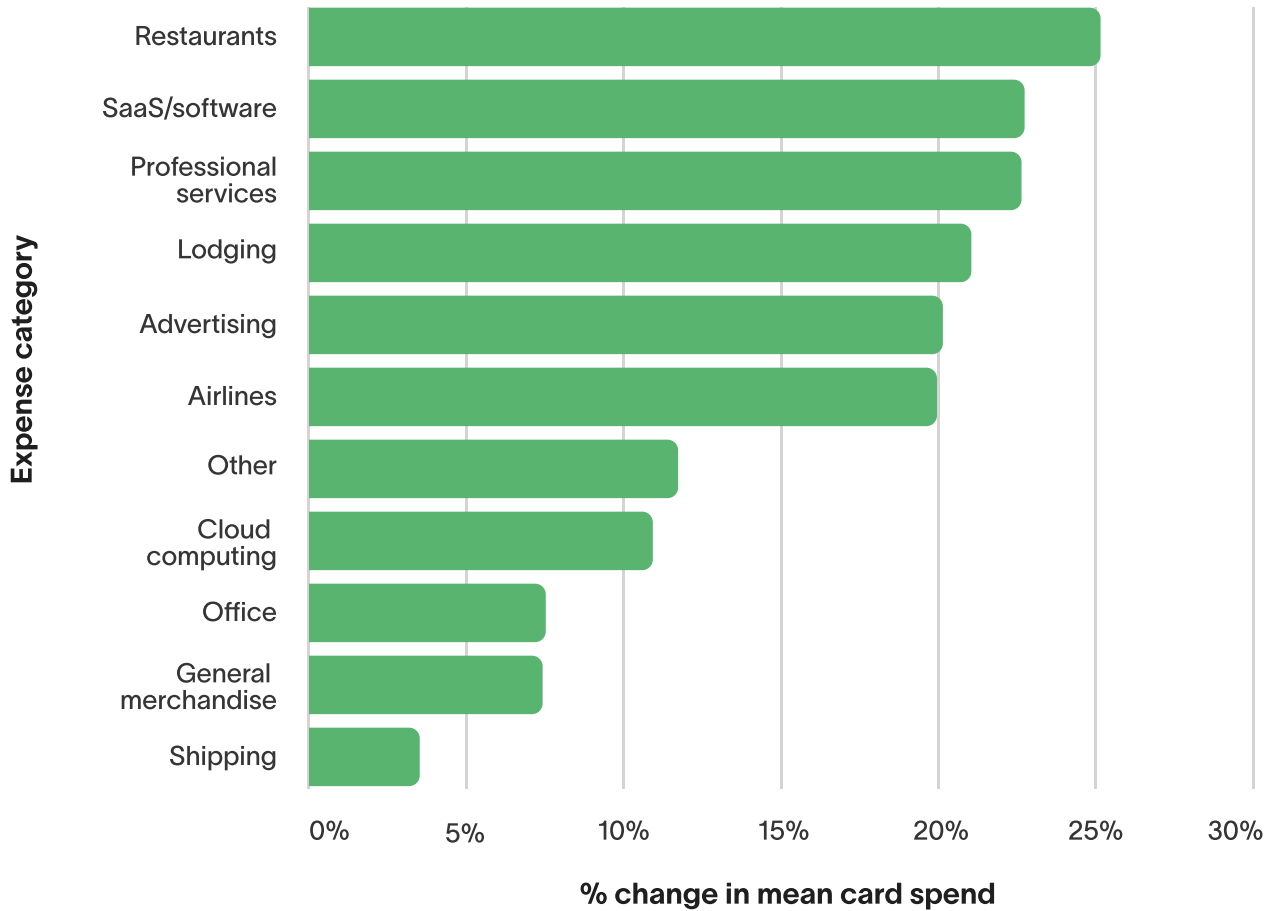


Chart 04

Change in mean card spend QoQ

Businesses aren't shunning lodging and restaurant expenses, but airline expenses dipped this quarter, along with advertising. Small SMBs drove the increase in SaaS/software spend this quarter, while large SMBs and mid-market companies kept expenses in this area flat.

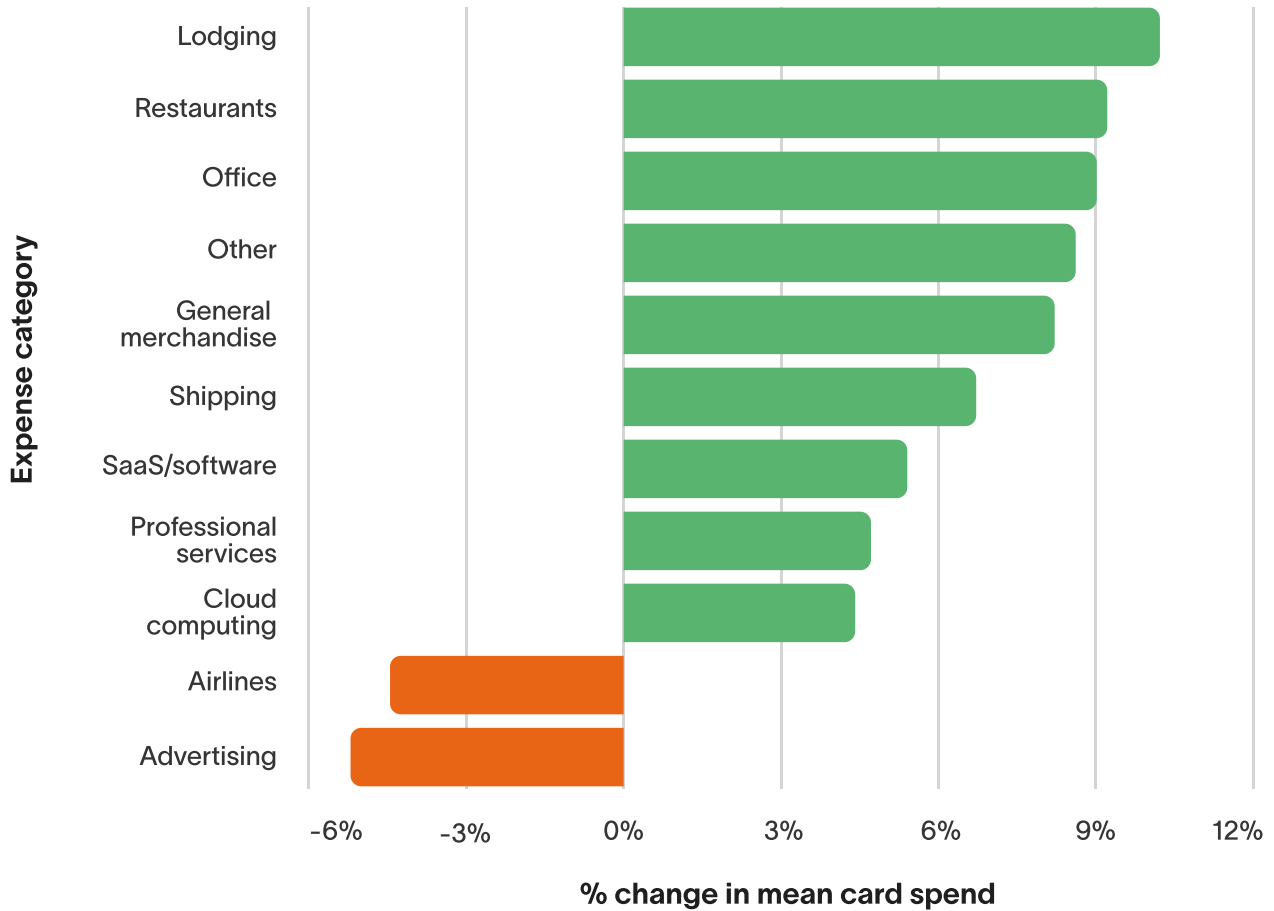


Chart 05

Recurring spend by category

Recurring spend consists of transactions between a set pool of Ramp customers and vendors who have transacted together on Ramp cards monthly for the past six months or longer. A dip in many categories at the end of the quarter could indicate choppy waters ahead. While May saw spending cuts for recurring vendors in only 3 out of 40 categories, June saw cuts in 16 out of 40 categories—a higher ratio than in any previous month this year except January.

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

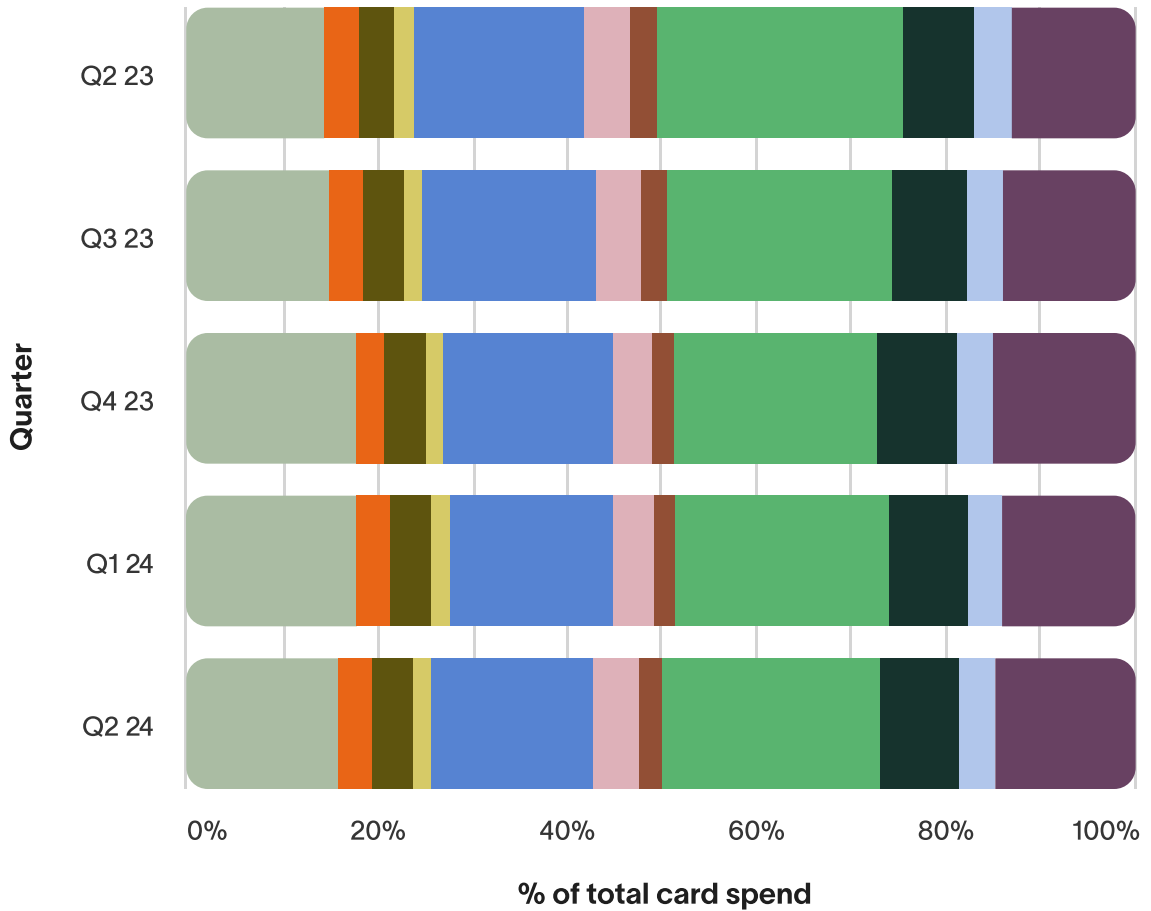
Expense category	Jan 24	Feb	Mar	Apr	May	June
Advertising	■	■	■	■	■	■
Airlines	■	■	■	■	■	■
Alcohol / bars	■	■	■	■	■	■
Books / newspapers	■	■	■	■	■	■
Car rental	■	■	■	■	■	■
Car services	■	■	■	■	■	■
Charitable donations	■	■	■	■	■	■
Clothing	■	■	■	■	■	■
Cloud computing	■	■	■	■	■	■
Clubs / memberships	■	■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

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

Chart 06

Small SMB spend by category

After multiple consecutive quarters of increasing advertising spend, small SMBs cut back in Q2. But they increased spending on lodging and airlines as a percentage of total card spend, even as costs associated with these sectors started to fall. SaaS/software spend also ticked up, with companies spending on products like OpenAI, Anthropic, and Squarespace for the first time.

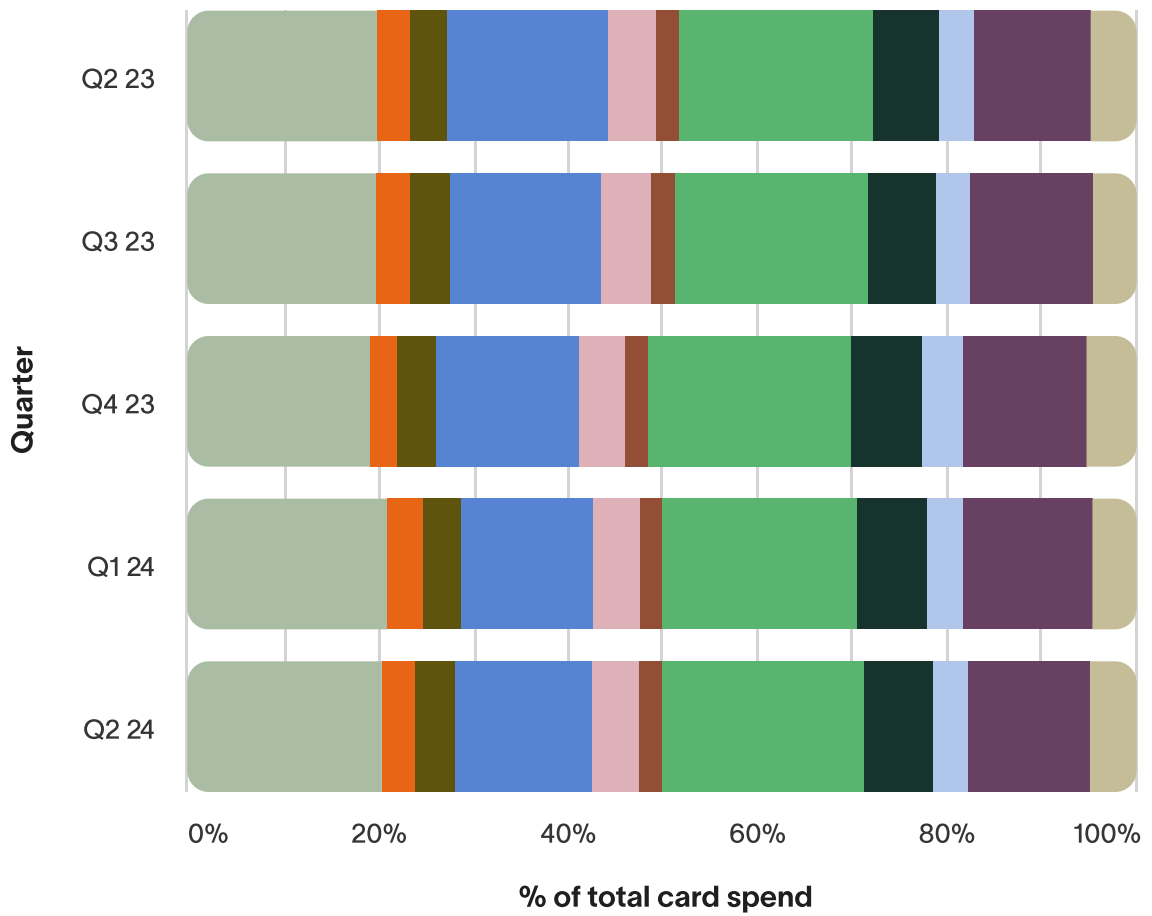


- Advertising
- Office
- Airlines
- Other
- Cloud computing
- Professional services
- Electronics
- Restaurants
- General merchandise
- SaaS/software
- Lodging

Chart 07

Large SMB spend by category

Large SMBs were the only group to keep advertising spend consistent as a percentage of the total budget. The only category to see a drop in Q2 was SaaS/software, which not only dropped as a percentage of total card spend but also saw a slight decrease in spend.

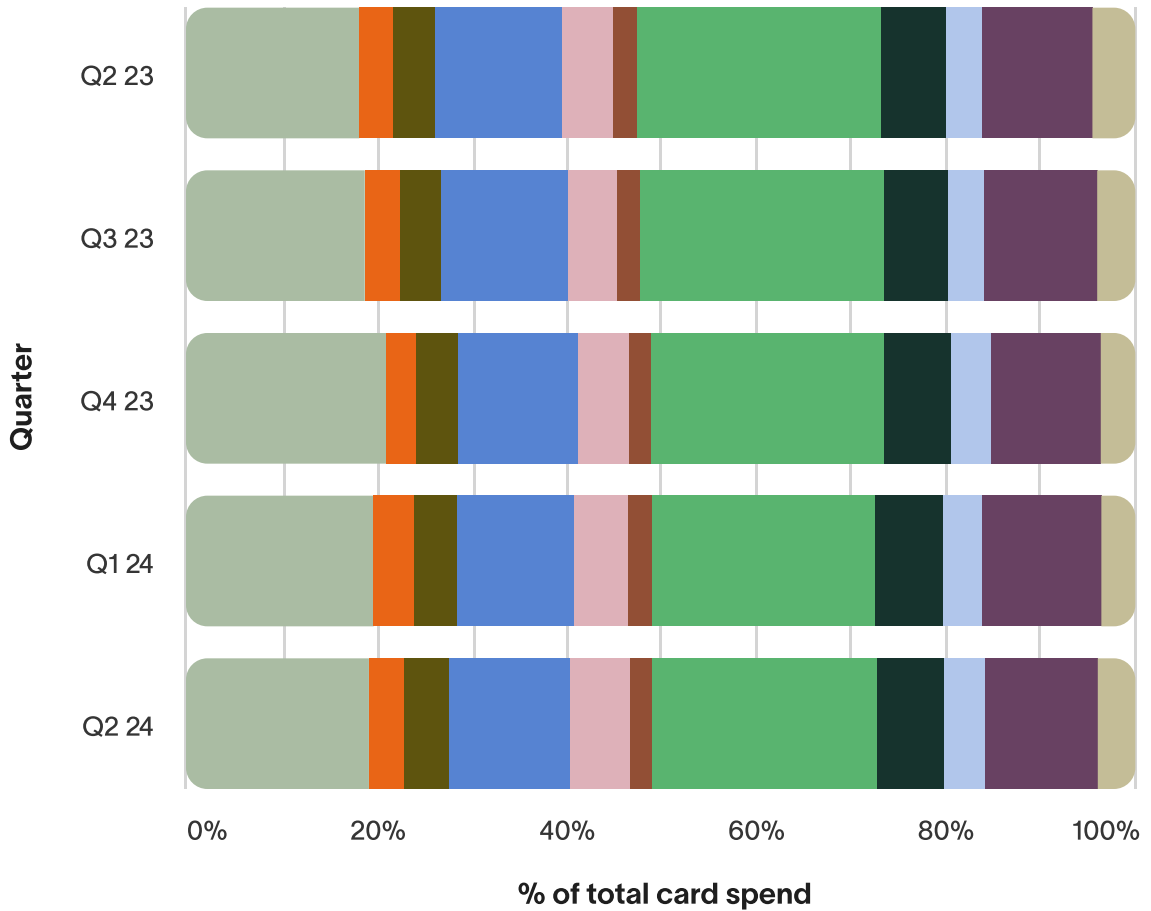


- Advertising
- Other
- Airlines
- Professional services
- Cloud computing
- Restaurants
- General merchandise
- SaaS/software
- Lodging
- Shipping
- Office

Chart 08

Mid-market spend by category

Mid-market companies, which saw the largest nominal increase in median card spend this quarter, still opted to cut advertising expenses, both in real terms and as a percentage of overall card spend. SaaS/software purchases also took a hit, while cloud computing and general merchandise expenditures rose.



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

Chart 09

Largest expenses for small SMBs

As they slashed spending on advertising, small SMBs did not hesitate to increase spending in other areas: freelance talent (Upwork), business travel (Airbnb and Delta), and investment in physical tech (Apple).

Vendor	Q2 24 mean card spend	QoQ change	YoY change
1. Facebook Ads	\$34,738	-8.4%	17.8%
2. Google Ads	\$25,433	-21.1%	3.2%
3. Amazon Web Services	\$12,604	-0.9%	20.2%
4. Google Cloud	\$7,606	4.9%	28.1%
5. Upwork	\$5,533	16.0%	15.2%
6. Amazon	\$4,082	18.1%	-6.9%
7. Apple	\$3,943	28.2%	20.4%
8. The Home Depot	\$3,864	6.1%	10.6%
9. Airbnb	\$3,315	10.1%	33.7%
10. Delta Air Lines	\$3,211	3.2%	31.7%

Chart 10

Largest expenses for large SMBs

While quarterly spending either dropped or increased only modestly for most major vendors, FedEx stands out as the biggest winner with large SMBs this quarter. Spending increased 8.6%, indicating an increase in shipping and logistics needs. Like their smaller counterparts, large SMBs also seem to be relying on freelancers.

Vendor	Q2 24 mean card spend	QoQ change	YoY change
1. Google Ads	\$78,222	-2.3%	14.7%
2. Facebook Ads	\$71,961	-10.4%	5.2%
3. Amazon Web Services	\$29,707	3.3%	9.2%
4. FedEx	\$13,836	8.6%	6.3%
5. LinkedIn Ads	\$9,414	-1.4%	-2.7%
6. Twilio	\$9,413	-6.6%	12.7%
7. Amazon	\$7,627	3.5%	-8.5%
8. Google Cloud	\$7,320	-2.9%	2.8%
9. Upwork	\$7,298	3.3%	18.8%
10. HubSpot	\$6,645	1.4%	10.8%

Chart 11

Largest expenses for mid-market companies

Previous charts show that mid-market companies boosted spending on cloud computing this quarter. From our breakdown of expenses, we can see that Amazon Web Services benefited from that boost while Google Cloud lost ground. The big quarter-over-quarter increase in spending for Apple is also notable.

Vendor	Q2 24 mean card spend	QoQ change	YoY change
1. Google Ads	\$156,453	-4.7%	18.7%
2. Facebook Ads	\$83,956	4.7%	8.1%
3. Amazon Web Services	\$53,505	8.5%	3.6%
4. LinkedIn Ads	\$15,967	1.3%	-3.3%
5. Amazon	\$14,898	4.2%	6.1%
6. FedEx	\$11,618	-10.0%	-44.0%
7. Upwork	\$10,737	13.1%	-9.9%
8. Google Cloud	\$10,724	-9.2%	-8.0%
9. Apple	\$9,932	53.6%	28.8%
10. Twilio	\$9,146	-2.9%	0.9%

Chart 12

Fastest-growing software vendors by customer count

While not all fast-growing software vendors are explicitly AI-driven, almost all are heavily AI-enhanced. For example, Cvent, which came close to doubling its customer count, recently unveiled a long list of new AI tools, from AI assistants to automated event summaries. Squarespace also announced new AI features in April.

Vendor	Change in the count of customers transacting on Ramp cards QoQ	Q2 24 mean card spend
1. Cvent	97.5%	\$2,132
2. Squarespace	62.6%	\$173
3. Anthropic	53.4%	\$291
4. Clay Labs Inc	52.4%	\$1,304
5. Cursor	47.8%	\$145
6. Perplexity	43.9%	\$89
7. Framer	38.5%	\$456
8. Instantly	27.0%	\$383
9. Trello	19.9%	\$546
10. Vanta	19.9%	\$546

Chart 13

Software vendors with the most first-time customers in 2024

When it comes to software vendors that customers transacted with for the first time on Ramp cards in the first half of 2024, AI models like Anthropic and OpenAI dominate. AI-influenced solutions like Canva and Squarespace also make a strong showing. The popularity of other website design solutions such as Adobe and GoDaddy suggests that companies are focused on building their digital presence.

Vendor	Mean first-month card spend
1. OpenAI	\$96
2. Canva	\$110
3. Anthropic	\$65
4. Squarespace	\$105
5. LinkedIn	\$720
6. Microsoft Office/Azure	\$239
7. Adobe	\$328
8. GoDaddy	\$474
9. Zoom	\$716
10. DocuSign	\$932

AI spending

Chart 14

Customers' retention of AI vendors

Customers are staying longer with AI vendors. Of businesses that started transacting with top AI vendors in 2023, 70.4% still spend with the same vendors, compared to 41.5% of businesses that started transacting in 2022.

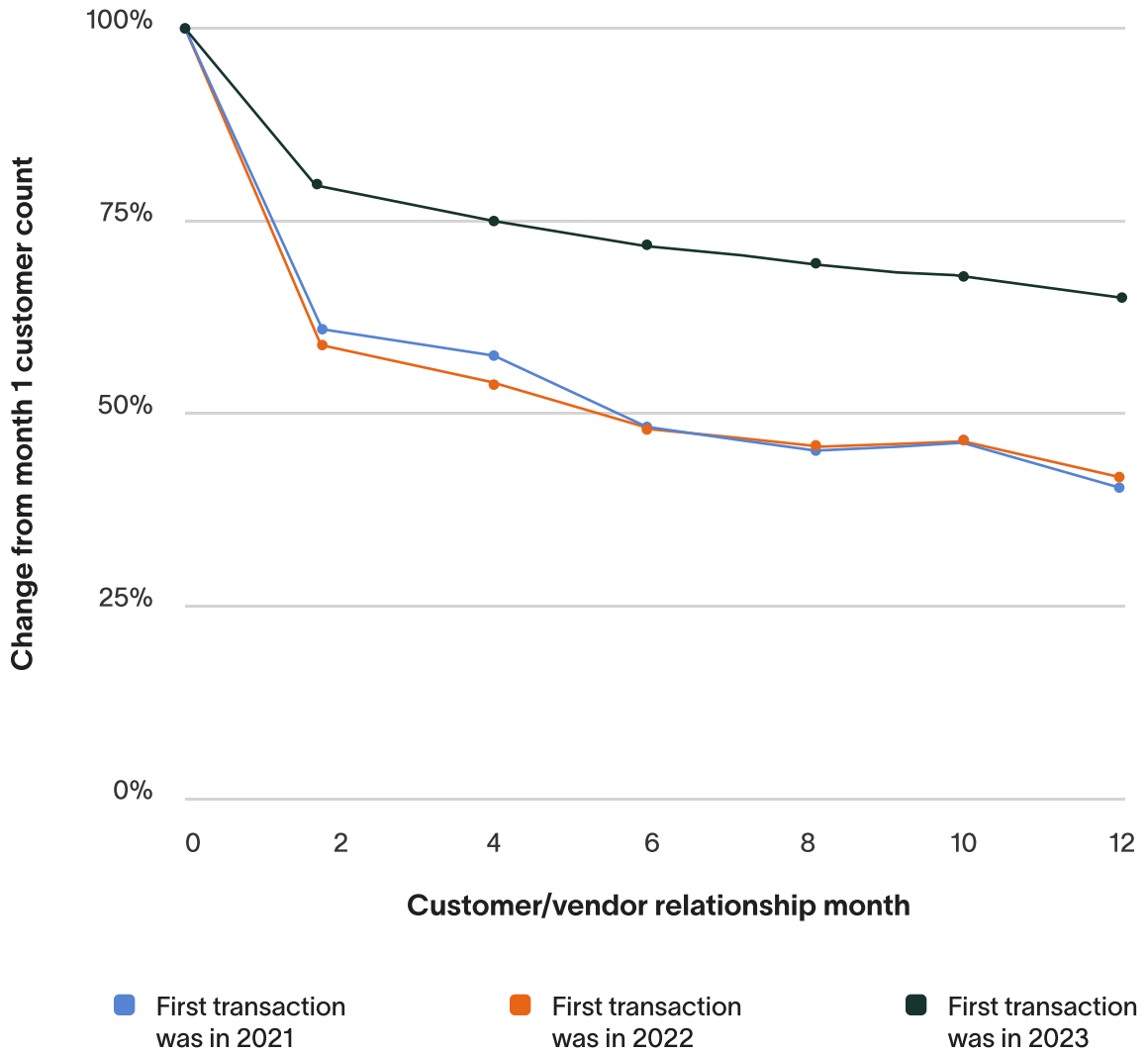


Chart 15

Mean AP spend with AI vendors

Businesses typically put longer-term contracts on AP, so the sharp rise in AP spend shows that vendors like OpenAI have established themselves as mission-critical business tools.

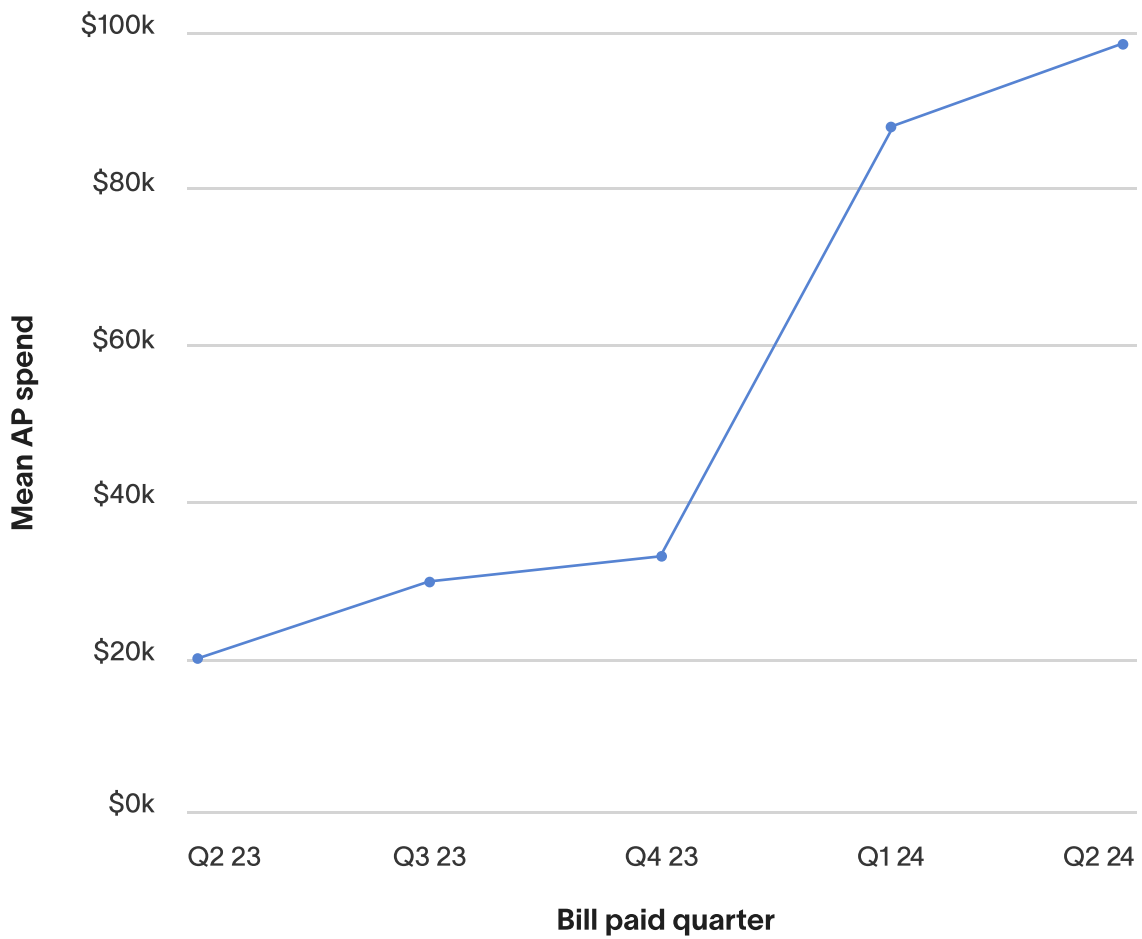


Chart 16

Mean card spend with AI vendors

Mean card spend also rose, suggesting businesses are still eager to experiment with new vendors or increase usage of less expensive AI tools, especially among mid-market customers.

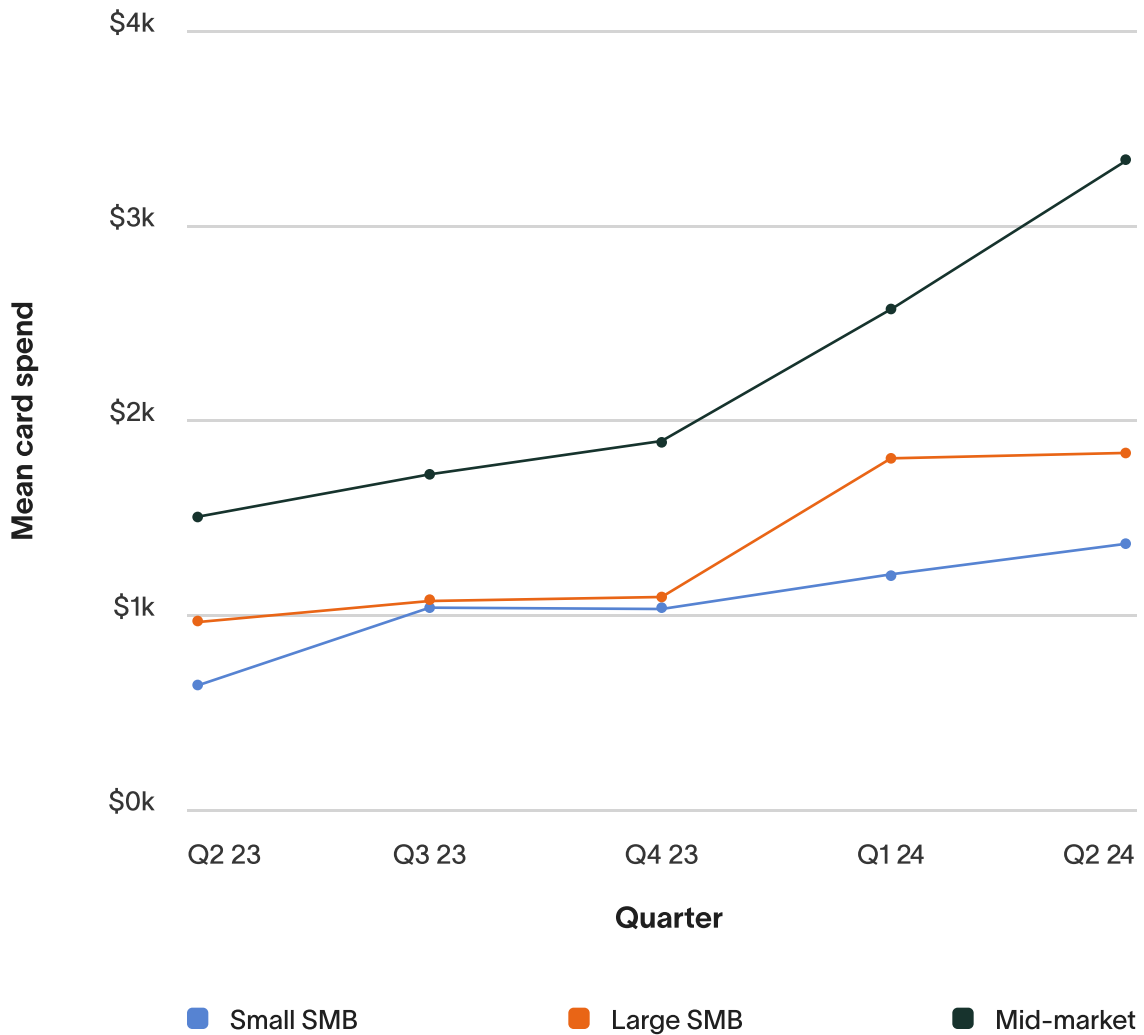


Chart 17

Top AI vendors

OpenAI, Anthropic, Apollo, Fireflies.ai, and ElevenLabs are vendors that rank highly in both customer count and mean card spend. While the growth of foundation models is not surprising, the popularity of tools like Fireflies.ai and ElevenLabs shows that organizations are willing to pay for AI that solves specific problems.

Rank	By the number of customers transacting on Ramp cards in Q2	By Q2 mean card spend
1.	OpenAI	Seamless.AI
2.	Grammarly	Dialpad
3.	Anthropic	Apollo
4.	Midjourney	OpenAI
5.	Apollo	Pinecone
6.	Otter	Unbounce
7.	Fireflies.ai	Read
8.	Dialpad	ElevenLabs
9.	ElevenLabs	Fireflies.ai
10.	Descript	Anthropic

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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.

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