

2022 Q2 Spending Benchmarks

April–June

Table of contents

03	Foreword
05	Key findings
08	List of charts
11	Q2 overview
20	Trends in ad spend
29	Trends in software & cloud computing spend
38	Trends in T&E spend
47	About Ramp

Foreword



Fiona Lee

Head of Content, Ramp

We're excited to share fresh business spending insights from Q2 2022, covering April to June 2022.

The appetite for our first Spending Benchmark report released in July made one thing clear: business leaders are hungry for deeper insights into ways to optimize spend. At Ramp, we are committed to providing companies with the financial intelligence and tools that they need.

So how are businesses doing? In Q2, companies continued to seek a balance between growth and cost savings. Spending increased mid-quarter—but dropped in other months. T&E spending skyrocketed—but spending limits for business trips started to come down at the end of the quarter. Enterprises continued to spend on ads—but they dialed back on professional services. In this report, we'll dig deeper into what these trends mean for businesses in the months ahead.

Two adjustments we made to the report based on your feedback:

- Quarters have been adjusted to match the standard calendar cycle. As a result, Q1 data in this report differs from the data shared previously.
- The list of industries has been updated to make the data easier to parse.

About the data: Insights come from analyzing thousands of aggregated, anonymized transactions on Ramp cards. Expense categories for transactions are based on merchant category codes provided by Visa. Small SMBs represent companies with 1-25 employees. Large SMBs are companies with 26-75 employees. Mid-market companies range from 76 to 499 employees. Enterprise companies are those with over 500 employees.

Key findings

01

Spending on Ramp cards grew at a faster clip in Q2 vs Q1.

Transaction volume rose across most major expense categories except for electronics. But concerns about the economy were still evident in the monthly fluctuations in spend.

02

T&E expenses shot up 48% in Q2, driven by dramatic increases in airline, restaurant, and lodging spending.

The share of T&E expenses on Ramp cards grew to 11.6% as more remote employees traveled to collaborate with their teams and customer visits resumed. However, cuts may be looming: new travel policies created in June showed lower spend limits for business trips compared to those created in March.

03

But the share of ad spend on Ramp cards reached a new low.

Mid-market businesses in particular reduced their spending. The average mid-market company dropped its ad spend by 4.9% in Q2, even as enterprises bumped up their spend by 17.7%.

04

Enterprise curbed spend on professional services, even as SMBs increased their spending in this area by more than 10%.

Enterprises cut costs by moving work in-house. But small and large SMBs continued to supplement their workforce with agencies and contractors, especially in tech and consumer goods & services.

05

Shipping expenses continued to rise for enterprise companies.

Shipping transaction volume grew 103.1% in Q2 for enterprises, overtaking advertising as the top expense category for the segment and potentially foreshadowing higher prices to come for consumers. It was also the fourth largest expense for mid-market companies.

List of charts

01	Top 10 expense categories in Q2 by transaction volume	10	Q2 ad channel mix by company size
02	Change in business spending in Q2 vs Q1 2022	11	Q2 ad channel mix by industry
03	Q2 business spending by company size	12	Software and cloud computing spend on Ramp cards over time
04	Q2 business spending by industry	13	Q2 software spend by company size
05	Top 10 vendors in Q2 by transaction volume	14	Q2 software spend by industry
06	Ad spend on Ramp cards over time	15	Top 10 software and cloud computing vendors in Q2 by transaction volume
07	Q2 ad spend by company size	16	Q2 software and cloud computing mix by company size
08	Q2 ad spend by industry	17	Top 10 software and cloud computing vendors in Q2 by customer count
09	Top 10 ad channels in Q2 by transaction volume	18	Average amount spent per business on top vendors in Q2, by company size

19 T&E spend on Ramp cards over time

20 Q2 T&E spend by company size

21 Q2 T&E spend by industry

22 Q2 T&E spend by category

23 Breakdown of Q2 T&E spend by
company size

24 Breakdown of Q2 T&E spend by industry

25 Average T&E spending limits in Q2

26 Average T&E transaction size in Q2
by category

Q2 overview

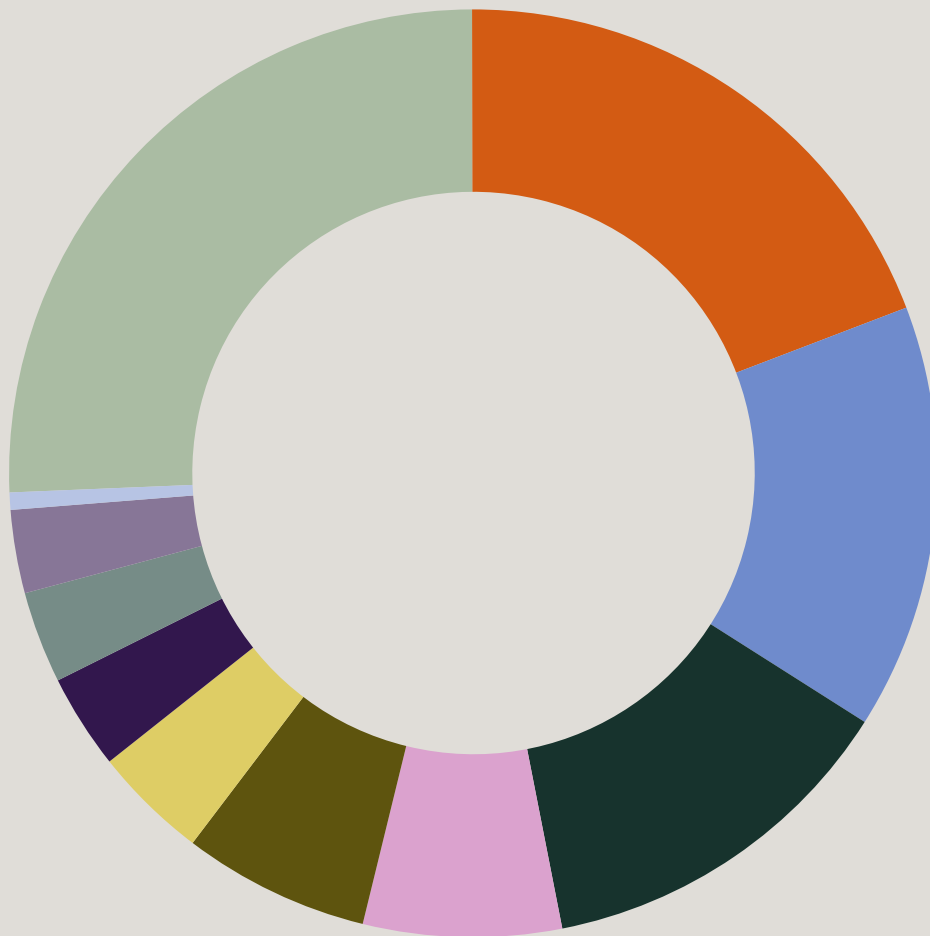
Business spending continued to fluctuate in Q2 as companies battled economic uncertainty while resuming travel. Small SMB and enterprise spending saw the most volatility, while large SMB and mid-market spending held steady month-on-month.

Ads remained the largest expense category for businesses in Q2 by transaction volume, with spending growing 7.1% quarter-on-quarter. However, this growth paled in comparison to the explosion of T&E expenses in Q2: flight transaction volume jumped 62.2%, lodging 40.1%, and restaurants 44.1%. As a result, the share of ad spend on Ramp cards actually decreased from 21.2% in Q1 to 19.2% in Q2.

Shipping overtook professional services as the fourth largest expense category for Ramp customers. Among the top categories, electronics was the only category where spending fell, for the second quarter in a row. After dropping 5.9% in Q1, electronics spend decreased 15.1% in Q2. This drop might be seasonal, given many companies frontloaded electronic purchases at the beginning of this year to avoid supply chain issues.

Chart 01

Top 10 expense categories in Q2 by transaction volume

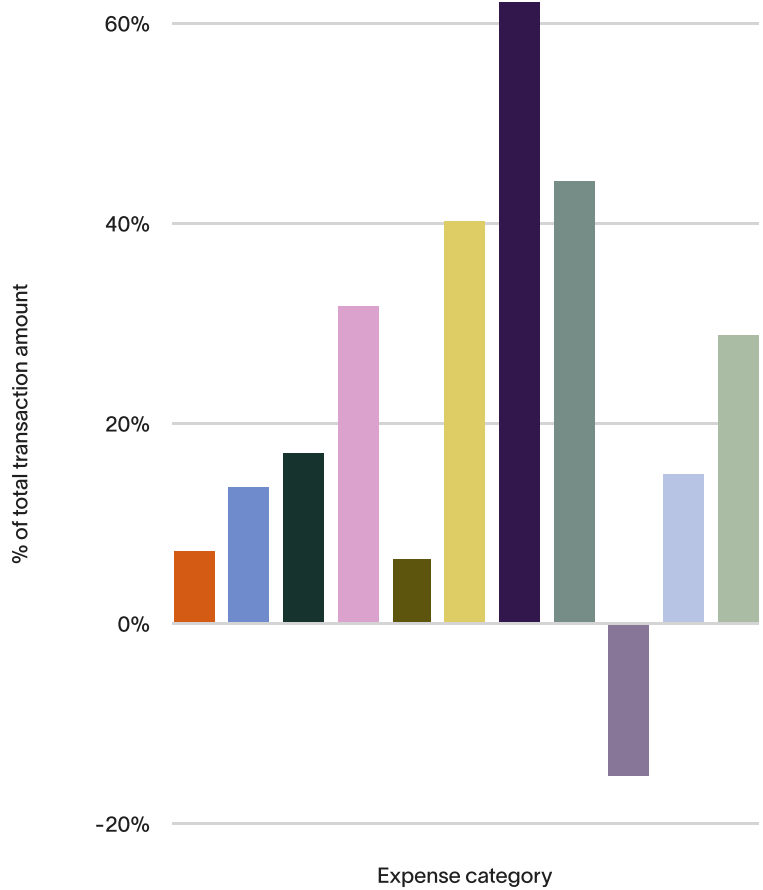


Share of total spend on Ramp cards

19.2%	Advertising	3.3%	Airlines
14.8%	General merchandise	3.2%	Restaurants
12.9%	SaaS/software	2.9%	Electronics
6.9%	Shipping	0.6%	Cloud computing
6.5%	Professional services	25.6%	Other
4.0%	Lodging		

Chart 02

Change in business spending in Q2 2022 vs Q1 2022



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

Differences emerged when we segmented expenses by company size. General merchandise costs remained the biggest expense for small SMBs, although airlines, restaurants, and cloud computing transaction volume grew the fastest. Electronics spend decreased the most for this segment, by 28.0%.

Advertising was the top expense for large SMBs and mid-markets. But the fastest growing expenses for large SMBs were airlines and restaurants, followed by lodging.

Mid-market companies saw entertainment expenses jump the most, by 76.9%. As with all other segments, airline spend also increased significantly, bumping restaurants as a top expense category for mid-market companies. Shipping was a sizable expense for companies at this stage, making up 8.5% of card spend vs 2.1% for large SMBs.

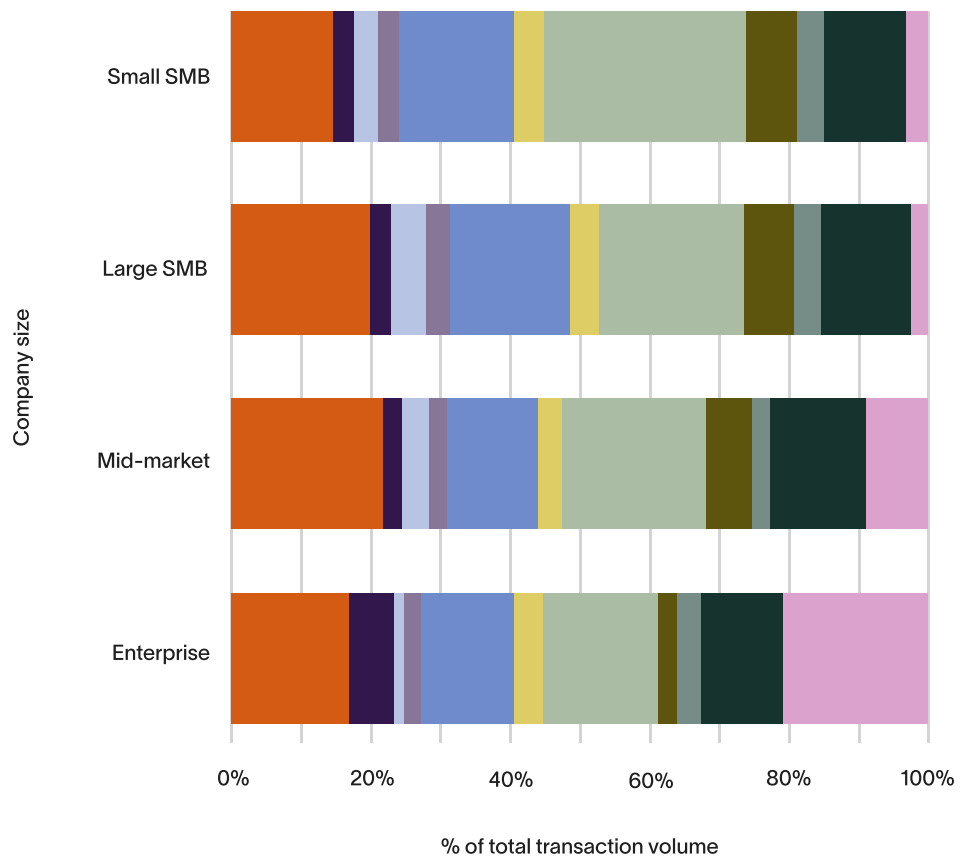
In fact, shipping was the #1 expense category for enterprises in Q2, increasing 103% to overtake

advertising. In addition to increased airline spend for this segment, software transaction volume also leapt considerably, by 68.3%. Internet and phone costs also grew, overtaking office expenses as the tenth largest expense category.

Enterprises balanced these increases by being the only segment to cut spending in professional services (-15%), whereas small and large SMBs increased their spending in this area by more than 10%. This suggests labor shortages continue to be an issue for SMBs.

Chart 03

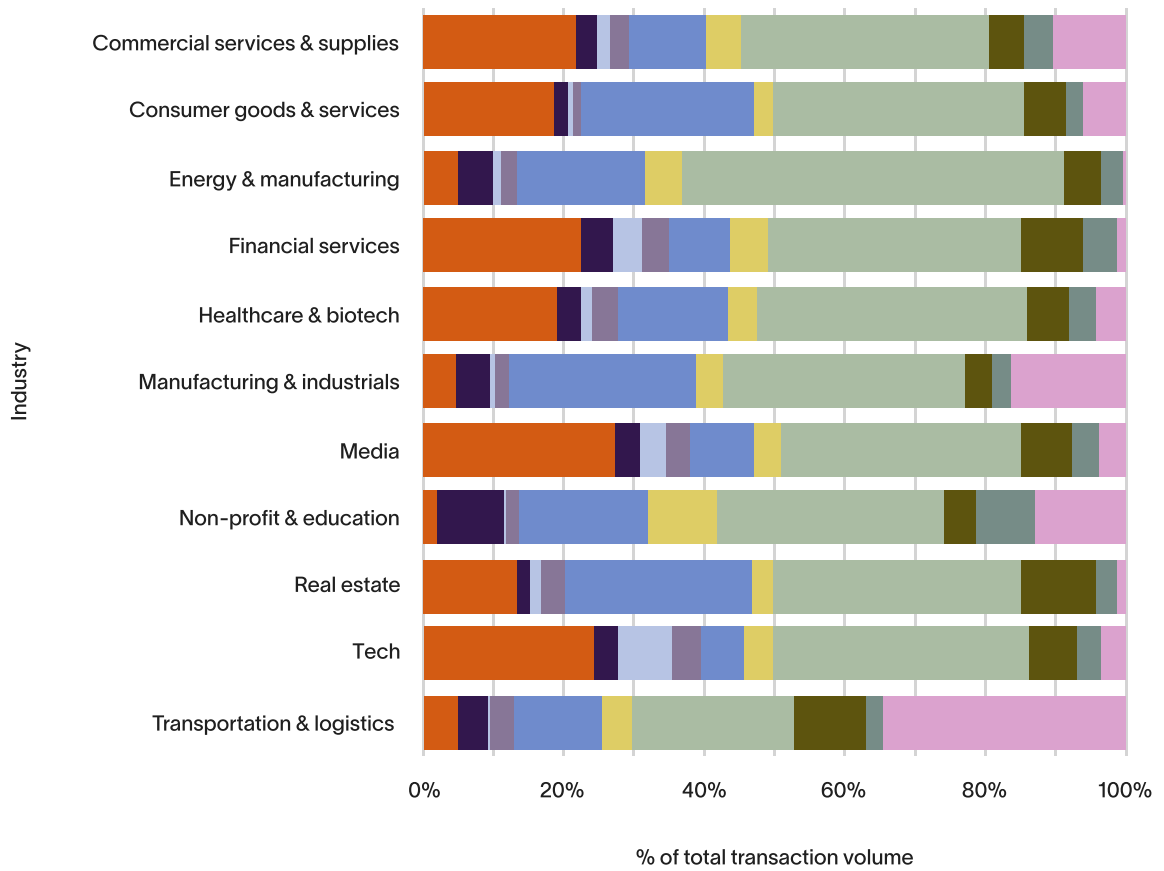
Q2 business spending by company size



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

Chart 04

Q2 business spending by top industry



- Advertising
- Lodging
- Airlines
- Other
- Cloud computing
- Professional services
- Electronics
- Restaurants
- General merchandise
- Shipping

The top vendors for Ramp customers remained unchanged, with most vendors seeing an increase in spend, especially FedEx and UPS. The notable exception was Apple, which saw transaction volume drop 23.9% in Q2.

The strength in the shipping segment caught us by surprise, especially given the recent earnings commentary out of Fedex. The dispersion in our proprietary data vs the corporate earnings report may be attributable to differences in the average Ramp customer behavior vs the economy writ large, or potentially the dispersion between corporate and consumer behavior.

Chart 05

Top 10 vendors in Q2 by transaction volume

Vendor	% change from Q1
1. Google Ads	13.3%
2. Facebook Ads	3.5%
3. FedEx	39.5%
4. Amazon	10.7%
5. Amazon Web Services	14.6%
6. Payments vendor *	21.1%
7. UPS	25.1%
8. Apple	-23.9%
9. LinkedIn	24.0%
10. Cloud computing vendor *	31.7%

* = Vendor name redacted to keep customer data private

Trends in ad spend

The share of ad spend on Ramp cards dropped 3.4pp compared to Q2 2021. In fact, it reached the lowest point in June compared to the last 12 months, at 22.4% of transaction volume after peaking at 29.8% in January.

Mid-market businesses drove this decline, indicating they might be the segment that's taking the most drastic measures to curtail growth expenses. While transaction volume grew for all other segments in Q2, the average mid-market company decreased its ad spend for the second quarter in a row, by 4.9%. In contrast, enterprises increased their ad spend the most, with the average business in this segment spending 17.7% more in Q2, reflecting their need to keep growing in this economic environment.

Chart 06

Ad spend on Ramp cards over time

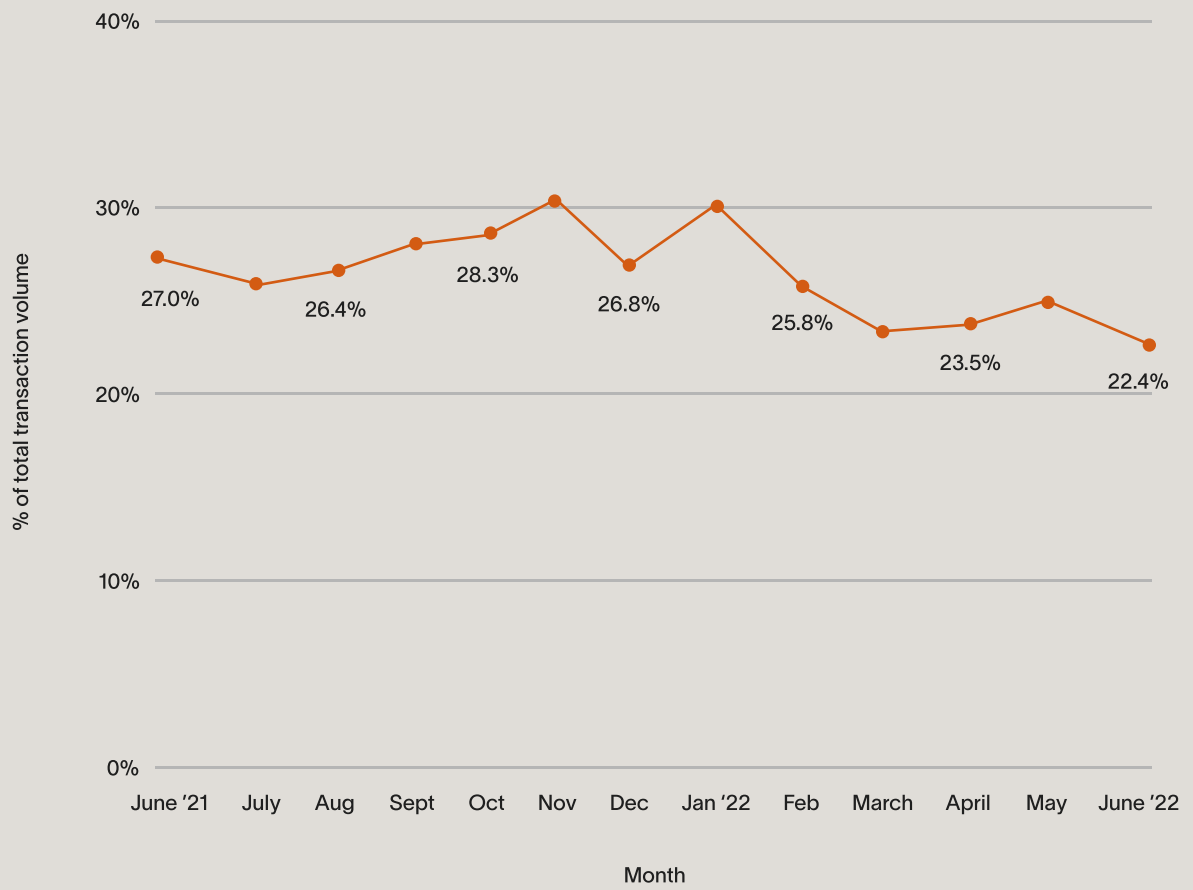


Chart 07

Q2 ad spend by company size

Company size	Average amount spent per business	% change from Q1
Small SMB	\$30.9k	7.0%
Large SMB	\$93.1k	4.5%
Mid-market	\$207.7k	-4.8%
Enterprise	\$340.3k	17.7%

Chart 08

Q2 ad spend by industry

Industry	Average amount spent per business	% change from Q1
Commercial services & supplies	\$81.8k	-5.6%
Consumer goods & services	\$95.7k	4.6%
Energy & manufacturing	\$25.0k	-38.0%
Financial services	\$95.0k	2.5%
Healthcare & biotech	\$99.5k	-21.2%
Manufacturing & industrials	\$45.3k	28.8%
Media	\$92.8k	27.3%
Non-profit & education	\$3.4k	-34.5%
Real estate	\$52.9k	-15.0%
Tech	\$121.4k	6.8%
Transportation & logistics	\$54.6k	22.5%

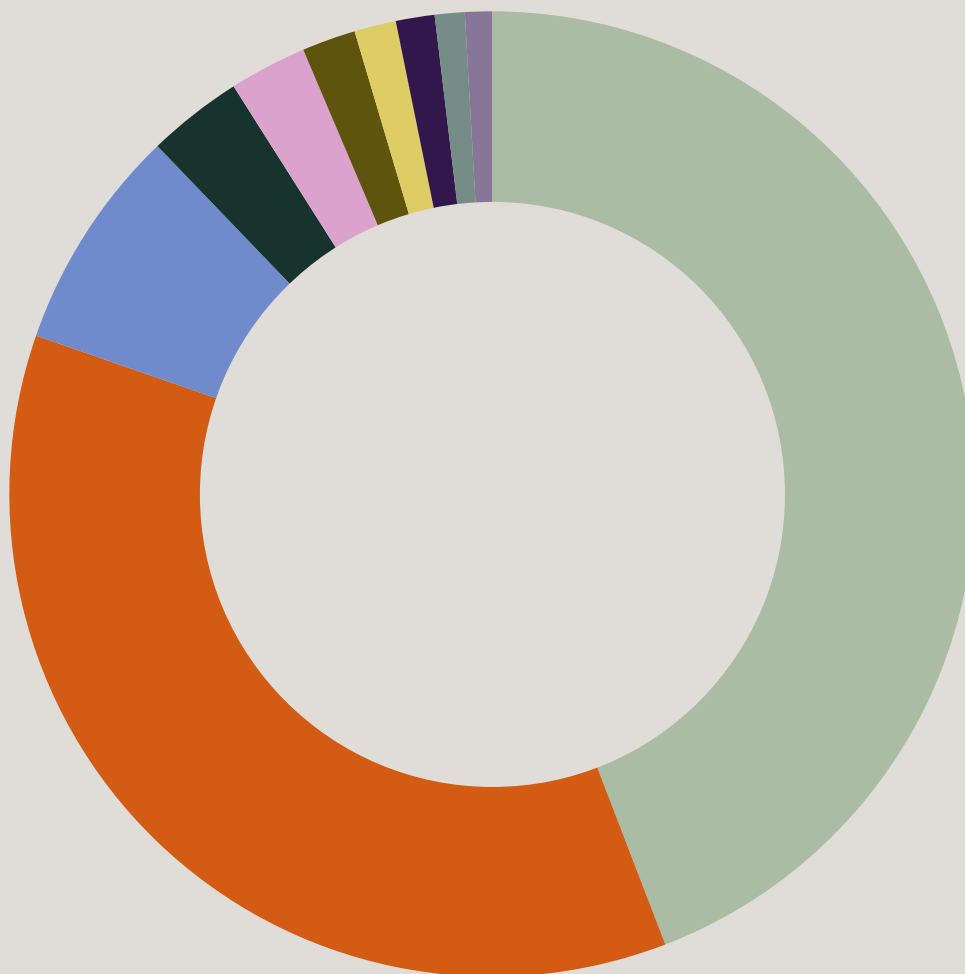
Google Ads and Facebook Ads maintained their grip on ad spend. However, the share of Google Ads gained ground, growing by 2.4pp, while the share of Facebook ads dropped 1.3pp.

TikTok Ads was the third largest ad channel for Ramp customers in Q2, overtaking both Microsoft Advertising and Apple Search Ads. In fact, the latter two ad channels saw transaction volume decrease by 28.9% and 5.6% respectively while spending on TikTok Ads nearly doubled.

Amazon Advertising spending also decreased, causing the channel to drop out of the top 10 list. Instead, Ramp customers invested in out-of-home channels. Outfront Media debuted as the ninth largest ad channel in Q2, ahead of Clear Channel Outdoor, which remained on the top 10 list, but at tenth place.

Chart 09

Top 10 ad channels in Q2 by transaction volume



Share of total ad spend on Ramp cards

44.2%	Google Ads	1.8%	Apple Search Ads
36.2%	Facebook Ads	1.4%	Twitter Online Ads
7.5%	Other	1.3%	Capterra
3.2%	TikTok Ads	1%	Snapchat Ads
2.6%	Microsoft Advertising	0.9%	Outfront Media

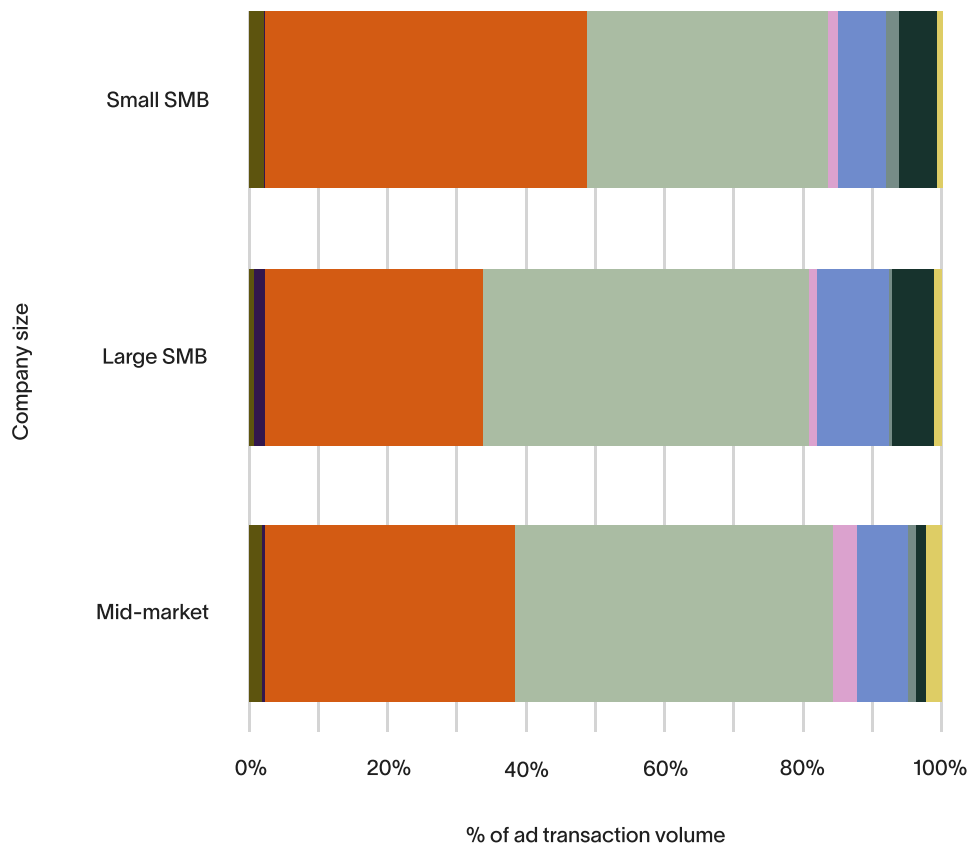
Facebook Ads continued to be the top ad channel for small SMBs, but Twitter Online Ads and Snapchat Ads grew the fastest. Pinterest Ad spending dropped for this segment.

Large SMBs still placed most of their ad dollars in Google Ads. But Pinterest Ads grew the fastest quarter on quarter, displacing iHeartMedia as a top ad channel for the segment. They continued to rely more heavily on Taboola and Amazon Advertising than other segments, but in Q2 reduced spending on the latter as well as Microsoft Advertising.

Among top ad channels for mid-market companies in Q2, Quora was the fastest growing, toppling Capterra from the list. Spending dropped for more mainstream channels like Facebook Ads, Microsoft Advertising, and Apple Search Ads. MNTN Performance TV continued to be a key vendor for this segment.

Chart 10

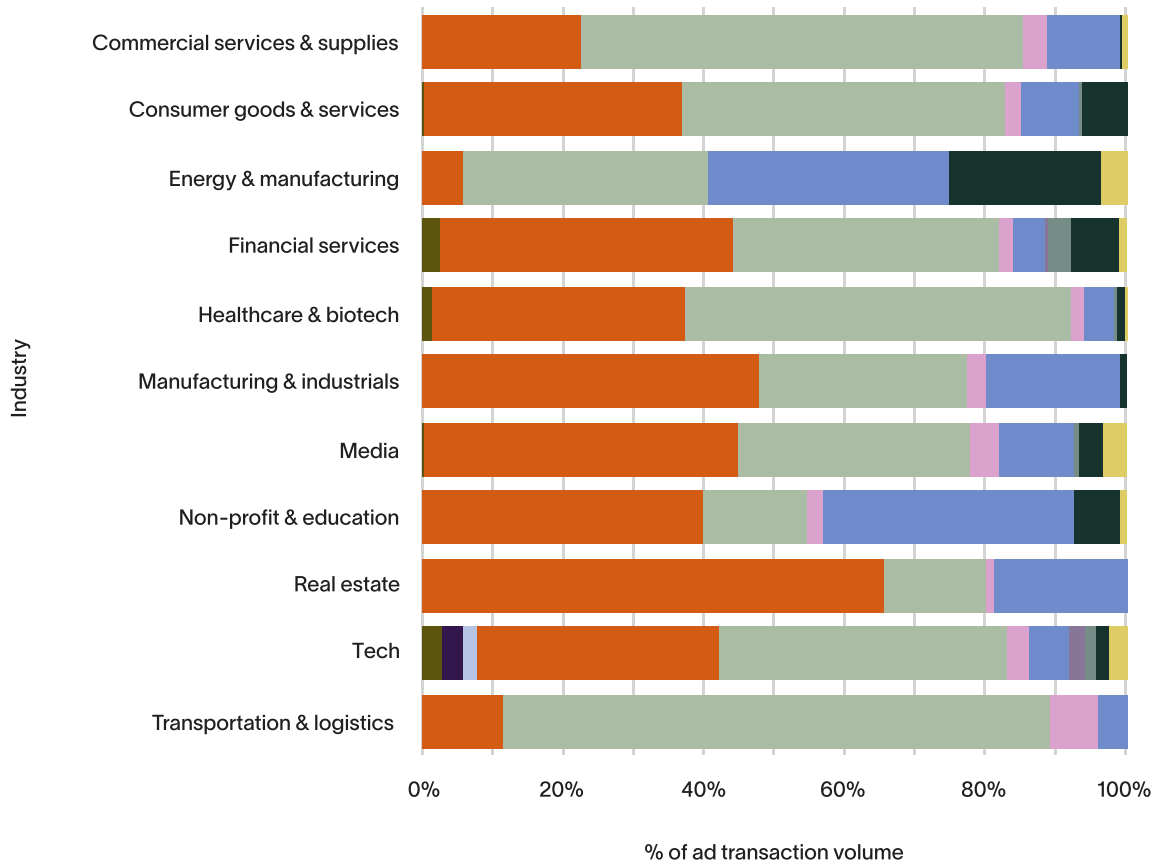
Q2 ad channel mix by company size



- Apple Search Ads
- Capterra
- Facebook Ads
- Google Ads
- Microsoft Advertising
- Other
- Snapchat Ads
- TikTok Ads
- Twitter Online Ads

Chart 11

Q2 ad channel mix by industry



Trends in software & cloud computing spend

Software spend increased 3.9pp year-on-year to 14.9% of Ramp transaction volume, while cloud computing spend held steady at 3.4%. The average business spent 17.4% more on software, with enterprises again increasing their spending the most.

Top software vendors for Ramp customers remained mostly unchanged, with Amazon Web Services and LinkedIn topping the list. HubSpot emerged as the sole new top vendor in Q2, displacing Microsoft Office / Azure. LinkedIn, Google G Suite and Atlassian grew the fastest, by transaction volume.

Top vendors based on business count also remained stable, with all vendors on the list seeing growth in users except for Calendly. Adobe remained the most popular software vendor, while Figma grew the fastest.

In Q2, the average cost per business rose the most for LinkedIn (19.9%), Google G Suite (19.3%), and Atlassian (18.9%). Plaid costs dropped by 7.4%.

Chart 12

Software and cloud computing spend on Ramp cards over time

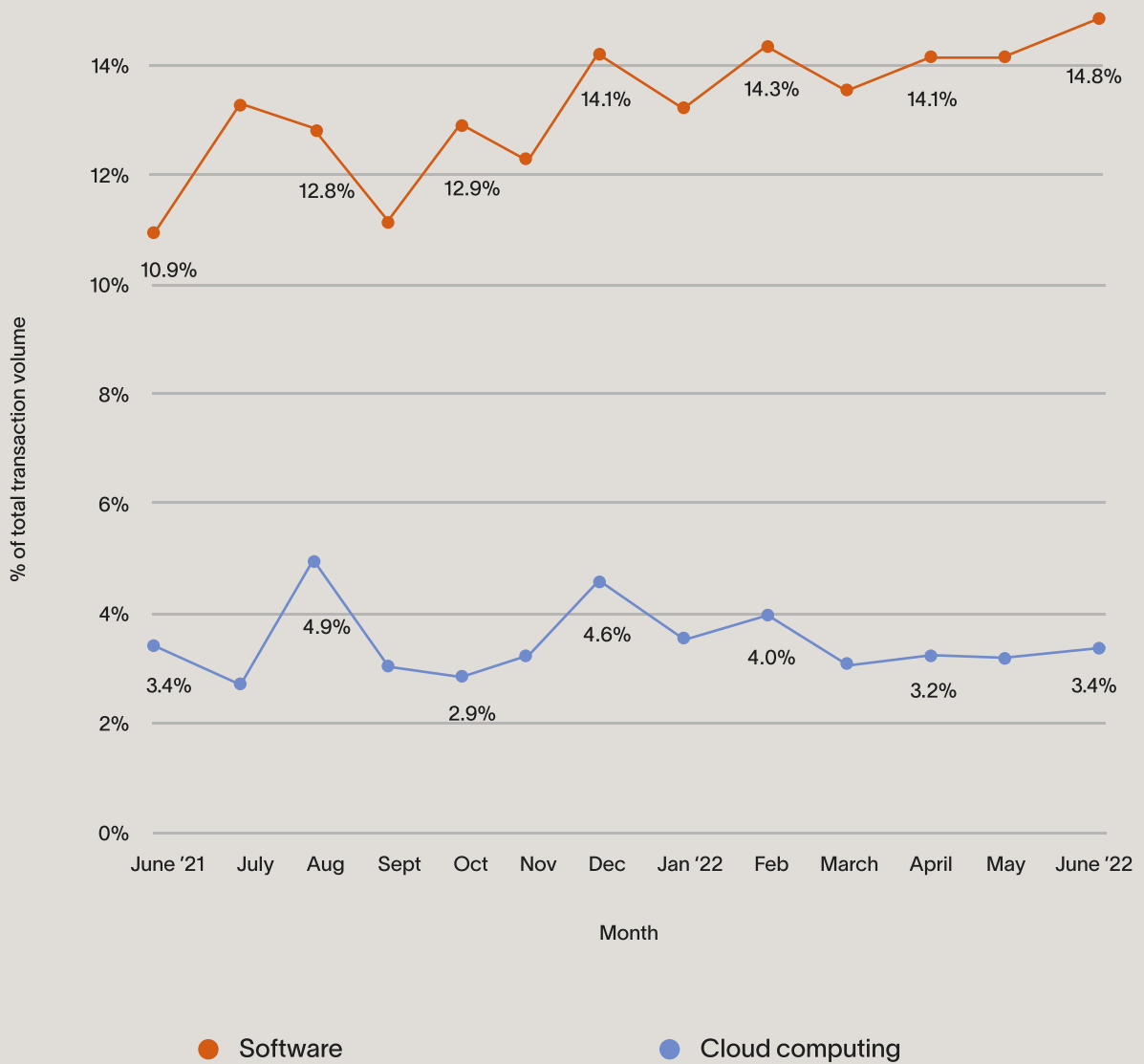


Chart 13

Q2 software spend by company size

Company size	Average amount spent per business	% change from Q1
Small SMB	\$13.8k	9.5%
Large SMB	\$33.7k	12.1%
Mid-market	\$99.2k	16.7%
Enterprise	\$137.0k	68.3%

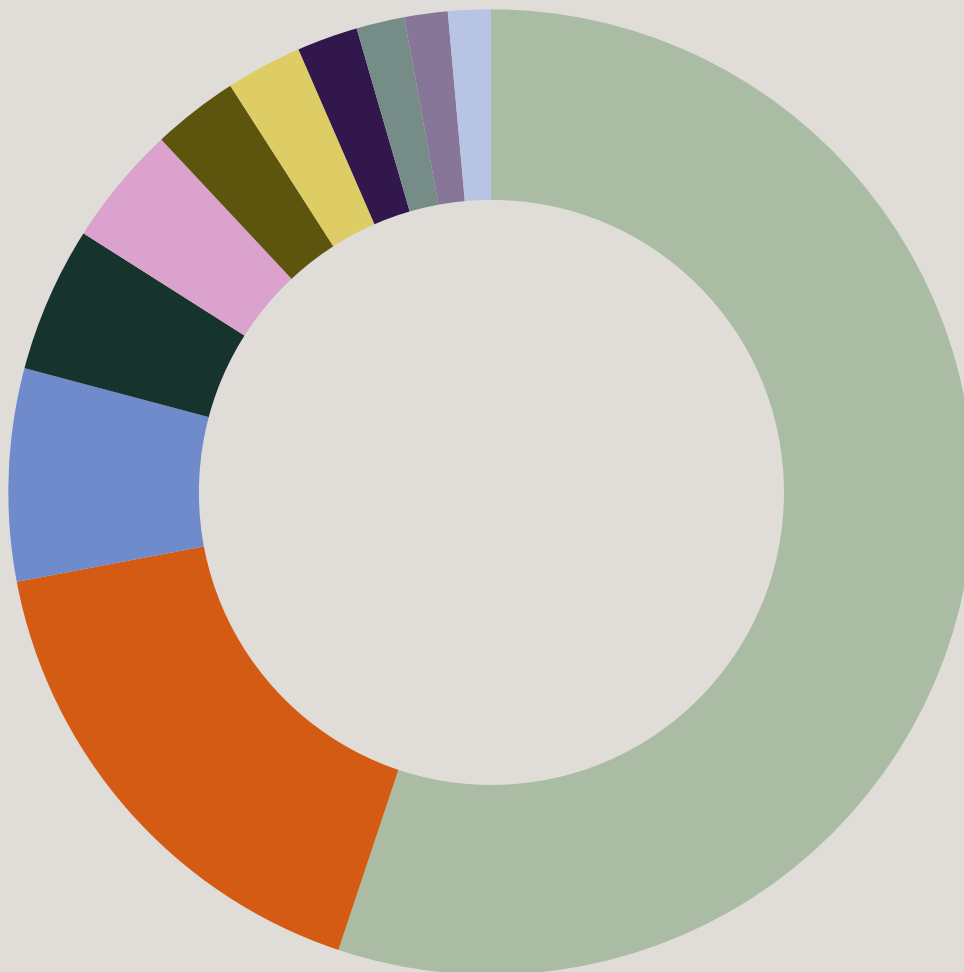
Chart 14

Q2 software spend by industry

Industry	Average amount spent per business	% change from Q1
Commercial services & supplies	\$25.2k	14.0%
Consumer goods & services	\$21.4k	13.7%
Energy & manufacturing	\$13.5k	2.0%
Financial services	\$33.6k	8.1%
Healthcare & biotech	\$30.6k	5.4%
Manufacturing & industrials	\$17.8k	13.9%
Media	\$34.5k	24.8%
Non-profit & education	\$6.0k	8.0%
Real estate	\$29.9k	-8.3%
Tech	\$57.5k	24.1%
Transportation & logistics	\$31.2k	24.7%

Chart 15

Top 10 software and cloud computing vendors in Q2 by transaction volume



Share of software and cloud computing spend on Ramp cards

16.9%	Amazon Web Services	2.6%	Twilio
7.1%	LinkedIn	2.0%	Google G Suite
4.9%	Cloud computing vendor *	1.6%	Atlassian
4.0%	Google Cloud	1.5%	Zoom
2.9%	Plaid	1.4%	HubSpot
		55.1%	Other

* = Vendor name redacted to keep customer data private

Vendors varied by stages of growth. Datadog and Shopify were the top vendors for small SMBs in Q2, surpassing Carta and Slack this quarter in terms of transaction volume.

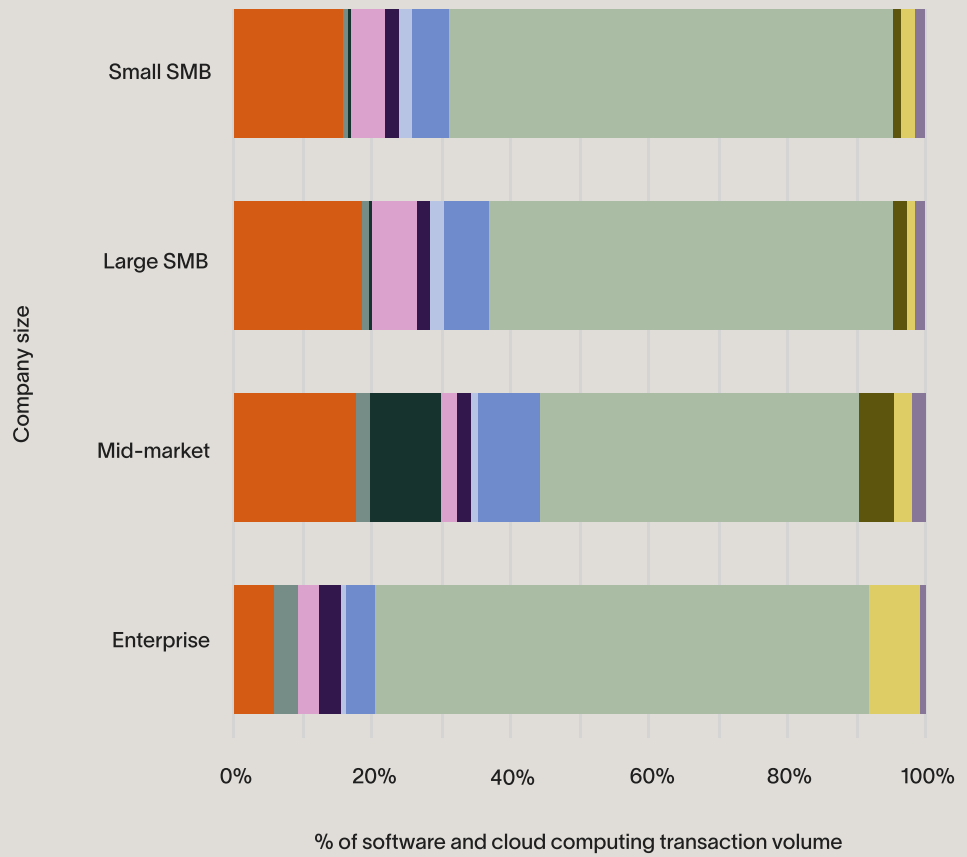
Among large SMBs, Rippling spend increased by 25%, displacing Zoom as a top vendor in this segment. Support.com, Shopify, and ShipMonk were key vendors for this segment.

Mid-market companies remained more reliant on Microsoft Office / Azure compared to other segments, although spending with this vendor dropped 31.1% in Q2.

In Q2, Lucidchart emerged as a top vendor for enterprise Ramp customers, displacing Front. Translated.com, Checkr, and Shopify continued to be critical vendors for the segment.

Chart 16

Q2 software and cloud computing mix by company size



- Amazon Web Services
- Atlassian
- Cloud Computing Vendor *
- Google Cloud
- Google G Suite
- HubSpot
- LinkedIn
- Other
- Plaid
- Twilio
- Zoom

* = Vendor name redacted to keep customer data private

Chart 17

Top 10 software and cloud computing vendors in Q2 by customer count

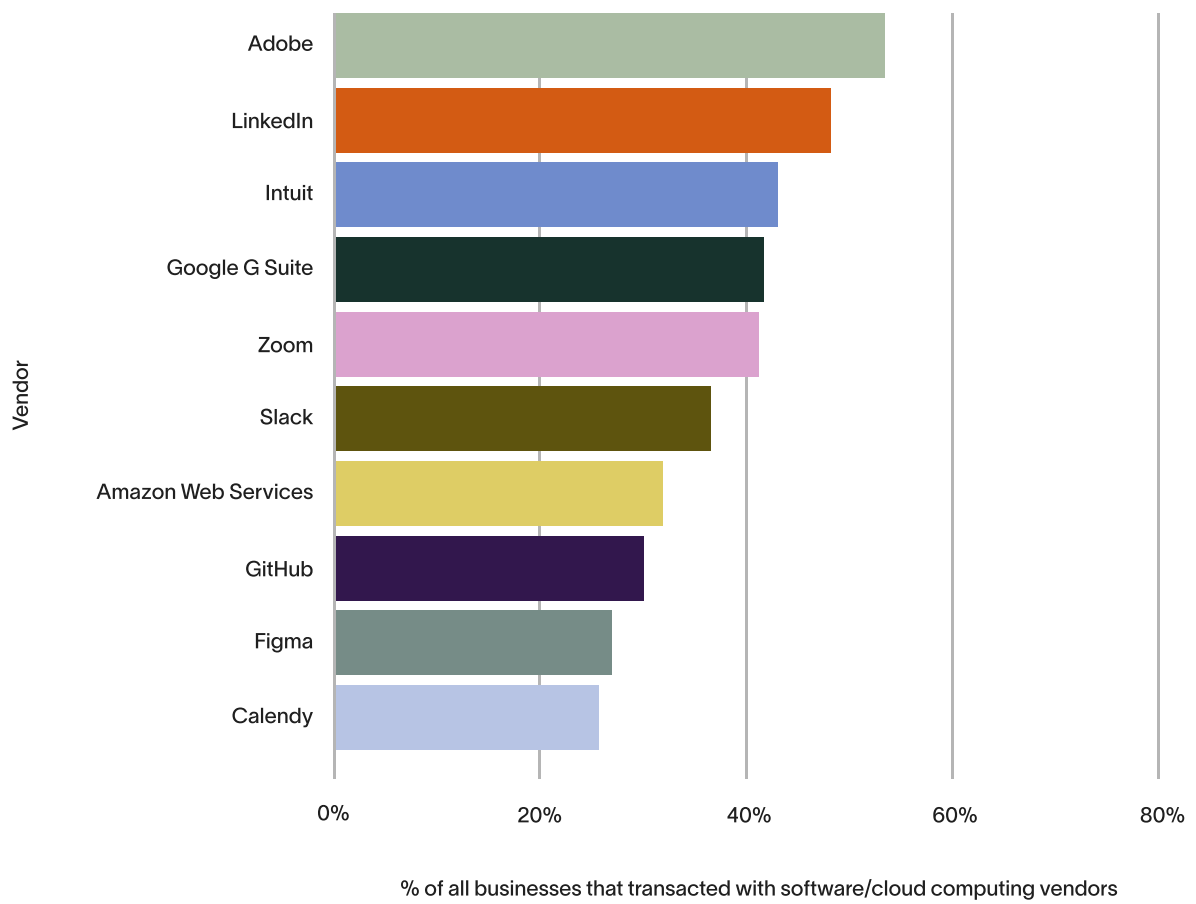


Chart 18

Average amount spent per business on top vendors in Q2, by company size

	Small SMB	Large SMB	Mid-market
Adobe	\$0.3k	\$1.0k	\$1.9k
Amazon Web Services	\$10.7k	\$28.8k	\$50.7k
Atlassian	\$1.2k	\$2.5k	\$7.2k
Figma	\$0.4k	\$0.9k	\$1.7k
GitHub	\$0.4k	\$0.7k	\$1.6k
Google Cloud	\$6.4k	\$15.1k	\$12.3k
Google G Suite	\$0.8k	\$2.5k	\$5.9k
HubSpot	\$2.3k	\$4.6k	\$7.1k
Intuit	\$0.3k	\$0.5k	\$0.7k
LinkedIn	\$2.4k	\$5.6k	\$17.8k
Plaid	\$13.2k	\$10.3k	\$163.8k
Slack	\$0.5k	\$1.5k	\$3.6k
Twilio	\$7.7k	\$12.3k	\$9.1k
Zoom	\$0.5k	\$1.4k	\$4.6k

Trends in T&E spend

Businesses of all sizes took to the road again. The share of T&E spend consistently surpassed 10% each month, averaging 11.6% in Q2, an increase of 4.1pp year-on-year and 2.0pt quarter-on-quarter.

On average, companies spent 46.7% more on T&E in Q2 vs Q1. Every business segment, with the exception of small SMBs, saw increases of over 50%.

More trips required air travel, perhaps due to the rise of remote work. While lodging remained the biggest T&E expense category overall, airline spend increased 62.2% in Q2 to become second-largest, overtaking restaurants. It was the top expense category for enterprises, making up 6.3% of all spend for the segment vs an average of 3.0% for other segments.

However, cuts may be looming: total allowable spend on business trips was almost 24% lower for new travel policies created in June vs March. The average size of entertainment transactions decreased in Q2 for all segments except mid-market companies, indicating more discerning budgetary requirements for most businesses.

Chart 19

T&E spend on Ramp cards over time

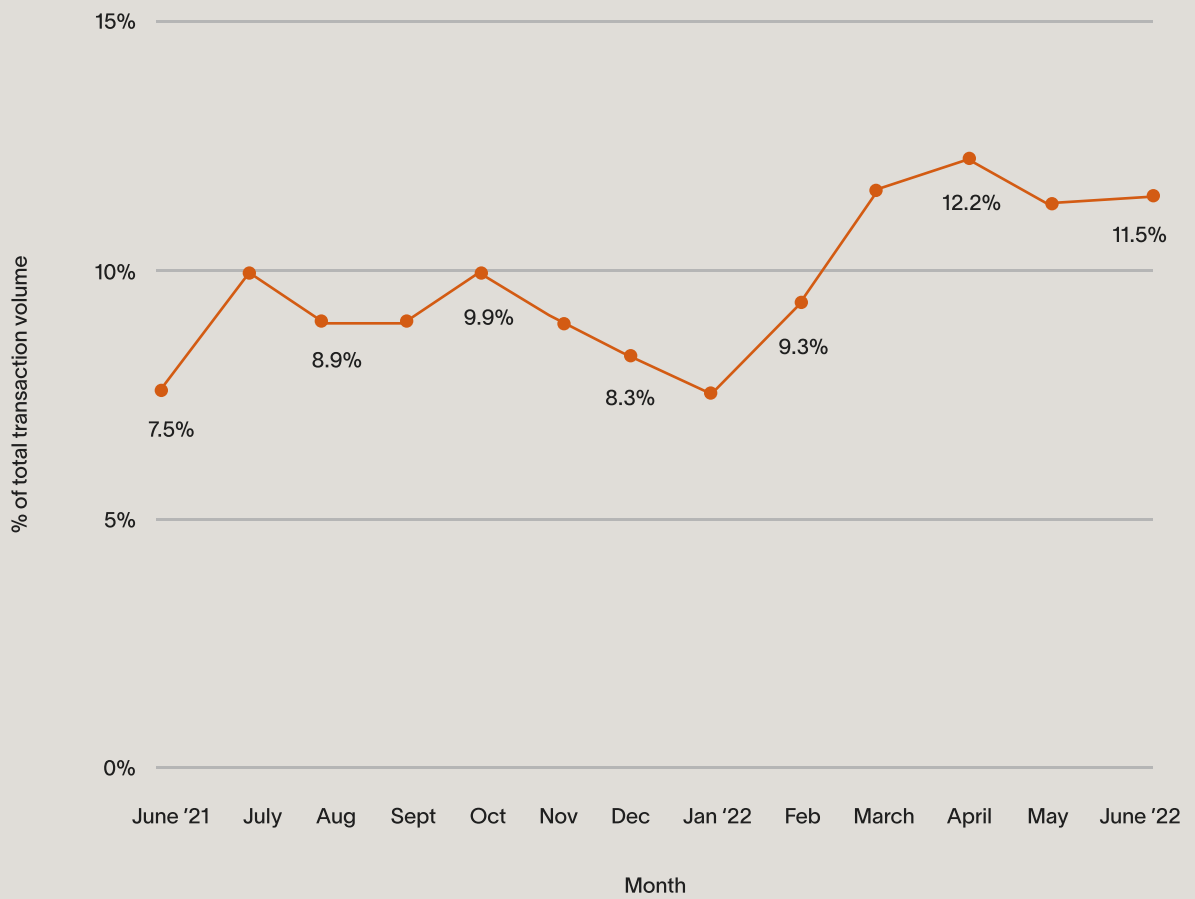


Chart 20

Q2 T&E spend by company size

Company size	Average amount spent per business	% change from Q1
Small SMB	\$19.9k	28.7%
Large SMB	\$38.0k	57.5%
Mid-market	\$110.4k	56.4%
Enterprise	\$193.3k	47.0%

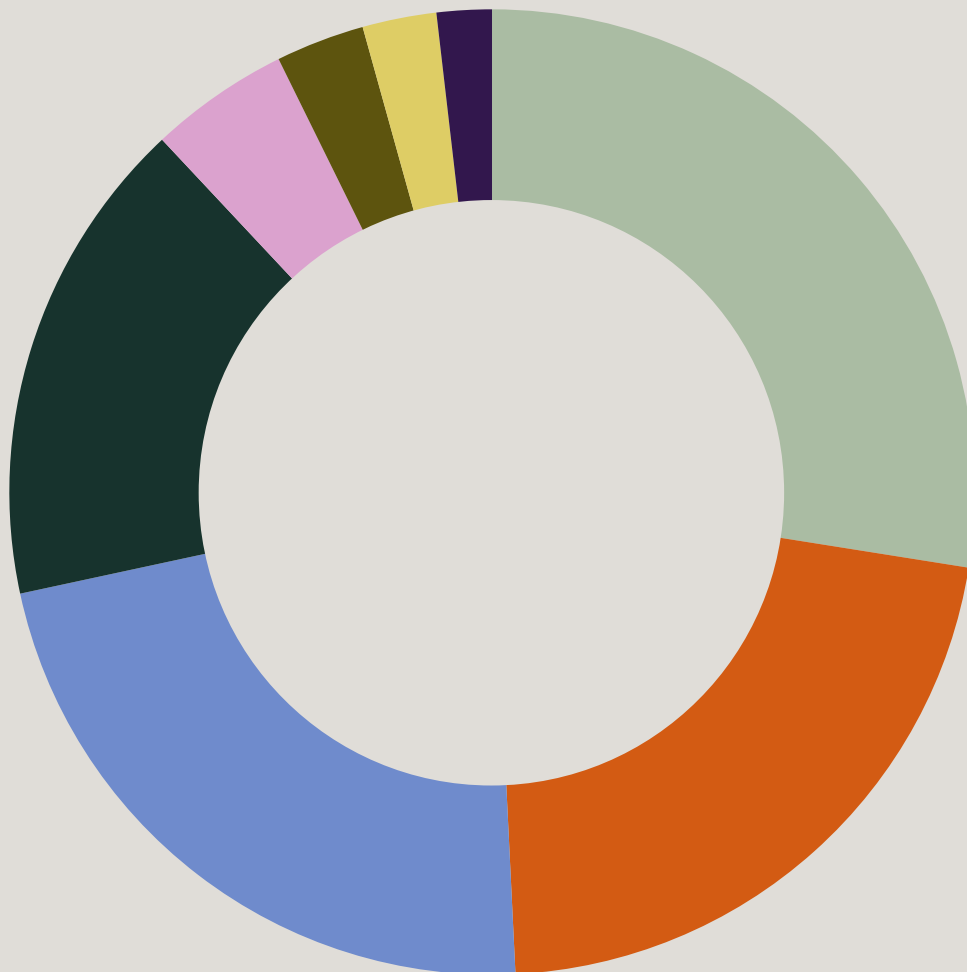
Chart 21

Q2 T&E spend by industry

Industry	Average amount spent per business	% change from Q1
Commercial services & supplies	\$32.5k	48.2%
Consumer goods & services	\$55.8k	53.0%
Energy & manufacturing	\$34.4k	50.1%
Financial services	\$34.3k	48.8%
Healthcare & biotech	\$44.7k	45.4%
Manufacturing & industrials	\$65.7k	36.0%
Media	\$47.8k	12.3%
Non-profit & education	\$33.9k	98.6%
Real estate	\$21.1k	81.9%
Tech	\$39.0k	47.5%
Transportation & logistics	\$62.7k	67.8%

Chart 22

Q2 T&E spend by category

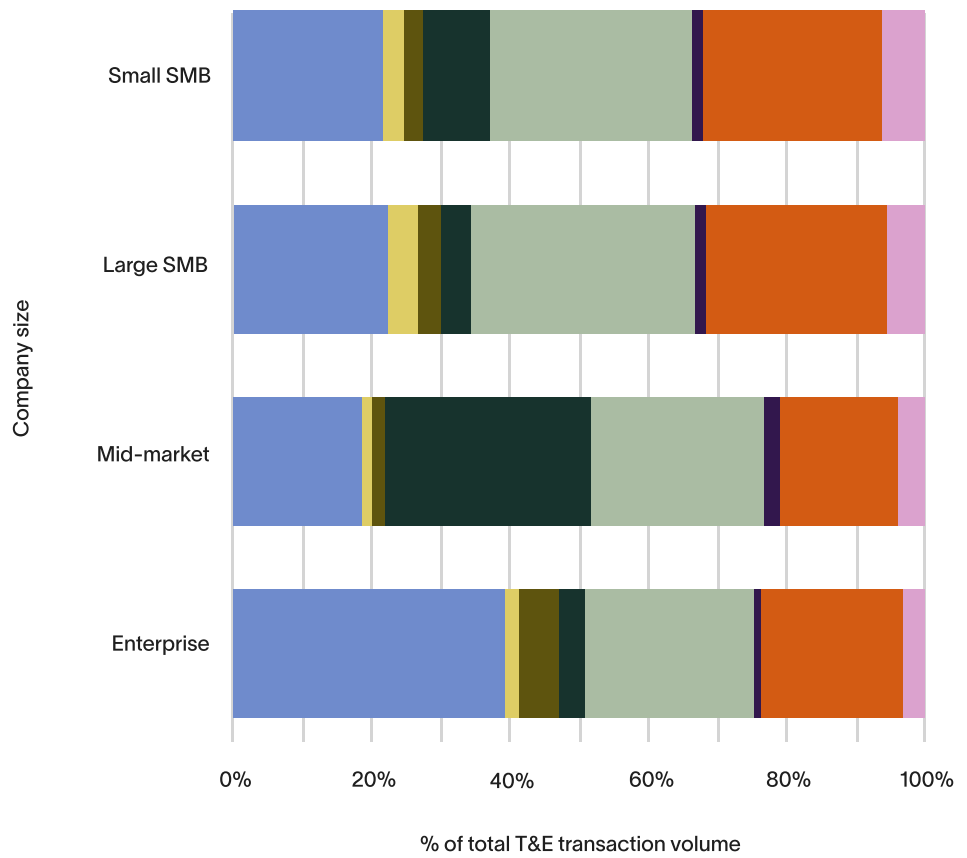


Share of T&E spend on Ramp cards

27.5%	Lodging	4.7%	Taxi and rideshare
21.7%	Restaurants	3.0%	Car rental
22.4%	Airlines	2.5%	Alcohol and bars
16.4%	Entertainment	1.8%	Parking

Chart 23

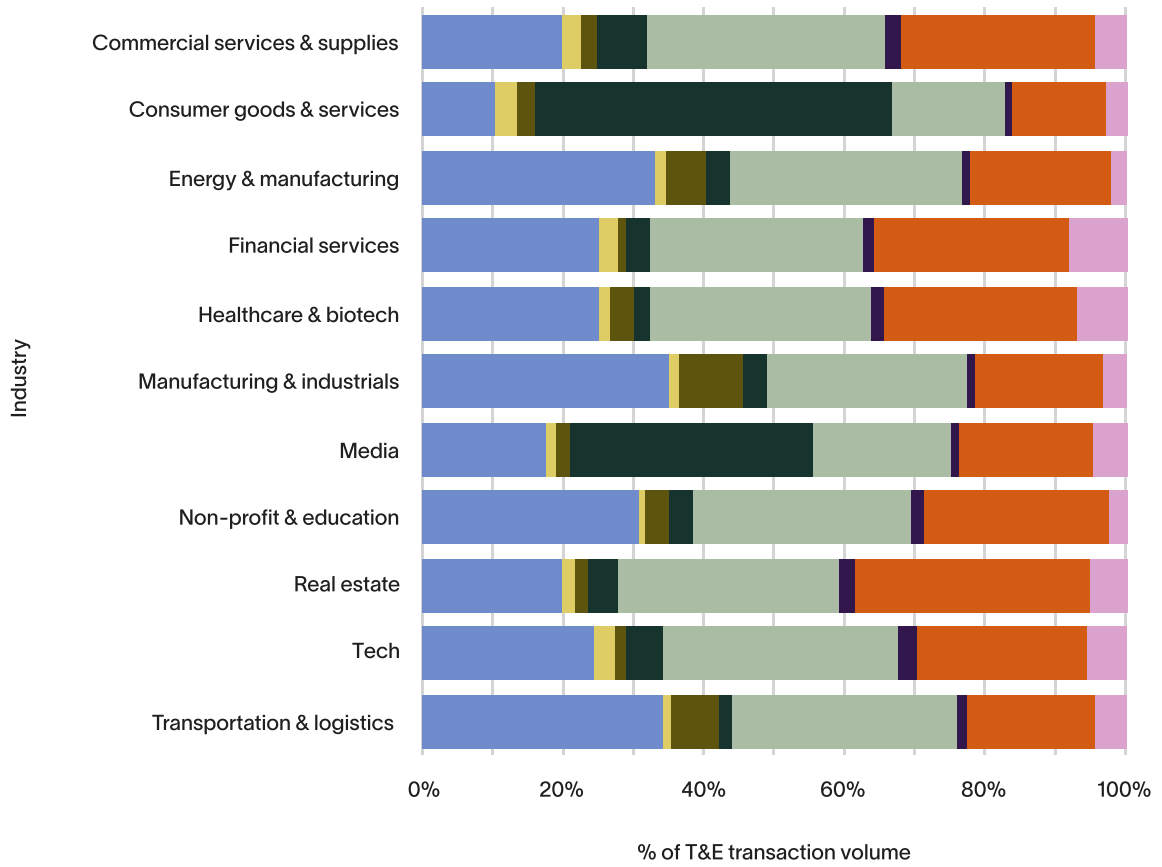
Breakdown of Q2 T&E spend by company size



- Airlines
- Alcohol and bars
- Car rental
- Entertainment
- Lodging
- Parking
- Restaurants
- Taxi and rideshare

Chart 24

Breakdown of Q2 T&E spend by industry



- Airlines
 - Alcohol and bars
 - Car rental
 - Entertainment
- Lodging
 - Parking
 - Restaurants
 - Taxi and rideshare

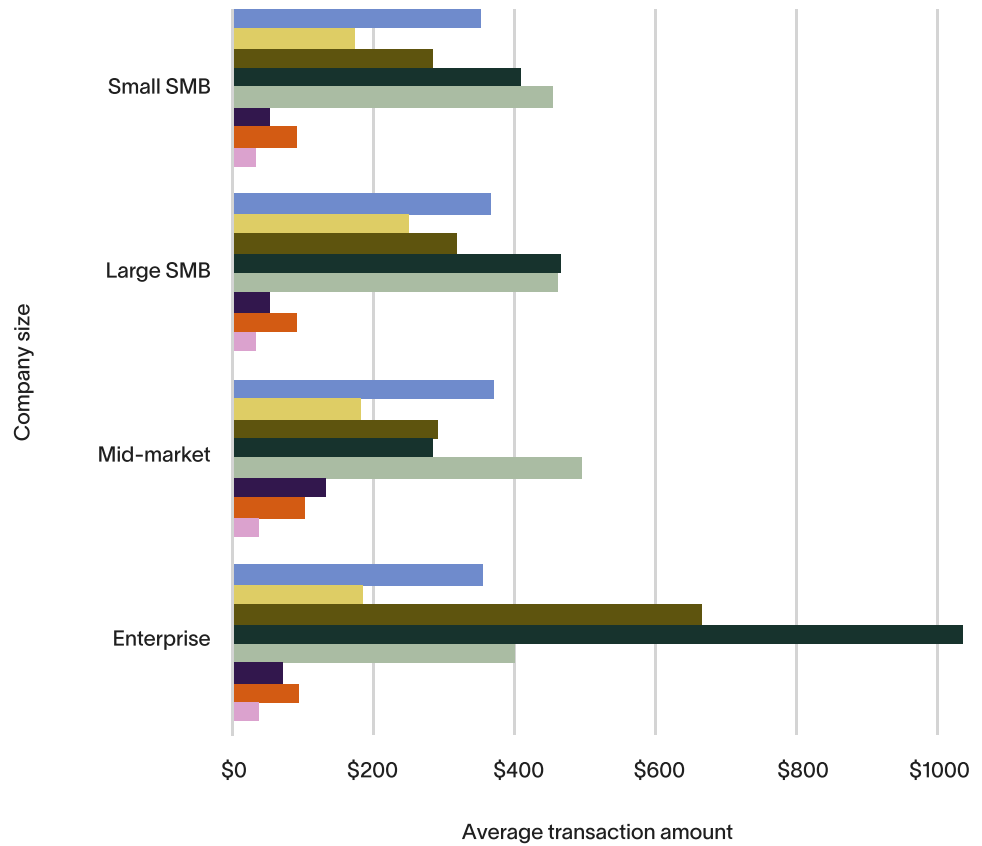
Chart 25

Average T&E spending limits in Q2

	Small SMB	Large SMB	Mid-market	Enterprise
Max airefare cost	\$1.1k	\$971	\$1.1k	\$1.0k
Max hotel nightly rate	\$303	\$287	\$291	\$288
Per diem	\$207	\$147	\$92	\$75

Chart 26

Average T&E transaction size in Q2 by category



- Airlines
 - Alcohol and bars
 - Car rental
 - Entertainment
- Lodging
 - Parking
 - Restaurants
 - Taxi and rideshare

About Ramp

Ramp is building the next generation of finance tools—from corporate cards and expense management, to bill payments and accounting integrations—designed to save businesses time and money with every click. Thousands of businesses are spending an average of 3.5% less and closing their books 86% faster by switching to Ramp’s finance automation platform. Founded in 2019, Ramp powers the fastest-growing corporate card in America and enables billions of dollars of purchases each year on the heels of nearly 10x year-over-year growth.

ramp.com

Credits

Marketing manager

Cristina Carnazzo

Senior creative producer

Alexandra Hudson

Brand designers

Shivani Soni, Erin McCarty

Senior brand designer

Sydney Goldstein

Senior analytics engineer

Lingdi Huang

Key contributors

Nick Abouzeid, Stefanie Gordon, Mishaal Khan, Fiona Lee, Alex Song, Adam Turkel