

Spend Trends Report 2019



**What we learned from analyzing
over 800,000 business transactions
and more than €120 million spent.**

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Introduction

Every business needs to spend money to operate. From marketing expenses to office supplies, team perks to travel, they must spend in order to succeed.

Understanding how businesses manage their discretionary spend, and what they're spending on, offers unique insights into the structures, technologies and processes that companies use to drive growth.

In this report, we analyze the spending of over 1,000 Spendesk customers across Europe and over €120 million of transactions to identify the spend trends shaping businesses today.

Our results clearly show **spending is increasing in key categories including online payments and subscriptions, travel spending and digital marketing.**

We also find that **technology is fundamentally changing how businesses spend.** The rise of disruptive B2B technology, and businesses' increasing reliance on their services is evident throughout.

In this report, you'll find:

- A wide range of insights into how businesses are spending
- The most popular vendors for typical business expenses, and;
- Which business teams spend the most.

For finance leaders, we hope this report offers valuable insights as you develop your spend management strategy.

We warmly welcome you to the Spend Trends Report 2019. Now, let's see how modern European companies spend.

Rodolphe Ardant,
CEO @ Spendesk



The big numbers

Here's a quick overview of what went into this report:



TIME PERIOD:

Jan 2016 → Jan 2019



TOTAL SPENDING:

€120,000,000+



**TOTAL NUMBER
OF TRANSACTIONS:**

800,000+



**NUMBER
OF COMPANIES:**

1,000+



**NUMBER
OF COUNTRIES:**

**35 across the
European Union**



Methodology

This report is not a survey of opinions. We've analyzed hundreds of thousands of company payments to figure out where they're spending and why.

Who is making these payments?

All of these payments were made by businesses through the Spendesk platform using virtual and physical Spendesk cards. Our customers are typically small-to-medium businesses (SMBs) of between 50 - 500 employees headquartered in major European cities. The largest subset of customers is based in France, followed by the United Kingdom and Germany.

What do we mean by business spending?

When we talk about business spending, we are referring to costs associated with the day-to-day running of a business, also referred to as 'discretionary spending'. We're not talking about payroll. Examples of discretionary spending include travel spending, online payments and subscriptions, marketing costs and team events.

How long is the timeframe?

Unless otherwise stated, the data in this report is from January 2016 to Jan 2019. Where we look at differences between specific time frames, this will always be clearly marked.

Why are all payments in euros?

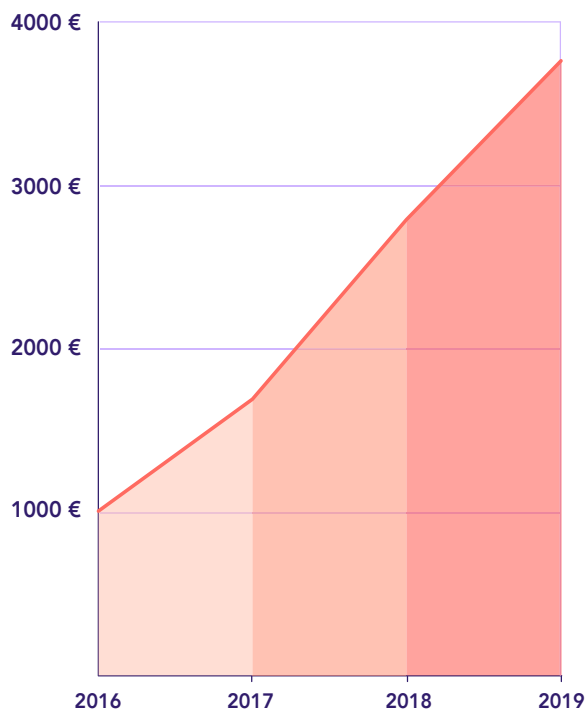
For consistency, all figures are shown in euros (as marked). However, Spendesk users can and do spend in any currency, anywhere in the world. Where a transaction occurred in dollars, pounds, or any other currency, we've used the standard exchange rate to euros at the time of payment.

01.

Spend trends

Our analysis identified four key trends shaping business spend management. We'll examine each in detail as we go through this report.

1. Subscriptions payments are rising



*Subscription spend per company
(monthly)*

Since 2016, we've seen a significant increase in company spending on subscription software.

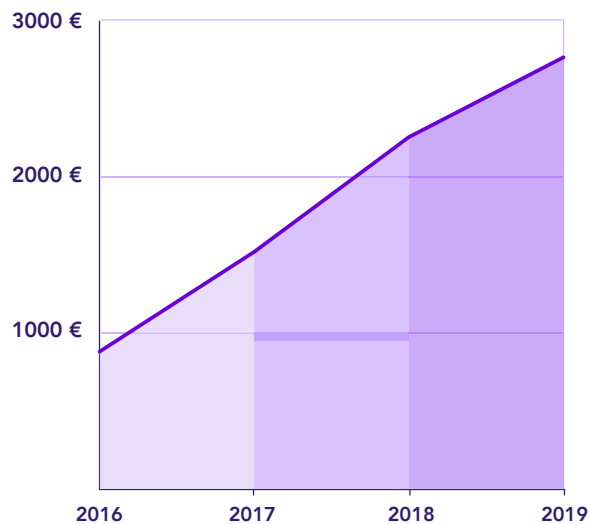
Average subscription spend
(per company) increased

267.91%
between 2016 and 2019.

This reflects the digital transformation taking place across most industries. Companies are using more tools than ever, and increasingly relying on them to support business-critical functions including finance, marketing, sales, operations and IT.

2. Travel spending is also growing

Following the financial crisis of 2008, growth in travel spending slowed significantly. But industry figures show that it's growing again, and this is backed up by our data.

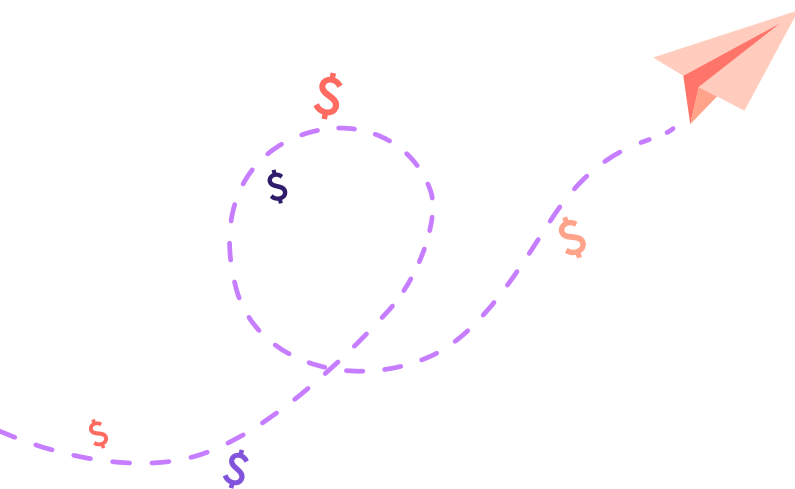


Travel spending per company

Average travel spend
(per company) increased

217.85%
between 2016 and 2019.

Our data also shows the increasing impact of new players in the business travel market. Sharing apps like *Airbnb* and *Uber*, and booking sites like *Kayak* and *Skyscanner*, now let teams choose the exact options they want, and businesses are increasingly embracing these services for their travel needs.



3. Digital advertising is driving modern businesses

The rise of digital marketing is clear in our analysis. *Google, Facebook, and LinkedIn* are all among the top 10 vendors for overall business spending.

And the amount businesses are spending with these vendors each year is also growing. This result of this is marketing teams are managing huge variable expenses - more than any other business team.

4. Amazon is essential

Amazon is **the most-expensed vendor among our data**, with more than three times the number of transactions in 2018 of second-placed *Uber*. And that's true no matter the company's size or the country they operate in.

This spending is not just for office supplies, furniture, and electronics. Modern businesses increasingly rely on *Amazon* services to support their IT infrastructure, too.



"The most striking finding from this report is just how important the Internet economy has become. Whether it's for marketing, subscriptions, or travel, businesses are taking advantage of the convenience and savings they can find online."



Fabien Dawidowicz,
Spendesk CFO

02.

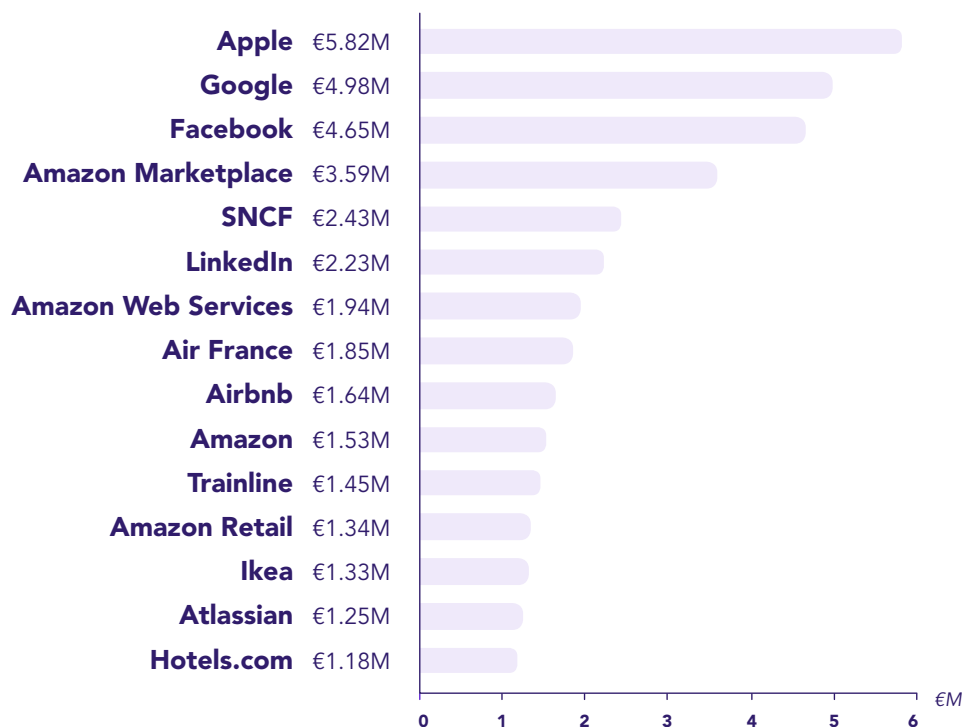
How businesses spend

The first question to answer when analyzing company spending is what do companies spend money on? This helps businesses benchmark against one another, and make sure that their spending is similar to their peers.

One way to answer this question is to look at the most common suppliers. When businesses spend - whether at the office, on the road or paying suppliers - where do they put their money? This section breaks down the top vendors for business expenses for companies in our data sample.

Top vendors (amount spent since 2016)

This list shows the suppliers that received the highest amounts of total money spent since 2016.



Apple is first on this list, followed by Google, Facebook, and Amazon Marketplace. Most of the funds spent with Apple are likely for hardware - computers, phones, and accessories. Google, Facebook and LinkedIn, on the other hand, largely received payments for social and search advertising.

Important note: Amazon appears on the graph above four times thanks to its different paid services. As you can see in the table on the right, if we combine all Amazon spending it becomes easily the largest vendor on this list, with more than €8.5M spent. And if we combine all hotel bookings, this “vendor” climbs into the top five.

Amazon (combined)	€8.68M
Apple	€5.82M
Google	€4.98M
Facebook	€4.65M
Hotel	€3.80M
SNCF	€2.44M
LinkedIn	€2.23M
Air France	€1.85M
Airbnb	€1.65M
Trainline	€1.45M
Ikea	€1.33M
Atlassian	€1.25M
Zendesk	€0.96M
easyJet	€0.91M
Adobe	€0.89M

Top vendors (number of transactions since 2016)

Looking at the number of transactions rather than the amount spent, the list looks somewhat different. Apple isn’t even in the top 10:

Amazon Marketplace	41,516
Uber	22,255
SNCF	20,954
Amazon	15,402
Amazon Retail	13,612
La Poste	9,203
LinkedIn	11,184
Trainline	12,605
Google	12,788
Facebook	13,010

Instead, Amazon Marketplace takes the top spot, while Uber is second despite not being inside the top 15 for amount spent. And if we aggregate Amazon once more, we have more than 76,000 transactions - over three times more than Uber in second.

The inference is clear: businesses make a high number of relatively small transactions on these platforms. And small transactions aren’t insignificant in terms of costs to the business.

Each transaction, whether made on the company card or paid by the employee and reimbursed, typically requires an associated expense report, a process that wastes time for the claimant and for your finance team.

All these small purchases add up to a lot of admin, data entry, and time-consuming back and forth between different parts of the business. Which is why many companies are moving away from expense reports altogether.



How AMBOSS manages a high volume of Amazon payments easily

“We also have an ambassador programme where we work with medical students. Sometimes we send them a gift card to thank them.”

“I have a Spendesk subscription for Amazon. It keeps track of all the students that I’ve engaged with over the month, and it allows me to track my whole project within one card and one engagement. So my whole management of a particular campaign can go really smoothly.”

“When I made my first Amazon purchase, buying gift cards for 40 people, I could so quickly and easily create the card, plug it in, and let it go.”



Olivia Hallett,

Community Marketing Manager at AMBOSS

03.

Which business teams spend the most?

We've looked at the top vendors for company spending as a whole.

But which business teams typically spend the most?

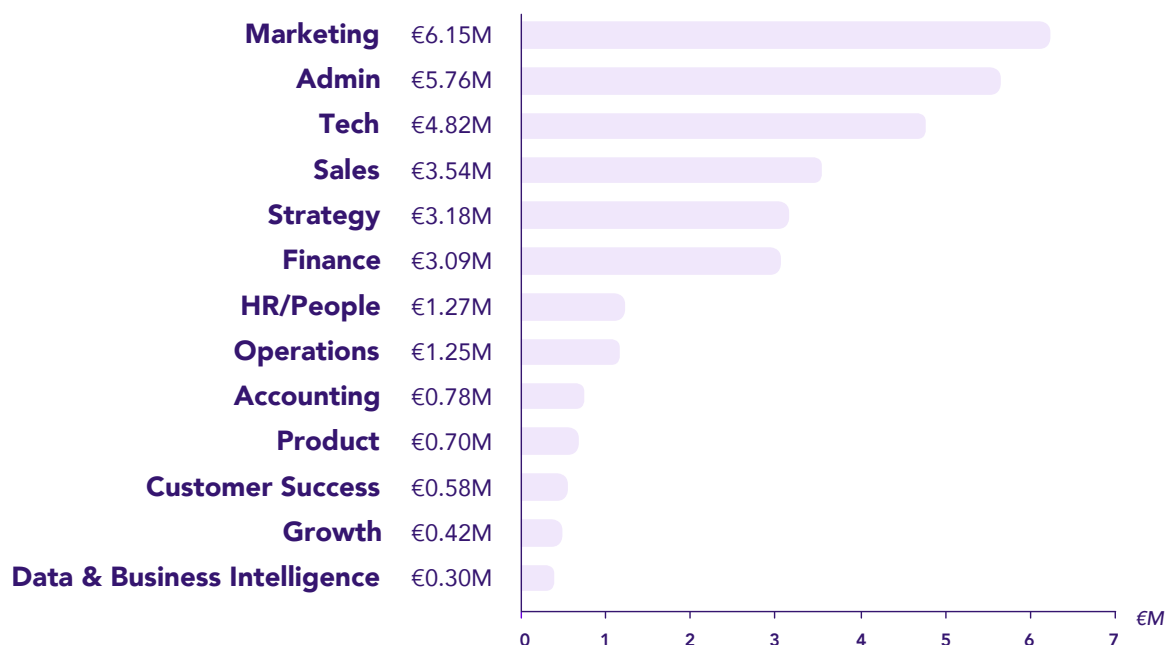
It's valuable to understand how company money is being spent, and which teams have the highest overheads in order to operate.

This includes:

- Sales or marketing teams travelling to meet clients
- Tech teams investing in expensive equipment and software
- Administrative teams paying for parties, perks, and other office supplies

These are the total amounts spent by each business team since 2016.

Total spending by team



This list doesn't include payroll, but can include travel spending, office costs, software, and tools.

Most of those payments to *Google*, *Facebook*, and *LinkedIn* come from marketers, for example. And a large proportion of travel expenses (see next section) do as well.

Admin teams are a close second. This explains why we saw such a high amount of company money spent on *Amazon*, *Apple*, and *Ikea* - to purchase furniture, computers, and meet other office needs.

If we combine administrative and HR teams (as is the case in many SMBs), this "team" would be first by some distance.



"Spending takes place all over the organisation - whether you have a dedicated purchasing team or not. The most important thing is to make it easy for employees to stay compliant, and to remove hurdles that cause them to step outside the rules."



Rodolphe Ardant,
CEO @ Spendesk

04.

How do businesses spend when travelling?

Business travel has been increasing in recent years, after lean times following the 2008 financial crisis. Now, **travel is the second largest cost for businesses after payroll.**

But where exactly does all that spending go, and which providers do business travellers prefer to give their money to?

Top vendors for business travel (amount spent)

Broadly speaking, we can separate business travel spending into two main categories: travel and accommodation. And in this case, the biggest single expense for our sample is hotels:

Hotels (combined)	€ 3.80M
SNCF	€ 2.44M
Air France	€ 1.85M
Airbnb	€ 1.65M
Trainline	€ 1.45M
easyJet	€ 0.91M
Eurostar	€ 0.85M
Booking.com	€ 0.79M
Lufthansa	€ 0.66M
Thalys	€ 0.61M
Uber	€ 0.47M

When we combine all hotel vendors together, they attract more than twice as much spending as popular site *Airbnb*. Given businesses are typically slower adopters of new technology, it may surprise some readers that this number isn't higher. Clearly, the benefits of online booking services are becoming increasingly attractive to business travellers.

It's also interesting to note **how prominent trains are for travelling business people.**

As noted in our methodology section, our sample is mostly from Europe, with the largest segment coming from France. You'll see *SNCF* - the French national rail service - above any other transport provider. You'll also see *Trainline*, *Eurostar*, and *Thalys* - further train services. In fact, four of the top ten vendors offer train travel.

Another interesting fact is that very few of our travel vendors are aggregators. In other words, **business travellers still prefer to book directly with a hotel or transport provider**, rather than relying on third party sites like *Skyscanner* or *Kayak*.

One final noteworthy vendor is *Uber*. We'll take a closer look at them in the next section.

Top vendors for business travel (number of transactions)

The previous section identified the travel vendors with the highest amount spent. This section looks instead at the number of transactions businesses travellers made with each.

Uber	22,255
SNCF	20,954
Other hotels	16,874
Other taxis	13,632
Trainline	12,605
easyJet	5,643
Chauffeur Privé	4,989
Airbnb	4,213
Thalys	3,950
Air France	3,922
Booking	3,862

Clearly the most interesting statistic here is how significant *Uber* suddenly becomes when counting individual transactions. Businesses obviously require a lot of taxi-style travel, and the popular ridesharing app has moved ahead of all taxi companies combined (fourth on this list).

You'll also see *Chauffeur Privé* on our list. This was a France-based private car company aimed at executive and luxury travellers (in 2019, the company rebranded as *Kapten*).

Of course, vendors such as *Uber*, taxis, and *Chauffeur Privé* appear higher on this particular list because they typically involve smaller amounts than flights, trains, and accommodation.

05.

Subscriptions & tools

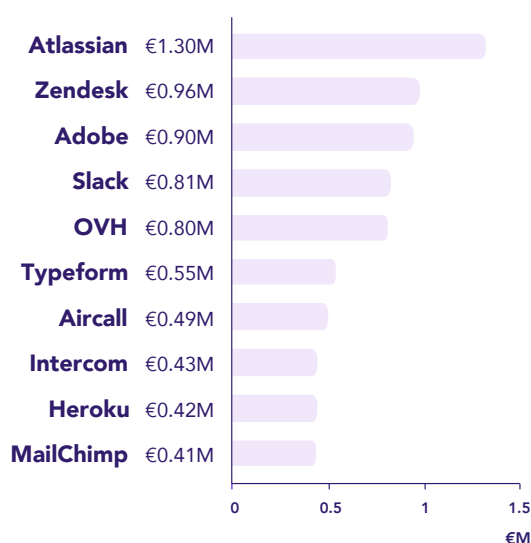
Modern businesses rely more than ever on smart online tools to help them build better products and save time.

These services provide ready-built solutions to common business needs: securely storing information, automating marketing, sales, and finance tasks, and displaying and interpreting company data.

Since so many businesses rely SaaS technology, we can look at company spending to figure out which services they depend upon most often. We can see both the number of payments made and the total amount paid to see which SaaS tools are leading the way.

Here's what the spending data tells us.

Most popular SaaS tools (amount spent)



Perhaps the most interesting aspect of the tools and services on this list is the range of different teams that rely on them. We see SaaS tools used by marketing, sales, customer success, tech and product teams, as well as platforms like *Slack* for the whole company.

Atlassian is best known as the makers of *Jira*, which helps product managers and tech teams track issues and fix bugs (to put it very simply). *Adobe* is best known for its Creative Suite which includes *Photoshop*, *Illustrator*, and other popular design tools.

Zendesk and *Intercom* are probably most popular among customer service teams. They allow customers to contact support and log issues.

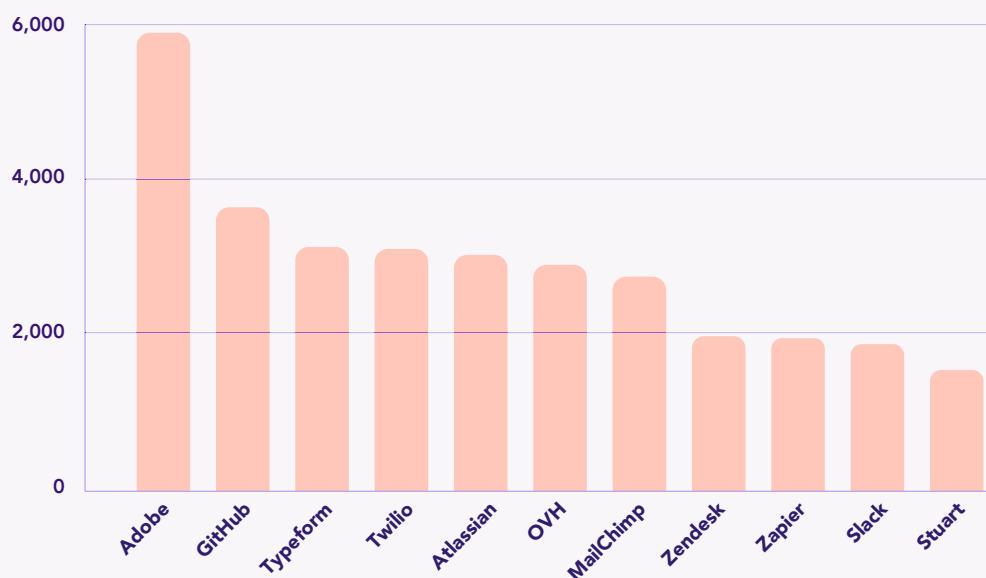
Aircall gives companies a digital phone line. This is used primarily by sales and customer success teams.

And tools and services like *Slack*, *OVH*, and *Mailchimp* can be used for a wide range of reasons by people from all over an organisation.

While we might think of SaaS as appealing mainly to the tech leaders in companies, these tools in fact serve everyone, and are becoming increasingly indispensable.

Top SaaS vendors (number of transactions)

Let's just briefly look to see whether our leaderboard changes if we focus on the number of SaaS payments, not the total amount.



After *Adobe*, *GitHub* - a tool for developers - is at the top of the list. Why would this platform have such a high number of payments?

Most businesses pay on a per-user basis for *GitHub*. When a new staff member joins the development team, the company needs to pay to add them to the *GitHub* account. Which means lots of small, extra payments over time.

The same is true for Adobe. The Creative Suite and other tools require licences for each user. These, and most of the other tools at the top of this list require regular and ongoing smaller payments, rather than big annual subscriptions. This is the most likely reason for them appearing on the list above.



"I was spending two to three days a month matching credit card statements up with the invoices we'd received, then I'd make a file summarising the expenses for which the receipts were missing and I'd send that out to the whole company so that the employees in question could come forward. It could take months to get the paperwork in order."



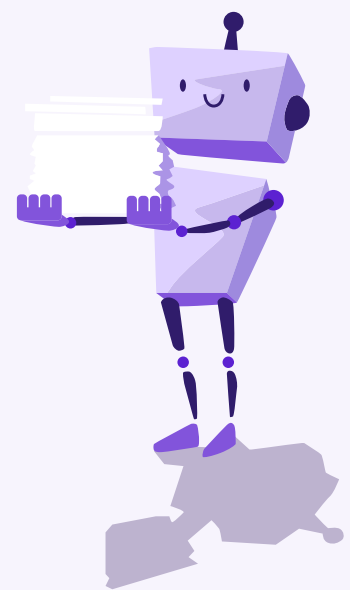
Julie Dupré,
Evaneos

Tired of chasing down invoices for online subscription services?

Let us collect all business receipts for you!

Collect by Spendesk is a service which lets you say goodbye for good to chasing down your supplier receipts. Save time and streamline your finance processes with automatic, organised, secure receipt fetching for all your business spending.

[Find out more](#)



06.

Category leaders

It's always interesting to know which suppliers companies spend with when there are a few clear choices. People have favourite brands for goods and services in their private lives. And it's likely that businesses spend in just the same way.

So which vendors are the most popular in their specific niche?

Digital advertising & social media

As we've already seen, digital advertising is a significant cost for modern businesses. But which providers do they turn to most often?

Google	€ 4.98M	12,788
Facebook	€ 4.65M	13,010
LinkedIn	€ 2.23M	11,184
Capterra	€ 0.23M	170
Twitter	€ 0.19M	1,285
AdRoll	€ 0.13M	389

• number of transactions

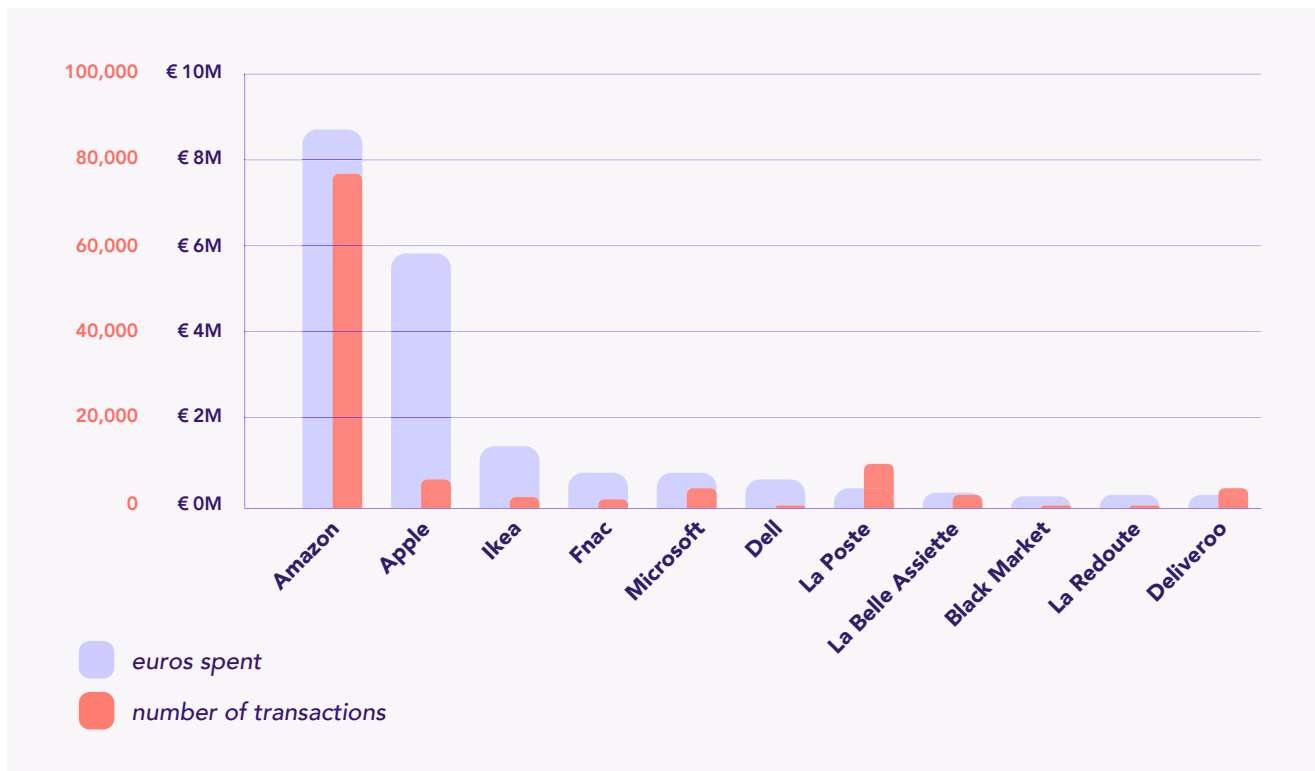
The top two on this list are also two of the most successful and famous companies in the world. It should be no surprise that companies rely on *Google* and *Facebook* to the extent that they do.

Google has a range of paid tools, but most of this spending will be going to AdWords, its search advertising tool. *Facebook* advertising also includes ads served through Instagram. *LinkedIn* is third on the list, and is hugely popular with B2B advertisers because it provides allows companies to target people based on their job description.

Office expenses & supplies

We saw earlier that administrative teams are the second-highest spenders after marketing teams. Companies need a lot of stuff around the office.

So when businesses need food, computers, and stationary, where do they get them?



We can immediately see the hierarchy for tech supplies among our fast-moving companies. For computers, phones, and their accessories, they clearly want *Apple* goods the most. *Microsoft* and *Dell* are also popular choices, but *Apple* is ahead by a huge margin. It's also worth noting that *Black Market* is a reseller that mostly sells *Apple* products.

Ikea is also an interesting vendor for company furniture. We know that it's

immensely popular for private buyers, but clearly businesses rely heavily on *Ikea* as well.

Deliveroo is the highest ranked food delivery service for business spending. It's possible that some of the spending on *Uber* (see next section) includes *Uber Eats*, however. No other food delivery service ranks in the top 200 vendors, although several supermarkets do.

Uber & taxis

Uber	€ 0.47M	22,522
Taxis	€ 0.36M	13,632

• number of transactions

Uber is 31st on our list of top expense suppliers, and 2nd for the total number of transactions. So while each individual expense might be relatively low, companies rely on *Uber* for ground transport. Since the vast majority of our sample are European companies, this

perhaps should not surprise. Clearly, *Uber* is now established in the European business landscape, and is proving to be hugely popular.

Also, as our sample includes a large number of tech-savvy, fast-growing companies, it's likely that these users prefer to use modern technologies and apps to travel.

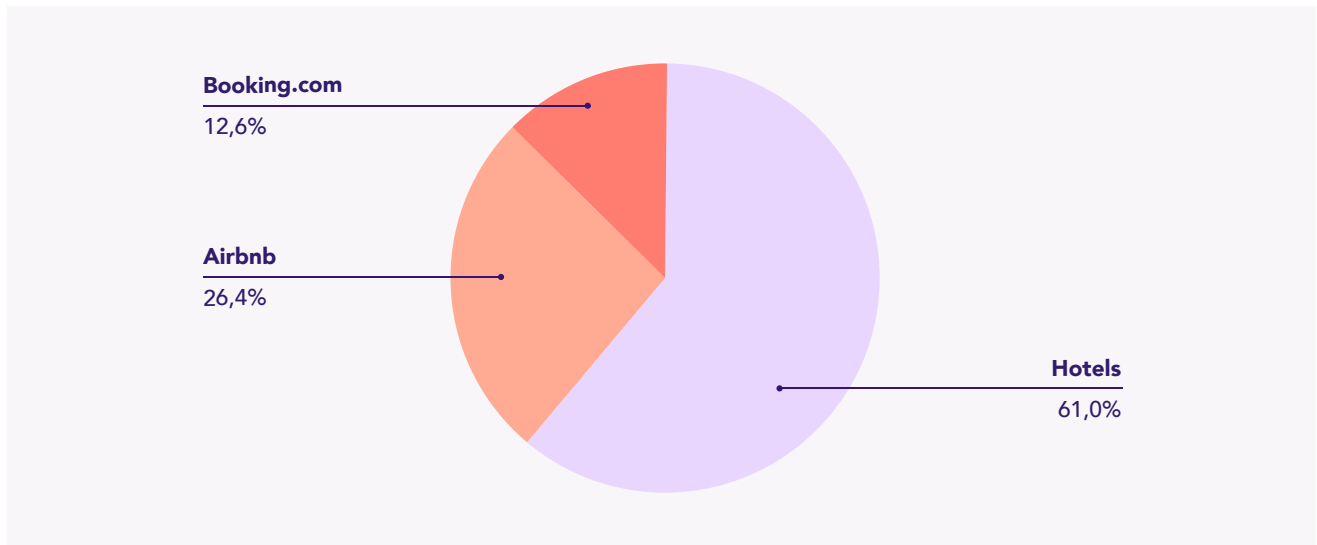
Interestingly, when you look at country specific data, French companies make almost twice as many *Uber* trips as they do rides with all taxi companies combined. British companies also prefer *Uber* to conventional taxis.

In our sample, only German companies still make more trips with taxis than *Uber*, which is expected as regulatory pressures in Germany mean the availability of *Ubers* is limited.

Hotels vs Airbnb

Aside from ridesharing, crowdsourced accommodation through *Airbnb* has been one of the key drivers of the “sharing economy.” It’s now normal and often preferable for private citizens to stay in others’ homes, rather than hotels.

So is this true for businesses as well? These options are often cheaper and can be more conveniently located. So are businesses taking them?



Clearly, hotels still have a hold over businesses. This may be due to reliability—companies may assume that less can go wrong with a hotel booking than an *Airbnb*. They may also just be in the habit of using the same hotels over and over, and there’s less likelihood that a hotel will be booked out than a private home. Many will enjoy loyalty points and rewards.

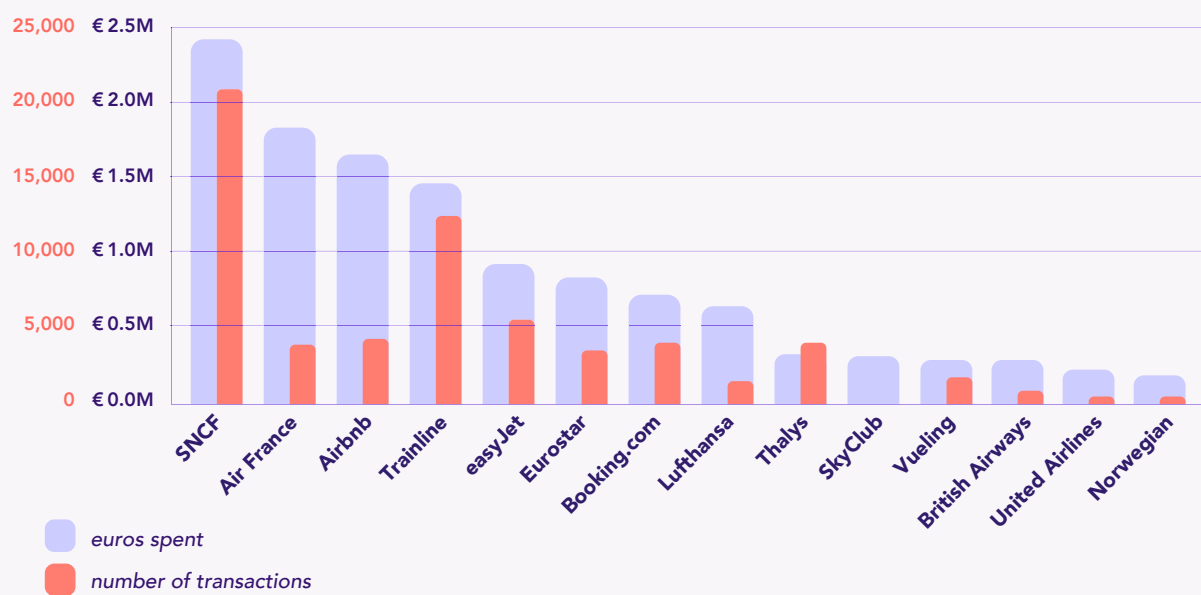
We’ve included *Booking.com* because it falls somewhere between the other two accommodation providers. It’s an accommodation aggregator that lets users choose from a range of hotels, compare prices, and get special deals. It is mostly for hotels, but also includes hostels, holiday homes, and other non-traditional providers.

Many businesses are choosing to use newer options like *Airbnb* and *Booking.com* because of the different forms of accommodation they offer, but mostly because of price. These and other travel aggregators are growing in popularity as companies try to get the best possible deals for work trips.

Top travel sites

Perhaps surprisingly, the top travel sites for business spending in our sample are not popular aggregators like *Kayak* or *Opodo*. Companies still choose to book directly with airlines where possible.

This is not the case, however, for accommodation. *Airbnb* and *Booking.com* see vastly higher levels of spending than any individual hotel website:



At the very top of the list is *SNCF*, the French national train operator. This shows how frequently European businesses turn to train travel where possible. In most cases, it's more convenient and can be faster than flying.

07.

Spend management for modern businesses

Our findings reveal that businesses are spending more in key categories like online subscriptions, digital marketing and travel.

They also show that disruptive digital services are catching up to traditional vendors and suppliers, and in many cases even replacing them.

For finance teams, this presents a significant challenge. What is the best way to manage and control spending as it continues to evolve?

Traditional spend management processes like corporate credit cards and expense reports are **time consuming, inefficient and offer limited visibility into company spending.**

Modern spend management solutions must account for the way businesses spend today, and empower both employees and the finance team to do their jobs.



“Spendesk has made the expense management process so much slicker. It can now be done in a few minutes, not hours.”

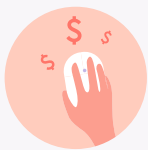


Louise Harvey,
Seedrs

A smarter way to manage business spending

There is a smarter way to manage business spending.

Finance teams can turn to spend management platforms like Spendesk, an all-in-one platform built for the way businesses spend today.



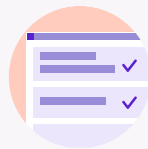
Secure virtual cards for online spending, ideal for subscription payments



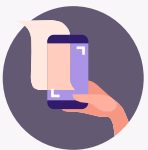
Prepaid expense cards to pay in-store or while travelling



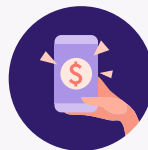
Built in approval workflows and spending policies



Automated expense reconciliation

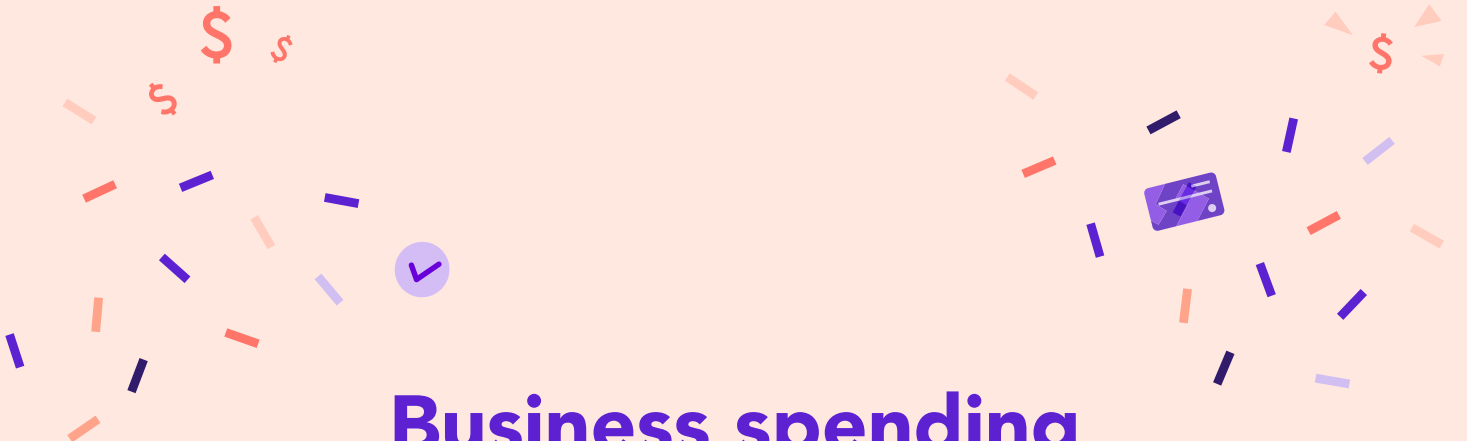


Mobile apps to upload receipts via smartphone

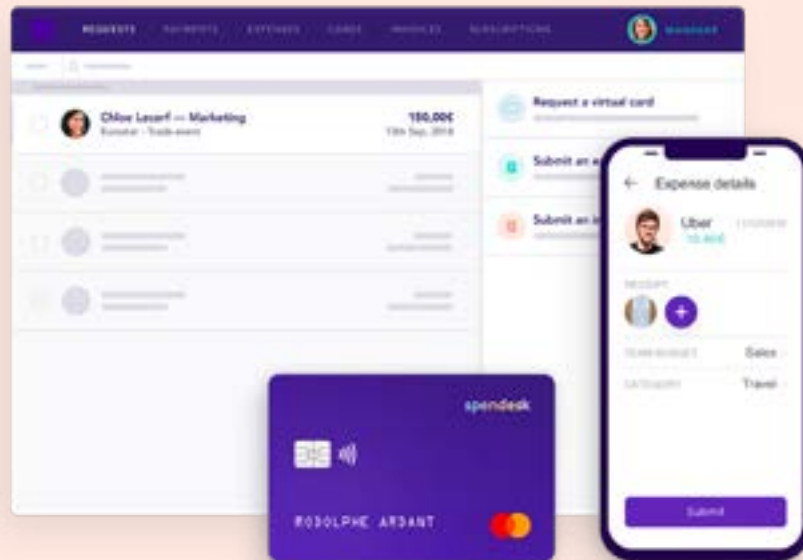


Invoice processing and payment

Plus, it gives the finance team real-time visibility into company spending. Our mission is to free companies from the hassles of payments at work by helping businesses spend smarter.



Business spending can be beautifully easy



Learn more about the smartest way
to manage company expenses

Talk to us

