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Accomplish more.



Soldo Spend Index

September 2024: Benchmarking Spend by Industry

Introduction

Poised to impact the economic landscape for years, the recent UK election result brings an era of change for both individuals and businesses alike.

Labour's pledge to negotiate Brexit terms in favour of businesses suggests some regulatory change on the horizon. This, in turn, could influence investment decisions and operational priorities for business leaders.

The tech sector, in particular artificial intelligence (AI) and digital transformation, is expected to see an acceleration in growth, driven by the government's commitment to enhancing the UK's infrastructure and increasing R&D.

The election result also leans towards a cleaner and greener environment by focusing on ESG, sustainability and the investments that support them. UK businesses must be prepared to recalibrate their internal strategies to align with upcoming disclosures and new reporting.

Balancing a growing list of strategic goals while providing business support to the CEO, expectations are at an all-time high. CFOs will be expected to juggle these priorities while continuing to oversee the running of the finance department, smooth allocation of funds and month-end reporting. As advisors to the CEO, CFOs will be called upon to guide their businesses with insight and agility in the months and years ahead.

In Soldo's September Spend Index, we compare business spending in Q2 2024 to Q2 2023 for more than 18,000 companies using Soldo to identify and forecast spending

This report will cover:

- Why advertising and marketing is down in the UK but up in Italy
- How decreasing utility spend paves the way for sustainability
- Where nomadic employees are set to go in 2025
- Which AI tools are quickly gaining market share
- Industry benchmarking

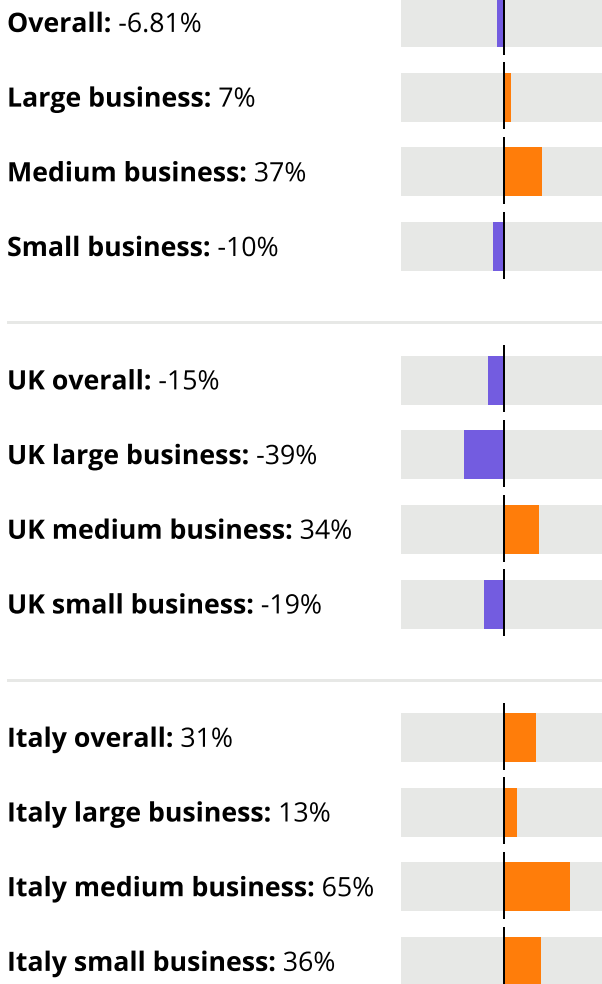


Advertising adrift: Spending down in the UK, up in Italy

Advertising budgets have varied significantly in a year marked by uncertainty. Spending on advertising in the UK has seen a downturn showing a 15% overall reduction compared to the previous year, mirroring broader economic concerns.

in Italy have adopted a contrasting strategy. In Italy, advertising spending surged 31% overall with medium-sized businesses (100-249 employees) increasing budgets by a staggering 65% compared to last year, reflecting a more aggressive approach to capturing market share.

Q2 2024 vs. Q2 2023 spend on advertising



While large businesses (250+ employees) and small businesses (0-99 employees) in the UK have tightened purse strings, their counterparts

Last year, the European digital advertising market reached a record €96.6 billion. According to the [IAB Europe AdEx Benchmark Report 2023](#), "While many remained cautious, we saw an increased recognition for more sustained spending, as brands looked to build presence back up and maintain a share of voice in the market."

Following the UK election announcement in May, many UK businesses recalibrated their advertising strategies. During this state of heightened political activity, savvy marketing departments chose to reduce or temporarily pause efforts, opting to defer campaigns and costs to Q3 and beyond.

Fluctuating advertising spend underscores the need for CFOs and CMOs to adopt agile financial management strategies and adjust budgets in response to external stimuli. Soldo's data is a reminder that not all markets respond uniformly. CFOs must consider agile approaches to resource allocation and ensure easy, frictionless access to funds to take advantage of sectors performing well, or market opportunities that need to be seized fast.

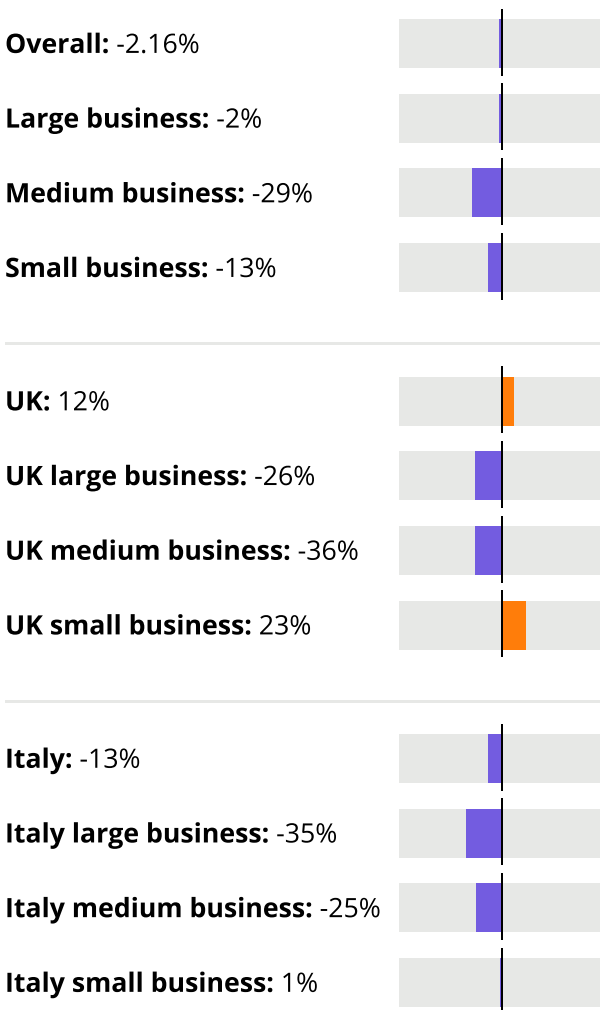
Power play:

Utilities down for large and medium-sized businesses

Despite an anticipated increase in utilities, the UK and Italy have reported lower overall spending by just over 2% compared to last year.

Reduced energy consumption isn't just about cost savings, it also improves sustainability metrics – a growing priority for stakeholders, customers and employees. For finance and procurement, it is an opportunity to audit costs and reinvest in energy-efficient equipment and sustainable technology.

Q2 2024 vs. Q2 2023 spend on utilities



The entrance of new US producers has helped stabilise the energy market, allaying fears around supply security. While lower wholesale prices, coupled with warmer weather, have driven down costs for both businesses and individuals.

Soldo CO2e Tracker* – manage and track your Scope 3 Emissions

The urgency to address climate change has never been greater. Businesses are under increasing pressure to be aware of their environmental impact and take steps towards more sustainable policies. Introducing: Soldo CO2e Tracker.

Our latest integration, currently in beta, offers a clear and real-time view of your carbon footprint (CO2e) to support your reporting requirements. In just a few clicks, you can manage and accurately track your Scope 3 Emissions through automated reports and real-time data.

Turning to the acquisition and retention of talent, demonstrating a commitment to sustainable practices can appeal to a broader talent pool, especially younger generations who advocate for a purpose-driven culture, underpinned by values.

According to a report by the Economist and [cited in Forbes](#), "8 out of 10 employees say it is

important for company values to align with their own, and three quarters (75%) expect their employer to be a force for good in society, the onus on employers to clearly communicate their ESG principles”. For finance and HR leaders, working together to ensure initiatives are clearly defined in the employee value proposition is important in the new world of work.

On the move: Nomadic employees continues to gain momentum

Reflecting on the last quarter, the rise of nomadic employees – those who frequently work away from their traditional office spaces (i.e. a long-distance lorry driver or salesperson) – continues to influence T&E (travel and entertainment) trends. In Q2 2024, nomadic employee spending has grown 11% compared to last year and 15% compared to last quarter. To find out more about the rise in nomadic employees and T&E spending last quarter, download the report [here](#).

Q2 2024 vs. Q2 2023 spend on utilities

Overall	10.99%	UK	6.39%	Italy	16.46%	Rest of Europe (ROE)	4.06%
Airlines	6.65%	UK airlines	-0.55%	IT airlines	10.69%	ROE airlines	-2.52%
Car rental	-9.95%	UK car rental	11.71%	IT car rental	-16.51%	ROE car rentals	9.95%
Hotels	14.35%	UK hotels	4.65%	IT hotels	16.37%	ROE hotels	2.27%

The UK has seen a 12% increase in car rentals, while Italy has experienced a 17% decrease. Hotel spending also shows diverse trends, with a modest 5% increase in the UK contrasted with a substantial 16% rise in Italy.

If we look ahead to 2025, the outlook for nomadic employees and their needs are projected to change rapidly, with the GBTA ([Global Business Travel Association](#)) reporting the industry is “now expected to surpass its pre-pandemic spending level of \$1.4 trillion in 2024 – and grow to nearly \$1.8 trillion by 2027”.

Businesses of all sizes should prepare for continuous growth in this sector. By adapting to more flexible, efficient and automated processes, employees and finance teams can save hours on mundane tasks like payment approval and manual reconciliation.

Case Study

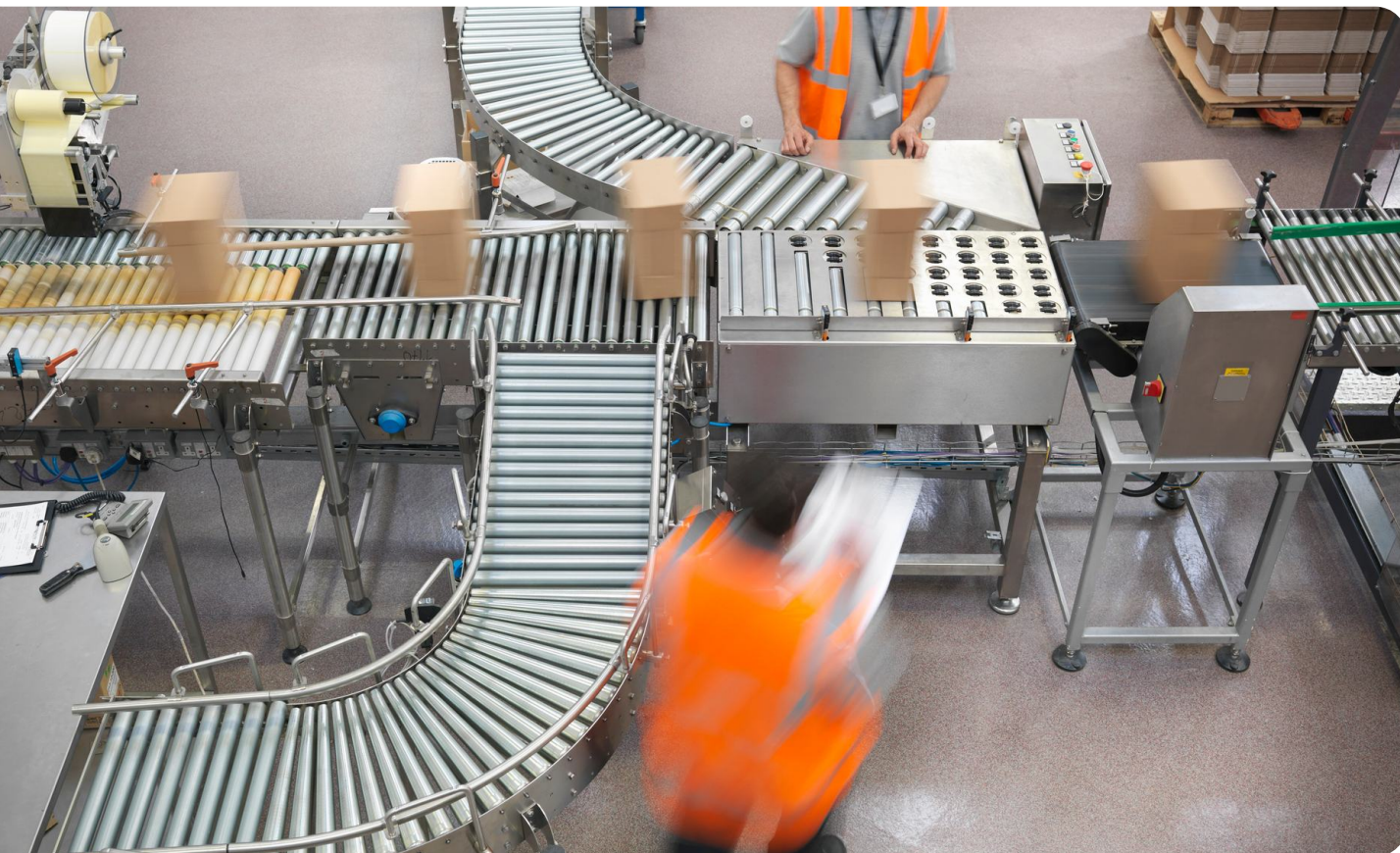
Headquartered in Italy, Biesse is a global manufacturing and processing solutions company with over 30 offices and 12 production sites around the world. At Biesse, business travel plays an important role in generating revenue and facilitating global operations.

Embracing Soldo, Biesse rolled out Soldo cards to its most frequently travelling employees. In doing so, nomadic employees avoid using personal funds for payments and the business maintains complete visibility and control over spending. As employees travel, they use their Soldo cards to make purchases in multiple currencies, scan receipts and categorise expenses. With Soldo processing the exchange rates, all reporting is consolidated in a single currency, simplifying expense tracking and enhancing financial accuracy.

Learn more about how Biesse is using Soldo to empower employees and reduce admin for the finance team. <https://www.soldo.com/en-gb/customers/biesse/>



Companies that can manage these recurring decentralised costs will not only increase operational efficiency but also work towards enhancing employee satisfaction in the process.



Artificial intelligence tools: New players unlocked

The momentum behind artificial intelligence (AI) adoption shows no signs of abating. In Q2, the number of companies investing in AI surged by 177% compared to last year. This dramatic increase highlights the growing recognition of AI as a pivotal business tool.

The uptick in adoption is mirrored by a remarkable rise in spending on ChatGPT where expenditure has skyrocketed by an astonishing 835%, underscoring the tool's ability to transform operations, reduce administrative burdens and empower teams to achieve more.

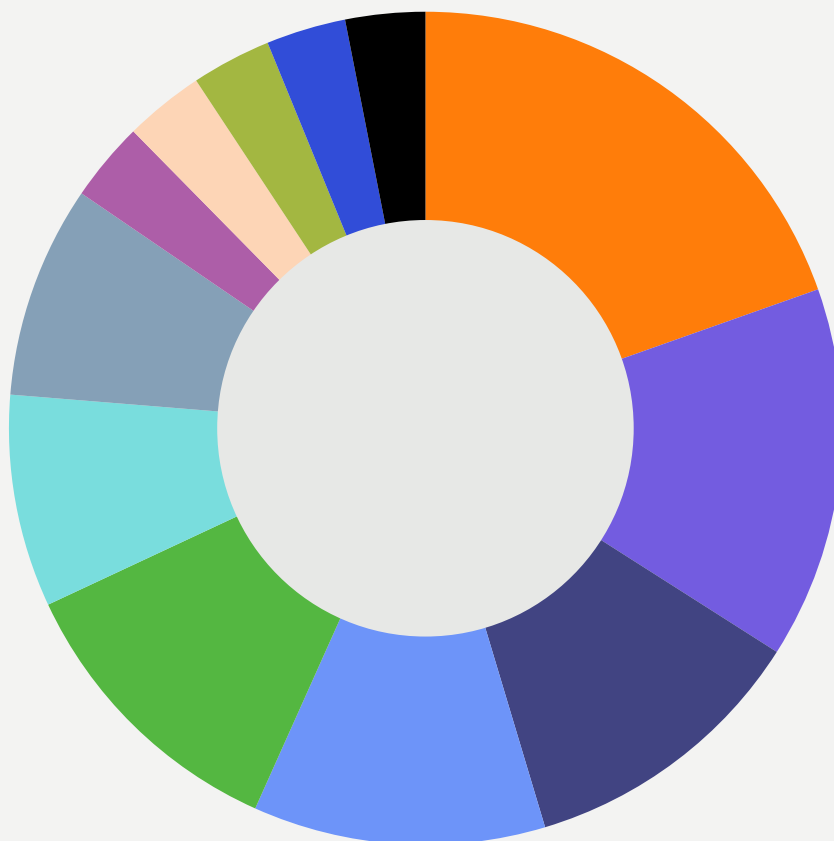
Q2 2024 vs. Q2 2023 top AI tools

AI tool	Description of tool	Change	TX change	Spend change
ChatGPT	Conversational AI	117.30%	203.80%	834.50%
MidJourney	Image generation	22.00%	40.29%	71.80%
Otter.ai	Transcription	21.80%	40.90%	123.70%
Fireflies.ai	Meeting notes	117.60%	182.10%	556.10%
Claude.ai	Conversational assistant	100.00%	100.00%	100.00%
Jasper.ai	Content creation	-36.40%	-41.40%	-15.90%
Sonix.ai	Audio transcription	33.30%	96.30%	129.00%
Murf.ai	Voice synthesis	25.00%	60.00%	28.20%
Beautiful.ai	Presentation design	22.00%	0.00%	-9.40%
Qonardo.ai	Image generation	900.00%	2200.00%	667.20%

What businesses are using AI for? Q2 2024 vs. Q2 2023

- Image/Video- 19%
- Content/Marketing/SEO - 14%
- Chat - 11%
- Plugin/Assistant - 11%
- Transcription/Translation - 11%
- Various - 8%
- Machine learning - 8%
- Chatbot - 3%
- Sales/Leads - 3%
- Architectural - 3%
- AI Detection/Testing - 3%
- Speech/Voice - 3%

Percentages may not total 100% due to small rounding adjustments



Controlling market share vs emerging players

While the majority of the tools in the table have seen positive changes in investment – both quarter-on-quarter and year-on-year – Jasper.ai has seen 36% fewer investments.

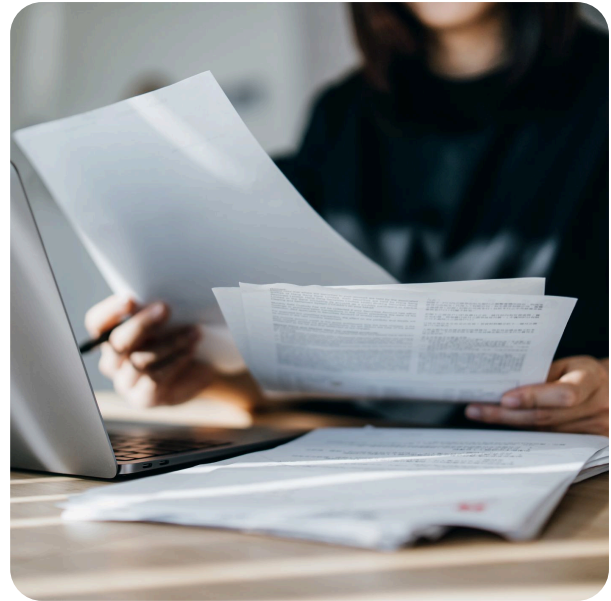
Claude.ai – a text and writing tool – has emerged as a significant contender, challenging some of the dominance of ChatGPT. This movement highlights a dynamic market where new technology can quickly gain a foothold in a bullish industry.

This year, companies using Soldo have embraced **36 new** AI tools that were not in use a year ago. These types of tools align closely with the desire for AI to empower teams, suggesting companies are keen to diversify their tech stack and embrace new technology to gain competitive advantage and be more productive.

Image and video were the top purchased tools, most likely due to the cost and time-consuming nature of image and video creation. This is followed by content, marketing and SEO, suggesting that marketers are still the top users of AI – as was the case in our previous [report](#).

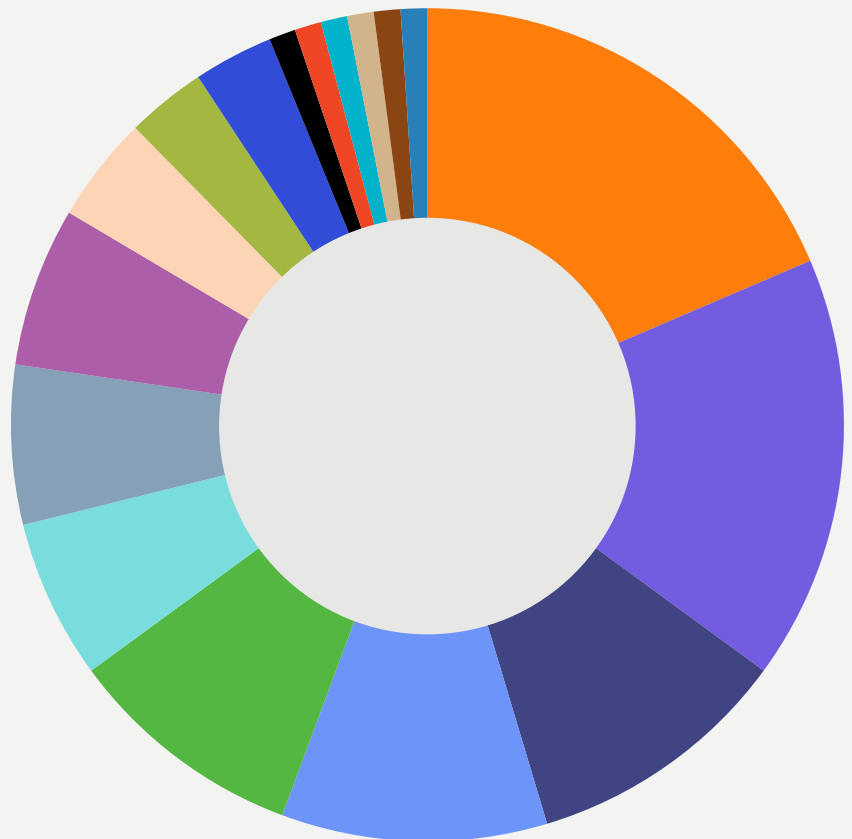
Soldo's data suggests that finance teams are yet to realise the benefits of AI compared to other teams. [Research by Gartner](#) on AI implementation reveals that "61% of finance functions either have no plans for AI implementation or are still in the initial planning phase. Only 9% of finance organisations are in the scaling and using phases."

Given the velocity of the development of new tools in the market, CFOs must prioritise technology to achieve the same benefits as their business counterparts.



What businesses are using AI for? Q2 2024 vs. Q2 2023

- Image/Video- 18%
- Content/Marketing/SEO - 16%
- Chat - 10%
- Text/Writing - 10%
- Plugin/Assistant - 9%
- Transcription/Translation - 6%
- Speech/Voice - 6%
- Data/Analytics - 6%
- Sales/Leads - 4%
- AI Detection/Testing - 3%
- Various - 3%
- Presentation builder - 1%
- Machine learning - 1%
- Headshots - 1%
- Finance - 1%
- Chatbot - 1%
- Architectural - 1%



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Benchmarking by industry: Social Care

Industry in a snapshot

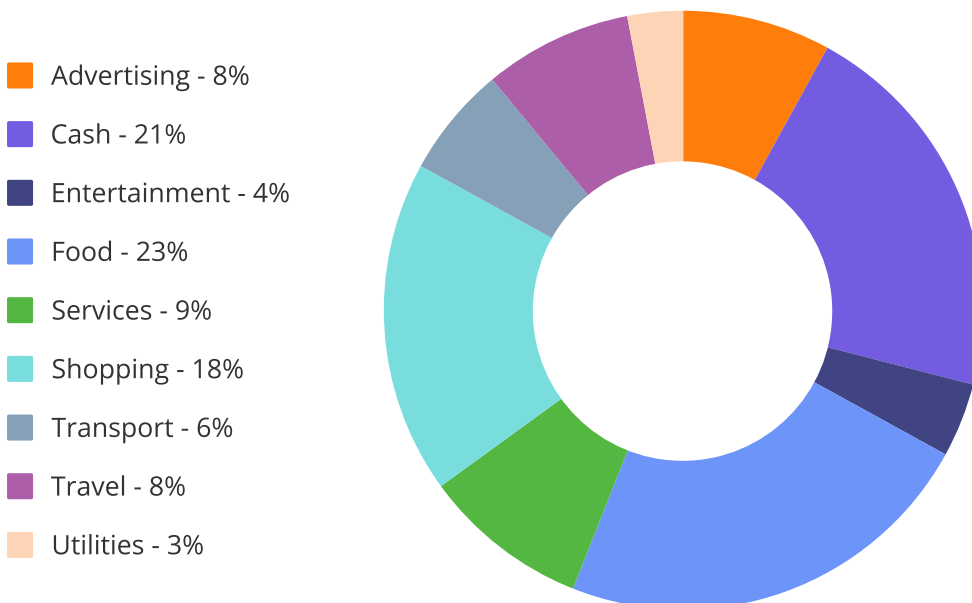
Social care has faced significant changes and challenges over the last few years. Increased demand, spiralling costs and limited funding have put providers under serious financial strain. Technology to improve care delivery and efficiency has reshaped the industry, compelling providers and policymakers to respond with better safeguarding and quality regulations.

What does the data say?

In Q2 2024, **26%** was spent on food with a smaller figure on shopping (**18%**) on average. The care industry spent the least on utilities (**3%**) and entertainment (**4%**) using a Soldo card.



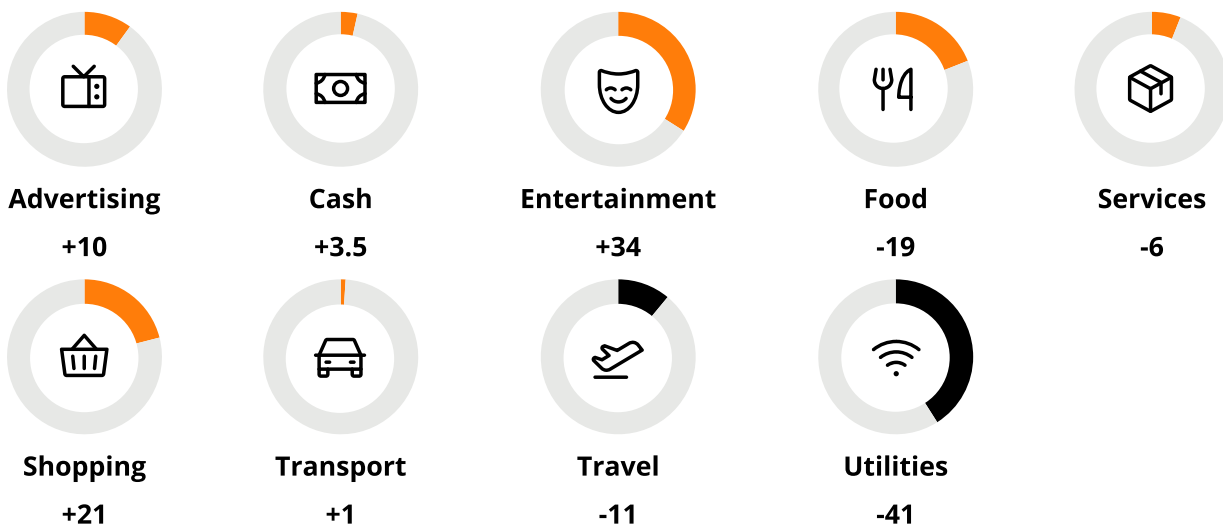
Average decentralised spend in social care



Changes and trends in social care

Soldo's data shows a **41%** decrease in utility spending compared to last year, likely owing to the reduction in wholesale utility costs and competitive pricing. However, spending has considerably increased in several areas: entertainment (**34%**), shopping (**21%**) and food (**19%**). As the growing shift towards community-based and people-centred care models intensifies, improving quality of life appears rooted in spending on social activities, nutrition and personal items.

Change in decentralised spending in social care (YOY)



Case Study

Drive Wales, a charity dedicated to supporting individuals with learning disabilities, embarked on a mission to streamline its financial processes to enhance support for its community.

"We set up a wallet for everyone who needed access to a Soldo account. Each individual we support has a special pot and we transfer funds using set account details. Everything is personalised, separate and segregated so it can be nicely reconciled"

For the community, positive impacts were reported with individuals experiencing minimum friction when spending and greater autonomy over their finances allowing them to participate in society, including going on holidays and online shopping.

Learn how Drive Wales is using spend management to improve social care.

<https://www.soldo.com/en-gb/customers/accelerating-change-how-drive-wales-is-using-spend-management-to-improve-social-care/>



Ensuring easy access to funds through a ring-fenced wallet means employees needn't pay using their own money nor wait to be reimbursed, which could go a long way in retaining employees in a competitive labour market.

Benchmarking by industry: Manufacturing

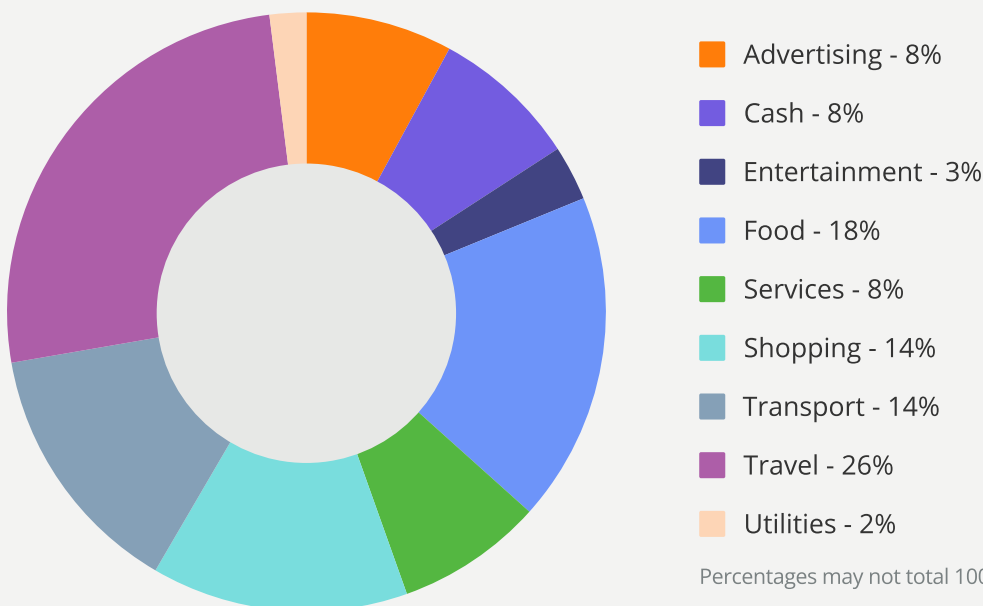
Industry in a snapshot

The manufacturing industry has undergone significant changes – from greater demand, to supply chain disruption and economic headwinds. Despite several UK policies, including the launch of the Advanced Manufacturing Plan in 2023 – a commitment to regional investment zones – the industry has yet to realise its potential.

What does the data say?

In Q2 2024, manufacturing companies spent **26%** on travel, **18%** on food and **8%** on professional services on average. As sustainability continues to be a key focus for manufacturers, this relatively low spending compared to other areas suggests a preference for in-house services when it comes to circular economy principles and going green.

Average decentralised spend in manufacturing

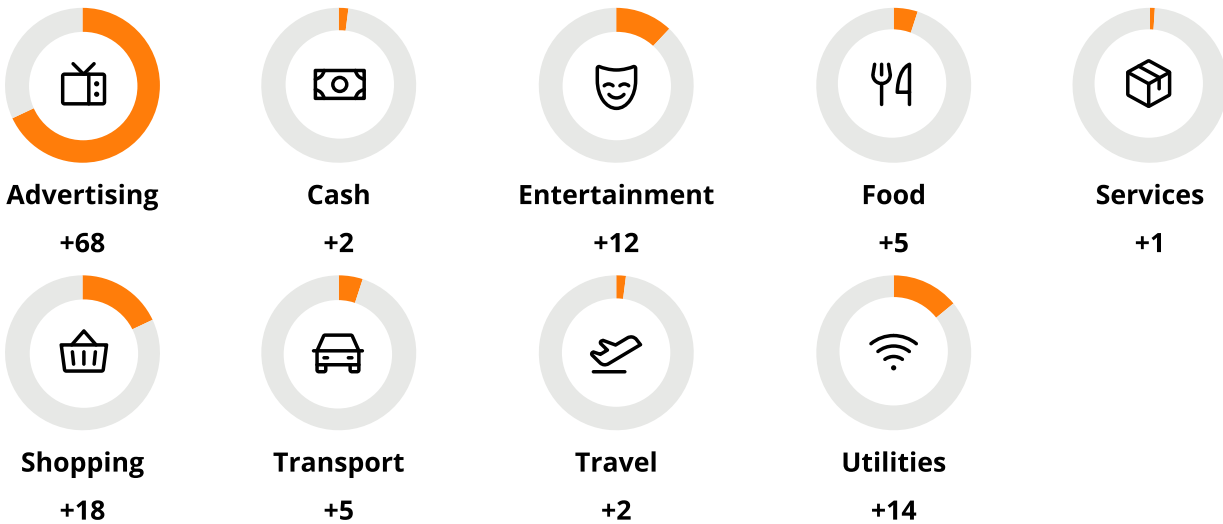


Percentages may not total 100% due to small rounding adjustments

Changes and trends in manufacturing

The data shows a **68%** increase in advertising spend in Q2 2024 compared to last year, capitalising on slightly improved economic conditions. In a competitive market, companies may be eager to invest in branding to stand out, and promote ESG and sustainability initiatives. Evading market saturation, companies may be diversifying their products and expanding into new sectors.

Change in decentralised spending in manufacturing (YOY)



What does this mean?

Compared to last year, the manufacturing industry is spending **68%** more on digital advertising. However, this is still only **8%** of their overall decentralised spending. Nomadic employees – whether it’s installations, services, or sales – accounted for a major portion of decentralised spending with **26%** on travel, **18%** on food and **3%** on entertainment.

Spending in every category is higher than it was a year ago, so manufacturing is increasing spend on advertising but the drastic change comes from very low spending to begin with.



Benchmarking by industry: Software

Industry in a snapshot

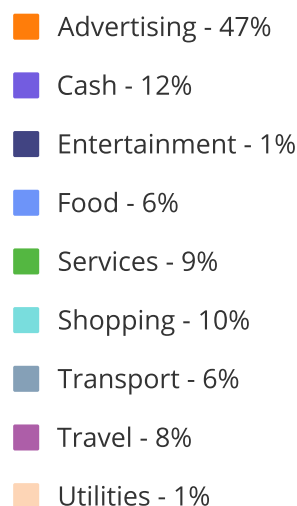
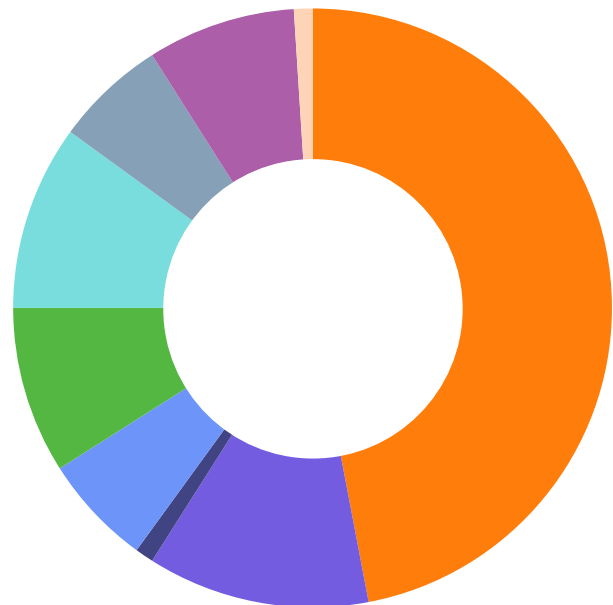
Over recent years the software industry has seen rapid transformation, from cloud computing to the proliferation of language models (LLMs). The staggering pace of innovation has created a surge in investments aimed at more powerful technology. According to [McKinsey Technology Trends Outlook 2024](#), “The large foundation models that power generative AI [...] are being integrated into various enterprise software tools and are also being employed for diverse purposes such as powering customer-facing chatbots, generating ad campaigns, accelerating drug discovery, and more”.

However, with great power comes great responsibility. The speed of innovation has exposed businesses to cybersecurity threats and fraud. The industry is also under pressure to “improve threat detection and response times, [...] prevent data breaches and minimise the impact of cyberattacks.”

What does the data say?

With an average Q2 advertising spend of 47% – the biggest average spend of any industry – the software industry leaned into marketing and advertising, with minimal extra spending on entertainment, transport, travel and food. With intense competition from new players vying for market share, it seems software companies are fuelling advertising to increase visibility and deliver crucial market education.

Average decentralised spend in software



Cybersecurity challenges

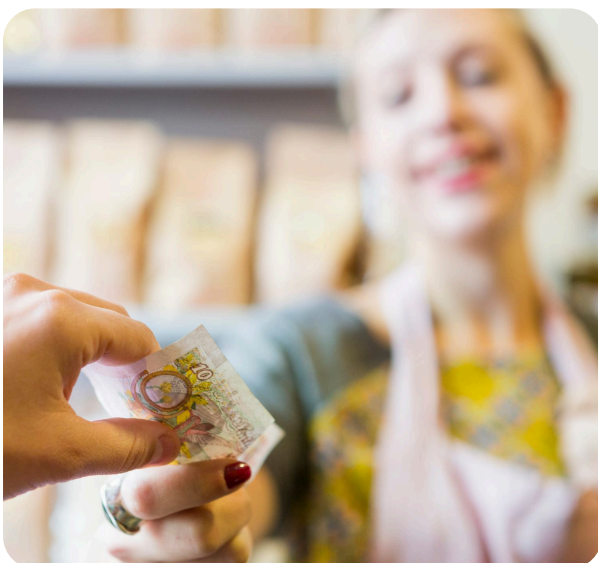
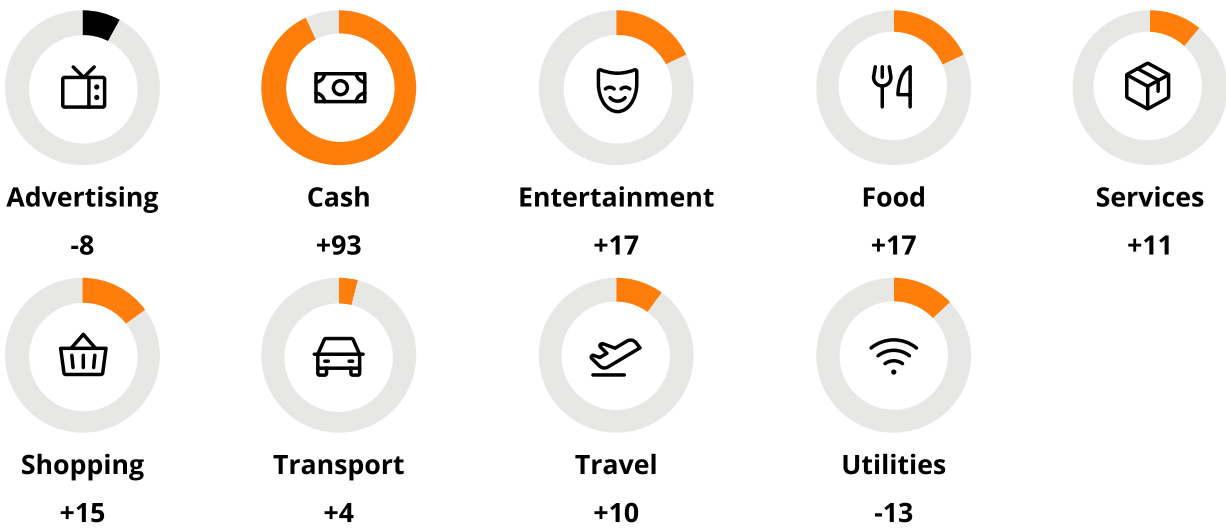
The software industry is facing increased responsibility and pressure to enhance threat detection due to a surge in cybersecurity issues and fraud.

Changes and trends in software

Despite the large average spend in Q2 2024, advertising spending has reduced by 8% compared to the same time last year and general spending has remained relatively flat. A reflection of a difficult market where many businesses have seen budgets shrink. It is worth noting the 17% increase in entertainment and food could reflect employers providing greater support to employees who find themselves working longer hours as well as a return to more traditional expense-related purchases i.e. client lunches.



Change in decentralised spending in software (YOY)



What does this mean?

This signals the need for robust money and spend management systems that can create trails for cash transactions. Introducing a simplified expense reporting system and offering clarity on expense policies makes it easier for employees to avoid errors and malpractice.



Benchmarking by industry: Media

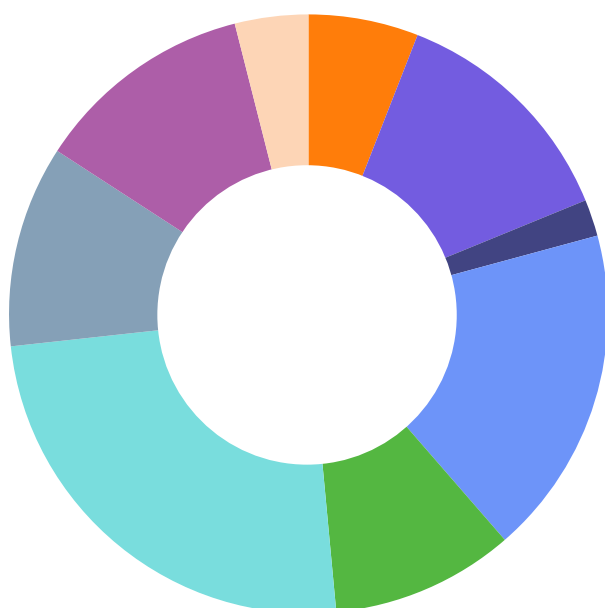
Industry in a snapshot

According to PwC's [Global Entertainment & Media \(E&M\) Outlook 2024-2028](#), "E&M will grow to \$3.4 trillion by 2028 [... while] total global revenue rose 5% to \$2.8 trillion in 2023 – easily outpacing overall economic growth". A surge driven by an increase in streaming services, online advertising, generative AI and gaming.

What does the data say?

In Q2 2024, media companies spent on average **25%** on shopping, **18%** on groceries, **12%** on travel, **11%** on transport and **10%** on professional services.

Average decentralised spend in media



- Advertising - 6%
- Cash - 13%
- Entertainment - 2%
- Food - 18%
- Services - 10%
- Shopping - 25%
- Transport - 11%
- Travel - 12%
- Utilities - 4%

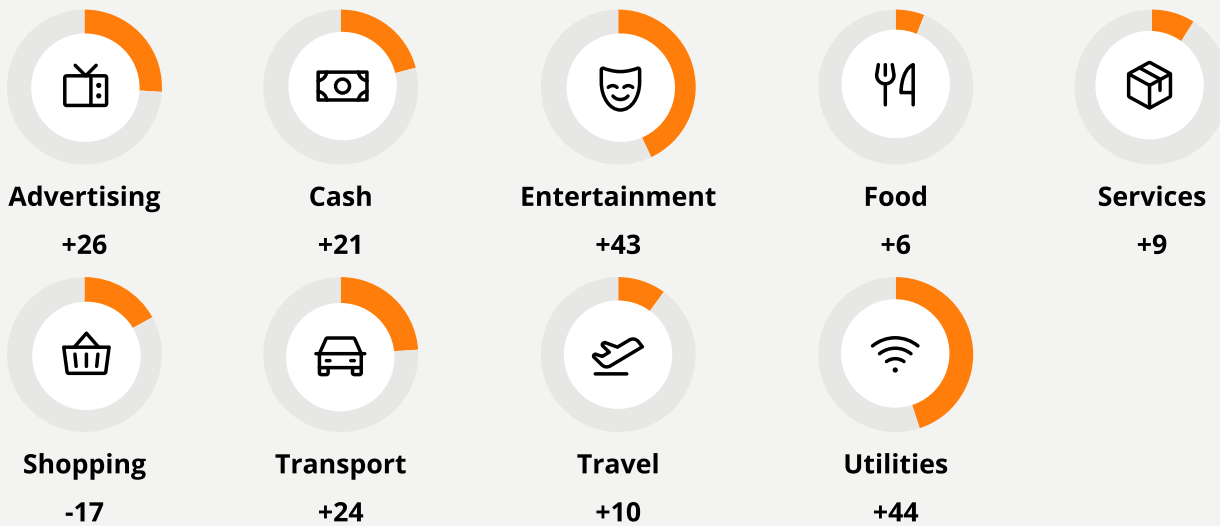
Percentages may not total 100% due to small rounding adjustments

Changes and trends in media

Looking at spending by media in Q2 compared to last year, utilities saw a **44%** increase while entertainment enjoyed a **43%** surge. All sectors saw an uptick apart from shopping which saw a **17%** decrease – so while spending in shopping is at its highest it's still lower than 2023 levels.



Change in decentralised spending in media (YOY)



What does this mean?

With a **43%** increase in travel and entertainment (T&E) spending compared to last year, media companies must ensure easy, streamlined access to funds as business travel and nomadic employee spending continue to grow.

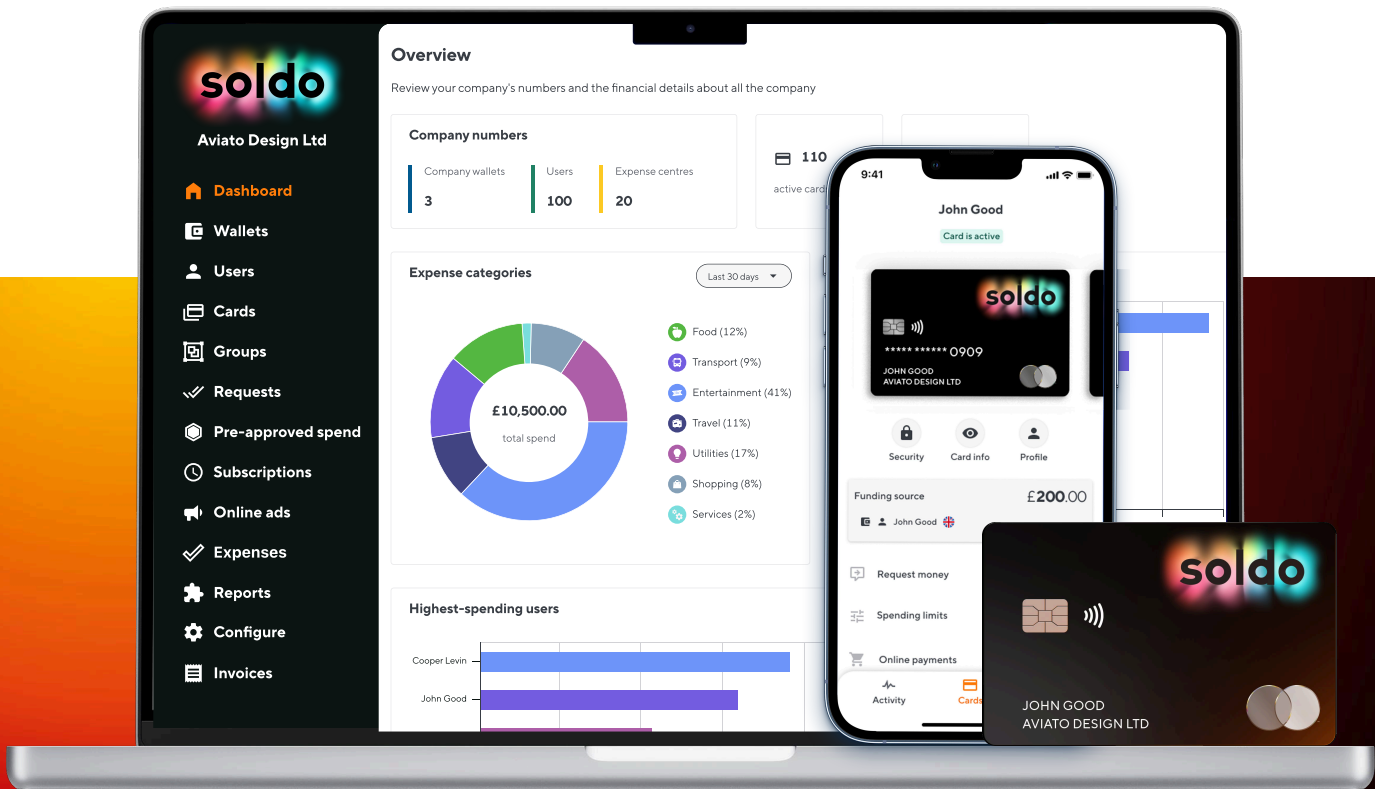
As early adopters of digital transformation, media companies are also turning to technology to power processes, products and services – ensuring businesses can meet utility requirements (**44%** increase) is important for both continuity and acceleration.

Let's sum up

Soldo's September Spend Index demonstrates how business spending is changing quarter-on-quarter as well as year-on-year. We see industries such as technology and artificial intelligence (AI) continuing to gain significant momentum while others like advertising in the UK and utilities have slowed down.

With average business spending up **20%** across all markets compared to last year, with **17%** in the UK, **21%** in Italy and **22%** in Germany, Spain, France and the Netherlands, we see businesses investing in areas with high growth potential.

For finance leaders, ensuring the business has the right infrastructure to support this financial and productivity growth and other strategic activities is key to acceleration and accomplishing more.



About Soldo

Soldo is the proactive spend management solution that frees progressive businesses to accomplish more.

soldo.com

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