

soldo

2023 spending unpacked

Where did businesses
invest in 2023?



Glimmers of hope amid the gloom

While 2023 wasn't quite the year of gloom analysts had predicted, economic conditions remained tough. Sluggish GDP growth and high interest rates continued to impact consumer demand. Steep energy prices drove up operating costs. And political uncertainty amid a looming General Election did little to help businesses plan for the long term.

Yet there were some green shoots. The Chancellor's Autumn Statement introduced growth-boosting measures, with full expensing of plant and machinery made permanent and incentives to invest in R&D. Interest rates started falling, helping confidence to return. Soldo spend data shows investment rose in key areas, like technology and AI, as businesses looked to improve efficiency and lay the foundation for sustainable growth.

This guide looks at spending trends in 2023 among thousands of Soldo customers in the UK.

Read on to:

- Benchmark your business against your peers: discover where they're investing, and where they're cutting back
- Understand the trends driving these purchases, and feed them into your decision-making
- Get tips on how to optimise your business spending in 2024

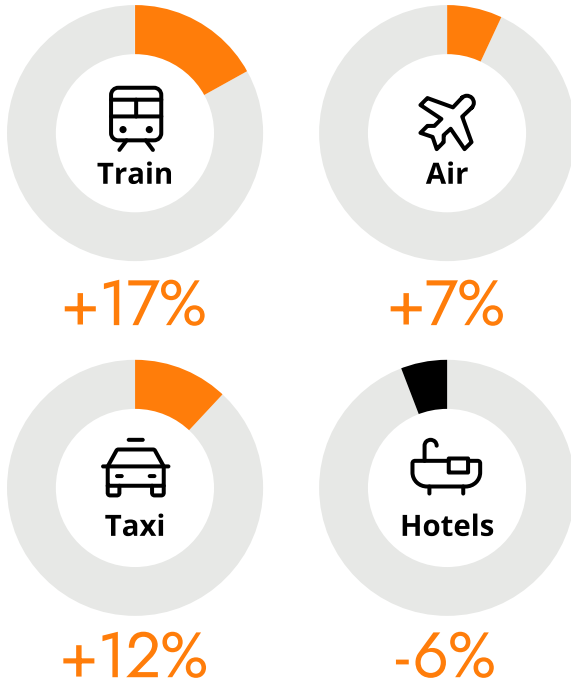
About the data

We analysed spend data from more than 24,000 Soldo customers to find the spending trends and changes among companies in 2023.



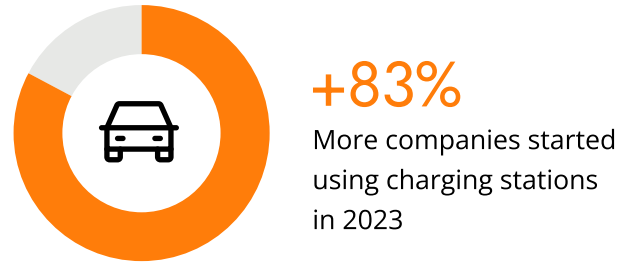
Going up

Travel trended upwards



Although the general trend for business travel is positive, the data presents a mixed picture. The overall **7%** increase in air travel spend was largely driven by small businesses (up **17%**). On the other hand, it fell by **7%** per large business (over 250 employees) and **10%** per medium-sized business, perhaps a sign of a still-unsettled economy.

EVs gained ground



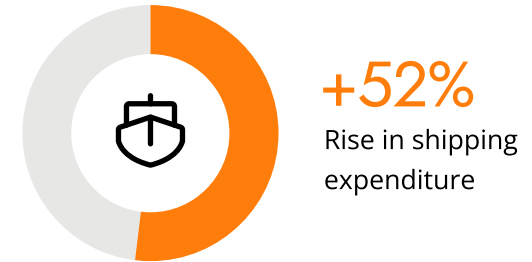
The year saw a surge in companies using electric vehicle charging stations, with **the spend in this category more than doubling** as companies sought to reduce their carbon footprint.

Bulk buying was up



Wholesale shopping rose sharply as companies sought to cut spending by buying in bulk.

Shipping reversed its downturn



Increased spending on shipping is a mixed signal, likely caused partly by increased demand and partly by high inflation driving up packaging and delivery costs.

Staying steady

Cash is sticking around (for now)



+12.5%
Increase in cash
withdrawn

Rumours of the demise of cash may be premature. More cash was taken out from ATMs, although slightly fewer (**-2.5%**) companies made withdrawals, perhaps as more took advantage of the ability to disable such transactions on Soldo cards.

Getting control of cash

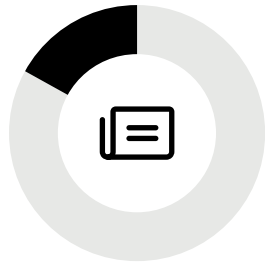


30%
of physical Soldo cards
have ATM withdrawals
disabled by the admin



Going down

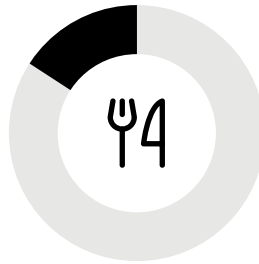
Advertising took a dip



-17%
Fall in advertising
spending

Total spend on advertising fell by **17%**, largely due to lower spending by software companies who are traditionally the biggest purchasers (see the industry breakdown later in this report). The biggest falls were in medium sized (**-42%**) and large businesses (**-37%**), against just **-12%** for small businesses.

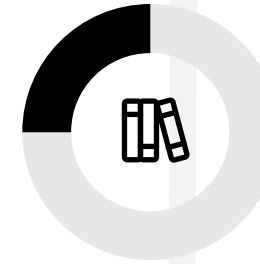
Catering budgets felt the squeeze



-16%
Less was spent
on food and drink

Spending on food and wine fell, although restaurant spending was up by **21%**. Rising costs and the convenience of online meetings may have reduced the need for catering, but dining out in person still offers an attractive networking opportunity.

Books were left on the shelf



-25%
Decrease in
book purchases

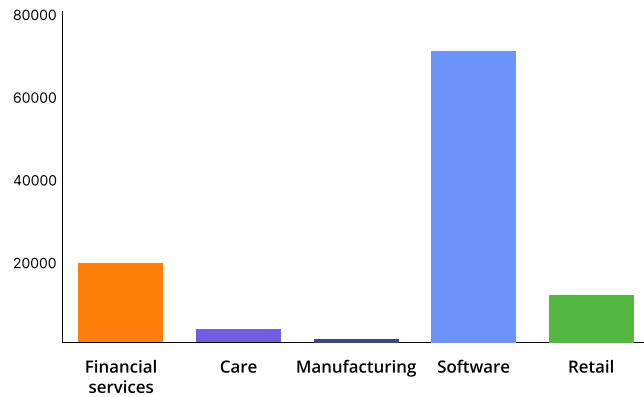
While business spending on books fell, training budgets were up – perhaps showing that people are opting into courses over literature.



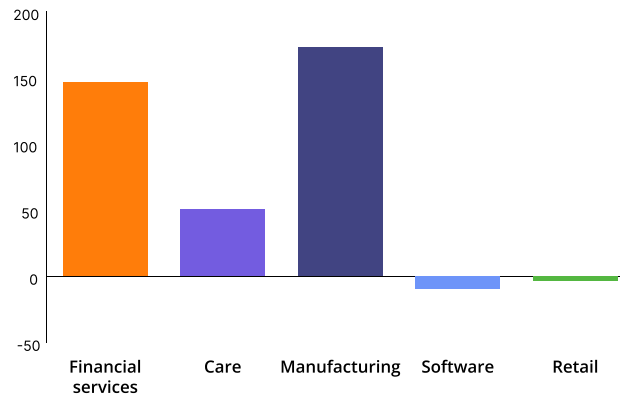
Trends by industry

Advertising

€ average/account



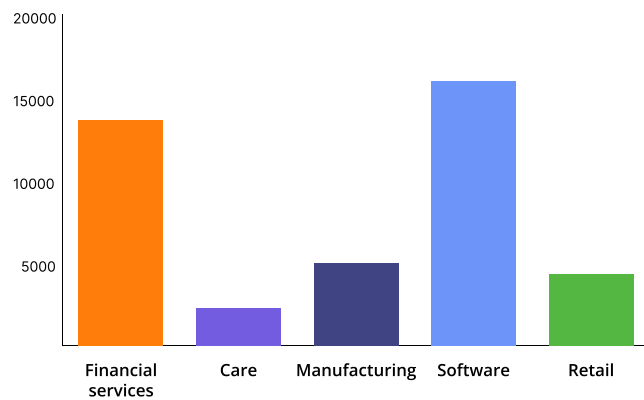
% change since 2022



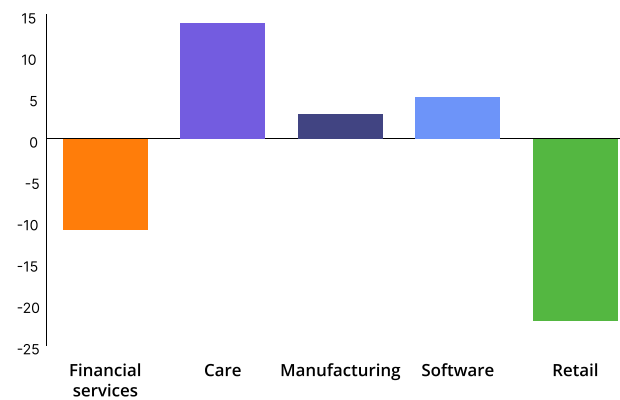
While the software industry remains the biggest buyer overall of advertising, spending dropped by **9%** compared to 2022. Given that it also cut spend in other key areas, the data suggests a sector-wide squeeze as software companies cut costs and laid off workers in the slowdown that followed a buoyant decade.

Technology

€ average/account



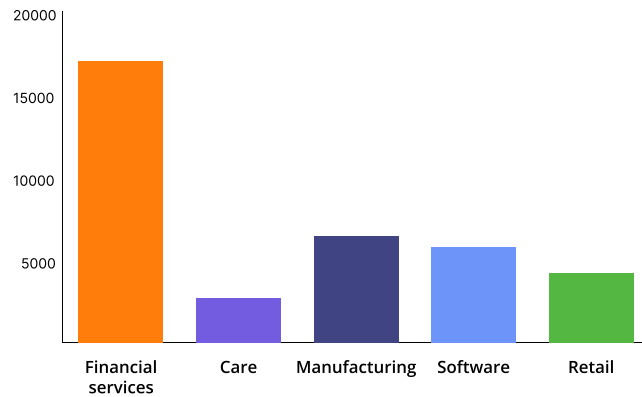
% change since 2022



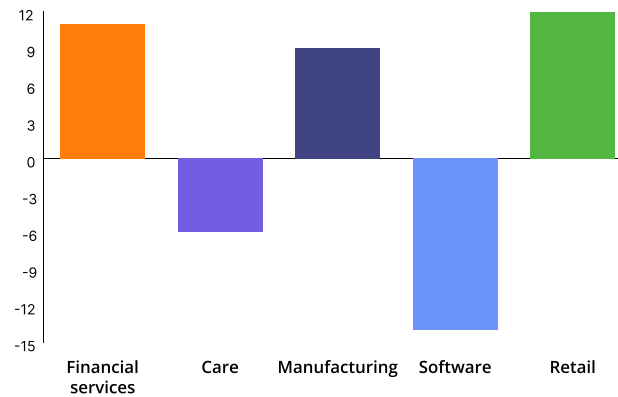
Technology purchases fell in financial services and stayed steady in the software sector, traditionally the two biggest spenders. However, it rose significantly in the care sector. With care organisations continually under pressure to reduce costs, technology allows providers to realise quick improvements in efficiency without compromising services.

Air travel

€ average/account



% change since 2022



Air travel was broadly up, particularly in the retail, finance and manufacturing sectors. This may signal a return in confidence as businesses explore new markets, meet with suppliers and negotiate deals in person.

Urbanbubble improves cashflow by 70% with Soldo

Property management company Urbanbubble found its expense management platform couldn't keep up with the firm's explosive growth. It was paying for certain costs and recharging clients for them, burning through cashflow. With Soldo, these costs are now linked to client funds, eliminating reimbursement delays and improving cashflow by **70%**.

[Read customer story](#)



Summing up

Our data shows companies continue to be cautious with their spending, particularly those in the software sector. Yet some areas are seeing investment, including EV infrastructure and technology. Organisations are prioritising purchases that help reduce carbon emissions, improve efficiency and drive sustainable growth.

In 2024 many will leverage full expensing of plant and machinery, which the Autumn Statement has now made permanent. Such investments will be crucial to fuel long-term growth. However, as finances remain tight, and the political outlook uncertain, full visibility and control of spending will be essential to ensure money is invested where it returns the most value.

The rise of the wellbeing budget

A global messaging platform provider provides a perk programme where each employee gets £2,000 a year to spend on things that will benefit their lives. It set up Soldo for its teams in the UK and Europe, used user cards and wallets for each employee's budget, and turned off bars, restaurants, wine and gambling to ensure purchases were focused on wellbeing.



To optimise spend management in 2024, we recommend that you:



Use a single source of spending truth

Consolidate your spend data so you can quickly and easily see where your money is going and ensure you don't fall behind your competitors.



Make expenses easier for your people

As travel and training spending grows, empower your teams to buy what they need for their work, while you stay in control.



Unlock real-time insights

Stay on top of your spending as it happens, rather than waiting for month-end statements, to avoid wasting budget in today's tight economic climate.



Improve compliance

Seek ways to ringfence funds for key individuals, teams and projects, to keep spending in check without unduly restricting cashflow.



Embrace automation

As spend analytics become crucial to growth, invest in technology that allows you to spend less time on manual finance tasks and more on helping shape business strategy.



Simplify spending with Soldo

Using a spend management platform like Soldo is the fastest and easiest way to direct your money where it's needed, while you maintain visibility and control. It's why thousands of businesses, including Mercedes-Benz, Sony, and Get Your Guide, use Soldo to simplify spend management.

To learn more about optimising your business spend, read **6 Strategies to Fuel Growth in 2024**.

[Read now](#)

