

## Market Share

# Worldwide Travel and Expense Management Software Market Shares, 2021: Data Management Forms New Foundation for T&E

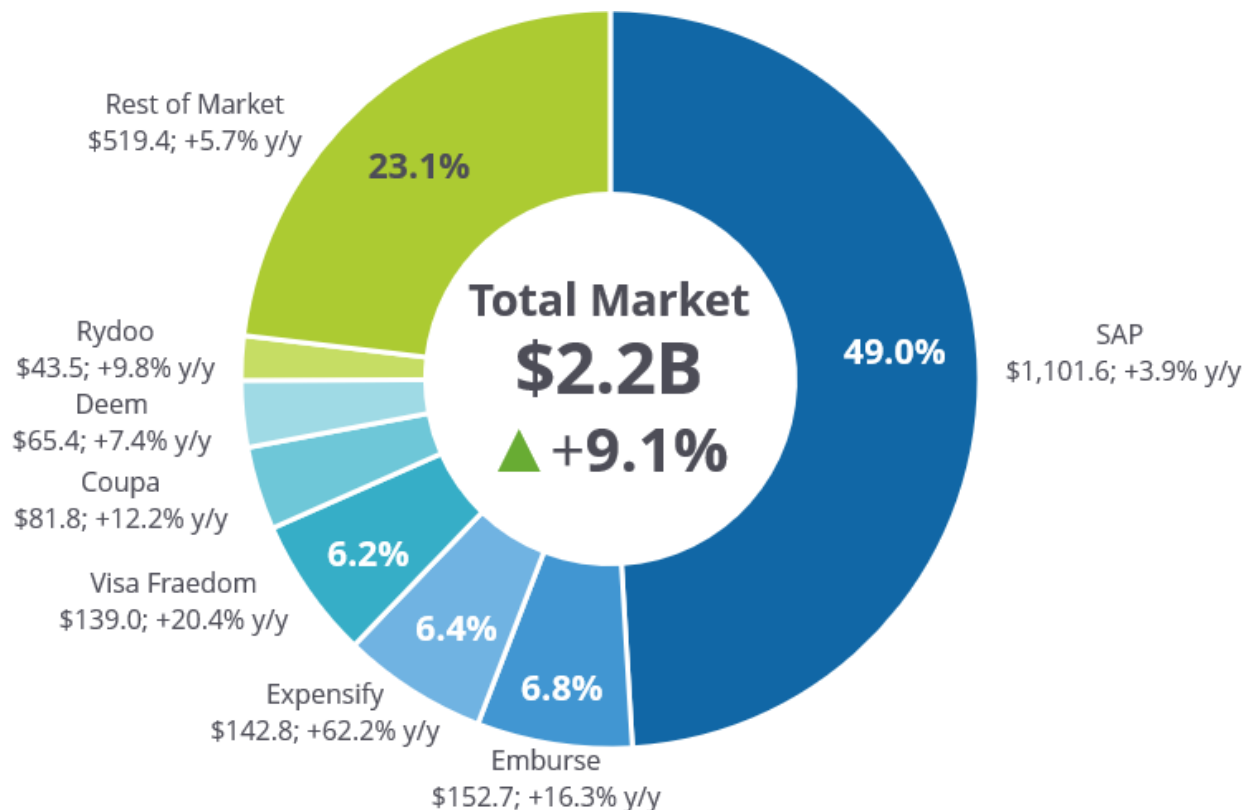
Kevin Permenter

THIS IDC MARKET SHARE EXCERPT FEATURES SAP (CONCUR)

## IDC MARKET SHARE FIGURE

FIGURE 1

### Worldwide Travel and Expense Management Software 2021 Share Snapshot



Note: 2021 Share (%), Revenue (\$M), and Growth (%)

Source: IDC, 2022

## IN THIS EXCERPT

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The content for this excerpt was taken directly from IDC Market Share: Worldwide Travel and Expense Management Software Market Shares, 2021: Data Management Forms New Foundation for T&E (Doc # US48515722). All or parts of the following sections are included in this excerpt: Executive Summary, Market Share, Who Shaped the Year, Market Context, Appendix and Learn More. Also included is Figures 1, 2, 3, and 4 and Table 1 and 2.

## EXECUTIVE SUMMARY

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In 2021, travel and expense (T&E) landscape continued to change. Business travel activity approached pre-COVID-19 pandemic levels. This surge in travel activity along with the new complications from persistent COVID-19 restrictions and policy changes put strain on current travel and expense management software market. The main point of stress was data management and data automation. In the most recent *SaaSPath Survey*, the top 2 areas within the travel and expense management software market end users are hoping to improve are expense management automation and integration capabilities. This is a clear indication that data management issues were at the heart of today's travel and expense management challenge. The data management challenges manifested themselves in a few ways including:

- **Negatively impacting traveler experience:** Wrestling with outdated processes or limited data management functionality increases frustration among users and can be a huge time sink for employees and administrators.
- **Slowing down decision making:** Without advanced APIs and modern architecture, getting data to the key decision makers at the right time is difficult. In a constantly changing and uncertain market, getting data quickly to decisions makers is essential.
- **Difficulty making connections:** For travel managers and department heads to make better decisions on approving travel, data and insight must be collected from several sources including sales performance, contract life-cycle management, and CRM. This is nearly impossible without advanced data management tools and protocols.

This IDC study reviews the competitive market for travel and expense management software in 2021.

"IDC believes that vendors looking to capture market share or even to maintain their current market positions need to focus on data management concerns of their clients. Building out essential data management features like advanced APIs and artificial intelligence (AI)-based automation capabilities will form foundational software elements to compete in this highly dynamic space," says Kevin Permenter, research director, Financial Applications at IDC.

## ADVICE FOR TECHNOLOGY SUPPLIERS

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Technology suppliers of travel and expense management software should consider the following:

- **Lean into expense functionality.** The drop in business travel did not necessarily slow the tide of business expenses and reimbursement payments to employees. However, the mix of expenses shifted very quickly. Now more than ever, businesses need advanced expense management capabilities to pair with travel management functionality. These two systems do not necessarily need to emanate from one single vendor. Instead, vendors must focus on delivering a seamless travel and expense experience either through a native expense

management application or via a deep integration with a modern expense management platform.

- **Enhance sustainability features.** The pandemic has prompted many businesses to consider the environment, mental well-being, and a healthy life as a bigger priority. Vendors looking to gain momentum as business travel returns must consider adding more sustainability features.
- **Provide seamless integration.** Data from travel and expense activities must flow between all the relevant finance functions, including accounts payable, human capital management, FP&A, order management, and procurement. In addition, the data must flow outside of the finance teams as well – including investors and lenders, certain government agencies, travel partners, and even to certain customers and suppliers; only then will financial leaders be able to gain a holistic view of the organization's current travel performance and financial position.
- **Help users reduce time to insight.** As the pace of business increases, agility becomes an incredibly important aspect of travel management operation. Ultimately, expense management agility comes down to shortening the time between business expense events and resulting essential traveler insights. So the emphasis for end users moves from edge case functionality to automation, data management, and analytics. As such, vendors must invest in building out their platform's dashboarding and analytics capabilities to meet the demands of today's financial software user/customer.
- **Increase focus on the people in the process.** Travel and expense management is a culmination of activities where data and people come together to complete a task. Often vendors focus on the data side of the equation, leaving a less-than-optimal user experience. Discussion with end users reveal a deep desire for a user experience that better conforms with the user's daily workflow. Integration of a real-time communication feature, for example, can bring more order to a chaotic financial process like the end-of-period close. Mobile features allow some processes (reimbursements, expense management, travel arrangements, etc.) to be handled on the go. Accessibility features like text to speech, high-contrast color design, and closed-captioning can benefit users as well.

## MARKET SHARE

Table 1 displays 2019-2021 worldwide revenue and 2021 growth and market shares for travel and expense management software vendors. Cloud applications dominate this submarket of financial applications with several fast-growing pure-play cloud vendors such as Emburse, Coupa, and Expensify.

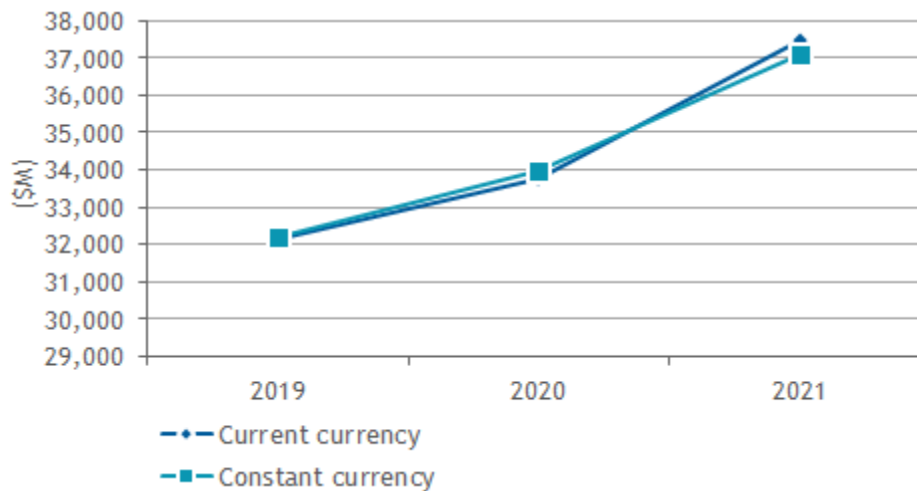
**TABLE 1**

**Worldwide Travel and Expense Management Software Revenue by Vendor,  
2019-2021 (\$M)**

	2019	2020	2021	2021 Share (%)	2020-2021 Growth (%)
SAP	1,219.7	1,060.1	1,101.6	49.0	3.9
Emburse	118.3	131.3	152.7	6.8	16.3
Expensify	80.5	88.1	142.8	6.4	62.2
Visa Fraedom	99.1	115.4	139.0	6.2	20.4
Coupa	73.9	72.9	81.8	3.6	12.2
Deem	60.6	60.9	65.4	2.9	7.4
Rydoo	36.8	39.6	43.5	1.9	9.8
KDS	34.3	34.4	37.4	1.7	8.7
Workday	31.9	33.9	36.1	1.6	6.3
Infor	33.3	34.4	35.5	1.6	3.3
Other	467.8	388.4	410.4	18.3	5.7
Total	2,256.2	2,059.4	2,246.2	100.0	9.1

Source: IDC, July 2022

IDC includes constant currency measures in Market Share documents to provide an indication of overall market developments, excluding the effects of fluctuating exchange rates. The value of the U.S. dollar was up marginally against other currencies in 2021 over 2020. This is an important distinction as readers of this document digest its content considering constant currencies (see Figure 2).

**FIGURE 2****Worldwide Financial Applications Software Revenue, 2019-2021: Current Currency and Constant Currency**

Source: IDC's Worldwide Semiannual Software Tracker, April 2022

In terms of the market performance by region, the Americas holds the largest share of revenue, 57.9%, in the travel and expense management software market. The revenue from Western Europe and CEMA (EMEA) makes up 30.1% of the market. Asia/Pacific (including Japan) (APJ) represents a 12.0% share of revenue in the travel and expense management software market (see Table 2 and Figure 3).

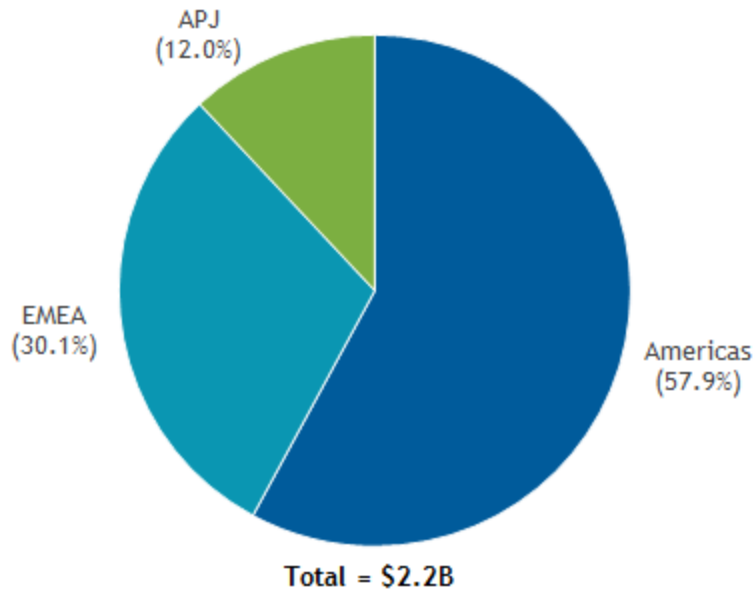
**TABLE 2****Worldwide Travel and Expense Management Software Revenue by Region, 2017-2021 (\$M)**

	2017	2018	2019	2020	2021	2021 Share (%)
Americas	971.5	1,103.2	1,226.1	1,162.7	1,300.7	57.9
APJ	215.9	240.1	273.6	245.8	269.5	12.0
EMEA	599.7	674.6	756.5	650.9	676.0	30.1
Total	1,787.1	2,018.0	2,256.2	2,059.4	2,246.2	100.0

Source: IDC, July 2022

**FIGURE 3**

**Worldwide Travel and Expense Management Software Revenue Share by Region, 2021**

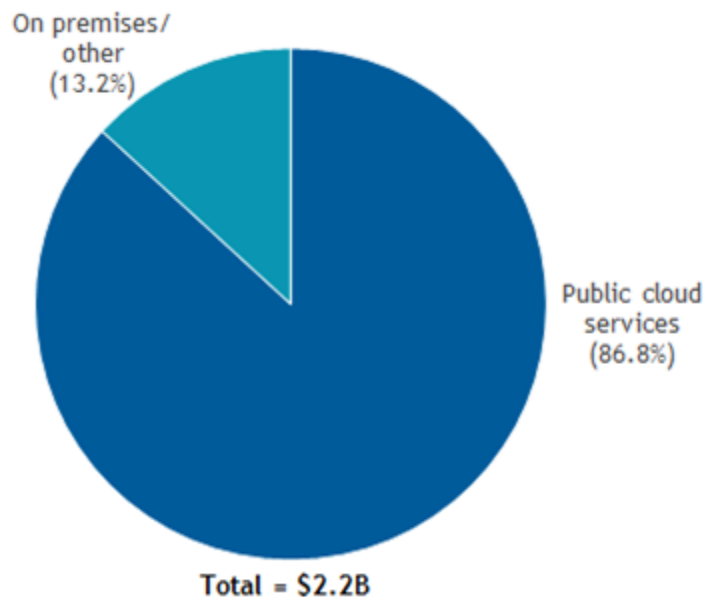


Source: IDC's Worldwide Semiannual Software Tracker, April 2022

Figure 4 presents the revenue split between public cloud software and on-premises/other software in the travel and expense management software market. On-premises/other software makes up 13.2% of the market share, while public cloud software accounts for 86.8% of the market. Public cloud adoption in T&E is ahead of other enterprise application categories as organizations realize the benefits of improved availability, the ease of scaling, and real-time information like exchange rates.

FIGURE 4

### Worldwide Travel and Expense Management Software Revenue Share by Deployment Type, 2021



Source: IDC's Worldwide Semiannual Software Tracker, April 2022

## WHO SHAPED THE YEAR

This excerpt was prepared for SAP (Concur) but also included the following vendors: Emburse, Expensify, Visa Fraedom, Coupa and others.

## MARKET CONTEXT

### Significant Market Developments

The significant market developments impacting the travel and expense management software market are as follows:

- **Emissions moved into the spotlight.** The global shutdown, while difficult, had an unintended side effect that lowered carbon emissions from business travel. As a result, the topic of sustainability and carbon footprint has been featured more prominently in the discussion about business travel.
- **Business expense mix.** The mix of employee-related business expenses prior to the pandemic was massively skewed toward travel-related expenses. During the pandemic, we saw business expenses shift toward remote work-related expenses such as office equipment, desk accessories, stationery, and software subscriptions. According to many conversations with

T&E software vendors, the overall volume before and after the pandemic was similar, but the mix was quite different.

- **Virtual meetings.** Many organizations have adopted virtual meetings in lieu of face-to-face interactions with clients or coworkers. This has helped grow the profile of virtual meetings and enhance the general corporate comfort level with virtual meetings. As a result, there will be more attention given to travel justification and pre-trip approvals.
- **Virtual cards making a splash.** Virtual cards are growing in popularity among travel management programs. Travel managers are increasingly attracted to the ease of use presented by the virtual cards and the high level of control inherent in virtual cards. The rapid adoption in the broader market of mobile and contactless payments by retail merchants has also pushed the adoption of virtual cards for travel management.
- **Team travel increases complexity.** As more employers and employees are embracing the remote working paradigm, a new category of travel is emerging – travel to and from team-building events. These events come with many challenges including traveler coordination, multilayered approval/budgeting, and travel site procurement. Many travel and expense management software vendors are adding functionality to their solutions to deal with new and growing categories of travel.
- **Greater focus on social-centric issues.** The global awareness for social-centric issues like diversity and accessibility is increasing and, as a result, so is the focus on adding these features to corporate travel software packages. In addition, the topic of sustainability and carbon footprint has been featured more prominently in the discussion about business travel.
- **Artificial intelligence.** Companies are already beginning to use artificial intelligence to perform lower-level repetitive tasks like calculating the optimal pricing for complex travel demands, using chatbots to answer travel policy concerns, or identifying abnormal travel behaviors. Artificial intelligence will also be used by travel managers to build more accurate travel budgets and perform advanced risk/exposure analysis. IDC expects to see this technology continue to proliferate throughout the travel booking software industry.

## METHODOLOGY

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The IDC software market sizing and forecasts are presented in terms of commercial software revenue. IDC uses the term *commercial software* to distinguish commercially available software from custom software. Commercial software is programs or codesets of any type commercially available through sale, lease, rental, or as a service. Commercial software revenue typically includes fees for initial and continued right-to-use commercial software licenses. These fees may include, as part of the license contract, access to product support and/or other services that are inseparable from the right-to-use license fee structure, or this support may be priced separately. Upgrades may be included in the continuing right of use or may be priced separately. These are counted by IDC as commercial software revenue.

Commercial software revenue excludes service revenue derived from training, consulting, and systems integration that is separate (or unbundled) from the right-to-use license but does include the implicit value of software included in a service that offers software functionality by a different pricing scheme. It is the total commercial software revenue that is further allocated to markets, geographic areas, and sometimes operating environments.

Bottom-up/company-level data collection for CY21 began in January 2022 with in-depth vendor surveys and analysis to develop detailed 2021 company models by market, geographic region and, in some cases, operating environment.



The data presented in this document is IDC estimates only.

*Note: All numbers in this document may not be exact due to rounding.*

## MARKET DEFINITION

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Travel and expense (T&E) management software provides travel, expense, and invoice management services that work alongside financial accounting, human resources, and procurement systems to create a single, connected process for managing an organization's spend. This IDC study focuses on the expense management side of the T&E market, including expense applications' ability to integrate with travel management services and travel networks.

Travel and expense management software allows users to submit, process, reimburse, and track employee expenses. The software enables employees to input expenses for approval through a desktop, browser, or mobile application. Afterward, administrators can track expense reports, enforce company policies for expenses and travel, set up approval routings, and generate reports for specific projects or company departments.

## RELATED RESEARCH

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- *IDC's Worldwide Software Taxonomy, 2022* (IDC #US48990921, April 2022)
- *IDC Market Glance: Travel and Expense Software, 1Q22* (IDC #US48516522, March 2022)
- *Market Analysis Perspective: Worldwide Travel and Expense Software, 2021* (IDC #US47859721, September 2021)
- *Worldwide Travel and Expense Management Software Market Shares, 2020: Travel Down But New Opportunities Emerge* (IDC #US47980421, July 2021)
- *Worldwide Travel and Expense Management Software Forecast, 2021-2025: Post-Pandemic Promises Renewed Growth Opportunities* (IDC #US47980521, July 2021)

## About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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