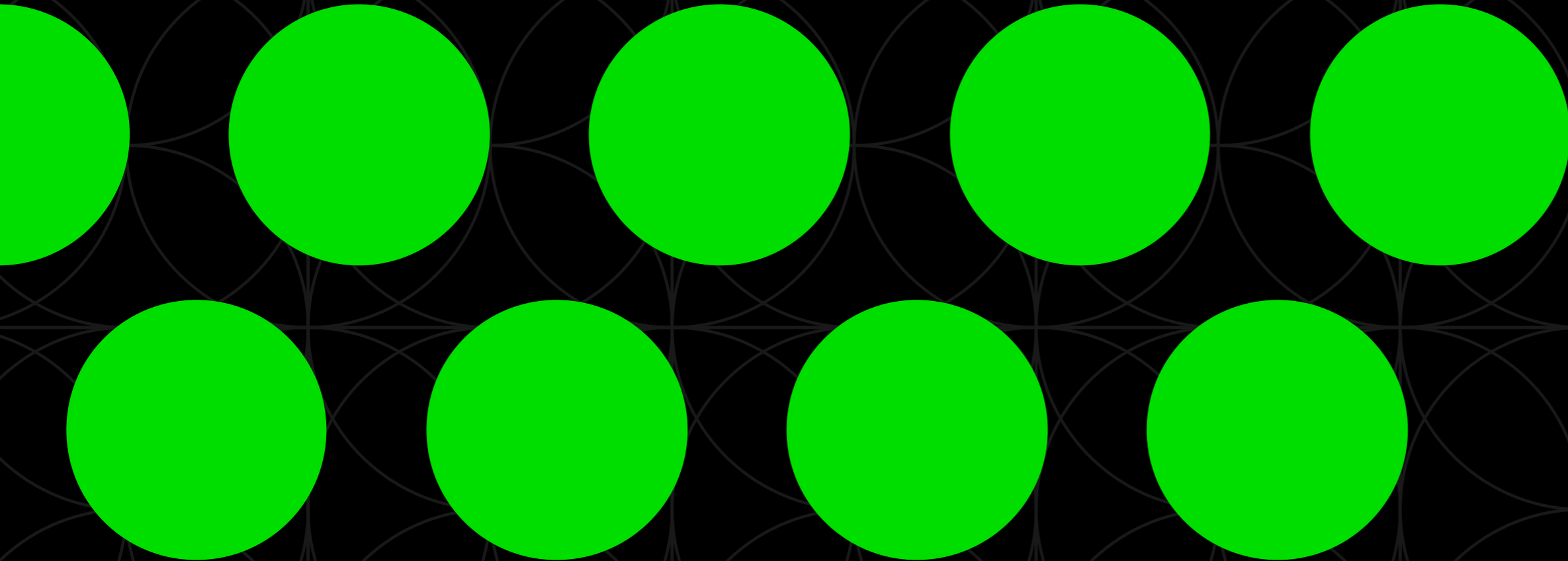


State of the Market Report

2024-2025



Welcome

Business travel continues to change at pace – from how technology is used, to evolving business goals and workplace priorities. These changes are causing organizations to tear up the rulebook and rethink old norms.

What expectations do travel buyers have that need to be considered for 2024 and 2025? Rather than looking into our crystal ball for the answers, we turned to our customers. We surveyed FCM customers in mid-2024 to understand their intentions in 2024 and into 2025.

So, let's get stuck in.

Methodology

This report contains a summary of research and data prepared by Flight Centre Corporate's Customer Experience team, using the Qualtrics platform to survey FCM Travel customers. The survey was conducted online from Monday 3 June 2024 to Thursday 11 July 2024, targeting decision makers, travel managers and authorized travel bookers around the world. A random sample of 562 responses were obtained. This research and data identifies trends from FCM Travel only; it may not reflect the wider business travel industry, and customer intentions are subject to change.



Travel frequency and expenditure

A third of the decision makers and approved travel arrangers we surveyed expected the amount of travel to increase in the 12 months from July 2024-June 2025 year-on-year, while 31% expect it will stay the same.

When it comes to budgets though, 42% expect to travel with the same expenditure, or less. With travel costs increasing, those travel buyers will have to maximize savings opportunities and work with their travel management company to ensure the best deals and inclusions.

Melissa Elf - Global Chief Operating Officer's take:

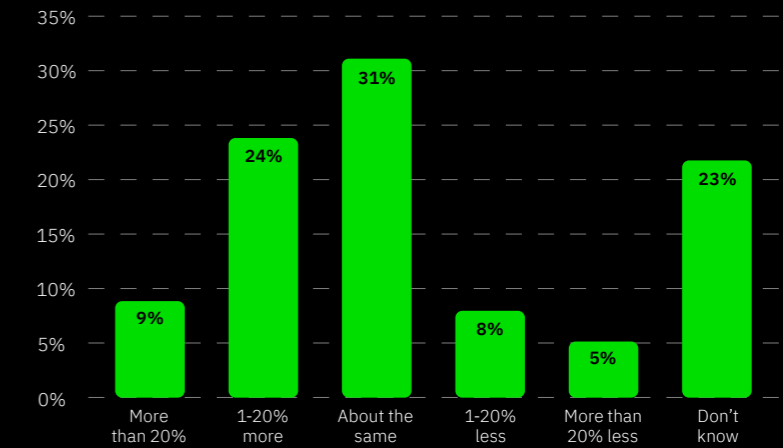
“Travel remains valuable for businesses of any size, but programs are coming under increased scrutiny. Traveling is still important for business growth, meeting customers and connecting with team members. But there is an increased desire to measure the overall return on investment of a travel program, and it goes beyond dollar savings.

Because of this, the purpose of the trip and its ROI is still in the spotlight for many travel managers. As you'll see later in this report from our meetings and events lead Simone Seiler – travel to events and meetings are one of the main motivations to travel, but even there, we're seeing consolidation.”



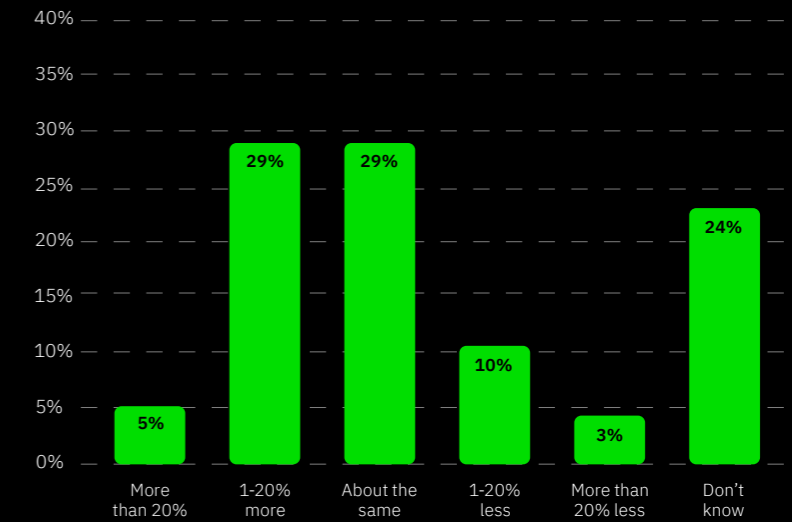
Business travel frequency intentions

July 2024 - June 2025 vs July 2023 - June 2024



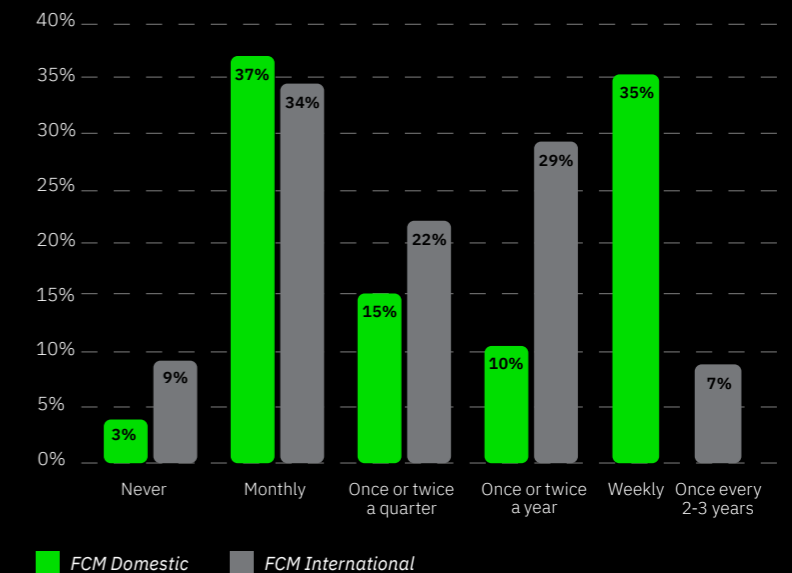
Spend on business travel expectations

July 2024 - June 2025 vs July 2023 - June 2024



Frequency of travel on average

FCM data only



Travel program priorities for 2025

Unsurprisingly, travel and expense management is top priority for our customers.

What is surprising, is that traveler wellbeing and engagement is almost as important as policy compliance. The two can overlap but are often at odds with each other. Decisions made in a travel policy are closely linked to employee satisfaction and wellbeing. And engagement of that policy and the program overall is needed for compliance.

It's notable that a third of respondents are interested in sustainability, but only 26% are aware of formal reduction milestones. More alignment is needed between travel programs and wider corporate goals for us to successfully tackle specific sustainable travel challenges together.

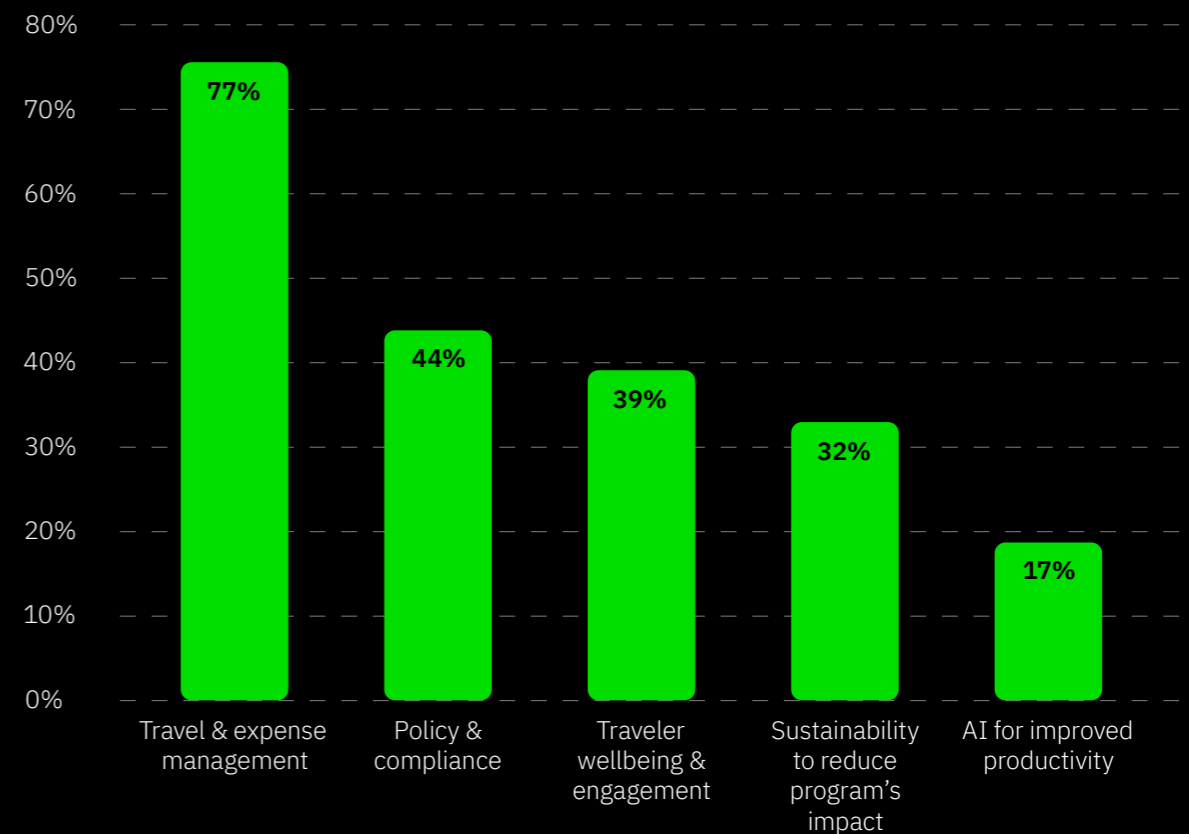
Melissa's take:

“Compliance and engagement have always been topics that our customers have asked us to help them with. What's changing is the way to achieve it. There's technology and tactics that our customers can use to enhance their communication and change management strategy from day one.”

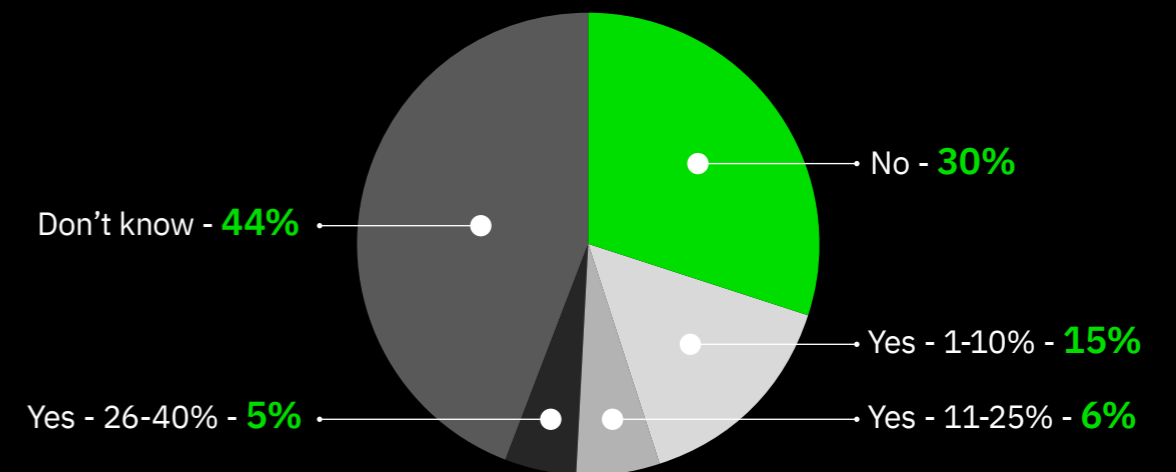
AI is an exciting area and has multiple use cases across the entire travel journey – our AI expert Daniel Senyard talks about that more later in this report. Forward-looking travel managers are exploring which areas of their travel programs can be automated to save time and boost productivity.”



Interest areas for year ahead



Will your travel program have formal emissions reduction milestones in your next financial year?



Motivations for travel

Continuous and fruitful relationships are clearly a priority for our customers, who are largely focused on interactions with their customers, suppliers and key stakeholders. With 76% of travelers adding a leisure part to their trip, travelers are still taking advantage of their work trips to explore the cities and regions they're visiting.

Jo Lloyd - Global Head of Account Management & FCM Consulting's take:

“It is becoming more important to understand the demographic of travelers. This is key in ensuring that the travel policies are capturing the requirements and strategy for the business.

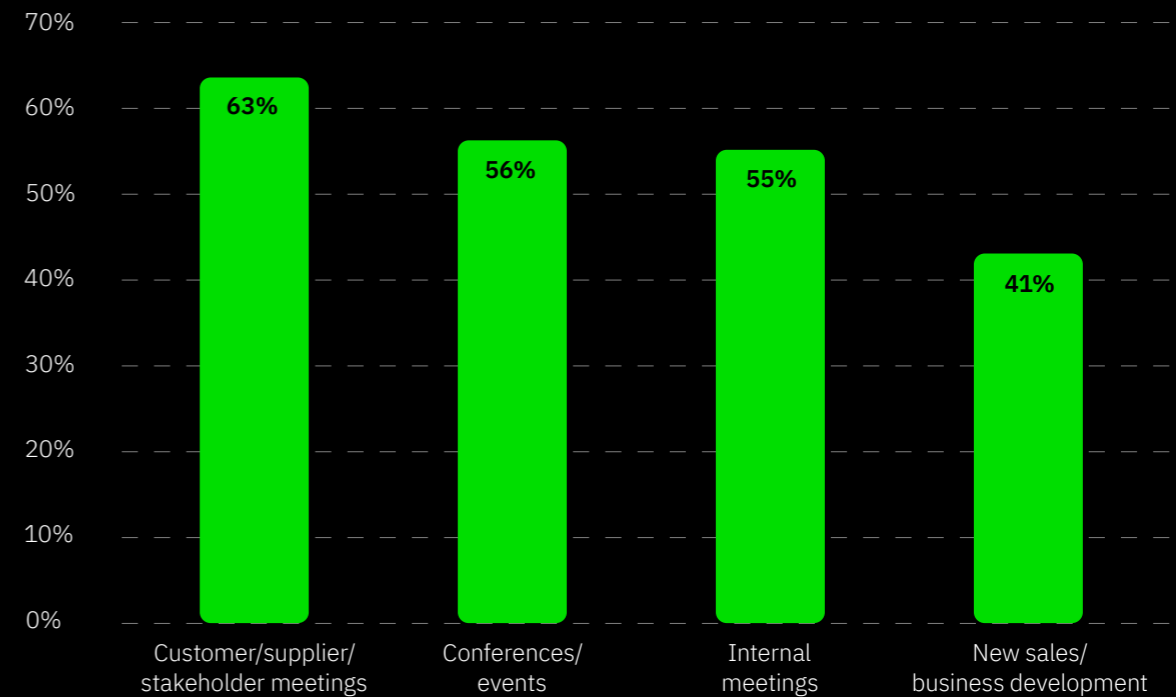
There is a clear division in travelers with fewer obligations at home being keen to combine business travel with leisure whilst they have the opportunity to do so. This however does add complexity; it can add productivity pressure to an offline team and create challenges in policy, travel costs and insurance. It is not always easy for a company to separate these components.

On the other side of the spectrum there is another demographic keen to get in and out of their trip as quickly and efficiently as possible. The changing landscape of distribution is adding complexity to this. So, it is more important than ever to ensure that content and technology is available to allow those travelers to make quick decisions that align to company policy. Building traveler trust in the tech stack is key to ensuring a seamless user experience.

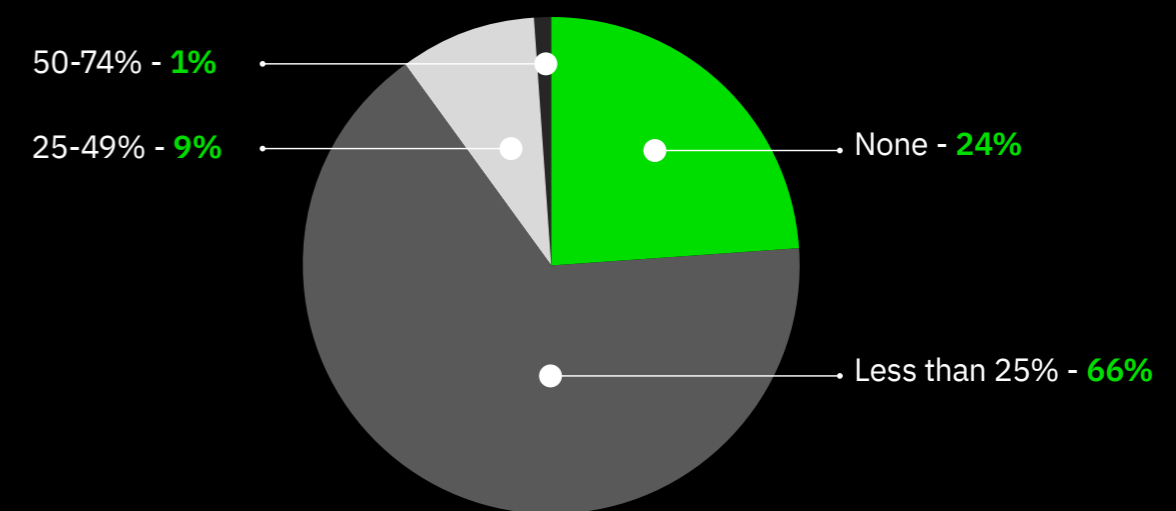
All of this provides a strong framework for the traveling communities to concentrate on what is important to them - the value of their trip, and not the booking of it.”



Main reason(s) for company travel



How many travelers added leisure/holiday travel onto a work trip in last 12 months

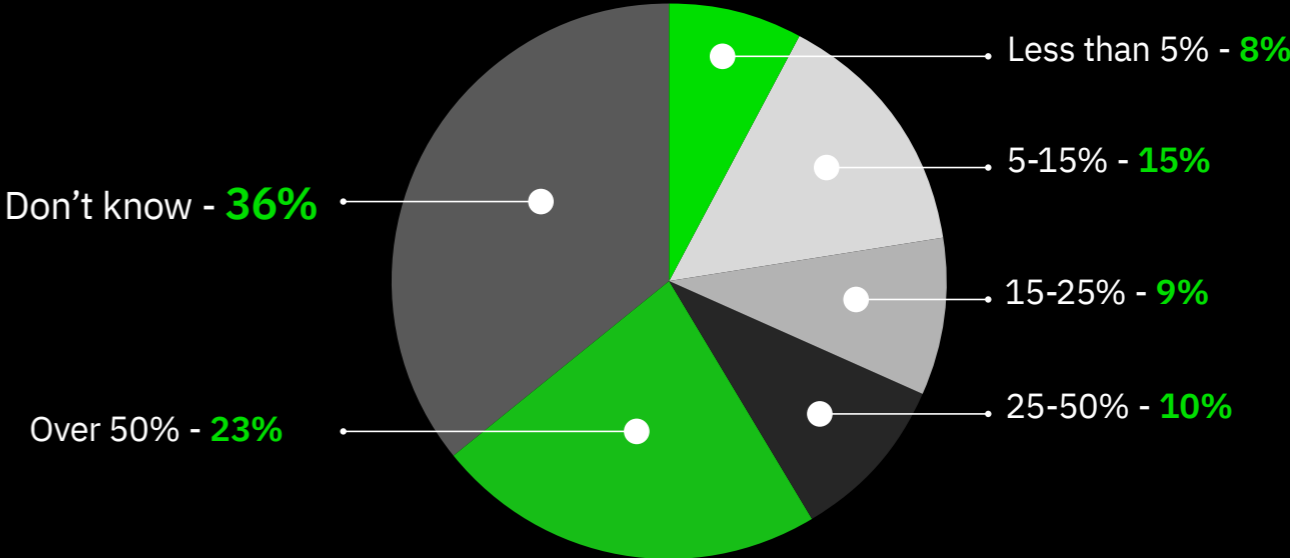


Meetings and Events

Earlier in the report, after visits to customers and suppliers, travel to events and conferences was the second listed motivation for travel at 56%. Combined with a third of respondents telling us over 25% of travel spend is for meetings, conferences and events, there's a compelling connection between the two. Whether for an industry trade show or an internal meeting or conference, the need to connect, celebrate and meet in-person is key.

There is also plenty of opportunity, given a third don't know how much of travel spend is for meetings and events.

% of company travel spend going towards meetings, events or conferences



Simone Seiler - Global General Manager Meetings & Events' take:

Companies are seeking a comprehensive global program that consolidates what is often fragmented.

One example is the merging of multiple events and meetings into single, comprehensive gatherings. This optimizes time and investment, minimizes travel costs and supports sustainability. For instance, leadership meetings often precede larger group events, consolidating activities into one efficient trip.

There is also a trend of middle-sized companies developing strategic meetings programs, but it's not just for cost and visibility benefits. By consolidating to one provider who knows the organization's needs, it enables a better attendee experience and a high standard of service, whether on-site or through support.



Two different frontiers: *AI and NDC*

Traveler-facing issues like managing disruption and harnessing expenses appear to be top priority for our respondents when it comes to artificial intelligence (AI) applications. Savings are never far from the minds of our customers, as we can see from the close responses related to automated expense tracking and predictive analytics to optimize budgets.

Overall, our respondents are unbothered by NDC. This could be due to the slower progress of the initiative. Of those who do believe it will have a benefit, it's savings again that's priority, along with personalization.

Daniel Senyard - SVP of Commercial Platforms and Innovation's take:

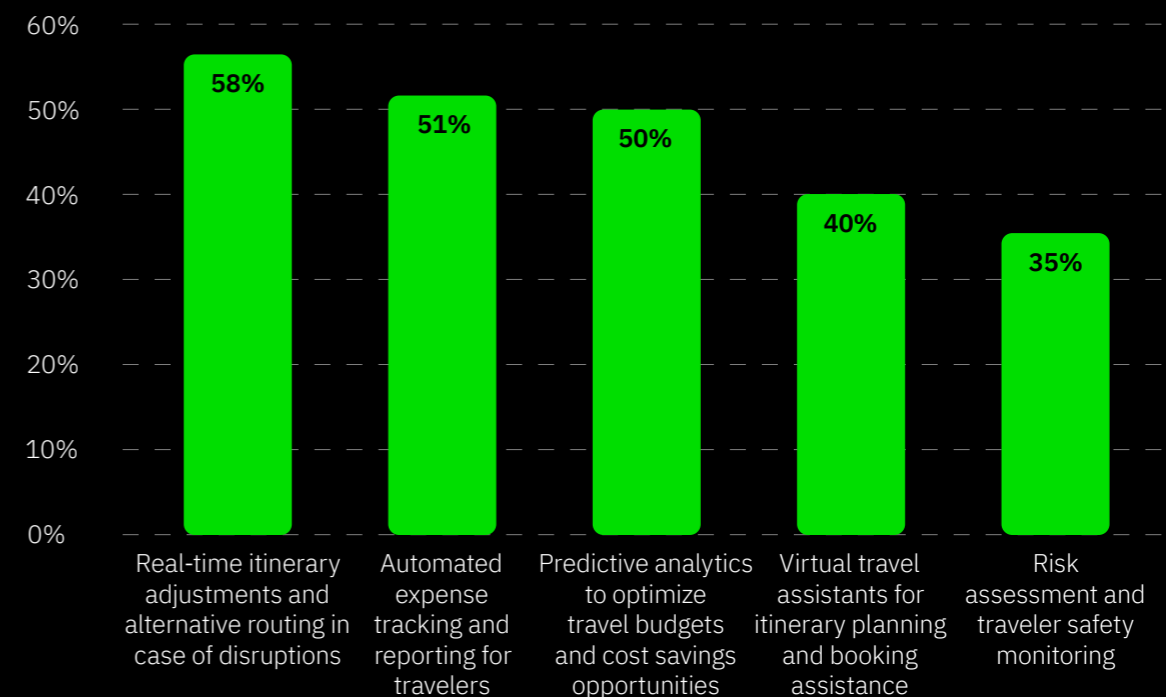
“I think that AI is going to be the most transformational technology of our lifetime. I also think that we don't yet know how. History shows us that groundbreaking tech usually follows a familiar pattern: we start by using new tools to solve old problems before discovering their revolutionary potential.”

While AI will definitely impact things like disruption assistance, expense tracking, analytics, and travel assistants, these likely represent just the beginning.

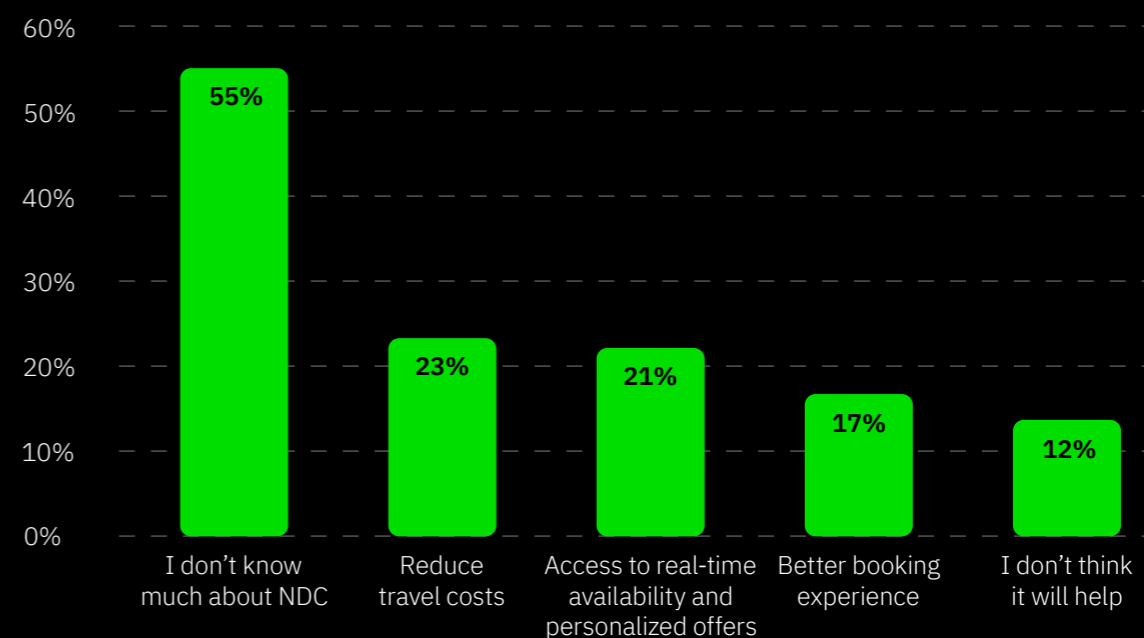
The real transformation will come not from doing old things better, but from discovering new things that were previously impossible. I don't know what the most transformative change AI will make in travel is, but we'll be on the frontlines, experimenting and learning alongside our customers!



AI applications with most potential to transform travel programs in the next 5 years



How do you think NDC will benefit your company's corporate travel?





The *final word*

From these survey results, we can deduce that travelers are at the center of considerations and intentions for travel programs in the next 12 months. Whether it's engagement or compliance to the travel program, using AI to manage disruption or encouraging greener options; there's a clear focus on enabling smoother corporate travel.

Harnessing that meetings and events visibility and spend is also crucial. There are many crossovers between the travel and events categories that you can explore, analyze and possibly consolidate to generate even more efficiency and savings.

When it comes to these big projects and conversations, lean on your TMC Account Manager to help you understand the best way to engage internally and get early buy-in from your key stakeholders. Your Account Manager may also be able to help with strategies, technology or services that can solve your challenges.

Here at FCM, we're continuously using customer feedback and surveys to foster deeper relationships. Valuable data also drives the evolution of our products and services. By taking our customers on that journey, we're building travel management services fit for modern travel programs, and the future.

Want to be part of the ride?

Enquire today at www.fcmtravel.com