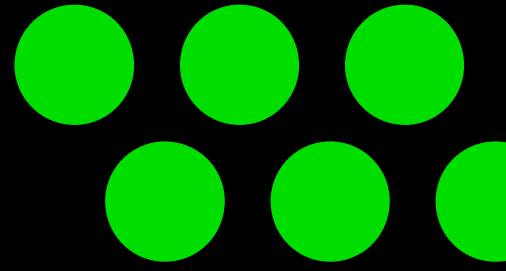


2024 - The year of Smart Travel





03
04
06
07
09
10
12

Introduction

A smarter approach to your people

Sustainability as a smart business strategy

Mastering the art of negotiation:
Smart ways to get what you want

Incentive travel is back and better
- get ready to plan smart

Human meets Artificial Intelligence

Charting a smarter course in 2024

Introduction

As South Africa approaches its 2024 elections, the travel landscape is shifting towards a more thoughtful approach. It's the year for smart travel – where planning isn't just about booking a ticket, but about making informed, strategic decisions. Amidst the buzz of an election year, travellers and businesses alike are looking at travel through a new lens.

Euan McNeil, the Managing Director of Flight Centre (South Africa), underscores this new trend. "In 2024, travel isn't just about getting from A to B," he says. The focus is on being smart with resources, streamlining processes, and leveraging expertise, particularly in the corporate travel arena.

McNeil points out the importance of using the right tools and skills. In a year marked by economic and political fluctuations, he emphasises the need for well-thought-out travel decisions. "It's about choosing quality over quantity," he notes. This means being selective, ensuring that travel expenditures are not only necessary but also effective.

The era of spontaneous and budget travel options is taking a backseat in 2024. McNeil advises a more measured approach: "Every travel decision should be a smart one." This shift isn't about cutting back, but about choosing wisely, ensuring that each travel experience delivers value.

As the year unfolds, smart travel isn't just a concept; it's a necessity. It's a time for careful planning and conscious decision-making, where each trip reflects a balance of efficiency and purpose.

Ready to adapt and thrive? We look at the challenges, changes, and surprises that business travel has planned for you in 2024, and what you can do to think differently about solving them.



A smarter approach to your people

Guess who's back? South Africans are dusting off their office chairs and heading back to work. A Workday study reports the work-from-home bubble has finally burst. So as offices fill up (even if it's a hybrid working model), it's time to tune into this transformation and adjust your travel policies accordingly.

"In the years during the COVID pandemic, companies relaxed their travel policies to ensure essential business travel continued, even if it meant higher expenses. However, as we move back to the office and witness a resurgence in routine business travel, coupled with a more expensive travel economy, 2024 will see the need for stricter travel policies," says Bonnie Smith, GM FCM Travel.

Don't forget your people in the process. Here's what a new-look travel policy journey may look like:

1

Define your goals

Are you looking to save some cash, empower your travellers, boost growth, or be kinder to the planet? These goals will be your North Star as you craft your policy.

2

Get everyone involved

Collaborate with key stakeholders, including CEO, CFO, HR, and travellers. Gather diverse viewpoints and gain buy-in.

3

Pick your travel style

Time to decide how you want to roll. Choose between managed or unmanaged travel.

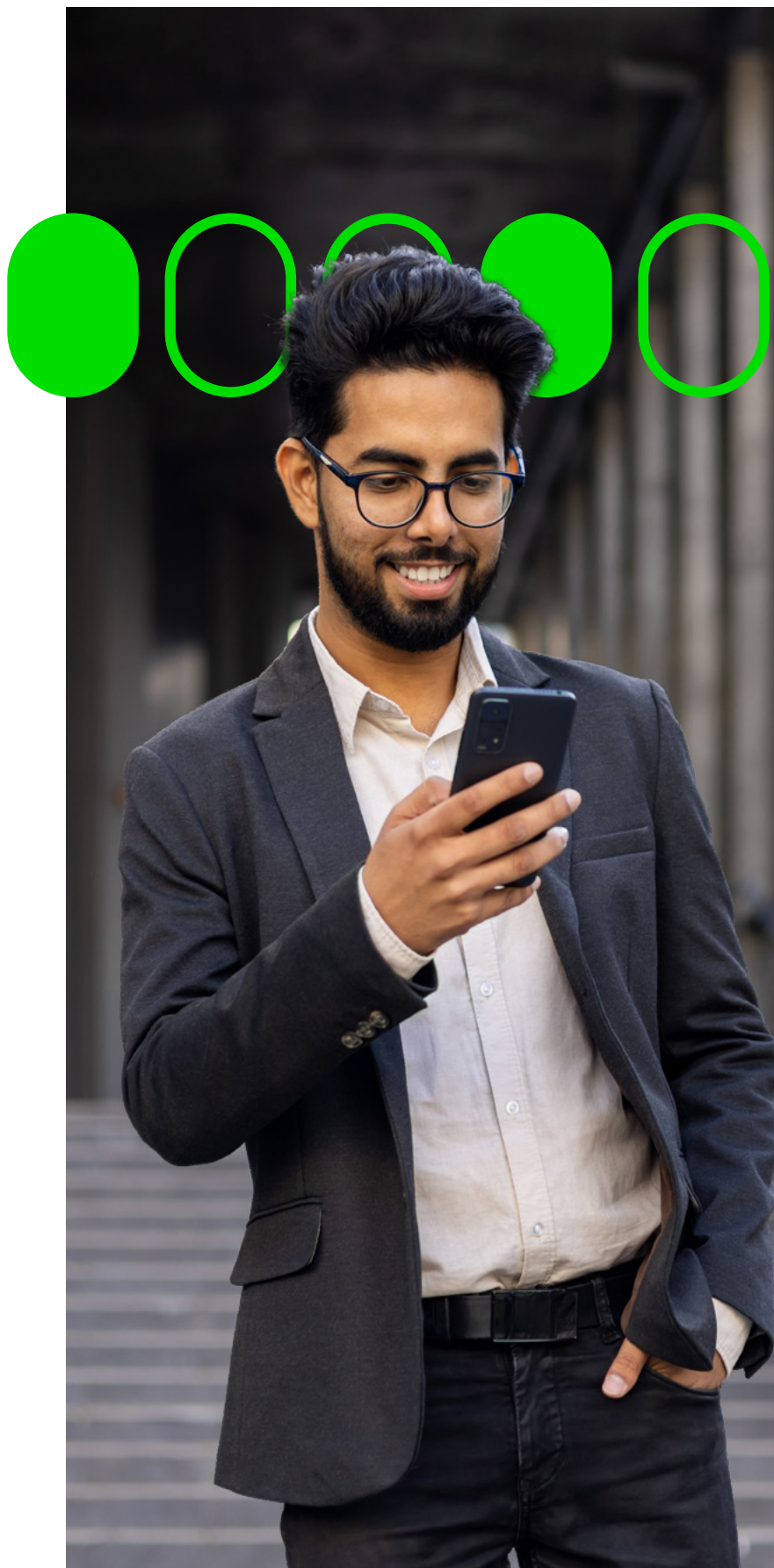
Smart move: If you choose a Travel Management Company (TMC) rely on their advice and expertise when creating your travel policy. Your TMC knows your organisation and travel requirements well, so they can ensure that your travel policy aligns with your business goals. They can provide examples from other companies with similar travel policies and assist in creating a template for your policy. Additionally, your TMC can help you effectively communicate the policy to your travellers and gain their support.

In 2024, it's personal!

2024 spells personalisation on steroids for business travellers. It's a resounding "it's all about me" from them. They've outgrown one-size-fits-all travel packages. Now, it's all about itineraries that sync perfectly with their unique tastes and schedules. It's not entitlement; it's about feeling seen and valued.

Business travellers crave suppliers who are flexible and rock-solid dependable. The good news? The more tailored the experience, the more efficient and compliant the traveller becomes. In the realm of corporate travel, efficiency and compliance are the golden tickets to cost savings. So, in 2024, it's all about personalisation with a purpose – a win-win for both travellers and businesses.

Smart move: Unleash the power of data insights to craft travel experiences that not only meet but exceed your employees' expectations, boosting satisfaction and travel efficiency.



Sustainability as a smart business strategy

CEOs are really getting serious about environmental concerns, according to a recent Gartner survey. They've placed it in their top three priorities for investors and consider sustainability a key competitive advantage. Yes, you heard that right, it's a big deal!

Now, as you're planning your 2024 objectives and strategies, you're likely diving deep into competitor analysis and crunching numbers. But if sustainability hasn't been on your radar, it's time to give it some thought.

Of course, South Africa offers its unique set of challenges when it comes to sustainability as the country is constantly struggling with loadshedding and power cuts. As McNeil puts it: "When you have the hum of the generator in the background, it inherently changes your view on sustainable options compared to other countries."

Let's clear up some common misconceptions that might be clouding your perspective.

Myth: Sustainability is just a checkbox for companies

Sustainability isn't just a box to tick; it's a business booster. Business leaders (over 80% of them!) see it's not just about rules; it saves money and boosts profits. Job seekers want to work for green companies, and more than half factor it into job choices, especially the under-25 crowd (71%). Sustainability isn't just a task; it's a secret weapon that enriches businesses, keeps employees happy, and helps the planet.

Myth: Making business travel sustainable is hard

No need to stress about sustainable business travel; it's quite manageable! Integrated booking solutions simplify expenses and let travellers make eco-conscious decisions while keeping tabs on sustainability goals. Opt for them over supplier websites when booking – that's the smart choice. Sustainability isn't just a management thing; it involves everyone. So, involve your employees, gather their input, and provide the training and support they need to make sustainable travel a reality.

Myth: It's not going to affect my bottom line

If your company stands out as a leader in sustainability, you'll have a clear advantage over your competitors. Companies that are really good at sustainability catch the eye of investors who care about social and environmental issues. When you show that you're serious about sustainability, these investors will be interested in supporting your business. So, the question is, can you afford not to be eco-friendly?

5 smart strategies for sustainable travel

- 1 Set clear sustainability goals:**
Decide on specific targets to reduce emissions.
- 2 Create an eco-friendly travel policy:**
Make a travel policy that supports your sustainability goals.
- 3 Use travel technology:**
Use tools like carbon calculators and dashboards to track your impact.
- 4 Offset carbon emissions:**
Compensate for your carbon footprint by supporting environmental projects.
- 5 Choose green travel partners:**
Work with accommodation and transport providers that prioritise eco-friendliness.





Mastering the art of negotiation: Smart ways to get what you want

“Entry-level negotiation rate for hotels is lower than what we’ve seen previously”. This is according to Kamogelo Maerman, National Sales Leader, FCM Travel. Great news for businesses revisiting their contracts. But, what if you could up your negotiation game?

Maerman recommends the following:

Quality over quantity. Maerman suggests that having fewer corporate agreements in place with hotel chains can actually boost your bargaining power. It’s a case of less is more in the world of negotiation.

Talk percentage, not price. While a hotel group might initially demand a 7% price increase, consider the bigger picture. If you can guarantee booking a certain number of rooms for your business travellers, especially more than the previous year, you can leverage those numbers to negotiate a more reasonable 4% hike.

Data is your secret weapon. Your travel and expense data is a goldmine of opportunities to cut costs. Take a closer look at where and how often your teams are travelling. This information is invaluable for pinpointing areas where you can save. And, if you want to make things even easier, tap into your travel management company's technology to analyse this data. If data mining is not offered by your TMC, ask why.

Focus on scoring perks too. Negotiating with car rental companies? It's not just about the base price. Keep a keen eye on those additional expenses like insurance and unexpected fees. Dive into your contract to spot any questionable charges. Instead of merely chasing the lowest price, explore opportunities to secure some sweet perks, like better cars or more flexible terms.

Lean on a TMC. Choosing a TMC isn't just about finding the lowest rates. It's about practical benefits too. TMCs can unlock lower fares and rates thanks to their business volume. They're skilled at negotiating corporate rates with suppliers, saving you precious time and supercharging your efficiency.

Smart move when negotiating?

You're probably used to extra fees for baggage and in-flight meals, right? Well, now hotels are joining in with attribute-based booking. How's it work? Guests get to choose individual components for their room or services like access to the gym over room cleaning.



Incentive travel is back and better - get ready to plan smart

Groups are back on the move. The 2023 Incentive Travel Report by IBTM World shows that the incentive travel sector is booming with an annual growth rate of 12.1%. Even more exciting, it predicts a 61% increase in the number of people participating in incentive travel programmes worldwide by 2024, compared to 2019.

Exploring exciting destinations inspires and energises staff, fuelling loyalty in the process. But with adventure comes responsibility, so smart companies take duty of care seriously. The good news? Precautions don't have to dampen the party. With some thoughtful risk management, organisations can prioritise safety without sacrificing the spirit of adventure.

Duty of care involves assessing potential risks—from political unrest to spilled piña coladas—and taking reasonable precautions. Thankfully, full support can be provided discreetly. With travel management support you get behind-the-scenes assistance like pre-vetting destinations, evac protocols and international medical assistance.

So don't leave incentive travel plans stranded! With some preparation, companies can create trips where the hardest decisions are piña colada vs mojito, guided climb, or snorkel first.

Benefits of incentive travel

- ✓ A key tool for talent attraction, retention, and motivation
- ✓ Cultivates a strong company culture and reputation - vital in the era of remote and hybrid work

66% of incentive travel agencies highlight employee preferences:

- ☆ • Growing importance of inclusivity
- 🤝 • Strengthening peer-to-peer relationships
- 👤 • Opportunity to bring a partner on trips

Smart move in incentive travel?

It's not just about the destination. It's all about authenticity, wellness, and sustainability. The workforce's expectations have evolved, with employees valuing experiences, CSR support, and wellbeing. Surveys reveal that 35% prioritise wellness activities and 44% highlight CSR-focused team building.

To adapt, consider integrating local cultural experiences and stress-relieving excursions into your incentive travel plans. The key is to create meaningful, enjoyable experiences that resonate with your people.

Human meets Artificial Intelligence

Ready for a game-changer? AI's revamping travel, from planning to post-trip, making every step slicker. Flight Centre's Stephen Pitcher puts it cleverly: "Think of a carpenter. AI is the nail gun. You want to embrace the new tool because it will help you work smarter and faster."

And at FCM, we're not just tinkering. The 'AI Centre of Excellence' is set to turbocharge our travel ops, optimising customer experiences and productivity alike.

So, where's AI making waves?



1. Collecting, crunching, and customising data

Let's talk about data – it's the new travel currency. We're in an age where data is like oxygen for companies, fuelling better decisions and slicker processes. It's about custom-fit experiences for travellers, because who doesn't like a service that knows you better than you know yourself?

It's a give-and-take with data: the more you feed the machine, the more it gives back in smarts. It's this virtuous cycle that keeps on giving, making our AI sharper, and our services more intuitive. For example, AI's playing matchmaker with data across various GDSs, making sense of the chaos. It's about getting our digital ducks in a row – cleaner data means clearer trends, from guest preferences to pricing patterns.

A smart airport move? The Dutch are on it. Eindhoven Airport's tech, Deep Turnaround, is like a time machine for aircraft handling. Cameras and AI crunch numbers to speed up departures, proving that a little tech savvy can go a long way – up to 30% in reduced delays. Meanwhile, airlines are catching the AI wave, using it to fine-tune their offers and sharpen their data tactics. It's about being on the ball, or in this case, on the departure board.



2. Virtual travel assistants

Virtual assistants like FCM's digital assistant are the new travel gurus, and they're not just a passing fad—they're revolutionising the way we travel. These digital pals are not just about recommending the snazziest lounge; they're about keeping your trip hiccup-free with personalised alerts and tips.

A smart airline play

The Lufthansa Innovation Hub recently showcased an AI assistant for business travellers. It's a chatbot concierge that doesn't just answer your "Can I grab a window seat?" but also keeps your trip papers in check, from e-tickets to expense receipts, all while being ready to chat 24/7.



3. Search, book and beyond

The perfect trip often starts with a search. And here's where AI isn't just stepping up—it's leaping bounds ahead. John Morhous, Chief Executive Officer at FCTG, is watching AI reinvent the search game before our very eyes. It is now possible to capture all information upfront (when booking a trip or other service) and structuring for the agent to easily take over (limiting the burden on the agent collecting certain standard information) is in-process.

Morhous lays it out: "Generative AI is very interesting and disruptive stuff, with the ability to train data at scale and replicate experiences that look very human. But if you think about how humans interact with each other and how humans interact with computers, they're very different. For the last 20 years, if any one of us wanted a question answered, we would go to a search engine, type into a little box, and hit search. You'd get a whole bunch of results based off an algorithm. We've become so used to that, but people don't work that way. I think generative AI is retraining us to search with computers like we're used to searching with humans and iterating through conversation."

Generative AI is shifting how we interact with our devices—less typing, more talking. It's a digital dialogue, a back-and-forth that feels as natural as asking your co-traveller, "Where to next?"



4. Hyper personalisation

Hyper personalisation is the new travel buzzword, and generative AI is the buzz maker. It's changing the game, making every click, every search, every booking feel like it was made just for you. It's no longer about fitting into a box; it's about the box morphing to fit you.



As FCM Digital Chief Product Officer Michel Rouse explains, “AI acts as a copywriter to assist travel managers in delivering notifications to their travel community. The person selects parameters for a notification (such as what to show, when to show, and tone of voice) and AI crafts the notification and adds imagery. The person then refines the notification to suit their audience, focusing on being an editor rather than a writer.”



5. OBT or human travel agent? Ask AI

Choosing between an Online Booking Tool (OBT) and a human travel agent can feel like picking between a latte and an espresso – both get the job done, but the experience differs. That’s where AI steps in, not just to flip a coin, but to give you a nudge in the right direction.

AI isn’t just smart; it’s like that friend who always knows the best coffee spots. It looks at your travel needs, crunches some numbers, and suggests whether you’d be better off with the click-speed of an OBT or the tailored care of a human agent.

This isn’t a one-size-fits-all; it’s a tailor-made recommendation. The goal? To make your booking experience as smooth as your morning brew, ensuring that whether you’re tapping away or having a chat, you’re off to a great start.

When humans and AI team up

Mixing human smarts with AI? It’s not just about having robots and people play nice together. It’s about setting up a dynamic duo where each brings its A-game. Our focus at FCM? To make sure this partnership has the right blend of governance and a sprinkle of human insight. The goal is to keep the human touch central – think of AI as the amplifier, not the replacement.

Data privacy? Huge deal. Security? Top of our list. We’re juggling these priorities with care as AI grows up fast in the tech world.

Morhous puts it in perspective: “Generative AI unequivocally has an incredible ability to rapidly perform complex activities in the blink of an eye. We predict this will help remove workplace drudgery and supercharge our teams so they can focus on higher-value work and personal interaction. This is vitally important to the service we provide for our clients.”

It’s about striking the right balance – letting AI handle the number crunching and data diving, while our people focus on what they do best: building relationships and crafting unforgettable travel experiences. **This isn’t just teamwork; it’s the future of smart travel.**

An aerial photograph of a coastline. A multi-lane bridge spans a body of water. To the right of the bridge is a sandy beach and a rocky shoreline. A large, bright green arrow points downwards from the top of the image, centered over the text.

Charting a smarter course in 2024

One thing is crystal clear: 2024 isn't just another year in the travel diary. It's a year teeming with opportunities for those ready to think smarter, plan wiser, and travel with a touch of genius.

In a year where 'smart' is the new 'fast', embracing AI isn't just savvy – it's essential. Stephen Pitcher's analogy of AI as a carpenter's nail gun hits the nail on the head. It's about building travel experiences that are not only efficient but also enriching and tailored to each journey.

The key takeaway? Whether it's the human touch or AI's digital approach, the future of travel in 2024 is about blending the best of both worlds. It's about fine-tuning the balance between data-driven decisions and human expertise.

Here's to a year of insightful decisions, memorable experiences, and travels that are as smart as they are spectacular. Fasten your seatbelts, South Africa – 2024 is set to be a remarkable ride in the world of travel.

Enquire today to find out how FCM can elevate the performance of your corporate travel programme.

Enquire now