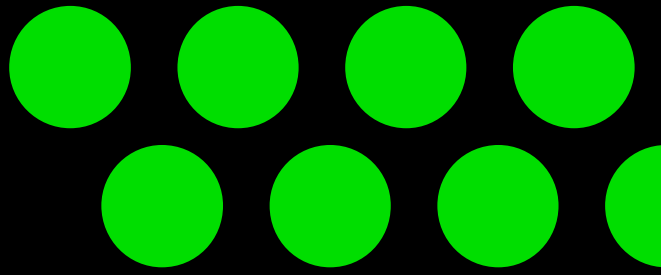


RIDING THE WAVE OF INNOVATION

Trends shaping business travel for
Irish start-ups and SMEs





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Opportunities ahead for Irish business travel

Trend 1: Corporate adventures are the new water cooler

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Opportunities ahead for Irish business travel

By Andy Hegley, FCM Europe Leader



Ireland has always been a thriving business hub. Whether it's expanding locations, trading internationally, or shaking up strategies, opportunities are waiting to be grabbed. The economic signs ahead look good for those with vision, hustle and that trademark Irish pluck.

Travel is a key part of growth strategy and how modern businesses find new customers and ideas, no matter the time zone.

Irish companies face challenges both from within their industry and outside of it. This guide aims to uncover some key trends affecting business travel for Irish-based start-ups and SMEs.

Read on to learn how AI travel assistants are simplifying bookings, how carbon-friendly planes are reducing environmental impact, and need-to-know airline and hotel developments. We'll also uncover how service is still important in today's technology world, and how company culture is driving travel patterns.



Trend 1: Corporate adventures are the new water cooler

Companies are doubling down on 'culture' like never before, realising it's the essential glue binding together today's dispersed, hybrid workforces. Keeping far-flung staff connected in meaningful ways has become a priority.

While digital tools connect their daily workplace dots, and periodic team-building days help put names to faces; there's just no substitute for extended in-real-life adventures when it comes to forging steel-strong bonds across distributed squads. This is why *Skift* has said that 'executive field trips' will become an exploding niche in business travel.

The *Economist* outlines today's top corporate junkets as everything from mountain biking across Norway to *Survivor*-style challenges in remote wildernesses. The goal of these envelope-pushing journeys is to take employees out of their daily routine and drop all ego at the door. To force fresh thinking by escaping what's comfortable and familiar to spark fresh thinking and new perspectives.

And now, as hybrid arrangements cement themselves as the predominant model for SMEs, how companies utilise business trip budgets is shifting too. Rather than sporadic, ill-defined travel, firms are becoming more deliberate in tying corporate trips to strategic objectives. They're asking - what do we want to achieve here? How can this experience sync up productivity or spark radical creativity? Does this trip strengthen our vision, ethos and camaraderie? Can it level up our innovation game?

In answering those questions, leadership realises that funding immersive offsite gatherings for their hybrid teams leads to more invested, higher-performing crews. Tightly knit squads that often out-innovate and out-hustle the bigger competition.

They also recognise that today's flexible remote era means world-class talent could reside anywhere – from Kenya to Kilkenny – so travel budgets must expand to cover shuttle trips to tap wider talent pools or keep non-local superstars happily on board. So, business travel budgets now cover collaboration trips for existing hybrid employees and 'super commutes' to tap broader talent pools.

Forward-looking SMEs realise these costs are justified, given the exponential returns from even small boosts to innovation, loyalty, and alignment across a distributed workforce.

LinkedIn statistics show
Ireland leads the entire EU
for most hybrid job postings

Trend 2:

AI meets human expertise

Let's set the scene: It's a typical Monday in Ireland, and you're on your second cup of coffee, trying to tackle the week's business travel plans. Forget the old days of manual searches and guesswork. Thanks to tech, artificial intelligence (AI) has stepped in to simplify life.

The reality is that SMEs in Ireland are embracing technology with the enthusiasm of a start-up in a tech accelerator. AI has become a game-changer, and business travel is riding the wave. The latest figures from Melior Funding for Growth Survey 2024 show that a striking 86% of Irish SMEs are optimistic about the business climate in 2024, with nearly half already integrating AI into their operations. It's clear: Irish businesses are not just keeping pace with AI; they're setting the pace, especially in business travel.

Andy believes the future success of business travel lies in striking the right balance between technological innovation and the irreplaceable value of the human touch. "We harness AI to streamline the process, complementing it with the personal insights and warmth our team is known for. It's this synergy that will distinguish Irish SME travel in the years to come," he said.

Fusing AI with human expertise offers a compelling proposition for Irish SMEs. It's not about replacing the human element but enhancing it, ensuring that travel is efficient and enriches the business journey.

So, what does this blend of AI and human expertise mean for travellers? Here are some examples.

	AI's role	Human touch
Personalisation	Travel personal assistant. Learns from preferences and past choices and curates bespoke itineraries.	Add nuance to AI's selection, refining and adjusting. Understands bigger picture; you might choose suppliers due to memories or past bad experiences.
Real-time support	Monitors changes and disruptions which can trigger alerts, information and alternatives.	A calming voice on the end of the phone is priceless. They can handle rebooking and any complications.
Efficiency	Automates the mundane to free up everyone's time.	Leverage experience and industry connections to ensure AI's efficiency is matched with a keen eye for value and quality
Safety & compliance	Automated triggers for latest travel advisories and compliance regulations.	Interpret advisories and offer advice within context of specific trips, balancing safety with practicality.
Data & analytics	Automates reports and dashboards, and finds answers in your data based on questions you ask it.	Delves more into the 'why' of the data and actions that can be taken off the back of knowing those numbers.
Travel management services	Chatbots like FCM's SAM can share information and answer questions in a quick and fun way.	There to help when a chatbot just isn't cutting it, from technical issues to complex travel planning.

Trend 3:

Sustainability takes flight

As the conversation around climate change intensifies, sustainability has climbed the agenda for businesses and travellers alike, reshaping corporate travel in Ireland. Faced with new EU regulations and a workforce asking for greener travel policies, the sector is at a pivotal moment.

New EU regulations ramp up reporting

The introduction of the EU's Corporate Sustainability Reporting Directive (CSRD) in 2024 marks a significant shift. This directive mandates large companies to disclose extensive sustainability data, including the carbon footprint of their business travel. "The CSRD represents a shift for Irish companies," says Andy. "It's not just about compliance; it's an opportunity to lead in corporate sustainability, transforming how we think about business travel."

The directive will impact thousands of companies across the EU, compelling Irish businesses to scrutinise and reduce their travel-related emissions. This could see firms favouring suppliers who demonstrate strong environmental commitments.

A travel management company (TMC) becomes a crucial ally in this landscape, offering tools to track emissions, recommend greener transport options, and consolidate trips to reduce carbon footprints. "Our role is evolving," Andy adds. "We're not just organising trips; we're helping companies navigate the complexities of sustainable travel, from tracking emissions to choosing eco-friendly suppliers."

Travellers demand eco-friendly options

The push towards sustainability isn't just regulatory; it's personal. Employees, particularly from younger generations, are vocal about their preference for environmentally responsible travel options. This shift in traveller sentiment underscores a broader cultural shift towards sustainability. "Today's workforce wants to see their values reflected in their company's actions,"

Andy notes. "Sustainable travel policies are becoming a key factor in attracting and retaining talent."

Sustainability views

Source: SAP Concur survey

89%

To take extra steps to reduce impact.

83%

Sustainability programmes create short- and long-term value.

4/5

Leaders see sustainability as means to optimise and reduce costs.

In response, TMCs are stepping up, developing green travel policies, connecting clients with sustainable vendors, and leveraging data to quantify sustainability efforts. By making it easier to book eco-friendly hotels, venues, and transport, TMCs are making sustainable travel more accessible and actionable for businesses.

The way forward

The journey towards sustainability in corporate travel is gaining momentum in Ireland. "The narrative is changing," Andy observes. "Sustainable travel is transitioning from a 'nice-to-have' to a business imperative. It's about future-proofing our businesses and our planet."

As Irish companies gear up for these changes, the collaboration between businesses and their TMCs will be instrumental.

Trend 4:

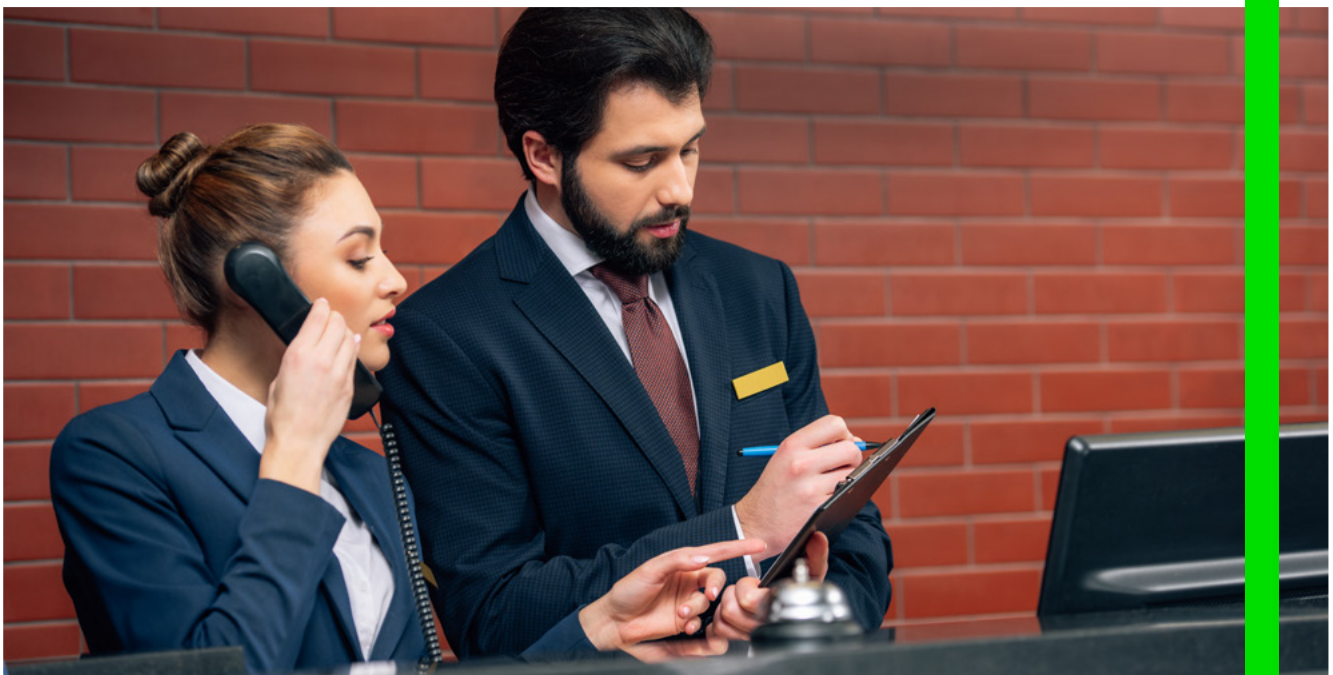
Service remains supreme

Quality service partners will be hugely valuable for Irish firms sending staff overseas on business. Between endemic delays and lost luggage, disruptions remain a stubborn thorn in the side of travellers - over 30% cite such issues in a recent Global Business Travel Association (GBTA) poll. Having swift support to navigate these 'hiccups' significantly impacts productive time on crucial trips.

Many Irish companies are prioritising travel managers who offer round-the-clock assistance - via phone, email, and messaging - to tackle problems.

If challenges arise, employees can connect promptly with these services to minimise downtime and get back on track for business meetings or events. Real-time chat-based support also appears primed to grow, giving road warriors live aid to weigh alternatives if cancellations or changes occur at the last minute.

In essence, highly responsive service is shaping into a prime need for Irish firms when managing corporate travel. Arming road warriors with reliable partners that can unravel disruptions in real time allows companies to feel confident unlocking the full business value from in-person meetings and conferences - despite ongoing global air travel volatility.



Airline sector trends

1. Distribution drama. The Ryanair saga

Ryanair's war with online travel agent giants over fees and transparency has sparked a debate on the future of flight bookings. Despite the turbulence, Ryanair's strategy to lure customers directly to its platform hints at a larger trend: the push for more control and clarity in how flights are sold. It's a telling moment for the industry, signalling a shift towards direct engagement with travellers.

2. Turbulence ahead with staff shortages

The aviation world is facing a bit of a staffing crunch, from pilots to ground crew. 2023's summer certainly felt the pinch. And while things are looking up, the pressure on wages and the race to fill positions are ongoing challenges. It's clear: staffing shortages are not just a blip but a significant hurdle on the runway to travel's on-going recovery since the pandemic.

3. Are loyalty programmes more precious than miles?

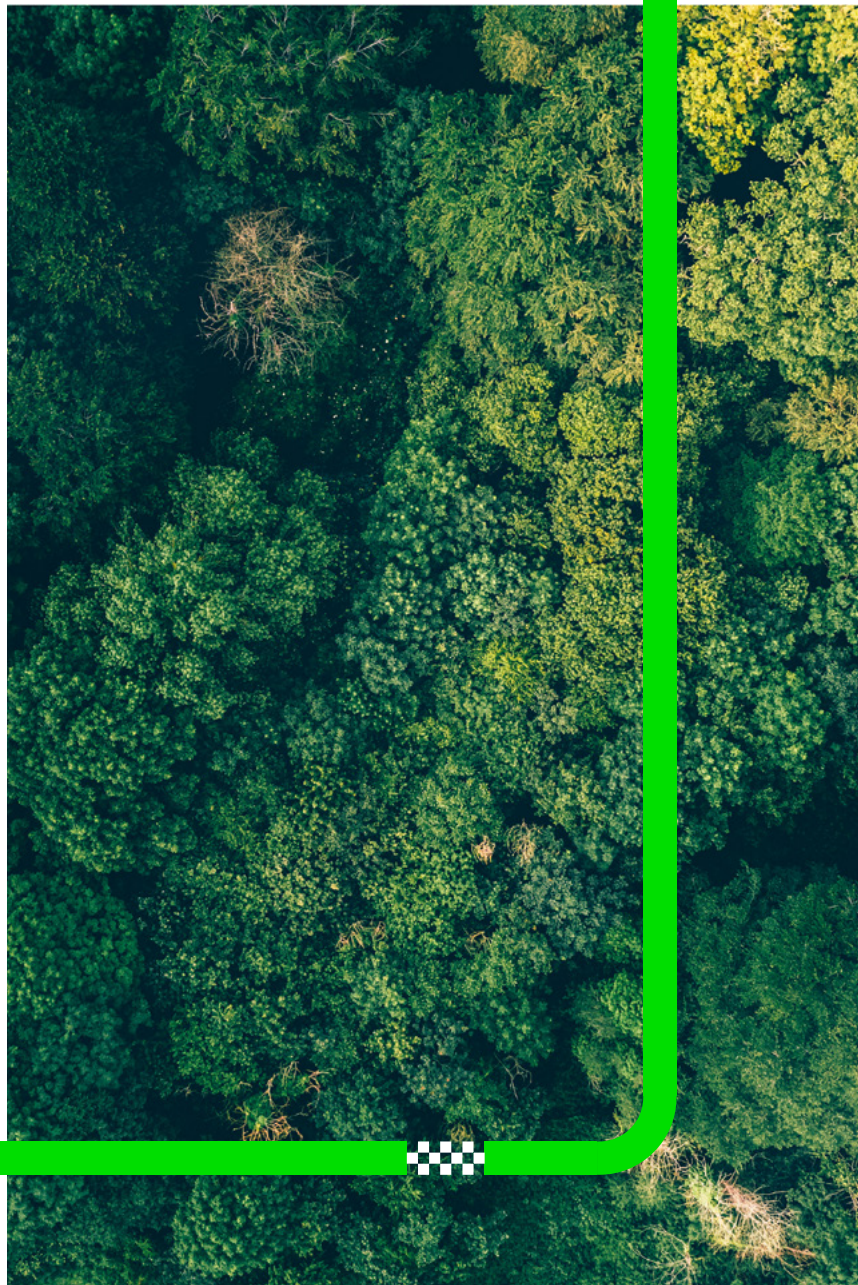
Loyalty programmes are evolving into something akin to a currency in their own right, often outshining the value of the flights they're meant to promote. The focus is shifting from miles flown to euros spent, reflecting a broader change in how value is calculated and rewarded in travel. However, as loyalty become more lucrative, they compete with managed travel programmes. Can the two be balanced?

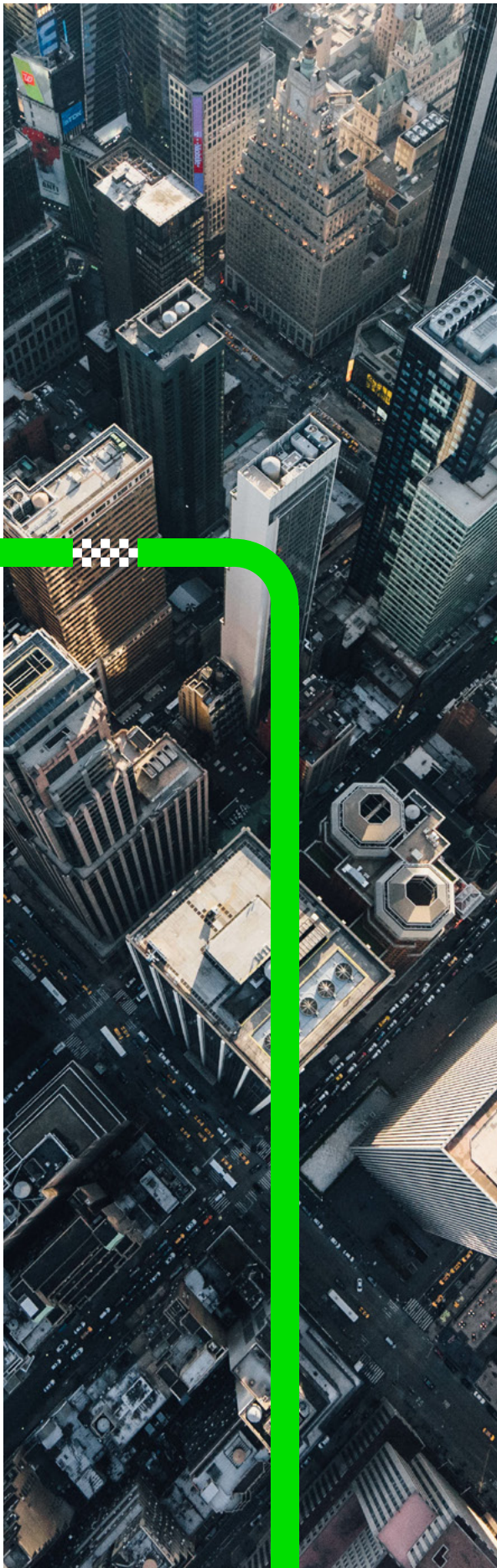
4. New Distribution Capability (NDC): The future is now

As airlines grapple with their future sales strategies, expect to continue to see differing moves from airlines in how they distribute content. You may start to see more announcements offering a richer, more customised booking experience. While there are some kinks to iron out, the travel industry is collectively working hard to smooth these out.

5. Green pastures ahead?

Airlines are increasingly using biofuels and Sustainable Aviation Fuel (SAF) to decrease flight emissions. Will we see more companies purchase their own to use, how would that work in practice? Moreover, electric and hybrid planes are starting to take off, promising quieter, cleaner, and more cost-effective flights. This revolution in aviation technology is not just about saving costs; it's about safeguarding our planet for future generations.





Hotel sector trends

1. Hotel rates get dynamic

FCM Consulting's latest reports shows hotels are jumping on the dynamic pricing bandwagon in North America and Europe, meaning predictable fixed discount rates could become a thing of the past. Instead, expect prices to rise and fall with events, seasons and demand. For budget-conscious travellers, it could feel like a rollercoaster. Savvy managers who keep calm and carry on, monitoring low rates and forecasting peaks, will fare best.

2. European hotels welcome travellers with open arms

European hotels felt some major post-pandemic love in 2023, according to numbers crunched by FCM Consulting. Occupancy rallied 8% over 2022, while North America saw a meagre 1% uptick. Several hotspots witnessed eye-popping rate increases between 2022 and 2023, like a 23% spike in Berlin, 6% in Frankfurt and 9% in Madrid. But not every European city followed suit—Dublin rates dropped 16% year-over-year.

3. Loyalty programmes get personal

Customisation and flexibility are at the heart of hotels' reward strategies. Take Hyatt's revamped programme, which lets you pick between perks like bonus points or spa credits. Meanwhile, Omni is letting you rack up elite status however you prefer - book pricey suites or drop tons on that perfect bottle of Merlot at the onsite restaurant. They want to analyse past bookings and spending (hello AI!), identify the high-rollers most worth keeping loyal, and then target similar guests.

4. Wellness offerings go above and beyond

With wellness still trending up, hotels keep expanding programming once limited to bath products and fitness centres. Now we're talking extensive lifestyle integration as reported by Skift —sleep aids, nutritionists, destressing therapies. Because helping guests feel their best is a 24/7 endeavour encompassing state-of-the-art diagnostics to customised training and recovery.

5. Sustainability steps up

Hotel stays are increasingly likely to come with green cred as properties double down on sustainability efforts from composting food waste to renewable energy investments. Expect hotels to follow suit as the eco-conscious ethos continues to gain momentum in Ireland. Even a country house hotel stay might look a bit different with more plant-based menu options, biodegradable amenities, and environmental stewardship at the top of one's mind.



Navigate travel and workplaces changes with confidence

Travel is important when you're a growing business. So keeping ahead of potential change and challenges is key to an agile and resilient travel programme.

With FCM's corporate travel services, you'll not only have all your travel management needs in one place, but all the advice, expert tips and travel technology you need to empower your travellers and your programme.

Grow without getting left behind – use our technology and dedicated experts to power that journey.

Learn more at <https://www.fcmtravel.com/en-ie/travel-for-growing-businesses>

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