

# ZERO FRICTION FUTURE REPORT: SINGAPORE TRAVEL

DISCOVER HOW IMPROVING CUSTOMER EXPERIENCE  
CAN DELIVER NEW GROWTH OPPORTUNITIES FOR  
SINGAPORE'S TRAVEL BUSINESSES



**ZERO  
FRICTION  
FUTURE**

## MEETING THE NEEDS OF THE DIGITALLY CONNECTED CONSUMER

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The world is changing faster than we can keep up, and consumers today are inundated with choices of every imaginable kind. Digital connectivity has undeniably improved our lives for the better but it has in turn raised expectations as well. Consumers have more power and voice than ever before. They do not think twice about making a purchase across multiple channels and are less willing to suffer any inconveniences or invest more time to get what they want.

As a result, the consumer experience is even more essential in this age of instant gratification. If companies are not meeting consumers' high expectations, consumers can easily switch to find one that will.



# IDENTIFYING FRICTION IN YOUR BUSINESS

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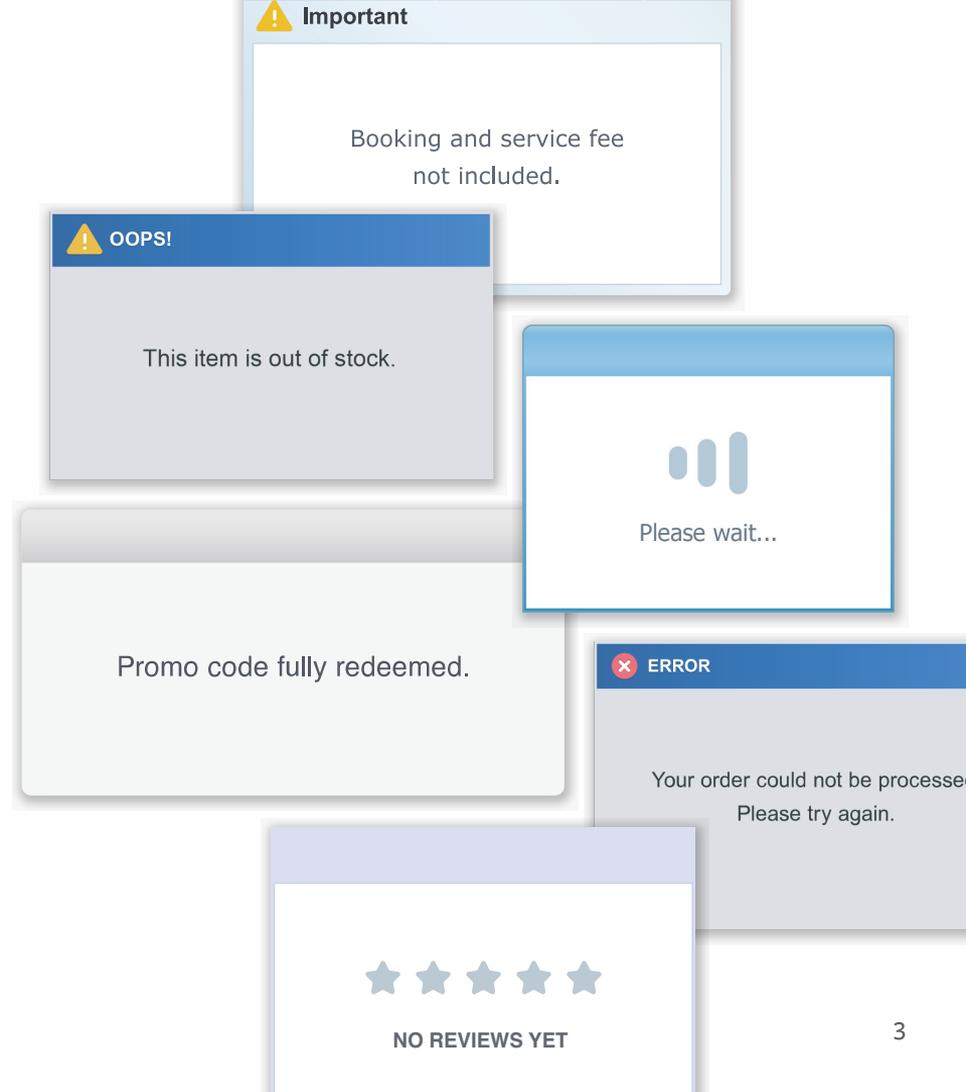
Any activity which influences or causes a consumer to abandon the purchase journey is a source of friction. It may be an offline or online activity such as waiting in line or entering one's payment information, searching in-store or navigating through a mobile application, or even laboriously filling in details on a physical or digital form.

Businesses nowadays face greater challenges with the rise of new technologies. The more options consumers have, the more opportunity there is for friction to arise. Across the online ecosystem, friction occurs at multiple touch points from discovery to purchase, such as slow website loading speeds, a non-intuitive user interface, and poorly designed search functionality.

Some businesses are already providing consumers with experiences that reduce or eliminate pain points that cause friction. These in turn are resetting consumer expectations, making them less tolerant of friction and more likely to switch to another brand or abandon their purchases entirely<sup>1</sup>. As a result, businesses stand to lose the trust of existing consumers, the attention of prospective consumers and billions of dollars in friction costs.

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1. Facebook IQ, Shifts for 2020: Mobile service economy, August 2017





REDUCING FRICTION  
IN SOUTHEAST ASIA:

A  
**\$70 BILLION**  
OPPORTUNITY

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Businesses are facing the possibility of losing prospective customers and billions of dollars of potential revenue to friction every day. BCG estimates that the aggregate dollar amount of **the annual cost of friction in Southeast Asia alone is \$70 billion. Across Asia-Pacific, this number adds up to whopping \$325 billion<sup>1</sup>.**

This represents the immense size of the potential opportunity at stake, and is a compelling incentive for businesses in consumer packaged goods (CPG), retail, ecommerce, automotive, hospitality, financial services, travel and quick service restaurants (QSR) to reduce friction in their consumer journeys.



## HOW WE MEASURE FRICTION

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In collaboration with GfK, Facebook conducted a multi-country survey that dives deep into the discovery and purchase of travel bookings in selected Southeast Asian countries (Indonesia, Singapore, Thailand), with a focus on accommodations and flights. We also partnered with the Boston Consulting Group (BCG) to estimate the financial costs of friction across the consumer journey in these markets. The results and conclusions from this study are presented here.

To measure the impact of frictions, the survey uses two metrics:

1. **Encounter rate.** Measures how common a particular friction is among consumers, using percentage of surveyed consumers who reported they experienced the friction.
2. **Drop-off likelihood.** Measures how likely consumers would drop off because of a particular friction, using percentage of surveyed consumers who reported they are likely or very likely to stop their purchase journey.

Our research shows friction occurs across all stages of the journey, which we have narrowed down to the three critical phases of Discovery, Purchase and Post-purchase. As consumers go down this funnel, they are less likely to encounter friction. But when they do encounter it, they are more likely to say they would stop their shopping journey. Across different frictions consumers experienced at each phase, at least 1 in 2 consumers, on average, reported they were likely to drop off from each phase because of a friction. Some consumers who manage to complete a purchase still face Post-purchase friction. When this happens, it decreases the chance that consumers will come back to buy again.

At least

**1 in 2**

**Consumers across  
Singapore, Indonesia  
and Thailand report  
being likely to drop off  
after experiencing  
friction<sup>1</sup>**

.....  
1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.



# THE JOURNEY TO A ZERO FRICTION FUTURE

Friction occurs during three distinct phases  
of the consumer journey:

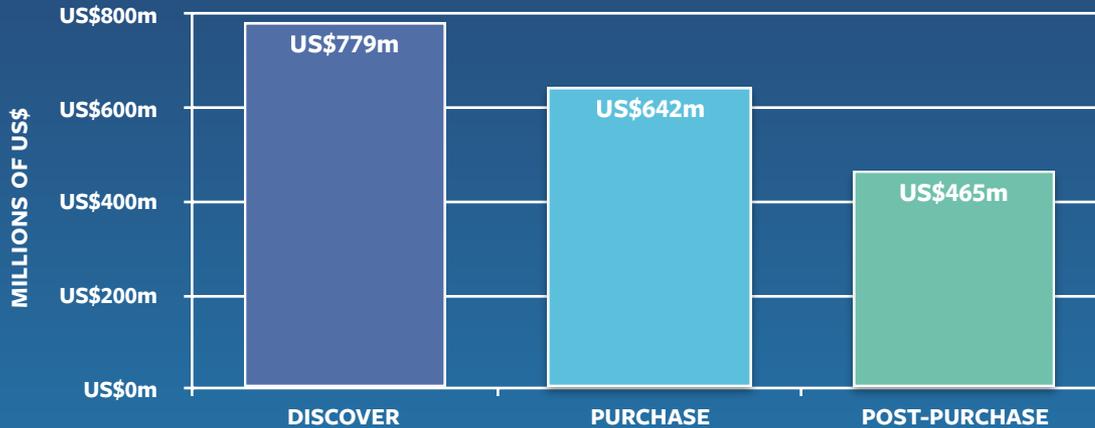
**DISCOVERY • PURCHASE • POST-PURCHASE**

# THE JOURNEY: MISSED OPPORTUNITIES

Beginning is often the end for many consumers. Out of the \$1.89 billion lost to friction in Singapore's travel industry, \$779 million is wasted in the Discovery stage. These numbers mean close to 2 in 5 sales opportunities, or about 41%, are lost to friction at Discovery.<sup>1</sup>

How common are frictions in Singapore's travel industry? The answer from our research shows around 9 in 10 consumers experienced a friction in the Discovery and Purchase phase of the journey, and about 8 in 10 consumers for Post-Purchase.<sup>2</sup>

**BREAKDOWN OF MISSED OPPORTUNITIES IN SINGAPORE'S TRAVEL INDUSTRY<sup>1</sup>**



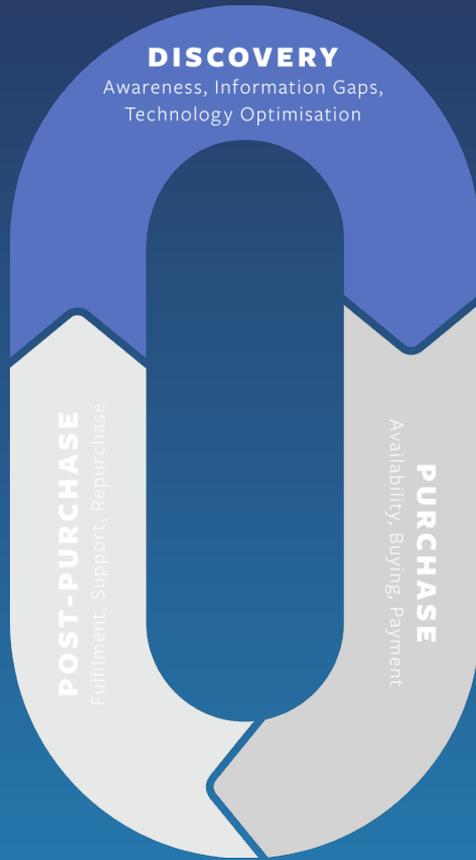
**9 IN 10**

**CONSUMERS ACROSS SINGAPORE, INDONESIA AND THAILAND EXPERIENCED FRICTION AT EACH PHASE OF THE JOURNEY<sup>2</sup>**



1. Boston Consulting Group, Data Analysis, December 2018.

2. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.



## DISCOVERY FRICTION

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Consumers expect a smooth experience and well-rounded support across the different stages of their purchase journey, and it begins with finding out about the brand, business, product or service. At the discovery stage, consumers want to receive clear and concise information that can be easily found across channels and more importantly, is relevant to their needs or wants. Any pain point that prevents a prospective consumer from doing so is a cause of discovery friction.

Businesses have to ensure that they adequately raise brand awareness online and offline, as well as provide comprehensive information that is easily accessible and localised to each individual market. Failure to do so may lead to consumers losing interest and dropping off even before purchasing the product or service.

## DISCOVERY FRICTION PAIN POINTS

CAN BE CATEGORISED INTO THREE GROUPS:

1

### AWARENESS

Consumers might not even be aware of a product or service because there are multiple roadblocks preventing them from receiving the relevant information they need. These include a lack of ads across online and offline platforms to promote awareness, or failure to target the right audience resulting in consumers receiving irrelevant ads they have no interest in.

2

### INFORMATION GAPS

Consumers might have heard of the brand but face pain points caused by the absence of, or difficulty in, accessing relevant information that they need to evaluate a product or service. One example of a source of friction is the dearth of easy-to-find consumer reviews or ratings. Consumers today want to get a taste of the experience before signing up, and a growing pain point is the inability to make an informed decision based on user reviews.

3

### TECHNOLOGY OPTIMISATION

Technology has improved our lives for the better. But when used incorrectly, it can also add to the pain points consumers experience. Ads linking to the wrong page or long loading times are a few examples of friction caused by technological impediments at key transition points.

44%

of respondents in Singapore said they would likely drop off from discovering more about their holiday if they were not familiar with a travel-related brand<sup>1</sup>

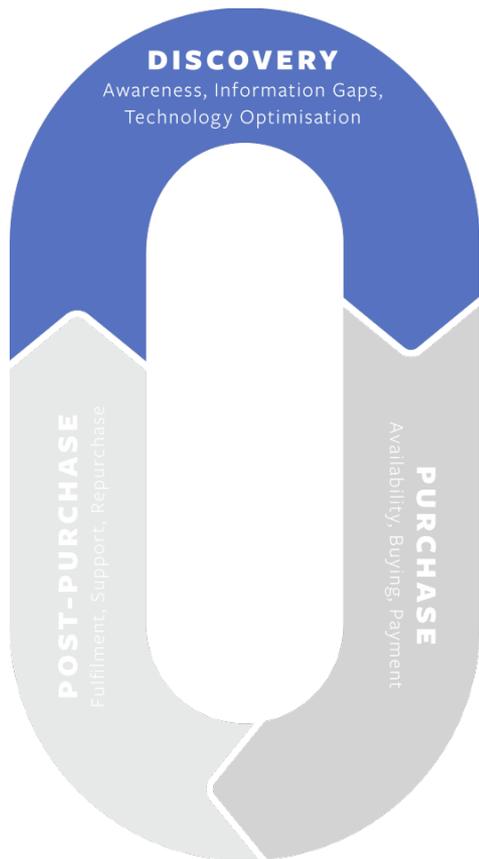
53%

of respondents in Singapore would likely drop off from discovering more about their holiday if websites were hard to navigate or use<sup>1</sup>

42%

of respondents in Singapore who would likely drop off from discovering more about their holiday if there were not enough photos of the products and services offered<sup>1</sup>

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.



## TRAVEL IN SINGAPORE THE FULL LIST OF PAIN POINTS THAT CONSTITUTE DISCOVERY FRICTION:

AWARENESS	INFORMATION GAPS	TECHNOLOGY OPTIMISATION
<p> Prospect doesn't know your brand exists</p>	<p> Offer details unclear</p>	<p> Loading time of websites was too long</p>
<p> Irrelevant ads/offers</p>	<p> It was hard to find all the relevant information</p>	<p> Comparing different options were hard</p>
<p> Ad quality and look were not great</p>	<p> Actual benefits/offer details were different from the ad</p>	<p> Websites were hard to navigate or use</p>

# AWARENESS

## INSIGHTS FOR MARKETERS:

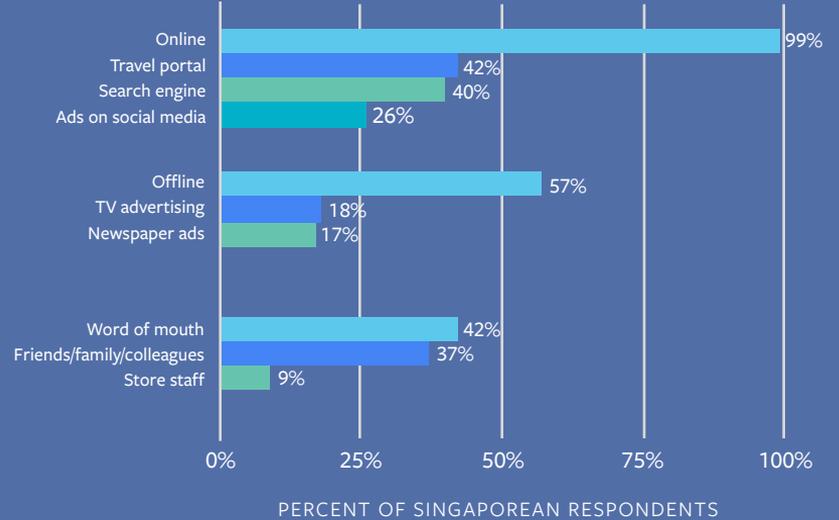
**Online platforms are the most popular way to discover airline tickets and hotel accommodations, though word of mouth and offline channels play a role.** As the chart shows, all respondents in Singapore (99%) and Southeast Asia (99%) said they found flights and accommodations online, mainly via travel portals, search engines or ads on social media. Offline platforms also drive discovery for travellers, although no one offline channel dominates the discovery process in Singapore — even the highest viewed offline platform, TV advertising, covers only 18% of all Singaporean respondents. Word of mouth is less effective in Singapore compared with other countries surveyed in Southeast Asia, with only 42% in Singapore using it compared with 57% in Indonesia and 68% in Thailand. With more conversations today happening online, advertisers can consider how word of mouth can drive discovery for the travel industry through social media such as Facebook and Instagram.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

2. Complete list of online touchpoints respondents were queried about: Travel portals, search engine results, ads on social media, information on a manufacturer's website, comments and reviews online, friends posts on social media, posts from someone I follow on social media, ads on brand/company websites, video streaming portals, emails from brands, ads on messaging apps.

3. Complete list of offline touchpoints respondents were queried about: TV advertising, seen at a retail store, read from a magazine or news article, magazine ads, newspaper ads, billboard ads, other outdoor advertising and radio advertising.

## TOP DISCOVERY TOUCHPOINTS SINGAPOREANS USE IN TRAVEL<sup>1</sup> (SELECTED RESULTS)<sup>2</sup>



## AMONG SINGAPORE-BASED RESPONDENTS WHO DISCOVER AIRLINE TICKETS AND HOTELS VIA SOCIAL MEDIA ADS:



**90%** Discover via Facebook

**51%** Discover via Instagram

# AWARENESS

## INSIGHTS FOR MARKETERS:

**Recognising the brand is vital to having repeat customers.** In Singapore, not knowing what a brand is about is one of the top friction points likely to discourage travellers from proceeding further with their research. Indeed, the survey showed Singapore's travellers frequently buy from service providers they previously bought from, highlighting the role familiarity plays when it comes to purchasing decisions.

**Travel ads need to look more personalised and professional.** Singaporeans are most likely to drop off due to poorly made ads, with at least 47% of respondents saying this would discourage them from researching more. However, only close to 1 in 5 report this as something they've experienced. Relevance matters too, as 45% say irrelevant ads or offers are likely to cause them to drop off.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

Drop-off  
rate

TOP FRICTION POINTS FOR  
SINGAPOREAN CONSUMERS  
INVOLVING AWARENESS<sup>1</sup>

Encounter  
rate

47%

Quality and feel of ads  
for travel goods were not great

17%

45%

Irrelevant ads or offers

25%

44%

Lack of familiarity with the brand

26%

MORE THAN  
**4 IN 5**

TRAVELLERS IN SINGAPORE BOUGHT  
HOTEL ACCOMMODATIONS AND AIRLINE  
TICKETS FROM VENDORS THEY  
PREVIOUSLY PURCHASED FROM<sup>1</sup>

# INFORMATION GAPS

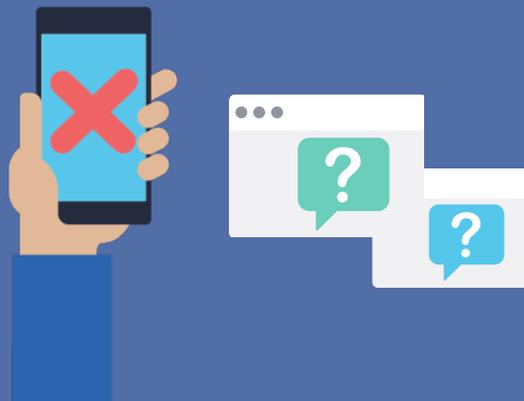
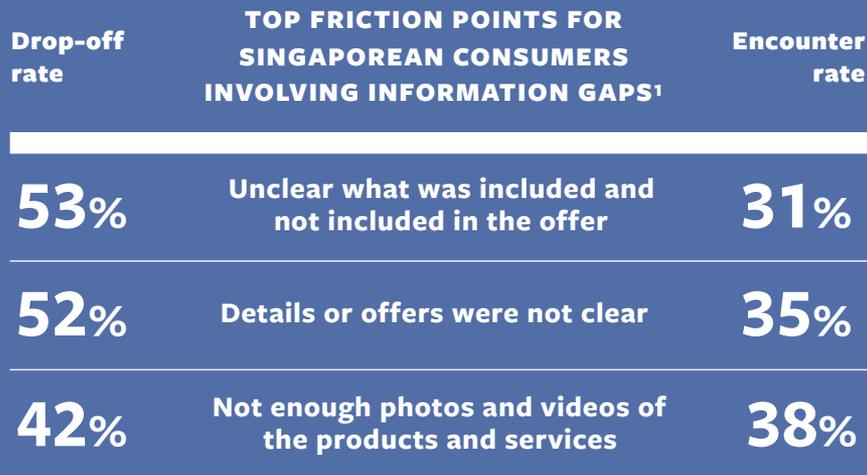
## INSIGHTS FOR MARKETERS:

### Consumers want clarity on what they're paying for, both visually and in writing.

Clearly communicate deciding factors that resonate to potential buyers. These include price, benefits and specific details about what they can expect to get. In Singapore, a lack of clear price information and not enough clarity about the offer would discourage at least half of respondents from researching further about their holiday.

Depending on the circumstances, clarity of information can also mean helping consumers visualise the products and services they're paying for. At least 2 in 5 say they are likely to drop off when there are not enough photos and videos of the products they're researching about.

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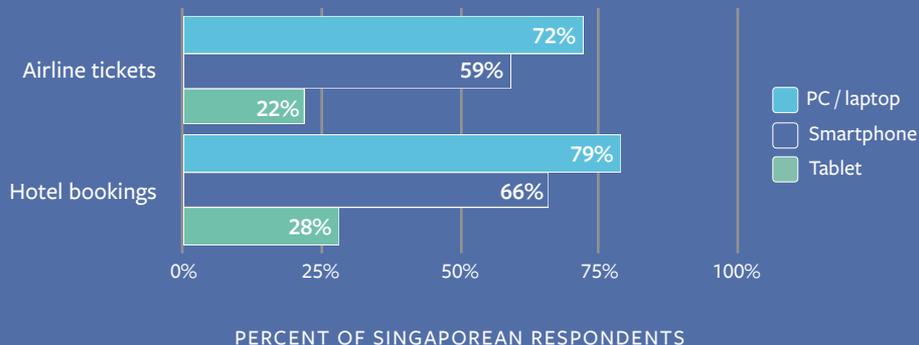


# TECHNOLOGY OPTIMISATION

## INSIGHTS FOR MARKETERS:

**A user-friendly, responsive and mobile-optimised interface helps potential applicants research what you offer.** Travellers in Singapore prefer to start their research on a desktop PC and a smartphone over a tablet. This underscores the need to develop websites that are optimised for all the most commonly used devices. Apart from being optimised for mobile, sites should also be easy to navigate and responsive. An online interface that avoids these issues minimises drop-offs and can help businesses retain customers.

### SINGAPORE RESPONDENTS' PREFERRED DEVICE TO START RESEARCH PROCESS



### SITES TOOK TOO LONG TO LOAD<sup>1</sup>:

**56%**

Drop-off rate in Singapore

**40%**

Encounter rate in Singapore

### WEBSITES WERE HARD TO NAVIGATE OR USE<sup>1</sup>:

**53%**

Drop-off rate in Singapore

**29%**

Encounter rate in Singapore

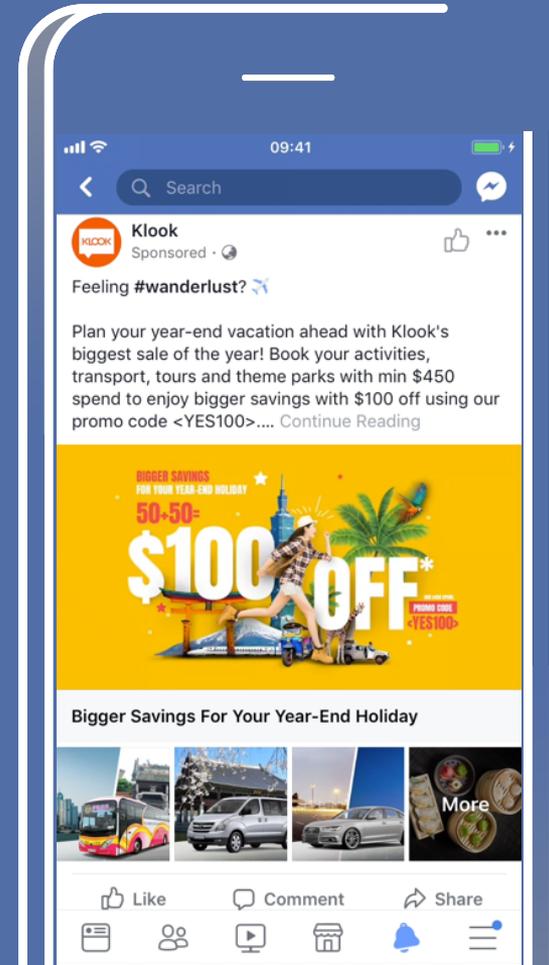
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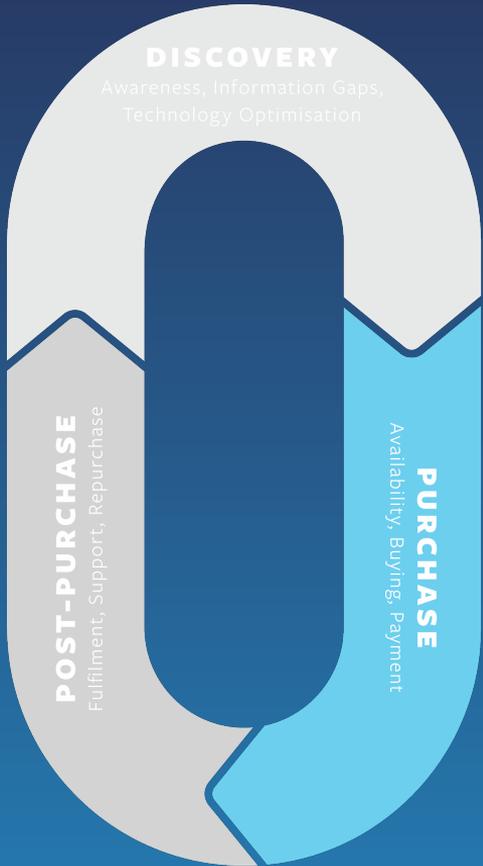
## HOW KLOOK HONG KONG HELPED CONSUMERS LEARN MORE ABOUT OFFERS WITHOUT LEAVING FACEBOOK

Hong Kong-based online travel agency Klook provided a smoother booking experience on mobile with the Collection Ad format. The full-screen and fast-loading browsing experience helped people learn about offers without leaving Facebook.

**50%**  
lower cost  
per acquisition

**3x**  
lift in sales  
conversion rate





# PURCHASE FRICTION

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Long queues, clunky and inefficient point-of-sale systems, multiple forms, limited payment options and hidden charges are all bottlenecks that make the path to purchase unnecessarily cumbersome for consumers.

These create purchase friction, where consumers experience unexpected steps and processes, having already selected a desired product or service. Purchase friction is as prevalent in the physical customer journey as it is in the digital and mobile journeys, requiring consumers to travel long distances to reach outlets or even navigate through complicated interfaces or complex directories.

## PURCHASE FRICTION PAIN POINTS

CAN BE CATEGORISED INTO THREE GROUPS:

### 1 AVAILABILITY

Consumers may spend significant time researching documentation, data, vendor reviews, and other materials to make them feel confident about their decision. Upon doing so, however, they may encounter multiple barriers including hard-to-use apps, tedious forms and lack of redressal policies that get in the way of their purchase journey.

### 2 PURCHASE

Consumers may experience road bumps that make it difficult to buy their selected product or service. These include a lack of cross device or channel functionality, hidden charges, or multiple steps to complete a purchase.

### 3 PAYMENT

The rise of mobile has led to the proliferation of new forms of online payment and has made the process even speedier, as consumers can now pay with a single click.

Unfortunately, some transactions are not as immediate as they should be, and consumers face various types of delays during purchase including limited payment and finance options, or the inability to make cross-border payments.



42%

of respondents in Singapore said they have encountered advertised promotions that were no longer available<sup>1</sup>



38%

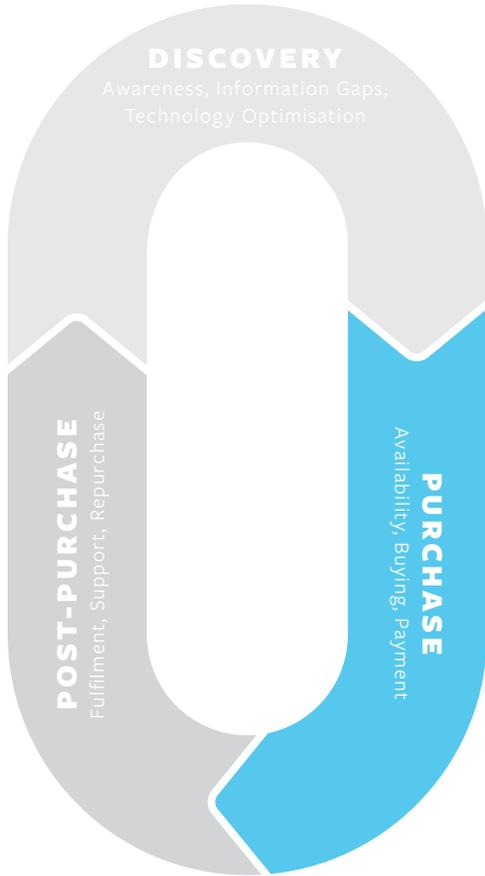
of respondents in Singapore had experienced an unexpected charge at checkout<sup>1</sup>



34%

of respondents in Singapore had encountered system errors that resulted in unsuccessful payment<sup>1</sup>

1. Zero Friction Future for Travel by GfK (Facebook-commissioned survey of 400 people aged 18 to 54 years old in Thailand who indicated that they travelled domestically or internationally in the past three months and have conducted online research before making any travel bookings), September to October 2018. See appendix for more details.



## TRAVEL IN SINGAPORE THE FULL LIST OF PAIN POINTS THAT CONSTITUTE PURCHASE FRICTION:

AVAILABILITY	BUYING	PAYMENT
<p> Actual price differs from advertised</p>	<p> Hidden costs at checkout</p>	<p> Payment unsuccessful due to system errors</p>
<p> Advertised offers or promotion no longer available</p>	<p> Too many steps to complete purchase</p>	<p> Processing payment took a long time</p>
<p> Actual benefits or offers differs from advertised</p>	<p> Booking session expired before completing transaction</p>	<p> A lot of person or financial information to fill out</p>

# AVAILABILITY

## INSIGHTS FOR MARKETERS:

**Provide consistency between ad and purchase experience.** Consumers in Singapore notice when the actual product differs from what was communicated. Consumers are most likely to drop off when the price was different from advertised or when the actual benefits were different from what they saw in the ad. Further, consumers may start the purchase process only to discover that the promotions advertised were no longer available — a source of friction for 57% of consumers.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

## TOP FRICTION POINTS FOR SINGAPOREAN CONSUMERS INVOLVING AVAILABILITY<sup>1</sup>

### PRICE DIFFERS FROM AD:



60%

Drop-off rate  
in Singapore

41%

Encounter rate  
in Singapore

### ACTUAL BENEFITS OR OFFER DETAILS WERE DIFFERENT FROM WHAT I SAW IN THE AD:

58%

Drop-off rate  
in Singapore

31%

Encounter rate  
in Singapore



### ADVERTISED OFFERS OR PROMOTIONS NO LONGER AVAILABLE:

57%

Drop-off rate  
in Singapore

42%

Encounter rate  
in Singapore

# BUYING

## INSIGHTS FOR MARKETERS:

**Give no surprise at check-out.** Surprise surcharges or credit card fees may turn off consumers. Unexpected charges are the most encountered friction at the purchase stage in all three markets surveyed (Singapore, Indonesia and Thailand). It is also the most likely to cause drop off among consumers in these markets. In Singapore, at least 3 in 5 said this would likely discourage them from proceeding with their booking with a travel provider.

## UNEXPECTED CHARGES SUCH AS SURCHARGES OR CREDIT CARD FEES<sup>1</sup>:



**61%**

**Drop-off rate in Singapore**

**38%**

**Encounter rate in Singapore**

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1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

# BUYING

## INSIGHTS FOR MARKETERS:

**Simplify forms used for booking.** Potential customers can be turned off by the amount of information and lengthy procedures needed to complete a booking. In Singapore, majority of respondents said they were likely to back off when faced with too many steps. In some cases, respondents report that the booking session would expire on the website before they finished. Businesses can address this by using auto-fill forms or cutting back on the amount of boxes to fill during the booking process, among other things. Online travel agents, hotels and airlines should take special note, as they are the most frequently used channel for travel bookings in Singapore.

### TOO MANY STEPS TO COMPLETE A BOOKING<sup>1</sup>:

51%

Drop-off rate in Singapore

37%

Encounter rate in Singapore

### BOOKING SESSION EXPIRED ON THE WEBSITE BEFORE I FINISHED<sup>1</sup>:

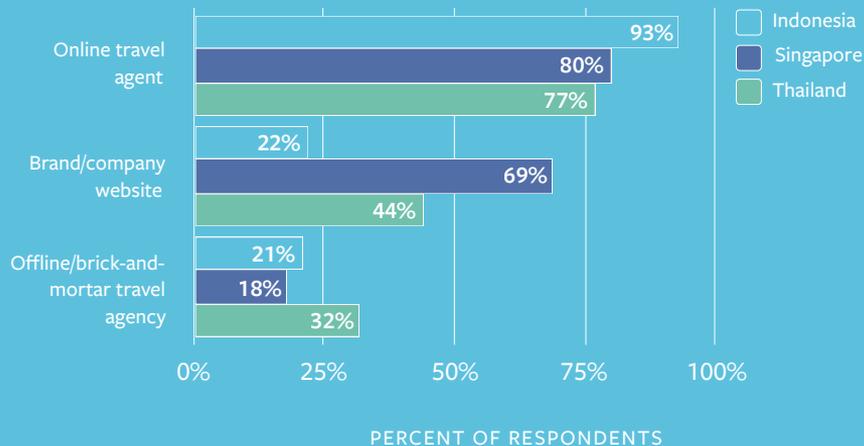
50%

Drop-off rate in Singapore

32%

Encounter rate in Singapore

### WHERE HOLIDAYERS COMPLETE THEIR BOOKING



1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

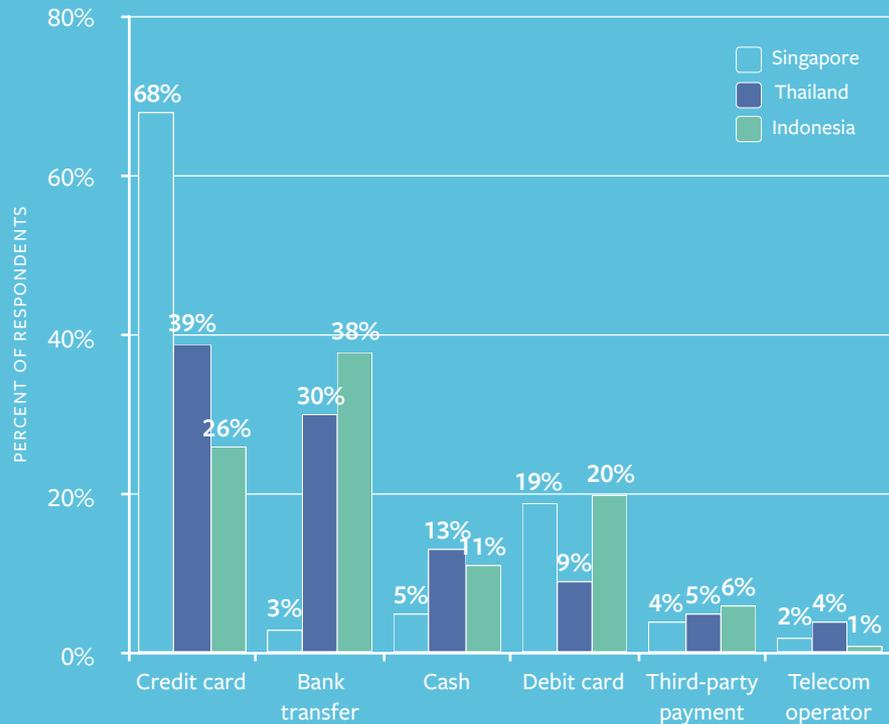
# PAYMENT

## INSIGHTS FOR MARKETERS:

**Be prepared for any form of commonly preferred payment.** Preferred payment methods vary across Southeast Asia. Credit cards are easily Singaporeans' most preferred way to pay for holidays, while bank transfers are the most common payment method used in Indonesia. In Thailand, people most prefer to pay using either credit cards or bank transfers, with the rest of the people split among cash, debit cards or third-party payments. Being able to accept the most preferred payment methods for your market is one of the most straightforward ways to avoid payment friction.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

## PREFERRED PAYMENT METHODS FOR TRAVEL BOOKINGS



# PAYMENT

## INSIGHTS FOR MARKETERS:

**Minimise payment system errors and processing time.** Respondents in Singapore, Indonesia and Thailand were most likely to back off if payment was unsuccessful due to system errors. Other top two frictions encountered by Singapore respondents include the long processing times for payment and the need to fill in a lot of personal and financial information just to make payment for a travel booking.

## TOP FRICTION POINTS FOR SINGAPOREAN CONSUMERS INVOLVING PAYMENT<sup>1</sup>

### PAYMENT UNSUCCESSFUL DUE TO SYSTEM ERRORS:

53%

Drop-off rate  
in Singapore

34%

Encounter rate  
in Singapore

### PROCESSING PAYMENT TOOK A LONG TIME:

51%

Drop-off rate  
in Singapore

28%

Encounter rate  
in Singapore

### TOO MANY PERSONAL OR FINANCIAL INFORMATION TO FILL OUT:

51%

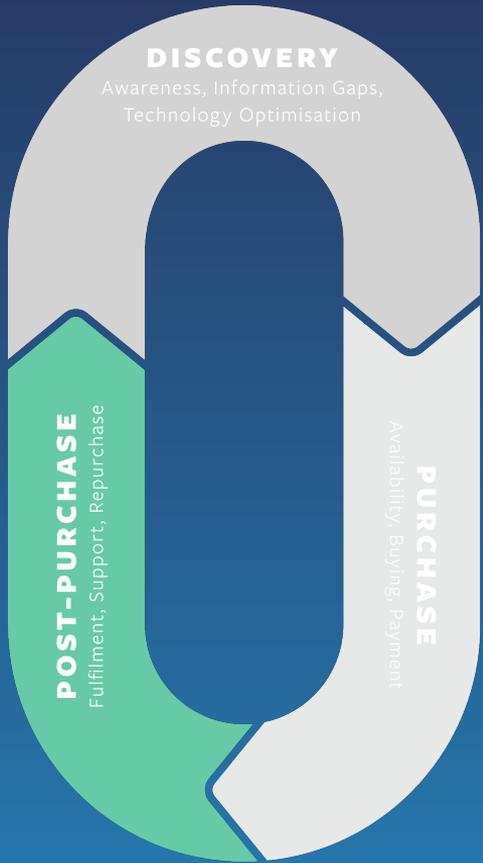
Drop-off rate  
in Singapore

28%

Encounter rate  
in Singapore



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## POST-PURCHASE FRICTION

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From the moment payment is completed, consumers expect rapid fulfilment, support for their product or service, and status updates, including purchase confirmation emails and delivery time slots at every step. Post-purchase friction occurs when consumers experience impediments to receiving the products or services as promised, or are unable to easily access the guidance needed to use or repurchase the product.

## POST-PURCHASE FRICTION PAIN POINTS

CAN BE CATEGORISED INTO THREE GROUPS:

**1 FULFILMENT**  
Just as important as it is that consumers are able to shop and browse on their own terms, it is equally vital that consumers are able to get their hands on their purchases however, wherever and whenever they want. Slow or limited order fulfilment, product and service inaccuracies and unexpected usage costs incurred by consumers diminishes and disrupts their overall experience.

**2 SUPPORT**  
No matter the industry, customer and service support are an essential part of any successful business. Consumers might face difficulties with their newly purchased product or service, such as not fully understanding its uses, operational challenges or even unexpected faults that make their purchase redundant. Furthermore, a poor returns process or bad customer service experience that doesn't address a consumer's issue increases the likelihood of them switching to a competitor.

**3 REPURCHASE**  
Satisfied customers bring repeat business. However, the absence of mechanisms for timely, effortless repurchase causes friction. For consumers, it should not require extensive efforts to repeat a prior purchase, whether for groceries, shoes, or a vacation.



**58%**

of respondents in Singapore said unexpected cancellation fees are likely to discourage them from interacting with the travel company again<sup>1</sup>

**25%**

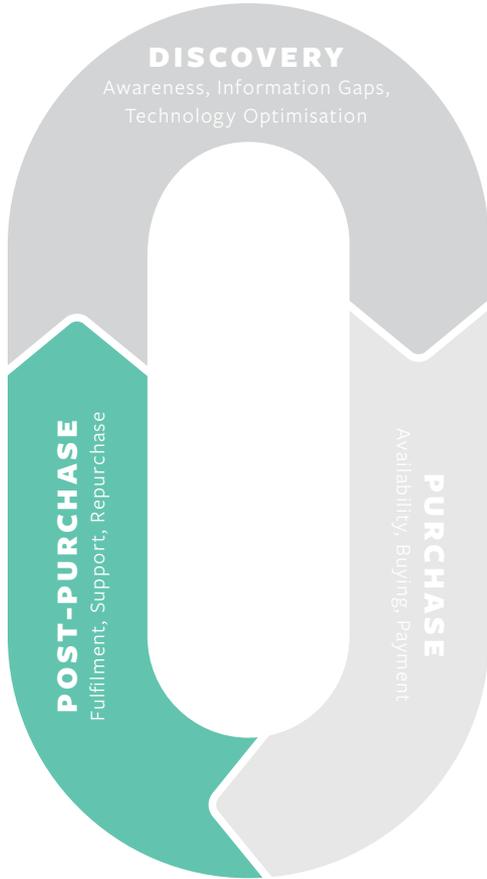
of respondents in Singapore have experienced having to deal with cancellation fees they did not know about<sup>1</sup>

**45%**

of respondents in Singapore would likely be dissuaded when faced with a lack of loyalty rewards<sup>1</sup>



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## TRAVEL IN SINGAPORE THE FULL LIST OF PAIN POINTS THAT CONSTITUTE POST-PURCHASE FRICTION:

FULFILMENT	SUPPORT	REPURCHASE
 Unexpected costs or charges after confirmation	 Unexpected cancellation fees	 No incentive offers
 Booking details differed from what I booked	 Customer support could not address problem	 No loyalty rewards
 Quality of services was not as good as expected	 Customer support delays	 Loyalty programs not attractive enough

# FULFILMENT

## INSIGHTS FOR MARKETERS:

**Surprise costs or unmet expectations can deter future purchases.** Surprise charges at checkout are likely to deter respondents in Singapore, Indonesia and Thailand from booking with the same company again. Singapore respondents were also likely to be put off from making future bookings with the same firm when the booking details were different from what they booked, or when the quality of services are not as good as expected from what they heard or saw. Businesses should communicate any potential additional cost or charges upfront before booking confirmation. It would also help to ensure consistency between what was offered and what was provided.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

## FULFILMENT FRICTIONS LIKELY TO DETER SINGAPOREAN RESPONDENTS FROM BOOKING AGAIN WITH THE SAME COMPANY<sup>1</sup>

### UNEXPECTED ADDITIONAL COST OR CHARGE AFTER BOOKING CONFIRMATION



**66%** Drop-off rate in Singapore

**27%** Encounter rate in Singapore

### BOOKING DETAILS WERE DIFFERENT FROM WHAT I BOOKED



**60%** Drop-off rate in Singapore

**24%** Encounter rate in Singapore

### QUALITY OF SERVICES WAS NOT AS GOOD AS EXPECTED FROM WHAT I HEARD OR SAW



**66%** Drop-off rate in Singapore

**27%** Encounter rate in Singapore

# SUPPORT

## INSIGHTS FOR MARKETERS:

**Communicate cancellation fees upfront.** Unexpected cancellation fees is an issue encountered by 1 in 4 respondents in Singapore. Majority of respondents say this would likely deter them from booking with a travel company again. Travel plans can change any time, and customers prefer to know upfront what it could mean for them if they need to move or cancel their trip.

## CANCELLATION FEES I DIDN'T KNOW ABOUT<sup>1</sup>:



**61%**  
Drop-off rate in Singapore

**25%**  
Encounter rate in Singapore

.....  
1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

# SUPPORT

## INSIGHTS FOR MARKETERS:

### Customer support should be quick and always on, empowered by technology

**where appropriate.** Customers want their problems and queries addressed — and fast.

Long waiting times to get in touch with customer support is one of the top three frictions shared by Singapore, Indonesia and Thailand. Respondents in Singapore were also frustrated by customer support agents who could not address their problems.

When it comes to resolving issues, customers in Singapore most prefer to do it via email or a phone call. Chat services aren't far behind, so businesses in Singapore should also explore creative solutions to improve this service.

1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

### CUSTOMER SUPPORT COULD NOT ADDRESS MY PROBLEM<sup>1</sup>:

58%

Drop-off rate in Singapore

24%

Encounter rate in Singapore

### LONG WAITING TIME TO GET IN TOUCH WITH SUPPORT<sup>1</sup>:

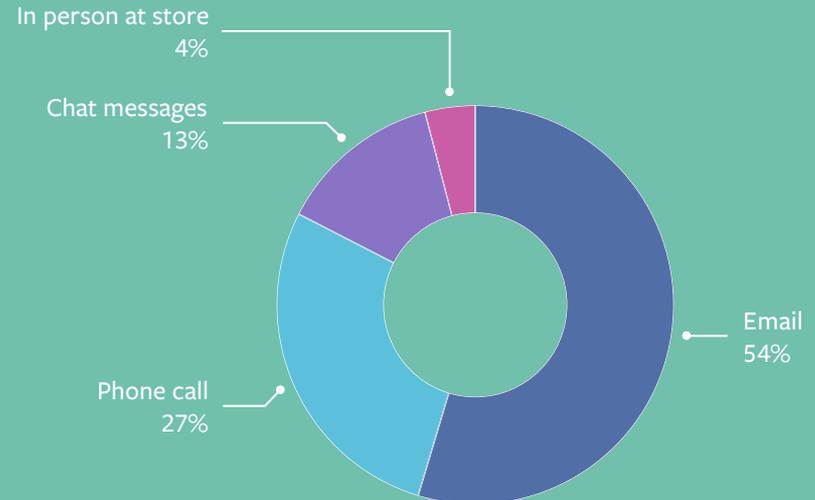
56%

Drop-off rate in Singapore

27%

Encounter rate in Singapore

### SINGAPORE'S PREFERRED WAY TO CONTACT TRAVEL COMPANIES



# REPURCHASE

## INSIGHTS FOR MARKETERS:

### Provide offers that are compelling for loyalty customers to keep coming back.

No incentive offer, unattractive loyalty programs and irrelevant offers are the top hindrances likely to dissuade customers from booking with the same company again in Singapore and Indonesia.

## RE-PURCHASE FRICTIONS LIKELY TO DETER SINGAPOREAN RESPONDENTS FROM BOOKING AGAIN WITH THE SAME COMPANY<sup>1</sup>

### NO INCENTIVE OFFERS:

**44%** Drop-off rate in Singapore

**29%** Encounter rate in Singapore

### NO LOYALTY REWARDS:

**45%** Drop-off rate in Singapore

**27%** Encounter rate in Singapore

### LOYALTY PROGRAM NOT ATTRACTIVE ENOUGH:

**42%**

Drop-off rate in Singapore

**25%**

Encounter rate in Singapore



1. "Zero Friction Future: Travel" by GfK (Facebook-commissioned survey of 400 people in each of the following markets: Indonesia, Singapore and Thailand), September to October 2018. Respondents are aged 18 to 54 who are smartphone owners; have travelled domestically or internationally in the past three months; and conducted online research before making any travel bookings.

# STRATEGY FOR REDUCING FRICTION

While the opportunity, pitfalls and certain solutions are clear, the key question remains – where does one begin? We recommend three simple steps to reduce friction in your business.

## 1 MAP



Getting to know your consumers must be a top priority. You first need to understand who your consumers are and what has brought them to your door. Identify what steps they have had to take to complete their journey and most importantly, what pain points they have encountered.

Conduct customer surveys, ethnographic research and stakeholder interviews to identify inefficiencies in your existing process. When you empathise with potential consumers and understand why they need your help, you can remove friction and make their experience more pleasant.

## 2 ANALYSE



Once the results are in, it's important to make a point to examine the data and evaluate how these friction points affect your business. This includes evaluating which friction point caused the biggest missed opportunity.

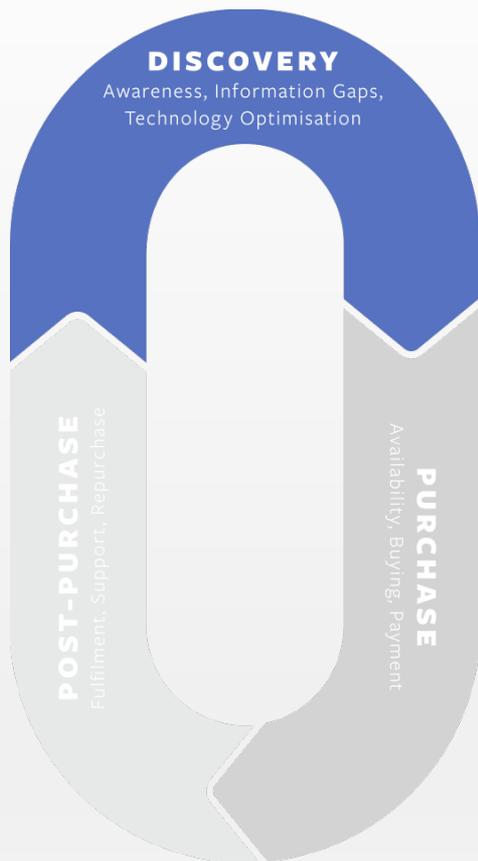
Identify the stage at which most consumers face friction points in their journey and consequently drop off. Also, determine which friction caused the biggest revenue loss and what the expected business growth is if these pain points are removed. Hold ideation sessions and workshops, and prioritise areas that impact your business the most.

## 3 IMPLEMENT



Following the analysis, formulate a strategy that will reinforce the benefit of your core service or product and help your business gain a competitive advantage over your competitors. Removing friction should not just be about improving your business; more importantly, it must improve and benefit the consumer experience.

Once you have formulated and developed a fool-proof and viable friction-busting plan, proceed to implement it and regularly ensure that your business stays friction-free.



# ZERO FRICTION FUTURE

## DISCOVERY FRICTION

### SOLUTIONS GUIDE:

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#### AWARENESS

Build awareness for your brand, product or service by serving more personalised, relevant ads to the right people.

##### FACEBOOK PIXEL AND SDK

Set up your Facebook Pixel and SDK to deliver more relevant ads to people based on their past actions, or the actions of those similar to them.

##### DYNAMIC ADS

Automatically show personalised product recommendations to people who have shown interest in your business.

#### INFORMATION GAPS

Bridge information gaps by providing relevant information and connecting directly with customers.

##### IN-STREAM ADS

Set up your Facebook Pixel and SDK to deliver more relevant ads to people based on their past actions, or the actions of those similar to them.

##### INSTANT EXPERIENCE

Automatically show personalised product recommendations to people who have shown interest in your business.

##### MESSENGER FOR BUSINESS

Set up your Facebook Pixel and SDK to deliver more relevant ads to people based on their past actions, or the actions of those similar to them.

#### TECHNOLOGY OPTIMISATION

Create a seamless online experience with these tools.

##### CAROUSEL ADS

Prevent inaccurate links by showcasing multiple products or services, each with its own link.

##### LEAD ADS

Make it faster and easier for people to express interest in your brand with pre-filled contact information, and get more leads with less effort. Lead ads are also mobile-optimised and privacy-safe.

##### SHOPPING ON INSTAGRAM STORIES

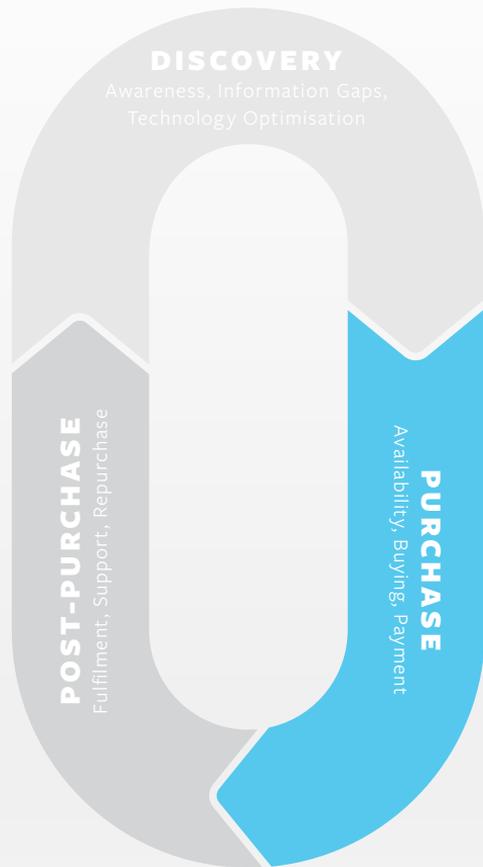
Give people fast, accurate access to pricing and product details as well as the option to tap directly to your website

##### MULTI LANGUAGE, MULTI COUNTRY DYNAMIC ADS

Help people see dynamic ad content that is more relevant to them and reflects their preferred language and currency in the ad as well as in the landing page that the ad links to.

##### FACEBOOK LOGIN

Help people reduce time and effort to register to a website or app in a secure, fast and convenient way.



## ZERO FRICTION FUTURE PURCHASE FRICTION SOLUTIONS GUIDE:

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### AVAILABILITY

Always display the latest information on product availability and stores with these Facebook tools:

#### DYNAMIC ADS

Automatically deliver ads with the latest information on pricing and product availability.

#### STORE VISITS OBJECTIVE

Show ads to people who are most likely to make an in-store purchase.

### BUYING

Bridge information gaps by providing relevant information and connecting directly with customers.

#### COLLECTION ADS

Showcase multiple products and highlight your brand with a full-screen experience that lives in the Feed on both Facebook and Instagram, and lets people seamlessly discover and browse products in a visual and immersive way.

#### SHOPPING ON INSTAGRAM STORIES

Give people fast, accurate access to pricing and product details as well as the option to tap directly to your website.

#### FACEBOOK PIXEL AND SDK

Set up your Facebook Pixel and SDK to deliver more relevant ads to people who have shown purchase intent.

### PAYMENT

Create a seamless online experience with these tools.

#### CASH ON DELIVERY CTA

**Available in India, Indonesia, Malaysia, Philippines, Thailand and Vietnam.**

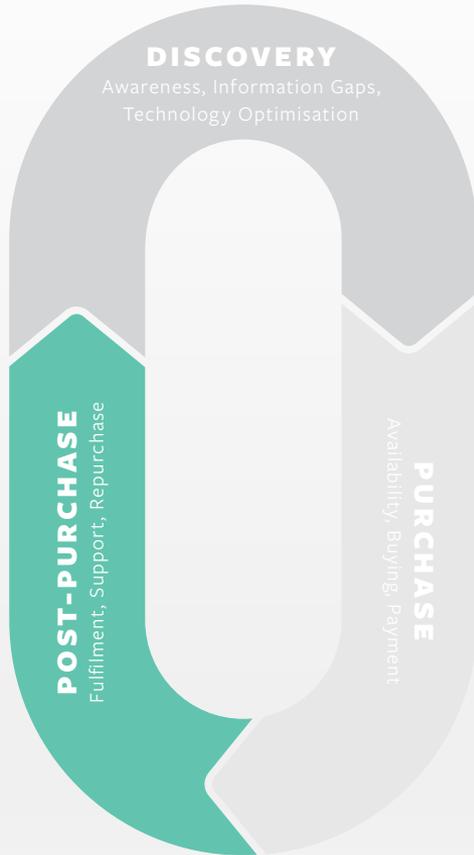
Let people know you accept Cash On Delivery as a payment option in your ads.

# ZERO FRICTION FUTURE

## POST-PURCHASE FRICTION

### SOLUTIONS GUIDE:

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#### FULFILMENT

Improve your post-purchase experience with these tips:

- Make sure that what's displayed on your ad or listing accurately represents your product or service
- Ship your goods on time, preferably with tracking information
- Honour any return and exchange policies advertised on your website

For more tips, **visit [fb.me/postpurchasetips](https://fb.me/postpurchasetips)**

#### SUPPORT

Use these tools to provide better customer support:

##### CUSTOMER FEEDBACK SCORES

Monitor your feedback scores that are calculated by surveying consumers who have made a purchase through your ads, and improve your consumers' purchase experience to avoid having your Pages being personalized due to poor feedback.

##### MESSENGER FOR BUSINESS

Connect directly with your customers to offer support and gather feedback.

##### WHATSAPP FOR BUSINESS

Get in touch with your customers easily with tools to help you automate, sort and respond in an instant.

#### REPURCHASE

Drive re-engagement and repurchase with these tools.

##### DYNAMIC ADS: CROSS-SELL AND UPSELL CAMPAIGNS

Automatically recommend relevant items to your customers based on their shopping history.

CONCLUSION:

# ZERO FRICTION FUTURE NOW

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Friction hinders businesses from making a real connection with consumers. While technology has made it possible for businesses to get closer to their consumers, it has also raised consumers' expectations. As a result, consumers are more likely to abandon the purchase journey or switch to a competitor that promises a smoother, more hassle-free experience. Multiple sources of friction will negatively impact your profit margin, and ignoring these pain points can lead to higher marketing costs, a loss of your consumers' loyalty and trust, and a lower market share ultimately.

Now, more than ever before, businesses must take the necessary steps to reduce and eliminate points of friction. Where are the bottlenecks in your business? What obstacles are your consumers facing in getting what they want?

Here is a checklist to assess whether your business has friction:

- Do you observe a high percentage of drop-offs in the consumer's purchase journey but are unable to ascertain the reasons behind it?
- Do you have a strong brand, but the sales number or market share does not often reflect this?
- Do you see increasing complaints or feedback from your customers on the current forms of communication?
- Is a significant portion of your business processes manually driven?
- Do you see your competitors jumping onto the digital bandwagon or offering more omni-channel and streamlined services?

Businesses that successfully identify these sources of friction and remove them will gain sustainable competitive advantages over the others, and thrive in a Zero Friction Future.



## APPENDIX: ABOUT OUR APPROACH

In collaboration with GfK, Facebook conducted a multi-country survey that dives deep into the discovery and purchase of travel bookings, with a focus on accommodations and flights. The analysis on the financial costs of friction in Southeast Asia was done in partnership with Boston Consulting Group (BCG).

The survey involved a total of 1,200 respondents from all walks of life between the ages of 18 to 54 years old. There were 400 participants from each of the three countries surveyed, namely Indonesia, Singapore and Thailand. Fieldwork was conducted from September to October 2018.

Each participant was a smartphone owner who had travelled domestically or internationally in the past three months. All respondents also conducted online research before making any travel bookings.

The research methodology involved an online questionnaire that took approximately 15 minutes to fill out as well as quantitative research. To measure the impact of frictions, the report uses two metrics:

1. Encounter rate: measures how common a particular friction is among consumers, using percentage of surveyed consumers who reported they experienced the friction.
2. Drop-off likelihood: measures how likely consumers would drop off because of a particular friction, using percentage of surveyed consumers who reported they are likely or very likely to stop their purchase journey.



**ZERO**  
FRICTION  
FUTURE