ZERO FRICTION FUTURE REPORT:
THAILAND
TRAVEL

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

ZERO
FRICTION
FUTURE

MEETING
THE NEEDS OF THE
DIGITALLY CONNECTED
CONSUMER

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.
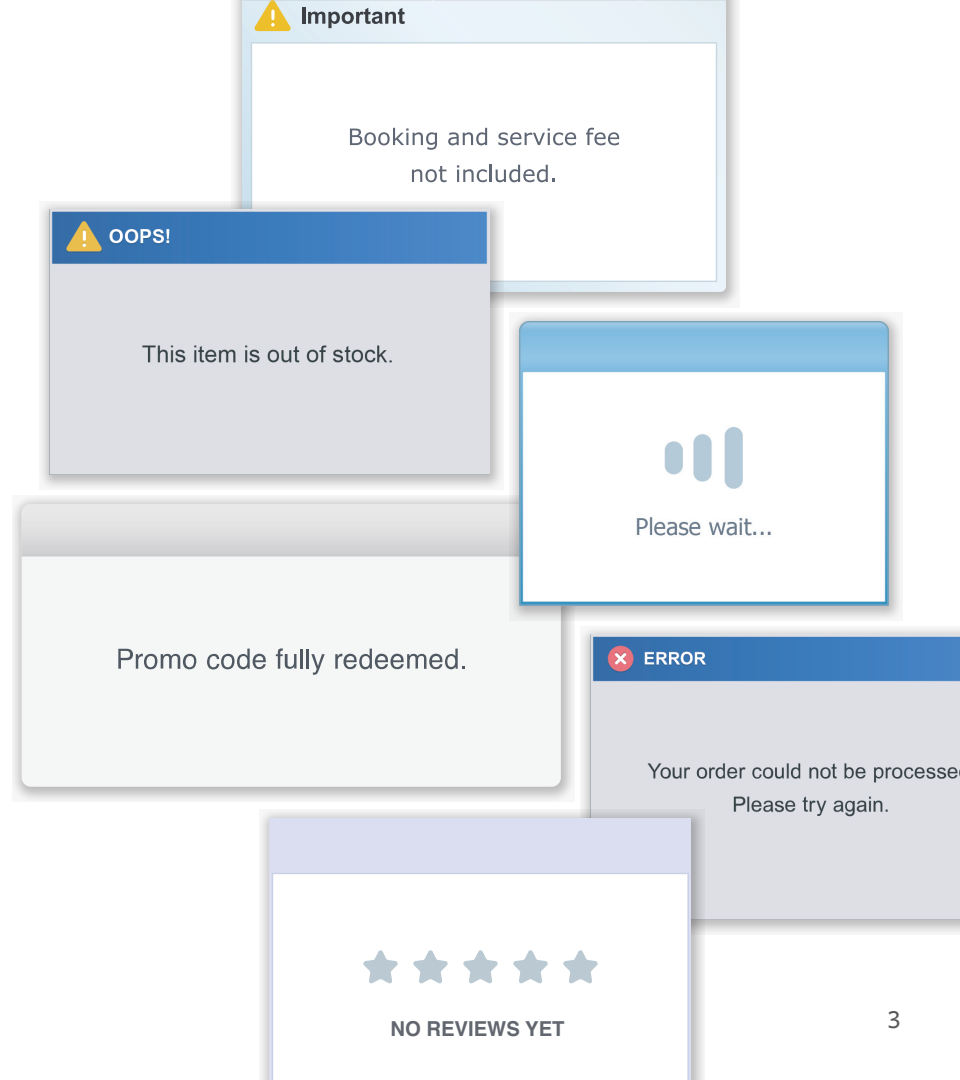If companies are not meeting consumers' high expectations, consumers can easily switch to find one that will.

IDENTIFYING FRICTION
IN YOUR BUSINESS

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[1]. As a result, businesses stand to lose the trust of existing consumers, the attention of prospective consumers and billions of dollars in friction costs.

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

⚠ **Important**

Booking and service fee not included.

⚠ **OOPS!**

This item is out of stock.

Please wait…

Promo code fully redeemed.

❌ **ERROR**

Your order could not be processed.
Please try again.

★ ★ ★ ★ ★

NO REVIEWS YET

A
$14 BILLION
OPPORTUNITY

Businesses are 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 Thailand alone is $14 billion**. **Across Asia-Pacific, this number adds up to a whopping $325 billion.**

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.
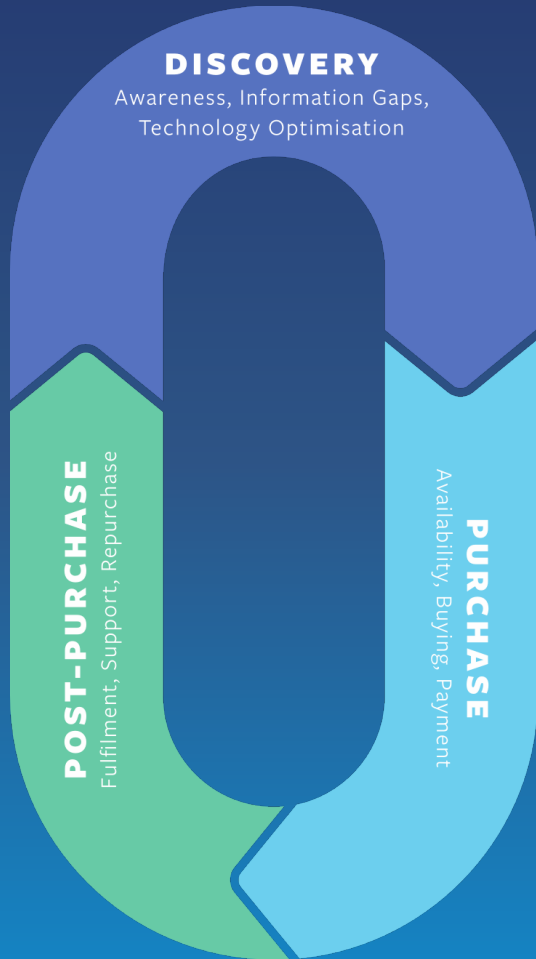
REDUCING FRICTION
IN THAILAND'S TRAVEL INDUSTRY

A
$7.4 BILLION
OPPORTUNITY

Southeast Asia's middle class is expanding rapidly. By 2022, this new segment will reach 350 million people and have a combined disposable income of $300 billion[1]. This increase in purchasing power spurs them to become more connected digitally and financially, which in turn makes them more discerning in what they buy, what they eat and where they go. It also generates greater demand for new experience and, with it, travel.

In this report, we examine the business frictions hindering Thai consumers' desire to travel and how companies can avoid missing such opportunities. Frictions are costing the travel industry $35.6 billion across Southeast Asia and $7.4 billion in Thailand, according to estimates by BCG[2]. Companies need to be working on removing such frictions right now.

The first step to a Zero Friction Future is understanding what frictions consumer experience everyday.

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1. "The Rising Middle Class" by Bain & Company (Facebook-commissioned study of 4,745 people ages 18+ in ID, MY, PH, TH, VN), February 2018. Disposable income measured in Purchasing Power Parity; Middle Class defined as people earning $16–100 (USD) daily.
2. Boston Consulting Group, Data Analysis, December 2018

HOW WE MEASURE
FRICTION

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 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.

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.

DISCOVERY
Awareness, Information Gaps, Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

THE JOURNEY
TO A
ZERO FRICTION FUTURE

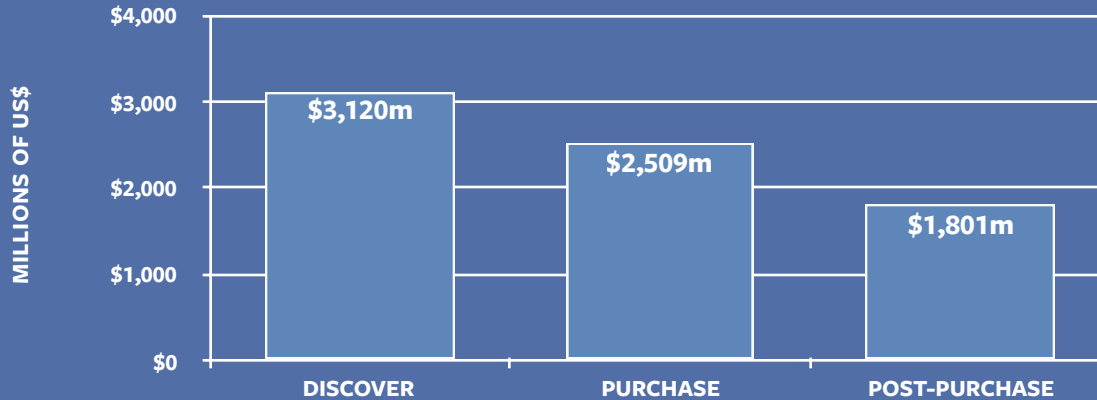Friction occurs during three distinct phases of the consumer journey:
DISCOVERY • PURCHASE • POST-PURCHASE

THE JOURNEY: MISSED OPPORTUNITIES

Beginning is often the end for many consumers. Out of the $7.4 billion lost to friction in Thailand's travel industry, $3.1 billion is wasted in the Discovery stage. These numbers mean at least 2 in 5 sales opportunities, or 42%, are lost to friction at Discovery[2].

How common are frictions in Thailand's travel industry? The answer from our research shows more than 9 in 10 consumers experienced a friction at each phase of the journey, but this is more pronounced for Discovery. This goes down slightly as consumers move along the Purchase and Post-purchase journey.

BREAKDOWN OF MISSED OPPORTUNITIES IN THAILAND (IN MILLIONS OF US$)[2]

MILLIONS OF US$

	DISCOVER	PURCHASE	POST-PURCHASE
	$3,120m	$2,509m	$1,801m

Chart axis: $4,000 / $3,000 / $2,000 / $1,000 / $0

ABOUT

1 IN 2

CONSUMERS IN THAILAND, INDONESIA AND SINGAPORE REPORT BEING LIKELY TO DROP OFF AFTER EXPERIENCING FRICTION[1]

9 IN 10

CONSUMERS ACROSS THAILAND, INDONESIA AND SINGAPORE EXPERIENCED FRICTION AT EACH PHASE OF THE JOURNEY[1]

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. Boston Consulting Group, Data Analysis, December 2018

DISCOVERY
Awareness, Information Gaps,
Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

DISCOVERY
FRICTION

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 promote awareness, or failure to target the right audience resulting in consumers 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

DISCOVERY FRICTION 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 for the most part, but when used incorrectly, 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.

45%
of respondents in Thailand have experienced not being familiar with a travel brand[1]

42%
of respondents in Thailand have encountered offers with unclear details while researching for their holidays[1]

46%
of respondents in Thailand have encountered forms that were tedious to fill out while searching for travel bookings[1]

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DISCOVERY
Awareness, Information Gaps, Technology Optimisation

POST-PURCHASE
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Availability, Buying, Payment
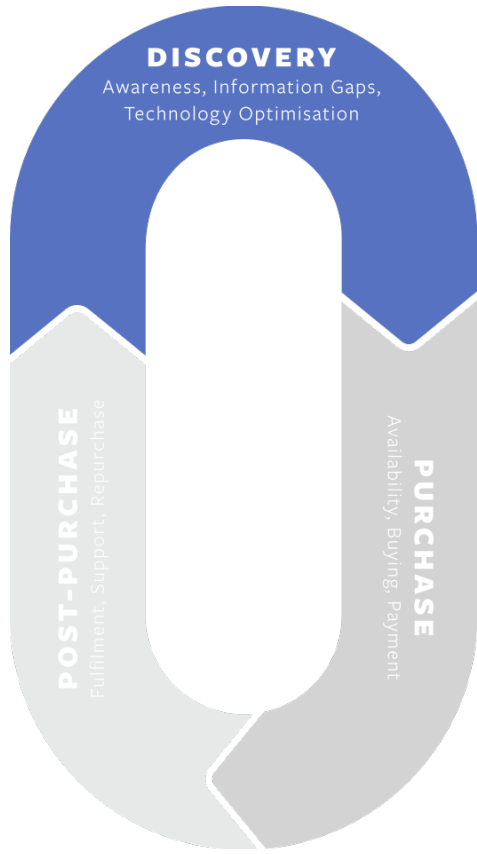
THE FULL LIST OF PAIN POINTS
THAT CONSTITUTE DISCOVERY FRICTION
IN THAILAND'S TRAVEL BUSINESSES:

AWARENESS

- Prospect doesn't know your brand, product or service exists
- Prospect unsure of quality offered by brand
- Irrelevant ads/offers

INFORMATION GAPS

- No clear price information
- Offer details unclear
- Prospect could not find the air tickets or accommodations from search results

TECHNOLOGY OPTIMISATION

- Ads not linking correctly
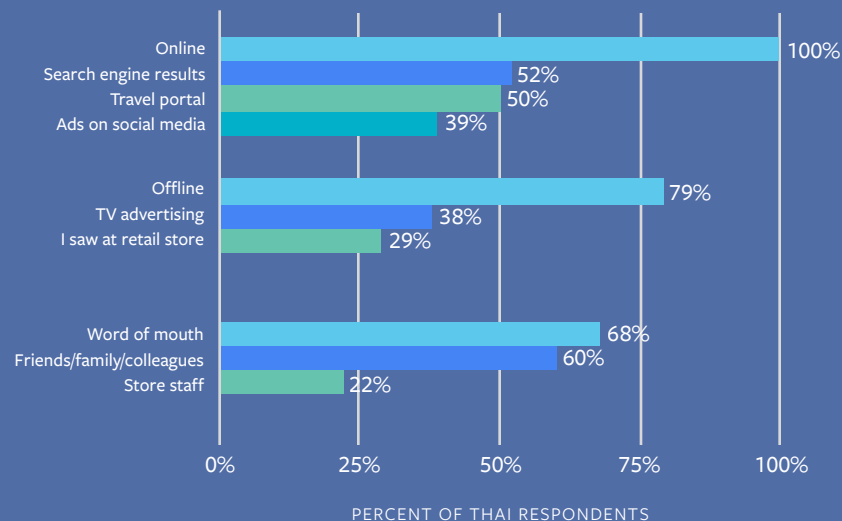- Loading time too long
- Tedious form-filling

AWARENESS

INSIGHTS FOR MARKETERS:

Airline tickets and accommodations are most frequently discovered via online platforms, though word of mouth and offline channels play a role. As the graph shows, almost all respondents in Thailand (100%) and Southeast Asia (99%) said they found hotel bookings and flights online, mainly via search engines, travel portals, ads on social media, or posts by friends or people they follow. In addition to online platforms, a majority of people also discover accommodations and flights by talking to people they know. Meanwhile, discovery via offline platforms are fragmented, with no one offline channel dominating the discovery process. With more conversations today happening online, advertisers can consider how social media such as Facebook and Instagram can help the travel industry promote discovery via word of mouth.

TOP DISCOVERY TOUCHPOINTS
USED IN THAILAND TRAVEL INDUSTRY[1] (SELECTED RESULTS)[2,3]

Online	100%
Search engine results	52%
Travel portal	50%
Ads on social media	39%
Offline	79%
TV advertising	38%
I saw at retail store	29%
Word of mouth	68%
Friends/family/colleagues	60%
Store staff	22%

PERCENT OF THAI RESPONDENTS

AMONG THAIS WHO DISCOVER
AIRLINE TICKETS AND HOTELS VIA SOCIAL MEDIA ADS:

92% **Discover via Facebook**

52% **Discover via Instagram**

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AWARENESS

INSIGHTS FOR MARKETERS:

Recognising the brand is vital to having repeat customers. In Singapore and Thailand, not knowing what a brand is about is the top friction likely to discourage travellers from proceeding further with their research. It doesn't stop there: Consumers surveyed also want to know if a brand or company is good, and not being able to do so dissuades them from discovering more. Indeed, the survey shows Thailand'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 be more personalised. A third of all respondents in the three countries surveyed said they've experienced being shown irrelevant ads or offers, suggesting that this experience is common in the region.[1] In Thailand, majority of respondents said irrelevant ads would discourage them from discovering more for their holiday.

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.

57%
Lack of familiarity with the brand
Encounter rate: 45%

56%
Unsure which brands or companies were good
Encounter rate: 42%

55%
Irrelevant ads or offers
Encounter rate: 37%

MORE THAN
3 IN 4

TRAVELLERS IN THAILAND BOUGHT HOTEL ACCOMMODATIONS AND AIRLINES TICKETS FROM VENDORS THEY PREVIOUSLY PURCHASED FROM[1]
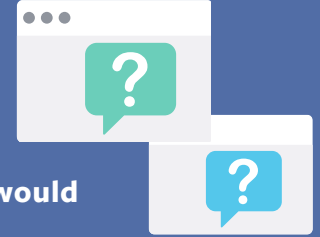
INFORMATION GAPS

INSIGHTS FOR MARKETERS:

Consumers want clarity on what they're paying for. It would help to clearly communicate deciding factors that resonate to potential buyers. These include price, benefits and the most important points of the offer. This is especially true in Thailand, where respondents say a lack of clear price information is the top barrier likely to discourage them from researching further about their holiday.

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63%
of respondents in Thailand would likely be discouraged from researching further about their holiday when faced with a lack of clear price information[1]
Encounter rate: 49%

61%
of respondents in Thailand would likely be discouraged when details of offers were unclear[1]
Encounter rate: 42%

INFORMATION GAPS

INSIGHTS FOR MARKETERS:

Provide various options for customers to search for travel bookings and filter out irrelevant results. When compared with Indonesia and Singapore, Thailand was the only market where one of the top three sources of friction is the difficulty of finding air tickets or hotel accommodations using search results. Sixty-one percent of those surveyed in Thailand this would likely discourage them from proceeding further.

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61%

of respondents in Thailand likely drop off if search results could not find the air tickets or accommodations they wanted[1]
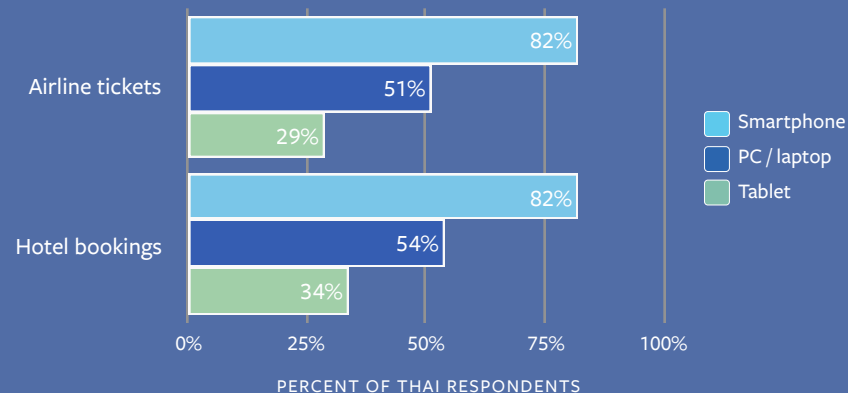
2 IN 5

OF RESPONDENTS IN THAILAND SAID THEY HAVE EXPERIENCED NOT BEING ABLE TO FIND THE AIR TICKETS OR ACCOMMODATIONS THEY WANTED VIA SEARCH RESULTS[1] (ENCOUNTER RATE)

TECHNOLOGY OPTIMISATION

INSIGHTS FOR MARKETERS:

A user-friendly, responsive and mobile-optimised interface helps potential applicants research what you offer. Sites that take too long to load as well as a tedious and lengthy form-filling process are among the top three friction points for Thai travellers. Hence, offering an online interface that minimises these issues would help businesses retain customers. Interface should be optimised for mobile too, because more people start their travel research on a smartphone as compared with a desktop or laptop.

WHERE THAI RESPONDENTS PREFERRED TO START THE RESEARCH PROCESS[1]

Airline tickets
- Smartphone: 82%
- PC / laptop: 51%
- Tablet: 29%

Hotel bookings
- Smartphone: 82%
- PC / laptop: 54%
- Tablet: 34%

PERCENT OF THAI RESPONDENTS

Legend:
- Smartphone
- PC / laptop
- Tablet

62%
of respondents in Thailand would likely be discouraged if sites took too long to load[1]

Encounter rate: 48%

59%
in Thailand would likely drop off if the forms used to search for air tickets or accommodation were tedious[1]

Encounter rate: 46%

TECHNOLOGY OPTIMISATION

INSIGHTS FOR MARKETERS:

Ads should be linked properly to a relevant page. Online ads that go to a wrong or unrelated page are the top source of friction for the Thailand market, with more than half of respondents saying this is something they have experienced.

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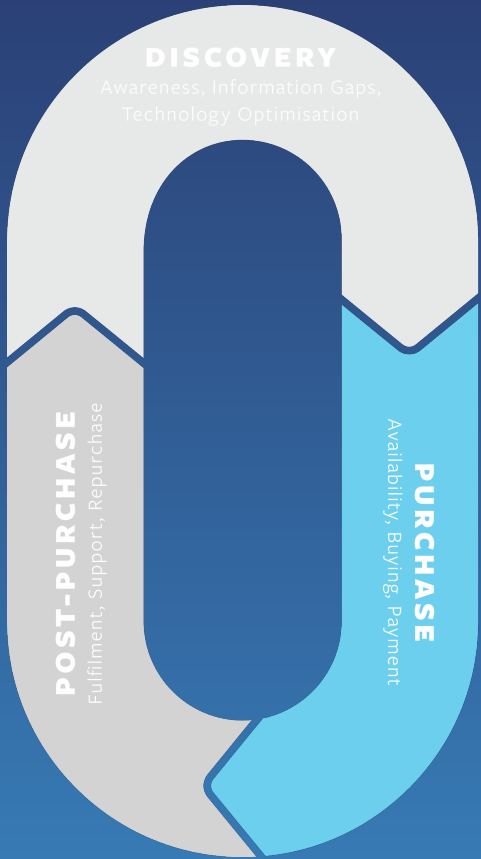
More than
1 IN 2

RESPONDENTS IN THAILAND HAVE EXPERIENCED ONLINE ADS THAT LEAD TO A WRONG OR UNRELATED PAGE[1] (ENCOUNTER RATE)

61%

of respondents in Thailand would likely be discouraged from researching further online when faced with ads that lead to a wrong or unrelated page[1]

DISCOVERY
Awareness, Information Gaps,
Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

PURCHASE
FRICTION

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

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PURCHASE FRICTION 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 difficulty accessing stores or outlet locations, long waiting times, and stock shortages that get in the way of their purchase journey.

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60% of respondents in Thailand said websites or apps were hard to use to quickly find the right information or product[1]

PURCHASE FRICTION

2 BUYING

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.
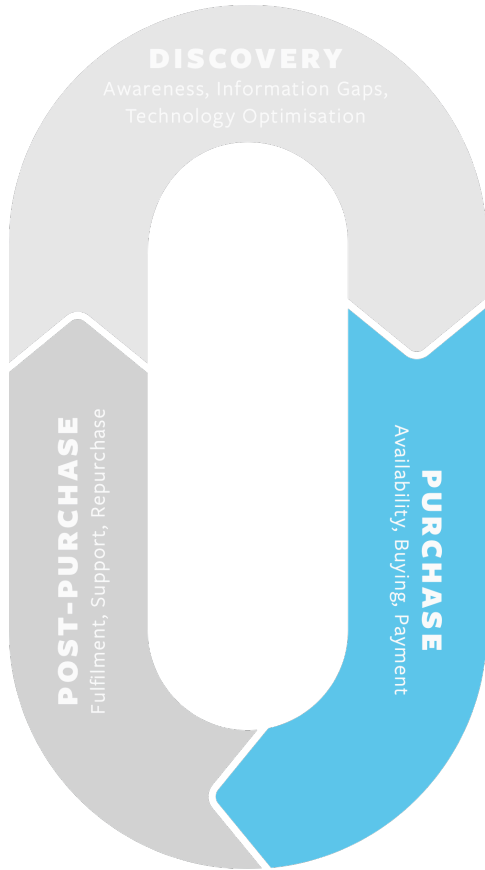
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66%
Would likely back off from payment if the refund policies cannot be found[1]

2 IN 3
THAI RESPONDENTS SAID THEY WOULD LIKELY BE DISCOURAGED FROM BOOKING WITH A TRAVEL PROVIDER WHEN FACED WITH AN UNEXPECTED CHARGE[1]

DISCOVERY
Awareness, Information Gaps,
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POST-PURCHASE
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THE FULL LIST OF PAIN POINTS

THAT CONSTITUTE PURCHASE FRICTION
IN THAILAND'S TRAVEL BUSINESSES:

AVAILABILITY

- Actual price differs from advertised
- Actual benefits or offers differs from advertised
- Websites or apps were hard to use

BUYING

- Hidden costs at checkout
- Too many steps to complete purchase
- Prospect had to visit a store or website multiple times to complete booking

PAYMENT

- Payment unsuccessful due to system errors
- Refund/redressal policies cannot be found
- No pricing and terms available

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AVAILABILITY

INSIGHTS FOR MARKETERS:

Create a mobile-first interface that helps travellers easily and quickly find what they're looking for. While Singapore and Indonesia are more likely to be put off by promotions that were no longer available, Thailand respondents cite hard-to-use websites or apps as a likely deterrent to purchase. According to the survey, majority of Thai respondents complete their hotel and flight bookings using a smartphone. The study also shows they book their holidays online because it is easy, fast and has all the information needed, so firms should take these into consideration when designing travel-related booking systems.

WHY TRAVELLERS BOOK HOLIDAYS ONLINE

It's easier	78%
It's faster	69%
All the information required is online	68%
Allows me to compare all the options immediately	36%
Store is too far	26%

0% 20% 40% 60% 80%

PERCENT OF THAI RESPONDENTS

3 IN 5

of people surveyed in Thailand cited hard-to-use websites and apps as a likely deterrent to purchase[1]

Encounter rate: 45%
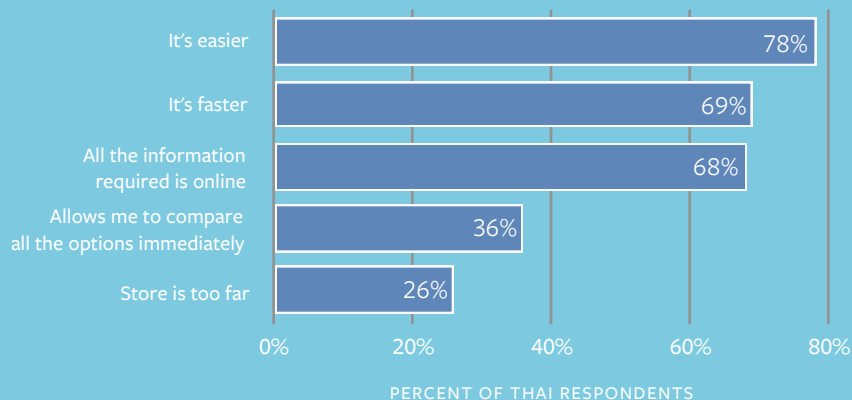
More than

58%

of people surveyed in Thailand complete their hotel and flight bookings using a smartphone[1]
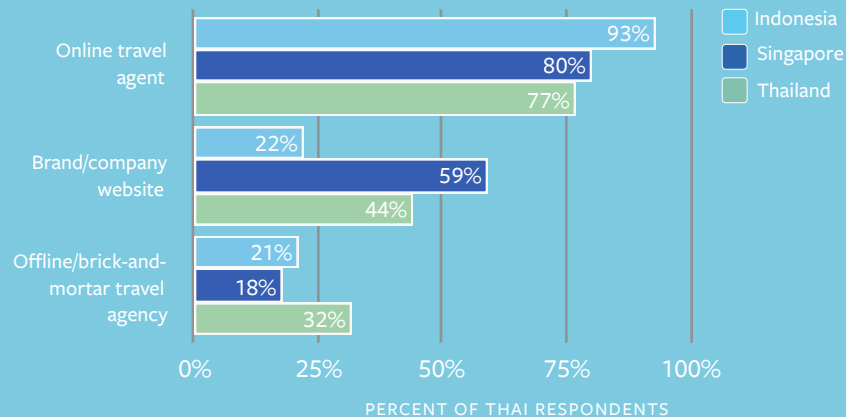
22

BUYING

INSIGHTS FOR MARKETERS:

Simplify forms used for booking. The study suggests the amount of information and lengthy procedures needed to complete a booking can turn away potential customers. Majority of those surveyed in Thailand said they were likely to back off when faced with too many steps or when they had to visit a website or store more than once just to complete a booking. Businesses can address this by using auto-fill forms or cutting back on the amount of boxes to fill during the booking process. Online travel agent businesses should take special note, as such firms are the most frequently used channel for travel bookings across the three Southeast Asian markets included in the survey (Thailand, Indonesia, Singapore).

WHERE HOLIDAYERS COMPLETE THEIR BOOKING

	Indonesia	Singapore	Thailand
Online travel agent	93%	80%	77%
Brand/company website	22%	59%	44%
Offline/brick-and-mortar travel agency	21%	18%	32%

PERCENT OF THAI RESPONDENTS

63% of people surveyed in Thailand would likely be discouraged when faced with too many steps to complete a booking[1]

Encounter rate: 52%

54% of Thai respondents are likely to drop off if they had to visit a store or website more than once to complete a booking[1]
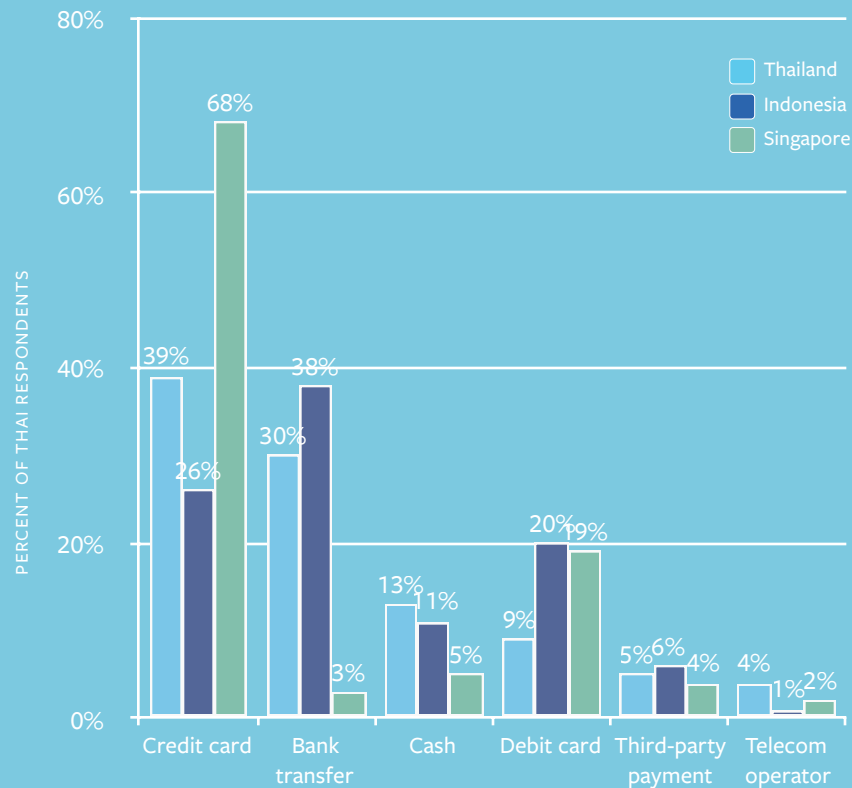
Encounter rate: 37%

23

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.

MOST PREFERRED PAYMENT METHODS

PERCENT OF THAI RESPONDENTS

Legend:
- Thailand
- Indonesia
- Singapore

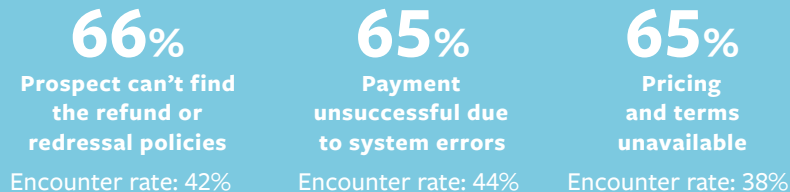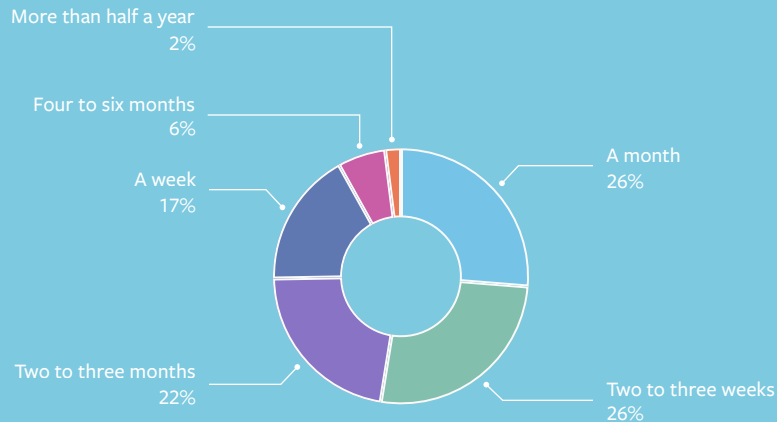| Payment method	Thailand	Indonesia	Singapore
Credit card	39%	26%	68%
Bank transfer	30%	38%	3%
Cash	13%	11%	5%
Debit card	9%	20%	19%
Third-party payment	5%	6%	4%
Telecom operator	4%	1%	2%

PAYMENT

INSIGHTS FOR MARKETERS:

Provide clear guidance for refund or redressal, especially as holidays are often planned far in advance. Holidays are researched weeks or months in advance, but plans can change. Customers want to understand how they can deal with cancellations or a change in travel plans should the need arise. Not being able to find the refund or redressal policies was ranked among top frictions in Thailand, where 2 in 3 say this would discourage them from proceeding with payment.[1]
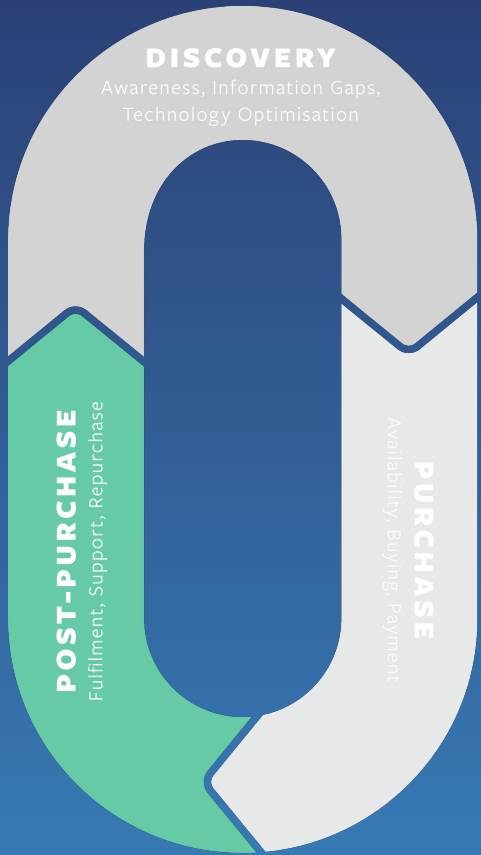
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WHY THAI RESPONDENTS ARE LIKELY TO BACK OFF FROM PROCEEDING WITH PAYMENT[1]

66%
Prospect can't find the refund or redressal policies
Encounter rate: 42%

65%
Payment unsuccessful due to system errors
Encounter rate: 44%

65%
Pricing and terms unavailable
Encounter rate: 38%

HOW FAR IN ADVANCE THAIS PLAN AND RESEARCH HOLIDAYS

More than half a year
2%

Four to six months
6%

A week
17%

A month
26%

Two to three months
22%

Two to three weeks
26%

DISCOVERY
Awareness, Information Gaps,
Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

POST-PURCHASE
FRICTION

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

POST-PURCHASE FRICTION POINTS
CAN BE CATEGORISED INTO THREE GROUPS:

1
FULFILMENT
Just as important 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.

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.

39%
of Thais surveyed had experienced receiving booking details or offers that differ from what they have booked[1]

58%
of Thais surveyed said unexpected cancellation fees are likely to discourage them from interacting with the travel company again[1]

POST-PURCHASE
FRICTION

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.
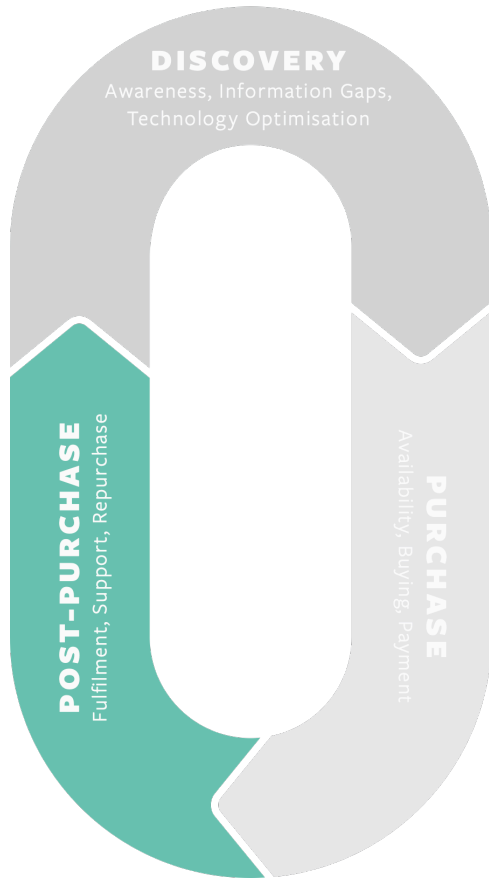
38%
of Thais surveyed received irrelevant promotions or got no special offers based on their previous booking

You might also like...

Because you booked...

Today's Deal...

DISCOVERY
Awareness, Information Gaps,
Technology Optimisation

PURCHASE
Availability, Buying, Payment

POST-PURCHASE
Fulfilment, Support, Repurchase

THE FULL LIST OF PAIN POINTS

THAT CONSTITUTE POST-PURCHASE FRICTION IN THAILAND'S TRAVEL BUSINESSES:

FULFILMENT

- Unexpected costs or charges after confirmation
- Booking details differed from what I booked
- Lack of communication about changes or updates

SUPPORT

- Customer support delays
- Customer support could not address problem
- Unexpected cancellation fees

REPURCHASE

- Irrelevant promotions or offers
- No special offers based on previous booking
- No customer re-engagement

FULFILMENT

INSIGHTS FOR MARKETERS:

Avoid any unmet expectations between what was offered and what was provided, be it pricing or product details. Surprise charges at checkout are likely to deter respondents from the three markets surveyed (Indonesia, Singapore, Thailand) from booking with the same company again. In Thailand, unexpected charges at checkout will likely dissuade 63% of all respondents from becoming repeat customers. Before confirming a booking, communicate all important details of the product being purchased, including any potential additional cost or charge upfront.

63% of respondents in Thailand would likely not book with the company again when faced with an unexpected additional cost once booking is confirmed[1]

Encounter rate: 46%

61% of respondents in Thailand would likely be discouraged from dealing with the company again if booking details or offers were different from what was booked[1]

Encounter rate: 39%

FULFILMENT

INSIGHTS FOR MARKETERS:

Deliver regular updates to continue providing a smooth travel experience. Thai respondents prefer to be reminded about upcoming reservations. They also want to be kept up-to-date with unexpected changes to their bookings. A lack of such forms of communication was one of the top three sources of friction in Thailand as well as nearby Indonesia. Fifty-nine percent in Indonesia and an equal percentage of people in Thailand said lack of such communication would likely discourage them from booking with the company again.

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59%
of those surveyed in Thailand would likely avoid booking with the company again when faced with a lack of reminders, delay information or similar types of communication[1]

2 IN 5
OF THOSE SURVEYED IN THAILAND HAVE EXPERIENCED NOT RECEIVING REMINDERS OR UPDATES TO THEIR BOOKING FROM THE TRAVEL COMPANY[1] (ENCOUNTER RATE)

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 a top source of friction shared by the three Southeast Asian markets included in the survey. In addition, Thai respondents were likely to be frustrated when they encounter customer support agents who cannot address their problems. When it comes to contacting the travel company to resolve issues, customers in Thailand most prefer to do it via a phone call (49%). Chat services aren't far behind in usage (24%), so businesses in Thailand should also explore creative solutions to improve this service.

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More than

63%

of those surveyed would likely not interact with the firm again when faced with customer support who took a long time to be reached or customer support who could not address their problem[1]

THAILAND'S MOST PREFERRED WAY TO CONTACT TRAVEL COMPANIES[1]

In person at store
9%

Email
17%

Phone call
49%

Chat messages
24%
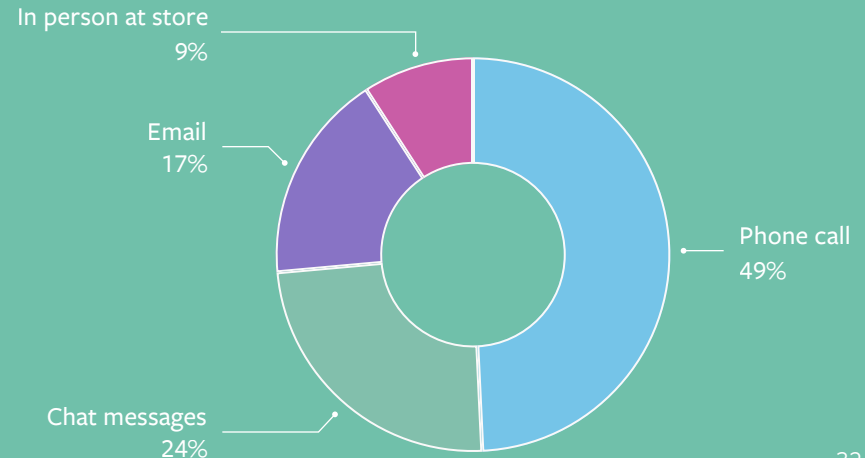
SUPPORT

INSIGHTS FOR MARKETERS:

Communicate cancellation fees upfront. As we've seen in the Purchase stage, customers in Thailand are likely to be discouraged from buying when there is no clear guidance for refunds or redressals. The survey also shows they are unlikely to deal with a travel company again when faced with a cancellation fee they did not know about, with 58% saying it would discourage them from interacting with a company in the future. Travel plans can change any time, and customers prefer to know upfront what it means for them if they need to move or cancel their trip.

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.

58%
of those surveyed would likely not interact with a company again when faced with a cancellation fee they did not know about[1]

Encounter rate: 43%
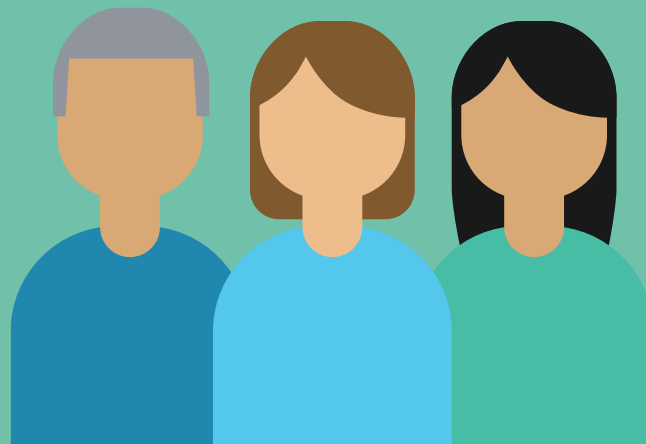
REPURCHASE

INSIGHTS FOR MARKETERS:

Personalise offers or promotions based on what consumers have previously booked. Personalisation plays a role not only in the Discovery stage but also in Post-Purchase stage. In Thailand, more than 1 in 3 travellers have experienced receiving irrelevant offers and not getting special offers based on their previous booking, which shows how common this issue is. Travellers marked these as top frictions that would likely stop them from going back and booking with the same company.

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 PICKS FOR YOU

55%
of those surveyed would likely not book with the company again if they experience a lack of special offers based on their previous booking[1]

SPECIAL DEALS

YOU MIGHT LIKE THIS

MORE THAN

1 IN 3

HAVE EXPERIENCED RECEIVING IRRELEVANT OFFERS AND PROMOTIONS, OR NOT RECEIVING SPECIAL OFFERS BASED ON THEIR PREVIOUS BOOKING[1](ENCOUNTER RATE)

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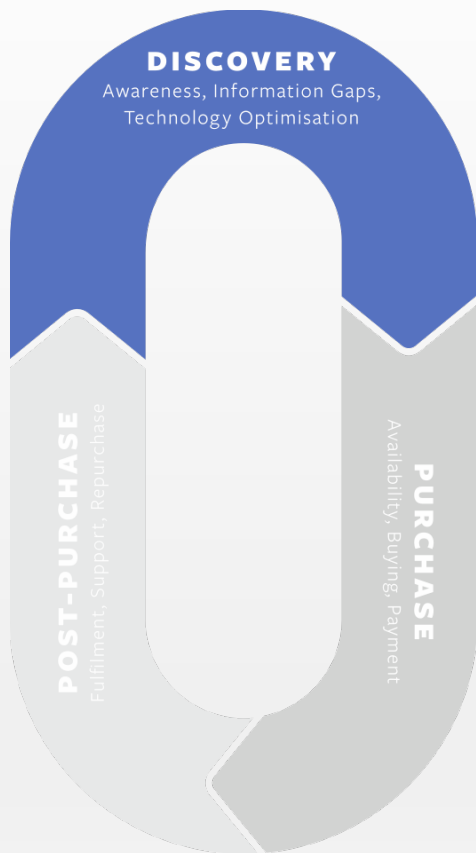
Identify the stage at which most consumers face friction points in their journey and consequently drop off. Also, determine which friction caused the biggest revenue loss and what the expected business growth is if these pain points are removed. Hold ideation sessions and workshops, and prioritise areas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

DISCOVERY
Awareness, Information Gaps, Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

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.
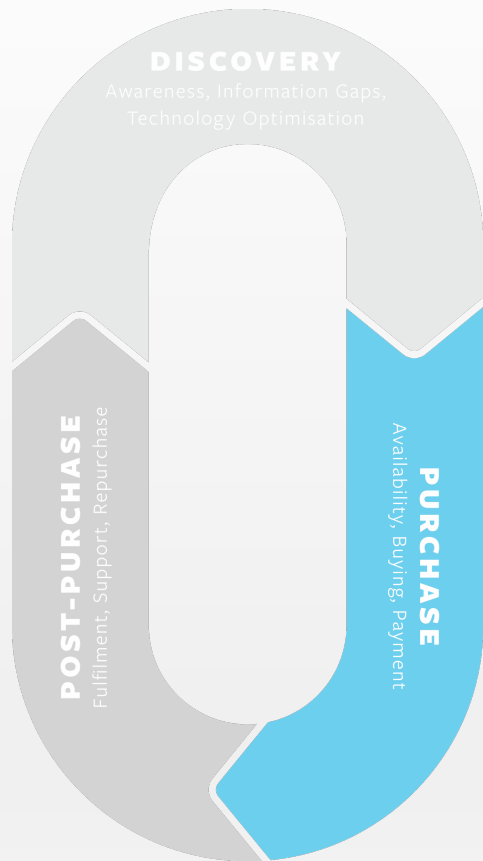
SHOPPING ON INSTAGRAM STORIES

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.

PURCHASE FRICTION

SOLUTIONS GUIDE:

DISCOVERY
Awareness, Information Gaps,
Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

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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.

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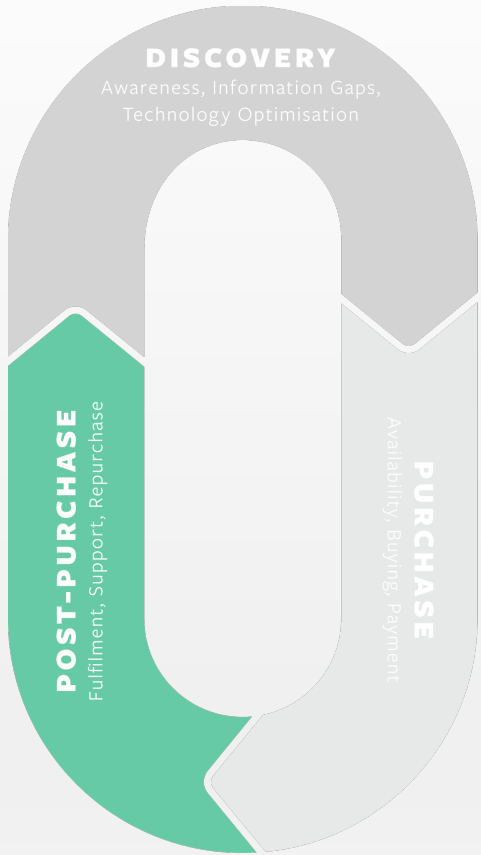
PAYMENT

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.

POST-PURCHASE FRICTION

SOLUTIONS GUIDE:

DISCOVERY
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Technology Optimisation

POST-PURCHASE
Fulfilment, Support, Repurchase

PURCHASE
Availability, Buying, Payment

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**

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.

ZERO FRICTION FUTURE
NOW

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 airline tickets and hotel accommodations. The analysis on the hidden 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