ZERO FRICTION FUTURE

Discover how seamless customer experiences can fuel growth for US automotive businesses.

facebook IQ

70%

of consumers say technology has made it easier than ever to take their business elsewhere

Meeting the needs of the connected car shopper

Digital connectivity has changed the game for car shopping today—empowering auto buyers, raising expectations and offering every imaginable kind of choice. With mobile devices in hand, consumers have more access to information than ever before. No longer confined to the showroom, 3 in 5 US car buyers discover vehicles online,[1] and 64% of millennials learn about new car model launches on mobile.[2]

While technology has made it easier to discover and purchase, it has also created expectations that shopping will be fast and frictionless. With so many options available, it is unsurprising that 70% of consumers say technology has made it easier than ever to take their business elsewhere.[3] People are less willing to suffer any inconvenience or invest unnecessary time to find the right vehicle that suits their needs. In this age of instant gratification, creating a smooth consumer experience is essential at every touchpoint and people look to businesses to deliver on the promise of "now."

1 "Auto Consumer Study" by Accenture (Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019
2 "Auto Consumer Study" by Accenture (Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019
3 "Consumer Experience in the Retail Renaissance" by Salesforce and Deloitte Digital, Apr 2018

of consumers say technology has made it easier than ever to take their business elsewhere

Source: "Consumer Experience in the Retail Renaissance" by Salesforce and Deloitte Digital, Apr 2018

Consider this: A research analysis by Boston Consulting Group and Facebook IQ identified and validated over 50 points of friction in the US from the moment someone first discovers a brand to the time when they're the proud owners of a vehicle.[4]

Any additional effort, step or inconvenience in the purchase journey is friction. It's what causes shoppers to look somewhere else, why loyal customers leave and why many businesses fail. While these consumer demands might be high, the challenge presents exciting opportunities for auto brands and dealerships to differentiate themselves and build new, meaningful relationships. Empowered by technology, auto brands can eliminate pain points to meet the needs of today's connected car shopper, making it easy to discover, purchase and own vehicles.

4 "US Auto Consumer Journey Analysis" by Boston Consulting Group (in partnership with and commissioned by Facebook IQ), Aug 2019

More than 50 points of friction in the US auto consumer journey across discovery, purchase and ownership

Source: "US Auto Consumer Journey Analysis" by Boston Consulting Group (in partnership with and commissioned by Facebook IQ), Aug 2019

Identify friction in your automotive business

Friction occurs offline and online, and at all stages of the purchase journey. It happens when car shoppers land on websites that are not optimized for mobile or struggle to find the right information while researching online and at dealerships.

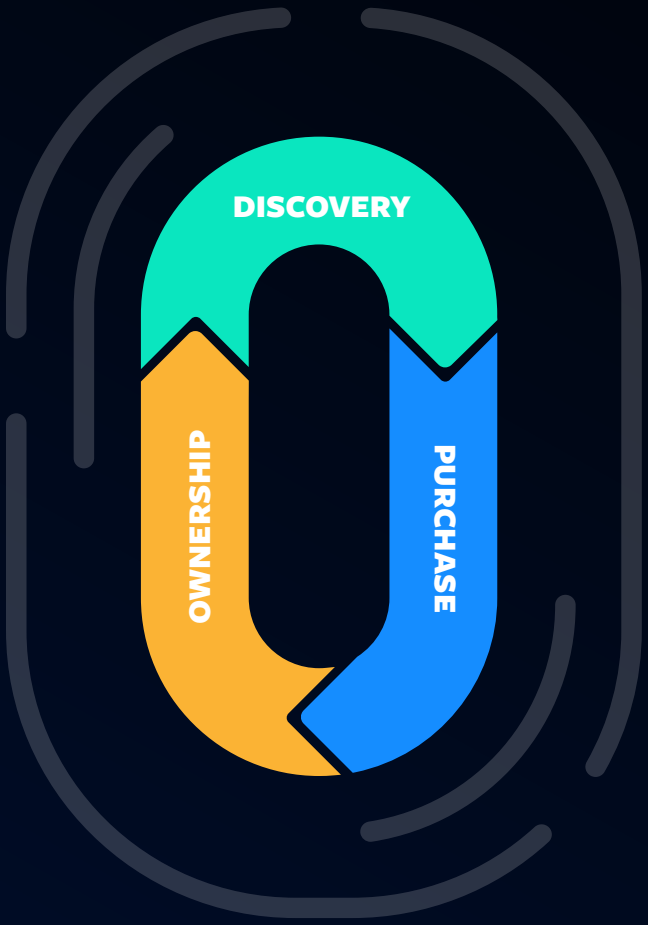
The more steps consumers have to take, the more opportunities for friction. Across an omnichannel customer journey, friction can occur at multiple touchpoints from discovery to purchase and even post-purchase.

Technology is key to bridging the gap and reducing friction between consumers and businesses; it can help build brand awareness, smooth the purchasing process and engage meaningfully with car owners. Consider auto websites that aggregate relevant information for convenient browsing, concierge services that deliver test drive vehicles to someone's doorstep, and services that help car shoppers negotiate prices with dealerships. Innovative businesses are addressing consumer appetite for speed, simplicity and convenience with technology, and in turn, they're resetting expectations across the purchasing and ownership experience.

“Just as auto marketers have differentiated on product for years, today’s advantage lies in differentiating on experience. The brands and dealers winning more customers are the ones who remove friction to compete on car *and* convenience.”

KIM STONEHOUSE
AUTOMOTIVE HEAD OF INDUSTRY
FACEBOOK

JOURNEY TO A ZERO FRICTION FUTURE



DISCOVERY

Awareness | Browsing and Evaluation

PURCHASE

Test and Feel | Negotiation and Purchase

OWNERSHIP

Handover and Service | Ownership Experience

To help auto brands and dealers understand how technology can help create better consumer experiences, Facebook IQ partnered with Boston Consulting Group (BCG) to identify the biggest friction points and customer concerns across every key stage of the consumer journey. The goal is to help businesses identify and prioritize touchpoints that can be enhanced to satisfy auto buyers.

This paper combines research insights from interviews with BCG's senior automotive industry experts in the US, proprietary research from BCG's Center of Consumer Insights and insights from third-party research. BCG identified, validated and prioritized the most relevant friction points and mapped these to three distinct phases of the journey.

DISCOVERY
Friction

Car buyers expect a smooth experience and robust support across every stage of the purchase journey. This begins with discovering brands and models. During this awareness stage, consumers want to be able to easily find clear, concise and relevant information across channels to help with their assessment. Any pain point that prevents someone from doing so is a cause of discovery friction.

During this stage, it's important to raise brand awareness by providing comprehensive information through offline and online channels. Auto companies need to introduce their brands and products to consumers before the car shopping process even begins because, by the time they start, 73% of auto buyers already have such strong opinions that they consider only one or two car brands.[5] Moreover, with the rise of on-the-go browsing behavior, content must be shared early in the process and be optimized for mobile: Nearly half (49%) of US auto consumers say they learn about new model launches on mobile.[6]

5 "Auto Consumer Study" by Accenture (Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019
6 "Auto Consumer Study" by Accenture (Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019

Discovery friction occurs in two main categories

AWARENESS

Many people purchase the vehicle that was part of their initial consideration set, indicating that people are highly influenced before they actively begin researching. How can auto businesses make it easier for people to discover brands or dealerships to learn more? If messaging does not arrive at the right times to the right people, and if it is not built for mobile, it can hinder awareness.

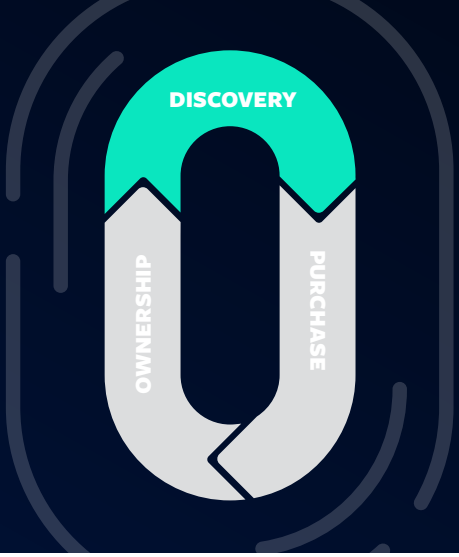
BROWSING AND EVALUATION

When consumers are actively looking for the right car, they want access to detailed information, such as reviews, vehicle specifications, dealership inventory and pricing. This is when they're narrowing their list of choices. If they're met with friction in this process, an auto shopper can lose the confidence needed to commit and easily look to another brand or dealership.

DISCOVERY

PAIN POINTS

Boston Consulting Group analysis



In this list, Boston Consulting Group identified and validated the most important discovery friction points based on interviews with senior automotive experts in the US, paired with research insights.
These top friction points are indicated in green.

	AWARENESS	BROWSING AND EVALUATION
Online and offline	• **Unaware brand/product exists** • Advertising product information not relevant/detailed • Not receiving relevant/detailed content and information to be engaged • Too many car models available • New services and mobility solutions affect car ownership considerations	• Inconsistent information between online and offline sources • Difficult to consolidate information for decision making • Need to share personal data to obtain more information (e.g., lead form) • Lack of online/mobile messaging option • Lack of personalized support to help consumers choose vehicle • Dealership inventory and pricing difficult to find, inaccurate
Online only		• **Information scattered** • **Information not relevant or detailed** • **Information not mobile-optimized** • Too many online research sources • Lack of immersive product experiences • Websites don't save configurations for return sessions • No transition and data transfer from OEM to dealership websites • Lack of online tools to schedule test drives and meetings with dealers • Lack of messaging option with dealership outside opening hours

Source: "US Auto Consumer Journey Analysis" by Boston Consulting Group (in partnership with and commissioned by Facebook IQ), Aug 2019

73%

of US car shoppers have such a strong opinion formed about which car brand to buy that they consider only one or two brands

Source: "Auto Consumer Study" by Accenture
(Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019

PURCHASE

Friction

Car purchasing usually culminates in one location—the dealership. Visiting dealerships for hands-on product experiences plays a critical role in the auto buying process, but friction points around customer service, negotiations and purchasing can make these trips less than ideal. When 70% of people surveyed who plan to purchase in the next three months agree that buying a vehicle is stressful, creating frictionless dealership visits can go a long way.[7]

Pain points during the test drive, negotiation and purchasing create purchase friction. This is underscored by a lack of transparency across pricing and offers, which contributes to a lack of trust in dealerships. Mintel research revealed that half of all consumers find car salespeople to be untrustworthy.[8] Long wait times and too much paperwork also frustrate consumers. Car shoppers in the US spend nearly 40 minutes idle at a dealership during the purchase process.[9]

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7 "Car Purchasing Process, US" by Mintel, Jul 2019
8 "Car Purchasing Process, US" by Mintel, Jul 2019
9 "Car Buyer Journey 2018" by Cox Automotive

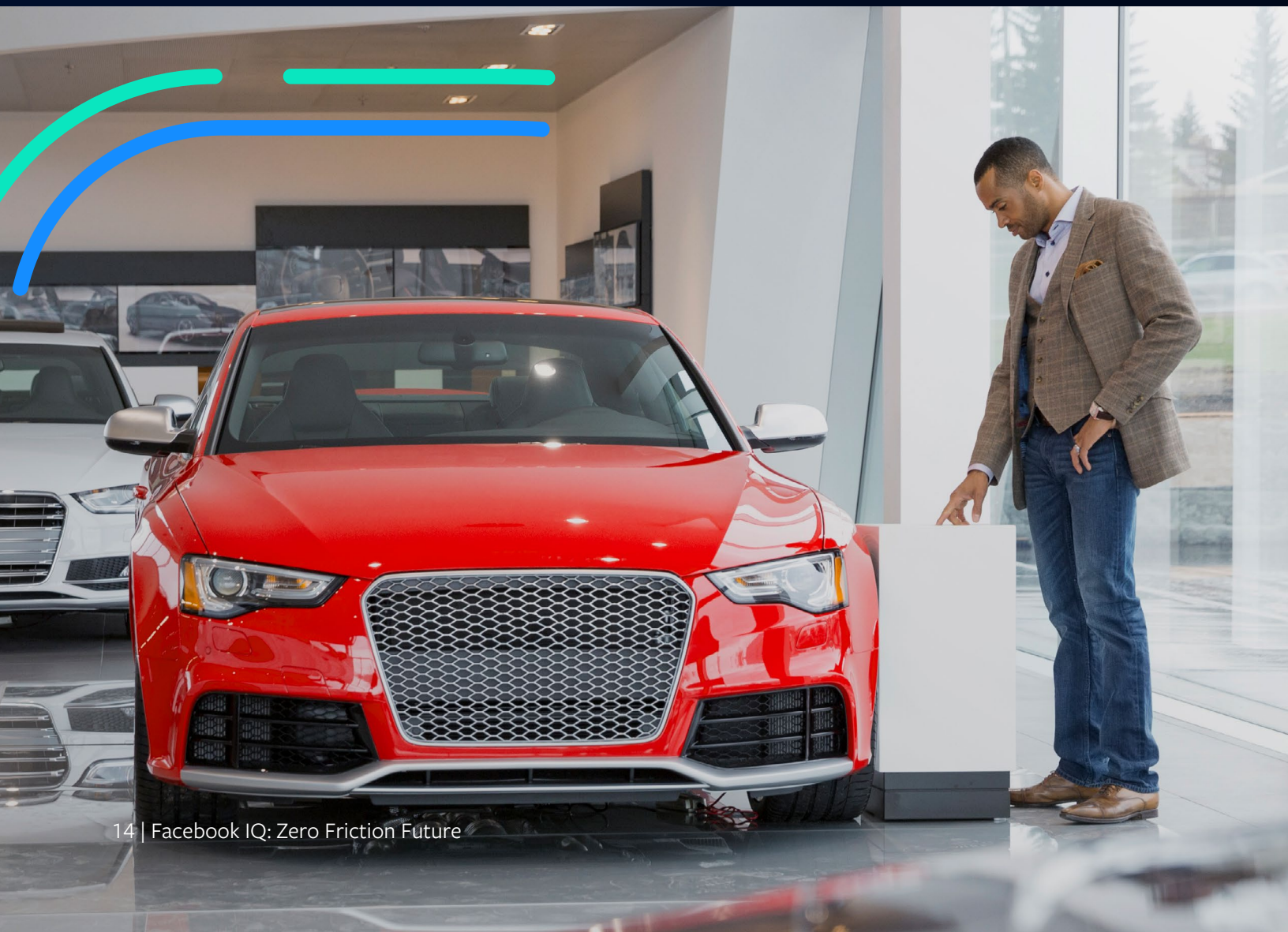
Purchase friction and pain points have two main categories

TEST AND FEEL

As shoppers close in on a decision, their physical evaluation of whether a car fits their needs is often fraught with challenges, such as unavailable vehicles, unhelpful salespeople and broken online-to-offline experiences that require inputting information again in the store.

NEGOTIATION AND PURCHASE

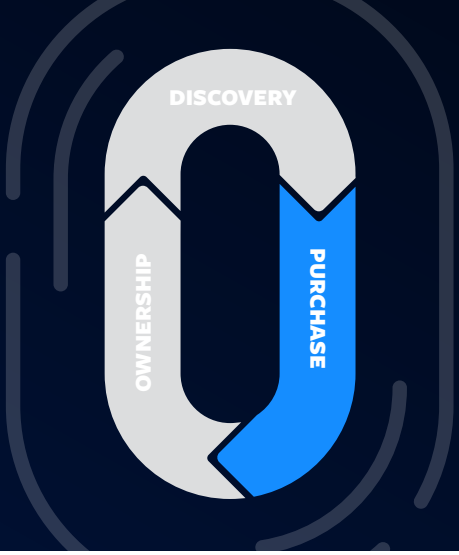
The moment shoppers make up their minds is unfortunately when most friction sets in. People struggle with unsavory price negotiation experiences, a lack of pricing transparency, excessive paperwork and unclear financing processes.



PURCHASE

PAIN POINTS

Boston Consulting Group analysis



In this list, Boston Consulting Group identified and validated the most important purchase friction points based on interviews with senior automotive experts in the US, paired with research insights.

These top friction points are indicated in blue.

	TEST AND FEEL	NEGOTIATION AND PURCHASE
Online and offline	• **Consumer must repeat personal data and configuration inputs in dealership** • Lack of self-service interactive digital experiences (e.g., VR car configuration) • Uncoordinated communication from dealership; no one point of contact • Lack of access to tailored/exclusive information after visit	• **Lack of transparency in trade-in offers, financing offers, pricing and deals; inconsistencies between online and offline** • **Lengthy trade-in assessment, insurance/financing process** • Difficult to visualize accessories or add-ons on vehicle
Offline only	• **Salespeople unavailable, unknowledgeable, pushy—not attuned to customers' needs** • Vehicles not available for physical experience • Unsatisfactory customer service during test drive	• **Desired vehicle not in stock** • **Unpleasant, lengthy in-person negotiation experience, concerns about being overcharged and upsold** • **Lengthy purchasing process due to excessive paperwork** • **Fear of losing car if financing deal not completed quickly**

Source: "US Auto Consumer Journey Analysis" by Boston Consulting Group (in partnership with and commissioned by Facebook IQ), Aug 2019

78%

of US car shoppers consider customer experience important when choosing which dealership to buy from

Source: Global Automotive Consumer Study, Deloitte, Feb 2018

OWNERSHIP

Friction

The ownership journey begins after auto buyers sign on the dotted line. The journey to purchase is often shorter—72% of US auto consumers surveyed said they spend less than one month actively researching their car prior to purchase or lease.[10] But ownership frequently lasts upwards of five years, on average. This lengthy part of the customer journey presents many opportunities for auto brands to use technology to efficiently and conveniently engage customers through ownership and loyalty programs.

The connection between automakers and customers often weakens once a sale is finalized, but this could be a chance for deeper consumer engagement to start. Ownership friction occurs when customers encounter a lackluster handover process, car owners are provided little transparency about maintenance and repairs, and OEMs/dealerships don't personalize communications or offer loyalty programs.

10 "Auto Consumer Study" by Accenture (Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019

facebook IQ

Post-purchase friction and pain points have two main categories

HANDOVER AND SERVICE

After purchasing a vehicle, there are many crucial touchpoints between the dealership and customer, such as the vehicle handover, maintenance and repairs, customer support and even vehicle recalls. Few businesses offer support channels for customers to ask questions or learn more about their new cars, and this could present opportunities to deepen trust between auto businesses and consumers post-purchase. A Cox Automotive study found that unreasonable servicing costs is the top reason why customers do not go to the dealer of purchase for servicing, as 77% think dealerships will overcharge.[11]

OWNERSHIP EXPERIENCE

Personalized engagements from OEMs/dealerships are rare post-purchase, but 86% of auto shoppers want to be engaged by auto brands after buying.[12] This highlights that brands have an opportunity to deepen customer relationships beyond one sale by customizing messaging. In fact, over 80% of auto buyers ages 18–34 are willing to share information with an auto brand to receive personalized engagement.[13]

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11 "Cox Automotive Service Industry Study" by Cox Automotive, 2018
12 "Auto Consumer Journey Study" by Accenture
(Facebook-commissioned online study of 1,036 respondents ages 18+, US), Jun to Jul 2018
13 "Auto Consumer Study" by Accenture
(Facebook-commissioned online study of 1,003 respondents ages 18+, US), Nov 2018 to Feb 2019

OWNERSHIP
PAIN POINTS

Boston Consulting Group analysis

In this list, Boston Consulting Group identified and validated the most important ownership friction points based on interviews with senior automotive experts in the US, paired with research insights.
These top friction points are indicated in yellow.

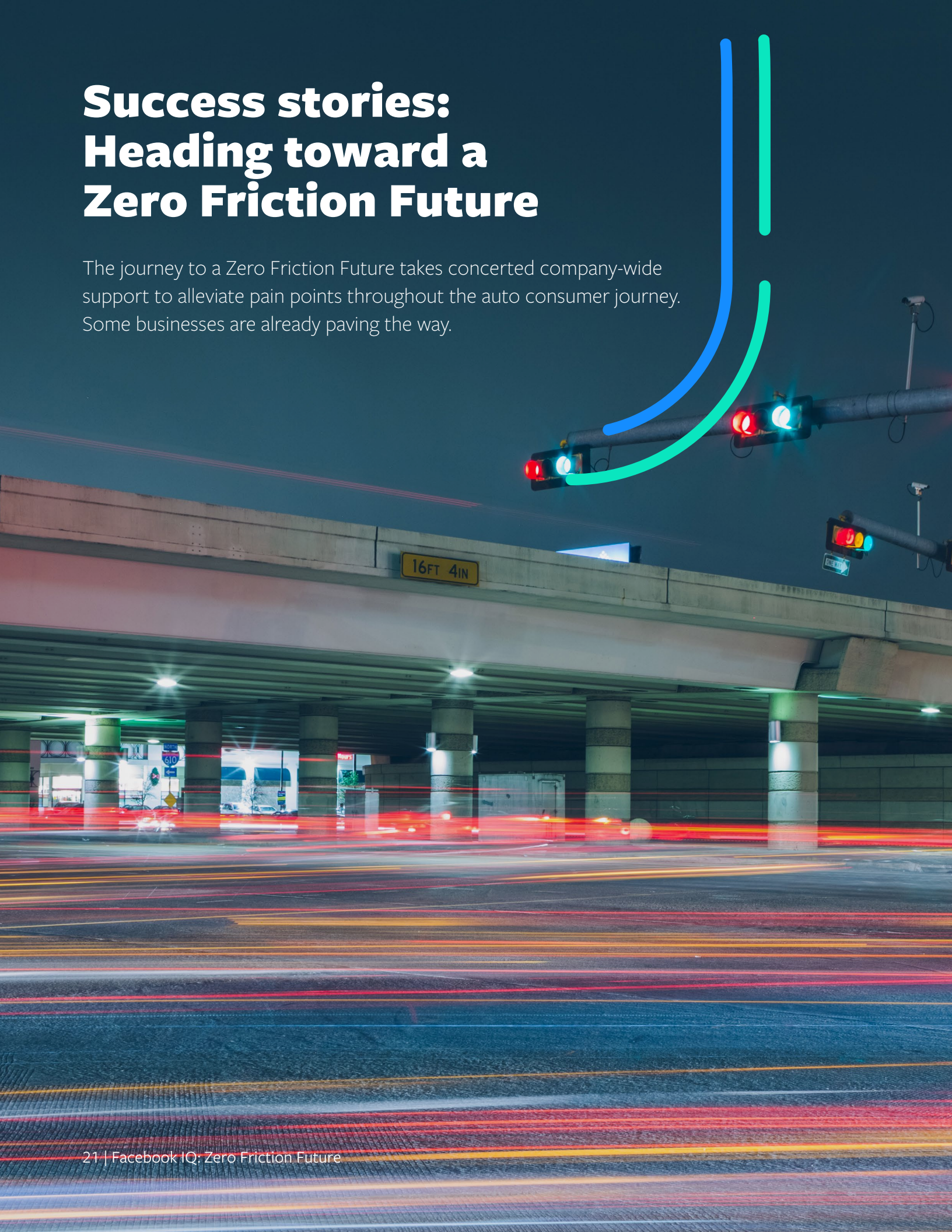
	HANDOVER AND SERVICE	OWNERSHIP EXPERIENCE
Online and offline	• **Lack of post-handover support to help car owners explore built-in features** • **Maintenance/repair service scheduling not user-friendly** • **Lack of transparency on maintenance/repairs and service options** • **Maintenance/services not well-explained** • Minimal engagement between purchase and handover • Information on car features not readily available • Limited customer support channels and hours • Lack of maintenance reminders • Lengthy recall process due to delays in parts, reimbursement	• **Minimal, non-personalized engagement post-purchase** • **Lack of loyalty/rewards programs, appreciation** • Lack of online communication channel with OEM/dealership post-purchase (e.g., for help or feedback) • No post-purchase financial offers/perks
Online only	• **Inability to pay for services online**	• Multiple owner apps available but not integrated • Difficult to connect owner apps to vehicle for proper use • Lack of transparency on OEM/dealership usage of personal data
Offline only	• Insufficient introduction to overwhelming number of car features • Unsatisfactory customer service while car is serviced (e.g., replacement car) • Uncertainty on quality of maintenance/ repair work	

Source: "US Auto Consumer Journey Analysis" by Boston Consulting Group (in partnership with and commissioned by Facebook IQ), Aug 2019

Source: "Auto Consumer Journey Study" by Accenture
(Facebook-commissioned online study of 1,036 respondents ages 18+, US), Jun to Jul 2018

Success stories: Heading toward a Zero Friction Future

The journey to a Zero Friction Future takes concerted company-wide support to alleviate pain points throughout the auto consumer journey. Some businesses are already paving the way.

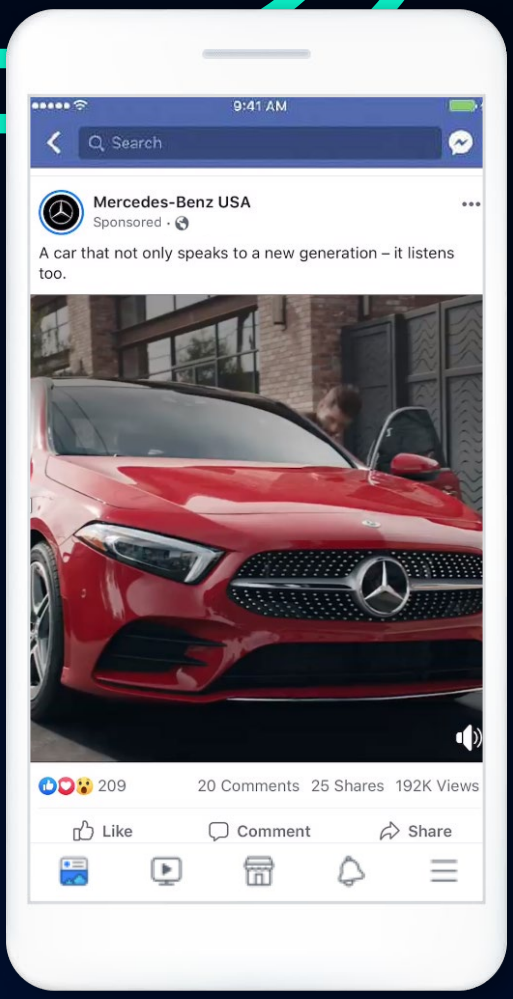


DISCOVERY

How Mercedes-Benz helped consumers discover a new class of cars

Mercedes-Benz USA wanted to introduce younger audiences to its new A Class, an entry-level vehicle, and welcome them to the brand. To help do this, the automaker ran mobile-friendly ads on Facebook and Instagram to complement television commercials during football's Big Game.

The multichannel approach helped reach younger audiences on mobile, where they were spending time during the TV broadcast. And machine learning optimized the campaign across platforms by finding where people were most likely to engage. This strategy reduced friction by connecting the brand with consumers on the right devices and helped Mercedes-Benz efficiently and meaningfully boost awareness with audiences incremental to TV.



87%

incremental reach to television via Facebook

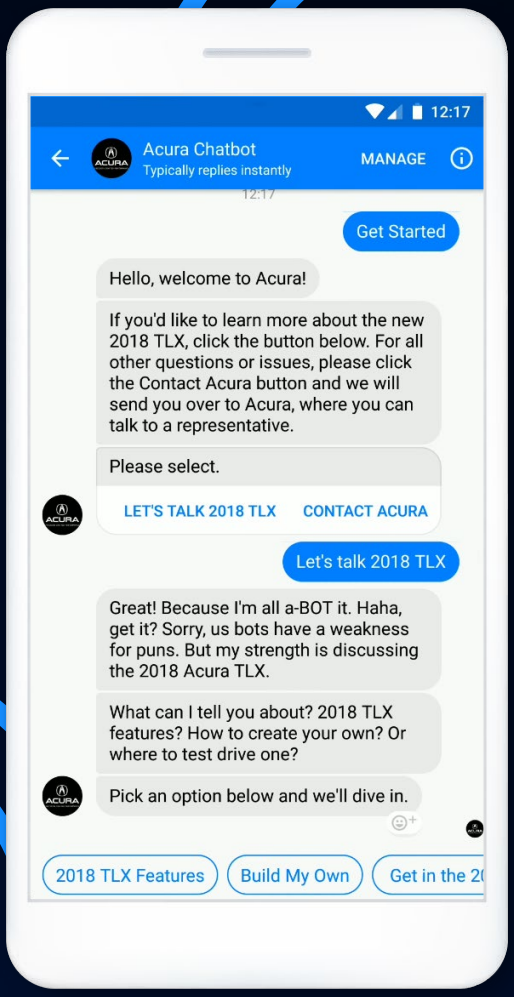
1.5x

more efficient reach for target audience on Facebook compared with television

PURCHASE

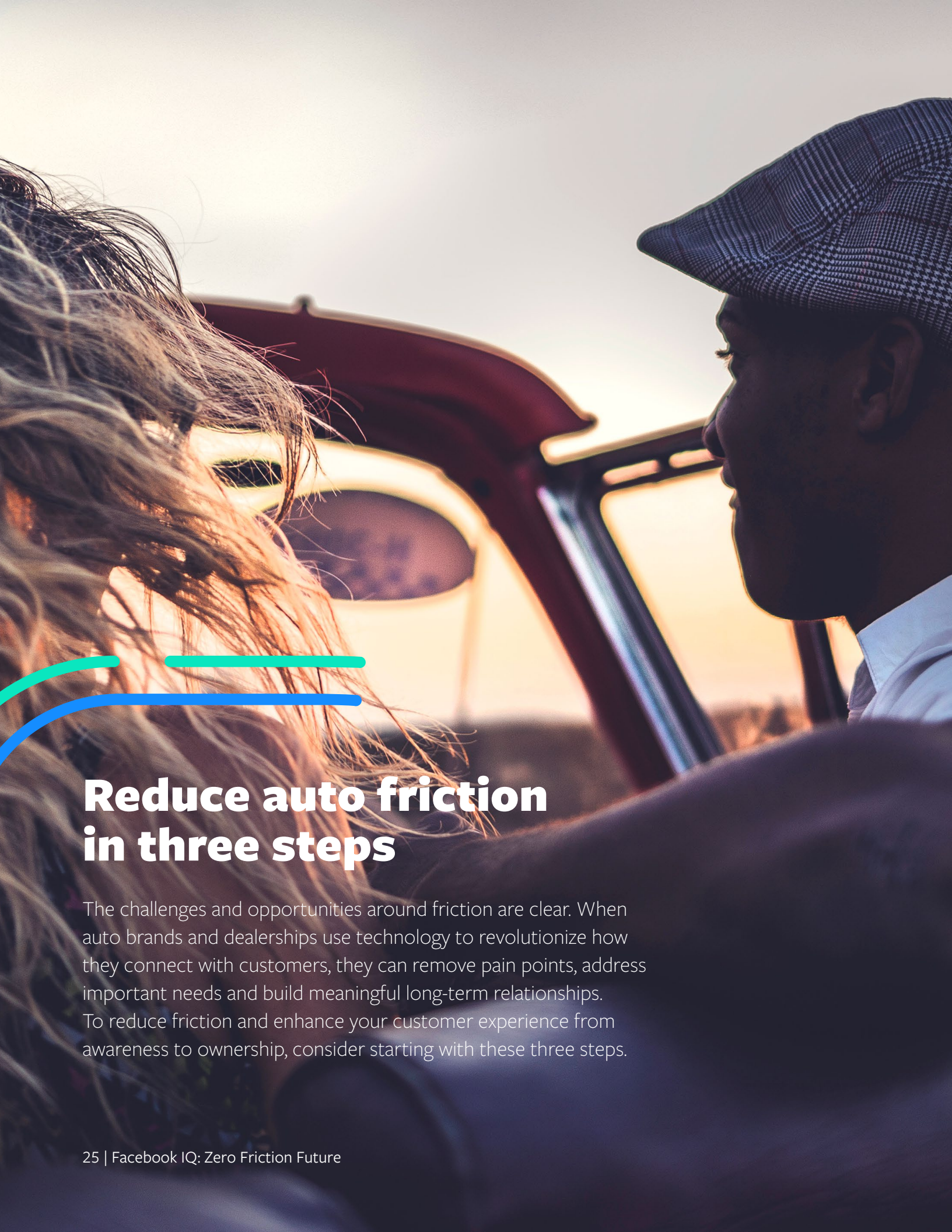
How Acura's automated experience simplified car shopping

Acura wanted to guide people to test drive a TLX, its midsize luxury sedan, with a frictionless approach. Using an automated experience on Messenger, Acura's customers could choose features they wanted in the vehicle and then book a test drive—all on mobile. Sparking this one-on-one connection reduced friction for both Acura and the car shopper, speeding up the process of moving people closer to purchase.



112,000
messages exchanged in two months

56%
of people built a car within the experience



Reduce auto friction in three steps

The challenges and opportunities around friction are clear. When auto brands and dealerships use technology to revolutionize how they connect with customers, they can remove pain points, address important needs and build meaningful long-term relationships. To reduce friction and enhance your customer experience from awareness to ownership, consider starting with these three steps.

LET CARS FIND PEOPLE

In today's auto-shopping journey, people still labor to find the right cars. But in a frictionless future, the perfect vehicle will find them.

By the time people start shopping, they have a strong opinion about which car brand to buy. So, it's important to reach auto buyers further upstream to help them discover relevant brands and models.

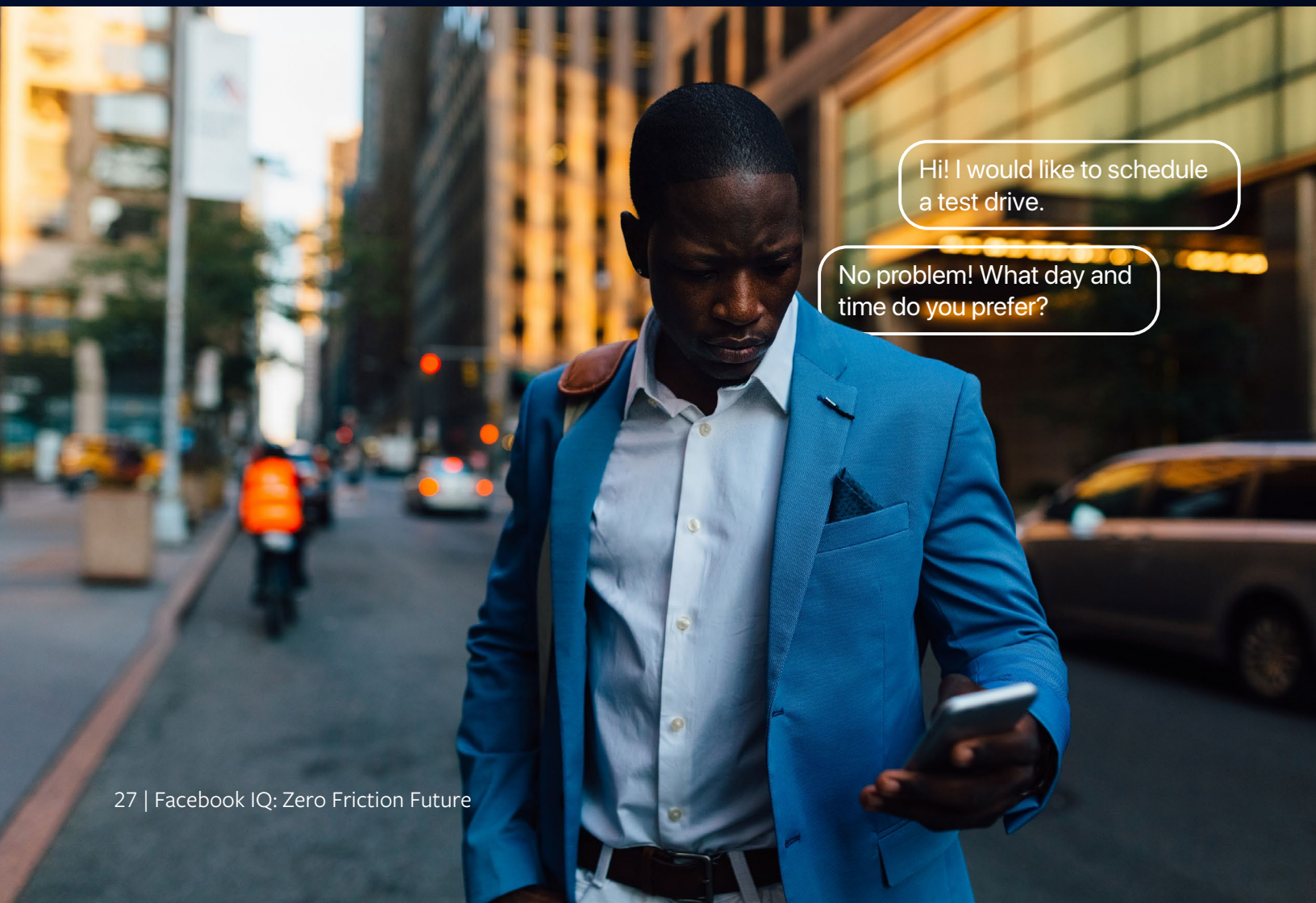
Businesses can help consumers find the right cars by using smart targeting solutions and machine learning to deliver relevant messaging on the platforms and devices that audiences use most.

PURCHASE

CREATE SEAMLESS SHOPPING EXPERIENCES

With an overwhelming number of considerations and information sources, car shopping is stressful and filled with friction. People are often unsure and want to feel confident about their decisions before they purchase. Businesses can make shopping seamless by providing answers when people seek information and anticipating needs in advance.

There are many possibilities for creating frictionless experiences. Automated messaging experiences can speed up information gathering and test-drive scheduling, affording customers the flexibility of reaching out 24/7. Virtual reality can not only enhance, but also scale the customer experience at dealerships and key events. By testing and iterating on different offerings to eliminate pain points, businesses can create end-to-end seamless experiences.



MAKE PURCHASES THE BEGINNING

Vehicle purchases can now mark the beginning: Auto brands can build meaningful, long-term post-purchase relationships with customers by using technology and personalization to provide relevant information and loyalty/reward offerings.

With people increasingly consuming content on the go, mobile and social media can be valuable tools for engaging vehicle owners. CRM tools and targeted ads can help you maintain a connection with customers at moments that are convenient to them, on platforms they're using throughout the day.

CONCLUSION: A ZERO FRICTION FUTURE

Auto brands have a powerful opportunity to make vehicle discovery, purchasing and ownership easier by eliminating friction. Working to minimize friction can boost your bottom line by reducing marketing costs, increasing customer loyalty and improving market share.

Where are the bottlenecks in your business? What obstacles are your consumers facing?

Here is a checklist to assess friction in your auto business:

- Do you observe a high percentage of drop-offs before auto purchases but are unable to identify the reasons?
- Do you have a strong brand, but the market share or sales numbers do not reflect this?
- Do you see increasing complaints or negative feedback from your customers?
- Do you see your competitors offering more omnichannel and streamlined services?

Removing friction and addressing the needs of demanding, mobile-first shoppers who value speed and ease will get businesses closer to their customers.

With its rich history, the auto industry is no stranger to overcoming challenges through innovation. Success awaits auto manufacturers and dealers that blaze the trail toward a Zero Friction Future by identifying and removing pain points for their customers.

Learn more about automotive marketing tools that reduce friction at facebook.com/zffautosolutions.

Facebook IQ delivers the insights you need to understand consumer behavior, drive more effective marketing and transform how your business reaches people. Learning from the billions of people on our platforms and the millions of businesses that advertise with us, we provide insights into behaviors both on and off our platforms across generations, markets, devices and time. Our original research and interactive tools help you find insights to inspire and inform your own campaigns.

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