The Case For Live Chat

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bamboocricket
www.bamboocricket.com

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Introduction

With e-commerce being increasingly pervasive these days, marketers are continuously looking for ways to improve their online presence. Companies are leveraging all available e-marketing strategies from multiple channels such as web banners, search engine marketing, advertorials, newsletters, blogs, podcasts and videocasts, and online network communities such as Facebook, Twitter and LinkedIn. For some companies, millions of dollars are being spent on marketing to build name recognition and attract customers to their websites.

Sources: www.google.ca, www.facebook.com, www.canoe.ca, www.hotmail.com

To ensure the customers have good experiences when visiting their websites, many companies would tweak their website to ensure it is easy to use and present the necessary information a customer would need in order to purchase a product or subscribe to a service.

As customers became savvy internet shoppers, companies realized that they needed to provide more support using additional channels. They started with providing as much self-service through the web as possible. Frequently-asked-questions and additional detailed product and service guides were added to websites in the hopes that customers would provide help to themselves. Powerful search functions allowed customers to identify the type of help they needed. Order tracking software packages were implemented to ensure customers know what products are in their shopping carts at any time, and shipping status after the order has been placed. Automated self-serve phones were added so that customers would be able to direct themselves to answers of standard questions. Email links were included on the website so customers could pose questions that they could not answer themselves from visiting the website.

Companies hoped that by allowing customers to self-serve, they would become more satisfied and more loyal. This hopefully would also allow companies to reduce call center cost as less support questions would come to their operators. The anticipated results were: extended support hours and increased profit margin.

What companies did not anticipate was that with all the efforts spent, research showed that even though 74.5% of consumers used company websites to get information about products and services, only 44% of consumers believe the information available on most company's websites met their needs. Why? Because the information provided were static and not dynamically tailored to the customer's personal needs. "As self-service transactions replace personal interactions, the ability to shape customer experience depends on the online tools and content provided," explained Tom Sweeny, principal and co-founder of the research firm ServiceXRG. The lack of human interactions projected a sense of detachment, created a sense of lower online customer service support, and affected purchase activities.

Improving online customer service becomes increasingly important and should be on companies' radar in an age where bad news can travel at the speed of a keyboard click. As Derek Gehl wrote in his enterpreneur.com article, "online, a seriously ticked-off customer might not just tell 10 people; they might also write a lengthy rant on their blog, post comments on other people's blogs, write a negative review of your site on a shopping website, or criticize you on forums and message boards. Or all of the above."

With this in mind, many companies are making a full circle and coming back to channels that offer a "human touch", not as a replacement to all the self-serve mechanism they have put in place, but as a much needed alternative for the customers to gain a sense of connection with the companies. Telephone support is the most traditional method, allowing a customer to talk to a customer service representative once the line is connected. One drawback with telephone is that each customer service representative is only able to provide support to one customer at a time.

Click to chat is another alternative. This method marries the offline with the online, and allows the customers to cross the barrier by moving from the impersonal to the personal. Companies like Daimler Chrysler and Jenny Craig have used this method successfully to direct website visitors to their local locations so that a representative from a local dealership or location can speak with the prospect on the phone.

Live chat is a third alternative solution. Live chat allows the website visitor to stay offline, for people who are reluctant to pick up the phone yet still would like immediate response. It still

provides a personal connection, albeit virtually, humanizes the experience and increases the one-to-one connection. An advantage with live chat is that it allows customer service representatives to have chat sessions with multiple customers at once, minimizing customer sequential wait times and reduce staff count and cost. A Yankee Group study showed that a live chat agent for 1-800-Flowers.com served four customers concurrently within six minutes, compared to twelve minutes if they were serviced sequentially. The study also showed the servicing cost dropped by 30% due to less email follow-ups and less processing.
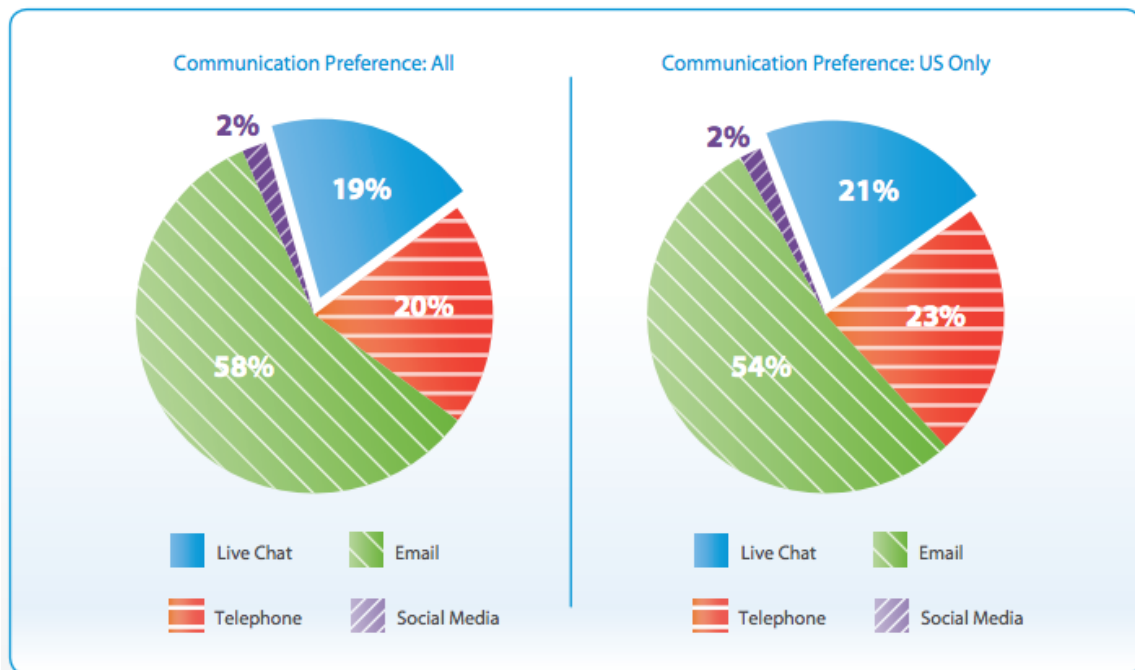
Live Chat

Live chat is by no means a new phenomenon. Online social network companies like Paltalk have been using chat to allow members to connect and communicate ideas for years. Even Jason Hughes, blogger from tvsquad.com, posted a note to invite the audiences to join the reality TV show American Idol chat session just before the show began.
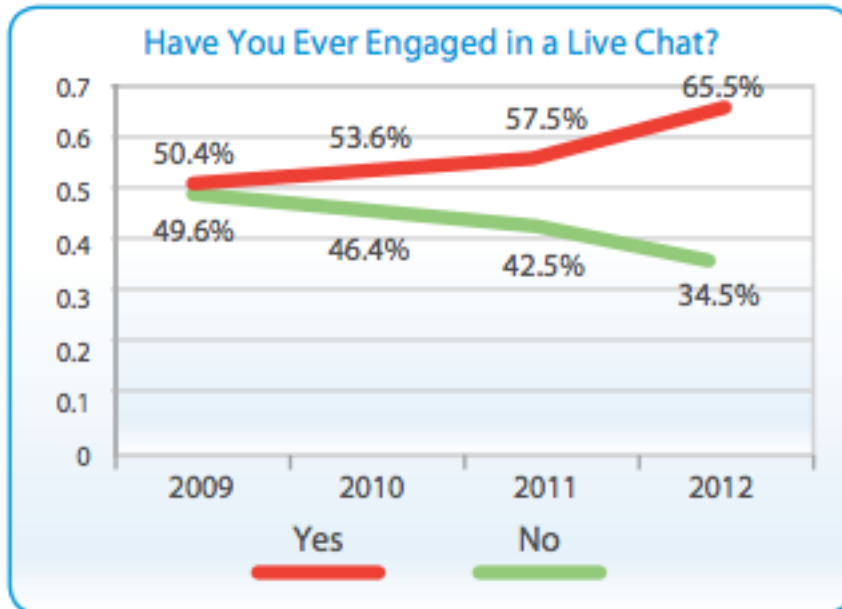

The concept of live chat is starting to be adopted by the corporate sector as well.

(source: the E-tailing Group – Live Chat Effectiveness 2012)

Although Live Chat has the second lowest percentage in this chart, at 21% in the US, it is poised to gain momentum and has a great potential for adoption.   Many companies are already finding various ways to utilize live chat to not just complement their support channel, but assist with sales and marketing efforts as well.

Have You Ever Engaged in a Live Chat?

Year	Yes	No
2009	50.4%	49.6%
2010	53.6%	46.4%
2011	57.5%	42.5%
2012	65.5%	34.5%

"With adoption likely to continue at this rate, three quarters (75%) of the regular shopping population will have engaged in a live chat by the time we publish this report in 2013. In fact, there is reason to believe we can expect exponential growth beyond these findings."
(source: the E-tailing Group – Live Chat Effectiveness 2012)

Lead qualification

Companies like IBM are starting to test the effectiveness of using live chat to complement sales and marketing efforts. Pam Evans, senior Web marketing manager for The IBM Software Group, said at the Direct Marketing Association's B-to-B Marketing Conference in Orlando, Fla., "it helps us qualify leads and pass them on to our sales reps."

Reseller support

ResellerClub, activated live chat support so that they can better support their resellers. The resellers were able to click on the module, get in touch with the domain reseller and web hosting support team, and receive answers to their queries in real time. This aided in reducing the response time, which ultimately increased their resellers' sales.
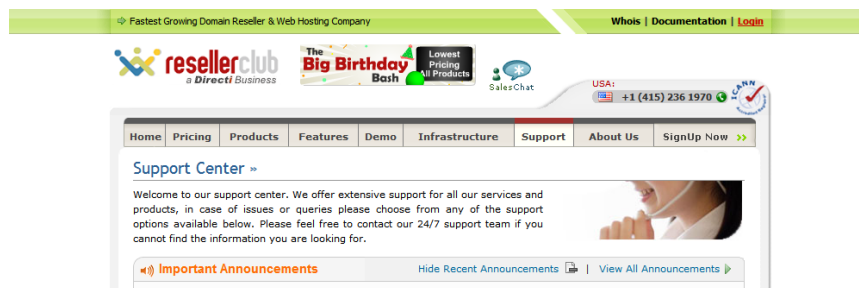
Source: ResellerClub.com

Proactive assistance to convert additional sales

Proactive assistance means helping people before they leave, instead of trying to get them back after they have left. If the online shopper has been spending a considerable amount of time on a number of HDTV recorder pages on your website or has placed two different HDTV records in his shopping cart, it is very likely he wants to make a purchase. A proactive chat request may help the shopper make the choice and cement the purchase.

A research by E-Tailing Group showed that only about 50% of site visitors who put items in their shopping cart actually completed the transaction and made a purchase. With proactive live chat help, however, that percentage could be increased.

In the case of Earthlink, with 3 million visitors going to Earthlink's website each week, 70% of the site visitors were leaving without becoming a customer. The sales team determined via testing the right scenario and timing to pop up a live chat request box, and was ecstatic with the results they achieved: 15% of the chat sessions initiated by the company resulted in a customer sign-up, and directly contributed to the bottom line.

Build trust and loyalty

As Paul McCord puts it succinctly, "selling is not so much about the features of our products or services – or even the benefits the customer receives. Rather, it is about our relationship with the customer. People do business with people they trust."

Live chat is a great channel to leverage and provide accurate information, give right advice, and find out what customers expect while he is still online. Live chat provides the right place and the right time to build the customer's trust, so he becomes an ongoing customer that generates more purchases instead of a one-time website visitor.

Customers of Outsell certainly embraced the concept of live chat, and used the service during all aspects of the customer life cycle, from researching, to buying (70%), to maintaining their vehicle (30%). On average, the company generated 3-5 vehicle sales a month due to live chat.

Increase customer satisfaction

Historical statistics showed that it took 46 years to outfit 30% of the population with electricity, and yet it only took 10 years for 70% of the population to get connected with the internet. The speed with which information flows since the start of the internet age in 1989 has also raised the consumers' expectation on response times. To the consumers, fast response times equates to high customer service level and high customer satisfaction. The immediacy of the response is no longer a nice to have. It is essentially a must for companies who want to compete successfully.

E-Trade Mortgage improved its customer satisfaction ratings as well as new customer success rates in the first six months after it introduced a live chat component on their website.

Cisco leveraged the web self-help and live chat extensively. A customer survey conducted by the company showed that the customer satisfaction score increased from 3.4 to 4 (out of 5).

Better support

The ability to type in a question in your own words, and get an immediate response from a live agent is an enticing proposition.   Isn't it even better if the agent is able to direct you to the right place to review the information, or remotely perform tasks that would resolve your issue?

That is exactly what happened to Rollo Channing. She went on the internet looking for something that would stop her bed from sliding on the floor. She used the keywords "caster brakes" and "rubber roll stoppers", but was not able to find what she needed. Then she found CornerHardware.com, and clicked on live chat. The live chat agent told her the right term was "furniture clips", and "pushed" the "furniture clips" web pages to her. This saved her from going back to the browser window and finding the page.

Due to the better support she received, she bought $35 worth of other products in addition to the $2 furniture clips that she came to look for.

Cross-sell / Up-sell opportunities

Live chat provides a great opportunity to cross-sell or up-sell complementary products or services. For Sam Bruni, Backcountry.com's Director of Customer Experience, the initiative certainly paid off. "The chat conversion rate is 15 to 20 percent, while the general site conversion rate is only 1.7 to 2.0 percent."

Cross-sell / Up-sell Channels
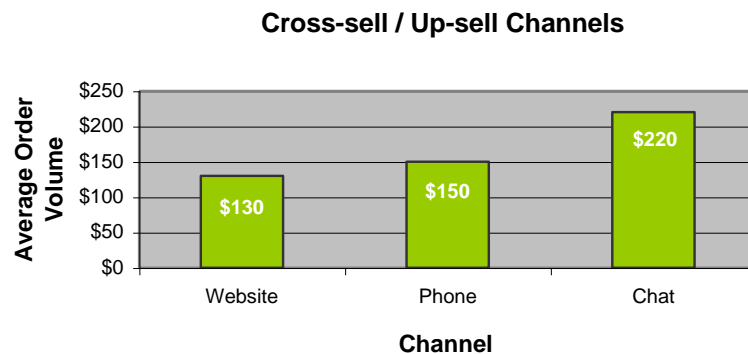
Source: Sales Clerks Who Really Clicks with Customers, 1to1 Magazine,

Conclusion

Online consumers today have high expectations. They are savvy internet users, starved for time, have little tolerance for inferior online customer service, and are quick to leave if they feel under-served. They have come to demand the same good service they have received offline for years. When they experience good online customer service from a competitor, they will invariably pose the question, "Why are you not able to provide the same customer experience?"

"You have to provide great service," Joey Schultz, Vice President of Consumer Marketing, AT&T says. "Not good, not OK, but service that makes a customer really think twice about switching when presented an offer from a competitor. Company perception and brand recognition are important, but I've found it's most important to get it right the first time, be professional, and deliver what you say you will."

Live chat is just one in a multitude of strategies that you can use to improve online customer service and elevate customer experience. Regardless of which strategy you utilize, making your business strategy customer-centric will go a long way to ensuring you deliver to your online customers the best customer experience possible.

20 Best Practices for Implementing Live Chat

Incorporating live chat into your existing online customer service strategy can be a daunting task. Here are 20 best practices to get you started:

1. **Implement live chat as a complement to existing self-serve tools**

   Many companies have already implemented many of the following self-serve channels: FAQs, order tracking, product and service pages on websites, easy website navigation, email support, and 1-800 number phone support. These are all valuable self-serve tools companies should still leverage to provide good online customer service. Live chat should be used as a complementary tool, to nudge the online customer service from "good" over to "excellent".

2. **Integrate live chat with your company's centralized database, to leverage data collected on the customer from multiple channels**

   You have collected large amounts of data on your customers using multiple channels. You should know a lot about your customers already, based on those data. Integrate live chat with your company's centralized database, so that you can allow the live chat agents to leverage the customer insights already gained, personalize the interaction with the customers, and dramatically improve the customer experience.

   As Disney's execs put it, you should "know the guest well enough to always know the next step, which sometimes might even be to do nothing at all."

3. **Test to determine the best strategic places to offer live chat on website**

   Live chat offering does not need to be on all pages of the website. Strategic placement ensures that live chat is offered only where it makes sense, to manage costs wisely.

   Tod Famous, product manager of the Applications Technology Group at Cisco Systems, points out, "some clients only offer live help at a certain point in the process, say, when you have an item in the shopping basket or when you have tried self-help. Fidelity, for instance, offers a call-back button only to higher-value clients," he notes.

4. **Test best scenario to engage in proactive live chat**

   Empirical data have shown that engaging shoppers in a proactive live chat at the right time can increase the chance for a sale. Try different scenario and closely monitor the results to determine what circumstances are the best to present a live chat request to the customer. Furthermore, make the request to chat more personal, using information from the current site visit as a starting point. This way, the offer to help is relevant to what the shopper is looking for, and increases the chance that he or she will accept the live chat request.

5. **Customize chat window with your company logo**

   The chat window should have your company's logo. The consistency would make customers feel more comfortable interacting with you using live chat.

Backcountry.com initially made its live chat request boxes look like fancy marketing messages. Not happy with the results they received, Backcountry.com changed the request box to look like a standard chat invitation with Backcountry's logo. "The change instantly doubled our acceptance rates," noted Sam Bruni, Director of Customer Experience at Backcountry.com.

6. **Provide ability for live chat agents to select canned responses for message consistency**

When live chat agents are able to pick from a list of canned response templates, it increases the response efficiency, keeps the messaging consistent, and retains the quality of the responses being replied back to the customers.

7. **Write templates in a tone that is consistent with the style of your company**

If you use a serious tone for the template wording, while your website uses a fun and relaxed voice to promote your outdoor adventure company, there will be a disconnect between the experience the shopper receives using live chat versus navigating through the website. The template wording should be consistent with the style of your company.

8. **Anticipate as many scenarios as possible when creating the templates, and create a comprehensive template library**

Start with the internal knowledge base, anticipate as many scenarios as possible, and craft a response for each of the scenarios. The more thorough effort spent at the start of the implementation means live chat agents won't have to come up with custom response themselves if they cannot find a suitable answer.

9. **Refine canned responses to ensure message is short, to the point, and factually correct**

At this day and age, where time is luxury, shoppers are less inclined to read long responses and decipher complex information. When crafting canned responses for live chat agents, ensure you continuously refine the wording so that the message is short, to the point, and factually correct. Nothing irritates the customer more if he receives erroneous information.

10. **Allow chat agents to provide custom responses if he cannot find suitable answers from the template library**

Invariably, there will be scenarios that were not covered during the initial template library creation. Live chat agents should have the ability to venture outside of the template library, and provide a custom response based on the shopper's question.

11. **Review chat logs to help craft additional live chat templates**

Any custom responses crafted by live chat agents should be reviewed. Changes can be made to any that require revisions, and the answer can be added to the library to continuously expand the content.

12. **Train the agents well before he starts the job**

The live chat agents should be well trained, have knowledge of the possible answers in the library, know where to look for additional answers, and well versed in the company tone in case he needs to craft his own answers.

13. Ensure agents always review the session log, or prior conversation if session was passed from another agent, before responding

If a chat session is passed from one agent to another, the receiving agent should always review the session log before responding. There maybe information already presented or questions already asked by the previous agents. Using the information already gathered can ensure the shopper receives the best customer experience possible.

14. Establish firm guidelines on customer response time, reporting and trend analysis, and monitor the agents to ensure operating within the guidelines

Establishing a firm guideline ensures all live chat agents operate on the same page, and provide consistent service no matter which agent the customer is connected with. Monitoring the agents ensures that data are collected for trend analysis and used for possible future process improvements.

15. Ensure agents do not make customers repeat themselves

Customers can get irritated when asked to repeat themselves multiple times. If an agent receives a session transfer from another agent, the standard procedure should be to read through prior conversation before responding. This way, if a piece of information has already been provided by the customer, the agent can avoid asking for that same information again.

16. Anoint the agents as "loyalty warriors". They should always serve first, sell second

Live chat agents are your front line loyalty warriors. They go into battle everyday to ensure they help you win your customers' loyalty. The idea of "serve first, sell second" should be indoctrinated within your agents so that they provide the best service possible first and gain the customers' trust. Trust is then followed by loyalty.

17. Collect metrics to gauge effectiveness and customer satisfaction

Collecting metrics is the best way to find out the current state of affairs. Knowing the type of requests requiring live chat agents' attention, amount of time for the agent to answer the questions or resolve the issues, number of concurrent sessions agents are able to handle on average, and customer satisfaction levels can all enlighten the company executives on what further improvements can be achieved.

18. Develop trust by getting back to customer if there are any follow-ups

If there are any follow-ups to be carried out after the live chat session ends, agents should follow through with the follow-ups to further develop trust. People buy from people they trust.

19. Use feedback from live chat sessions to continuously improve other online channels – revise website navigation, add missing information, etc.

When Houston Zoo came out from under the city's budgetary control and became its own non-profit entity in July 2002, zoo officials completely revamped the website and also added a live chat feature on the site. "This was an immediate way to show the public that we're here," said Meg Alexander, Director of Interactive Marketing. Lots of people used the live chat to ask about zoo hours, prompting the team to realize the hours of operation was not prominent enough. Meg's team immediately made a slight change to the website, so that the hours information is easy to find.

Source: www.houstonzoo.com

20. Use real-time information carefully, without appearing to be intrusive

Approaching web shoppers, according to Martha Rogers, founding partner of Peppers and Rogers, is a dangerous game. Companies should be sensitive to online shoppers' freedom to browse, same as browsing in a brick and mortar retail store, and provide assistance only where needed.   Using real-time information to offer assistance is a reasonable support method. However, if a customer shows resistance in communicating with an agent as a result of a proactive live chat request, the agent should back off immediately.

About BambooCricket

Bamboo Cricket is an innovative service provider that helps you complete the communication circle with your customers. We want to help you improve the online customer experience each of your customer has with your company. The Bamboo Cricket team is here to make your life easier. We consider ourselves an extension to your team.

Although our application is extremely easy to use, we will work with you every step of the way to ensure that you are aware of all the capabilities it can offer.

We want you to get the most out of our technology, and succeed.

Contact us today:
Bamboo Cricket (US)
777 South Flagler Drive,
West Tower, Suite 800
West Palm Beach, Florida 33401

Bamboo Cricket (Canada)
1155 North Service Road West,
Unit 11,
Oakville, Ontario, L6M 3E3

Toll Free: 1-800-260-8050
Tel: 561-515-4546
Fax: 561-653-3990

Sales: sales@bamboocricket.com
Support: support@bamboocricket.com
Product: product@bamboocricket.com
Media Relations: media@bamboocricket.com
Careers: jobs@bamboocricket.com
General: info@bamboocricket.com