



Four Steps to Chalk Out an **Effective Live Chat Strategy**

Brands need to focus on delivering the best in-store experience online in order to remain competitive. Even as the buzz around social media keeps growing by the day, online chat is becoming an efficient and effective online tool that offers a customized, real-time



solution. Although live chat is an extremely popular tool, which can be deployed by companies to keep customers engaged online, it has been under-utilized. A satisfied customer translates into business growth and, hence, it is important for companies to execute their live chat strategy in a planned manner.

Readiness for Live Chat

Many global companies with a strong online strategy still do not offer chat as a Web stickiness and sales boosting tool. One of the primary reasons why companies shy away from chat has been their inability to arrive at a potential ROI pre-deployment or realize post deployment ROI, leading them to question the suitability of online chat as a customer experience management channel. In most cases, the failure of online chat as a customer support channel can be attributed to a flawed execution strategy.

Organizations, intending to set up an online chat strategy and those who have been unsuccessful in their attempts, can optimize the online customer experience by implementing the following four steps:

1. Evaluate Business Need

Brands must first understand how Web chat fits into their overall business strategy. It is important to agree on the purpose of introducing a new channel. For instance, brands need to evaluate these questions:

- Will it reduce costs through channel deflection?
- Will it improve customer satisfaction (CSAT) by reducing customer effort and Web containment?
- Will sales improve if chat is deployed at specific dropout points on the Website?
- Will it generate leads if the agents engage with specific customer segments?

Benchmarking existing channels on identified goals is an important step for companies to decide if a new channel is actually going to supplement or optimize the existing effort. The general approach is to first work on a pilot project for a single business goal. After evaluating the impact, an online chat strategy is devised and the activity is scaled up.

2. Select the Appropriate Chat Platform

Once the organization has evaluated the need for Web chat, the next important aspect is to select the right platform. Platform failures could be counter-productive and drastically impact CSAT. An organization needs to think about the following factors:

- Should the organization host the platform or use a Cloud-based one?
- Should it employ a reactive platform or a proactive one?
- Should the platform support 'passive assist' or 'active assist' method of guiding the customer on live chat?



Data security features and reporting capabilities like transaction history, chat transcripts and metrics must be analyzed. Customer-facing features like encryption, typing notification, ability to change font size and page pushing should be carefully scrutinized. Companies must also look at the ability to push CSAT surveys at the end of a chat session, and have measuring and reporting capabilities. The service platform must be scalable and sustainable, and allow for innovation to stay ahead of the curve.

3. Complement Self-serve

The chat engine must not defeat the Website's primary purpose of 'self-serve'. Web users are mostly in favor of browsing without assistance but may look for support at times. To get this balance right, companies must offer chat intelligently – targeted at specific Web dropout points, key acquisition and sales trigger points, to work around known shortcomings of the Website or to support sales conversions, up-sell and cross-sell. The golden rule for online chat is to complement Web self-service and not replace it. Targeting 'self servers' too early could unnecessarily increase the cost of customer care and needs to be dealt with carefully during execution.

It is important to build the right business intelligence into your chat platform to make sure that it works as a tool to either overcome the limitations of the Website or supplement business objectives like improved sales or CSAT by focusing on key dropout points like home page, product page, features page, payments page, and so on.

4. Manage Customer Experience

Customer experience management is the most critical aspect of the execution and there are multiple trigger points. While chat is a more informal channel compared to phone or e-mail, the customer still expects a brand appropriate, quality experience. Some of the important aspects of customer experience management are given below:

■ Agent skills

For chat agents to be successful, they must focus on reducing the customer effort, personalizing the interaction and playing the role of a facilitator and maintaining the 'human element' online.

Agents must be trained to:

- ✓ Spend more time to build rapport and uncover customer needs
- ✓ Cross-sell and up-sell (through the use of links, videos and other sources)
- ✓ Engage customers through a meaningful conversation flow

- ✓ Complement Web self-serve with the appropriate Web navigation skills
- ✓ Provide short, to-the-point responses in a single chat session
- ✓ Comply with information security protocols when taking control of the customer's Website
- ✓ Manage customer complaints through text
- ✓ Effectively facilitate sales
- ✓ Represent the brand online
- ✓ Appear seamless
- ✓ Manage dead air on chat forums

■ Metrics to measure ROI

A Business Process Management (BPM) partner with experience in designing and deploying online chat strategies can work with organizations to develop the right set of metrics to measure the impact. The BPM partner can provide a comparison of online chat vis-a-vis other channels like e-mail or phone, thereby enabling the client to arrive at the real benefits of deploying online chat. It is important to measure the following:

- ✓ 'Cost-per-contact' by comparing the cost of service across channels. Managing multiple chats simultaneously helps improve overall agent efficiency compared to phone and e-mail
- ✓ 'First Contact Resolution' to compare effectiveness of real-time chat over emails
- ✓ 'Shopping Cart Abandonment Rate' to compare online sales, pre- and post-deployment of chat
- ✓ 'Average Order Value' to gauge agents' skills in up-selling and cross-selling
- ✓ The 'Sales Conversion Rate' or 'Revenue per Chat'
- ✓ The 'Deflection Rate' with query typed from more expensive channels. This helps optimize resources across channels and calculate drop in 'Cost of Ownership'
- ✓ The 'Deflection Rate' with query types to more expensive channels. This helps gauge and measure effectiveness of chat as a tool, and ideally only complex queries should get deflected
- ✓ The 'Escalation Rate' to measure Level 2 queries and build a stronger knowledge base and a more robust training module
- ✓ 'Customer Satisfaction' that helps measure the success of the chat session
- ✓ 'Internal Quality Assurance Score' that measures compliance of processes defined internally

- **Work Force Management (WFM)**

Within the online chat channel, forecasting and scheduling of resources is tricky and BPM firms can work with clients in the area of WFM. A probability algorithm must be run using business rules and the probability of offering chat on the basis of the number of unique visitors daily and peak time utilization of the Website.

Organizations must take a gradual approach to building their chat teams. Some smart chat platforms can also proactively push a chat only if an agent is available, thus balancing the 'Customer-to-Agent' ratio intelligently. Service providers need to employ best-in-class WFM practices to optimize resources across channels of service, including chat.

Benefits of Using Online Chat

- **Increased interactivity and consumer engagement**

Live chat is a great platform to create a satisfying experience for the consumer, one that is personal and memorable. Companies can use attractive live chat graphics to greet users and also offer proactive chat options for targeted assistance

- **Reduced costs**

Live chat is cheaper than handling phone calls at a contact center

- **Shortened sales process**

By providing instant solutions to customers and reducing shopping cart abandonment, companies can use this platform to up-sell and cross-sell and, thereby, increase sales

- **High operational efficiency**

Support agents can serve several customers simultaneously (scripted answers can be copy-pasted)

- **Scope for customer data analytics**

Live chat provides customer details (location, keywords used, and so on) that serve as a data pool to cull insights from research and analytics

Clearly, live chat strategies can help businesses maximize their customer's online experience. However, building the right platform and tools for this increasingly significant customer service channel requires careful planning and execution. A BPM partner like WNS with deep expertise in customer care processes can help companies build and deploy an effective live chat strategy. It is a potent tool to develop and retain customer interest in a brand.

To learn how we can help extend your enterprise,
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