

Best Practices: Online Chat Sales

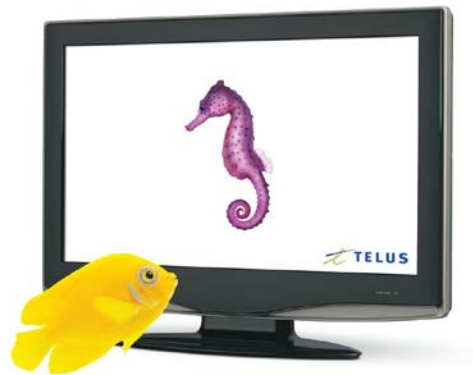
Boosting customer service & sales

Part of the *Best Practices Online Chat* series by global business process outsourcer, **TELUS International**.

- *Includes Chat Best Practices Checklist*

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- Boosting Chat Sales over \$1.2 Billion – *Case Study, global tech company*
- Reducing Customer Effort in the Chat Channel – *Chat verbatim analysis of industry leaders*
- 10 Grammar Rules for Chat Agents – *What every Chat agent needs to know for clear communications*
- Chat vs. Voice Cost Comparisons – *Understanding the Economics of Chat*

Overview

Online retail sales in the U.S. are forecast to grow to \$370 billion by 2017.¹ This presents a tremendous opportunity for companies to grow their customer base and provide top-notch customer service and sales within the online environment.

According to Forrester, when it comes to customer service, email, IVR and voice are all on the decline, while the use of chat, mobile apps, social media, video and web self-serve continue to rise across industries. Looking at chat specifically, this may not be surprising—especially with evidence of increased sales ROI, as well as higher CSAT scores over voice.

The use of chat, mobile, apps, social media, video and web self-serve continue to rise across industries.

What is surprising, however, is that a number of leading online retailers do not offer chat specifically for sales. And when chat is offered, the overall customer experience can still be improved.

To validate best practices for online chat sales, TELUS International analyzed 60 in-depth chat sessions with six Fortune 500 companies focusing on the qualitative metrics of an ideal online chat sales session. The results were scored against three major criteria that contribute to the total customer experience:

1. Agent skills
2. Chat system features
3. Communications style

Our observations and recommendations for best-in-class sales chat are detailed in this paper.

Online chat growth & preference

As consumers migrate online to conduct their business transactions, the influence of chat on the customer experience will continue to increase. Numerous studies and reports confirm this. Below are just a few data point examples:

- BoldChat, a live chat software provider, found that 47% of “live chat fans” (described as people who prefer live chat as their communication method) are more likely to purchase from a site that has live chat.²
- eDigital’s Customer Service Benchmark survey of 2,000 consumers found that live chat had the highest satisfaction levels for any customer service channel at 73%, compared with 61% for email and 44% for phone.³

¹ Forrester Research – U.S. Online Retail Sales, 2012 to 2017

² BoldChat – Live Chat Effectiveness Study (2013)

³ eDigital – Customer Service Benchmark (2013)

Proactive vs. reactive chat

Online chat can be deployed in different ways. Some platforms are designed to be reactive. They require the user to actively click a button on the host's website to "chat with us." Other vendors favor a proactive approach. Instead of waiting for a potential customer to click the button, they invite website visitors to engage with an agent. This invitation, generally in the form of a pop-up window, is triggered by a variety of pre-determined criteria, ranging from abandoned shopping carts, a set of page views, or the appearance of high-value customers.

Again, according to BoldChat's Live Chat Effectiveness Study, proactive chat receptivity remained high at 64%. This is only the case as long as the proactive chat invitations do not interfere with online shopping experiences.

Benefits of online chat for sales

Online chat delivers rapid, personalized and timely communications through direct interaction, resulting in a wide range of benefits:

- Chat can shorten the sales process by creating additional positive impressions that move a prospect quickly and efficiently through the sales cycle while resolving customer issues and objections immediately.
- Chat can help close sales by allowing agents to recover customers before they abandon an online transaction and/or assist them with the completion of order forms.
- Chat allows for increased transaction values by creating up-sell and cross-sell opportunities.
- Chat agents can multi-task. Well-trained and well-equipped agents can handle multiple chats simultaneously (referred to as chat concurrency) due to the time it takes customers to type in their questions or view information – all without sacrificing customer experience.

Sales chat – still a limited channel?

Despite the benefits and the general appetite for online chat among the public, online chat specifically for sales is often unavailable and/or the customer experience can often be improved. While there have been significant developments to chat platforms, technical aspects of the chat channel often overshadow the importance of the human aspects of the customer service engagement. Correctly implemented, chat can re-introduce the "human element" into the online interaction to significantly enhance the quality of the total customer experience.

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Online sales chat benchmarking

To examine the metrics of the ideal online chat sales session, TELUS International analyzed chat sessions across a variety of industries. This research focused on the qualitative benchmarks of e-commerce chat services specifically, analyzing companies that lead their industries in terms of customer experience. In-depth critiques of chat sessions were conducted to determine best practices to maximize both customer experience and ROI.

Six companies with established online chat sales programs were selected, three of which were industry leaders in the consumer electronics segment and three of which were noted for their superior customer service. The companies analyzed include:

- A consumer electronics innovator
- A large technology provider
- A big box electronics retailer
- An online specialty retailer
- An upscale clothing retailer
- A large office supplies retailer

At the time of analysis, all of the benchmark companies offered reactive chat only. The majority of them offered chat seven days a week.

A total of 60 in-depth chat sessions were conducted with our six benchmark companies. Chat sessions were scored by subject matter experts in the fields of communications, editorial, marketing and contact center excellence across 20 variables covering three weighted focus areas:

1. Agent skills
2. Chat system features
3. Communications style

1. Agent skills

Agent skills are critical to delivering a positive customer experience. In order to evaluate agent skills, six key variables were identified for benchmarking purposes. These variables and success attributes included:

1. **Average Response Time (ART):** Average response time refers to the time between customer questions and agent responses. The customer expectation is real-time response. For the ideal chat session, responses were provided within 30 seconds.
2. **Expectation setting:** Expectation setting focused on whether or not the agent gave an estimated wait time for delayed responses.
3. **Accuracy of responses:** Response accuracy is paramount to ensuring customer satisfaction and maintaining the overall integrity of the brand. For benchmarking purposes, chat transcripts were analyzed for inaccurate, conflicting or confusing information.

4. **Direct objective responses:** Best-in-class chat responses directly answered customer questions, included only one or two ideas per response, and avoided promotional copy.
5. **Conversation flow:** Customers expect a personalized, brand-appropriate experience, even when using online chat. Ideal online chat conversations needed to flow with the appropriate use of scripted vs. free-form responses.
6. **Patience:** Questions should be resolved accurately while agents drive to closure. Agents should not rush a chat session to hit efficiency metrics.

Observations

As expected, some of the most skilled customer service agents were associated with a company whose business is entirely focused on online sales.

Our analysis of the transcripts highlights the general importance of problem-solving and the fact that less scripting and more proactive solutioning led to significant improvements in customer satisfaction. Overall, an agent's ability to move beyond standardized procedures led to improved conversation flow and improved general engagement. The best agents solved problems and found additional information quickly.

An agent's ability to move beyond standardized procedures led to improved conversation flow. This improved general engagement.

Further, the Online Specialty Retailer agents were empowered to offer incentives, such as expedited shipping, in order to close the sale. This also contributed towards increased customer satisfaction.

In the case of lower-scoring chat sessions, agents tended to give delayed responses and the quality of the answers did not reflect the time taken to gather information. Low-scoring agents failed to respond directly to questions, gave vague answers, answered questions with questions, shared hyperlinks that did not work, and used unnecessary promotional copy. As a result, the conversation flow tended to become awkward and forced – often brought to an abrupt close as agents rushed customers off the chat.

In some of the lower scoring chat sessions, we observed customers being pushed to a non-preferred channel in order to resolve their question, typically to an 800 number. When higher scoring agents encountered an issue they could not resolve, they offered to instantly connect the chat to another department in addition to providing an 800 number for later follow-up. In general, among the higher scoring chats, agents tended to be accountable to all customers, and not just the sellable ones.

2. Chat system features

Chat system features from the chat window or the platform itself are critical to enabling online communications and setting customer expectations. When evaluating a successful sales chat offering, the following nine variables were examined:

1. **Hours of operation:** Did the chat system set customer expectations with posted hours and days that chat is offered, including time zones?
2. **Chat transcripts:** Did the chat system provide the ability to save or email chat transcripts for future reference?
3. **Typing notification:** Did a message appear when the agent was typing a response?
4. **Queue position:** Was a queue number provided to set expectations on wait time?
5. **Wait time:** Was an estimated wait time for reaching an agent provided?
6. **Entitlement process:** Was the completion of an online form required to enter the chat session? And was there a balance between collecting enough information to inform the chat session vs. burdening the customer with forms too early in the interaction?
7. **Encryption of sensitive information:** Did the system automatically mask personal information?
8. **Added features:** Did the chat window provide additional features such as changing font sizes or hyperlinking to security information?
9. **System availability:** Was the chat platform reliable? Did customers experience a system lag time or dropped chat session?

Observations

In our review, the ideal chat system highlights the importance of customization, as well as providing customers with easy access to information and a strong sense of security. The high ranking Big Box Electronics Retailer provided a highly customizable chat system which included the usual standard features along with easily obtainable transcripts, personalization options such as the ability to increase fonts, and upfront hyperlinks to their security and privacy policies. The Upscale Clothing Retailer also scored well by providing encrypted number masks as customers typed their personal information in the chat window.

Provide customers with easy access to information as well as a strong sense of security.

Lower scores were correlated with chat sessions where the platform was unable to provide complete post-session chat transcripts via email. In addition, there were inconsistencies in the availability of the chat service, and the live chat option was frequently dropped from the website. When chat was available, system lags and conflicting hours of operation hindered

access to agents. Even during posted chat hours, agents were often unavailable. This led to customer frustration and disengagement.

To solve some of the chat system availability concerns, it is worth considering the use of dynamically available chat icons which only present themselves when agents are available to answer chat requests.

3. Communications style

The final area analyzed was communications style – a critical element in conveying brand and agent credibility. The following five variables were analyzed for benchmarking purposes:

1. **Brevity and staying on point:** Chat users expect instant gratification. As a result, the ideal chat session should keep sentences short and to the point. Responses must directly relate to the customer question.
2. **Grammar, spelling and sentence structure:** Writing effective chat communication can be an art. Responses must adhere to most grammatical rules, including capitalization and punctuation. Accurate spelling is critical to support agent credibility. The most important content should appear at the beginning of responses. Formal responses require the use of complete sentences, whereas less formal responses may contain sentence fragments.
3. **Voice and tone:** Voice and tone should reflect corporate identity and chat should conform to the personality of the site (e.g. informative, professional, innovative). Voice should express the mood or feeling of the conversation (e.g. friendly, upbeat, conversational) in order to humanize the online experience.
4. **Terminology:** Language used should have mass appeal. Regional slang, clichés and other local references should be avoided. Minimize the use of technical terms and acronyms that may not be familiar to readers.
5. **Personalization:** For a best-in-class chat experience, agents should use the customer's name and other customer-provided information to personalize their responses as much as possible.

Observations

When evaluating chat communications style, the Upscale Clothing Retailer scored highest. Their customer service agents were professional and consistently applied proper grammar and punctuation in all sessions. In general, the chat experience simulated having one's own personal shopper on the website.

The most effective chat agents kept their responses short and to the point, often including a link to further explain more complex issues such as website security, shipping policies and data encryption.

In contrast, the lowest scoring chat sessions featured agents that tended to be impersonal. This was compounded by poor grammar and word choice which added unnecessary confusion to the sales process.

Our observations confirm the importance of hiring and training agents for writing skills. While smiley faces, shortcuts and even occasional typos are acceptable in a chat interaction, too many mistakes appear unprofessional and detract from a company's brand. Verbose, highly technical explanations should also be avoided. Ideally, answers should be kept short with scripted phrases carefully used to avoid coming across as stiff and formal. In addition, conversations should include multiple exchanges and back-and-forth messages to simulate a real conversation.

Finally, with company websites offering a wealth of information, agents should leverage web content as a way to provide more detailed information, with the caveat against simply pushing URLs that force customers to hunt for the information. The best agents gave succinct answers to customer questions and then asked permission to send a URL for further information on the customer issue.

Customer experience – bringing it all together

Agent skills, chat system features, and communications style all contribute to the total customer experience. Overall, the Upscale Clothing Retailer achieved the highest ranking in our study. In reviewing the highest rated chat experiences, attributes related to agent skills included the ability of agents to respond quickly with relevant and personalized information that moved the conversation along a consultative sales path, as well as the presence of empowered agents who could break down process silos and collaborate with other departments in order to deliver coordinated and well-executed customer experiences.

With respect to chat systems, positive attributes included reliability and availability, and the best chat experiences featured automatic data encryption which enabled agents to complete transactions securely while supporting customers in their preferred channel.

Agent skills, chat system features, and communications style all contribute to the total customer experience.

Finally, with respect to agent communications style, the key positive attributes included clear and concise communications to convey meaning in the absence of vocal tone and facial expression, as well as correct grammar and word choice consistent with the brand promise of the company. These attributes were hallmarks of the highest ranking chat sessions in the study and are consistent with the high customer experience rankings earned by the selected benchmark companies.

As a final validation of our findings, we subjected another 150 of our own chat sessions to the same criteria. Since the primary metrics of online chat sales sessions would be sales related, we targeted the chat queues with the highest total contract value, contribution margin and total revenue. Those queues with the highest sales metrics were also the queues with the highest scores in agent skills, suggesting a strong correlation between sales ROI and agent skills.

Key customer experience variables are summarized in the table below, along with relevant customer expectations and performance metrics.

Chat policy imperatives

Agent Skills & Communication

Customer Expectations	Chat Policy	Performance Metric
Real-time response	Responses should be provided within 30 seconds	Average Response Time (ART)
Effectively facilitates sales	Questions should be resolved accurately and agents should drive to closure. Agents should be empowered to resolve basic problems or seamlessly transfer to other departments	Customer Satisfaction (CSAT)
Personalized, brand-appropriate experience	Responses should avoid scripting, adhere to basic grammar rules, and support the voice of the company	Quality of Communication

Chat System

Customer Expectations	Chat Policy	Performance Metric
Security and privacy	Enable agent to complete customer transactions through one process	Automatic data encryption
Fluid conversation	No lag time or dropped chats. Customers shouldn't have to ask, "Are you still there?"	Display queue position, wait times, and typing notification
Easily retain information	Customers can reference information they learned during a chat session in the future	Email or print chat transcripts

Integrating chat into the contact center — further considerations

In reviewing the chat interactions, a number of issues were identified that impact the way in which a chat platform is integrated into the contact center environment.

With respect to agent skills, the ability of an agent to provide correct and helpful responses is likely to be dependent on whether the agent is accessing a unified knowledge base. Chat systems and knowledge bases must be configured so that exactly the same information is available on the corporate website, from a live agent, or from an online chat session.

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Agents can quickly erode customer trust by providing conflicting or inaccurate information. In order to expedite the delivery of accurate information, the chat platform should also support real-time collaboration and internal instant messaging between agents, supervisors and subject matter experts within the contact center.

When acquiring a customer service platform for the web, building out the knowledge base is often the biggest investment. Knowledge bases are extremely difficult to port among different vendor's products, so the selection of a chat platform, or a more full-featured web customer service platform, is a crucial and strategic decision.

Integration of chat into the contact center CRM (customer relationship management) system is also important. To the extent that agents are provided the latitude to close a sale, bi-

directional integration with CRM or customer information systems is a requirement. Empowered agents need to be able to access customer information and previous interaction histories, if available, and have immediate access to business rules for closing the sale.

Recommendations

Given that agent skills may be a leading factor in effective online sales chat, there are a number of opportunities for improving the customer experience:

1. Train for chat. Educate agents about the differences between chat and phone-based selling. A good telesales agent will not necessarily be a good chat sales agent.
2. Teach agents how to construct a conversation flow that fits the needs of the customer and the online retailer. This includes the company's policy regarding the use of "canned" responses vs. free form.
3. Identify and train agents on the appropriate voice and tone to support the brand, and focus on the appropriate amount of personalization.
4. Ensure agents are trained properly on the chat technology platform itself and fully understand policies around chat-related functions such as co-browsing, document sharing, and page pushing.
5. Ensure agents possess significant and updated product knowledge, and understand the differences between up-sell options in order to maximize sales metrics.
6. Invest in writing skills. Agents, particularly offshore, require training on basic writing skills to ensure a consistent, positive customer experience.

About TELUS International

With locations throughout North America, Central America, Asia and Europe, TELUS International delivers contact center outsourcing and BPO solutions to some of the world's top brands. Our team members are passionate about sustaining our thriving contact center culture founded upon our value proposition to enable customer experience innovation through spirited teamwork, agile thinking, and a caring culture that puts customers first. Visit telusinternational.com for more information.

Appendix: Chat considerations checklist / summary

Agent skills		
Chat attribute	Basic description	Considered
Average Response Time (ART)	Set metrics for time between customer question and agent response	<input type="checkbox"/>
Expectation setting	Agents to provide estimated wait time for delays	<input type="checkbox"/>
Accuracy of responses	Avoid inaccurate, conflicting or confusing information	<input type="checkbox"/>
Direct objective responses	Provide direct answers to questions, devoid of promotional copy	<input type="checkbox"/>
Conversation flow	Provide a balance of scripted vs. free- form responses	<input type="checkbox"/>
Patience	Ensure chat sessions are not rushed to hit efficiency metrics	<input type="checkbox"/>
Chat system features		
Chat attribute	Basic description	Considered
Hours of operation	Hours and days of operation posted, including time zones	<input type="checkbox"/>
Chat transcripts available	Ability to save or email chat transcripts for future reference	<input type="checkbox"/>
Typing notification	Indication appears when agent is typing a response	<input type="checkbox"/>
Queue position	Queue numbers provided to set expectations on wait times	<input type="checkbox"/>
Wait time	Estimated wait time provided for reaching an agent	<input type="checkbox"/>
Entitlement process	Information collected prior to engaging customers	<input type="checkbox"/>
Encryption of sensitive information	Personal information masked on the system	<input type="checkbox"/>
Added features	Additional features provided like changing font size, or dynamic icons	<input type="checkbox"/>
System availability	Chat platform is reliable with no lag times or dropped sessions	<input type="checkbox"/>
Communications style		
Chat attribute	Basic description	Considered
Brevity and staying on point	Short sentences directly relate to customer questions	<input type="checkbox"/>
Grammar, spelling, structure	Effective communications support agent / company credibility	<input type="checkbox"/>

Voice and tone	Chat conforms to corporate identity and personality	<input type="checkbox"/>
Terminology	Language has mass appeal, minimizes technical terms and acronyms	<input type="checkbox"/>
Personalization	Agents use customer name and other personal information gathered during chat	<input type="checkbox"/>
Chat platform selection		
Chat attribute	Basic description	Considered
Unified knowledge base	Chat systems and knowledge bases configured to access the same information	<input type="checkbox"/>
Real-time collaboration	Chat platform supports real-time collaboration and internal instant messaging between agents and experts	<input type="checkbox"/>
Integration with CRM	Agents can access previous customer interaction histories to better close sales	<input type="checkbox"/>

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