

LIVE CHAT'S NEW ROI

Best practices for implementing
proactive chat.



Key Steps of Live Chat Implementation

- Pre-Implementation
- Reactive Implementation
- Operational Improvements and Baseline Reporting
- Proactive Goal Setting
- Proactive Implementation
- Continuing Optimization and Split Testing

Section 1: Introduction

Live chat has proven itself in the support world by providing fast return on investment through easily-achieved agent efficiencies. While the technology is still climbing the adoption curve, it's plain that support staff can only speak to one person at a time on the phone and, that live chat knows no such boundaries. While there is still ground to cover in the opt-in world of passive chat, the new frontier in web-based customer engagement technology lies within a more dynamic discipline – the optimization of invitation driven chats.

This whitepaper contains detailed information and step-by-step implementation plans which will help readers extract maximum value from pro-active live chat. BoldChat® has thousands of successful customers across 70 countries, here, we'll share analytic techniques, reporting recommendations, and realistic timelines for implementing a pro-active chat program that simultaneously increases conversions and boosts the individual value of each resulting transaction.

Its live chat's new ROI – the return on invitations.

Implementation Overview

For those already experienced with live chat solutions, it will come as no surprise that we do not recommend beginning immediately with a proactive chat implementation. To deliver positive results with such a technology, it is wise to establish a foundation using reactive chatting first.

That's not to say interested companies can't move quickly because, most assuredly, they can. BoldChat's six phase implementation plan, explored in detail in the next section, can be accomplished in just a few weeks.



Section 2: Implementation, Phase by Phase

Phase I: Pre Implementation

We've seen all kinds of live chat executions and the truly great ones have two things in common:

1. Well thought out planning based on site analytics, and
2. Sufficient resource deployment.

The old adage about an ounce of planning and a pound of cure is certainly true when it comes to a live chat installation. Haphazard implementations have little chance to deliver successful results and can even be detrimental to customer satisfaction. A minimal amount of analysis and planning can make the difference between a best-in-class install and an amateur one. Some of the items to think about during this phase include: desired chat volume, chat button placement, customizations/canned message development, and staffing.

Determining Chat Throughput

We feel it's important to dispel a live chat myth: placing a chat button on your website will not generate more traffic to your website. While this seems a pedantic observation, it is an important variable when calculating your organization's desired chat volume. Equally important is this live chat truth: there are people who visit your site today who don't call, who don't email, but will chat. In BoldChat's experience over countless installations, we've consistently found that there is a population of website traffic that prefers using chat as a communication mechanism.

Equally important is this live chat truth: There are people who visit your site today who don't call, who don't email, but will chat.

The number of chats you are likely to get will depend not only on your website's daily traffic but also on factors including the nature of your product or service, the demographic profile of your visitors, and so on. In general though, if you're working on a major chat installation, be prepared over time to dedicate 20% of existing phone/email staff to the chat operation. If you are a smaller sized business without this kind of resource flexibility, you'll want to implement in such a way that you can easily throttle chat traffic up or down. One way to do so is to think carefully about chat button placement.

Chat Button Placement

Button placement involves a series of tradeoffs between traffic maximization and quality control. To maximize the number of chat requests, you'll want to place the chat button prominently on well trafficked pages. The higher the button is on the page, the more chats you're likely to get.



However, many companies wish to be more discriminating about the kinds of chats in which they wish to engage. Using a site's traffic analytics, we make chat-button placement recommendations by identifying, for example:

- Site areas or pages with the highest conversions
- Top exit pages
- Funnel abandonment pages
- Product pages where chats are likely to increase upsell opportunities
- Complex product or services pages
- Check out pages
- Error pages

Customizations and Canned Message Development

The pre-implementation phase should also include the engagement of graphic designers (either internal or external) in order to ensure the proper branding of chat buttons and windows. Many chat solutions, BoldChat included, provide a standard set of buttons out of the box. While these are excellent options for smaller businesses, larger scale implementations are advised to tightly integrate the look of the chat capability into their overall site design.

Plan to develop your first set of canned messages during Phase I. Canned messages make chat operators immediately efficient.



BoldChat Best-Practice: For sales-focused canned messages, create two versions, partition them clearly in the software, and then train different sets of operators to consistently use one version or the other. Rotate operators after a week and then use reporting to reveal if one set of messaging is more effective than the other.

Staffing

Previously, in the “Determining Chat Throughput” section, we talked about some general guidelines to follow with regard to the number of people it will take to support a live chat implementation. Here, though, we want to make a different point. Many people worry about having enough people to handle the communication volume created by a product like BoldChat. We prefer to think of live chat, especially one intended for proactive chats, as a new sales channel. Thinking in this way makes chat volume seem less like a burden to be handled and more like an opportunity to be welcomed.

Phase II: Reactive Implementation

There are several reasons why a whitepaper focused on best practices in proactive chat would recommend that you start with the implementation of reactive or opt-in chat:

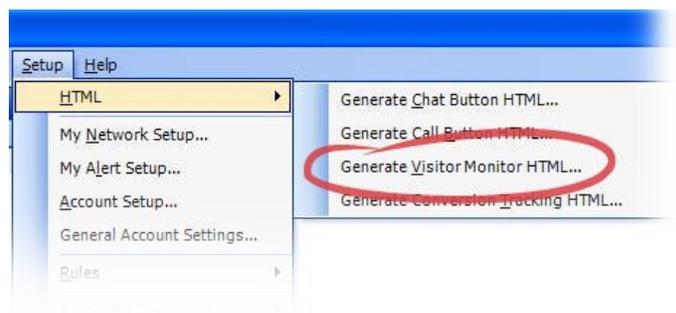
1. Allow chat operators the opportunity to familiarize themselves with the application. While BoldChat includes an incredibly intuitive interface, it is best to launch a proactive program with experienced operators. Allowing them a week or two to get comfortable is recommended.
2. Establish a baseline against which proactive chat's efficacy can be measured.
3. Determine the chat volume your organization can handle.



BoldChat Best-Practice: Chat solutions like BoldChat include “Chat not available” buttons like the one shown here. When you first implement, don't use a button which announces the unavailability of chat. If you want to gather data about when people want to chat with you, use the normal chat button all the time. Reporting in later weeks will show you if you're staffing your chat implementation at the right times.



During phase II, it is also important that you implement an integrated visitor monitoring and conversion tracking solution. BoldChat provides these features out-of-the box, and you're well advised to ensure that whatever solution you're working with does too. A chat implementation unlinked to real-time visitor and conversion metrics is not robust enough to support a successful proactive program.



Phase III: Operational Improvements & Baseline Reporting

After approximately a week, depending on your website's traffic, you'll have generated enough data from your implementation to be able to make significant enhancements to your chat processes. Integrated and robust reporting from your chat solution will be required so that you can easily establish an operational baseline, analyze key metrics against it, and act to improve.

During our engagements with customers, BoldChat professionals set baselines according to metrics such as:

1. Overall chat traffic
2. Conversions resulting from chats (overall and by operator)
3. Average message count
4. Total chat time
5. Average speed of answer
6. Operator availability

You'll want to establish a set of regular reports to be delivered automatically to key personnel involved in the chat operation. The reports should include, at least, a granular view of the information cited above. At this time you may begin to understand optimal staffing. If enough data has been collected, you should also implement an "Unavailable" chat button.



BoldChat Best-Practice: Review individual chats from the first week and look for opportunities to create canned messages. It will not take long to find a healthy list of common questions for which no canned message currently exists. Implementing new canned messages delivers an immediate efficiency improvement, boosts operator confidence, and helps to ensure a consistent on-site experience for visitors.

Phase IV: Proactive Goal Setting

By now, you'll be adept at predicting chat volume, your operators are comfortable interacting with website visitors, and a regular set of baseline reports is established. The foundation from which a proactive chat implementation can most successfully be launched is now in place.

Given what you know about chat's impact on your business thus far, companies should decide on what goals they wish to accomplish using a proactive invitation engine. Some common goal areas for which we've assisted customers are:

- Increase cross-sells for specific product pairs
- Increase sales conversions for high margin product SKUs
- Increase the number of up-sell opportunities
- For a particular sales funnel, increase the value per transaction
- Increase customer satisfaction metrics
- Decrease the number of funnel bailouts
- Increase sales conversions for visitors who arrive on site through PPC campaigns
- Increase chat traffic during operator idle time

Date	Chats						Times (HH:MM:SS)		
	Total Clicks	Unavailable	Abandoned	Unanswered	Answered	AMC	Unanswered	ASA	ACT
09/06/2011	157	0	93	0	64	9.9	0:00:00	0:00:10	0:06:32
09/07/2011	159	8	89	4	58	8.7	0:00:10	0:00:16	0:05:13
09/08/2011	264	3	150	4	107	12.7	0:01:11	0:00:19	0:09:45
09/09/2011	254	4	135	5	110	14.0	0:00:18	0:00:09	0:12:37
09/10/2011	259	0	132	8	119	12.3	0:00:25	0:00:09	0:08:43
09/11/2011	327	23	169	6	129	10.7	0:00:12	0:00:11	0:06:31
09/12/2011	232	8	128	2	94	13.1	0:00:07	0:00:08	0:07:25
09/13/2011	198	17	89	9	83	7.8	0:00:24	0:00:19	0:04:32
09/14/2011	163	5	105	3	50	8.1	0:00:02	0:00:05	0:03:07
09/15/2011	242	9	123	5	105	11.0	0:00:22	0:00:12	0:08:20

BoldChat recommends two things in this area:

1. Write down the goals so that everyone in your organization understands the rationale behind using proactive chats.
2. Widely cast goals like, “increase sales,” are too general to be effective. Instead, focus them more tightly.

This phase also involves making some calculations with regard to current chat volume and expected chat volume after proactive implementation. If your chat operators are working at full capacity with reactive chats then, obviously, you’ll need to reduce that traffic by altering your opt-in implementation in order to free up agent time to accept proactive chats.

To approximate the total increase in chat traffic that proactive invitations can yield, calculate the total number of website visitors during your reactive chat implementation that did not email you, call you, or chat with you. This represents the **raw number** of people who “might” chat with you if you proactively invited them. In BoldChat’s experience, visitors who will behave in ways that make them targets for invites range from 5% to 15% of this traffic. Further, the take rate for invitations averages around 10% to 20%. Don’t worry if you experience initially low take rates. Over time, using the best practices in this whitepaper, you’ll see marked improvement.

While you can expect some level of reactive chat cannibalization which is difficult to figure mathematically, calculating the number twice, once with the 5% and 10% rates and again with the 15% and 20% rates, provides a decent range which we find to be sufficiently accurate. Thus,

$$\text{Low End}=[(\text{Raw Number}*5\%)*10\%]$$



$$\text{High End}=[(\text{Raw Number}*10\%)*20\%]$$

Phase V: Proactive Invitation Implementation

BoldChat walks clients through a three step process to effectively utilize proactive invitations. The process may seem awkward because each element is interconnected to each of the other two; when one gear turns, so do the others.

Proactive chat implementations require a scientific methodology which considers each of the elements in isolation but also considers them working and interacting together.

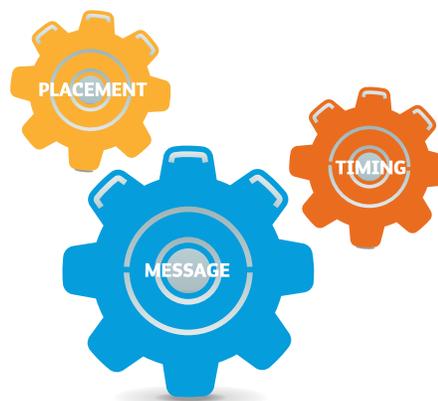
What’s the Placement?

By far the most complex factor of the three is determining where on the website to offer a chat invitation. Depending on your website’s traffic and the goals you’ve set out in the previous phase, you may want to invite broadly or with specificity. In any case, we recommend you perform a thorough analysis using a variety of inputs including:

- **Chat launch history:** From where on the site do desirable prospects launch opt-in chats today?
- **Landing Pages & Referring Pages:** Are there specific landing or referring pages which appear aligned with the prospects you want to chat with?
- **Key Site Pages:** Do you have existing pages on your site that attract your target chat-prospects?
- **Funnel Abandonment:** Are there particular pages that suffer from high abandonment?

What’s the Message?

Poorly crafted messaging in your invitation can cause a ‘double-deviation’ by not only preventing a chat from occurring, but it could also shorten your visitor’s overall time-on-site. BoldChat recommends that messaging strike a balance between exactness and generality.



Solutions like BoldChat provide the necessary data to, for example, craft an invitation that says, “I see that you’re from Illinois and just searched for red shirts on sale through Google. We have Red Shirts!” This invitation, while impressive to some, leaves most of the population feeling vulnerable. Resist the temptation to use this powerful information directly with prospects. Instead, craft messages that make use of the data in more subtle ways.

“Could I tell you about some of our sale items this week? We have blue jeans, colored shirts, and shorts...”

Avoid the direct and ineffective, “May I help you?”

What’s the Timing?

BoldChat advises that there are three factors involved when deciding when to issue an invitation:

- The total page views of the visitor
- The total time on site of the visitor
- The total time on the current invite-target page



BoldChat Best-Practice: Use website analytics data to set the last variable above. At first, try setting the invite time just below the average time on page metric for the target. After a sufficient number of invites have been accepted (~50 to 100), try setting the time to beyond the average time on page and see what impact it has on conversions. One school of thought is that those that stay beyond the average time might be more valuable.

Phase VI: Continuing Optimization & Split Testing

The first week or two after implementing proactive invitations, utilize your baseline reports in order to gauge the impact that your new program is having. Additionally, you should add several new reports which can provide information on each invitation’s offer and take rate. You’ll want to make adjustments to each of the factors in Phase V, and BoldChat has found, through multiple customer engagements, that the most productive tweaks to make are as follows (in priority order):

- **Timing:** Believe it or not, the time related factors can have tremendous impact on your invitation acceptance rate. In one customer’s case, we changed a timing variable by 40 seconds and saw take rates increase from 3% to over 20%.
- **Placement:** The next best place to target for optimization is to ensure that you’re inviting in the right places on your site. Experiment with different pages and with different page combinations.

Like any other marketing or sales program, the proactive invitations facilitated by technologies like BoldChat require fastidious management and testing. After you reach optimal levels of both timing and placement, you’ll want to turn to the invitations themselves. The look/feel and messaging associated with invitations can be thought of as being similar to pay-per-click copy. As such, you’ll want to split test the invitations.



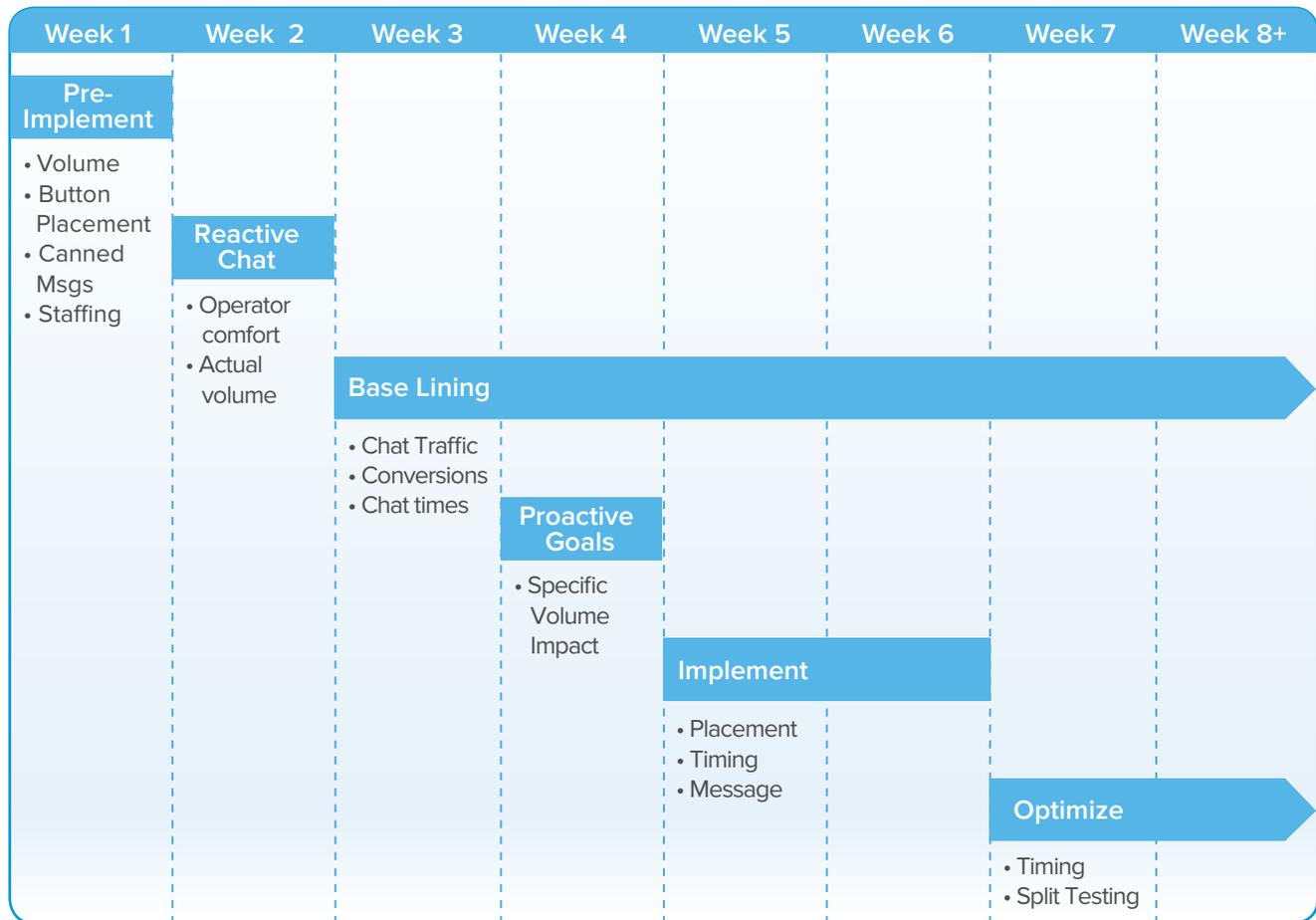
BoldChat Best-Practice: While it is possible to manually execute such a test, it is not recommended. You’ll want to ensure that your chat invitation engine can serve multiple invites per rule set.



Section 3: Recommended Implementation Timeline Implementation Calendar

We’ve worked with customers on implementations as short as three weeks and as long as a year, but in general we feel that a quality installation, with the right resources applied, can be accomplished over eight weeks.

Proactive Chat Invitation Implementation Timeline



Section 4: Conclusion

A Final Word

We hope that you've found this whitepaper helpful and informative. It doesn't matter if you're new to live chat technology or have been a user for some time, after reading this we think you'll be convinced that the solution is no longer just a cost saving tool but an integral part of best-in-class Internet sales and marketing strategies. While proactive chat invitations are certainly driving the new ROI, it's just the beginning.

FOR MORE INFORMATION, VISIT BOLDCHAT.COM